Arqiva Limited

Registered number 02487597

Annual Report and Financial Statements

For the year ended 30 June 2024

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Corporate Information

Company Board of Directors
Michael Darcey (Chair)
Diego Massidda (appointed 16 November 2023)
Andrew Macleod (appointed 01 July 2023)
Shuja Khan
Sean West
Matthew Postgate
Susana Leith-Smith
Paul Donovan
Scott Longhurst
Maximilian Fieguth
Arnaud Jaguin (Resigned 16 November 2023 and reappointed as alternate to Diego Massidda 06 December 2023)
David Stirton (alternate to Maximilian Fieguth)

Company website:
www.arqiva.com

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Chartered Accountants and Statutory Auditors
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London
WC2N 6RH

Company Registration Number
02487597

Cautionary Statement

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

The risks and uncertainties referred to above include:

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

Guidance note to the Annual Report and Financial Statements:

In this document, references to ‘Arqiva’ and ‘the Company’ refer to Arqiva Limited (‘AL’) and its subsidiaries and markets as the context may require. References to the ‘Company’ refer to the results and performance of Arqiva Limited as a standalone entity.

A reference to a year expressed as 2024 is to the financial year ended 30 June 2024. This convention applies similarly to any reference to a previous or subsequent financial year. Additionally, references to ‘current year’, ‘this year’ and ‘the year’ are in respect of the financial year ended 30 June 2024. References to the ‘prior year’ and ‘last year’ are to the financial year ended 30 June 2023.

Arqiva at a glance - 2024

ENABLING A SWITCHED-ON WORLD TO FLOW

Who we are

In today's switched-on world, companies – entire industries – are grappling with how to share data and content across a myriad of connected devices. That's where Arqiva comes in. Fundamentally, we're enablers. Behind the scenes, we apply our knowledge and expertise to stitch together technologies that connect broadcasters, media organisations and utility companies to their customers; and the content, data, information, and entertainment they want.

What we do

In today's ever-evolving world, the demand for information, content and entertainment is greater than ever. Satisfying the demand for 24/7 connection is the challenge that our media, broadcast and utilities customers are facing, delivering more content on more devices than ever before.

At Arqiva, we are enablers, applying our knowledge and expertise to technologies to unlock new opportunities for our customers. We work in partnership, building and operating the infrastructure through which data and content can flow effectively, securely, and sustainably.

Arqiva is the UK's pre-eminent provider of national television and radio broadcast infrastructure and provides end-to-end connectivity solutions to the media and utility industries. Arqiva is the sole provider of terrestrial television network access (Freeview) and the owner of two of the three national commercial multiplexes. Arqiva is a shareholder in, and operator for, both commercial national DAB (Digital Audio Broadcasting) radio multiplexes and is the service provider for the BBC national DAB radio multiplex. The Company is also a leading provider of satellite uplink infrastructure and satellite distribution services in the UK in terms of the number of channels available for UK Direct to Home (DTH) satellite broadcast.

The Company has been an early and leading participant in the development of the smart utility infrastructure in the UK through its smart water and energy metering services. We provide satellite connectivity services for electricity networks, and we are one of only two communication service providers for smart energy meter connectivity in the UK. The Company operates through two main commercial functions, Media and Broadcast (M&B) and Smart Utility Networks (SUN) supported by non-revenue generating Operations, Technology and Corporate functions.

Our history

Since 1922, Arqiva has been at the forefront of media transmission. We delivered the world's first TV broadcast for the BBC at London's Alexandra Palace in 1936. In the 1970's, we developed satellite TV, Teletext and in the 2000's launched the UK's national DAB radio and digital television networks.

More recently, we have moved into new sectors providing digital connectivity for the utilities sector. We won our first contract to deliver gas and electricity metering in the north of England and Scotland in 2013, and followed that in 2015 with a partnership with Thames Water to set up and run the world's largest smart water metering network. Our smart water metering network has now connected more than 5 million meters in total.

We continue to innovate, recently launching new products such as Arqade - a cloud-based channel and live event interchange, and Hybrid Connectivity - a managed connectivity solution to support the network monitoring and control needs of utility companies. Further information can be found at www.arqiva.com/about/.

Arqiva in Numbers

c. 1,450 broadcast transmission sites in the UK	c. 1,150 TV transmission sites
98.5% of the UK population reached through Freeview TV services	Market leader for commercial DTT[1] spectrum, owning two of the three national commercial multiplexes
c.80 satellite dishes accessing 30+ satellites delivering TV channels internationally to 5 continents	99.5% network coverage across the North of England and Scotland on our smart energy networks
Over 5m smart meters installed 50 million data points delivered on our smart metering networks every day	Over 3000 broadcast services provided to over 100 countries

Highlights of the year

Arqiva Ltd Revenue £589.3m 8.6% increase year on year	Operating Profit £178.4m (3.0% decrease)
EBITDA £274.2m (4.4% decrease)	Commenced purchase of renewable energy from our main supplier in April 2024
Bilsdale broadcast site now fully operational following fire in 2021	Arqiva – winner of Britain's Healthiest Workplace 2023

[1] Refers to Digital Terrestrial Television best known for supporting Freeview.

Strategic Report

Arqiva Business Overview

Arqiva's performance takes place against a backdrop of change in the political and regulatory environment shaping our sectors. The Media Bill was passed into law in May 2024, representing the first major update to media legislation in 20 years, updating the legislative framework for many Arqiva broadcast customers. The BBC licence fee framework however remains unchanged, with the new Labour Government not expected to make any changes before the end of the current licence term in 2027. May 2024 also saw OFCOM release its report on the future of broadcast TV, this is covered in more detail on page 15.

In utilities, the water sector economic regulator, Ofwat, has released its draft determinations for company business plans for the next regulated price period, 2025-2030. These would deliver the largest investment programme since privatisation, pending Ofwat's final determinations. This includes the delivery of over 10 million smart water meters. The sector is targeting performance improvements across multiple areas including leakage, per capita consumption, pollution incidents, drinking water quality, and supply interruptions, creating significant opportunities for technology and connectivity solutions that drive improvements.

Our business is strategically positioned to meet the demands of our customers across both sectors as they adapt to change in policy and regulatory requirements. These two significant events are setting the scene for Arqiva's future business development. We will continue to work hard to support our long-term strategic media customers, whilst developing new opportunities in new media markets. In addition, the current water industry investment rounds provide potential for Arqiva to leverage its smart metering capabilities and help to deliver Ofwat's improvement agenda.

Turning our attention to the year that has just passed, the Company has delivered a solid performance this year despite strong market headwinds and a tough competitive environment. The Company's overall revenue has increased by 8.6% to £589.3m mainly driven by RPI linked contracts and increased sales in smart devices, following pandemic related component shortfalls in prior years that we are no longer experiencing. Our profit has been impacted by increased power costs and higher headcount costs. We have seen macro-economic wage inflation pressures and the growth into new media areas has come at a cost as we have looked to transform our talent base in specific technical areas.

Our Media and Broadcast business function has seen growth in its revenue due to the longstanding RPI-linked contracts. However, this increase has been partly offset due to a number of factors: a reduction in DTT channel sales, lower pricing on contract renewals and the loss of some customers entering administration.

We are pleased to announce that the Bilsdale broadcast site is now fully operational having fully restored TV services by June 2023 and radio services by January 2024 following. We have received the final insurance payment resulting from additional build cost and service disruption.

As a business, we have seen a significant rise in our power costs this year due to continued market volatility. This increase is partially negated by the pass through of power charges to media customers. Last year, we benefited from an established hedging strategy for power purchases that allowed us to secure below market pricing to March 2023. However, as these contracts have come to an end, we have been exposed to higher power costs. We reestablished an effective hedging strategy in the latter stages of the year, with layered longer-term contracts providing a stable cost base going forward. Additionally, since April 2024, the Company now purchases 100% green energy through Carbon Trust verified schemes.

In our SUN function, we are pleased to have signed an agreement with CSPN for scale and optimisation work on the network. Some initial milestones have been completed in this financial year and the bulk of the revenue will be recognised in FY25. In addition, we have seen an increase in sales of devices, although these generate low margins due to increased third-party procurement costs.

In 2024 Arqiva continued its journey to transform the technology function and focus on media content delivered through cloud computing. This has driven a step change in what we do and how we do it. Alongside re-skilling and developing our in house capability around process management, agile ways of working and specific cloud computing skills to develop the new products we are launching, we are also hiring in new talent and some short term support to accelerate our time to competency.

During the year, the Board has undertaken a number of activities to reduce the overall risk profile of the business and improve its risk management processes. We have worked with the pension trustees and completed a pension buy-in for the defined benefit pension scheme, thereby transferring the liabilities and assets of the scheme to the new pension insurer. We have established an insurance captive which came into effect from the renewal date of 01 July 2024, as such there were no *incurred but not reported* losses *(IBNR)* as at 30 June 2024. The insurance captive helps to provide better coverage at lower rates by accessing the reinsurance market. We have also identified a number of land and building assets that are no longer needed for operational reasons and aims to maximise the gain on their disposal over the coming years.

As a business, the number of colleagues participating in our employee surveys is up 5% and we continue to see high levels of engagement across all functions of Arqiva. We have an energised workforce and have seen incredible participation during this year's Arqiva Challenge. This is an annual company-wide event that sees volunteer employees take on demanding physical challenges. We are delighted and proud to have been voted Britain's Healthiest place to work 2023.

Business model

Enabling a switched-on world to flow

Arqiva is at the heart of Media and Broadcast and Smart Utilities Networks in the UK, providing critical data, network, and communications services.

Arqiva works in partnership with its customers, delivering vital connectivity. We are building and operating the complex ecosystems and infrastructures through which data and content can move effectively, securely and sustainably at scale – whether that's through media broadcasting and transmission services, or smart networks for energy and water.

Arqiva earns revenue from its customers through the provision of network access and transmission service as well as fees for engineering services and new projects. Arqiva's services tend to be mission-critical for its customers, providing the network coverage necessary for the fulfilment of their requirements for their licensed services to be provided in each licensed area. Arqiva delivers broadcasters' services to their agreed coverage and availability requirements.

Arqiva's assets, operations and markets are predominantly within the UK and our business is predominantly focused on the UK Market. We currently have a small overseas footprint, and so have had minimal exposure to international markets and foreign exchange. However, this is evolving as we have established new business development roles in targeted markets, aimed at growing our cloud based global media management services.

Arqiva has invested significantly into capital infrastructure and has £1,000.3m of property, plant, and equipment as at 30 June 2024. Our transmission upgrade and sustainability programmes aim to replace equipment with modern, more efficient and less power intensive alternatives, helping to reduce our overall power consumption and emissions, supporting our drive to Net Zero. We have also increased our investment in IT and software as we look to the future and the development of the Arqade cloud media management products.

Arqiva operates through two main commercial functions, Media and Broadcast and Smart Utility Networks supported by non-revenue generating Operations, Technology and Corporate functions.

COMMERCIAL

Media and Broadcast

This function consists of Terrestrial Broadcast TV and Radio, Digital Platforms Multiplex, UK Direct-to-Home satellite (DTH) and Global Media segments.

Arqiva is the UK's only supplier of national terrestrial television and radio broadcasting services and our Digital Terrestrial Television (DTT) network allows more than 16 million households a means to access TV.

Our radio infrastructure supports a range of services across the UK with over 300 stations on DAB and over 460 stations across FM, AM, and MW.

Sector Snapshot

Media and Broadcast services remain incredibly important for viewers and listeners in the UK. Even as viewing habits change, Ofcom reports that 75% of people continue to watch broadcast content every week. 9 out of 10 UK adults listen to over 20 hours of radio each week.

In recent years, the UK has seen the emergence of alternative viewing platforms. Hybrid platforms leverage the reach and cost effectiveness of DTT to deliver the Free-to-Air (FTA) services with interactive services typical of IP, such as catch-up and on-demand. The increase in "pay-lite" services (e.g. Netflix, Amazon and Disney+) give consumers further optionality to combine DTT with a cheaper Over The Top (OTT) offering. This trend also supports the satellite and global media segment which has been providing IP streams and video-on-demand processing services and has in recent years invested in cloud-based delivery services.

Media and Broadcast at Arqiva

The Company benefits from a regulated position as the sole UK national provider of transmission services for DTT broadcasting, the most used TV platform for the consumption of linear and live content in television homes across the UK. The Company operates all television transmission sites used for DTT broadcasting in the UK, with over 1,450 broadcast transmission sites of which 1,150 are television transmission sites, covering 98.5% of the UK population. Through its Digital Platforms products, the Company is also the UK market leader for the provision of access to the DTT platform for broadcast channels, operating the licence for two (of six) DTT Multiplexes used for transmission of DTT services in the UK. The Company's DTT Multiplexes have 32 streams carrying 43 channels including full-time 24/7 TV channels in addition to part-time and radio services. We are enabling leading broadcasters such as Sky, Warner Bros, Discovery, and UKTV to deliver broadcasting content using its channel capacity.

DTT, through the subscription-free platform, Freeview, enables the public service broadcasters ("PSBs") to meet the obligation under their licences to extend coverage to 98.5% of the UK population.

While consumer preference indicates rising use of OTT services, popularly known as streaming services, FTA television retains the majority share of live video viewing in the UK as per published TV viewing data. The near-universal coverage of DTT combined with both affordability and broadband coverage constraints suggest that the future is likely to remain a hybrid of FTA TV, Pay-TV & OTT with a substantial share of viewing driven by FTA TV.

The Company benefits from its regulated position as the only UK national provider of radio broadcast transmission services with a 100% national market share, covering both analogue and digital services through DAB. The Company has radio network infrastructure comprising approximately 1,700 analogue transmitters and 1,020 DAB transmitters over 690 radio sites providing coverage of up to 99% of the UK population. The Company operates the two national commercial digital radio multiplexes and holds 25 of the UK's 59 local DAB radio licences. Further, the Company is the service provider for the BBC national digital radio multiplex. The Company intends to support its customers and the industry by continuing to develop digital DAB radio as an attractive medium for listeners and is planning for the expected eventual phase-out of analogue (AM closure is expected to be phased over time and completed before 2030 while there have been Government statements of support for no FM switch-off before 2030), and positioning DAB as the default replacement network for analogue services.

The Company's UK DTH satellite and global media business is a leading provider of satellite uplink infrastructure and satellite distribution services in the UK in terms of the number of channels uplinked for DTH satellite broadcast. The Company provides services to c.24% of fully managed channels for UK DTH. The Company operates more than 80 uplink dishes in five teleports (ground stations that act as a hub to connect a satellite network to a terrestrial telecommunications network), accessing more than 25 satellites and delivering media content to five continents. Arqiva procures third-party ground-based teleport services where a line of sight to a satellite cannot be achieved from its UK assets.

This infrastructure enables the Company to provide customers with a comprehensive range of services to deliver their data, broadcast content and media services internationally. In addition, the Company provides encryption, multiplexing, uplinking and satellite space to channel operators through its global media distribution offering. The Company also provides video-on-demand, streaming, metadata management and other OTT and cloud-based services. In addition, the Company provides network connectivity capabilities at over 300 key media and broadcast locations delivering content in the UK through its own optical and IP enabled networks and to the five continents around the world through leased access to a third-party global fibre network.

Smart Utilities Networks

The SUN function covers two principal markets. Arqiva is the exclusive metering connectivity provider to electricity and gas companies in the North of England and Scotland and we are also the provider of utility meter monitoring systems to help reduce water wastage and support sustainability.

Sector snapshot

Ambitious environmental and sustainability agendas from regulators are driving change across the utility sectors, providing huge opportunities for growth. Today, less than 10% of UK premises have a smart water meter, and less than 30% have a smart energy meter. With 20% of water lost through leakage, our water customers are focused on reducing leaks as well as eliminating pollution caused by sewer flooding. Smart meters are providing an opportunity to meet sustainability targets through reducing the UK's overall greenhouse gas emissions, including up to 0.5% from smart water meters on their own.

Smart Utilities Networks at Arqiva

Digital technology means that we can now get a much better handle on how much gas, electricity and water we all consume. That's the first step in using less of it, something we all have to do if we're going to live sustainably on the planet. Arqiva works across the utilities sector to make this happen. Through our efforts, energy and water grids and meters are getting smarter, meaning more control, and less wastage.

For energy and mobility companies, satellite operators, government organisations and telecoms providers, secure networks are vital. Arqiva utilises global satellite, teleport and fibre networks to support communications for these areas. With coverage that spans the globe, we build customised end-to-end solutions that offer reliable data communication.

Arqiva generates revenues with respect to the build and operation of the smart 'machine-to-machine' networks and other data transmission services applications. With a continuing focus on innovation and market opportunities, Arqiva is embracing the fast-developing machine-to-machine sector, particularly for utilities, using our Flexnet network solution across our smart metering contracts. The Company has invested in building machine-to-machine networks, which support major energy and water metering contracts spanning 15 years and covering more than 10 million premises. The energy network supports over 3.5 million devices that have already been installed by Arqiva through the Communications Service Provider (North) contract with the DCC. Arqiva has invested substantially in infrastructure to support these contracts, which now results in recurring cash flows during the long-term operational phases of the network delivery.

The utilities business remains a key part of the Arqiva business. It is a strategic priority for growth due to the forthcoming Ofwat investment determinations. The SUN function has the potential to become the UK's leading smart utilities network provider. In this area we are supporting our customers in being able to achieve their net zero carbon sustainability agendas including in the water market. The UK has seen the adoption of Advanced Metering Infrastructure ("AMI") by major water companies due to regulatory and societal pressures on reducing customer-end leakage and domestic consumption. Arqiva has a significant proportion of the addressable AMI market, having already installed over 2.3 million AMI meters for Thames Water, Anglian Water and Northumbrian Water. The Company is the market leading provider of AMI metering networks at scale. The Company also offers satellite data communications for electricity distribution networks.

Following the sale of the telecoms business to Cellnex, we implemented a revenue share agreement for the use of broadcast sites for telecommunications equipment and transitional services. This is included in Utilities revenues.

The Water industry is actively running multiple RFP processes for smart metering investment programmes, for the next 5 year-AMP[2] 8 period. Arqiva is actively participating in multiple bids with a view to increasing its market share of smart water metering.

OPERATIONS

The operations team is responsible for the efficient operation and maintenance of all Arqiva sites, the Operations function provides in-life support for our media and broadcast, utilities, and internal IT systems to ensure they are delivering to our customers' requirements.

Our field engineering services help to deliver corrective maintenance, preventative maintenance and project works across our broadcast and utilities transmission systems, antennas, structures and satellite/links infrastructure. Additionally, the operations function provides management of inventory and logistics, changes, configuration and sites and structures as well as cyber security, disaster recovery and network operations.

Also within the Operation function is the Company's Resilience and Risk team. This incorporates Safety, Health and Environment, Business Continuity and Sustainability specialist teams.

The Operations function is a non-revenue generating area and incurs costs in the provision of these management and support services.

TECHNOLOGY

Our technology function operates across the business comprising engineering, product management, product marketing, information security, data and insight and transformation. In addition we have reallocated the delivery teams following the dissolution of the Simplification function in 2023.

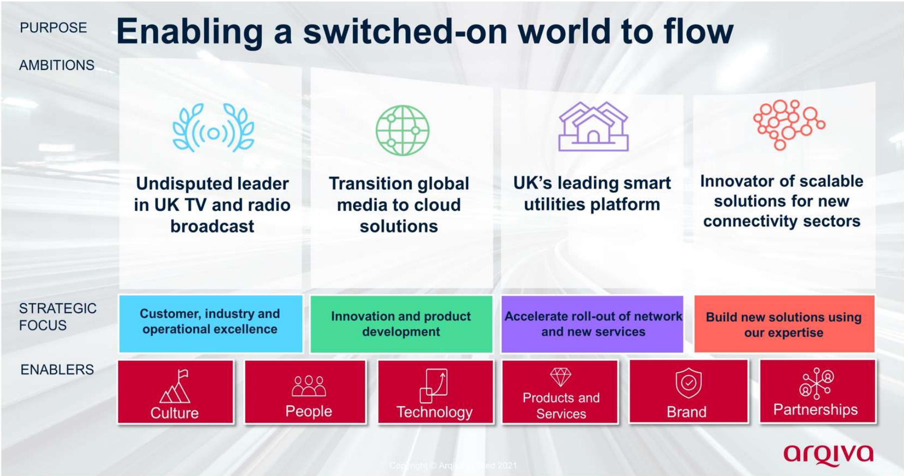
CORPORATE

Corporate functions at Arqiva comprise Finance, Procurement, Strategy & Regulatory, Legal and People and Culture providing support services across the business.

[2] The AMP is the Ofwat Asset Management Plan period, which is used to determine the pricing review, the next review is AMP8 and covers the 2024 price review.

Strategic Overview

The Company's strategic focus is Vision 2031. We have four key ambitions each with a related strategy and supported by key enablers to deliver them.



Each ambition has a number of priorities in order to help achieve the vision, as shown below:

To be the undisputed leader in UK TV and radio broadcast

- Deliver sustainable TV and Radio broadcast, protecting and focusing on customer and operational excellence and managing capacity and margins to maximise revenues, ensuring that the value we bring to society is understood,
- Leverage our scale and the cloud, enabling industry efficiency by supporting our customers to move to more cost-efficient and increasingly flexible models,
- Expand services and drive renewals, delivering greater value by selling across our portfolio of services and creating long-term partnerships while also developing value-added services in new areas.

To transition global media to cloud-based solutions

- Scaling IP and cloud-based services; investing in building broadcast quality cloud processing and extending our footprint in live /events content,
- Becoming the go-to choice for our partners in cloud distribution so they can better manage their global content flows across all formats,
- Growing multiplex service, using our infrastructure to provide virtual, cost-effective, and scalable services to TV cable operators outside of the UK.

To be the UK's leading smart utilities platform provider

- Leading in connecting UK smart meters, maintaining market leadership, and scaling our operations to drive and accelerate the roll-out of domestic smart meters,
- Broadening our product offering, developing new value-added data-driven services in monitoring and control, that reduce energy use, water wastage and pollution,
- Diversifying through forging partnerships and widening technology choice, to deliver new hybrid connectivity solutions and real time network monitoring.

To be an innovator of scalable solutions for new connectivity sectors

- Working with partners, building new solutions for new and emerging sectors that have growing and more complex connectivity needs including:

  Creating services that make the most of our infrastructure,

  spectrum and satellite expertise, to support development of the Low Earth Orbit (LEO) satellite sector and its related services,

  Internet of Things (IoT) opportunities across multiple sectors as they develop.

Progress in 2024

Growing the business: Alongside our core product offerings of TV and radio broadcast and utilities networks, we are developing and strengthening our technology team to better support our Media & Broadcast function. We have recruited a new director of Product, a new director of Enablement and a new director of Data and Insight. Together their roles will focus on meeting the ever-changing demands of our customers. Their primary attention is on our cloud-computing content-exchange platform, Arqade; they are already developing new ways of working to better serve our customers' rapidly changing needs, through reduced customer onboarding times and improved customer journeys.

Within the SUN function, a number of market opportunities have been identified including digital transformation of the utilities sector and the requirements to meet regulatory targets. To support this, new products have been developed providing a managed sensors proposition to monitor utilities networks including sewer levels and water quality. We are enhancing our data analytics services to interpret the data from both meters and sensors and provide more meaningful insight for our utility customers. We have been actively working with new and existing water customers, to better understand their needs and position us to bid for new work during the water industry's 5 yearly investment cycle.

Culture: Our growth and simplification plans are underpinned by living our culture. Established in the prior year, we have continued to drive our culture goals of Accountability, One Arqiva and Curiosity in order to enable high performance, high engagement, innovation, agility and empower our people.

Health and Wellbeing: We place a high importance on the health and wellbeing of all our colleagues. We are delighted to have been awarded the Vitality 'Britain's Healthiest Workplace - Winner 2023'.

Business Update

The focus of this financial year has been one of consolidation. Following the roll out of Vision 2031 and conclusion of our simplification programme, the company has looked to embed the key enablers to help realise its strategic goals. We have reviewed our technology function and are developing the key capabilities required to help support our longer-term aspirations.

Media And Broadcast

DTT Multiplexes

The DTT platform remains fully utilised despite challenging trading conditions faced by customers caused by recent volatile economic conditions.

Radio

Both national DAB multiplexes remain fully occupied with 80% of Digital 1 ("D1") multiplex capacity being contracted to 2035. The second national multiplex also has a large number of contracts secured until its current licence end date of 2028. We continue to see strong interest in national DAB and some large local DAB renewals have been signed.

Whilst the radio advertising market in the past 12 months has been challenging, there are signs that the market is stabilising. Despite this market backdrop, the year saw significant contract renewals with over £200 million of total contract value signed, securing business out to 2035.

A number of our large FM contracts were extended to 2030, with negotiations ongoing on several other FM networks for renewals to 2030 and beyond. We continue to see disposals across the AM platform as AM listening continues to decline; this is consistent with our long-term planning expectations.

Direct to Home (DTH)

At the year end, the DTH platform remained close to full capacity following large renewals for up to 5 years, with contracts secured in the final quarter with a global sports broadcaster, one of the major Indian multi channels operators and one of the UK's largest free to air broadcasters. We continue to see interest for further channel launches on the platform.

Media Management Products

Arqplex: the Company's cloud multiplexing deployment, is in service, supporting 5 disaster recovery systems for ITV. A second customer deployment for another Public Service Broadcaster (PSB) Arqplex system has been deployed and is due to be in service during this year.

Arqade: Arqiva's cloud-based video content exchange product launched in 2022, enabling media companies to interchange their content with multiple platforms efficiently across the world. We currently deliver all NBC Universal Company's feeds outside the Americas (45 channels) via Arqade.

Arqads: Arqiva's addressable advertising solution, is powering new customer services for Sky Adsmart; development of features to support targeted advertising on Freeview is underway. The Arqads platform hosts a portfolio of channels supporting two major media organisations this helps them to monetise their channels more effectively on the Sky Platform.

There remains an exciting growing pipeline of potential customers across all of these products, and we are actively bidding for a number of formal opportunities with UK and international customers. To date we have secured a number of contracts across this new range of products.

Regulatory Environment

This year has seen a number of activities by the DCMS that have direct bearing on the Arqiva media business. In December 2023, the previous Secretary of State for Culture, Media and Sport announced that the DCMS will, with support from a panel of experts, lead a review into the sustainability of the BBC's current funding model, with the aim to report to the Secretary of State by Autumn 2024. The review will not impact the current Charter, which extends until 31 December 2027, but will inform the next Charter Review, which is when decisions on the BBC's funding model will be made. Formal public consultation will be launched as part of the Charter Review itself.

On 24 May 2024, the Media Act 2024 received Royal Assent. While various aspects are yet to be implemented, the Act introduced a range of provisions to modernise broadcasting regulation and support public service broadcasters. These include measures to provide public service broadcasters with the flexibility to fulfil their remit across a range of services, provide prominence for public service broadcasters on connected devices, broaden the scope of the listed events regime to apply to public service broadcasters on-demand platforms, reduce regulatory burdens for commercial radio stations, and protect radio's position on voice-activated smart speakers. Arqiva will engage with Ofcom through consultation processes as the regulator progresses with implementing changes brought by the Media Act.

In May 2024, Ofcom published a report on the future of TV distribution, following a request from the Government for an early review of market changes impacting distribution across platforms in its 2022 Broadcasting White Paper. Ofcom's report looks at how the market could evolve over the next 10-15 years and outlined broad approaches for consideration by industry and Government on the future of TV distribution, alongside areas of further work needed to inform policy making.

Ofcom outlined the importance of the Government laying out its vision for the long-term future of free TV distribution by October 2025, to provide certainty to audiences and investors. Arqiva is in close dialogue with Ofcom and will engage with both Government and the regulator as this policy debate develops.

The World Radio Conference (WRC) 2023 took place in Dubai in December 2023. The conference determines the allocation of radio spectrum between countries. The conference saw no changes for the use of DTT's spectrum in the UK. DTT's spectrum arrangements will next be reviewed at the WRC 2031 with any review concentrated on the upper part of the spectrum used by DTT rather than the whole band.

Although the UK general election occurred after Arqiva's financial year end, Arqiva was and continues to be actively engaged with ministers in DCMS and other relevant departments as priorities for media and broadcast policy continue to evolve.

Smart Utilities Networks

Regulatory Environment

Ofwat, the regulator of the water and wastewater sectors in England and Wales, released its draft determinations on water company business plans for price review 2024 (the regulated price period between 2025-2030). This indicates that over 10 million smart meters could be rolled out over the period, with total expenditure allowed of about £1.5 billion. Final plans and investment will be determined by Ofwat's final determinations, which Ofwat expects to publish in December 2024.

In October 2023, the National Infrastructure Commission (NIC) released its Second National Infrastructure Assessment, which takes a 30-year view of the UK's infrastructure needs and provides recommendations to the Government on how to meet these needs. The NIC recommended the Government enable water companies to implement compulsory metering and require companies to systematically roll out smart meters. In the NIC's Infrastructure Progress Review, released in May 2024, the NIC reiterated its call for smart water metering and stated that companies and regulators should ensure that smart meters' data recording and data collection is appropriate to secure effective demand reductions. The Government is expected to respond to the NIC's Second National Infrastructure Assessment by the end of October 2024.

Following the 4 July General Election, the new Government announced several measures for the water sector aimed at cutting sewage spills and securing investment in upgrading infrastructure. These measures include securing agreement from Ofwat that funding for infrastructure is ringfenced, water companies making the interests of customers and environment a primary objective in their articles of association, the introduction of new consumer panels to hold water companies to account and the strengthening of compensation for households and businesses when basic water services are affected.

The Government also announced through the King's speech its intention to introduce a Water (Special Measures) Bill. This Bill would introduce measures to make water company executives criminally liable for breaches of the law, give the water regulator new powers to ban the payment of bonuses if environmental standards are not met, bring forward a new code of conduct for water companies, introduce new powers to bring automatic fines, and require water companies to install real-time monitors at every sewage outlet with data independently scrutinised by water regulators. These developments present an excellent opportunity for Arqiva's connectivity proposition beyond the smart meter across the water sector.

SGN Hybrid Connectivity

Arqiva has signed a 5 year contract with SGN to provide connectivity solutions for 230 of their sites with ongoing discussions exploring a further expansion for their network and for solutions with other gas and electricity operators.

Other Smart Water Metering Procurements

Ofwat's draft determination has confirmed the larger than expected opportunity for smart metering. Ofwat is also proposing a regime based upon the data performance of meters delivered rather than just the number of meters installed which is helpful to Arqiva's 'premium' positioning.

Beyond the Meter

Ofwat's draft determination confirms the considerable increase in investment in both wastewater and WINEP (Water Industry National Environmental Programme). This signal increased requirements for various water sensors across water and water metering.

Smart energy metering rollout

The Company's smart metering communication network in the North of England and Scotland continues to cover 99.5% of eligible premises. There are currently over 3.5 million communications hubs operating on the network representing circa 25% of the total UK communication hub installations. Continued volatility in global energy markets combined with domestic initiatives to address the increasing need for a more flexible and data driven energy system, creates the need for considerable change and places new additional demand on our solution. A strong relationship continues to be had with consistent operational and commercial performance. Delivery of an expansion in capacity to support the additional traffic and network demands now forecasted to occur is progressing to plan with further evolution of the service being evaluated.

The DCC is transitioning to a new regulatory model, where it will operate its core business on a not-for-profit basis in the next licence period, as the company has reached maturity and is operating at scale. These changes will not affect Arqiva's contractual relationship with the DCC.

Corporate Update

Defined Benefit Pension Scheme

Arqiva has historically operated a Defined Benefit Pension Scheme, which was closed to future employees in 2016. Following the scheme closure, the Company has been making material cash deficit recovery contributions to the scheme to address the plan's funding shortfall. A combination of the recovery contributions and favourable changes in the economic environment have resulted in surplus funding positions in recent years. The scheme has therefore taken an opportunity to complete an insurer backed buy-in transaction covering the whole scheme. The buy-in transaction completed in April 2024. The insurer buy-in de-risks the funding of future liabilities and considerably reduces the Company exposure to future funding contributions.

Bilsdale Mast Fire

The construction of a permanent 300m replacement mast was completed at Bilsdale. Television and radio services went live in May 2023 and January 2024 respectively, re-establishing service coverage for the region. As a result, all broadcast services have now been restored to the main Bilsdale mast. Service credits have been agreed or settled with most customers whose services were disrupted as part of this incident. In addition, the final insurance payment was also received, bringing to conclusion that part of the business recovery. See pages 20 and 21 for further information on the financial impacts of the fire.

Sustainability

Arqiva continues to progress with its target to achieve net zero carbon emissions for scope 1 & 2 emissions by 2031, by reducing energy consumption across its broadcasting infrastructure. Other initiatives to help reduce our emissions include scheduling of engineering tasks to reduce miles travelled to site and repeat visits and the optimisation of heating and lighting systems in our main offices. In April 2024, the Company commenced purchase of electricity with renewable energy guarantee of origin certification from April 2024 from our main supplier.

More recently, the Company has completed the EcoVadis ESG survey and was awarded a silver rating putting Arqiva in the top 15% of participating businesses.

Management Changes

Nicola Phillips was appointed to the role of Chief Legal Officer in July 2023. Nicola was previously with Parker-Meggitt, where she was Deputy General Counsel (UK & EMEA) & Director of Legal Operations. Nicola sits on Arqiva's Executive Committee reporting to CEO Shuja Khan.

Adrian Twyning, Chief of Operations, left the business at the end of the 2024 financial year. In his three years at Arqiva, Adrian brought a focus around operational excellence and delivery, leading on a number of substantial projects. While a formal recruitment process is underway, Mark Steele has been appointed Interim Chief of Operations.

Energy Hedging

Arqiva has historically been protected from spikes in energy prices through long-term forward energy purchases made under an energy supply contract that expired in March 2023. During the year, the Company entered into new forward purchase contracts at prices significantly higher than those in previous years resulting in an increase in energy costs of 77% which has had a material impact on the FY24 results.

Britain's Healthiest Workplace

Arqiva first formally introduced a wellbeing strategy in 2013 and from achieving 9th place in Vitality Health's Britain's healthiest workplace survey in 2015, Arqiva has worked its way up the rankings (3rd in 2017, 5th in 2019 and 2nd in 2022) to finally win the category for large organisation, 1000+ employees in the 2023 survey (announced Jan 2024). This external recognition not only demonstrates our ongoing commitment to the health and wellbeing of all of our employees but also our desire for continued improvement in this area.

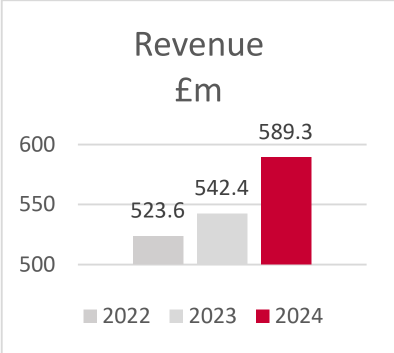
Financial review

Financial Performance

This review contains a summary of the financial performance for the year ended 30 June 2024, and presents Arqiva's key financial performance indicators[3] alongside it. Other non-financial KPI's are included on page 23.

Financial KPI: Revenue[3]:

For the year ended 30 June 2024, revenue for the Company was £589.3m, an increase of 8.6% from £524.4m in the prior year.



Media and Broadcast revenue has increased by 10.2% from £392.0m to £432.1m (net of service credits). Our core broadcast TV and radio distribution products have remained strong and stable during the year with RPI linked inflationary increases on long-term contracts as well as the passthrough of a proportion of power costs to customers.

This increase has been partially offset by the impact of pricing pressures on renewals across the Company's DTT channels. We have also experienced a number of channel vacancies following customer administration and non-renewal due to challenging customer trading conditions. However, our commercial DTT multiplexes have remained fully utilised throughout the year following the launch of replacement customer channels. Although our managed media services product has also experienced year on year decreases due to customer terminations.

Our final revenue figures have also been impacted by the settlement of customer service credits arising from the service disruption at our Bilsdale broadcast site, £2.8m in this financial year (2023: £15.3m). Because we already had a significant provision for expected settlement payments, we were able to offset this against the latest tranche of payments, so the net impact of payment was lower this year compared to prior years. See note 7.

As discussed in more detail below, we have seen higher power costs this year. A large percentage of these costs are passed through to our customers in cost of sales and as a consequence we have experienced higher revenues from power passthrough.

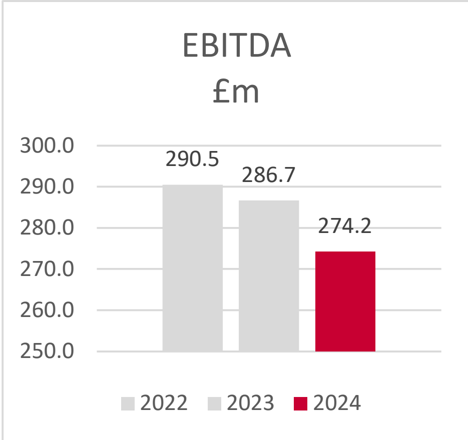
The SUN function has seen an increase in revenue year on year of 4.6% from £150.4m to £157.3m. This is mainly due to the increased volumes of device sales across water and energy metering contracts.

Strong growth in water metering has been driven by the roll out of additional network sites and increased sales of devices.

The SUN revenue also includes site share revenues relating to the utilisation of broadcast sites for telecommunications equipment as well as transitional services that have been provided following the sale of the telecoms business to Cellnex. Last year we benefited from a one-off Cellnex transaction that has not been repeated in FY24.

[3] *Definition: revenue is accounted for presented in accordance with IFRS 15.*

Financial KPI: EBITDA[4] :



Total EBITDA[4] was £274.2m, a decrease of 4.4% compared to the prior year of £286.7m.

Despite the increase in revenue, EBITDA has been significantly impacted by a rise in power costs and additional people costs; the prior year benefitted from surplus bonus and incentive programme accrual releases that were not repeated this financial year.

Within the Media and Broadcast function, EBITDA has slightly increased by 0.1%, from £290.9m to £291.1m. Despite overall revenue increases, EBITDA has been eroded by several factors: the loss of high margin DTT channel customers, contract renewal price pressures, increased power costs. The dual running transition phase from Arqnet2 to Arqnet3 has also increased running costs for the M&B business.

EBITDA for the SUN function has decreased by 0.6%, from £65.8m to £65.4m. Despite the increased revenues from higher volumes of devices sales, this has had minimal impact on EBITDA. The reduction in profitability year on year primarily relates to the non-recurrence of prior year one-off revenue.

The cost of the Operations function has increased, this is predominantly due to increased staff costs driven by the annual pay rise and increased headcount.

The Technology function has seen costs rise, mainly due to the nature of the project work resulting in lower capitalisation of overheads in the year. Licence costs have increased reflecting more use of cloud-based software-as-a-service applications. This has been partially offset by a reduction in one-off costs incurred in the prior year in relation to the Company's digital enterprise platforms, resulting from the transformation programme and higher consultancy project costs.

For the Corporate function, this year's costs are largely in line with the prior year, although this function has seen higher insurance costs and for the prior year.

Operating expenses have increased reflecting the wider cost of living and wage inflation pressures, Headcount has also been increased to support business growth, fill prior year vacancies and to reduce reliance on higher cost contract staff. Additional consultancy fees have been incurred in the year to support the development of growth strategies and target market assessment.

Capital expenditure has grown in line with new business and renewal sales activity. Maintenance expenditure has performed broadly in line with prior year.

The Bilsdale restoration project incurred cost overruns as a result of bad weather delays during the winter of 2023. These costs are presented within exceptional operating expenses.

In the year, depreciation has decreased by £3.5m (2024: £89.6m; 2023: £93.1m). The decrease in depreciation is driven by the reassessment of the calculation of depreciation in relation to the Smart Utilities Networks and other capital programmes. There has also been a reduction in accelerated depreciation, particularly in connection with assets replaced under the 700MHz clearance programme and other capital programmes. Although the reduction is smaller compared to the year-on-year reduction seen in the prior year.

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[4] *Definition: EBITDA is a non-GAAP measure and refers to 'earnings before interest, tax, depreciation and amortisation' and includes add-backs for certain items charged to operating profit that do not reflect the underlying business performance. See page 21 for its reconciliation to operating profit.*

Amortisation expense has increased from £12.8m to £19.4m. This has been driven by an increase in the purchases of Intangible Assets and completion of assets under the course of construction, which have been capitalised during the year. This increase is linked to the scaling of growth areas of the business that use more Intangible Assets than the historic activities of the business.

Exceptional operating expenses charged to operating profit were £7.9m, increasing from £6.3m in 2023. Exceptional costs in the current year predominantly relate to the restoration costs arising from the Bilsdale fire, restructuring and severance costs and costs associated with the one-off pension buy-in. The pension buy-in was instigated to de-risk the defined benefit Pension scheme that has seen Arqiva have to make supplementary payments to the pension liabilities. (See note 7 for further details). Exceptional operating expenses are excluded from EBITDA. A reconciliation of EBITDA to operating profit is presented below.

The Company has continued to engage with insurers regarding the Bilsdale fire. Whilst the insurers have concluded their investigations, the precise findings have not been publicly shared. A final stage payment of £16.0m was received from the insurers in the year (2023: £20.0m, 2022: £5m) which has been recognised as exceptional other income in the income statement, bringing the total insurance payments received to £41m.

Operating profit has decreased from £184.0m in 2023 to £178.4m in 2024. The decrease has been driven by several factors: revenue mix (high margin products, renewal price pressure and customer losses, plus growth in low margin smart metering device sales), combined with increases in cost of sales, higher power costs, and operating expenses due to the factors described above. These increases have outweighed the increase to revenue in the year.

A reconciliation between operating profit and EBITDA is presented below:

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Operating profit	178.4	184.0
Exceptional items charged to operating profit	7.9	6.3
Exceptional service credits	2.8	15.3
Depreciation	89.6	93.1
Amortisation	19.4	12.8
Loss on disposal of fixed assets	-	0.7
Other Income	(7.9)	(5.6)
Exceptional Other Income	(16.0)	(20.0)
Other	-	0.1
Total EBITDA	**274.2**	**286.7**

Finance income (net of finance costs) were £298.1m, an increase of 21.1% from £246.2m in 2023. The increase is driven primarily by the compounding effect of interest on outstanding amounts owed from group undertakings.

The Profit before tax for the Company was £476.5m, an increase of £46.3m from the prior year of £430.2m. The profit before tax is reported after non-cash charges of £112.4m (2023: £110.3m) as shown below:

Reconciliation between loss/profit before tax and non-cash charges/(gains)	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Profit before tax	476.5	430.2
Depreciation	*89.6*	*93.1*
Amortisation	*19.4*	*12.8*
Loss on disposal of fixed assets	-	*0.7*
Gain on disposal of fixed assets (other income)	*(1.9)*	-
Other non-cash financing costs[5]	*5.3*	*3.8*
Total non-cash charges	***112.4***	***110.3***
Adjusted profit before tax and non-cash charges	**588.9**	**540.5**

Financial Position

Net assets were £3,670.7m, representing an increase of 10.9% from £3,310.5m in the prior year. The increase is primarily driven by the trading profits and increased amounts receivable from other group entities.

Going Concern

Refer to the Directors Report, page 62 for an assessment of the companies going concern status.

[5] Includes unwinding of discount on provisions, imputed interest and interest on lease liabilities

Non-financial KPIs

Broadcast - Network availability

99.968%

Definition – Arqiva strives to provide consistently high service levels and look to manage and monitor the total annual level of network availability across both TV and radio infrastructure as a percentage across all multiplexes.

Result – Through careful management, Arqiva has consistently been able to achieve high levels of network availability. Availability is under the target of 99.995% availability due to an extended outage with one customer.

Strategic ambition targeted - to be the undisputed leader in UK TV and radio broadcast distribution

Utilities

The smart metering M2M contract has continued to achieve 99.5% network coverage in the North of England and Scotland.
Rollout of water metering on contracts won with Anglian Water and Thames Water. Other smart water metering bids are in progress.

Strategic ambition targeted– To be the UK's leading smart utilities platform provider.

New sector product diversification

Media Management Products

- Arqade, a cloud-based channel and live event content exchange has launched demonstrating the value of integration with traditional broadcast infrastructure.
- Arqplex, the Company's first customer cloud multiplexing deployment product, supporting customer deployments.
- These products have been underpinned by improved customer onboarding and customer journey, capacity management for Arq-products, automated system health checks, enhanced governance and agile development and release management.

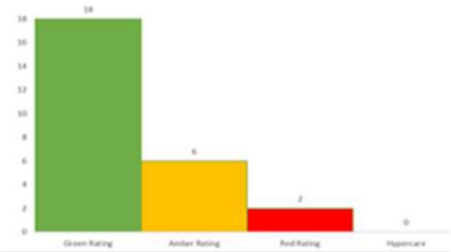
Utility Products

- Hybrid Connectivity services, a suite of managed connectivity solutions designed to support the network monitoring and control needs of utility companies. We are pleased to announce that we have recently secured a deal with SGN providing hybrid connectivity across 230 of their sites.
- Leakage Detection and Sewage Level monitor proof of concept trials are continuing with positive feedback.

Strategic ambition – Innovator of scalable solutions for high-connectivity sectors

Customers

Premium customer temperature check



Premium customers temperature check for the sentiment of our top 26 premium customers in June has 18 of our customers in a good position at Green.
We have six customers classified as Amber. Key issues highlighted relate to service, reliability, outages and initial issues in new product implementation.
Two customers were classified as red due to an extended outage with one customer and the other terminating their contract to move to another supplier.
No customers are in Hypercare – an improvement from one in the prior year due to progress made on open issues.

People

69

Our engagement score from our most recent 'Have Your Say' Employee Engagement survey in June 2024 is 69.

Arqiva is 3 points off the Glint UK Benchmark engagement score of 72, with above benchmark scores across a number of areas including Wellbeing, Inclusion and Recognition.

Our response rate in June 2024 was 84% (+5% from March 2023) with 2,878 comments left.

Corporate Responsibility

Doing business the right way and sustainably is vital to Arqiva. It's as important as what we achieve.

Arqiva endeavours to conduct its business in a way that benefits all our stakeholders including customers, suppliers, employees, shareholders and the communities in which we operate as well as creating a sustainable future for the business.

Our ethics, values and behaviours are woven through every aspect of what we do.

We believe that having the right culture is something that needs to be actively managed in order to deliver our purpose of 'enabling a switched-on world to flow'. Our culture is critical to the success of our strategy with our 3 culture goals driving how we serve our customers and create a great place to work. These goals include:

1. Accountability – being accountable for the promises we make
2. One Arqiva – working together as one team
3. Curiosity – striving to look at things differently to discover a better way

Sustainability

Sustainability is an integral part of our Vision 2031 strategy and our business operations and decision making. When thinking about sustainability we consider environmental sustainability, social responsibility and corporate governance (ESG). This comprehensive perspective allows us to assess the potential impacts of various sustainability factors throughout our business.

Our overarching strategic purpose is social, enabling people to stay connected to the information and entertainment that matters to them. We recognise the needs of the most vulnerable in society keeping them connected via both our Media and Broadcast and our smart utilities services.

We are working to incorporate sustainability into our business practices by leveraging the expertise of our colleagues to discover innovative solutions for growth and development of our products. In Media and Broadcast this brings an opportunity to replace or upgrade existing technology with higher efficiency alternatives as we transition global media to cloud based services reducing energy consumption and our carbon footprint.

The rollout of our smart utilities platforms enables end users to understand their water and energy use so they can consider ways to reduce consumption of valuable resources and save money.

Conducting our business in a fair and ethical manner is critical to our success and relies on the interdependencies between our culture, people, technology, products and services, brand and partnerships including our supply chain. We operate a supplier code of conduct to encourage and support our suppliers to act responsibly, working in socially and environmentally sustainable ways including minimising any potential impact on the environment as a result of supplying goods or services to us.

All colleagues receive training on a range of sustainability topics including Environmental Awareness, Cyber Security and Diversity and Inclusion. ESG metrics are included as an element of bonus payments made to colleagues.

During the year we participated in the EcoVadis ESG benchmarking survey gaining a silver medal, putting Arqiva in the top 15% of participants, we also scored 83 in the GRESB benchmarking survey.

Our sustainability programme continues to steer and shape our sustainability initiatives across the organisation, including development of our carbon reduction plans. Sustainability performance is monitored by the Executive Committee, reviewed on a regular basis by the Operational Resilience Board Sub-Committee and ultimately overseen by the Board.

Environmental Sustainability

Over the past year we have continued to refine our environmental sustainability goals focusing on our journey to *Net Zero*, how we enhance the environments in which we operate and how we manage resources and waste, full details of progress in the year and our Streamlined Carbon Emissions Report can be found on page 50. To support the business in developing its sustainability agenda the sustainability team has been strengthened with 3 new heads and we have increased internal stakeholder engagement through the creation of a new virtual ESG team.

Social

Supporting Charities

We support our colleagues' fundraising for local and other national causes close to their hearts. Arqiva provides matched funding enabling colleagues to fundraise for their chosen charities, from Diabetes UK, Walking with the Wounded and the NSPCC to local community projects, children's clubs and sports teams.

Our Wellbeing team this year have successfully co-ordinated the Arqiva Challenge 24 which included giving our colleagues the opportunity to engage in physical activities such as the Cumbria Challenge, Ultra Challenge and Kiltwalk. This will now continue every year to help raise much needed funds for charities such as Walking with the Wounded and Children with Cancer UK.

Arqiva also supports the 'Give as You Earn' scheme in partnership with the Charities Aid Foundation (CAF) allowing colleagues to get tax relief on their donations. The amount provided to charities through this scheme has reached over £120,000 over the past four years.

We also support our colleagues to volunteer their time and talents to causes they care about. During 2024 Arqiva has partnered with Matchable, an online portal to match colleagues with volunteering projects. To further support this, we offer our colleagues one day paid volunteering leave every year.

Supporting Our People

We aim to create a workplace where people feel engaged, energised, and respected, where they can do their best, and look after their personal wellbeing, both in and out of work. This is underpinned by our People Strategy to ensure that 'everyone has the opportunity to create value and succeed'.

Learning and Development
At Arqiva we are committed to our learning vision of 'empowering curiosity, growth and performance through learning'. This helps us to enable and grow our culture of learning across the business. We are dedicated to ensuring our people all experience accessible and inclusive learning experiences which deliver clear colleague and business benefits.

By using our Skills Management programme alongside our rich learning offering we can help our people and teams to work on targeted focus areas for development, whether in role or for aspirational roles. This programme supports our teams on multiple fronts including resource management, career mobility, and professional and personal development.

Our people have access to a host of self-learn learning platforms and material, both internally and externally such as LinkedIn Learning, A Cloud Guru and Now Learning. On top of utilising external offerings, our internal L&D teams support colleagues via delivery of training sessions across technical subjects as well as leadership and management topics, and by facilitating workshops to foster the right culture when working cross function.

The Company is a corporate partner of the Institute of Engineering and Technology (IET) supporting engineering roles to achieve IET Professional status. As well as also being a member of the AWS Partner Network, we provide sponsorship for professional qualifications and subscriptions.

Wellbeing

Arqiva embraces a holistic approach to wellbeing, recognising the broad factors that contribute to overall wellness. We call our approach to wellbeing, "Whole-person Wellbeing". Our approach supports our desire for everyone to have the opportunity to create value and succeed at work and demonstrates to all our stakeholders that we are an organisation which takes its commitment to health and wellbeing seriously.

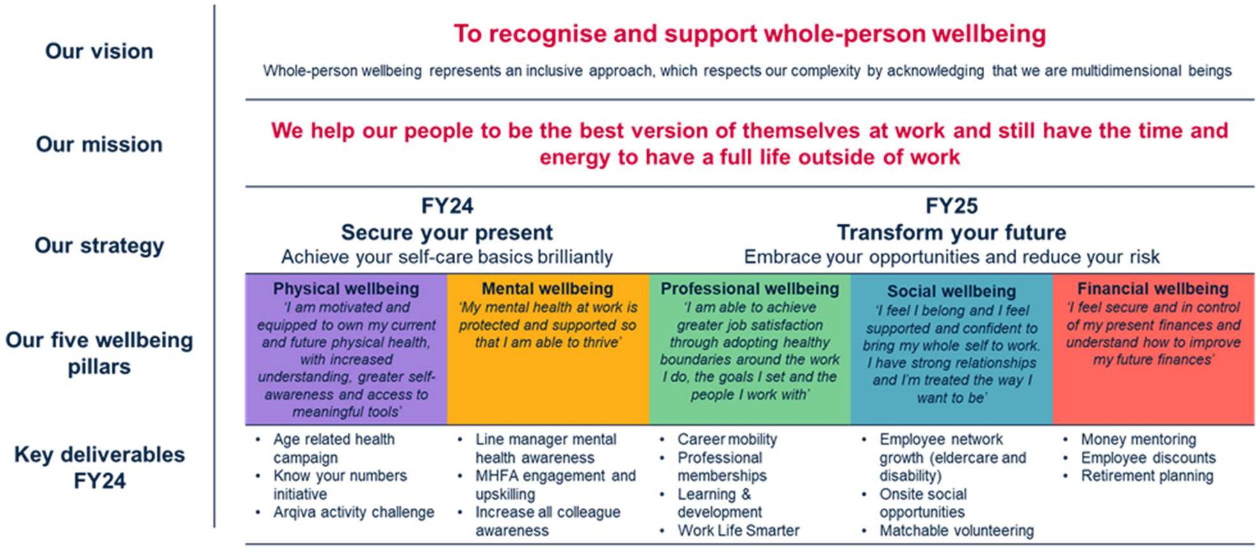
Our wellbeing mission is to - help our people to be the best version of themselves at work and still have the time and energy to live a full life outside of work.

Our approach sees us embrace five pillars of wellbeing:

- **Physical Wellbeing:** We want our people to be motivated and equipped to own their physical health with greater understanding and access to meaningful tools. To help drive this forward, we've launched initiatives such as onsite health checks, onsite gyms, activity challenges, free flu vaccinations, at home test kits and much more,
- **Professional Wellbeing:** Our people should feel satisfied in their jobs. Here we provide opportunities to learn, develop and move career,
- **Social Wellbeing**: Through volunteering platforms, onsite social events and employee networks, such as family networks and veteran networks, we encourage our people to develop informal non-work-related networks,
- **Financial Wellbeing:** We enable access to a strong network of experts to provide agility in a space that is so important to our people, and

- **Mental Wellbeing:** We are committed to protecting and supporting the mental health of our people, so that they can thrive. We have worked hard to destigmatise mental health, through regular company-wide communication, retaining a large Mental Health First Aider company, our employee networks, and regular onsite events. In turn, this provides our people with the freedom to tell us how they're really feeling so that we can adapt and support their ever-changing needs.

We are pleased to report that we were awarded the Vitality 'Healthiest place to Work' award for 2023 demonstrating our continuing commitments to the wellbeing of all our employees.



Health and Safety

Health and safety is vital, whether in the office or repairing an antenna on a 300 metre mast. We are committed to complying with applicable health and safety legislation and to continual improvement in achieving a high standard of health, safety, and welfare in our operations and for all those in the organisation and others who may be affected by our activities. The Company operates a robust integrated management system that is certified to ISO14001, ISO45001, ISO90001 and ISO270001 as well as offering training programmes covering specific skills and general awareness.

We have also been a driving force in developing the Mast and Tower Safety Company, we run our own accredited IOSH Working Safely training scheme for our engineers, and we collaborate with the union BECTU on an annual employee safety conference.

Supporting Diversity and Inclusion

Our diversity and inclusion programme ensures that we are continually focused on what is needed for everyone to feel included and safe and to be able to perform. We are committed to making our workplace as diverse and inclusive as possible because the complex engineering and commercial challenges we need to solve can only be done by people with a diverse range of skills, backgrounds and life experiences.

Our aim is to create an inclusive environment, where there are no barriers to success and our vision is for a workforce who feel valued, empowered and engaged, where every contribution is heard, every perspective is valued, and every individual feels empowered to be successful. We have moved beyond building awareness through our annual calendar of campaigns and events and are now supporting colleagues to feel empowered to make an impact.

Our Diversity Ambassadors have been instrumental in encouraging and engaging other workplace communities and we now have ten flourishing colleague networks including our recently formed Veterans Network and Arqiva Black Network and our network leads are working well together to ensure we are considering intersectionality and maximising opportunity. As ever, we are running events and activities throughout the year so we can listen, support, and take opportunities to make lasting, tangible changes so our working practices are even more inclusive. We are proudly a corporate member of the industry leading Inclusive Employers to ensure we benefit from their subject matter expertise as well as being a member of Tommy's 'Pregnancy and Parenting at Work' eLearning campaign to support pregnant colleagues and secondary caregivers through that journey.

At a Board level, the Governance and Remuneration Committee are responsible for reviewing the Company's diversity and inclusion policies.

Employees

The average number of persons employed by the Company during the year was 1,313 (2023: 1,274). Arqiva recognises the significant contribution of our employees and makes every effort to create a rewarding and engaging work environment.

Our policy is to provide equal opportunities for all employees, irrespective of race, nationality, gender, sexual orientation, marital status, religious or political beliefs, disability or age. Like many engineering-based businesses, we recognise that Arqiva has a higher proportion of men than women and we are working to address this with the Employers Network for Equality and Inclusion through our diversity and inclusion programme.

The table below provides a breakdown of the gender of Directors and employees as at 30 June 2024:

	2024		2023	
	Female Number / %	Male Number / %	Female Number / %	Male Number / %
Board of Directors	1 / 10%	9 / 90%	1 / 10%	9 / 90%
Executive Committee	2 / 25%	6 / 75%	3 / 33%	6 / 66%
Company Employees	325 / 25%	970 / 75%	295 / 23%	989 / 77%

To support emerging talent, Arqiva offers 2-year graduate programmes with an annual intake every September to progress into permanent roles as well as running apprenticeship schemes, via the Apprenticeship Levy. Other initiatives include a line manager support programme, a line manager induction, and we provide the Level 3 and Level 5 Apprenticeship in Leadership and Management, accredited by the Chartered Management Institute

The Arqiva Employee Board ("AEB") has continued throughout the year. The AEB is a democratically elected Board that acts as a voice for employees across Arqiva and provides a clear and direct link between the Company's employees and the Executive Committee. The AEB continues to meet on a monthly basis to discuss key matters such as performance management, or efficiencies and processes to develop responsive action plans. Furthermore, the AEB (as well as the Executive Committee) interacts with representatives of BECTU (the Broadcasting, Entertainment, Cinematograph and Theatre Union) regarding employee matters.

The Company's employee forums provide an effective channel for communication and collective consultation across the Company. They play an important role in enabling employees to help the Company manage change effectively. The goals of each forum are to act as the formal consultative body for its part of the business within Arqiva, provide a voice to management on employee issues, initiate and support social activities, and promote consultation and sharing information.

Significant emphasis is placed on employee communication. The Company intranet, 'The Hub', makes information available to employees on all matters including performance, growth, and issues affecting the industry. The Company also runs "Connect Days" across various sites to bring employees together and provide opportunities for updates and discussion across the business. We also introduced Viva Engage, an Enterprise Social Network to further enhance colleague interaction and engagement.

Our "Work. Life. Smarter." initiative also recognises the benefit of hybrid working to our employees. This commitment to our people endeavours for our people to feel supported and empowered to work in a way that enables them to thrive in their role, give their best every day and a work experience that provides a choice about how, when and where we work.

Arqiva wants all our employees to benefit from our success and growth as a business. The annual bonus scheme recognises the importance of high performance and is designed to reward employees for achieving targets and continuous improvement in overall performance, in line with our values and strategy. The scheme takes into account the targets that have been set by the Company. The Company must achieve a minimum operating cash performance before a bonus becomes payable which is then calculated based on these financial KPIs. As noted in our NFSIS[6] section of the report, this year we have also introduced an ESG performance related target of 10%.

Arqiva has also introduced a Share the Success Policy for employees who do not qualify for the annual bonus scheme. This scheme is also based on achieving a minimum operating cash target with performance shared with qualifying colleagues on a profit share arrangement. These bonus payments for the 2024 financial year are expected to be made in October 2024. In addition, certain members of our senior management participate in a long-term incentive plan which is typically 3 years in duration and is designed to recognise the value of strategic initiatives being undertaken by the Company during the longer-term. As with the annual bonus scheme, the Company must achieve a minimum threshold of financial performance before a bonus becomes payable under the long-term incentive plan which is then calculated based upon the 3-year Company financial KPIs of EBITDA and operating cash performance. All such arrangements are cash-based incentive schemes which operate against documented performance targets and are reviewed at least annually by the Governance and Remuneration Committee.

Gender Pay Gap

The full annual gender pay gap report is available on the company website at www.arqiva.com. The latest report shows the emphasis and commitment to diversity and inclusion with improvements in both the mean and median pay gaps for the reporting period. The full report provides details on why we have a pay gap, the reasons for the increase in the year and the actions we are taking to address the issue.

Modern Slavery Act

The Company is fully committed to ensuring that we do not participate in the violation of human rights and we expect the same of our suppliers. Our Modern Slavery Statement sets out the steps taken to identify, address and prevent modern slavery and human trafficking in our business and supply chain. Whilst the Modern Slavery Statement specifies three of Arqiva's entities, this is a function of their annual turnover, it pertains to and is upheld by the Company in its entirety. The Modern Slavery Statement is reviewed by the Board on an annual basis. and can be found at: www.arqiva.com/policies/Modern%20Slavery%20Statement%20-%20June%202024.pdf**.**

Anti-Bribery and Anti-Corruption

In conjunction with the UK Bribery Act 2010, the Company has adopted a Code of Conduct for employees which incorporates all its anti-corruption policies and procedures. The policies apply to all Arqiva employees employed on both a permanent and temporary basis. The Code of Conduct also sets out the policies and procedures on the giving and receiving of gifts and hospitality.

Information Security

Due to the critical importance of our sites and systems to the Company, our customers and, in some cases, as Critical National Infrastructure, we take information security very seriously, focusing on protecting and managing access to information throughout its entire lifecycle.

[6] NFSIS – The non-financial and sustainability information statement forms part of the Strategic Report, a requirement under Companies Act 2006, and replaces the previous non-financial information statement (NFSIS) that was required for UK public interest entities (PIEs) with over 500 employees.

We hold certification to ISO/IEC 27001:2022. ISO27001 is an internationally recognised specification for an information security management system (ISMS), a framework of policies and procedures that includes all legal, physical and technical controls involved in an organisation's information risk management processes. This allows us to compete for new business which requires us to demonstrate the robustness of our security controls. Through independent review and certification, supported by regular internal audits, we continue to confidently demonstrate our commitment to security and secure working practices. We have held ISO27001 certification since 2013 and recertify every three years with recertification last given in May 2022.

Taxation

The Arqiva's approach to tax is to ensure compliance with all legal and statutory obligations. Arqiva is committed to maintaining a transparent and constructive working relationship with HM Revenue & Customs and with local tax authorities in the jurisdictions in which we operate. The total contribution to UK tax receipts including business rates, income tax, PAYE and NI paid by both the Company and employees, totalled £52.9m for the financial year (2023: £54.1m).

Arqiva is a primarily UK based infrastructure company. There are some trading operations outside of the UK, however these generate less than 1% of operating profit and there are no tax planning activities taken which seek to reduce the Company's UK profits or revenues by transferring revenue or profit out of the UK. Arqiva's small overseas trading entities deal directly with customers in their area of residence and fulfil their tax requirements in the local jurisdictions.

Section 172 Statement

The Companies (Miscellaneous Reporting) Regulations 2018 (the "Regulations"), requires companies that meet certain thresholds to report on the Directors' application of their section 172 duty to promote the success of the Company, as set out in the Companies Act 2006, along with stakeholder and employee engagement.

The Companies Act 2006 sets out a set of general duties owed by directors to a company, including a list of matters to which directors must have regard, which are set out in s.172(1)(a) to (f). During 2024, in continuing to exercise their duties, the Directors have had regard for these matters, as well as other factors, in considering proposals from the Executive Committee and continuing to govern the Company on behalf of our shareholders.

Section 172 Factor	Key Examples	Page / Reference
Consequence of any decision in the long-term	Strategic overview Business Update Directors' Report - Wates Corporate Governance Statement	13 14 53 53
Interests of employees	Employee Engagement Supporting our people Supporting Diversity & Inclusion	Below 26 (Corporate Responsibility) 27 (Corporate Responsibility)
Fostering relationships with suppliers, customers and others	Stakeholder Engagement Business Update	Below 14
Impact of operations on the community and the environment	Environmental Sustainability Streamlined Energy and Carbon Reporting (SECR) Climate Related Risks and Opportunities (Non-Financial Sustainability Information Statement) Supporting Charities	25 (Corporate Responsibility) and 48 50 52 25 (Corporate Responsibility)
Maintaining a high standard of business conduct	Governance Directors' Report - Wates Corporate Governance Statement Health & Safety Modern Slavery Act, Anti-Bribery & Corruption	34-40 53 53 27 (Corporate Responsibility); Modern Slavery Statement available at www.arqiva.com
Acting fairly between members	Stakeholder Engagement Accountability	Below 56

Stakeholder Engagement Statement

Throughout the year, the Board has continued to ensure engagement with relevant stakeholders generally in relation to its day-to-day business and particularly with respect to key challenges. Examples of the way in which this engagement has taken place are set out in the table below:

Section 172 Factor	Key examples
Employees	Please see our Employee Engagement Statement below and Corporate Responsibility statement (pages 24-25) for further details.
Regulatory Bodies	We have good relationships with representatives in all relevant regulatory bodies and engage regularly with, for example, Ofcom; the Department for Culture, Media and Sport (DCMS); the Department of Science, Innovation and Technology (DSIT) and the Department for Environment, Food and Rural Affairs (DEFRA). We also monitor relevant developments with Ofwat and Ofgem as regulators of customers of our Utilities business, and we participate in

	consultations and consult with government departments and regulators when setting strategy and making decisions that affect the industry generally. Following the full restoration of services after the mast fire at Bilsdale, we have continued to liaise with Ofcom and other stakeholders with regard to service recovery planning for the broadcast industry. Key updates relating to the regulatory environments we operate in can be found within the Business Update (page 14).
Investors	Quarterly reports to investors are published on our website and available to all; an annual investor call is held, in which we review our annual results and invite questions from investors.
Customers	Our relationships with our customers are very important to us, and we maintain regular contact through account managers; our Customer Experience team; Executive Committee members; and where appropriate our Chair.
Suppliers	Our Procurement team oversees supplier relationship management, with a category management structure so that employees have relevant expertise for each supplier. We work closely to ensure positive relationships, seeking to agree fair terms and conditions and ensure timely payment, through adherence to and reporting on the Prompt Payment Code.
Shareholders	Shareholder Representatives on the Board and committees of the Board report back to shareholders on the business and take their interests into account when making decisions, while operating in accordance with their Companies Act duties. The Company's corporate governance specifies a number of categories of decisions which are reserved to shareholders, ensuring that the decisions affecting shareholders are subject to the necessary oversight.
Stakeholders	As part of our infrastructure projects, we engage with planning authorities and local communities to foster positive relationships. Arqiva's charitable engagement also seeks to support communities local to the areas in which it operates (see Supporting Charities (page 25). The Company is also part of the Broadcast 2040+ coalition working with various charities and social companies urging the government to commit to protecting essential broadcast TV and radio services in the longer term. We also engage with key relevant industry bodies such as: the Digital Television Company (DTG), Everyone TV, TechUK, Digital Production Partnership (DPP) and Waterwise.

Employee Engagement Statement

1. *Information*
   Regular all company updates are provided to all employees via Arqiva's Hub (intranet) and email updates; employees and Management also connect via the Viva Engage employee experience platform; Management conducts regular 'Let's Talk' company-wide live broadcasts and hosts face-to-face 'Let's Connect' days throughout the year to update employees on performance, strategy and other key developments and provide opportunities for employees to ask questions in real time.

2. *Consultation*
   Management run engagement surveys to measure progress against business and cultural goals and how we work. This information provides a platform for two way feedback which is acted on at all layers of management in the business and is reviewed annually with the Board. Arqiva also has active union representations through the Broadcasting Entertainment Communications and Theatre Union (BECTU); strategic decisions which may affect employees (including business change; pay; and terms and

conditions) are discussed with BECTU representatives in advance of action being taken. Similar engagement also takes place with the Arqiva Employee Board (AEB), which is elected by employees, and their feedback and views are taken into account when making decisions affecting the workforce, for example in setting timescales and the content of communications. Further detail about engagement with BECTU and the AEB is set out in Supporting Diversity & Inclusion - Employees (page 28).

3. *Involvement*
   Employees participate in annual bonus schemes (see Supporting Diversity & Inclusion - Employees (pages 27-28)) which are based upon performance of the business throughout the year, encouraging employees to contribute to the sustainable success of the business. The Company's cultural values of Curiosity, One Arqiva and Accountability encourages new ideas and fosters strong relationships across the organisation, supporting overall performance of the business.

4. *Common Awareness*
   Financial and economic factors affecting the business are described to employees throughout the year during Management broadcasts; via Viva Engage updates; regular email communications with business updates; and through the Arqiva Hub.

This report was approved by the Board on 24 October 2024 and signed on its behalf by:

Scott Longhurst

Governance

Board of Directors and Executive Committee

Ownership

The ultimate parent company is owned by a consortium of shareholders, shown in order of shareholding, these are: Digital 9 Infrastructure (via D9 Wireless OpCo 2 Limited) (c. 48%), Macquarie European Infrastructure Fund II (via MEIF II Luxembourg Communications S.a.r.l.) (c. 25%), IFM Global Infrastructure Fund (via Conyers Trust Company (Cayman) Limited) (c.14.8%), Health Super Investments Pty Limited (c. 5.5%), Motor Trade Association of Australia Superannuation Fund Pty Ltd (c. 5.2%), other Macquarie managed funds (MGIF 2 Communications S.a.r.l. and Macquarie Prism Proprietary Limited) (together c. 1.5%). There is no ultimate controlling party of the Company, as defined by IAS 24 'Related Parties'.

In accordance with IAS 24, there are two investor companies which are related parties with the Company, by virtue of significant influence due to the level of shareholding in the Company:

- D9 Wireless OpCo 2 Limited (c.48%), a company owned by Digital 9 Infrastructure plc ("D9"). D9 is an investment trust focussed on the infrastructure of the internet, holding as of 30 June 2024 a portfolio of subsea fibre, data centre and wireless communication businesses. The number 9 in D9 comes from the UN Sustainable Development Goal 9, expressing the fund's focus on investments that increase connectivity globally and improve the sustainability of digital infrastructure. D9 Wireless OpCo 2 Limited completed its purchase of the Canada Pension Plan Investment Board's entire c.48% stake in Arqiva in October 2022. D9 is listed on the London Stock Exchange (DGI9).

- Macquarie European Infrastructure Fund II ('MEIF II') (c.25%), an investment fund managed by Macquarie Asset Management, part of the Macquarie Group. Macquarie European Infrastructure Fund II is a wholesale investment fund focusing on investments in high-quality infrastructure businesses across Europe. Macquarie Group Limited is listed in Australia (ASX:MQG ADR:MQBKY).

Arqiva Board of Directors

Arqiva's Board of Directors consists of ten Directors representing our shareholder consortium (with two alternates) as well as two members of the Executive Committee.

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Board Committee Membership

A – Audit and Risk Committee
G – Governance and Remuneration Committee
O – Operational Resilience Committee

Mike Darcey, Chair

Mike has been a member of the Board since 2018 and was appointed Chair in February 2023. Mike brings a wealth of experience from his background in the technology, media and telecommunications industry. Mike has held numerous positions in the industry ranging from CEO of News International to COO of British Sky Broadcasting Group. He has also provided strategic advisory services to a range of clients in the media industry.

Mike has served or is currently serving on boards including Dennis Publishing (UK) Ltd (Chair), M247 (Chair), Home Retail Group (Senior Independent Director) and Sky New Zealand (Director). He is also Chair of British Gymnastics.
A G O

Appointed by IFM Investors and Motor Trades Association of Australia (joint appointment)

Scott Longhurst, Director

Audit and Risk Committee Chair

Appointed to the board in February 2023, Scott has over 25 years of experience in Infrastructure and Utility businesses. He was formerly Group Finance Director of Anglian Water Group (AWG) and Managing Director of its non-regulated business until 2019. Prior to AWG, he was Chief Accounting Officer of TXU Corporation and CFO of its regulated electric and gas businesses. Scott also held a number of financial and commercial roles with Shell encompassing corporate, operating company and joint venture activities across Europe, the Far East and Middle East.

He is currently also on the boards of FCC Aqualia S.A., EVOS BV (Audit Chair), Infinis Energy Management Limited (Audit Chair), and a Senior Adviser to Igneo Infrastructure Partners and is a founding member of the Accounting for Sustainability CFO Leadership Network.

A

Appointed by Digital 9 Infrastructure

Diego Massidda, Director

Diego is Head of Digital Infrastructure at Triple Point, the Investment Manager of Digital 9 Infrastructure, and joined the Arqiva board in November 2023. Diego has more than 20 years' international experience in Media and Telecommunications in various divisional/operating company CEO roles, including 16 years with Vodafone Group.
Diego is a Civil Engineer, holds an MBA from INSEAD, and at the beginning of his career he worked as a consulting civil engineer in South Africa and as a management consultant with McKinsey & Company.

A G O

Andrew Macleod, Director

Governance and Remuneration Committee Chair

Andy was appointed to the Board in July 2023. Andy is a professional Non-Executive Director and industry consultant after retiring from Vodafone Group as Regional Technology Director for the Africa, Middle East and Asia-Pacific Region. Prior to that, he served for ten years as Vodafone's Group Chief Networks Officer and as the CTO of Verizon Wireless in the US.

Since the early 1990's he has held a variety of CXO positions in major telecommunications industry companies and has gained extensive experience as a Director on the Boards of both public and private companies including Eircom, Indus Towers, Vodafone Australia, ECI, Idex, Gfinity and IQGeo.

G

Matthew Postgate, Director

Matthew is a Digital and Technology orientated leader with extensive experience in new digital businesses and with the digital transformation of existing organisations. He is a Non-Executive Director of UK Strategic Command within the Ministry of Defence and with a media technology Scale-Up. He also provides selective advisory services supporting technology enabled businesses and digital transformation.

Previously Matthew was the BBC's Chief Technology and Product Officer, leading the BBC's Design & Engineering division. Prior to this role, Matthew held various roles at the BBC including CTO and leading the Internet Operations function, Business Development Group and its Research & Development department. He started his career at the BBC in product management roles and was part of the leadership team that launched BBC iPlayer and was responsible for building the corporation's world leading mobile services. Before joining the BBC, Matthew worked as a consultant and start-up co-founder.

O

Appointed by Macquarie European Infrastructure Fund II

Paul Donovan, Director

Operational Resilience Committee Chair
Paul served as a Non-Executive Director at Arqiva from 2018 to 2020. He was re-appointed to the Board in July 2022 following two years in role as Arqiva's Chief Executive Officer.

Paul has over 20 years' experience in senior executive roles across the technology, media and telecommunications sectors. Between 2014 and 2016 Paul led the transformation of Europe's leading cinema operator, Odeon and UCI Cinemas Group, ahead of its successful sale to AMC Theatres.

Prior to this Paul was CEO of Irish Telecoms Group eir. His background also includes senior executive appointments with a number of significant global organisations including Vodafone where as a member of the Executive Committee he led the Company's emerging markets businesses.

A O

Susana Leith-Smith, Director

Susana is a Senior Managing Director in Macquarie Asset Management's Real Assets business in EMEA.

She has a wealth of experience in capital markets. Prior to joining Macquarie Asset Management, she was at Barclays, most recently as the EMEA Head of Leveraged Finance and managing all transactions in the Telecoms, Media and Tech sectors.

A G O

Appointed by IFM Investors

Maximilian Fieguth, Director

Max is a Director at IFM Investors and has been on the Arqiva Board since 2017. He also works closely with several other IFM portfolio companies including Manchester Airports Group and Aqualia.

As IFM Max leads a team of Asset Management professionals responsible for implementing value creation opportunities across the IFM infrastructure portfolio, delivering global best practice initiatives and supporting the execution of infrastructure transactions. Prior to joining IFM Investors, Max worked as a management consultant with McKinsey & Company and on the Crossrail project with Bechtel and prior to that at Bechtel on a number of infrastructure projects.

A G O

David Stirton, Alternate

David is appointed as an alternate to Max Fieguth. He joined IFM Investors in November 2013. David researches and prepares infrastructure investment strategies and helps execute transactions. Before transferring to IFM Investors' Infrastructure team, David was Vice President in the firm's Global Relationship Group, where he supported capital raising and investor relations for the firm's Infrastructure Equity and Infrastructure Debt funds.

Director

Prior to joining IFM Investors, David was Analyst at Citi in the Investment Banking Division, advising on a range of transactions including mergers, acquisitions, divestitures, capital raisings and restructurings.

Nicola Phillips, Company Secretary	**Company Secretary** Nicola acts as the AGL secretary. She is also a member of the Executive Committee and so her biography is contained below.

Executive Committee

Shuja Khan, Chief Executive Officer

Shuja was appointed Chief Executive Officer in June 2022. Prior to this, as Arqiva's Chief Commercial Officer since January 2020, he was responsible for all revenue generating activities including strategy, regulatory affairs, product development and customer experience and at the heart of the development of Arqiva's 10-year strategic plan, vision and purpose.

He draws on more than 20 years of leadership experience in the technology, media and communications sector, including the role of Chief Commercial Officer across 24 territories at Cable & Wireless and various leadership roles at both Virgin Media and Liberty Global Europe with a focus on driving growth.

Sean West, Chief Financial Officer

Sean was appointed Chief Financial Officer in September 2019, having joined Arqiva in 2015 as Director of Treasury and Corporate Finance.

Sean has a background in all areas of corporate finance and financing, and as Director of Treasury and Corporate Finance was responsible for all aspects of the Company's capital structure.

Prior to joining Arqiva, Sean held senior corporate finance and treasury positions at the Immediate Capital Group (ICG) and LandSec and brings a wealth of experience across a range of industries and financial markets.

Mark Steele
Chief of Operations

- Appointed to the Arqiva Executive Committee as interim Chief of Operations in May 2024, responsible for the operations of all assets and services across the Arqiva business.
- Career of over 25 years spanning numerous senior leadership roles at businesses such as Virgin Media, Telewest Broadband and Yorkshire Electricity.

Sarah Jane Crabtree
Chief People Officer

- Joined **Arqiva** in October 2022
- **BT:** various senior HR roles including HR director of EE after its acquisition by BT
- Began her HR career in the Civil Service as an HR consultant for the Cabinet Office and 10 Downing Street

Nicola Phillips
Chief Legal Officer

- Joined **Arqiva** in July 2023
- **Parker Meggitt:** Deputy General Counsel (UK and EMEA) and Director of Legal Operations
- Other previous roles include Director of Legal for ITV Commercial and Group Marketing at ITV, responsible for regulatory relationships and commercial legal support

Dom Wedgwood
Chief Technology Officer

- Joined **Arqiva** in June 2023.
- Previous role as Senior Vice President for Broadcast Technology and OTT Playout Experience at **DAZN Group** responsible for product management and technology teams
- Prior to this was Broadcast and Operations Technology Director for **Perform Company**

Gaurav Jandwani
Executive Director of Media and Broadcast

- Joined **Arqiva** in January 2023
- **Telia:** Business Head, TV & Streaming at the leading Nordic and Baltic media house
- Previously held leadership roles at Walt Disney and Vodafone

Mike Smith
Executive Director of Smart Utilities Networks

- Joined **Arqiva** in February 2023
- Previously, led the Enterprise and Public Sector business at **Virgin Media O2**, and before that was a Managing Director at **Virgin Media**
- Experience in Insurance and Banking Services

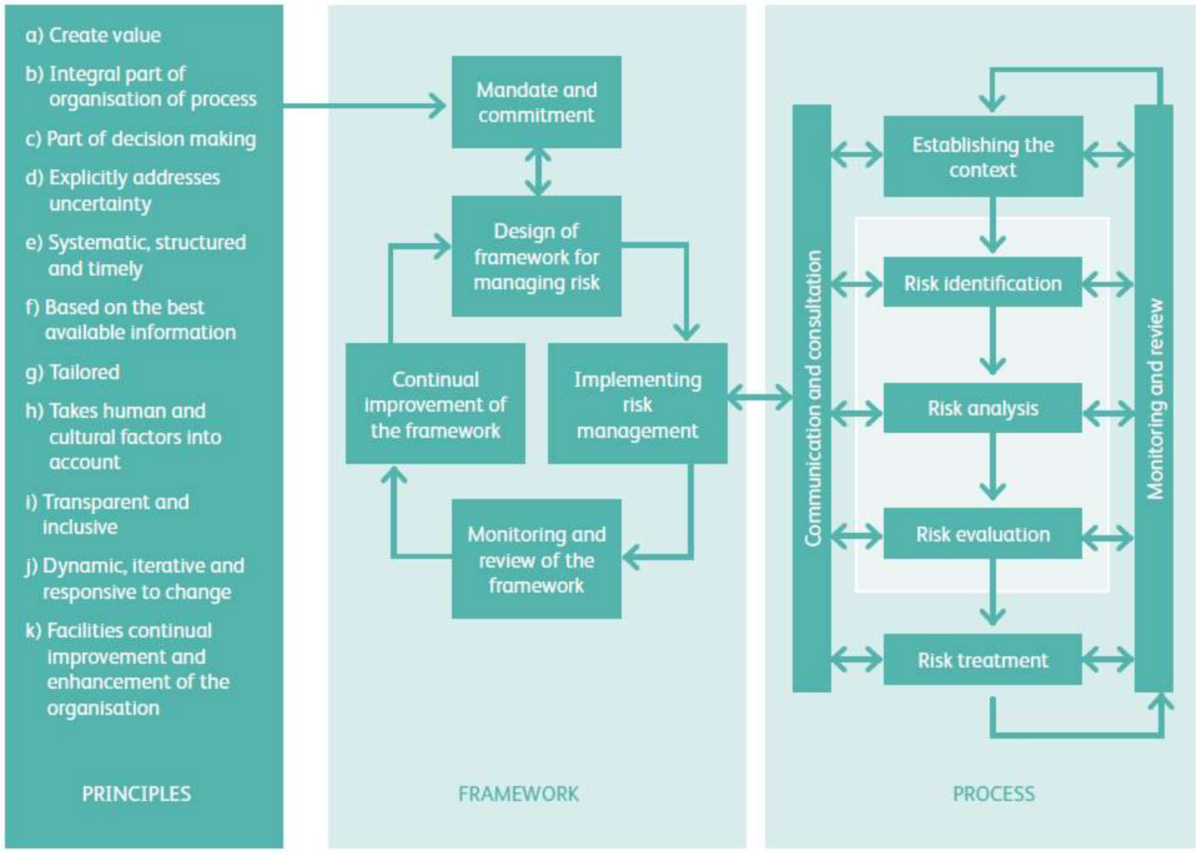
Principal Risks and Uncertainties

Arqiva's approach to risk management is as follows:

- Arqiva recognises that the effective management of risk is essential to achieve our business objectives
- Arqiva adopts an Enterprise Risk Management ('ERM') approach, which is recognised as 'best practice' for top performing companies
- Managing risk is a core responsibility of management at all levels and is a key component of governance and compliance
- Arqiva aims to embed risk management principles into the culture of the organisation

Enterprise wide management of risk is important for Arqiva to meet our corporate objectives and for us to protect future competitive advantage. The strategic importance of risk management is recognised by top performing companies and is an important part of good corporate governance. Arqiva subscribes to the Enterprise Risk Management approach to managing our risk profile.

Arqiva subscribes to Enterprise Risk Management and conforms to the intent of ISO31000. Arqiva has adopted the ISO 27001 standard for Information Security and conforms to the intent of the ISO/IEC 27005 for Security Risk Management which operates within the Arqiva ERM Framework. Our statements and principles are linked to our process through our risk management framework.



The Executive Committee has responsibility for maintaining and updating their line of business risk register which includes utilising the standardised approach to risk assessment and risk monitoring. The Company's centralised Internal Audit and Risk function provides training and support to ensure risks are captured effectively and on a timely basis. The Internal Audit and Risk function works with the Chief Executive Officer to review and consolidate the most significant business risks into a corporate risk register for scrutiny at quarterly Executive Committee and Audit and Risk Committee meetings. The Executive Committee makes recommendations for ensuring the risk management framework remains effective going forward.

Management has identified the following risks as the most significant business risks affecting the Company, presented together with identified mitigating actions.

Risk Type	Description of risk / uncertainty	Management of risk / uncertainty	Recent developments
Commercial	Market and customers do not take up Arqiva's new products & services.	Operating and capital expenditure are budgeted to include investment to support product development.	Arqiva remains in dialogue with customers and other stakeholders such as government and Ofcom or developments and opportunities in the markets.
	Limited market opportunity, they do not meet customer needs or have an unsustainable cost base ultimately impacting growth and longevity of the business.	We maintain strong relationships with our customers and engage with them in the development and product discovery phase of new products.	Arqiva are introducing product led ways of working and initiatives to improve product readiness which will reduce the likelihood of risk significantly once this has landed.
	There is a risk of alternative competing technologies leading to a faster move towards non-linear services and more competition from alternative providers leading to non-renewal of contracts for radio, TV and connectivity services.	The product development process is performed in increments (e.g. 3 months) with checkpoints after each increment to ensure market and technology assumptions still hold.	Dedicated product teams and agile ways of working will ensure we can react to market changes and shifts in customer dynamics with product value generating developments.
	Customer demand and ability to pay reduces due to high inflation impacts as well as listening trends, faster migration to non-linear and IP delivered services or structural changes to the broadcast market seeing players exit or consolidate to fewer DTT channels resulting in lower cash flows for the Company	Arqiva acts to engage with any relevant Government or regulatory process which might impact Arqiva's business areas in response to the development of alternative or competing technologies. Arqiva's commercial teams engage with customers around pricing and ability to pay and around renewal of services.	The continued focus of the Broadcast 2040+ initiative seeks to safeguard the terrestrial TV and radio broadcast products that underpin the core business of Arqiva and secure the longevity of these contracts. The annual budget includes investment to support product development.

	Customers challenge regulated pricing, impacting long-term contracts and returns on existing services and increasing volatility.	Prices vary in response to these discussions which reflect market conditions e.g. with media customers on the multiplexes Arqiva operates on DTT or DAB and through its use of transponder capacity. Arqiva seeks to support the industry in instances where changes could undermine the long-term demand or ability to pay. Arqiva is exploring the possibility of revenue sharing models for customers to mitigate the downturn in advertising revenues. Arqiva has long-term contracts in place with its regulated business customers – this provides an inherent level of protection to this risk. Arqiva works closely with the Office of the Adjudicator (OTA) to ensure that the OTA is happy with how the system is operating – this includes regular audits and provision of any information required and monthly meetings.	Arqiva has successfully launched new products in the year for Arqade and Arqplex technologies to diversify product offerings, with new customers already contracted. New product development is continuing to support customers evolve their business and respond to changing preferences. Arqiva remains in dialogue with relevant stakeholders including Government and regulators to include any changes to licences, spectrum or around the future of the PSB including the BBC Charter process.
Technological	Impact of development of alternative competing technological solutions against Arqiva solutions such as a faster move to non-linear and IP delivered services away from broadcast delivered or on the utilities side wider competition to our portfolio of services to the water sector. These could impact customer decisions to not renew contracts or reduce the scope of services for broadcast or utility connectivity.	Arqiva's Vision 2031 strategy seeks to broaden Arqiva's ambitions and ensure that it can remain sustainable. It sets out key pillars of activities which will drive a focus on building new business areas and responding to technology changes and opportunities in the market. It prepares the business to embrace partnerships and new technologies which go beyond the historic focus on Arqiva's infrastructure and enable the business to access new technologies. Arqiva acts to engage with any relevant Government or regulatory process which might impact Arqiva's business areas in response to the development of alternative or competing technologies. Arqiva acts to ensure that operational performance is retained at a very high-level and that DTT, radio and DTH services remain on-air in order to support their ongoing	Arqiva remains in dialogue with relevant stakeholders including Government and regulators to include any changes to licences, spectrum or around the future of the PSBs including the BBC Charter process. We are currently engaging with the DCMS radio review to seek to ensure a long-term future and clear plan for the radio sector. We act to protect the longevity of the services and seek to avoid a government decision to take spectrum used for broadcast and award it to mobile or move away from DTT towards full delivery of TV services via IP. The strategic priorities of the Company for the next 10 years put a focus on the sustainable future of the business including the development of solutions for new and emerging sectors to make the most of our existing infrastructure platforms and expertise.

		use relative to IP or broadband alternative methods of delivery.	
	Asset condition is worse than expected due to the aging nature of our passive infrastructure. Also, the technology that our networking relies upon is rapidly changing. This could lead to equipment failure or obsolescence, service outages leading to penalties with customers and requirement for greater than anticipated capital expenditure.	Our approach is to take a balanced but focused approach on asset quality and maintenance. • Combining an Asset Lifecycle Management approach with an established strategic risk framework to prioritise our maintenance strategy • System owner reviews of platform health assessed against RAG status for systems & component assets. • Risks identified from reviews are assessed through Risk Management process assigning risk score & mitigation. • Mitigation requiring a Capex investment are prioritised within the Capex budget envelope.	Site inspections are completed with a focus on older sites and structural maintenance plans have been implemented. Maintenance capex is built into the long-term plan along with increased investment in security.
Political	Change in government plans, policy or priorities could lead to changes in licensing, spectrum access, longevity of services or impact growth opportunities.	Arqiva maintains regular dialogue with our stakeholders to manage any political or regulatory risks facing the business. Arqiva's assets and operations remain predominantly in the UK and therefore our business has minimal exposure to the changing relationships with international markets or political or regulatory changes in other countries. Arqiva acts to defend its licences and spectrum as necessary and engages with all relevant government or regulatory processes.	Arqiva has successfully agreed scope and change requests on our smart energy metering programme with our customer demonstrating the customer's continued focus on network roll out. Arqiva remains in dialogue with relevant stakeholders including government and regulators to include any changes to licences, spectrum, legislation or in policy which might impact its business areas. This included around the recent Media Act and inputting to Ofcom's review of TV distribution. Arqiva has secured an extension of its key DTT mux licences until the end of 2034 and renewed other radio licences. Arqiva supports the Broadcast 2040+ campaign and coalition which seeks to safeguard the terrestrial TV and radio broadcast services Arqiva delivers for the nation. Arqiva has been involved in WRC23 which protected the spectrum allocated to DTT. Arqiva engaged both domestically and at an international level through membership and participation

			in Broadcast Networks Europe to secure a positive outcome. Arqiva has been engaging with the PR24/AMP8 regulatory cycle in the water sector and seeking to ensure that smart water metering is supported and enabled to address issues of leakage, water scarcity and climate change.
Reputational	Adverse publicity damages Arqiva's reputation and customer and business partner confidence and its ability to do business as a result of: - A major event or incident impacting our services; - Untimely delivery on major projects; - Repeated unexpected service outages; - Security breach or cyber-attack on networks; or Major network or equipment failure or obsolescence or inability to configure to comply with information security standards	Arqiva carefully engages with our customers to ensure that project milestones are carefully managed, and management regularly reviews the progress of all projects. Through continuous measurement of operational KPIs and addressing shortfalls in performance through process excellence the risk around service reliability is carefully managed. The Company has in place a crisis management plan for public relations and external communications to provide support should there be any major events. This is regularly monitored and reviewed. Cyber-attacks and trends in this area are continually monitored. The Company continues to invest in our infrastructure and perform site inspections and maintenance.	The Company maintains ISO27001 certification regarding information security and holds periodic reviews of the security environment and training for employees. Incident management, business continuity and disaster recovery plans are in place. The Business Continuity Company continues to meet regularly and will test and roll out the plans. There has been continued capital expenditure in the year to improve infrastructure. The Company has continued with our digital transformation programme with the programme largely complete with new systems launched.
Operational	Information, networks and systems infrastructure may be subjected to disruptive and destructive cyber-attacks through its systems and third-party supplier systems. This could lead to a loss or corruption of data, penalties, impacting the operational capacity of Arqiva, reputational risk and loss of revenue and cost impacts from fines and recovery costs. Critical transmission structures or IT infrastructure supporting key operational processes could fail leading to operational outages or catastrophic loss of service. Risk arising from natural issues	The Company maintains an ISO27001 certification regarding information security, which includes Cloud Security Services. Employee training on information security is mandatory and quarterly reviews are undertaken by external consultants to examine the robustness of the security environment. System monitoring and scanning are maintained as well as threat and vulnerability management. Arqiva ensures data is regularly backed up and Incident management, Business Continuity Plans and Disaster recovery have been established for key sites and each business area including establishing a	Arqiva has implemented detection and prevention solutions on networks. Arqiva has continued to pass our quarterly security reviews and has consequently retained ISO certification. A thorough review has been carried out of endpoint security user access to manage who has access to our systems. Site inspections are completed with a focus on older sites and structural maintenance plans have been implemented. Disaster recovery plans have been enacted following the fire on the Bilsdale site. Using other

	such as adverse weather, flooding and erosion, society risks from security breach and vandalism or maintenance and structural routines.	network of agencies to support, regular site inspections and corrective and preventative maintenance. A Business Recovery Working Company meets regularly to stress test these plans and continually review the Company's approach to disaster recovery and operational resilience. Arqiva maintains a robust oversight of the delivery of our major programmes. This includes identifying the key personnel and resources required for delivery and working closely with its suppliers and customers to ensure that these requirements are sufficiently available.	sites, services were initially redirected where possible to utilise other transmitters in the area whilst a temporary mast was erected with 98% of households' service restored. Arqiva has worked extensively in the community to support impacted viewers with positive feedback. The Bilsdale fire has led to a strengthened inspection regime for sites and structural maintenance plans are in place. The Company's smart metering communication network in the North of England and Scotland now covers 99.5% of premises. Arqiva continues to support the DCC on the meter roll out programme.
People and Culture	The risk that the Company does not have an alignment of skills to support the future requirements of the business leading to being unable to deliver the strategic ambitions The risk that the Company does not have the right culture or the right people in the right place at the right time with the right skills to enable execution of our strategic plans	Arqiva recognises the importance of our people and seeks to make Arqiva a rewarding and enjoyable place to work. The Company operates a competitive annual bonus plan for employees and a long-term incentive plan for our leadership team. Additionally, the Company operates formal retention and succession planning in knowledge-critical areas of the business. The Company has a People and Culture Initiative roadmap. The changing customer and competitive landscape as well as our internal changes to our strategy, organisational design, technology and processes require a different set of mindsets, behaviours, capabilities and skills so Arqiva has established and launched the Culture transformation programme to drive our people work.	Arqiva continues to make progress on its cultural ambitions. The "Work. Life. Smarter" approach to flexible working proves to be a differentiator to external candidates. Arqiva continues to invest in its people with new graduates and apprentices starting in the year. Digital learning tools are available for all employees. Partnered with external consultants to review salary ranges. The culture transformation programme continues to be embedded, driving the 3 culture goals to support the achievement of our strategy. Each function now has a workforce plan and our skills management roll out will increase our insights of skill gaps pan-Arqiva. Maintenance of technical skills for our core infrastructure remains an area of focus alongside bringing in new capabilities.
Business Sustainability	Failure to achieve long-term cost targets impacting the future sustainability of the business.	There is ongoing monitoring and detailed change control and regular monitoring of third-party savings initiatives at both the Executive Committee and shareholder levels.	The strategic priorities of the Company for the next 10 years put a focus on the sustainable future of the business including the development of solutions for new and emerging sectors to make the most of our

		Ongoing monitoring versus budgets and business plans plus regular monitoring of third-party savings initiatives at both the exco and shareholder levels (monthly reporting) and alignment of reward schemes to drive behaviour at the leadership team level. An Enablement team has been established to follow on from the transformation programme undergone and drive forward efficiencies in our processes and operations.	existing infrastructure platforms and expertise. The Company has also continued to pursue its sustainability programme to mitigate our impacts and support the environments we operate in and increase focus on climate risks facing the business. Water bids are highlighting an increased demand for revenue models with network build / roll out cost recovery spread over the life of the contracts, a shift away from the upfront capex charge model assumed in the Long term Plan (LTP).
Financial	Details of the financial risks and details of mitigating factors are set out in the Directors' report on page 59.		

Environmental Sustainability

Environmental Sustainability Strategy

Arqiva has 3 key environmental sustainability goals that both support and are supported by our core business strategic objectives, mitigating our impact on the environment.

Goal 1: To become a Net Zero Organisation by 2040, with an interim target of reaching net zero across our Scope 1 and Scope 2 emissions by 2031

Goal 2: To positively enhance the environments we operate in

Goal 3: To optimise the use of natural resources

Our approach to these goals focuses on:

- Measuring, monitoring and reporting Arqiva's carbon emissions to create transparency;
- Delivery of our Sustainability Programme which, identifies and reviews environmental risks, developing strategic and operational plans to mitigate them;
- Working collaboratively with our customers and suppliers on strategies, and mitigations to drive the carbon reduction agenda;
- Actively assessing the market and our own products for future decarbonization opportunities using new technology and innovation; and
- Establishing information flows and responsibilities across the organisation to ensure that sustainable principles are embedded into our business processes and form part of the framework used for decision-making.

To achieve our sustainability targets, in 2023 the Board approved our Environmental Sustainability Policy and sustainability charter. The board monitors progress against the Sustainability Programme which formalises and coordinates delivery of Arqiva's goals. Arqiva's Sustainability team has recently been increased to 5 heads to support development and delivery of our sustainability goals. The team provide updates to the Executive Committee, Board and other key stakeholders as required.

Arqiva holds ISO 14,001 certification for its environmental management system and reviews its performance regularly to look for opportunities for improvement.

Arqiva participates in the Carbon Disclosure Project (CDP) gaining a C rating for our last submission.

Progress Against our Environmental Sustainability Goals

Goal 1: To become a Net Zero Organisation by 2040, with an interim target of reaching net zero across our Scope 1 and 2 emissions by 2031.

Arqiva is a large owner and operator of infrastructure with several customers who outsource energy intensive services to us. Our energy strategy is of interest, economically and environmentally to both Arqiva and its customers and the strategy reflects our collective net-zero ambitions by:

- Reducing energy consumption in partnership with our customers,
- Investing in energy efficient technologies,
- Working with our key suppliers to reduce carbon in our supply chain,
- Monitoring and managing carbon emissions, and
- Working towards gaining SBTi validation of our carbon reduction targets by June 2025.

Net Zero and Energy efficiency actions taken in the year

This financial year we reduced our energy consumption across Scopes 1 and 2 by approximately 5.3 Gigawatt hours. This was achieved through a combination of power reductions and reconfiguration of equipment, installing more efficient technology, and switching off some legacy services.

We have completed a review of our carbon inventory and data collection methodology to incorporate emissions from propane, portable generators and fugitive emissions from additional systems including fire suppression systems. Restated figures for FY 2023 that take these additional categories into account have been included in this report.

We have a carbon reduction plan for our scope 1 & 2 emissions including development of targets and will be developing our scope 3 carbon reduction plan in the coming year as part of our SBTi target validation.

Scope 1 Emissions

Arqiva has abatement plans in place for the reduction of scope 1 carbon emissions which are centred on electrification of our fleet vehicles, logistics optimisation, transition to low carbon fuel for generators, and replacing gas and oil central heating.

Over the last year we have:

- Increased the number of electric vehicles from 11 to 21 and maintained 4 hybrid vehicles out of a fleet of 299 vehicles;
- Reduced the total miles travelled by around 570,000, which includes reductions achieved by changing the way site visits are scheduled;
- Switched from gas to electric heating at one of the four sites with gas fired central heating;
- Begun the phasing out the use of FM 200 in our fire suppression systems; and
- Purchased hydrotreated vegetable oil (HVO) fuel where feasible for use in our generators.

Scope 2 Emissions

Arqiva's scope 2 reductions are dependent on reducing our energy demand through re-engineering or replacement of technical equipment. We are working collaboratively with customers who outsource services to us to negotiate and formalise a rolling programme of work considering changes to the services we provide on their behalf as well as the practicalities of adapting or replacing parts of the enabling asset base.

Over the last year we have:

- Switched off some AM radio services,
- Made engineering changes to broadcast equipment to improve efficiency and lower power usage,
- Seen improved efficiency following replacement of equipment including the Bilsdale transmitter,
- Commenced purchase of electricity with renewable energy guarantee of origin certification from April 2024 from our main supplier, and
- Continued to generate electricity from solar panels at our sites saving the equivalent of 40 tCO2e emissions.

Scope 3 Emissions

We have completed an assessment of the full range of scope 3 emissions for inclusion in this year's Streamlined Energy and Carbon Reporting (SECR) report. This review identified that our previous scope 2 emissions had included upstream leased asset emissions; these emissions have moved across to our scope 3 total and the FY23 Scope 2 emissions restated to reflect this change. The SECR report contains the total scope 3 emissions from all categories relevant to Arqiva. Emissions through our supply chain have been calculated using spend based data. We will be developing our scope 3 carbon reduction plan in the coming year as part of our SBTi target verification.

Streamlined Energy and Carbon Reporting (SECR)

In accordance with SECR requirements, the table below provides a breakdown of carbon emissions in tonnes CO2e by scope in accordance with the Green House Gas Protocol, along with energy data for Arqiva for the financial year 2024, in comparison with the restated Scope 1&2 emissions from financial year 2023. The Scope 1 and 2 emissions for FY 2024 have undergone limited assurance in accordance with ISO14,064-3:2019. This can be found at the following site: www.arqiva.com/emissionsreport2024

This report is compiled for Arqiva Group Limited, in line with the reporting requirements.

	Year ended June 24		Year ended June 23 published in FY23 Annual Report		Year Ended June 23 Restated	
	Energy GWh	Tonnes CO2e	Energy GWh	Tonnes CO2e	Energy GWH	Tonnes CO2e
Scope 1						
Gas [a]	1.62	297.5 LA	1.90	385	1.70	311
Gas Oil [b]	0.53	135.8 LA	0.57	149	0.53	137
Fugitive Emissions [c]		1924.9 LA		280		1884
Owner Transport (fleet) [d]	4.67	1167.3 LA	5.57	1408	5.28	1335
Diesel Generators [e]	0.43	111.5 LA	2.89	752	2.89	752
Total Scope 1	7.25	3637.0 LA	10.93	2974	10.40	4419
Scope 2						
Location Based (LB) [f]	191.67	39617.6 LA	201.47	41842	197.39	40799
Market Based (MB) [g]	191.67	28578.9 LA	201.47	40000	197.39	39178
Total Scopes 1&2 (LB)	198.92	43254.6 LA	212.40	44816	207.79	45218
Total Scopes 1&2 (MB)	198.92	32215.9 LA	212.40	42974	207.79	43597
Intensity Ratio Scopes 1&2 tCO2e/ £m (LB)		63.3				69.4
Intensity Ratio Scopes 1&2 tCO2e/£m (MB)		47.2				66.9
Scope 3						
Total from all relevant categories [h]		111310				118090
Total Scope 1,2&3 emissions (LB)		154564.6				163308
Total Scope 1,2&3 emissions (MB)		143525.9				161687
Intensity Ratio Scopes 1,2&3 tCO2e/£m (LB)		226.4				250.6
Intensity Ratio Scopes 1,2&3 tCO2e/£m (MB)		210.2				248.1

NB – not all figures were reported for Scope 3 for FY23. Where this is the case, the comparable metric has been left blank

Notes:
LA – Figures have undergone limited assurance to ISO14,046-3:2019
a– Natural gas consumption for heating of premises, propane used in operations.
b- Gas oil used for heating of premises
c- Refrigerants used in air conditioning systems and gases lost from fire suppression systems
d- Company owned vehicle emissions converted from litres fuel (not inclusive of electric vehicles)
e- Diesel and HVO consumed by generators for electricity generation
f- Location Based methodology- emissions calculated in line with the country specific grid- average emission factors
g- Market based methodology- emissions calculated in line with the REGO certified renewable energy supplied to Arqiva
h- Scope 3 emissions calculated for all relevant categories

Reporting methodology

The following standards and guidance are used to both monitor and report on our relevant carbon emission sources:

- **Greenhouse Gas Protocol Corporate Accounting and Reporting Standard** developed by the World Resource Institute (WRI) and World Business Council for Sustainable Development (WBSCD) which can be accessed via https://ghgprotocol.org/standards
- **Green House Gas Reporting: Conversion factors 2024**: full set, used to report on 2024 greenhouse gas emissions. Greenhouse gas reporting: conversion factors 2024 - GOV.UK (www.gov.uk)
- **Environmental Reporting Guidelines**: Including streamlined energy and carbon reporting guidance March 2019. Access available via https://www.gov.uk/government/publications/environmental-reporting-guidelines-including-mandatory-greenhouse-gas-emissions-reporting-guidance

Scope 1 emissions:
Emissions are determined by measuring metered consumption of Gas and Oil purchases and top up volumes of fugitive emissions in the reporting period and applying the appropriate GHG conversion factors from above. Estimated consumption values are used for May and June 24 based on consumption during this period in the previous 2 years.
Transport emissions are determined by fuel card reports for the fleet over the period, with conversion factors applied by vehicle type.

Scope 2 emissions:
Emissions are derived from metered consumption of energy and apportionment by contract type to determine market and location-based emissions. Estimated consumption values are used for May and June 24 based on consumption during this period in the previous 2 years.

Scope 3 Emissions:
Emissions were calculated in line with the GHG Protocol for the relevant categories listed below:

- Purchased goods and services- emissions calculated using spend based emission factors (Exiobase) and overlaying pro-rata supplier emissions where available,
- Capital goods- emissions calculated using spend based emission factors (Exiobase) and overlaying pro-rata supplier emissions where available,
- Fuel and energy related activities- emissions calculated using the 2024 Department for Energy Security and Net Zero (DESNZ) emission factors for upstream emissions per unit of consumption calculated from our scope 1&2 emissions,
- Upstream transport and distribution- emissions calculated using spend based emission factors (Exiobase) and overlaying pro-rata supplier emissions where available,
- Waste generated in operations- emissions calculated using 2024 DESNZ emission factors and includes waste and wastewater treatment,
- Business travel- emissions calculated using expenses and suppliers using 2024 DESNZ emission factors.
- Employee commuting- emissions calculated using data from employee survey using 2024 DESNZ emission factors,
- Upstream leased assets- emissions calculated using DESNZ emission factors,
- Downstream transport and distribution- emissions calculated using spend based emission factors (Exiobase) and overlaying pro-rata supplier emissions where available,
- Use of sold products- emissions calculated using number of sold products and relevant 2024 DESNZ emission factors.

Goal 2: To positively enhance the environments we operate in

Many of our sites are in rural locations around the country with protected habitats and wildlife. To positively enhance these environments we seek to protect, work around, or strive to have the least impact possible on natural habitats, rare flowers, and wild animals and to improve the habitats for flora and fauna to thrive in, supporting and enhancing biodiversity. We work closely with planning authorities and local communities to find the best acceptable solution for locations of masts and infrastructure essential to keeping both rural and urban communities connected. We have started identifying opportunities for grass restoration at our main site Crawley Court by trialling “no-mow” areas throughout the summer to encourage wildflower growth and enhance biodiversity.

As part of our operations, we want to prevent disturbance to nesting birds across our property by setting policies and procedures to identify nesting birds and ensure that any activities/works are managed accordingly.

We have gifted under a 125 year long-term lease, 8 acres of land at our Morn Hill site in Winchester to the Science Centre that is run by the Wonderseekers charity. This partnership will protect and enhance the biodiversity of the site in collaboration with neighbouring landowners to recover nature and increase access and connectivity to the South Downs. The site is part of the Site of Special Scientific Interest and has special status for natural wildlife and butterfly populations. Wonderseekers showcases the importance of biodiversity through their extensive community engagement programme with over 120,000 visitors a year.

We provide volunteering opportunities for our colleagues to gain a greater understanding of the importance of biodiversity by getting involved in beach cleaning, nature surveys and litter picking.

Goal 3: To optimise the use of natural resources

This goal focuses on the reduction of waste generated as a consequence of our operations, by incorporating the principles of a "circular economy" that consider waste through the supply chain including end-of-life management, maintenance of assets, reclamation and re-use of usable components and equipment potentially avoiding carbon emissions otherwise associated with asset replacement. For items no longer required by the business we follow the waste hierarchy as we seek to resell, reuse, reclaim or recycle materials. This year we have recycled 99 tonnes of waste collected from our sites and we have been able to reuse 0.7 tonnes of our IT waste including 306 laptop computers. Of around 3000 technical parts that were sent to our repair centre following identification of faults or following maintenance, 2850 were repaired and returned as stock items, equating to a re-use rate of 96%. The remaining items were deemed to be beyond economic repair and sent for recycling. As part of the refresh of our work mobile phones, we purchased 200 refurbished units rather than buying new units thereby supporting the principles of a circular economy and reducing the reliance on natural resources.

Following the fire at our Bilsdale site in 2021, Arqiva issued media streaming devices to local residents to ensure a level of connectivity was available while services were being restored. Circa 500 remaining devices were donated to the British Heart Foundation for re-use.

Our smart energy and water utilities propositions support a more responsible use of natural resources, assisting our utilities customers with their sustainability agendas. Arqiva are also developing next generation cloud-based, IP enabled services to aggregate media content from different sources for distribution to different platforms using content delivery networks that can work alongside traditional broadcast platforms, enabling customer carbon reduction through improved scalability, enriched service, improved energy consumption, and reductions in maintaining a traditional fixed asset base.

Climate Related Risks and Opportunities (Non-Financial Sustainability Information Statement)

To improve transparency of the Company's climate-related risks and opportunities, Arqiva has produced this disclosure for its year ended 30 June 2024 in accordance with the requirements of Companies Act section 414. Within this disclosure Arqiva has considered both physical environmental risks and those associated with the transition to a greener economy alongside opportunities due to climate change that are relevant to its operations, assessing the potential impact on the business in the short, medium and long term. Refer to pages 64 to 69 of the AGL financial statements for the detail of the Non-Financial Sustainability Information Statement.

Directors' Report

The Directors of Arqiva Limited, registered company number 02487597, (the "Company") submit the annual report and audited financial statements ("the financial statements") in respect of the year ended 30 June 2024.

The Company is a holding company with an investment in a group of operating companies, financing companies and other holding companies.

Wates Corporate Governance Statement

For the year ended 30 June 2024, under The Companies (Miscellaneous Reporting) Regulations 2018, Arqiva has continued to apply the Wates Corporate Governance Principles for Large Private Companies (as published by the Financial Reporting Council (FRC) in December 2018 and available on the FRC website).

Companies can adopt the Wates principles as an appropriate framework when making a disclosure regarding corporate governance arrangements. We have adopted the disclosure in our 2024 Annual Report and Financial Statements and we set out below how the principles have been applied over the past year.

PRINCIPLE ONE - PURPOSE AND LEADERSHIP *– An effective board promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose.*

Purpose/focus and activities during the year.
The Board and Executive Committee continue to progress the strategy to build a sustainable future for the Company focused on its purpose of "***Enabling a Switched on World to flow***" delivering critical connectivity working in partnership with its customers across broadcast, media and utilities.

The following items were key areas of focus during the year:

Item	Summary
Headline purpose and strategy matters	The Company continues to build on the Vision 2031 work in "***Enabling a Switched on World to flow***" with execution of strategic focus areas enabled by an operational model aimed at strengthening culture; deepening engagement with and empowering people; promoting investment in products and technology; and developing and deepening relationships with key stakeholders. The purpose and cultural values underpin the Company's strategic priorities to achieve four key ambitions: to be the undisputed leader in UK TV, radio and broadcast; to transition global media to cloud-based solutions; to be the UK's leading smart utilities provider and to be an innovator of scalable solutions for new connectivity sectors (see Strategic Overview (pages 13-14)). The Board has overseen the progress against the purpose and strategic priorities as against a detailed and robust long-term plan as well as undertaking various strategic review sessions. This year, these have included sessions on market trends and future landscape sessions for both Media & Broadcast and Smart Utilities (including sessions with industry experts) as well as sustainability strategy and a day dedicated to strategic discussions taking into account both operating environments and future business plans.
Capital structure	The Board has continued to monitor the Company capital structure to ensure its suitability for the business needs.
Customers	There has been a continued focus on strengthening customer relationships at all levels including increased focus on customer experience and feedback and senior engagement with key customers and stakeholders. The Company has also been working with customers on new collaborative projects with water customers and developing our media products to provide better customer experiences. Customer experience and feedback has been part of the Board agenda this year and the Board has heard directly from customers and industry experts in market information sessions.

People & Culture	We want to create an environment where everyone has the opportunity to create value and succeed, whatever their role. We support 10 internal diversity and inclusion networks and are a corporate member of the industry leading Inclusive Employers. 25% of our workforce is female, as a technical engineering organisation, this is in line with the national average for females working in STEM[7]. Having colleagues with the right skills in the right role is crucial to our success and place learning & development at the heart of what we do, providing lots of formal and informal opportunities to develop new and current skills. Further details are at Supporting our People and Supporting Diversity & Inclusion (pages 26-28). Employee Wellbeing is also central to our proposition, with Arqiva winning Vitality's Britain's Healthiest Workplace in February 2024 and being shortlisted for a HR Excellence Award for Wellbeing in December 2023. This is a strength that we continue to build on with the recent launch of 'Podplan': a fully funded employee benefit to support colleagues with responsibilities for eldercare.
Transformation	During the year, the Board has overseen the continued simplification and improvement of systems and processes to enhance operational capability and bring efficiencies to the Company's operations, ways of working and customer service. We have recruited a new director of Product, a new director of Enablement and a new director of Data and Insight to strengthen our capabilities in our anticipated growth areas.
Operational performance	The operational performance of the business has been closely monitored by the Board as part of the regular Board meeting agendas as well as via the Operational Resilience Committee which focuses on key matters relating to operational resilience including safety, health & environment, sustainability, security and operational resilience. The Board oversaw the activities to rebuild the Bilsdale mast and restore coverage as a key operational focus. Full restoration of radio services was achieved in January 2024 following on from full restoration of television services in May 2023. Health and safety performance continues to be a key area of focus and the Operational Resilience Committee has overseen a review of and updates to the health and safety framework.
Sustainability	Sustainability is a key priority for the business with three key sustainability goals: 1) to become a Net Zero organisation by 2040 with an interim target of net zero across Scope 1 and Scope 2 emissions by 2031; 2) to positively enhance the environments we operate in; and 3) to optimise the use of natural resources. Details of our sustainability strategy can be found on pages 48-49 of the annual report. Streamlined Energy and Carbon Reporting including details of our greenhouse gas emissions can be found on page 50 of the annual report. Climate related risks and opportunities have also been assessed, see page 52 for further information. The Board continues to oversee further development of the Company's sustainability programme via the Operational Resilience Committee. Arqiva also notes the Sustainability Development Goals of Reduced Inequalities and Peace, Justice and Strong Institutions. The Company's work on empowering and promoting inclusion over the course of the year has included creating and promoting employee resource and networking companies, commitment to gender pay gap reporting and colleague led community-based volunteering and charity support. The Company also drives ethical business behaviour through its approach on preventing bribery and corruption, modern slavery and human trafficking and ensuring effective and accountable reporting. These activities all form part of our Corporate Responsibility commitments (outlined at pages 24-30 of the annual report).

Values and culture

[7] STEM – Science, Technology, Engineering and Mathematics [Supply of skills for jobs in science and technology, Calendar year 2023 - Explore education statistics - GOV.UK (explore-education-statistics.service.gov.uk)]

Arqiva's values (our culture goals) are promoted and reinforced throughout the business and are aligned to our overall business strategy. Regular reviews of employee and customer sentiment are undertaken and acted upon. There is also further engagement with employees via employee forums, an elected Employee Board and BECTU (outlined under Principle 6 (Stakeholders) below). The Company's People & Culture team monitors and regular reports to the Board on a range of employee metrics.

PRINCIPLE TWO - BOARD COMPOSITION - *Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.*

Chair
The Company's corporate governance structure creates a clear separation between the role of the Chair and that of the Chief Executive Officer.

The Chair (who is independent of the Company's shareholders) is a highly experienced business executive having held many senior executive roles in the technology, media and telecoms sectors and had been a director of the Company prior to his appointment as Chair in February 2023. The Board engaged an external Board performance review in the last year. The review noted that the Chair facilitates open, constructive and honest interchanges between the Board members which supports decision making across the Board agenda. The review identified Chair strengths including his experience and profile in global broadcasting to inform strategic priorities, the level of Chair engagement with the Executive, shareholders and the Board and Chair's presence on all Board sub-committees to support efficient governance. The review recommendations in terms of communications and Board agenda to help elevate the Chair's leadership further have been actioned.

Balance and diversity
The Board has deep and relevant experience which has provided invaluable external industry input to assist more effective decision-making in relation to a number of key matters brought before the Board. The Company operates in a number of diverse and complex markets which require the Board to have a detailed understanding of the relevant sectors in order to arrive at informed decisions.

We acknowledge that there is a relative lack of diversity on the Board in the context of the wider diversity and inclusion goals of the Company. In the wake of a Board performance review, steps are being taken to review Board skills and diversity in the context of assisting shareholders in Board succession planning. The Board remains committed to developing a more diverse workforce and, as part of the new appointments to the Senior Leadership company, improvements have been made to broaden diversity and this will continue in the future. Details of the actions taken in the year towards this are discussed in the Supporting Diversity & Inclusion section of the Corporate Responsibility Statement on pages 27 of the annual report.

Arqiva is actively working with Inclusive Employers in relation to diversity and inclusion. The Company recognises that there is further work to do in this area and continues to promote relevant initiatives. Page 28 of the Annual Report provides a breakdown of the gender of Directors and employees.

Size and structure
There have been limited changes to the Board over the course of the year as Andrew MacLeod took up his appointment and Diego Massidda was appointed to the Board by D9. The size and structure of the Board remains under periodic review so that it is best organised to meet the needs and challenges of the Company. In terms of Board size, a balance has been struck between ensuring shareholders are adequately represented via their nominated Directors but also identifying directors with relevant industry experience (see pages 35-40 of the Annual Report for full details of the composition of the Board of Directors and Senior Executive Management).

Effectiveness
The Company engaged an independent third party to carry out a Board performance and effectiveness review this year. The overall findings were that the Board generally functions well. The Board is in the process of reviewing the actions coming out of the review with some recommended changes already in progress including revising meeting structures to provide greater visibility on the work done by the Chair and Committees as well as stakeholders' positions and initiating a review of the Committee Terms of Reference to clarify accountability and optimise how the Committees work together.

PRINCIPLE THREE - DIRECTOR RESPONSIBILITIES – *A board should have a clear understanding of its accountability and terms of reference. Its policies and procedures should support effective decision-making and independent challenge.*

The Board has a programme of at least five principal meetings every year plus an additional day for strategic planning, with additional meetings arranged for key projects or as may otherwise be required.

Accountability
Decisions which are within the remit of the Board or Shareholders are set out in a Shareholders' Agreement (as Board Reserved Matters and Shareholder Reserved Matters). There is a Delegation of Authority policy which sets out the responsibilities that are delegated to the Executive and those decisions which must be made at Board or Shareholder level. This policy is reviewed regularly and any revisions are brought to the Board for approval. Typically, Board or Shareholder Reserved Matters are raised at regular Board meetings and written resolutions are obtained where otherwise required.

A Conflicts of Interest paper is maintained and regularly updated with details of Board or Shareholder conflicts. Any conflicts which may compromise independent decision making would be raised by the Company Secretary at the relevant Board meeting; a Director having a conflict is not entitled to discuss or vote on the relevant matter, or to count in the quorum.

Committees
The Board sub-Committees promote effective decision making and greater accountability and focus in relation to each of the areas covered by the respective sub-Committees. Pages 60-61 of the Annual Report provide an overview and description of each of the three Board sub-Committees comprising: Audit & Risk, Governance & Remuneration Committee, Operational Resilience Committee. Each of the Committees has Terms of Reference, which set out its remit and the Board has accepted the Board performance review recommendation to review those Terms of Reference in order to optimise how the Committees work together and has put in place changes to the Board agenda to improve Committee visibility and reporting into the Board.

Integrity of information
The Board receives regular reports from the Executive and Senior Management on key matters for which the Board has responsibility, including strategic projects; comprehensive financial reporting; key customer and regulatory matters; updates on operational resilience (including physical and cyber security as well as health and safety and environmental issues); details of major bids and performance of key contracts and market issues faced by the Company as well as developments in technology and regulation.

The Company uploads papers to a board portal for ease of review and administration. Other than in exceptional cases papers are submitted in advance and taken as read at Board meetings, allowing any presentations to focus on highlighting key issues, discussion and dealing with questions. The Chairs of each of the Board Committees are aware of the importance of their position and during the year they have met with key employees of the Company to build relationships and gain direct access to those dealing with the day-to-day business of the Company.

PRINCIPLE FOUR - OPPORTUNITY AND RISK – *A Board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value, and establishing oversight for the identification and mitigation of risks.*

Opportunity
The Company's Board maintains a focus on how the Company creates and preserves value over the long-term which is principally achieved through a well-developed strategic and long-term planning process. The Board keeps its strategy under review (including via an annual strategy day which provides a forum to present future business opportunities). Appropriate governance mechanisms are in place to ensure that new business opportunities above a certain value are considered and approved by the Board.

Risk
The Company has a well-developed risk management process in place throughout the business (which is described on page 41-42 of the Annual report). The Company's Audit and Risk function works with the Chief Executive Officer to review and consolidate the most significant business risks into a corporate risk register for scrutiny at quarterly Executive Committee and Audit & Risk Committee meetings.

Arqiva's key operational risks and mitigations are outlined on pages 42-47 of the Annual Report.

Responsibilities

The Company has adopted the Enterprise Risk Management approach to managing its risk which has been approved by the Company's Audit & Risk Committee. This incorporates an internal control framework clearly defining the roles and responsibilities of those involved. Responsibilities include the following:

- The Company's Executive Committee takes recommendations for ensuring the risk management framework remains effective going forward,
- Processes are in place for managing the principal risks and uncertainties,
- The internal control framework (described on page 41-42 of the Company's annual report) confirms that there is a monitoring and review process in place to evaluate risks at both business function and Board level.

PRINCIPLE FIVE - REMUNERATION - *A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.*

Remuneration

A consistent approach has been adopted in setting the level and structure of remuneration in relation to each member of the Executive Committee to secure appropriate and fair levels of remuneration. Benchmarking and advice from external remuneration consultants is obtained. Remuneration comprises of a number of elements including base salary, an annual bonus and a long-term incentive plan.

Page 57 of the Company's annual report provides more detail and explains how remuneration is structured to recognise and reward high performance for achieving targets in line with the Company's sustainable success and values. This aligns with remuneration arrangements for the remainder of the organisation where every employee's remuneration is made up of a combination of base salary and an annual bonus (which, again, is linked to achieving financial targets in line with the Company's objectives).

Policies

The Company has delegated remuneration matters to the Governance & Remuneration Committee (which is a committee of the Board). The Governance & Remuneration Committee operates in accordance with documented terms of reference. The Governance & Remuneration Committee is committed to take into account the pay and employment conditions of the Company's wider workforce when making recommendations in relation to Executive pay.

The Company's bonus and long-term incentive plans are documented in writing and reviewed at least annually by the Governance & Remuneration Committee and any payments made operate against documented performance targets.

In addition, the Governance & Remuneration Committee is responsible for reviewing the company wide pay increase on an annual basis. As part of this process, the Governance & Remuneration Committee will assess increases against certain criteria including taking into account comparative pay metrics in the industry, discussions held with BECTU, the existing and future financial capacity of the business, and also aligning with the long-term sustainable success of the company. In the year to 30 June 2024, annual pay negotiations were concluded with BECTU with agreement to go to a ballot of its members. This occurred in [early July 2023] and agreement was reached on the business' proposals.

The Company has published its full gender pay gap report which is available on the company website at www.arqiva.com. The latest report shows the emphasis and commitment to diversity and inclusion with improvements in both the mean and median pay gaps for the reporting period. The full report provides details on why we have a pay gap, the reasons for the increase in the year and the actions we are taking to address the issue.

PRINCIPLE SIX - STAKEHOLDERS – *A board has a responsibility to oversee meaningful engagement with material stakeholders, including the workforce, and have regard to that discussion when making decisions. The board has a responsibility to foster good stakeholder relationships based on the company's purpose.*

Stakeholders

The Company's key Stakeholders include its employees; customers; suppliers; debt investors; Shareholders; pensions trustees; and regulatory and government bodies including Ofcom, Ofwat, DCMS, DSIT, DEFRA and DBT. Senior Management and the Strategy and Regulatory team work closely with industry bodies and lobby companies and representatives of the various regulatory bodies, and the Board is regularly briefed informally and formally on developments. The value of good relationships with local communities, in the context of planning requirements, for example, is understood and focus is given to fostering these relationships. The Company provides reports to investors and creditors as part of its listed debt obligations and conducts regular investor calls which give the opportunity for debt investors to raise questions with the Company. The Commercial and Operations teams have put additional focus on customer relationships including implementing a new programme around customer engagement and experience. Company's procurement operations function actively undertakes reviews of its supplier base to enhance its best practice in this field.

Workforce
The Employee Engagement Statement (see page 32 of the Annual Report) sets out engagement with employees. The Board engages with employees at a variety of levels from formal Board and Committee meetings to more informal participation in site visits and attendance at 'Let's Connect' days. The Company's People & Culture team monitors and regular reports to the Board on a range of employee metrics and this year the Arqiva Employee Board also presented to the Board.

External impacts
The Company's Corporate Responsibility statement (pages 24-30) sets out a description of the Company's focus areas used to ensure that it acts responsibly, ethically and safely, from a Corporate; Community; Employee; and Business perspective taking into account sustainability goals. This is also reflected in the Stakeholder Engagement Statement (pages 31-32).

Directors' Report

Financial Risk Management

The principal risks and uncertainties of Arqiva have been outlined previously in this report (see pages 41-47). As a result of these, as well as the on-going business activities and strategy of the Company, Arqiva is exposed to a variety of financial risks that include financing risk, purchase price risk, credit risk, liquidity risk, interest rate risk and foreign exchange risk.

The key financial risks affecting Arqiva set out below, together with a summary of how these risks are managed.

Risk Type	Description of risk / uncertainty	Management of risk / uncertainty
Inflation risk	High inflation risk has an adverse impact on both operating and financing cash flow as well as the financial health of customers and suppliers	The Group uses derivative contracts to hedge its exposure to adverse impacts of high levels of inflation to its cash flows. Inflation-linked swaps convert fixed or floating rate interest costs to RPI-linked costs. In June 2023 the Company executed an RPI collar which caps future accretion exposure to inflation at circa 6%. Increases in power costs are, in part, managed via pass-through arrangements with customers. Arqiva's power contracts were renewed until 2026 (England, Scotland & Wales) and 2025 (Northern Ireland), which, with Board approval on a power hedging strategy, has enabled the Company to mitigate the risk of market price volatility through small incremental future power purchased up to 18 months in advance. The total risks are minimised as a significant proportion of Arqiva's revenue contracts with customers within core TV and radio products are RPI-linked.
Purchase price risk	Energy is a major component of the Company's cost base and is subject to price volatility and significant pressure from energy price inflation.	Arqiva's power contracts were renewed until 2026 (England, Scotland & Wales) and 2025 (Northern Ireland), which, with Board approval on a power hedging strategy, has enabled the Company to mitigate the risk of market price volatility through small incremental future power purchased up to 18 months in advance. A proportion of this risk is managed via pass-through arrangements to customers. Power purchasing options are reviewed, and expectations of higher future power costs are built into the business's long-term plans. Sustainability is a key focus for Arqiva, and it includes ways to reduce power consumption. Key revenue and cost milestones are set on larger projects to mitigate the financial risks of volatile market pricing. Third-party savings initiatives are regularly monitored at both the Executive Committee and Shareholder Board levels. Key revenue and cost milestones are set on larger projects to ensure the financial risks of volatile market pricing are mitigated. Third party-savings initiatives are reviewed at both the Executive Committee and Shareholder Board levels.

Credit risk	Arqiva is exposed to credit risk on customer receivables.	Credit risk is managed through appropriate credit checking procedures both prior to taking on new customers and throughout contract life; and higher risk customers paying in advance of services being provided. Aged debt is actively monitored, escalated and acted upon by a dedicated team with support from account managers to reduce bad debt. Performance is closely monitored to ensure agreed service levels are maintained reducing the level of queried payments and mitigating the risk of uncollectible debts.
Liquidity risk	Ensuring Arqiva has sufficient available funds for working capital requirements and planned growth and funding for the Defined Benefit pension scheme.	Arqiva maintains cash reserves and access to undrawn committed facilities to cover forecast requirements. As at 30 June 2024, the Company had £18.4m cash available. The AGL group has £205m and £150m undrawn working capital and liquidity facilities respectively available to cover senior and/or interest payment if required. The Board considers the availability and adequacy of working capital funding requirements in conjunction with forming its long-term financial plan for the business.
Interest rate risk	Exposure to interest rate risk due to borrowing .	Intercompany loan balances held by the Company are at fixed interest rates.
Foreign exchange risk	The Company operates from UK sites and predominantly in the UK market. While some customer and supplier contracts are denominated in other currencies (mainly US Dollars and Euros), the majority of the Company's revenues and costs are sterling based, and accordingly, exposure to foreign exchange is limited.	Management regularly monitors the impact of foreign exchange risks and assess the need to put any mitigating financial instruments in place.

Internal control over financial reporting

The Board of Directors review the effectiveness of Arqiva's systems of internal control, including risk management systems and financial and operational controls (see page 61).

Audit and Risk Committee

The Audit and Risk Committee, chaired by Scott Longhurst, meets at least four times per year. The committee has responsibilities of oversight of risk management procedures, monitoring compliance and regulatory issues (including whistleblowing arrangements) and reviewing the effectiveness of Arqiva's internal controls and internal audit function.

The Committee is authorised to seek any information it requires from any employee of the Company in order to perform its duties, and to obtain any external legal or other professional counsel it requires.

Meetings of the Committee are attended, at the invitation of the Chair of the Committee, by the external auditors, the Chief Executive Officer, the Chief Financial Officer and representatives from the business as required.

Internal Audit

The Audit and Risk Committee is responsible for reviewing the work undertaken by the Company's internal audit function, assessing the adequacy of the function's resources and the scope of its procedures. The internal audit function agrees its annual audit plan with the Audit and Risk Committee and regularly reports its findings and recommendations.

The Company's internal audit plan incorporates an annual rolling review of business activities and incorporates both financial and non-financial controls and procedures.

External Audit

The Audit and Risk Committee is responsible for making recommendations to the Board on the appointment, re-appointment and removal of the Company's external auditor. The Committee makes an assessment of the auditors' independence and objectivity taking into account the relationship with the auditors as a whole, including the provision of any non-audit services.

PricewaterhouseCoopers LLP were re-appointed as external auditor in 2016, for the year ending 30 June 2017, following a competitive tender process. The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Committee.

The auditors have provided certain non-audit services, principally in relation to non-audit assurance. The Audit and Risk Committee considers the acceptability of all non-audit services with the auditors in advance of commencement of work to confirm acceptability and ensures that appropriate safeguards of audit independence are established and applied, such as partner rotation.

Risk

The Audit and Risk Committee is responsible for considering and approving the Company's risk management function, ensuring adequate resources and access to information for effective function, reviewing the appropriateness of the Company's risk management function, reviewing reports from this function and monitoring management response to risk.

Governance and Remuneration Committee

The Governance and Remuneration Committee, chaired by Andrew MacLeod, is established to take a proactive role in liaising with Shareholders to manage the process of appointing a Chair of the Board, CEO and CFO as well as Board level succession planning. This includes consideration of Board composition including skillsets and experience required from Board appointees and ensuring potential appointees as assessed for possible conflicts of interest and independence. The Committee also considers the succession planning for senior management, taking account of challenges and opportunities and skills and expertise required by the Company.

Further responsibilities include reviewing the Company's diversity and inclusion policies, overseeing, and setting compensation parameters, rewards and bonus schemes for senior management as well as determining and overseeing reward strategies including consulting and advising on the Company-wide bonus schemes.

The Committee meets at least three times a year.

Operational Resilience Committee

The Operational Resilience Committee, chaired by Paul Donovan, has oversight of the adequacy and effectiveness of the operational resilience strategies and procedures of the Company (including principles, policies and practices adopted in complying with all relevant legal standards and regulatory requirements affecting the activities of the Company) and reviewing management performance, considering major findings of internal and external investigations and making recommendations to the Board in respect of this. The Committee also has oversight of operational resilience with regard to safety, health and environmental matters, cyber security, physical security, business continuity, diversity and inclusion to the extent they may impact business operations and sustainability. Arqiva have implemented a Sustainability Committee consisting of members of the Executive Committee and senior leaders across the business to ensure that Arqiva meets its environmental sustainability ambitions and commitments. Outputs from the Sustainability Committee are fed into the Operational Resilience Committee for Board level consideration.

The Operational Resilience Committee meets at least three times a year.

Equal Opportunities policy

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues, and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person, should, as far as possible, be identical to that of a person who does not have a disability. Further information on how Arqiva supports its employees can be found on page 26.

Political Donations

No political donations were made during the year (2023: none).

Charitable donations

The Company has made £0.05m (2023: £0.1m) of charitable donations in the year.

In 2023 the Company made an additional donation of £0.05m to local charities in the vicinity of the Bilsdale mast in recognition of the disruption caused by the fire, which was not repeated in 2024.

We have gifted under a 125 year long-term lease, 8 acres of land at our Morn Hill site in Winchester to the Science Centre that is run by the Wonderseekers charity. The site is part of the Site of Special Scientific Interest and has special status for natural wildlife and butterfly populations. Wonderseekers showcases the importance of biodiversity through their extensive community engagement programme with over 120,000 visitors a year.

Research and development

Arqiva performs research and development into new products and technology, the costs of which are capitalised where they meet the criteria for capitalisation in accordance with Arqiva Limited's accounting policy. The research costs expensed in the year were £2.4m (2023: £2.8m). In addition, the Company carries out research and development as part of its contract bid processes and these costs are expensed as part of the bid costs unless the development expenditure can be capitalised. The bid costs expensed during the year total £1.5m (2023: £2.2m).

Development costs incurred as part of capital expenditure projects, which support customers' contracts, are included with the total project spend within property, plant and equipment. Arqiva's capital expenditure in the year was £71.0m (2023: £66.9m) and includes capitalised labour of £23.1m (2023: £19.8m). Other development costs are capitalised within intangible assets. In the year, new development costs capitalised total £1.7m (2023: £2.0m) with amortisation of £0.9m (2023: £2.0m) charged against such capitalised development costs.

Overseas branches

There are no overseas branches related to Arqiva Limited.

Events after the reporting date

As at the reporting date, management was not aware of any events, within the business or external to the business but which may have an impact on the business, or any unrecognised liabilities that could have a material impact on the business, its financial position or performance.

Dividends and transfers to reserves

The Directors of the Arqiva have not recommended a dividend in the year (2023: nil).

The profit for the year of £393.4m (2023: profit of £340.5m) was transferred to reserves.

Now Digital (East Midlands), a company which includes a non-controlling interest, declared a dividend in the year of £0.4m (2023: £0.4m), of this £0.1m is attributed to the non-controlling party.

Going Concern

The Strategic report includes information on the structure of the business, the business environment, financial review for the year and uncertainties facing the Company. Notes 18 and 20 of the consolidated financial statements include information on the Company's cash, borrowings and derivative respectively; and financial risk management information presented within this report.

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 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 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 2024 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.

Future Developments

Arqiva plans to continue in its commercial and operational business in accordance with its strategy. Further detail is contained within the Strategic report on page 7.

Ownership and Directors

A description of the ownership of the ultimate parent Group and the Board of Directors holding office during the year and up to the date of signing of the financial statements can be found on page 35.

At 30 June 2024, Michael Darcey was the Group's independent Chairman and Nicola Phillips was the AGL Secretary.

For details on the background of the Board of Directors and the Executive Committee please refer to page 35.

Details of the statutory directors of the Company during the year are shown on below:

Michael Darcey
Susana Leith-Smith
Shuja Khan
Sean West
Paul Donovan
Maximilian Fieguth
Arnaud Jaguin (resigned 16 November 2023, reappointed 6 December 2023)
Scott Longhurst
Andrew Macleod (appointed 1 July 2023)
Matthew Postgate
David Stirton
Diego Massidda (appointed 16 November 2023)

Directors Indemnities

The Company has provided an indemnity for its Directors, which is a qualifying third-party indemnity 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.

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 Company financial statements in accordance with UK-adopted international accounting standards and the Company 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 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 UK-adopted international accounting standards have been followed for the Company financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, 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 and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Company and 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 and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

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

On behalf of the Board

Scott Longhurst

Director
24 October 2024

Financial Statements

Company Financial Statements

Independent auditors’ report to the members of Arqiva Limited

Report on the audit of the financial statements

Opinion

In our opinion, Arqiva Limited’s financial statements:

- give a true and fair view of the state of the Company’s affairs as at 30 June 2024 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 2024; the Income statement, the Statement of comprehensive income and the Statement of changes of 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, as applicable to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC’s Ethical Standard were not provided.

We have provided no non-audit services to the Company in the period under audit.

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 2024 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 the Communications Act 2003, 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 and management bias in accounting estimates. 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;
- Challenging assumptions and judgements made by management and considering risk of management bias in their significant accounting estimates as well as reviewing associated financial statement disclosures as disclosed in Note 4 of the financial statements;
- Identifying and testing unexpected journal entries, including any journal entries posted with unusual account combinations;
- 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. 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.

N. Comello

Nigel Comello (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24 October 2024

Income Statement

	Note	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Revenue[1]	5	589.3	542.4
Cost of sales		(225.5)	(192.0)
Gross profit		**363.8**	**350.4**
Depreciation	14	*(89.6)*	*(93.1)*
Amortisation	13	*(19.4)*	*(12.8)*
Exceptional operating expenses[2]	*7*	*(7.9)*	*(6.3)*
Other administrative expenses		*(92.4)*	*(79.8)*
Total operating expenses		**(209.3)**	**(192.0)**
Other income		7.9	5.6
Exceptional other income	7	16.0	20.0
Operating profit	6	**178.4**	**184.0**
Finance income	9	320.3	273.3
Finance costs	10	(22.2)	(27.1)
Profit before tax		**476.5**	**430.2**
Tax	11	(83.1)	(89.7)
Profit for the financial year		**393.4**	**340.5**

Further comments on Income Statement line items are presented in the notes to the financial statements.

1 Revenue is not recognised to the extent of service credits, see note 7 for detail.
2 Exceptional items are presented to assist with the understanding of the Company's performance. See note 7 for further information.

Statement of comprehensive income

	Note	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Profit for the year		393.4	340.5
Items that will not be reclassified to profit or loss			
Actuarial (loss) / gains on defined benefit pension schemes	23	(44.3)	(12.2)
Movement on deferred tax relating to pension schemes		11.1	3.0
Total other comprehensive (loss) / income for the year		**(33.2)**	**(9.2)**
Total comprehensive income		**360.2**	**331.3**

All items of other comprehensive income relate to continuing operations.

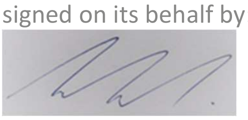
[3] Other reserve relates to trade that has been hived up into the Company from subsidiaries, these subsidiaries are now dormant.
[4] Capital reserve relates to a historic transfer of net assets to the company on business combinations

Statement of financial position

	Note	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Non-current assets			
Goodwill	12	43.5	43.5
Other intangible assets	13	76.1	56.7
Property, plant and equipment	14	1,000.3	1,051.0
Deferred tax	222	185.6	143.4
Retirement benefits	233	9.3	51.2
Investments in subsidiaries	15	66.3	66.3
Other receivables	16	4,627.1	4,101.3
		6,008.2	**5,513.4**
Current assets			
Trade and other receivables	16	135.0	143.5
Contract assets	16	6.3	7.0
Cash and cash equivalents – unrestricted	17	11.4	23.0
Cash and cash equivalents – restricted	17, 23	7.0	-
		159.7	**173.5**
Total assets		**6,167.9**	**5,686.9**
Current liabilities			
Borrowings	19	(17.3)	(16.4)
Trade and other payables	18	(1,989.5)	(1,833.8)
Contract liabilities	18	(79.5)	(98.4)
Provisions	01	(3.6)	(3.2)
		(2,089.9)	(1,951.8)
Net current liabilities		**(1,930.2)**	**(1,778.3)**
Non-current liabilities			
Contract liabilities	18	(285.8)	(295.9)
Borrowings	19	(43.9)	(51.0)
Provisions	01	(77.6)	(77.7)
		(407.3)	**(424.6)**
Total Liabilities		**(2,497.2)**	**(2,376.4)**
Net assets		**3,670.7**	**3,310.5**
Equity			
Called up share capital	244	30.0	30.0
Share premium account	05	90.8	90.8
Retained earnings		3,541.0	3,180.8
Other reserve		(4.5)	(4.5)
Capital Reserve		13.4	13.4
Total equity		**3,670.7**	**3,310.5**

The notes on pages 73 to 104 form part of these financial statements.

The financial statements on pages 69 to 104 were approved by the Board of Directors on 24 October 2024 and were signed on its behalf by:



Scott Longhurst
Director

Statement of changes in equity

	Share capital	Share premium	Retained earnings	Other reserve[3]	Capital reserve[4]	Total equity
	£m	£m	£m	£m	£m	£m
Balance at 1 July 2022	**30.0**	**90.8**	**2,849.5**	**(4.5)**	**13.4**	**2,979.2**
Profit for the year	-	-	340.5	-	-	340.5
Total other comprehensive loss	-	-	(9.2)	-	-	(9.2)
Total comprehensive income	-	-	331.3	-	-	331.3
Balance at 30 June 2023	**30.0**	**90.8**	**3,180.8**	**(4.5)**	**13.4**	**3,310.5**
Profit for the year	-	-	393.4	-	-	393.4
Total other comprehensive loss	-	-	(33.2)	-	-	(33.2)
Total comprehensive income	-	-	360.2	-	-	360.2
Balance at 30 June 2024	**30.0**	**90.8**	**3,541.0**	**(4.5)**	**13.4**	**3,670.7**

Notes to the financial statements

1 General Information

Arqiva Limited (the 'Company') is a private Company limited by shares and incorporated in England, United Kingdom ("UK") under the Companies Act under registration number 02487597. 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 7.

2 Adoption of new and revised 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.

Amendment to IFRS 16	Leases on sale and leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 7 and IFRS 7	Supplier Finance

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standard that had been issued but is not yet effective:

Amendment to IAS 21	Lack of Exchangeability
Amendment to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments
IFRS 18	Presentation and Disclosure in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

The new and revised standard is not expected to have a material impact on the Company.

3 Summary of material accounting policies

Basis of preparation

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 on a going concern basis under the historical cost convention other than where set out in the accounting policies, and in accordance with the Companies Act 2006. The Group's consolidated financial statements are available online at www.arqiva.com.

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

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

UK-adopted IFRS	Relevant disclosure exemptions
IAS 1 *Presentation of financial statements*	The requirements of paragraph 38; comparative information in respect of: (i) paragraph 79(a)(iv) of IAS 1; (ii) paragraph 73(e) of IAS 16 Property, plant and equipment (iii) paragraph 118(e) of IAS 38 Intangible assets.
IAS 1 *Presentation of financial statements*	The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B to D, 40A to D, 111 and 134 to136.
IAS 7 *Statement of Cash Flows*	All disclosure requirements.
IAS 8 *Accounting policies, changes in accounting estimates and errors*	The requirements of paragraphs 30 and 31.

UK-adopted IFRS	Relevant disclosure exemptions
IAS 24 *Related Party Disclosures*	The requirements of paragraph 17; 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.
IAS 36 *Impairment of Assets*	The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e).
IFRS 13 *Fair Value Measurement*	The requirements of paragraphs 91 to 99.
IFRS 15 *Revenue from Contracts with Customers*	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.
IFRS 7 *Financial Instruments: Disclosures*	All disclosure requirements.

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

Exemption from consolidation

The Company is a wholly owned subsidiary of Arqiva Holdings Limited and of its ultimate parent, Arqiva Group Limited ('AGL'). It is included in the consolidated financial statements of AGL which are publicly available. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are separate individual Company financial statements.

Going concern

The Strategic report includes information on the structure of the business, the business environment, financial review for the year and uncertainties facing the Company. Notes 18 and 20 of the consolidated financial statements include information on the Company's cash, borrowings and derivative respectively; and financial risk management information presented within this report.

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 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 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 2024 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.

Revenue recognition

Revenue represents the gross inflow of economic benefit for services provided utilising Arqiva's communications infrastructure, completion of significant engineering projects and the sale of communications equipment. Revenue is stated net of value added tax. Revenue is measured at the fair value of the consideration received or receivable.

On inception of a contract, performance obligations are identified for each of the distinct goods or services that have been 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 products 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.

Payment terms with customers vary by contract but would commonly be 30 days to 60 days.

Cash received or invoices raised in advance are taken to deferred revenue and recognised as contract liabilities, and subsequently recognised as revenue when the services are provided. Where consideration received in advance is discounted, reflecting a significant financing component, it is reflected within revenue and interest payable and similar charges on a gross basis. Revenue recognised in advance of cash being received or an invoice being raised is recognised as accrued revenue within contract assets and subsequently reclassified to receivables when the right to consideration is unconditional. Invoices are issued in line with contract terms.

The Company recognises deferred revenue within contract liabilities which relates to cash received in relation to future services for the utilisation of broadcast sites for telecommunications equipment as a result of the sale of the Telecoms business. The contract liability associated with the utilisation of broadcast sites and equipment is expected to be released over the next 34 years.

The Company does not have any material obligations in respect of returns, refunds or warranties.

The following summarises the performance obligations we have identified, and provides information on the timing of when they are satisfied and the related revenue recognition policy. The revenue expected to be recognised in future periods for contracts in place at 30 June 2024 that contain unsatisfied performance obligations is included in note 4.

Rendering of services

Performance obligations under contracts for the rendering of services, which includes network access rights and licence ownership, 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 over time 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 and radio transmission services, media services, and machine-to-machine connectivity.

For long-term services contracts revenue is recognised on a straight-line basis over the term of the contract. However, if the performance pattern is other than straight line, revenue is recognised as services are provided, usually on an output or network coverage basis. Such revenues include Smart metering network build and service operation.

The Company holds contracts which include a customer’s right to receive credits in the event of service loss. Provisions for service credits are recognised through a reduction in revenue which reflects the expected value of any such service credits. The Company only recognises revenue to the extent that it is highly probable that there will not be a material reversal in the future.

Pre-contract costs incurred in the initial set up phase of a contract are deferred. These costs are then recognised in the Income Statement on a straight-line basis over the remaining contractual term, unless the pattern of service delivery indicates a different profile is appropriate. These costs are directly attributable to specific contracts, relate to future activity, will generate future economic benefits and are assessed for recoverability on a regular basis. Costs related to delivering services under long-term contractual arrangements are expensed as incurred.

Delivery of engineering projects

The Company provides support to its customers by undertaking various engineering projects. Contracts for the delivery of engineering projects are split into specific performance obligations. Performance obligations relating to services are satisfied over the time period that services are delivered, performance obligations relating to the provision of assets are satisfied at the point in time that control passes to the customer. Revenue from such projects, which are long-term (greater than 12 months) contractual arrangements, is recognised based on satisfaction of the identified performance obligations using the percentage of completion method.

The stage of completion is based on the portion of costs incurred as a percentage of total costs. Profit is recognised, if the final outcome can be assessed with reasonable certainty, by including revenue and related costs in the Income Statement as contract activity progresses.

A loss on a fixed price contract is recognised immediately when it becomes probable that the contract cost will exceed the total contract revenue.

Sale of communications equipment

Performance obligations from the sale of communications equipment provided as part of customer contracts are satisfied and revenue is recognised at the point in time that control passes to the customer, which is typically upon delivery and acceptance by the customer. In some cases payment is not received in full at the time of the sale, and a contract asset is recognised for the amount due from the customer that will be recovered over the contract period. Revenue to be recognised is calculated by reference to the relative standalone selling price of the equipment.

Leases

The Company as lessee

When the Company enters into a lease a 'right-of-use asset' is recognised for the leased item and a lease liability is recognised for any future lease payments due at the lease commencement date. The right-of-use asset is initially measured at cost, being the present value of the lease payments paid or payable, plus any initial direct costs incurred in entering the lease.

Right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. The lease term is the non-cancellable period of the lease plus any periods for which the Company is 'reasonably certain' to exercise any extension options.

The useful life of the asset is determined in a manner consistent to that for owned property, plant and equipment. If right-of-use assets are considered to be impaired, the carrying value is reduced accordingly.

Lease liabilities are initially measured at the value of the lease payments that are not paid at the commencement date and are usually discounted using the incremental borrowing rates of the applicable Company entity. Lease payments included in the lease liability include both fixed payments and in-substance fixed payments during the term of the lease.

After initial recognition, the lease liability is recorded at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate (e.g. an inflation related increase), a renegotiation of the lease terms or if the Company's assessment of the lease term changes; any change in the lease liability as a result of these changes also results in a corresponding change in the recorded right-of-use asset.

Low value leases

Low value leases are accounted for as operating leases. Lease payments are recognised as expense over the term of the lease.

Sale and leaseback as seller lessee

When the Group enters into a sale and leaseback arrangement, the underlying asset is derecognised as part of property, plant and equipment. A 'right-of-use asset' is recognised for the leased item and lease liability is recognised for future lease payments. Any arising gains or losses are recognised in the income statement.

Foreign currency translation

The financial statements of the Company are presented in 'Pounds Sterling' (£), which is also the entity's functional currency. Foreign currency transactions are translated into the functional currency using the rate of exchange prevailing on the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the re-translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

Retirement benefits

The Company operates various post-employment schemes, including both defined benefit and defined contribution plans.

Defined contribution schemes

For defined contribution schemes, the amount charged to the Income Statement in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Differences between contributions payable for the year and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

Defined benefit schemes

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and terms to the scheme liabilities.

The Plan closed to future accrual of benefits on 31 January 2016.

Prior to closing the scheme to future accrual, the Company presented current and past service costs within cost of sales and administrative expenses (see note 23) in its consolidated income statement. Curtailments gains and losses are accounted for as a past-service cost.

Net interest expense or income is recognised within finance income (see note 9). Actuarial gains and losses are recognised in Other Comprehensive Income.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the deficit or surplus in the Company's defined benefit schemes. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the schemes or reductions in future contributions to the schemes.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Property, plant and equipment are stated at historic purchase cost (which includes costs directly attributable to bringing the assets into working condition), less accumulated depreciation and any provision for impairment.

Assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. The cost of self-constructed assets includes the cost of materials and direct labour.

Labour costs are capitalised within the cost of an asset to the extent that they are directly attributable to the construction of the asset. The value capitalised captures all elements of employee benefits as defined by IAS 19.

Depreciation of these assets commences when the assets are ready for their intended use. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and assets under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Asset Description	Estimated Useful Life
Freehold buildings	20 - 80 years
Leasehold land and buildings	Length of lease (typically between 20-80 years)
Plant and equipment	
- Communications infrastructure network	8 – 80 years
- Network computer equipment	3 – 20 years
- Motor vehicles	3 – 5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Freehold land is not depreciated.

Assets held under leases are depreciated over the shorter of their lease term and their expected useful lives (on the same basis as owned assets).

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Income Statement.

Intangible assets

Intangible assets are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged to the Income Statement on a straight line basis over the estimated useful life of the asset, on the following bases:

Asset Description	Estimated Useful Life
Licences	Length of the licence period (no more than 20 years)
Development costs	10 years
Access rights	Length of the agreement (no more than 20 years)
Software	5-10 years

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of non-financial assets

At each reporting period date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the impairment relates to goodwill, in which case it cannot be reversed.

Investments in subsidiaries and joint ventures

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

Finance income and finance costs

Finance income is recognised in the income statement when interest is earned from financial assets.

Finance costs are recognised in the income statement on the accrual basis.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Decommissioning provisions are recognised within provisions for liabilities and charges and included within property, plant and equipment, where the costs of dismantling assets are considered material. The amounts recognised within property, plant and equipment are depreciated over the useful economic life of the asset. The provisions are discounted to reflect the time value of money where material.

When the probability that the Company will be required to settle an obligation or a reliable estimate cannot be made of the amount of the obligation the Company discloses a contingent liability in the notes to the financial statements.

Trade and other receivables

Trade and other receivables are amounts due from customers for services performed or equipment sold in the ordinary course of business.

These balances do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Impairment of irrecoverable amounts is based on an expected credit loss model.

In addition to the expected credit loss model, the Company's policy is to also consider specific provisions for trade receivables outstanding for more than 30 days beyond the agreed terms, or where the business environment indicates a specific risk. Management makes an assessment of the level of provision required and adjustments to the calculated level of provision are made accordingly.

Trade and other payables

Trade and other payables are obligations to pay for goods or services acquired in the ordinary course of business from suppliers. They are not interest bearing and are stated at their nominal value.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Exceptional items

Exceptional items are those that are considered to be one-off, non-recurring in nature or so material that the Directors believe that they require separate disclosure to avoid the distortion of underlying performance. Underlying performance is the reported performance excluding significant one-off and non-recurring events that more fairly represents the on-going trading performance of the business. These items are presented separately on the face of the Income Statement.

4 Critical accounting estimates and judgements

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The judgements, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these judgements, estimates and assumptions.

The judgements, estimates and underlying assumptions are reviewed on an on-going basis. Revisions are recognised in the period in which the estimate is revised.

Critical judgements and key sources of estimation uncertainty in applying the Company's accounting policies

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

Deferred tax

Critical accounting judgements:

As disclosed in note 22, the Company has a significant unrecognised deferred tax assets. Judgement is required in determining whether these assets can be accessed considering the restrictions of relevant tax legislation and expectations of future profits within particular group entities.

Only assets that are expected to be available to the Company have been recognised but the judgement relating to these unrecognised assets will remain under review and reassessed as the Company's circumstances and relevant tax legislation evolves.

Impairment of goodwill

Key estimates:

The carrying amount of the Company's goodwill and the Company's investments is reviewed at each statement of financial position date to determine whether there is any indication of impairment, in compliance with the Company's accounting policies.

An assessment of impairment is performed each year on the Group's cash generating units ('CGUs'), not at an individual Company level. The CGUs that have associated goodwill are Media & Broadcast and Smart Utilities Networks.

An assessment of impairment is performed each year as detailed in note 14 of the Arqiva Group Ltd Annual report, refer to this for the full details of the Group's impairment review. There were no impairments recognized to either CGU in 2024 or 2023.

The key assumptions for the VIU calculations are those regarding the discount rates, growth rates and expected changes to cash flows during the year for which management has detailed plans.

Discount rate

The pre-tax discount rate used for the Media & Broadcast CGU is 8.8% (2023: 8.7%). For Smart Utilities networks CGU the discount rate is 8.7% (2023: 9.1%).

Terminal growth rates

The terminal growth rate is determined based on the long-term growth rates of the markets in which the CGU operates (2024: 1.9%; 2023: 1.9%).

Sensitivities

There is headroom in both CGUs. For Smart Utilities Networks, the value in use exceeds the carrying value of the CGU by approximately £17.9m. The following changes to key assumptions (in isolation) would result in the value in use being equal to the carrying value:

- An increase in the discount rate to 9.0% (2023: 9.7%); or

- A reduction in the terminal growth rate by 0.4% (2023: 1.2%).

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

Actuarial assumptions used to determine the carrying amount of the Company's defined benefit plan liabilities

Key estimates:

Estimates are used in determining the present value of the scheme liabilities, which depend on such factors as the life expectancy of the members, price inflation and the discount rates applied in determining the defined benefit plan liabilities.

Management has considered the estimated impact of adjusting the assumptions used to determine the present value of the scheme liabilities, which are summarised in note 23.

Important accounting judgements and estimates

Important accounting judgements and estimates are those judgements and estimates which management considers to be important to the understanding of the financial statements but that are not materially significant enough to be deemed critical.

Useful lives for property, plant and equipment and intangibles

Important estimates:

Depreciation or amortisation is charged to the income statement based upon the useful lives selected. This assessment requires estimation of the period over which the Company will derive benefit from these assets.

Management monitor and assess the appropriateness of useful economic lives, such lives may also be impacted by external market changes. In the event that such a change were to result in a revision of useful economic lives this could result in a change to the annual depreciation charge going forwards.

The Company manages its property, plant and equipment on a portfolio basis through a central estates team. This team contains qualified surveyors who have a wealth of experience working for the Company and within the industry as a whole.

The carrying values of intangibles are disclosed in note 14, and those for property, plant and equipment are disclosed in note 15.

Provisions

Important estimates:

Estimates have been made in respect of the probable future obligations of the Company. These estimates are reviewed annually to reflect current economic conditions and strategic plans.

The decommissioning provisions are reviewed annually and are calculated based upon expected costs and past costs incurred on similar sites as determined by site and project management, as well as assessments made by internal experts (see note 21).

Management is also required to make estimates in relation to the discount rates applied in the calculations.

5 Revenue

The Company derives its revenue from the rendering of services, engineering projects and the sale of communications equipment. See note 3 for the accounting policies adopted.

The following revenue was generated by the Company:

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Rendering of services	538.4	506.9
Sale of goods	50.9	35.5
Revenue	**589.3**	**542.4**

All revenue relates to sales originating in the UK.

Contract assets and liabilities

The Company has recognised the following assets and liabilities in relation to contracts with customers:

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Contract assets		
Current	6.3	7.0
Contract liabilities		
Current	79.5	98.4
Non-current	285.8	295.9
	365.3	**394.3**

Prior year contract liability of £85.1m was realised as revenue during the year (2023: £64.1m). Impairment losses of £nil (2023: £0.1m) were recognised on contract assets during the year.

The decrease in contract assets in the year is driven principally by business as usual movements within accrued income.

In addition to the contract balances disclosed above, the Company has also recognised an asset in relation to the prepayment of costs to fulfil a contract. This is presented within other receivables in the Statement of financial position and totalled £0.5m (2023: £0.5m). Amortisation recognised as a cost of providing services during the year were £0.2m (2023: £0.1m).

6 Operating Profit

Operating profit is stated after charging / (crediting):

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Wages and salaries	94.3	83.7
Social security costs	9.6	8.4
Other pension costs	6.3	5.8
Employee costs	**110.2**	**97.9**
Capitalised staff costs	(23.1)	(19.8)
Income statement expense	**87.1**	**78.1**
Depreciation of property, plant and equipment	89.6	93.1
Amortisation of intangible assets	19.4	12.8
Management recharge to fellow Group company	(13.9)	(14.3)
Exceptional operating expenses (See note 7)	7.9	6.3
Exceptional other income (See note 7)	(16.0)	(20.0)
Exceptional revenue (See note 7)	2.8	15.3

The Company has levied a management recharge, in respect of various staff costs and central facilities and support costs, to other trading entities within the Group. The management recharge to the Group companies is included within the Income Statement.

Services provided by the Company's Auditors and network firms

The Company's audit fee for the year was £76,000 (2023: £100,000). Fees paid to the Company's Auditors for services other than the statutory audit of the Company totalled £127,000 (2023: £440,000), comprised of £127,000 (2023: £120,000) for other audit services and £nil (2023: £320,000) for other assurance services. The Company has paid the Company's Auditors £413,000 (2023: £497,000) in relation to the audit of other group companies and these amounts were not recharged.

7 Exceptional items

The Company recognises exceptional items which are considered to be one-off and non-recurring in nature or material items which require disclosure by virtue of their size or incidence for the financial statements to give a true and fair view. Further information is disclosed in note 3.

Profit before tax is stated after (charging)/crediting:

	Year ended 30 June 2024 Total £m	Year ended 30 June 2023 Total £m
Revenue		
Exceptional service credits	(2.8)	(15.3)
	(2.8)	(15.3)
Operating expenses:		
Reorganisation and severance	(2.7)	(2.1)
Corporate finance activities	-	(0.3)
Pension buy-in (Note 23)	(1.7)	-
Restoration costs	(3.5)	(3.9)
	(7.9)	**(6.3)**
Other exceptional items		
Other income	16.0	20.0
	16.0	**20.0**
Total exceptional items	**5.3**	**(1.6)**

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

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

With the exception of the corporate finance activities the amounts included within exceptional operating expenses above and revenue are deductible for the purpose of taxation. The other income amount within other exceptional items is subject to corporation tax.

Pension buy-in

In April 2024, an insurer backed pension buy-in was completed whereby the plan assets were exchanged for a bulk annuity agreement, allowing cover to the Plan's liabilities by third party insurers while retaining management responsibility within the scheme. The Pension buy-in is intended to manage the Plan's exposure to market volatility in relation to its assets and enhance its funding resilience on future pension payments. Details of such are discussed in Note 23.

Bilsdale – Project Restore

The restoration costs relate to costs incurred to reinstate services at the Bilsdale transmitter site following a fire which broke out on 10 August 2021 and include £3.5m (2023: £4.3m) of predominantly community support activities. Following the build of a permanent 300m mast at Bilsdale, television and radio services went live in May 2023 and January 2024 respectively. As a result, all broadcast services are now restored to the main Bilsdale mast.

Costs recognised are those which have been incurred to the year end and can be reliably measured, including £2.8m (2023: £15.3m) of customer service credits deducted from revenue during the year.

The exceptional loss on disposal of assets relates to the impairment and subsequent disposal of assets damaged by the Bilsdale transmitter site fire discussed above.

Exceptional other income relates to stage payments received from insurance claims related to the Bilsdale transmitter site fire. In August 2023 the final stage payment of £16.0m was received from the insurers, such that the settlement totalling £41.0m was received in full by 30 June 2024. No further insurance proceeds are expected. To date the Group has incurred total rectification costs of £54.9m (2023: £45.5m) including £37.1m (2023: £31.2m) in capital expenditure for the rebuild of the mast and a further £17.8m (2023: £14.3m) of exceptional operating expenses in respect of community support activities and restoration costs. All restoration activities had been completed during the year.

The overall financial impact of the fire at Bilsdale is summarised as follows:

As of and for the year ended 30 June 2024	P&L impact £m	Balance sheet impact £m
Restoration costs – within exceptional operating expenses	3.5	-
Insurance- stage payments – within exceptional other income	(16.0)	-
Revenue service credits – within exceptional revenue	2.8	-
Capital expenditure	-	5.9
Total	**(9.7)**	**5.9**

As of and for the year ended 30 June 2023	P&L impact £m	Balance sheet impact £m
Internal labour – within other operating expenses	1.2	-
Restoration costs – within exceptional operating expenses	3.9	-
Insurance- stage payments – within exceptional other income	(20.0)	-
Revenue service credits – within exceptional revenue	15.3	-
Capital expenditure	-	16.8
Total	**0.4**	**16.8**

8 Employees and Directors

Employees

The average monthly number of persons (expressed as 'full-time equivalents') employed by the Company during the year was as follows:

	Year ended 30 June 2024 Number	Year ended 30 June 2023 Number
Media Distribution	38	28
Smart Utilities Networks	29	23
Corporate	194	290
Operations	545	554
Technology & Transformation	507	379
Total employees	**1,313**	**1,274**

Directors

The aggregate of the amounts paid to Directors in respect of their services as a Director of the Company are set out below:

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Aggregate remuneration	2.9	3.8
Amounts due under long term incentive plans - accrued	0.6	0.5
Amounts due under long term incentive plans - reversed	-	(0.5)
Amounts due under long term incentive plans - total	0.6	-
Termination benefits	-	-
Total remuneration	**3.5**	**3.8**

Certain Directors were representatives of the ultimate parent company's shareholders and their individual remuneration reflects the services they provide to the Company and other Group companies.

There are 2 directors to whom retirement benefits accrued in respect of qualifying services (2023: 2).

Highest paid Director

Included in the above is remuneration in respect of the highest paid Director of:

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Aggregate remuneration	1.3	1.3
Amounts due under long term incentive plans - accrued	0.1	0.3
Total remuneration	**1.4**	**1.6**

9 Finance income

	Year ended 30 June 2024 Total £m	Year ended 30 June 2023 Total £m
Bank deposits	1.9	0.7
Interest receivable from Group entities	316.0	270.2
Other loans and receivables	2.4	2.4
Total finance income	**320.3**	**273.3**

Other loans and receivables include £2.4m (2023: £2.4m) in relation to net finance income on the defined benefit pension scheme.

10 Finance costs

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Bank charges	0.1	0.1
Other loan interest payable	16.9	17.2
Interest on lease obligations	4.1	4.9
Total interest expense	**21.1**	**22.2**
Unwinding of discount on provisions (see note 21)	5.6	4.9
Revaluation of decommissioning provision	(4.5)	-
Total finance costs	**22.2**	**27.1**

11 Tax

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Current tax:		
UK corporation tax		
- Current year	96.0	95.7
- Prior period adjustment	18.2	5.1
	114.2	**100.8**
Deferred tax:		
Origination and reversal of timing differences	10.0	(7.4)
Impact of change in tax rates	-	(4.9)
Prior period adjustment	(41.1)	1.2
	(31.1)	**(11.1)**
Tax charge for the year	**83.1**	**89.7**

UK Corporation tax is calculated at the rate of 25.0% (2023: 20.5%) of the taxable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The charge for the year can be reconciled to the profit in the income statement as follows.

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Profit before tax	476.5	430.2
Tax at the UK Corporation tax rate of 25.0% (2023: 20.5%)	119.1	88.2
Tax effect of expenses not deductible for tax purposes	0.6	0.1
Deemed interest on intercompany balances (a)	(13.7)	-
Impact of change in tax rates	-	(4.9)
Prior period adjustment (b)	(22.9)	6.3
Total tax charge for the year	**83.1**	**89.7**

The current year UK corporation tax charge (2023: charge) represents the payment made to (2023: payments made to) other Group companies for the provision of tax losses by way of group relief.

The average blended rate of UK corporation tax was 25.0% during the year. In the Finance Act 2022 it was enacted that the main rate of UK corporation tax would be increased to 25.0% from 1 April 2023. UK deferred tax has been valued at 25% (2023: 25%).

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

(b) The adjustment in respect of prior years relates primarily to refinements of estimates of taxable profits arising from the completion of the tax compliance process and, in the period to 30 June 2024 £31.8m relates to the position agreed with HMRC in respect of a prior uncertain tax position by another Company in the Group, resulting in a revised tax depreciation claim affecting the deferred tax position; this is partially offset by an increase in the payment received for the provision of group relief. In addition, there is a £8.2m tax credit in the current tax as a result of the introduction by the Group of a revised interest charging policy for tax purposes in the year ended 30 June 2023.

Tax in Statement of Comprehensive Income

There is a tax charge of £11.1m (2023 charge of £3.0m) in respect of the actuarial movement of £44.3m (2023: £12.2m) in the Statement of Comprehensive Income.

On 20 June 2024, Finance (No.2) Act 2024 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. The Company has applied the temporary exception under IAS 12 in relation to the accounting for deferred taxes arising from the implementation of the Pillar Two rules.

12 Goodwill

	£m
Cost	
At 1 July 2023 and 30 June 2024	**43.5**
Carrying amount:	
At 30 June 2024	**43.5**
At 30 June 2023	43.5

Goodwill was acquired as part of historic business acquisitions made by the Company.

13 Other intangible assets

	Licences	Development costs	Access rights	Software	Assets under the course of construction (AUC)	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 1 July 2022	11.4	17.9	7.0	66.3	3.0	105.6
Additions	-	2.0	-	-	4.4	6.4
Transfers from AUC (note 14)	1.3	(0.7)	-	26.4	0.2	27.2
Disposals	(8.1)	-	(2.7)	(15.4)	-	(26.2)
At 30 June 2023	**4.6**	**19.2**	**4.3**	**77.3**	**7.6**	**113.0**
Additions	-	-	-	-	-	-
Transfers from AUC (note 14)	-	1.7	-	37.1	-	38.8
Reclassifications	-	-	-	7.6	-7.6	-
At 30 June 2024	**4.6**	**20.9**	**4.3**	**122.0**	**-**	**151.8**
Accumulated amortisation and impairment						
At 1 July 2022	7.1	9.9	7.0	45.7	-	69.7
Amortisation	4.3	2.0	-	6.5	-	12.8
Disposals	(8.1)	-	(2.7)	(15.4)	-	(26.2)
At 30 June 2023	**3.3**	**11.9**	**4.3**	**36.8**	-	**56.3**
Amortisation	0.3	0.9	-	18.2	-	19.4
At 30 June 2024	**3.6**	**12.8**	**4.3**	**55.0**	-	**75.7**
Carrying amount						
At 30 June 2023	1.3	7.3	-	40.5	7.6	56.7
At 30 June 2024	**1.0**	**8.1**	**-**	**67.0**	-	**76.1**

Development costs in respect of products and services that are being developed by the Company are being capitalised in accordance with IAS 38.

These are amortised over their expected useful life once the product or service has been commercially launched.

Costs incurred to modify acquired assets in order to make them fit for purpose amounts to £11.9m (2023: £4.4m).

Other intangible assets are recognised at cost and are amortised over their estimated useful lives.

Disposals in the year relate to old software replaced as part of the Company's transformation programme.

At 30 June 2024, the Company had entered into contractual commitments for the acquisition of intangibles amounting to £1.6m – see note 26 for further details.

14 Property, plant and equipment

	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Assets under the course of construction (AUC)	Total
	£m	£m	£m	£m	£m
Cost					
At 1 July 2022	191.2	141.6	1,776.4	108.6	2,217.8
Additions	-	3.6	6.7	61.5	71.8
Adjustments through PPE for provisions	-	(1.0)	(10.8)	-	(11.8)
Completion of AUC	2.4	1.1	40.0	(43.5)	-
Transfers to other intangibles (note 13)	-	-	-	(27.2)	(27.2)
Disposals	(3.1)	(4.9)	(41.6)	-	(49.6)
At 30 June 2023	**190.5**	**140.4**	**1,770.7**	**99.4**	**2,201.0**
Additions	-	7.8	5.0	69.6	82.4
Adjustments through PPE for provisions	-	0.1	(2.2)	-	(2.1)
Completion of AUC	1.5	0.5	38.1	(40.1)	-
Transfers to other intangibles (note 13)	-	-	-	(38.8)	(38.8)
Disposals	(0.4)	(3.3)	(14.0)	-	(17.7)
At 30 June 2024	**191.6**	**145.5**	**1,797.6**	**90.1**	**2,224.8**
Accumulated depreciation and impairment					
At 1 July 2022	38.4	66.2	999.5	-	1,104.1
Depreciation	5.5	12.0	75.6	-	93.1
Disposals	(2.3)	(3.3)	(41.6)	-	(47.2)
At 30 June 2023	**41.6**	**74.9**	**1,033.5**	**-**	**1,150.0**
Depreciation	5.4	12.4	71.8	-	89.6
Disposals	(0.1)	(1.7)	(13.3)	-	(15.1)
At 30 June 2024	**46.9**	**85.6**	**1,092.0**	**-**	**1,224.5**
Carrying amount					
At 30 June 2023	148.9	65.5	737.2	99.4	1,051.0
At 30 June 2024	**144.7**	**59.9**	**705.6**	**90.1**	**1,000.3**

Freehold land included above but not depreciated amounts to £69.7m (2023: £69.7m).

The Company’s current and non-current assets have been pledged as security under the terms of the Group’s external debt facilities (see note 266). In addition, the Company’s lease obligations (see note 190) are secured by the lessors’ title of the leased assets, which have a carrying amount of £2.8m (2023: £3.1m).

At 30 June 2024, the Company had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £9.1m (2023: £14.0m) – see note 266 for further details.

15 Investments in subsidiaries

	Investments in subsidiaries £m
Cost	
At 1 July 2023 and 30 June 2024	**122.5**
Provision for impairment	
At 1 July 2022 and 30 June 2023	56.2
Impairment	-
30 June 2024	**56.2**
Net book value	
At 30 June 2023	66.3
At 30 June 2024	**66.3**

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

Impairments recognised relate to investments held by the Company in other Group entities which are now dormant.

The impairments were identified following an assessment of recoverability by management when considering future cashflows and the value of assets held in subsidiaries.

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

Company	Country of incorporation	Principal activities	Year end	Percentage of ordinary shares held
ABHL Multiplex Limited	United Kingdom	Dormant company	30-Jun	100% (held directly)
Arqiva (Scotland) Limited	United Kingdom	Transmission services	30-Jun	100% (held directly)
Arqiva Communications Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Defined Benefit Pension Plan Trustees Limited	United Kingdom	Pension company	30-Jun	100% (held directly)
Arqiva Inc.	USA	Satellite transmission services	30-Jun	100% (held directly)
Arqiva Limited	Ireland	Transmission services	30-Jun	100% (held directly)
Arqiva Media Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva No. 10 Limited	United Kingdom	Dormant company	30-Jun	100% (held directly)
Arqiva No. 11 Limited	United Kingdom	Dormant company	30-Jun	100% (held directly)
Arqiva Pte Limited	Singapore	Satellite transmission services	30-Jun	100% (held directly)
Arqiva SAS	France	Satellite transmission services	30-Jun	100% (held directly)
Arqiva SRL	Italy	Satellite transmission services	30-Jun	100% (held directly)
Arqiva Broadcast Limited	United Kingdom	Dormant company	30-Jun	100% (held directly)
Arqiva Digital Limited	United Kingdom	Dormant company	30-Jun	100% (held directly)
Arqiva Finance Limited	United Kingdom	Dormant company	30-Jun	100% (held directly)
Arqiva Mobile Broadcast Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Mobile Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Mobile TV Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Public Safety Limited	United Kingdom	Dormant company	30-Jun	100%

Company	Country of incorporation	Principal activities	Year end	Percentage of ordinary shares held
Arqiva Satellite Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Transmission Limited	United Kingdom	Dormant company	30-Jun	100%
Arqiva Wireless Limited	United Kingdom	Dormant company	30-Jun	100%
Capablue Limited	United Kingdom	Dormant company	30-Jun	100% (held directly)
Cast Communications Limited	United Kingdom	Dormant company	30-Jun	100%
Connect TV (Scotland) Limited	United Kingdom	Dormant company	30-Jun	100%
Connect TV Limited	United Kingdom	Dormant company	30-Jun	100% (held directly)
Inmedia Communications (Holdings) Limited	United Kingdom	Dormant company	30-Jun	100%
Inmedia Communications Group Limited	United Kingdom	Dormant company	30-Jun	100% (held directly)
Inmedia Communications Limited	United Kingdom	Dormant company	30-Jun	100%
J F M G Limited	United Kingdom	Dormant company	30-Jun	100% (held directly)
Macropolitan Limited	United Kingdom	Dormant company	30-Jun	100% (held directly)
NWP Spectrum Holdings Limited	United Kingdom	Holding company	30-Jun	100%
Scanners (Europe) Limited	United Kingdom	Dormant company	30-Jun	100% (held directly)
Scanners Television Outside Broadcasts Limited	United Kingdom	Dormant company	30-Jun	100%
Selective Media Limited	United Kingdom	Dormant company	30-Jun	100%
Spectrum Interactive (UK) Limited	United Kingdom	Dormant company	30-Jun	100%
Spectrum Interactive Limited	United Kingdom	Holding company	30-Jun	100% (held directly)
Joint ventures				
Sound Digital Limited	United Kingdom	Ownership and operation of UK DAB radio multiplex licence	31-Dec	40.0%
Muxco Limited	United Kingdom	Bidding for UK DAB digital radio multiplex licences	31-Dec	25.0%
UK Digital Radio Limited	United Kingdom	Support delivery of a digital future for radio	31-Jun	10.0%

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

Company	Registered office
Arqiva Inc.	c/o The Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street, Wilmington, DE19801, United States of America.
Arqiva Pte Limited	8 Marina Boulevard #05-02, Marina Bay Financial Centre, 018981, Singapore.
Arqiva SAS	4 Rue Paul Dautier, 78140 Vélizy-Villacoublay, France.
Arqiva SRL	c/o Studio Bandini & Associati, Via Calabria 32, Rome, Italy.
Arqiva (Scotland) Limited	c/o Morton Fraser, Quartermile 2, 2 Lister Square, Edinburgh, EH3 9GL, Scotland.
Associate undertakings	
Muxco Limited	Greenworks Dog And Duck Yard, Princeton Street, London, England, WC1R 4BH
UK Digital Radio Limited	15 Alfred Place, London, England, WC1E 7EB

16 Trade and other receivables

	30 June 2024 £m	30 June 2023 £m
Within non-current assets		
Amounts receivable from other Group entities	4,627.1	4,101.3
Within current assets		
Trade receivables	58.8	64.6
Amounts receivable from other Group entities	51.2	45.9
Other receivables	4.6	4.6
Prepayments	20.4	28.4
	135.0	**143.5**
Contract assets – accrued income	**6.3**	**7.0**

Amounts receivable from other Group entities are unsecured and repayable on demand. Within non-current assets, interest has been charged on £4,605.3m at 9.5% (2023: £4,080.9m at 9.5%) in relation to structured loan balances, and £21.8m at 0.0% (2023: £20.4m at 0.0%).

Within current assets, £60.6m has been charged at 0.0% (2023: £45.9m at 0.0%) in relation to trading and working capital loan balances.

Amounts receivable from other Group entities are stated after deducting allowances for impairment of £7.7m (2023: £6.3m).

Trade receivables are stated after provisions for credit loss of £6.4m (2023: £4.6m). Contract assets are stated after provisions for impairment of £0.1m (2023: £0.1m).

17 Cash and cash equivalents

	30 June 2024 £m	30 June 2023 £m
Cash at bank - unrestricted	11.4	23.0
Cash in escrow account – restricted (note 23)	7.0	-
Total cash and cash equivalents	**18.4**	**23.0**

Cash in escrow account – restricted represents the amount intended to settle any remaining retirement obligations becoming due under a previous agreement to pay deficit contributions for the defined benefit retirement plan as discussed in Note 23.

18 Trade and other payables

	30 June 2024 £m	30 June 2023 £m
Current:		
Trade payables	48.9	30.5
Amounts payable to other Group entities	1,861.9	1,718.5
Taxation and social security costs	20.6	23.0
Other payables	2.8	1.9
Accruals	55.3	59.9
Total current trade and other payables	**1,989.5**	**1,833.8**
Contract Liabilities – deferred income	**79.5**	**98.4**
Non-current		
Contract Liabilities – deferred income	**285.8**	**295.9**

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

19 Borrowings

	30 June 2024 £m	30 June 2023 £m
Within current liabilities:		
Lease liabilities	17.3	16.4
Borrowings due within one year	**17.3**	**16.4**
Within non-current liabilities:		
Loans from other Group entities	5.3	5.4
Lease liabilities	38.6	45.6
Borrowings due after more than one year	**43.9**	**51.0**

All borrowings are sterling denominated.

Loans from other Group entities are unsecured, interest free and repayable in more than five years.

20 Leases

Leases as lessee (IFRS 16)

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

Right-of-use assets

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

	Leasehold buildings £m	Plant and equipment £m	Total £m
Balance at 1 July 2022	**53.8**	**14.0**	**67.8**
Depreciation charge for the year	(8.8)	(11.1)	(19.9)
Additions to right-of-use assets	0.2	0.4	0.6
Effect of modification to lease terms	1.6	5.4	7.0
Derecognition of right-of-use assets	(0.3)	-	(0.3)
Balance at 30 June 2023	**46.5**	**8.7**	**55.2**
Depreciation charge for the year	(9.8)	(7.2)	(17.0)
Additions to right-of-use assets	1.1	2.2	3.3
Effect of modification to lease terms	5.0	2.3	7.3
Derecognition of right-of-use assets	(0.3)	-	(0.3)
Balance at 30 June 2024	**42.5**	**6.0**	**48.5**

Amounts recognised in the Income Statement

Leases under IFRS 16	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Expense relating to variable lease payments not included in the measurement of lease liabilities	2.9	2.7
Interest on lease liabilities	4.1	4.9

The Company's lease liabilities are disclosed in note 19 Borrowings. The total cash outflow for leases in the year ended 30 June 2024 was £22.6m (2023: £24.0m).

21 Provisions

	Decommissioning	Restructuring	Remediation and maintenance	Other	Total
	£m	£m	£m	£m	£m
At 1 July 2023	**72.5**	**0.4**	**2.7**	**5.3**	**80.9**
Revaluation of decommission provision through property, plant and equipment	(2.1)	-	-	-	(2.1)
Revaluation of decommission provision through income statement	(4.5)	-	-	-	(4.5)
Income Statement expense	0.4	-	0.4	0.7	1.5
Unwind of discount	5.4	-	0.2	-	5.6
Utilised	(0.2)	-	-	-	(0.2)
At 30 June 2024	**71.5**	**0.4**	**3.3**	**6.0**	**81.2**

Management have assessed the expected timing of the resulting outflows of economic benefits:

Year ended 30 June 2024	Decommissioning	Restructuring	Remediation	Other	Total
	£m	£m	£m	£m	£m
Current	2.9	0.4	0.3	-	**3.6**
Non-current	68.6	-	3.0	6.0	**77.6**

Year ended 30 June 2023	Decommissioning	Restructuring	Remediation	Other	Total
	£m	£m	£m	£m	£m
Current	2.9	-	0.3	-	**3.2**
Non-current	69.6	0.4	2.4	5.3	**77.7**

Provisions are made for decommissioning costs where the Company has an obligation to restore sites and the cost of restoration is not recoverable from third parties.

The decommissioning provisions are reviewed annually and calculated using expected costs as determined by site and project management. The provision is in relation to assets for which the remaining useful economic life ranges up to 20 years, with the majority of the provision relating to TV and Radio products for which there is no material decommissioning expected before 2040 assuming the assets will be in good operating order throughout their estimated useful lives. A discount rate of 8.0% has been applied in calculating the decommissioning provision (2023: 7.2%) based on the Group's weighted average cost of capital. Due to this discount rate increase we have had a large decrease in PPE of £2.1m (2023: £11.8m) as disclosed in note 14.

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

The remediation provision represents the cost of works identified as being required across a number of the Group's sites and is expected to be utilised over the next one to ten years. Other provisions represent a variety of smaller items which are expected to be utilised over the next one to ten years.

22 Deferred tax

The balance of deferred tax recognised at 30 June 2024 is £185.6m (2023: £143.4m). The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets	Fixed assets temporary differences	Other temporary differences	Total
	£m	£m	£m
At 1 July 2022	**91.2**	**53.3**	**144.5**
Credited / (charged) to the Income Statement	16.4	(4.7)	11.7
At 30 June 2023	**107.6**	**48.6**	**156.2**
Credited / (charged) to the Income Statement	35.2	(3.5)	31.7
At 30 June 2024	**142.8**	**45.1**	**187.9**

Deferred tax liabilities	Pension	Total
	£m	£m
At 1 July 2022	**15.2**	**15.2**
Charged to the Income Statement	0.6	0.6
Credited to the statement of comprehensive income	(3.0)	(3.0)
At 30 June 2023	**12.8**	**12.8**
Charged to the Income Statement	0.6	0.6
Credited to the statement of comprehensive income	(11.1)	(11.1)
At 30 June 2024	**2.3**	**2.3**

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

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

23 Retirement Benefits

Defined contribution scheme

Arqiva Limited has operated a Defined Contribution Scheme during the year. Contributions payable in respect of this Scheme for the year were £6.4m (2023: £5.8m). The assets of the Scheme are held outside of the Group.

An amount of £1m (2023: £0.9m) is included in accruals being the outstanding contributions to the Defined Contribution Scheme.

Defined benefit plan

In the year to 30 June 2024, the Company operated one Defined Benefit Plan, sponsored by Arqiva Limited. The Defined Benefit Plan is administered by a separate entity that is legally separated from the Group, and therefore the Plan assets are held separately from those of Arqiva Limited. The Trustees of the Plan are required by law to act in the interests of the Plan and of all relevant stakeholders in the Plan. The Trustees are responsible for the investment policy with regards to the assets of the Plan.

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

Plan assets held in the fund are governed by local regulations and practice in the United Kingdom. Responsibility for the governance of the plan including investment decisions and contribution schedules lies jointly with the company and the board of trustees of the fund.

The Plan typically exposes the Company to risks such as: investment risk, interest rate risk and longevity risk. However, following the insurance buy-in in 2024, these risks have been largely mitigated as changes in the IAS19 liability are offset by changes in the IAS19 value of the buy-in.

Investment risk	The Plan invested in an insurance buy-in in 2024 which largely removed investment risk. The investment risk for the Plan is limited to the Plan's other assets which are invested in cash and money market funds.
Interest risk	A decrease in the bond interest rate will increase the valuation of the Plan's IAS19 liability but this will be fully offset by an increase in the value of the Plan's buy-in asset.
Longevity risk	The present value of the defined benefit Plan liability is calculated by reference to a best estimate of the mortality of Plan participants both during and after their retirement. An increase in the life expectancy of the Plan participants will increase the Plan's assessed liability. However, following the purchase of the Plan's insurance buy-in in 2024, this increase in liability will be directly offset by an increase in the value of the Plan's assets.

The Plan closed to the future accrual of benefits on 31 January 2016. The weighted average duration of the expected benefit payments from the Plan is around 15 years.

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

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	30 June 2024	30 June 2023
Key assumptions		
Discount rate	5.20%	5.20%
Price inflation (RPI)	3.20%	3.30%
Life expectancy of a male / female age 60 (current pensioner)	25.6/28.5yrs	25.8/28.7yrs
Life expectancy of a male / female age 60 (future pensioner)	27.4/30.2yrs	27.6/30.4yrs
Other linked assumptions		
Price inflation (CPI)	2.60%	2.60%
Pension increases (RPI with a minimum of 3.0% and maximum of 5.0%)	3.70%	3.70%
Pension increases (RPI with a maximum of 10.0%)	3.20%	3.30%

Amounts recognised in the Income Statement in respect of the defined benefit plan were as follows:

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Net interest on the defined benefit asset	2.4	2.4
Loss on curtailments	-	-
	2.4	**2.4**

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

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

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Loss on Plan assets excluding Interest Income	(38.6)	(38.6)
Experience losses arising on the Plan's liabilities	(8.7)	(9.5)
Actuarial gains arising from changes in financial assumptions	1.3	34.9
Actuarial gains arising from changes in demographic assumptions	1.7	1.0
	(44.3)	**(12.2)**

In view of the Pension buy-in, a remeasurement of the Plan's net assets was carried out. The resulting actuarial losses were reflected in the valuation exercise of Plan assets and liabilities. Costs incurred during the year to facilitate the transaction amounting to £1.7m for legal and professional fees were presented in the income statement under Exceptional operating expenses and are further discussed in Note 7. These costs were borne by the Group and not the Trustees of the Plan.

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

	2024 £m	2023 £m
Fair value of Plan assets	174.9	210.1
Present value of defined benefit Plan liabilities	(165.6)	(158.9)
Surplus at 30 June	**9.3**	**51.2**

The Company have considered the impact of IFRIC14 and in line with the Plan's Rules, the Company is able to recognise the Plan's surplus in its entirety.

The reconciliation of the statement of financial position over the year is as follows:

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Surplus at 1 July	51.2	61.0
Amount recognised in profit or loss	2.4	2.4
Amount recognised in Other Comprehensive Income	(44.3)	(12.2)
Company contributions	-	-
Surplus at 30 June	**9.3**	**51.2**

The present value of the plan liabilities has moved over the year as follows:

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
1 July	(158.9)	(184.6)
Contributions by employees	-	-
Interest cost	(8.2)	(7.1)
Benefits paid	7.1	6.3
Expenses paid	0.1	0.1
Experience losses arising on the Plan's liabilities	(8.7)	(9.5)
Actuarial gains arising from changes in financial assumptions	1.3	34.9
Actuarial gains arising from changes in demographic assumptions	1.7	1.0
Loss on curtailments	-	-
30 June	**(165.6)**	**(158.9)**

The fair value of the plan assets has moved over the year as follows:

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
1 July	210.1	245.6
Interest income	10.6	9.5
Loss on Plan assets excluding interest income	(38.6)	(38.6)
Contributions by employer	-	-
Contributions by employees	-	-
Benefits paid	(7.1)	(6.3)
Expenses paid	(0.1)	(0.1)
30 June	**174.9**	**210.1**

The major categories and fair values of Plan assets at the end of the reporting year for each category are as follows:

	30 June 2024 £m	30 June 2023 £m
Equity instruments	-	25.9
Diversified growth funds	-	11.2
Corporate bonds	-	70.4
Multi asset credit	-	16.8
Government bonds	8.0	85.6
Cash and equivalents	0.3	0.2
Insurance policies	166.6	-
Total	**174.9**	**210.1**

As of 30 June 2024, the Plan's assets comprise mainly of insurance policies valued at the quoted underlying assets of the plan as a result of the Pension buy-in which was completed in April 2024. As at 30 June 2023, none of the Plan's corporate bonds were unquoted. All equity and debt assets have quoted prices in active markets. While not themselves quoted, the funds are considered to be quoted because they are invested in underlying items that are quoted.

No amounts within the fair value of the Plan assets are in respect of the Company's own financial instruments or any property occupied by, or assets used by, the Group.

The 2023 valuation has been used for the purposes of measuring the plan assets and the present value of the defined benefit liability. This was carried out by an independent firm of consulting actuaries. The present value of the IAS19 defined benefit liability, and the related current service cost and past service cost, have been measured using the projected unit credit method based on roll-forward updates to the latest triennial valuation figures. Following completion of the valuation as at 30 June 2020, Arqiva Limited agreed to pay deficit contributions of £5.4m in July 2020, £5.0m in March 2022, and £7.0m in June 2023. An updated agreement during FY23 meant that £nil contributions were paid in FY23, the £7.0m originally set to be paid in June 2023, was settled in September 2023.

An amount of £7m was placed in an escrow account in September 2023 intended to settle any remaining obligations becoming due under the previous agreement to pay deficit contributions.

Sensitivity Analysis

The assumptions considered to be the most significant are the discount rate adopted, inflation represented by RPI, and the longevity assumptions.

The sensitivity of the 2024 year end results to changes in the three key assumptions is shown below:

Funding Position	Discount rate decrease of 0.1%	RPI increase of 0.1%	Longevity assumption increase of 1 year
Increase in Plan liabilities	£2.3m	£1.4m	£5.5m

The sensitivity of the 2023 year end results to changes in the three key assumptions is shown below:

Funding Position	Discount rate decrease of 0.1%	RPI increase of 0.1%	Longevity assumption increase of 1 year
Increase in Plan liabilities	£2.3m	£1.7m	£4.4m

This sensitivity analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

24 Called up share capital

	30 June 2024 £m	30 June 2023 £m
Authorised, allotted and fully paid:		
30,000,201 (2023: 30,000,201) ordinary shares of £1 each (2023: £1 each)	**30.0**	**30.0**

25 Share premium account

	£m
At 30 June 2023 and 30 June 2024	**90.8**

26 Financial commitments and 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.

Capital commitments

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

	30 June 2024 £m	30 June 2023 £m
Within one year	4.7	7.3
Within two to five years	6.0	10.3
Total capital commitments	**10.7**	**17.6**

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

Contingent assets and other liabilities

Defined Benefit Pension Scheme

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

The Arqiva Defined Benefit Pension Plan was contracted out until 31 January 2016 and it has been identified that two minor corrective amendments were made during the relevant period that could be impacted by this.

The Court of Appeal upheld the 2023 High Court ruling in July 2024 and there are plans to progress investigations into any potential impact for the Plan.

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

27 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.

There are 2 Group entities that are not wholly owned by another Group entity. These are: Now Digital East Midlands Ltd, which is 80% owned by a Group entity; and South West Digital Radio Ltd, which is 66.6% owned by a Group entity. Both are trading entities, which use Arqiva Ltd's M&B services to deliver their respective Radio services.

In line with IAS24 we have disclosed the amount of the revenue transactions in the year, and the receivables balance as at 30 June 2024, between Arqiva Ltd and these not wholly owned subsidiaries.

	Now Digital (East Midland) Ltd £m	South West Digital Radio Ltd £m
Revenue transactions during FY24 with counterparty:	1.4	1.3
Amounts receivable as at 30 June 2024 from counterparty:	16.4	10.1

The amounts receivable are unsecured and non-interest bearing. They are repayable on demand, Arqiva Ltd has no intention of recalling the amounts owed within the 12 months following 30 June 2024.

There are no provisions for doubtful debts held for these amounts and £nil expense recognised during the year (2023: £nil) in respect of bad or doubtful debts due from related parties.

28 Events after the reporting period

As at the reporting date, management was not aware of any events, within the business or external to the business but which may have an impact on the business, or any unrecognised liabilities that could have a material impact on the business, its financial position or performance.

29 Controlling parties

The Company's immediate parent undertaking is Arqiva Holdings Limited ('AHL'). The ultimate parent undertaking is AGL, which is the parent undertaking of the largest group to consolidate these financial statements. The parent of the smallest group to consolidate these financial statements is Arqiva Group Parent Limited ('AGPL').

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

The Company is owned by a consortium of shareholders including Digital 9 Infrastructure, Macquarie European Infrastructure Fund II, other Macquarie managed funds and minorities.