



# **Arqiva PP Financing Plc**

Registered number 08556128

## **Annual Report and Financial Statements**

For the year ended 30 June 2022

# Arqiva PP Financing Plc (08556128)

Annual Report and Financial Statements - Year ended 30 June 2022

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## Strategic report

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

### Our Business Model, environment and strategy

Arqiva PP Financing Plc (the 'Company') acts as a financing vehicle within the Arqiva Group Limited ('AGL') group of companies (the 'Group'). The Principal activity of the Company throughout the year of trading has been that of a financing vehicle, as the issuer of the Group's US Private Placement senior debt which was on-lent within the Group.

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

The Company has made a profit for the financial year of £4,000 (2021: profit of £4,000). The Company has net assets of £86,000 (2021: £82,000).

#### Financial KPIs

Given the straightforward nature of the Company's activities as a 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 on page 33, a copy of which is available from the address in note 17 to the financial statements or the Group's website at [www.arqiva.com](http://www.arqiva.com).

### Risk management

#### Principal risks and uncertainties facing the business

From the perspective of the Company, the principal risks and uncertainties arising from its activities as a financing vehicle are integrated within 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 given in note 17 to these financial statements or the Group's website at [www.arqiva.com](http://www.arqiva.com).

### Section 172 Statement

The Companies Act 2006 sets out a set of general duties owed by Directors to a Company, including a list of matters to which the Directors must have regard, which are set out in s.172(1)(a) to (f). During the year, in continuing to exercise their duties the Directors have had regard to these matters, as well as other factors, in considering proposals from the Executive Committee 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 on page 40, a copy of which can be obtained from the address in note 17 of these financial statements or the Group's website at [www.arqiva.com](http://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.

Detail of the Group's approach to stakeholder engagement as a whole are discussed within the Annual Report and Consolidated Financial Statements of AGL on page 40-41, a copy of which is available from the address in note 17 of these financial statements or the Group's website at [www.arqiva.com](http://www.arqiva.com).

### Future developments and outlook

It is the intention of the Company to continue to act as a financing vehicle.

This report was approved by the Board of Directors on 17 October 2022 and signed on its behalf by:



**Mike Parton**  
Director

## Directors' report

The Directors of Arqiva PP Financing Plc, registered Company number 08556128, (the 'Company') submit the following annual report and audited financial statements ('the financial statements') in respect of the year ended 30 June 2022. The Company's registered office is Crawley Court, Winchester, Hampshire, SO21 2QA.

### Business review and principal activities

The Company acts as a financing vehicle within the Arqiva Group Limited ('AGL') group of companies (the 'Group').

#### Future developments

The future developments of the Company are discussed within the Strategic report on page 3.

#### Principal risks and uncertainties

Details of the principal risks and uncertainties are included in the Strategic report on page 3.

### Financial risk management

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

#### *Liquidity risk*

The Company utilises medium-term external debt finance. For short-term funding the Company utilises intercompany loans. The maturity of the Company's borrowings is shown in note 12. The Company's capital requirements are managed by the Group treasury team.

#### *Credit risk*

The Company has intercompany arrangements with other Group companies for on lending. The Group carefully manages the credit risk on liquid funds with balances currently spread across a range of financial institutions which have satisfactory credit ratings, typically A- or higher, assigned by international credit rating agencies. The levels of credit risk are monitored through the Group's on-going risk management processes, which include a regular review of 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 intercompany debt is covered by intercompany agreements.

#### *Interest rate risk*

The Company is exposed to interest rate risk due to borrowing variable rate debt. Details of the interest profile of the Company's liabilities are provided in note 12. Intercompany loans balances are interest free or at fixed or floating 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.

### Dividends, transfers to reserves and results

The Directors do not propose to pay a dividend for the year (2021: £nil). The profit for the financial year of £4,000 (2021: profit of £4,000) was transferred to reserves.

### Going concern

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

The Company adopts the going concern basis in preparing its financial statements based upon the support from its ultimate parent undertaking and the future profit, cash flows and available resources of the Group and Company 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.

### Events after the reporting period

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

## Arqiva PP Financing Plc (08556128)

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### Directors

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

- |                           |  |
|---------------------------|--|
| - Christian Seymour       |  |
| - Mark Braithwaite        | (Resigned 13 May 2022)                           |
| - Helena Whitaker         |  |
| - Mike Parton             |  |
| - Nathan Luckey           | (Appointed 1 July 2021, Resigned 30 June 2022)   |
| - Sally Davis             |  |
| - Peter Adams (alternate) | (Resigned 9 December 2021)                       |
| - Neil King               |  |
| - Frank Dangeard          | (Resigned 1 July 2021)                           |
| - Paul Donovan            | (Resigned 31 May 2022, Re-appointed 1 July 2022) |
| - Mike Darcey             |  |
| - Max Fieguth (alternate) | (Resigned 9 December 2021)                       |
| - Batiste Ogier           |  |
| - Susana Leith-Smith      | (Appointed 13 May 2022)                          |
| - Shuja Khan              | (Appointed 1 June 2022)                          |

### Company Secretary

Katrina Dick was appointed as the Company Secretary on 6 April 2022 (previously Jeremy Mavor from 1 July 2021 to 6 April 2022).

### Disclosure of information to the Independent Auditors

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

- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

### Directors' indemnities

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

### Independent auditors

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

## **Statement of Directors' responsibilities in respect of the financial statements**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under Company law, 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 financial statements published on the ultimate parent Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



**Mike Parton**  
**Director**  
Crawley Court  
Winchester  
Hampshire  
SO21 2QA

17 October 2022

# Independent auditors' report to the members of Arqiva PP Financing Plc

## Report on the audit of the financial statements

### Opinion

In our opinion, Arqiva PP Financing Plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2022 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, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 30 June 2022; the Income statement and Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

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.

## **Arqiva PP Financing Plc (08556128)**

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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 2022 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 Statement of Directors' responsibilities in respect of the financial statements, 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 compliance with UK Tax law and the Companies Act 2006, 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. Audit procedures performed by the engagement team included:

- Discussions with management and Directors, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or journals posted by unexpected users;
- Reviewing minutes of meetings of those charged with governance; 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](http://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.



Nigel Comello (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

17 October 2022

## Arqiva PP Financing Plc (08556128)

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### Income statement

	Note	Year ended 30 June 2022 £'000	Year ended 30 June 2021 £'000
<b>Operating result</b>	5	-	-
Finance income	7	6,961	8,753
Finance costs	8	(6,956)	(8,748)
<b>Profit before tax</b>		<b>5</b>	<b>5</b>
Tax	9	(1)	(1)
<b>Profit for the financial year</b>		<b>4</b>	<b>4</b>

All results are from continuing operations.

The Company has no other comprehensive income other than the profit stated above and therefore no separate Statement of Comprehensive Income has been presented.

The notes on pages 13 to 18 form part of these financial statements.

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**Statement of financial position**

	Note	30 June 2022 £'000	30 June 2021 £'000
<b>Non-current assets</b>			
Receivables	10	239,795	263,479
		<b>239,795</b>	<b>263,479</b>
<b>Current assets</b>			
Receivables	10	23,700	30,080
		<b>23,700</b>	<b>30,080</b>
<b>Total assets</b>		<b>263,495</b>	<b>293,559</b>
<b>Current liabilities</b>			
Payables	11	(79)	(67)
Borrowings	12	(23,700)	(30,080)
		<b>(23,779)</b>	<b>(30,147)</b>
<b>Net current liabilities</b>		<b>(79)</b>	<b>(67)</b>
<b>Non-current liabilities</b>			
Borrowings	12	(239,630)	(263,330)
		<b>(239,630)</b>	<b>(263,330)</b>
<b>Total Liabilities</b>		<b>(263,409)</b>	<b>(293,477)</b>
<b>Net assets</b>		<b>86</b>	<b>82</b>
<b>Equity</b>			
Share capital	14	50	50
Retained earnings		36	32
<b>Total equity</b>		<b>86</b>	<b>82</b>

The notes on pages 13 to 18 form part of these financial statements.

These financial statements on pages 10 to 18 were approved by the Board of Directors on 17 October 2022 and were signed on its behalf by:



Mike Parton - Director

## Arqiva PP Financing Plc (08556128)

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### Statement of changes in equity

	Share capital £'000	Retained earnings £'000	Total equity £'000
<b>Balance at 1 July 2020</b>	<b>50</b>	<b>28</b>	<b>78</b>
Profit for the financial year	-	4	4
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>4</b>	<b>4</b>
<b>Balance at 30 June 2021</b>	<b>50</b>	<b>32</b>	<b>82</b>
Profit for the financial year	-	4	4
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>4</b>	<b>4</b>
<b>Balance at 30 June 2022</b>	<b>50</b>	<b>36</b>	<b>86</b>

## Notes to the financial statements

### 1 General information

Arqiva PP Financing Plc (the 'Company') is a private company limited by shares, incorporated and domiciled in England, United Kingdom ('UK') under the Companies Act under registration number 08556128. 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 3 and the Directors report on page 4.

### 2 Basis of preparation and statement of compliance

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

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

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

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

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

## Arqiva PP Financing Plc (08556128)

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### Adoption of new Standards

#### ***New and revised Standards***

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

Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform
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At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IFRS 3	Reference to the Conceptual Framework
Improvements to IFRS Standards 2018-2020 Cycle	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
Amendments to IAS 1 and IFRS Practice Statements 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

None of the above are expected to have a material impact on the Company.

### 3 Principal accounting policies

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

#### **(a) Going concern**

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

The Company adopts the going concern basis in preparing its financial statements based upon the support from its ultimate parent undertaking and the future profit, cash flows and available resources of the Group and Company 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.

#### **(b) Taxation and deferred taxation**

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

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

#### **(c) Financial instruments**

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities,

## Arqiva PP Financing Plc (08556128)

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as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss, presented as an 'other gain or loss'. Impairment of irrecoverable amounts is based on an expected credit loss model.

### Borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis to the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

### (d) Interest

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

## 4 Critical accounting estimates and judgements

In the application of the Company's accounting policies, which are described in note 0, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

## 5 Operating result

The Company's audit fee for the year was £18,000 (2021: £18,000) and this was borne by Arqiva Limited, a fellow Group company and was not recharged. There were no non-audit fees in the year.

## 6 Employees and Directors

### Employees

The Company had no employees during the year (2021: none).

### Directors

There are no recharges (2021: £nil) made to the Company in respect of any remuneration for any Directors, as their duties in respect of the Company are incidental to their normal duties on behalf of their employer companies.

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

## 7 Finance income

	Year ended 30 June 2022	Year ended 30 June 2021
	£'000	£'000
Interest receivable from other Group entities	6,961	8,753
<b>Total finance income</b>	<b>6,961</b>	<b>8,753</b>

## Arqiva PP Financing Plc (08556128)

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### 8 Finance costs

	Year ended 30 June 2022	Year ended 30 June 2021
	£'000	£'000
Interest on bank overdrafts and loans	6,956	8,748
<b>Total finance costs</b>	<b>6,956</b>	<b>8,748</b>

### 9 Tax

	Year ended 30 June 2022	Year ended 30 June 2021
	£'000	£'000
Current tax:		
UK corporation tax		
- Current year	1	1
<b>Tax charge for the year</b>	<b>1</b>	<b>1</b>

UK Corporation tax is calculated at the rate of 19.0% (2021: 19.0%) of the taxable profit for the year. The charge for the year can be reconciled to the profit in the Income statement as follows:

	Year ended 30 June 2022	Year ended 30 June 2021
	£'000	£'000
Profit before tax	5	5
Tax at the UK Corporation tax rate of 19.0% (2021: 19.0%)	1	1
<b>Total tax charge for the year</b>	<b>1</b>	<b>1</b>

The main rate of UK corporation tax was 19.0% during the year (2021: 19%). In the Finance Act 2021 it was enacted that the main rate of UK corporation tax would be increased to 25.0% from 1 April 2023; however, on 23 September 2022, it was announced that the corporation tax rate change from 19% to 25% with effect from 1 April 2023 was to be cancelled.

There are no recognised or unrecognised deferred tax balances (2021: none).



## Arqiva PP Financing Plc (08556128)

Annual Report and Financial Statements - Year ended 30 June 2022

### 10 Receivables

	30 June 2022 £'000	30 June 2021 £'000
Amounts receivable from other Group entities	239,795	263,479
<b>Total non-current receivables</b>	<b>239,795</b>	<b>263,479</b>
Amounts receivable from other Group entities	23,700	30,080
<b>Total current receivables</b>	<b>23,700</b>	<b>30,080</b>

Amounts receivable from other Group entities are unsecured. In the current financial year interest has been charged on £174,720,000 at SONIA + 2.38% (2021: £192,000,000 at LIBOR + 2.1%) and £88,610,000 at SONIA + 2.48% (2021: £101,410,000 at LIBOR + 2.2%). The interest rates and maturities of these amounts are aligned to the external debt instrument held (see note 12). The remaining amounts are repayable on demand and interest free.

### 11 Payables

	30 June 2022 £'000	30 June 2021 £'000
Taxation and social security costs	1	1
Accrued Interest	75	63
Amounts payable to other Group entities	3	3
<b>Total payables</b>	<b>79</b>	<b>67</b>

### 12 Borrowings

	30 June 2022 £'000	30 June 2021 £'000
Senior bonds and private placements	239,630	263,330
<b>Total non-current borrowings</b>	<b>239,630</b>	<b>263,330</b>
Senior bonds and private placements	23,700	30,080
<b>Total current borrowings</b>	<b>23,700</b>	<b>30,080</b>

The weighted average interest rate of borrowings at 30 June 2022 is 4.38% (2021: 2.24%).

An analysis of total borrowings by maturity is as follows:

	30 June 2022 £'000	30 June 2021 £'000
Borrowings falling due within:		
One year	23,700	30,080
Two to five years	117,200	112,000
More than five years	122,430	151,330
<b>Total</b>	<b>263,330</b>	<b>293,410</b>

## Arqiva PP Financing Plc (08556128)

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**Senior bonds and private placements** relate to a number of sterling US private placement issues with floating interest rates. The Company has £263,330,000 (2021: £293,410,000) of sterling denominated floating rate US private placements that are amortising in nature with repayments due between December 2021 and December 2029. These instruments have a margin over SONIA of between 238 and 248 bps.

There have been no breaches of the terms of the loan agreements during the current or previous year.

### 13 Financial instruments and risk management

#### Interest rate risk management

The Company has variable rate borrowings on its July 2014 £174,720,000 and November 2016 £88,610,000 US Private Placements. These borrowings are lent on to a fellow subsidiary company within the Group, Arqiva Financing No.1 Limited ('AF1'), on terms that mirror the debt instrument and therefore act as an effective economic hedge to manage interest rate risk.

### 14 Share capital

	30 June 2022 £'000	30 June 2021 £'000
<b>Allotted and fully paid:</b>		
50,000 (2021: 50,000) ordinary shares of £1 each	50	50

### 15 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.

### 16 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.

### 17 Controlling parties

The Company's immediate parent undertaking is AF1. Copies of the AF1 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 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 Canada Pension Plan Investment Board, Macquarie European Infrastructure Fund II, other Macquarie managed funds and minorities. There is no ultimate controlling party of the Company above AGL.

In June 2022 it was announced that Digital 9 Infrastructure has agreed to purchase Canada Pension Plan Investment Board's (CPPIB) entire 48% stake in AGL. Digital 9 Infrastructure is a dedicated infrastructure investor, headquartered in the UK and with significant experience in the infrastructure industry. It is anticipated that this deal will be completed later in this calendar year. At that point the representatives from CPPIB appointed to the Board of Directors will be replaced by representatives from Digital 9 Infrastructure. This will not change the day-to-day operations of the Group's business.