Arqiva Limited

Registered number 02487597

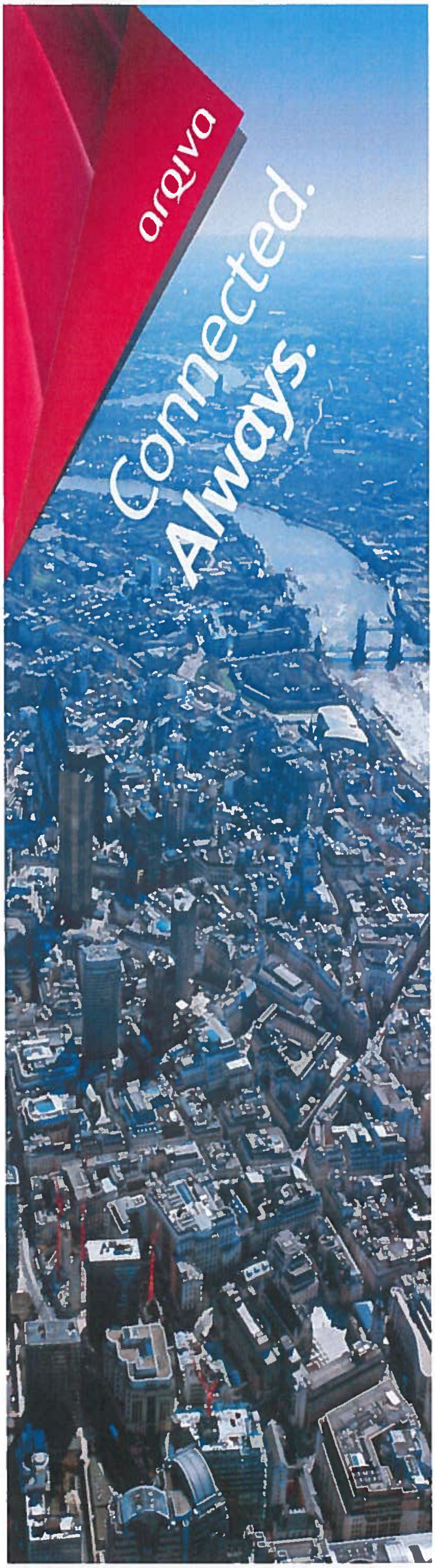
Annual Report and Financial Statements

For the year ended 30 June 2015

Contents

In this document references to 'Arqiva' refers to Arqiva Limited and related business units as the context requires.

A reference to a year expressed as 2014/15 or 2015 is to the financial year ended 30 June 2015. This convention applies similarly to any reference to a previous or subsequent year. References to 'current year', 'this year' and 'the year' are to the financial year ended 30 June 2015. References to the 'prior year' and 'last year' are to the financial year ended 30 June 2014.



Strategic report

Business overview

Performance review

Business environment

The Directors, in preparing this Strategic report, have complied with section 414 of the Companies Act 2006. This Strategic report has been prepared for Arqiva Limited ('the Company').

Additional matters relating to Arqiva Broadcast Holdings Limited (the largest Group within which Arqiva Limited consolidates) and its subsidiary undertakings (together the 'ABHL Group') have been included and highlighted as such where relevant.

Strategic overview

Our strategy is to leverage existing skills and infrastructure to build on our stable core infrastructure business.

Arqiva intends to continue to operate and invest in UK communications infrastructure, maximising the value of the core business and to explore appropriate growth opportunities that represent a strategic fit with our existing business and infrastructure assets.

Our strategy is summarised by three key strategic priorities which are built on our vision and core values. We actively engage with government, trade associations and other industry players as we know that to keep our customers connected we must continually work to identify and develop the ideas that will enable society's wireless digital future.

Our vision is the statement of our ambition for the future to be central to every vital connection that people make, every day.

Our **core values** guide how we work together and work with our customers:

- We look for **ingenious** ways to support our customers; embracing change and fresh thinking to find solutions that add real value;
- We work with each other and our customers in a **straightforward** way to ensure that we are always effective and understood; we keep things simple and clear and act with integrity; and
- We bring expertise and passion to **collaborative** working to provide a cohesive service to our customers.

Our three **strategic priorities** are:

- Growing a financially successful business;
- Helping our customers prosper and succeed; and
- Being a great place to work.

The key steps management are taking to execute our strategy are as follows:

- Investing in new machine-to-machine connectivity markets that leverage our existing skills and infrastructure. Having secured a major smart electricity and gas metering contract for the North of England and Scotland, we have begun to build our customer base in smart water metering, signing a contract with Thames Water, and have begun developing IoT networks for 10 major UK cities with our partner SIGFOX, a leading developer of IoT technology;
- Investing in the growth of mobile data usage by supporting the MNOs in their roll-out of 4G;
- Discussions are currently progressing with the UK Government on its announcement of the intention to clear the 700MHz spectrum and Arqiva's involvement in the project;
- Putting the customer first in all that we do and measuring our success by regular feedback, including the annual customer engagement survey;
- Investing in our people, including maintaining our Investors in People 'Gold Award'; and
- We believe in operating in a straightforward way, and therefore we look for continual efficiency and cost base optimisation.

Over recent years, we have secured scalable growth opportunities to leverage our existing infrastructure expertise and customer relationships further and increase our critical role in the UK's infrastructure network. These include:

- New uses for existing infrastructure expertise such as smart metering, local TV and WiFi infrastructure.
- Ongoing rollout of digital audio broadcasting ('DAB');
- a successful consortium bid to operate a second national DAB multiplex;
- The UK Budget announcement in March 2015 stated that up to £600m will be allocated to deliver the 700MHz spectrum clearance programme which Arqiva expects to be instrumental to the delivery of;
- Increasing demand for wireless site capacity driven by the trend in increasing mobile data usage and continued roll out of 3G and 4G mobile networks; and
- Securing additional contracts in market growth areas, e.g. machine-to-machine connectivity.

We continue to support and sponsor key industry initiatives designed to strengthen the media and communications sector. In recent years we have, on a number of occasions, been the headline sponsors of the British Academy of Film & Television Arts ('BAFTA') Television Awards. We also continue our long-term sponsorship of the Arqiva Commercial Radio Awards, the UK's biggest annual celebration of commercial radio.

2015 review of the operating model

In March 2015, Arqiva announced that it had undertaken a review of its operating model, working with external consultants to benchmark its cost base and review the profitability of its services. Changes as a result of the review include improvement of the end to end alignment of the business, improvement of efficiency and cost base by right-sizing central functions, proposing the closure of the defined benefit pension scheme to future accrual later this calendar year and focusing on larger scale growth opportunities and ceasing investment in Secure Solutions and Satellite News Gathering ('SNG'). The SNG assets were disposed of in July 2015.

Further information is disclosed within the annual report and financial statements of the ABHL Group, a copy of which can be obtained from the address disclosed in note 26.

The outcome of these changes will enable Arqiva to continue to deliver a first class service for its customers with a more efficient cost base, and to rationalise its product offering.

Acquisitions and disposals

No acquisitions or disposals occurred during the year.

As part of Arqiva's review of its operating model, management identified two non-core areas of the business with fewer operational synergies and therefore lower margins. Management is in discussion with third parties as to the potential sale of these components and contracts which would generate cash for reinvestment into higher margin opportunities. The completion of these disposals would therefore enhance the future earnings potential of the Company.

Business developments

Smart metering rollout progress

Arqiva is building a smart metering communication network for the North of England and Scotland as part of a 15-year contract signed in September 2013 with the Data and Communications Company (the DCC, a body licensed by statute).

The legal entity that won the contract for smart metering is a newly established company, Arqiva Smart Metering Limited ('ASML') that sits within the ABHL group. ASML has contracted with Arqiva Limited for the provision of the core network, sites and spectrum that will support the delivery of this contract. The procurement and financing of the communications hubs (which allow information to be sent to and from the network by meters inside of the 9.3 million premises) will be performed by ASML. Accordingly, the Company is expected to benefit from a substantial majority, but not all, of the smart metering contract revenue in relation to network infrastructure through charges levied to ASML.

As the project build continues, Arqiva has consistently met its contracted milestones. Much of the infrastructure needed has already been built and the programme has now entered a phase of pre-integration testing. Network coverage for the service currently exceeds 60% of the target population, allowing Arqiva to recognise revenues and initiate billing. Network coverage is on track to achieve 80% coverage by the time the DCC service is operationally live in 2016.

In the year ended 30 June 2015 the Company recognised £19.3m of revenue within the Smart metering M2M business unit predominantly relating to project management services including revenue in relation to progress towards the completion of the DCC design and development milestone as part of the construction of the network infrastructure.

Solution design is dependent on certain industry specifications provided by the Department of Energy and Climate Change ('DECC'). One such specification (the Great Britain Companion Specification) has changed materially, causing delay to the overall GB Smart Metering programme. In March 2015, the Secretary of State for DECC approved revised programme timescales, which extended the date energy suppliers will connect to the service to summer 2016. The changes to scope, timing and commercial terms have been agreed with DCC. A phased approach is being adopted by DCC to accommodate the assessment and implementation of further changes up to and beyond operational go-live. As a result of the specification changes, Arqiva is earning additional revenues for the change requests and will see an increase in its contracted orderbook.

Smart Water metering contract win

In March 2015, Arqiva signed a smart water metering contract with Thames Water following a competitive bidding process. The contract is for the provision of smart water metering fixed network infrastructure and associated water meters that enables the collection, management and transfer of metering data. The contract is for a 6 year term that is extendable in periods of 1-3 years up to a total of 16 years. The service is expected eventually to cover 3 million homes.

Arqiva is currently working on two key programme phases for the build of 17 network coverage sites and interfaces to the customer's systems. The first phase is on track for a go-live in September 2015 and the second phase is on track for a go-live in March 2016. Additional phases are expected to be contracted with Thames Water once the network coverage gradually grows. Following the receipt of initial purchase orders from Thames Water, the Company is currently contracted to deliver 17 milestones by March 2016 of which it has delivered five to date, on schedule.

Internet of Things ('IoT')

In April 2014, Arqiva signed a deal with SIGFOX, a leading international IoT business to build a national IoT network on a staged basis, starting with ten major UK cities, using SIGFOX technology. The programme is now focusing on activities to bring the network to operational and commercial readiness whilst running proof of concepts with a number of potential clients.

Second national DAB licence win

In March 2015, Sound Digital Limited, a consortium of Arqiva (40%), Bauer and UTV Media GB won a 12 year licence to operate the second national DAB Multiplex following a competitive bidding process. The contract increases Arqiva's orderbook by £34m comprising transmission fees from the share of the joint venture that Arqiva does not own plus its share of the total services revenues signed to date with radio broadcasters.

Sound Digital's planned transmission network is differentiated from the existing national multiplex by its focus on digital-only stations including start-up operators and new entrants. The service will reach national population coverage of 75% using 45 transmitters once fully commissioned. Sound Digital will provide access to 15 new radio stations including popular brands and there will be capacity for additional content providers to join the network prior to launch. The service is expected to go live in March 2016.

Digital radio (DAB) rollout

Arqiva has been progressing with the delivery of the DAB rollout programme under the BBC New Radio Agreement ('NRA'), and has now completed the upgrades to the analogue radio network. The build out of the Phase 4 BBC National DAB network continues and as at 30 June 2015, Arqiva had put 101 new transmitters on air increasing the BBC's UK DAB network coverage beyond 95% of the population. By the time the project is completed in December 2015, the BBC national DAB network will reach 97% of the population via a total of 392 transmitters.

Arqiva has also been progressing with the delivery of Commercial local DAB. The programme is part of an initiative to meet the local DAB coverage criteria of 90% as set by the UK Government in 2010. The 90% criterion was part of three overall criteria to judge when a date for a full national digital radio switchover can be set. The project requires new transmitters or upgrades at 231 sites and commenced during the 2015 financial year. It is partially funded by the BBC and the UK Government.

Following award of the second national DAB licence in March 2015 to Sound Digital, a consortium which includes Arqiva (40%), Arqiva has commenced construction of the transmission network and sought expressions of interest from broadcasters wishing to launch further radio services on the new national DAB multiplex. Transmitter installations at 45 sites will commence in September 2015 with commissioning planned for completion by early February 2016. Since the licence award, new contracts for radio services have been offered to three broadcasters with further channels still in negotiation. The service remains on schedule to launch in March 2016.

DTT spectrum update

The DTT platform currently uses spectrum in the 470-790 MHz bands. Plans are being developed by Ofcom and industry stakeholders to clear 700MHz (694 MHz to 790 MHz) to use for mobile data. Arqiva is currently undertaking a capability assessment for Ofcom to identify the work required to modify the existing DTT network infrastructure to meet the requirements for the 700MHz Clearance. Based on this information the UK Government has budgeted up to £600m for the total cost of the clearance programme which includes the cost of infrastructure changes. The funding framework is under development with initial funding requests to be made in autumn 2015 to cover programme management activities and on-going technical analysis.

In addition, European Member States have adopted a 'No Change' position ahead of the World Radiocommunications Conference ('WRC') meeting in November 2015, to ensure that the terrestrial broadcasting service will remain the principal service in the 470-694MHz frequency range (with the mobile service excluded from this spectrum). Furthermore, African Member States have also adopted a 'No Change' position ahead of WRC15 which demonstrates a strong alignment with Europe and minimises the risk of a change to the radio regulations at WRC15.

UK MNO consolidation, 4G rollout and Mobile Infrastructure Project update

During the year to June 2015 the UK telecoms market saw the announcement of a proposed acquisition of EE by BT and also a bid by H3G for Telefonica O2. The impact of any consolidation of Arqiva's customers, should the proposals receive regulatory approvals, remains uncertain and is complicated by the MNOs' positions in the two major mobile network sharing ventures. Both proposed deals would require competition authority clearances and given the likely timescales for a decision, and the complexity of unwinding or reconfiguring network sharing deals, there is unlikely to be a material impact on Arqiva over the medium term. Arqiva benefits from long term contracts and Arqiva's services are in high demand, particularly driven by competition between the customers, including for continued 4G build-out at high pace making use of Arqiva's sites. Arqiva views the potential deals as an opportunity to be a focal point of any consolidation activity given its strong site portfolio, existing customer relationships and previous experience of supporting consolidation.

Against the backdrop of consolidation activity, the four main MNOs are also all increasing their 4G network capability. Arqiva in turn is being contracted to carry out a large volume of antenna and feeder upgrade projects for its customers. Arqiva is therefore reporting a significant increase in Installation Services revenue in the year to 30 June 2015 and continues to expect high levels next year. To the end of June 2015 Arqiva has completed circa 1200 4G upgrades across Arqiva managed sites. The order book remains healthy as more orders are coming in for upgrades across our sites; currently we have a further circa 5,600 upgrades to Arqiva managed sites requested from the mobile operators over the next 2-3 years.

The Mobile Infrastructure Project ('MIP') is a strategic programme funded by the Government with the ultimate goal of providing service to areas without any mobile coverage services ('not-spots'). Arqiva continues with the rollout. As at the end of June, 181 sites were in the acquisition phase, together with 19 in the build phase.

UK Government funding for 700 MHz and Internet of Things

In the UK Budget announcement in March 2015, the Government stated that it will allocate up to £600m to deliver the 700 MHz spectrum clearance programme. Discussions are progressing around the grants allocation process to enable the main programme to commence.

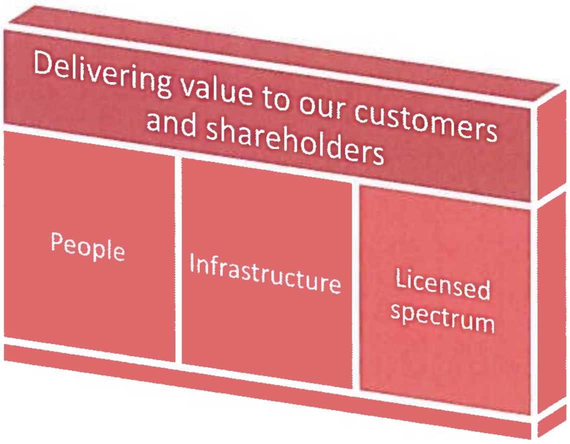
The UK technology industry will also benefit from a further boost of £140m from the Government to develop further IoT and smart cities in the UK.

Arqiva is well positioned to benefit from these initiatives as it continues to engage with Ofcom to develop plans for the 700 MHz clearance and as it continues developing its IoT proposition.

Our business model

Arqiva is a communications infrastructure and media services business, operating at the heart of the broadcast, satellite and mobile communications markets. Arqiva is also proud to play its part in the development of smart (machine-to-machine) networks, providing the next generation of 'smart connectivity' with the ambition being to provide advances in operational efficiency and the quality of information systems for businesses.

We live in an always on, always connected world. Millions of people depend daily on a continuous stream of information, education, entertainment and conversation. As more and more individuals, companies and public services organisations seek to connect safely and securely to one another, we aim to be central to every vital connection they make. Our services already touch the lives of virtually every person in the UK every day.



Arqiva owns and operates a portfolio of communications infrastructure and provides television and radio transmission services, tower site rental to mobile network operators, media services and radio communications in the United Kingdom ('UK') and overseas.

With circa £1.0bn (net book value) invested in infrastructure assets Arqiva utilises the expertise of its people (more than 2,000 employees) to deliver on its contracts. Underpinning this delivery, the ABHL Group holds the necessary licences to broadcast.

We invest in our infrastructure to maintain its reliability, but also to maximise its potential with Arqiva offering a wide range of service capabilities including:

- Broadcast transmission from our towers;
- Satellite multiplexes;
- Satellite transmission/play-out;
- Fibre cable connections;
- Telecommunications; and
- Smart network connectivity.

These service offerings are aligned into our business units outlined on page 8. Additionally our management structure is aligned to these business units reflecting that, whilst there are common core principles of how we operate our business, there are risks that are required to be separately managed, see page 11 for additional detail. We continue to review and adapt our business structure to drive efficiencies and optimise our cost base.

Arqiva's key strengths are its people and expertise, the asset base it has built up with strategic investment and the operational licences it has won in highly competitive bids. Arqiva has an unrivalled site portfolio and the capability to deliver a broad range of services, and therefore holds a strong competitive position across markets, which generally have high barriers to entry. It is with these strengths that Arqiva strives to deliver value to customers, by providing a reliable and comprehensive service, and to shareholders through long-term, stable earnings growth.

Principal activities of the Company
The Company is a significant trading component of the Group, and owns and operates a portfolio of communications infrastructure including radio transmission services, tower site rental to mobile network operators, machine-to-machine networks, media services and radio communications in the United Kingdom ('UK').

Our business units

For the year ended 30 June 2015, our business was aligned into the following customer-facing business units:

Terrestrial Broadcast is the sole provider of transmission services and infrastructure for all UK terrestrial TV broadcasters including BBC, ITV and C4, who reach 20 million homes and cover 98.5% of the UK population. It also owns and operates over 90% of the radio transmission towers for terrestrial broadcasting in the UK and is the operator of both commercial national digital radio multiplexes.

Satellite and Media owns and operates teleports at key locations in the UK, as well as owning an international terrestrial fibre network, media facilities and leasing satellite capacity. These enable Arqiva to provide customers with a comprehensive range of services to deliver their data, broadcasts and media services internationally.

Telecoms service the mobile communications, public safety, local government and commercial markets. Arqiva is the largest independent site share provider in the UK, offering licences to national MNOs and other wireless network operators. With its own spectrum, Arqiva has the strategic capability to provide complete mobile communications networks including backhaul links.

Smart Metering M2M was set up to build on Arqiva's success in winning the 15 year smart metering contract in the North of England and Scotland and to pursue the wider opportunities in this space. The smart metering contract involves building a new smart network and delivering the smart energy metering communications service for Scotland and the north of England, as well as managing engagement with the energy industry and other key stakeholders. The business unit is pursuing new business opportunities in related smart and M2M markets, including many fast developing areas such as smart water metering, smart grids and a wide set of other potential M2M applications, including the IoT. This relates to the ABHL group but impacts the results of Arqiva Limited (see p.4)

In addition to the business units noted above, the ABHL group has a further business unit for which Arqiva Limited holds the employment contracts for the Digital Platforms customer-facing business unit. All of the associated revenue contracts are held by Arqiva Services Limited, a fellow Group entity:

Digital Platforms owns and operates two of the three main national commercial digital terrestrial TV multiplexes (out of a total of six multiplexes, including Public Service Broadcasters), plus two DVB-T2 multiplexes (for additional services including HD on Freeview), used for transmission of DTT services in the UK. Digital Platforms enables major media companies to bring their TV and radio services to 20 million homes with access to the Freeview platform.

Supported by the following centralised functions:

Central **Corporate** functions comprise Strategy & Business Development, Finance, Legal & Commercial, and People & Organisation.

The **Technology division** supports the operational infrastructure, including monitoring and maintenance services for the whole of Arqiva, their focus being on service, efficiency and new technology.

During the year, management conducted a review of the operating model of the business and identified benefits from the combination of elements of the Digital Platforms unit with that of Terrestrial Broadcast, and with Satellite and Media. The result is a single Terrestrial Broadcast business unit which combines the ownership of DTT and radio multiplexes and the infrastructure for transmission alongside a greater service offering under a single Satellite and Media business unit. In a continuation of the strategy to vertically align our central services we are integrating the Technology division into the business units to the extent that support activities are directly attributable. Some services will be integrated into the central corporate function where they are indirectly attributable to a number of business units.

Subsequent to the year end in August 2015 Arqiva announced that Smart Metering M2M would be merged with Telecoms into a single business unit, to be known as Telecoms and M2M. This move will deliver synergies with both businesses offering solutions to an increasingly shared customer base; and cloud, IP and software defined networks will accelerate the convergence of communications and connected device technologies. Additionally Arqiva announced that Group Strategy and Business Development will be decentralised into other parts of the business, including our customer facing business units. This move will help to ensure our strategy is firmly grounded in our delivery capability and that our marketing is best aligned with sales activity and customer requirements. These changes will be effective from 1 October 2015.

Financial review

Financial highlights

- Revenue up 4.5% to £584.9m
- EBITDA up 13.7% to £313.6m

Results

For the year ended 30 June 2015, revenue for the Company was £584.9m, an increase of 4.5% from £559.6m in the prior year. There was continued growth in Telecoms revenues relating to a significant increase in installation services connected with the upgrading of networks for 4G and other one-off project revenues relating to site-share. In Smart Metering, the Company saw additional revenues as a result of the continued solution design work, and customer billing has now commenced following the achievement of two major network coverage milestones. In Satellite and Media, overall revenues declined as a reduction in low-margin wholesale space revenues, service terminations of non-credit worthy UK DTH customers and space segment terminations within a number of Managed Networks contracts more than offset growth in other areas.

Earnings before interest, tax, depreciation and amortisation ('EBITDA*') for the Company was £313.6m, representing a 13.7% increase from £275.9m in the prior year. The current year benefits from the gross profit on the increased revenues discussed above and lower operating costs. Operating costs reduced due to an increase in the level of internal resource employed on billable projects which is cost that is transferred out of operating costs into cost of sales. In addition, higher labour capitalisation and initial savings derived from the operating model review reduced operating costs further which was partially offset by an increase in staff costs. The table below provides a reconciliation of the movements between EBITDA and operating profit.

Reconciliation of EBITDA to operating profit:

A reconciliation of the reported EBITDA to the financial statements is provided below:

	Year ended 30 June 2015 £'m	Year ended 30 June 2014 £'m	Year ended 30 June 2013 £'m	Year ended 30 June 2012 £'m	Year ended 30 June 2011 £'m
Operating profit before exceptional items	228.3	200.6	197.1	174.5	128.0
Depreciation of fixed assets	80.0	72.2	67.0	52.1	58.6
Amortisation	5.3	4.2	4.3	5.7	5.6
Other (including loss/(profit) on disposal of fixed assets and non-interest finance costs principally bank charges)	-	(1.1)	3.6	0.2	-
EBITDA	**313.6**	**275.9**	**272.0**	**232.5**	**192.2**

Liquidity

To ensure it has sufficient available funds for working capital requirements and planned growth, the ABHL Group maintains cash reserves and access to undrawn committed facilities to cover forecast requirements. The ABHL Group carefully manages the credit risk on liquid funds and derivative financial instruments with balances currently spread across a range of major financial institutions, which have satisfactory credit ratings assigned by international credit rating agencies. The levels of credit risk are monitored through the ABHL Group's on-going risk management processes, which include a regular review of counterparty credit ratings. Risk in this area is limited further by setting a maximum level and term for deposits with any single counterparty.

As at 30 June 2015, the ABHL Group has a £400.0m capital expenditure facility against which it has drawn £120.0m (2014: £nil), and £100.0m of undrawn working capital facilities to cover short term cash flow timing differences if required. In addition, the ABHL Group has £200.0m of liquidity facilities available to cover senior interest payments and a £28.5m cash reserve to cover one junior interest payment if required. Further details of the Group's debt facilities are given in annual report and consolidated financial statements of ABHL, a copy of which can be obtained from the address in note 26. The Group recognised £18.1m (2014: £7.4m) of exceptional costs in the year. This was primarily due to reorganisation costs as a result of the review of the operating model. Impairment of £7.0m (2014: £nil) relates to the write down of carrying value of non-core business areas and investments.

Going concern

This strategic report includes information on the structure of the business, our business environment, financial review for the year and details of the principal risks and uncertainties facing the Company; and financial risk management information is presented within the Directors report. The Company continues to present net assets (2015: £1,077.5m; 2014: £872.9m) and generate a profit (2015: £210.1m; 2014: £208.3m).

The directors have considered the Company's profit and cash flow forecasts alongside the Company's current funding requirements and facilities available to the Company as part of the ABHL Group to ensure it can continue for the foreseeable future. The directors continue to be confident that the Company will have adequate resources to continue in operational existence for the foreseeable future and consequently adopt a going concern basis in preparing the financial statements.

*EBITDA is stated before exceptional items

Key performance indicators

Arqiva uses a mixture of financial and non-financial key performance indicators ('KPIs') to measure progress against our strategic priorities. Our financial KPIs balance short-term measures with long-term measures to deliver value to our shareholders. Non-financial KPIs focus on delivery of major project milestones, raising our performance to delight our customers and investing in our people to create a successful workplace.

Strategic priorities (see page 3):

- Growing a financially successful business (financial success) – see financial review, p9;
- Helping our customers prosper and succeed (our customers); and
- Being a great place to work (our people).

Our customers

Network availability

	Own TV Multiplex Availability	Combined Network Availability
2013	99.99%	99.99%
2014	99.95%	99.95%
2015	99.93%	99.91%

Definition and basis of calculation
We strive 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 we have consistently been able to achieve our target. Despite meeting our target, network availability in 2015 was lower than in 2014 due to severe weather conditions in January 2015, particularly in the north of England and Scotland, which affected a number of transmitting stations.

Delivery on our customer promises

Definition and basis of calculation
When we undertake significant engineering projects, such as network deployment, we measure our performance on delivery against the key contractual milestones.

Result
Arqiva has continued to meet its contractual milestones on time and at the required quality and continues to engage with all contract stakeholders to meet future milestones. This includes:

- Completion of the 60% network coverage milestone on the Smart Metering M2M contract with Communications Service Provider for the North ('CSP North');
- Finalisation of the initial implementation protocols milestone on the Thames Water Metering contract; and
- Completion of 101 new transmitters to increase BBC's UK DAB network coverage beyond 95% of the UK population as part of the BBC NRA contract.

Our people

Investors in people

Definition and basis of calculation
Arqiva takes part in the 'Investors in People' accreditation for which more than 16,000 UK businesses take part.

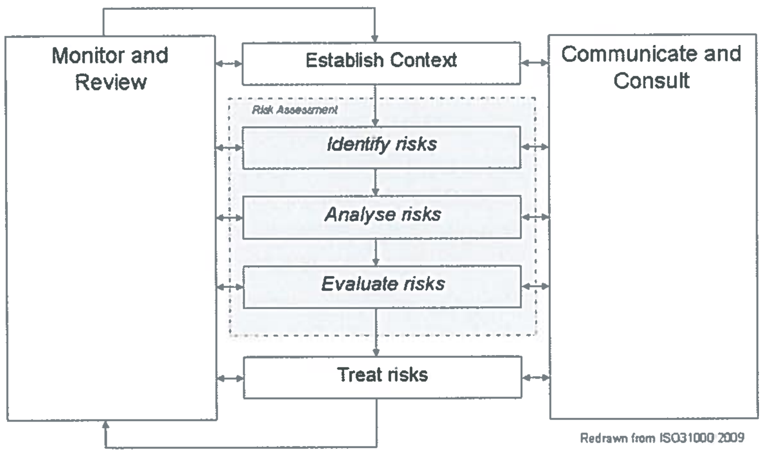
Result
The results of the 2015-16 survey are to be announced in 2016; however Arqiva has maintained its Gold award through 2013-14 and 2014-15. Less than 4% of participants achieve Gold Standard.

	Investors in people award
2012-13	Silver
2013-14	Gold
2014-15	Gold

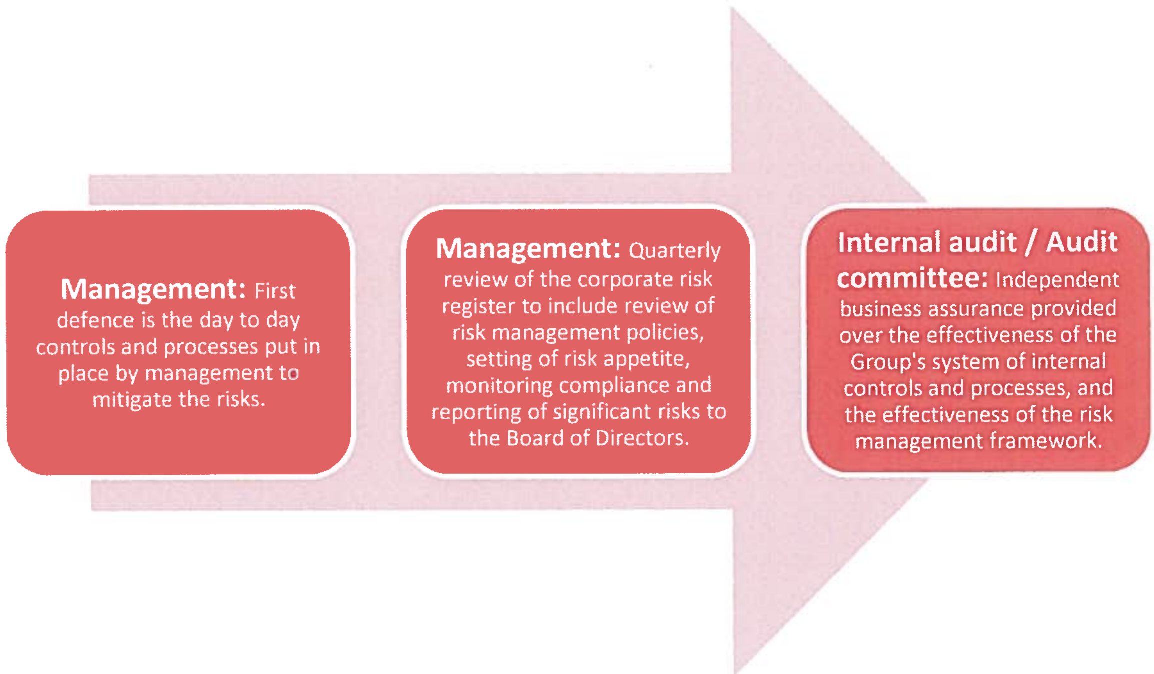
Principal risks and uncertainties

The appropriate, enterprise wide management of risk is important for us to meet our corporate objectives and for us to protect our 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 ('ERM') approach to managing its risk profile.

Our approach to managing risk is in accordance with the ISO31000: 2009 Risk Process.



To manage risk, a risk register has been developed for each business unit. This is then consolidated into a corporate risk register; the former being reviewed on a monthly basis by business unit management, the latter is reviewed by the management board on a quarterly basis:



A selection of the key business risks affecting Arqiva are set out below together with a summary of the mitigating actions; in addition Arqiva has long term contracts in place with a number of significant blue chip customers which support the Company's long term financial stability.

**Business units have been abbreviated as follows: Terrestrial Broadcast ('TB'), Satellite and Media ('S'), Telecoms ('T') and Smart Metering M2M ('SM').*

Risk type	Business Units*	Description of risk / uncertainty	Recent developments	Management of risk / uncertainty
Reputational	All	Bad publicity damages Arqiva's reputation as a result of: • A major event or incident impacting our services. • Untimely delivery on major projects • Repeated unexpected service outages • Security breach on networks.	Arqiva has continued to achieve its target result for 'network availability' (see key performance indicators on page 10). Arqiva has achieved and maintained ISO27001 certification regarding information security and holds periodic reviews of the security environment.	Arqiva carefully engages with its customers to ensure that project milestones are carefully managed and management regularly review the progress status 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. Arqiva 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.
Demand	T	Consolidation of market players due to mergers and acquisitions which could lead to changes in the timing of contract renewal discussions.	The MNO market is highly competitive prompting recent merger and acquisition activity with BT Group announcing in February 2015 an agreement to acquire EE and Hutchinson Group announcing a deal to acquire O2 in the UK to combine with its Three Mobile Group. In both cases, regulatory decisions are awaited.	Arqiva has secured long term contracts with all of the major UK MNOs, including EE, Telefonica O2 and Vodafone. Arqiva's sites are predominantly located in rural and suburban areas. Their location, exclusivity, and restrictive planning regulations create significant barriers to switching. Arqiva seeks to protect itself by negotiating long term contracts where it makes itself the focal point for consolidation, and facilitates the MNOs consolidation in return for long term revenue certainty.
	T	The level of demand for wireless communications and impact on demand for access to Arqiva's towers.	Recent research predicts that by 2019, WiFi networks will carry more than 50% of smartphone and tablet data traffic. Arqiva has a strong presence in this market and has adopted a wholesale WiFi strategy, successfully signing up a major MVNO in 2014.	Significant amounts of capital expenditure have been invested in developing the wireless communications infrastructure in the UK. Arqiva monitors the demand for mobile data which continues to grow and indications are that spectrum capacity, and antenna deployments, will need to increase to cope with this demand. Arqiva continues to closely monitor the development of wireless technology and network deployment activities by MNOs.

Risk type	Business Units*	Description of risk / uncertainty	Recent developments	Management of risk / uncertainty
Supply chain	SM	Under-performance of sub-contractors could lead to an inability to meet timeline and quality requirements, and cause programme slippage.	Arqiva has continued to meet its network deployment milestones during FY15 (see key performance indicators on page 10).	Our contracts are worded such that the Arqiva's risk is mitigated through contractual reimbursements. Our contracts are structured into milestones such that we are accountable to our stakeholders for our contractual obligations and our performance is managed accordingly.
Health and safety	All	Risk of an incident causing death or serious injury during site works or engineering.	During FY15, Arqiva maintained its compliance with OHSA518001 regarding safety management.	Training and rescue skills courses are required on an annual basis. Rescue kits are provided. Arqiva maintains and regularly reviews its policy on workplace safety.
Technological	TB, S	Developments in alternative broadcast technologies, such as broadband internet connected TV, which competes against the ABHL Group's DTT transmission business.	Leveraging off the development of our Connected Solutions offering to win the contract to provide engineering expertise supporting the rollout of Freeview Play.	DTT retains the largest share of broadcast transmission in the UK, and IPTV remains constrained by limited high speed broadband uptake and variable reliability levels. In addition Arqiva has mitigated some of this risk by investing in YouView TV Limited, a joint venture formed to develop and promote the DTT platform, together with its development in Connect TV – a hybrid Internet Protocol Television ('IPTV')/DTT offering.
Operational	All	Major infrastructure network or satellite failure causing multiple platform failures or service outages.		There is a dedicated Business Continuity Working Group which meets on a regular basis to review plans and procedures in place and the provision of disaster recovery services. Arqiva's business continuity plans are tested to ensure that they are robust and fit for purpose and that there is the right skills mix and knowledge.
	All	Networks, systems and sites are subject to security threats leading to a loss or corruption of data.		Arqiva 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.
Political	TB	International decisions regarding the future use of the 600 / 700MHz spectrum for DTT. The World Radio-communications Conference 2012 ('WRC-12') signalled that countries may clear the 700 MHz band of DTT in preparation for future use by Mobile Broadband. This would result in the 600MHz spectrum cleared during DSO having to be used for existing terrestrial TV.	In the UK Budget announcement in March 2015, the Government stated that it will allocate up to £600m to deliver the 700 MHz spectrum clearance programme. Discussions are progressing around the grants allocation process to enable the main programme to commence.	Arqiva continues to engage with Ofcom and the broadcasters to ensure that Arqiva and the television industry's needs are fully considered and sufficient spectrum is available for DTT. In addition, Arqiva is actively engaged in the feasibility study for 700MHz clearance.
Financial	Details of the financial risks and details of mitigating factors are set out in the Directors' report on page 19.			

Corporate responsibility

Everything we do at Arqiva is guided by our values to go the extra mile to help our customers reach their customers and audiences. At Arqiva we will endeavour to conduct our business in a way that benefits our customers, suppliers, employees, shareholders and the communities in which we operate.

We believe we have a role to play in shaping our dynamic industry.

We actively engage with government, trade associations and other industry players as we know that to keep our customers connected we must continually work to identify and develop the ideas that will enable society's wireless digital future.

Environment
Arqiva is committed to complying with all applicable environmental legislation and annually assesses the environmental impact of its activities, products and services and aims to reduce any negative impacts through active environment management. Arqiva operates an environmental management system which is accredited to the international standards ISO14001 and ISO50001, the latter being the voluntary International Standard for "Energy Management Systems".

Energy consumption is a key area of interest given it is a significant consumer of electricity. Arqiva has launched a new energy policy which reflects the company's commitments to improving energy efficiency by:

- Reducing energy consumption,
- Investing in energy efficient technology, and
- Monitoring carbon emissions.

One of Arqiva's business aims is to reduce carbon emissions and energy costs whilst complying with energy legislation. We have a dedicated team looking at new and innovative ways of driving down our carbon footprint. Responsible management of energy has a key role in minimising our environmental impacts and is embedded within our company. We are investigating how emerging technologies and ingenious ways of working can help us and our customers become more environmentally friendly. As new technologies emerge and legacy equipment is replaced we look for the most environmentally-friendly ways to dispose of redundant hardware. For example, following the completion of the DSO programme we had to remove and dispose of our analogue television infrastructure, and managed to recycle over 90% of the waste.

The Arqiva energy policy is committed to ensuring we meet, and where possible, exceed the requirements of applicable legislation, policies and other commitments to which we subscribe. All employees are encouraged to participate in the energy reduction aims of the company, and the Arqiva Management Board support the energy policy, as well as promoting and maintaining a high profile for carbon and energy issues within the organisation.

We have achieved year on year energy consumption reductions and continue our efforts to make further reductions. The business aims to reduce energy consumption by 1% per annum, and as at June 2015, a 0.7% reduction has been achieved against prior year having achieved a considerable reduction in the previous period (2014: 1.9%); representing an average annual reduction of 1.3% over the two year period.

Health and safety
Arqiva is committed to complying with applicable health and safety legislation, and to continual improvement in achieving a high standard of health, safety and welfare in its operations and for all those in the organisation and others who may be affected by its activities. Arqiva operates a safety management system that is accredited to the international standard OHSAS18001. The Directors regularly review health and safety reports in relation to activities, employees and contractors.

Information security
Due to the critical importance of our sites and systems to Arqiva, our customers and in some cases as part of the Critical National Infrastructure, Arqiva takes information security very seriously.

Last year, Arqiva became the first company in the combined Broadcast and Telecoms industry to achieve ISO27001 certification for all platforms and services (end to end) for all of its UK locations. This allows Arqiva to compete for new business which requires ISO27001 accreditation and we can confidently demonstrate our security-conscious culture and compliance with this internationally recognised standard. There are two physical security audits and two internal security audits conducted every month in order to maintain our certification and since certification, we have passed every audit.

Employees
The average number of persons employed by the Company during the year was 2,107 (2014: 1,953). Arqiva recognises the significant contribution of its employees and makes every effort to create a rewarding and engaging working environment.

Arqiva's policy is to provide equal opportunities for all employees, irrespective of race, nationality, gender, sexual orientation, marital status, religion or political belief, disability or age.

Arqiva continues to address training and development requirements for employees at all levels within the organisation. The Board also reviews future management requirements and succession plans on an ongoing basis.

In 2013-14 and 2014-15 Arqiva received an 'Investors in People Gold Award'. This is the highest level of Investors in People recognition available. Achieving the Gold Award is an outstanding recognition of the commitment and hard work put in by many colleagues across the business. Arqiva is committed to retaining this award, and will next be assessed in 2016.

During the year, management were pleased to announce its democratically elected Arqiva Employee Board ('AEB'). The AEB has been set up to provide a voice for employees across Arqiva and provide a clear and direct link between the employees and management board. The AEB has since met on a monthly basis to discuss key matters such as performance management, or efficiencies and process in order to develop responsive action plans. The AEB (as well as the Management Board) also interacts with representatives of the Broadcasting, Entertainment, Cinematograph and Theatre Union ('BECTU') regarding employee matters.

We want all our employees to benefit from our success and growth as a business. Our annual bonus scheme recognises the importance of high performance and is designed to reward employees for achieving targets and constantly improving overall performance, in line with our values. The scheme takes into account the targets that have been set and then multiplies this by a personal performance rating. The company must achieve a minimum EBITDA before a bonus becomes payable which is then calculated based upon financial KPIs of EBITDA, revenue and operating cash flow. The bonus payment for the 2015 financial year will be made in September 2015.

Charitable donations, community and social activities
Taking a collaborative approach to our work, our people and the communities in which we operate is an important company value for us. It is one of the reasons why we continue to partner with The Prince's Trust and Walking with the Wounded ('WWTW') charities.

We are continuing to support The Prince's Trust fundraising efforts, such as the Palace to Palace bike ride in October 2014, our second year of involvement, where up to 4,000 people rode from Buckingham Palace to Windsor Castle. Arqiva is also a patron of The Prince's Trust. The Prince's Trust focuses its efforts on helping young people with practical and financial support, and developing key workplace skills. Arqiva has committed to raising funds for The Prince's Trust 'Million Makers' challenge. There have been a number of fundraising events over the course of the year with the Trust using amounts raised to invest in a small-scale enterprise challenge pitting teams against each other across the UK. The work of The Prince's Trust fits perfectly with our purpose, vision and values as its key aim is to keep young people connected with society. As part of our Corporate Responsibility strategy, we continue to work with The Prince's Trust to help them run programmes that encourage young people to take responsibility for themselves and help them build the life they choose rather than the one they've found themselves with.

During the year, Arqiva made a significant number of charitable donations. Contributions were made as part of a matched funding scheme to match employee fundraising for charitable events up to £500 per employee. Arqiva also supports the Give As You Earn scheme, working in partnership with the Charities Aid Foundation which manages the scheme - the UK's leading payroll giving scheme. Employees are supported to take part in corporate volunteering activities whereby they give their time to local charities and organisations for special projects which has included numerous activities such as upgrading the garden area at a local educational farm.

Global Corporate Challenge ('GCC') is a wellness programme that encourages participants to be active over a 100 day period, using pedometers to track daily steps. This year, Arqiva has 20 teams (made up from 130 employees) participating from a number of different locations including a US team. They will be joined by over 40,000 other teams from 1,500 of the world's largest employers. Arqiva is committed to supporting musculoskeletal health, and this challenge is a great activity to strengthen muscles and bones, and reduce the risk of injury.

Arqiva has also demonstrated its commitment to promoting health and wellbeing by launching the 'Arqiva Be healthy' programme, aimed at promoting health initiatives and healthy lifestyle choices. In addition, we have entered 'Britain's Healthiest Company' competition which aims to recognise and reward companies and their employees in their effort to lead healthier lifestyles.

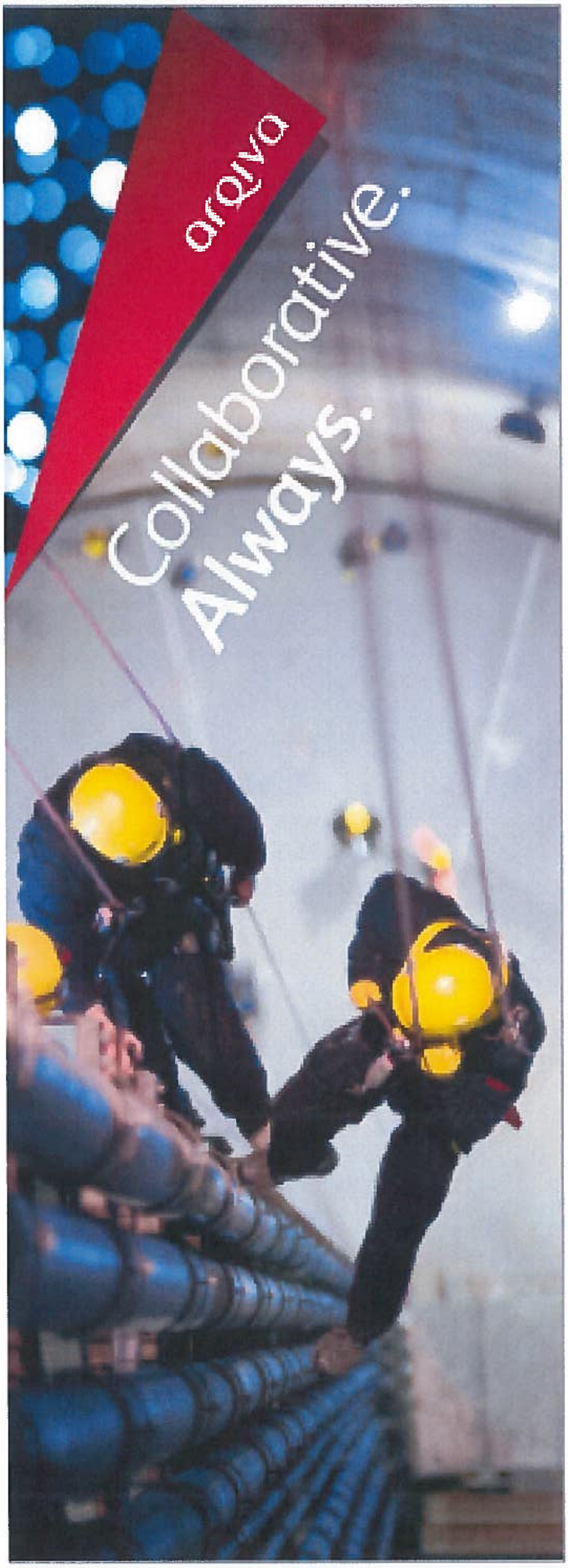
Taxation

Our approach to tax is to ensure compliance with all our legal and statutory obligations and how the legislators intended the laws to be followed. We are 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, tax and NI paid by both Arqiva and employees, totalled £83.1m (2014: £78.6m) for the financial year.

This report was approved by the Board of Directors on 16 October 2015 and signed on its behalf by:

Damian Walsh
Director

16 **October 2015**



Governance

Board of directors and ownership

The Company's immediate parent company is Arqiva Holdings Limited ('AHL') and its ultimate UK parent undertaking is ABHL.

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

Peter Shore	(resigned 27 March 2015)
Christian Seymour	
Alain Carrier	(resigned 2 October 2014)
Edward Beckley	(resigned 1 July 2015)
Damian Walsh	
Peter Douglas	(resigned 31 July 2015)
John Cresswell	(resigned 1 August 2015)
Philip Moses	
Clive Ansell	
Robert Wall	
Mark Braithwaite	
Paul Mullins	(appointed 2 October 2014)
Mike Parton	(appointed 1 April 2015)
Nathan Luckey	
Sally Davis	(appointed 15 July 2015)
Simon Beresford-Wylie	(appointed 1 August 2015)
Adrianus Wamsteker (alternate)	(resigned 29 August 2014)
Andreas Kottering (alternate)	(resigned 2 October 2014)
Prakul Kaushiva (alternate)	(resigned 31 July 2015)
Deepu Chintamaneni (alternate)	(appointed 2 October 2014)

Michael Giles is the Company Secretary.

Directors' report

The Directors of Arqiva Limited ('AL'), registered company number 02487597, ('the Company') submit the annual report and audited financial statements ('financial statements') in respect of the year ended 30 June 2015.

The Company operates within the Arqiva Broadcast holdings Limited ('ABHL') group ('the Group') of companies.

The Company is a significant trading component of the Group, which owns and operates a portfolio of communications infrastructure including radio transmission services, tower site rental to mobile network operators, machine-to-machine networks, media services and radio communications in the United Kingdom ('UK').

Financial risk management

The principal risks and uncertainties of Arqiva have been outlined previously in this section of the report (see page 11). As a result of these, as well as the on-going business activities and strategy, Arqiva is exposed to a variety of financial risks that include credit risk, liquidity risk, price risk and foreign exchange risk. The ABHL Group is exposed to additional interest rate risk and financing risk, details of which are contained in its annual report. A copy of the annual report and consolidated financial statements can be obtained from the address in note 26 to the financial statements.

The key financial risks affecting the Company are set out below together with a summary of how the risks are managed:

Type	Description of risk/uncertainty	Management of risk
Credit risk	Arqiva is exposed to credit risk on customer receivables.	This is managed through appropriate credit checking procedures prior to taking on new customers; and higher risk customers paying in advance of services being provided. Performance is closely monitored to ensure agreed service levels are maintained reducing the level of queried payments and mitigating the risk of uncollectable debts.
	Arqiva is exposed to counterparty risks in its Treasury operations.	Arqiva carefully manages the credit risk on liquid funds and derivative financial instruments with balances currently spread across a range of major financial institutions which have satisfactory credit ratings assigned by international credit rating agencies. The levels of credit risk are monitored through the on-going risk management processes, which include a regular review of the credit ratings. Risk in this area is limited further by setting a maximum level and term for deposits with any single counterparty.
Liquidity risk	Ensuring the Company has sufficient available funds for working capital requirements and planned growth.	Arqiva maintains cash reserves and access to undrawn committed facilities to cover forecast requirements. As at 30 June 2015 the ABHL Group had £100m available working capital facilities and £70m cash available to cover short term cash flow timing differences if required, together with a £400m capital expenditure facility, of which £120m had been drawn in the year. In addition, the ABHL Group has £200m of liquidity facilities available to cover senior interest payments if required.
Price risk	Energy is a major component of the cost base and is subject to price volatility.	A large proportion of this is managed via pass-through arrangements to customers. The residual exposure to fluctuations in the electricity price is managed by forward purchasing the majority of power requirements up to 12 months in advance. Key revenue and cost milestones are set on larger projects to ensure the financial risks of volatile market pricing are mitigated.
Foreign exchange risk	Arqiva 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 Arqiva's revenues and costs are sterling based, and accordingly exposure to foreign exchange risk is limited.	Management regularly monitor the impact of foreign exchange risks and assess the need to put any mitigating financial instruments in place. During the year, forward foreign exchange contracts were used to fix the exchange rate for certain overseas revenue contracts, and cross currency swaps were utilised within the ABHL Group to fix the exchange rate in relation to US Dollar denominated Senior bonds.

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 Arqiva continues and the appropriate training arranged. It is the policy of Arqiva 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 suffer from a disability. Further information on how Arqiva supports its employees can be found on page 15 of the Strategic report.

Creditor payment policy

Arqiva seeks to treat all of its suppliers fairly and it is policy to agree the terms of payment at the start of business with that supplier, ensure that suppliers are aware of the terms of payment and to pay in accordance with its contractual and other legal obligations.

Arqiva's key costs are payroll, satellite capacity, rent, rates and power. Hence the majority of Arqiva's cost base is driven by competitive markets. Arqiva engage multiple large national suppliers for key services such as utilities and construction agreements required for new contracts. This ensures not just a viable on-going cost base but reduces business risk by limiting dependency on individual suppliers.

Charitable and political donations

Details of charitable donations can be found on page 15. No political donations were made during the year (2014: none).

Research and development

Arqiva performs research and development into new products and technology, the costs of which are capitalised in accordance with the Company's accounting policy where they meet the criteria for capitalisation under UK GAAP. The research costs expensed in the year were £1.4m (2014: £2.3m). In addition, Arqiva 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 £3.6m (2014: £3.6m).

Development costs incurred as part of capital expenditure projects, which support customer contracts, are included with the total project spend within tangible fixed assets. The Company's capital expenditure in the year was £170.8m (2014: £167.4m) and includes capitalised labour of £55.9m (2014: £43.3m). Other development costs would be capitalised within intangible fixed assets. In the year, development costs capitalised total £0.5m (2014: £0.8m), with amortisation of £0.2m (2014: £0.3m) charged against such capitalised development costs.

Overseas branches

The Company has trading branches based in the Republic of Ireland, Isle of Man and Jersey.

Post balance sheet events

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

Dividends and transfers to reserves

The Company has declared no dividends in the year (2014: none declared). The profit for the year of £210.1m (2014: £208.3m) was transferred to reserves.

Going concern

The strategic report includes information on the structure of the business, our business environment, financial review for the year and details of the principal risks and uncertainties facing the Company; and financial risk management information is presented within the Directors report. The Company continues to present net assets (2015: £1,077.5m; 2014: £872.9m) and generate a profit (2015: £210.1m; 2014: £208.3m).

Despite having net current liabilities, the Company adopts the going concern basis in preparing its financial statements based upon the support from its parent undertakings and the future profit, cash flows and available resources of the Company and the Group which lead the Directors of the Company to be confident that the Company will have adequate resources to continue in operational existence for the foreseeable future.

Future developments

The Company plans to continue to invest in its business units in accordance with its strategy. Further detail is contained within the strategic report on page 3.

Ownership and Directors

A description of the ownership of the Company and the directors holding office during the year and up to the date of signing of the financial statements can be found on page 18.

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

Disclosure of information to the Independent Auditors
The Directors of the Company in office at the date of approval of this report confirm that:

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

On behalf of the Board

Michael Giles – Company secretary
Crawley Court
Winchester
Hampshire
SO21 2QA

16 October 2015

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

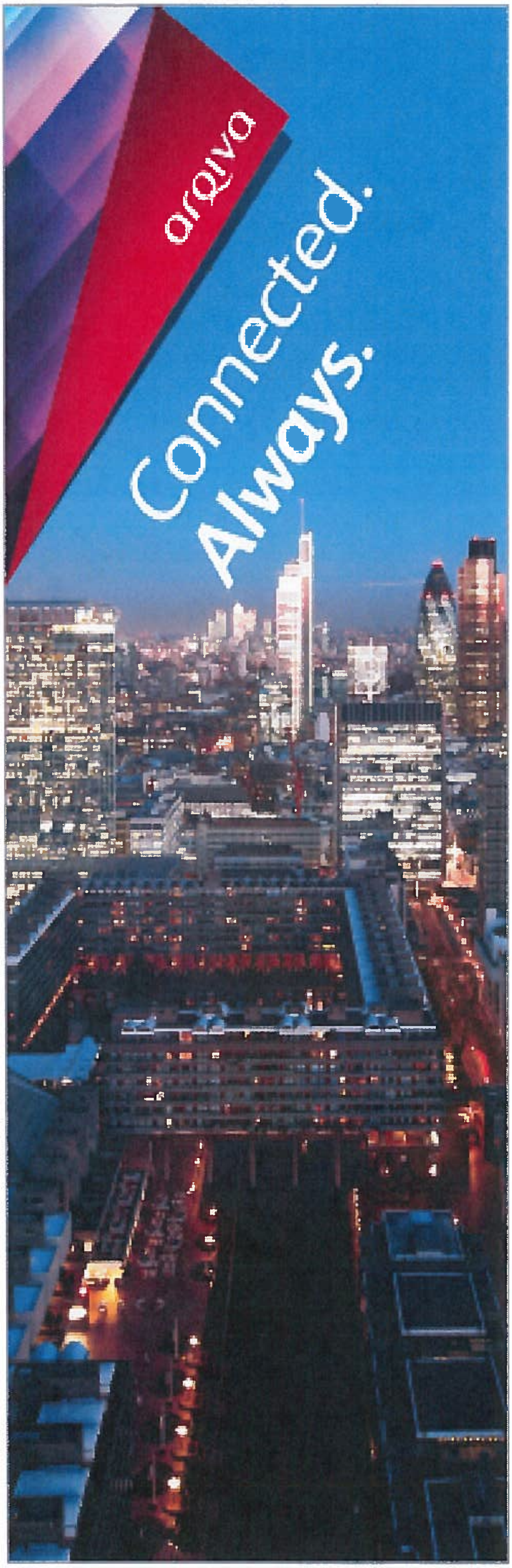
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under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

In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



Financial statements

Independent Auditor's report to the Members of Arqiva Limited

Report on the financial statements

Our opinion
In our opinion, Arqiva Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited
The financial statements comprise:

- the Balance sheet as at 30 June 2015;
- the Profit and loss account, the Statement of total recognised gains and losses and the Note of historical cost profit and losses for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration
Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors
As explained more fully in the Directors' Responsibilities Statement set out on page 22, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.
We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.
In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Graham Lambert

Graham Lambert (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

20 October 2015

Profit and loss account

	Note	Year ended 30 June 2015 Pre exceptional items £'m	Exceptional items £'m	Total £'m	Year ended 30 June 2014 Pre exceptional items £'m	Exceptional items £'m	Total £'m
Continuing operations							
Turnover	2	584.9	-	584.9	559.6	-	559.6
Cost of sales		(210.7)	-	(210.7)	(211.1)	-	(211.1)
Gross profit		374.2	-	**374.2**	348.5	-	**348.5**
Depreciation		(80.0)	-	(80.0)	(72.2)	-	(72.2)
Amortisation		(5.3)	-	(5.3)	(4.2)	-	(4.2)
Impairment		-	(7.0)	(7.0)	-	-	-
Other administrative expenses		(59.6)	(11.1)	(70.7)	(71.5)	(7.4)	(78.9)
Total administrative expenses		(144.9)	(18.1)	(163.0)	(147.9)	(7.4)	**(155.3)**
Operating profit	3,4	229.3	(18.1)	**211.2**	200.6	(7.4)	**193.2**
Income from investments	12	0.5	-	0.5	0.7	-	0.7
Profit on ordinary activities before interest		229.8	(18.1)	**211.7**	201.3	(7.4)	**193.9**
Interest receivable and similar income	7	35.2	-	35.2	12.5	-	12.5
Interest payable and similar charges	8	(3.3)	-	(3.3)	(2.4)	-	(2.4)
Profit on ordinary activities before taxation		261.7	(18.1)	243.6	211.4	(7.4)	**204.0**
Tax on profit on ordinary activities	9			(33.5)			4.3
Profit for the financial year	19,21			**210.1**			**208.3**

Balance sheet

	Note	30 June 2015 £'m	30 June 2014 £'m
Fixed assets			
Intangible assets	10	38.3	43.5
Tangible assets	11	1,079.2	1,002.8
Investments	12	94.7	97.2
		1,212.2	**1,143.5**
Current assets			
External debtors		154.3	186.1
Amounts owed by Group undertakings		550.0	303.7
Debtors	13	704.3	489.8
Cash at bank and in hand	14	43.0	48.8
		747.3	**538.6**
External creditors: amounts falling due within one year		(236.0)	(253.9)
Amounts owed to Group undertakings: amounts falling due within one year		(573.0)	(506.4)
Creditors: amounts falling due within one year	15	(809.0)	(760.3)
Net current liabilities		**(61.7)**	**(221.7)**
Total assets less current liabilities		**1,150.5**	**921.8**
Creditors: amounts falling due after more than one year	16	(40.8)	(29.3)
Provisions for liabilities and charges	17	(32.2)	(23.4)
Net assets excluding pension surplus		**1,077.5**	**869.1**
Pension surplus / (deficit)	24	-	3.8
Net assets including pension surplus		**1,077.5**	**872.9**
Capital and reserves			
Share capital	18	30.0	30.0
Share premium account	20	90.8	90.8
Revaluation reserve	20	153.2	155.2
Capital reserve	20	13.4	13.4
Profit and loss account	19	790.1	583.5
Total shareholders' funds	21	**1,077.5**	**872.9**

The accounting policies and notes on pages 30 to 52 form part of these financial statements.

These financial statements on pages 26 to 52 were approved by the Board of Directors on 16 October 2015 and were signed on its behalf by:

Damian Walsh - Director

Statement of total recognised gains and losses

	Year ended 30 June 2015 £'m	Year ended 30 June 2014 £'m
Profit for the financial year	210.1	208.3
Actuarial loss on pension scheme (See note 24)	(6.9)	(5.3)
Movement on deferred tax relating to pension scheme	1.4	1.1
Total recognised gains and losses for the year	**204.6**	**204.1**

Note of historical cost profits and losses

	Year ended 30 June 2015 £'m	Year ended 30 June 2014 £'m
Reported profit on ordinary activities before taxation	243.6	204.0
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	2.0	2.0
Historical cost profit on ordinary activities before taxation	**245.6**	**206.0**
Tax on historical cost profit on ordinary activities	(33.5)	4.3
Historical cost profit retained after taxation	**212.1**	**210.3**

Notes to the financial statements

1 Principal accounting policies

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

(a) Basis of preparation

The financial statements have been prepared on a going concern basis in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, under the historical cost convention, modified by the revaluation of certain tangible fixed assets.

(b) Going concern

Despite having net current liabilities, the Company adopts the going concern basis in preparing its financial statements based upon the support from its parent undertakings and the future profit, cash flows and available resources of the Group which lead the Directors of the Company to be confident that the Company will have adequate resources to continue in operational existence for the foreseeable future.

(c) Exemption from consolidation

The financial statements contain information about the Company as an individual company and do not contain consolidated financial information. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of AHL, a company registered in England and Wales.

(d) Cash flow statement

The Company has taken advantage of the exemption under FRS 1 'Cash flow statements (revised 1996)' not to prepare a cash flow statement, as it is a subsidiary which is at least 90% controlled by the ultimate UK parent undertaking, ABHL, which prepares a consolidated cash flow statement.

(e) Tangible fixed assets and depreciation

Tangible fixed assets are stated at original purchase cost (which includes costs directly attributable to bringing the assets into working condition) or historic revalued amount, less accumulated depreciation and any provision for impairment.

In accordance with FRS 15 'Tangible fixed assets', directly attributable finance costs are capitalised where assets take a significant period of time to become ready for use.

Depreciation is provided on a straight line basis at rates calculated to write off the cost or valued amount, less estimated residual value, of assets over their estimated useful economic lives. The useful economic lives ('UEL') of the assets have been determined taking into account the expected rate of technological developments, market requirements and expected use of the assets.

The selected depreciation rates are regularly reviewed to ensure they remain appropriate to the Company's circumstances.

Asset Description	Estimated Useful Life
Freehold buildings	20 – 80 years
Leasehold buildings	Length of lease
Plant and equipment	
- Communications infrastructure network	8 – 100 years
- Network computer equipment	3 – 20 years
- Motor vehicles	3 – 5 years

Freehold land is not depreciated.

The Company manages all assets under construction on behalf of the Group. These assets are not depreciated until construction is complete and the asset is capable of operating in the manner intended by the Group in accordance with FRS 15. Upon completion, such assets are transferred to other Group companies where appropriate.

1 Principal accounting policies (continued)

(f) Turnover

The Company's accounting policy in respect of turnover is set out in note 2.

(g) Intangible fixed assets and amortisation

Intangible fixed assets are stated at original purchase cost, being fair value for intangible fixed assets acquired on acquisition, less accumulated amortisation and any provision for impairment. The useful economic lives of intangible fixed assets are reviewed on an annual basis and revised if required, and consideration is made of whether there has been any indicator of impairment.

Research and Development costs
Development costs incurred to produce new, or substantially improved, products and services within the Group are capitalised in accordance with SSAP 13 'Accounting for research and development' and are amortised from the commencement of service over the life of the relevant contract. Research costs, experimental or theoretical work undertaken which does not constitute development, are expensed as incurred.

Licences
Licences acquired to operate radio and WiFi services are capitalised and amortised on a straight line basis over their licence period.

Purchased goodwill
Purchased goodwill is capitalised and amortised on a straight line basis over its estimated useful life, which is considered to be no longer than 20 years. The Company capitalises costs associated with the acquisition of purchased goodwill.

Access rights
Access rights include customer contracts and customer relationships and are stated at original purchase cost and amortised on a straight line basis over their expected useful life.

(h) Fixed asset investments

Fixed asset investments are stated at cost less any provision for impairment in value, in accordance with FRS 11 'Impairment of fixed assets and goodwill'.

(i) Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction except in the case of certain financing transactions where hedging arrangements are in place and transactions are recorded at the contracted rate. Monetary assets and liabilities denoted in foreign currencies are retranslated at the exchange rate ruling at the balance sheet date or contracted rate if applicable and any exchange difference arising are taken to the profit and loss account. Transactions in the profit and loss account of overseas operations are translated using an average exchange rate. Exchange differences on translation of overseas branches are recognised through the 'Statement of group total recognised gains and losses'.

(j) Leasing commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Company, are capitalised in the balance sheet and depreciated over their useful economic lives or the lease term, if shorter.

The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the lease to produce a constant rate of charge on the balance of capital repayments outstanding.

Operating lease payments for assets leased from third parties are charged to the profit and loss account on a straight line basis over the period of the lease.

Equipment leased to customers under finance leases is deemed to be sold at normal selling price and this value is taken to turnover at the inception of the lease. Debtors under finance leases represent outstanding amounts due under these agreements, less finance charges allocated to future periods. Finance lease interest is recognised over the primary period of the lease so as to produce a constant rate of return on the net cash investment.

1 Principal accounting policies (continued)

(k) Taxation and deferred taxation

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

A deferred tax asset is regarded as recoverable and therefore recognised only when it is more likely than not that there will be sufficient taxable profits against which to recover carried forward tax losses and from which the future reversal of timing differences can be deducted. Deferred tax is not recognised on revalued fixed assets until a binding agreement is in place to sell such assets and the resulting gain or loss has been recognised in the financial statements. Deferred tax is measured on an undiscounted basis.

(l) Post retirement benefits

Defined contribution schemes
For defined contribution schemes, the amount charged to the profit and loss account 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 balance sheet.

Defined benefit schemes
Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, 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. Any defined benefit asset or liability is presented separately on the face of the balance sheet and net of deferred tax.

(m) Provisions

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

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

(n) Cash at bank and in hand

Cash at bank and overnight deposits are disclosed within cash at bank.

(o) Interest

Interest income and expense are accounted for on an accruals basis and comprise amounts receivable and payable on deposits, finance leases and inter-company balances respectively.

(p) Government grants

Government grants relating to tangible fixed assets are treated as deferred income and release to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

2 Turnover and segmental reporting

Turnover, which is stated net of value added tax, includes the value of charges made for transmission services, distribution services, products, facilities leasing, external network services to national and international telecommunication operators, other contracts, rents from properties and charges made under site sharing agreements.

Turnover is recognised as services are provided. Cash received or invoices raised in advance is taken to deferred income and recognised as turnover when service is provided. Where consideration received in advance is discounted reflecting a significant financing component it is reflected within turnover and interest payable and similar charges. Turnover recognised in advance of cash received or invoices raised is taken to accrued income.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated by reference to the value of work performed as a proportion of the total contract value.

The geographical split of turnover by destination is shown below. The Company has taken advantage of the exemption provided by SSAP 25 not to disclose turnover by origin, as this is disclosed within the financial statements of AHL, the parent Company.

	Year ended 30 June 2015 £'m	Year ended 30 June 2014 £'m
UK	543.3	514.0
Continental Europe	17.7	19.3
Rest of world	23.9	26.3
Turnover	**584.9**	**559.6**

Segmental reporting

For the year ended 30 June 2015 the Comapny organised its business into four customer facing business units, supported by a Technology division and central corporate functions. This structure is used to provide the following segmental reporting in relation to turnover. This is stated net of intra-divisional trading.

	Terrestrial Broadcast £'m	Satellite and Media £'m	Telecoms £'m	Smart Metering (M2M) £'m	**Total £'m**
Turnover for the year ended:					
30 June 2015	315.1	131.1	119.4	19.3	**584.9**
30 June 2014	304.9	138.3	102.0	14.4	**559.6**

The majority of assets employed and underlying costs are derived from a shared infrastructure network common to all operating business units. An allocation of such assets to the business units is not performed as part of the normal reporting process within the business. In the absence of a suitable allocation methodology and given the size of the shared assets, the Directors are of the opinion that additional segmental reporting would not provide any meaningful information to the users of the financial statements.

Whilst management review directly attributable costs by each revenue generating business unit, the Directors are of the opinion that further disclosure would be seriously prejudicial.

Effective from 1 October 2015, the Company merged Smart Metering M2M with Telecoms to provide a single business unit known as Telecoms and M2M (see page 4 for further details).

3 Operating profit

Operating profit is stated after charging / (crediting):

	Year ended 30 June 2015 £'m	Year ended 30 June 2014 £'m
Depreciation of owned fixed assets	79.6	71.7
Impairment of owned fixed assets	3.5	-
Depreciation of leased assets	0.4	0.5
Amortisation of intangible assets	0.7	0.8
Amortisation of goodwill	4.6	3.4
Impairment of intangible assets	1.0	-
Impairment of investments	2.5	-
Operating lease rentals		
- Land, buildings and other infrastructure	17.5	13.5
- Plant and machinery	2.0	1.8
Management recharge to Group companies	(45.5)	(50.0)
Loss on disposal of tangible fixed assets	-	1.1
Foreign exchange (gains) / losses	(0.8)	0.7
Research costs	1.4	2.3

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 administrative expenses within the profit and loss account.

Services provided by the Auditor and network firms

During the year the Company obtained the following services from the Group's Auditor at costs as detailed below:

	Year ended 30 June 2015 £'m	Year ended 30 June 2014 £'m
Fees payable to Company Auditors for the audit of the Company financial statements	0.1	0.1

Fees paid to the Company's Auditor for services other than the statutory audit of the Company are not disclosed in these financial statements since the consolidated Group financial statements of the ultimate UK parent undertaking, ABHL, disclose the non-audit fees on a consolidated basis.

4 Exceptional items

Profit on ordinary activities before taxation is stated after charging:

	Year ended 30 June 2015 £'m	Year ended 30 June 2014 £'m
Administrative expenses		
- Reorganisation and severance	(10.9)	(6.2)
- Corporate finance activities	-	(0.1)
- Other one off activities	(0.2)	(1.1)
- Impairment	(7.0)	-
Total exceptional items	**(18.1)**	**(7.4)**

Reorganisation and severance expenses include costs relating to the recent review of the Group's operating model. In the prior year these relate to other business change projects.

Impairment during the year relates to the write down of the carrying value of non-core business areas and investments.

With the exception of impairment (2015: £7.0m; 2014: £nil) the expense amounts included within exceptional items above are deductible for the purpose of taxation.

5 Staff costs

The average monthly number of persons employed by the Company during the year was as follows:

	Year ended 30 June 2015 Number	Year ended 30 June 2014 Number
Terrestrial Broadcast	551	550
Satellite and Media	324	312
Digital Platforms	47	37
Telecoms	421	365
Smart Metering	73	39
Technology and Corporate functions	691	650
Total staff numbers	**2,107**	**1,953**

This reflects the business unit structure during the year ended 30 June 2015 for which the Company holds the related employment contracts (see page 8 for further details).

Effective from 1 July 2015 the ABHL Group organised its business into four customer facing business units following the transfer from Digital Platforms of DTT activities into Terrestrial Broadcast and hybrid TV services moving into Satellite and Media. Additionally the technology division was predominantly integrated into the other remaining customer facing business units.

Effective from 1 October 2015, the ABHL Group merged Smart Metering M2M with Telecoms to provide a single business unit known as Telecoms and M2M (see page 4 for further details).

The aggregate payroll costs of these persons were as follows:

	2015 £'m	2014 £'m
Wages and salaries	130.7	121.2
Social security costs	13.9	12.7
Other pension costs	11.5	10.1
Total staff costs	**156.1**	**144.0**

The Company has levied a management recharge in respect of various staff costs to other trading entities within the Group, see note 3.

6 Directors' emoluments

During the year four Directors (2014: four) were employees of Arqiva Limited, two of whom were members of a defined contribution pension scheme (2014: two).

One of the Directors (2014: one) was a representative of the Company's shareholders and their individual remuneration reflects the services they provide to the Company, its subsidiaries and certain other entities outside of the Group. It is possible to make an accurate apportionment of this Director's emoluments in respect of their service to the Group. Accordingly, this is taken into account in providing the following disclosure:

	Year ended 30 June 2015 £'m	Year ended 30 June 2014 £'m
Aggregate emoluments	1.7	2.2
Aggregate emoluments (excluding shares) receivable under long term incentive schemes	0.3	0.4
Compensation for loss of office	0.1	-
Contributions to defined contribution pension schemes	0.1	0.1
Total emoluments	**2.2**	**2.7**

All other Directors were representatives of the Company's shareholders and their individual remuneration reflects the services they provide to the Company, its subsidiaries and a number of other entities outside of the Group. It is therefore not possible to make an accurate apportionment of each Director's emoluments in respect of each of their service to the Company and the Group except where sums are paid to third parties in respect of services. Accordingly, the details set out in the table above include no emoluments in respect of these Directors other than in relation to sums paid to third parties in respect of services.

Highest paid director

Included in the above are emoluments in respect of the highest paid Director of:

	Year ended 30 June 2015 £'m	Year ended 30 June 2014 £'m
Aggregate emoluments including amounts (excluding shares) receivable under long term incentive plans	1.2	1.4
Contributions to defined contribution pension schemes	0.1	0.1
Total emoluments	**1.3**	**1.5**

7 Interest receivable and similar income

	Year ended 30 June 2015 £'m	Year ended 30 June 2014 £'m
Interest receivable from Group companies	33.2	10.8
Bank interest receivable	0.1	0.2
Other interest receivable	1.9	1.5
Total interest receivable	**35.2**	**12.5**

8 Interest payable and similar charges

	Year ended 30 June 2015 £'m	Year ended 30 June 2014 £'m
Bank charges	0.1	0.1
Finance lease interest payable	1.1	1.1
Other interest payable	3.8	1.2
	5.0	2.4
Less: capitalised interest	(1.7)	-
Total interest payable	**3.3**	**2.4**

9 Tax on profit on ordinary activities

	Year ended 30 June 2015 £'m	Year ended 30 June 2014 £'m
(a) Analysis of tax credit for the year		
Current tax		
Overseas tax	-	0.1
Total current tax	**-**	**0.1**
Deferred tax		
Origination of timing differences	-	(10.5)
De-recognition of deferred tax assets	33.0	-
Impact of rate change	-	3.4
Deferred tax on pension liability charged to profit and loss account	0.5	2.7
Total deferred tax	**33.5**	**(4.4)**
Tax on profit on ordinary activities	**33.5**	**(4.3)**

(b) Factors affecting the current tax (credit) / charge for the year

The tax charge assessed for the year is different to the standard rate of tax in the UK of 20.75% (2014: 22.50%) The differences are explained below:

	Year ended 30 June 2015 £'m	Year ended 30 June 2014 £'m
Profit on ordinary activities before taxation	243.6	204.0
Profit before taxation multiplied by standard rate of corporation tax in the United Kingdom of 20.75% (2014: 22.50%)	50.5	45.9
Expenses not deductible for tax purposes	0.6	0.5
Amortisation of goodwill	1.8	0.8
Depreciation in excess of capital allowances	12.4	11.4
Non-taxable income	(0.5)	(1.2)
Non-qualifying depreciation	4.2	4.5
Income from associates	(0.1)	(0.2)
Loss on disposal of fixed assets	-	0.3
Group relief receivable for nil consideration	(68.9)	(61.9)
Total current tax	**-**	**0.1**

In Finance Act 2013, the main rate of UK corporation tax was reduced from 23% to 21% with effect from 1 April 2014 and to 20% from 1 April 2015. For the purpose of this current tax charge analysis a blended tax rate of 20.75% (2014: 22.50%) has been used. UK deferred tax has been recognised at the reduced rate of 20% (2014: 20%) as this is the rate at which deferred tax balances are forecast to unwind.

On 8 July 2015 it was announced that the main rate of UK corporation tax would be further reduced to 19% from 1 April 2017 and 18% from 1 April 2020. As these changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements.

10 Intangible assets

	Licences	Development costs	Access rights	Purchased goodwill	Total
	£'m	£'m	£'m	£'m	£'m
Cost					
At 1 July 2014	5.4	1.7	7.0	67.9	82.0
Additions	0.6	0.5	-	-	1.1
Disposals	(1.9)	-	-	-	(1.9)
At 30 June 2015	**4.1**	**2.2**	**7.0**	**67.9**	**81.2**
Accumulated amortisation					
At 1 July 2014	2.8	0.9	7.0	27.8	38.5
Charged in the year	0.5	0.2	-	4.6	5.3
Impairment	-	-	-	1.0	1.0
Disposals	(1.9)	-	-	-	(1.9)
At 30 June 2015	**1.4**	**1.1**	**7.0**	**33.4**	**42.9**
Net book value					
At 30 June 2015	**2.7**	**1.1**	**-**	**34.5**	**38.3**
At 30 June 2014	2.6	0.8	-	40.1	43.5

Development costs in respect of products and services developed by the Group have been capitalised in accordance with SSAP 13. These are amortised over their expected useful economic life once the product or service has been commercially launched.

Impairment during the year (2014: none) relates to the carrying value of non-core business areas and investments (see also note 4).

11 Tangible assets

	Freehold land and buildings	Leasehold buildings	Plant and equipment	Assets under the course of construction (AUC)	Total
	£'m	£'m	£'m	£'m	£'m
Cost or valuation					
At 1 July 2014	165.3	75.5	1,144.9	135.7	1,521.4
Additions	-	0.4	16.1	154.3	170.8
Completion of AUC	9.5	1.4	87.2	(98.1)	-
Transfer to Group companies	-	-	-	(9.9)	(9.9)
Disposals	(0.6)	(0.2)	(19.3)	-	(20.1)
At 30 June 2015	**174.2**	**77.1**	**1,228.9**	**182.0**	**1,662.2**
Accumulated depreciation					
At 1 July 2014	33.2	29.8	455.6	-	518.6
Charge for the year	2.0	2.4	75.6	-	80.0
Impairment	-	-	3.5	-	3.5
Disposals	(0.2)	(0.2)	(18.7)	-	(19.1)
At 30 June 2015	**35.0**	**32.0**	**516.0**	**0.0**	**583.0**
Net book value					
At 30 June 2015	**139.2**	**45.1**	**712.9**	**182.0**	**1,079.2**
At 30 June 2014*	132.1	45.7	689.3	135.7	1,002.8

The Company's fixed and other assets have been pledged as security under the terms of the Group's external debt facilities entered in to by the Company's parent undertakings (see note 23).

£1.6m (2014: £nil) of borrowing costs were capitalised during the year ended 30 June 2015 at a capitalisation rate of 3%. The aggregate amount of finance costs included in the cost of tangible fixed assets totals £22.2m (2014: £20.5m).

Freehold land included above but not depreciated amounts to £78.9m (2014: £78.9m).

Impairment during the year (2014: none) relates to the carrying value of non-core business areas and investments (see also note 4).

Short leasehold land and buildings held under finance leases, capitalised and included within fixed assets above:

	Land and buildings
	£'m
Cost	
At 1 July 2014 and 30 June 2015*	11.2
Accumulated depreciation	
At 1 July 2014*	(4.1)
Charge for the year	(0.4)
At 30 June 2015	(4.5)
Net book value	
At 30 June 2015	**6.7**
At 30 June 2014	7.1

* Opening balances have been restated for reclassifications between cost and accumulated depreciation

These assets were last revalued on 31 January 2005.

11 Tangible assets (continued)

If fixed assets were stated on a historical cost basis, the amounts would be:

	30 June 2015					30 June 2014				
	Freehold land and buildings	Leasehold buildings	Plant and equipment	AUC	Total	Freehold land and buildings	Leasehold buildings	Plant and equipment	AUC	Total
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Cost	78.4	43.4	1,168.8	182.0	**1,472.6**	69.5	41.7	1,084.7	135.7	**1,331.6**
Accumulated depreciation	28.3	22.3	492.7	-	**543.3**	26.5	20.8	436.7	-	**484.0**
Net book value based on historical cost	**50.1**	**21.1**	**676.1**	**182.0**	**929.3**	**43.0**	**20.9**	**648.0**	**135.7**	**847.6**

12 Investments

	Investments in subsidiaries and joint ventures
	£'m
Cost	
At 1 July 2014 and 30 June 2015	**105.7**
Provision for impairment	
At 1 July 2014	8.5
Additions	2.5
At 30 June 2015	**11.0**
Net book value	
At 30 June 2015	**94.7**
At 30 June 2014	97.2

The Company received dividends of £nil from Arqiva SAS (2014: £0.4m), £0.3m from Arqiva SRL (2014: £nil) and £0.2m from YouView (2014: £0.3m) in the year.

The Directors believe that the carrying values of the investments are supported by the underlying trade and net assets.

12 Investments (continued)

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 WiFi Limited	United Kingdom	WiFi services	30-Jun	100%
Capablue Limited	United Kingdom	Transmission services	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	Transmission services	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%
JFMG Limited	United Kingdom	Spectrum services	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%
NWP Street Limited	United Kingdom	WiFi services	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	WiFi services	30-Jun	100%
Spectrum Interactive (UK) Limited	United Kingdom	Dormant company	30-Jun	100%
Spectrum Interactive GmbH	Germany	Dormant company	30-Jun	100%
Spectrum Interactive Limited	United Kingdom	Holding company	30-Jun	100% (held directly)
Joint ventures				
Sound Digital Limited	United Kingdom	Ownership and operation of UK DAB radio multiplex license	31-Dec	40%
Arts Alliance Media Investment Limited	British Virgin Islands	Digital cinema distribution	30-Jun	24.99% (held directly)
YouView TV Limited	United Kingdom	Open source IPTV development	31-Mar	14.30% (held directly)

13 Debtors

	30 June 2015 £'m	30 June 2014 £'m
Trade debtors	67.9	70.0
Amounts owed by Group undertakings	550.0	303.7
Amounts owed by Joint Ventures	0.5	0.3
Other debtors	5.4	7.6
Deferred tax asset	-	33.0
Prepayments and accrued income	80.5	75.2
Total debtors	**704.3**	**489.8**

Amounts owed by Group undertakings are unsecured. Interest has been charged on £466.2m at 9.50% in relation to structured loan balances, £26.8m at 9.50% in relation to trading and working capital loan balances and £57.0m at 0% in relation to trading and working capital loan balances (2014: £252.2m at 9.50% in relation to structured loan balances, £16.7m at 9.50% in relation to trading and workings capital loan balances and £34.8m at 0% in relation to trading and working capital loan balances).

Deferred tax asset	30 June 2015 Asset £'m	30 June 2014 Asset £'m
At 1 July	33.0	25.9
(Debited)/Credited to the profit and loss account	(33.0)	7.1
At 30 June	**-**	**33.0**
Reversal of previously recognised amounts		
Accelerated capital allowances	-	32.3
Short term timing differences	-	0.7
Deferred tax asset	**-**	**33.0**

The deferred tax asset has been calculated based on the UK corporation tax rate of 20% (the rate substantively enacted at the balance sheet date). Overall the Group has recognised a deferred tax asset of £nil (2014: £33.0m).

Based on a review of long term forecasts of taxable profits, the deferred tax asset has been derecognised in the current year as it is not anticipated to be realised in the foreseeable future.

The deferred tax asset at 30 June 2014 was considered to be recoverable in more than one year.

There is an unrecognised deferred tax asset of £48.3m (2014: £nil). This is in respect of depreciation in excess of capital allowances. These are not anticipated to be utilised in the foreseeable future. This value has been calculated based on the UK corporation tax rate of 20% (the rate substantively enacted at the balance sheet date). This unrecognised deferred tax asset is anticipated to be utilised when there is taxable income in the relevant Group entities to utilise the losses previously generated. The timing of future taxable profits which would exceed the level of allowable interest deductions and capital allowances is such that it is subject to estimation uncertainty and accordingly it is considered prudent to de-recognise the deferred tax asset that was recognised as at 30 June 2014 and not to recognise any further deferred tax assets for the year to 30 June 2015.

14 Cash at bank and in hand

	30 June 2015 £'m	30 June 2014 £'m
Cash at bank	2.2	13.8
Short term deposit	40.8	35.0
Total cash at bank and in hand	**43.0**	**48.8**

15 Creditors: amounts falling due within one year

	30 June 2015 £'m	30 June 2014 £'m
Trade creditors	43.6	75.0
Amounts owed to Group undertakings	573.0	506.4
Other taxes and social security costs	24.2	15.4
Other creditors	5.5	9.9
Accruals and deferred income	162.3	153.3
Finance lease	0.4	0.3
Total creditors: amounts falling due within one year	**809.0**	**760.3**

Amounts owed to Group undertakings are unsecured. Interest has been charged on £573.0m at 0% (2014: £506.4m at 0%).

Accruals and deferred income principally comprise amounts outstanding for ongoing costs and amounts received from customers in advance respectively.

16 Creditors: amounts falling due after more than one year

	30 June 2015 £'m	30 June 2014 £'m
Amounts owed to Group undertakings	5.3	5.3
Accruals and deferred income	22.1	10.3
Finance lease	13.4	13.7
Total creditors: amounts falling due after more than one year	**40.8**	**29.3**

Amounts owed to Group undertakings are unsecured, interest free and repayable in more than five years.

Accruals and deferred income principally comprise amounts outstanding for ongoing costs and amounts received from customers in advance respectively.

16 Creditors: amounts falling due after more than one year (continued)

Maturity of loans

The total loans analysed below represent finance lease obligations.

Maturity of loans	30 June 2015 £'m	30 June 2014 £'m
Within one year	0.4	0.3
In more than one year, but not more than five years	1.9	1.7
In more than five years	11.5	12.0
	13.8	**14.0**

Finance leases

Future minimum payments under finance leases are as follows:

	30 June 2015 £'m	30 June 2014 £'m
Within one year	1.4	1.3
In more than one year, but not more than five years	5.7	5.6
After five years	16.4	17.9
Total gross payments	**23.5**	**24.8**
Less finance charges included above	(9.7)	(10.8)
Total finance leases	**13.8**	**14.0**

17 Provisions for liabilities and charges

	Decommissioning £'m	Onerous contracts £'m	Restructuring £'m	Remediation and maintenance £'m	Total £'m
At 1 July 2014	19.2	1.2	3.0	-	23.4
Released to profit and loss account	(1.2)	-	-	-	(1.2)
Charged to profit and loss account	-	2.9	10.9	3.6	17.4
Changes relating to movements in the discounted amount	0.9	-	-	-	0.9
Utilised in the year	(0.1)	(0.2)	(8.0)	-	(8.3)
At 30 June 2015	**18.8**	**3.9**	**5.9**	**3.6**	**32.2**

The onerous contract provisions relate to supplier contracts where the costs are expected to exceed the benefits, and onerous lease contracts where the buildings are empty but lease costs are being incurred. The provisions are expected to be utilised over the next five years.

Provisions are made for decommissioning and asset at risk costs where the Group has an obligation to restore sites and the cost of restoration is not recoverable from third parties. The provision is in relation to assets of which the remaining useful economic life ranges up to 19 years.

The restructuring provision relates to the costs of a reorganisation of Group operations which will continue to be utilised during the next financial year.

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 two to three years.

18 Share capital

	30 June 2015 £'m	30 June 2014 £'m
Allotted, called up and fully paid:		
30,000,201 (2013: 30,000,201) ordinary shares of £1 each	**30.0**	**30.0**

19 Profit and loss account

	£'m
At 1 July 2014	583.5
Transfer from the revaluation reserve	2.0
Actuarial loss on pension scheme	(6.9)
Movement on deferred tax relating to pension liability	1.4
Profit for the financial year	210.1
At 30 June 2015	**790.1**

20 Other reserves

	Share premium account £'m	Revaluation reserve £'m	Capital reserve £'m	Total £'m
At 1 July 2014	90.8	155.2	13.4	259.4
Transfer to profit and loss account	-	(2.0)	-	(2.0)
At 30 June 2015	**90.8**	**153.2**	**13.4**	**257.4**

21 Reconciliation of movement in shareholders' funds

	30 June 2015 £'m	30 June 2014 £'m
Profit for the financial year	210.1	208.3
Other recognised gains and losses relating to the year	(5.5)	(4.2)
Net increase in shareholders' funds	204.6	204.1
Opening shareholders' funds	872.9	668.8
Closing shareholders' funds	**1,077.5**	**872.9**

22 Commitments for expenditure

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 2015 £'m	30 June 2014 £'m
Within one year	33.5	33.7
Within two to five years	0.2	10.7
Total capital commitments	**33.7**	**44.4**

Commitments due within one year include £16.7m in relation to the Smart Metering contract (2014: £17.5m). Commitments due within two to five years include £0.1m in relation to the Smart Metering contract (2014: £9.5m).

Operating leases
Annual commitments in relation to non-cancellable operating leases for land, buildings and other infrastructure locations expiring:

	30 June 2015 £'m	30 June 2014 £'m
Within one year	0.4	0.3
Later than one year but not later than five years	3.4	3.5
Later than five years	8.7	6.3
Total land, buildings and other infrastructure locations annual lease commitments	**12.5**	**10.1**

The annual commitments above exclude amounts relating to contingent rentals, cancellable leases and leases which have expired their initial term and now operate on a rolling notice period of less than one year. Accordingly, the annual lease expense seen in note 3 is greater than the commitment shown above.

Other annual lease commitments in relation to transmission activities expiring:

	30 June 2015 £'m	30 June 2014 £'m
Within one year	0.4	0.4
Later than one year but not later than five years	1.4	0.9
Total other annual lease commitments	**1.8**	**1.3**

23 Contingent liabilities

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

24 Pension commitments

Defined benefit scheme

In the year to 30 June 2015, the Group operated one defined benefit scheme, sponsored by the Company. The assets of the scheme are held separately from those of the Company in trustee administered funds.

Triennial valuation

The triennial valuation of the Group's defined benefit pension obligations as at 30 June 2011, for actuarial funding purposes, had resulted in an assessed deficit of £17.4m. Gross plan liabilities at the valuation date were £130.5m compared to gross plan assets of £113.1m.

24 Pension commitments (continued)

The Company has agreed with the trustee to make deficit recovery payments into the Plan during 2013 (£5.7m) and 2014 (£5.7m), with one further payment made of £4.1m in July 2015. A new triennial valuation will be finalised as at 30 June 2014 in the coming months. The FRS 17 valuation as at 30 June 2015 has been prepared on the preliminary results of the 30 June 2014 triennial valuation.

FRS 17 assumptions

The assumptions used for the scheme for the purpose of the FRS 17 accounting position as at the year end are set out below, along with the fair value of assets of £196.5m (2014: 174.4m), a breakdown of the assets into the main asset classes, the present value of the FRS 17 liabilities of £189.9m (2014: £169.7m) and the deficit / surplus of assets below / above the FRS 17 liabilities (which equals the gross pension asset of £6.6m (2014: £4.7m)).

An actuarial valuation for the purpose of statutory reporting under FRS 17 was carried out at 30 June 2015 in consultation with an independent firm of consulting actuaries, Lane Clark & Peacock LLP. The principal assumptions made are:

	30 June 2015	30 June 2014
Price inflation (RPI)	3.20%	3.30%
Price inflation (CPI)	2.20%	2.30%
Discount rate	4.00%	4.40%
Pension increases (LPI with a minimum of 3%)	3.70%	3.70%
Salary growth	2.70%	2.80%
Life expectancy of a male age 60 (current pensioner)	27.0yrs	26.8yrs
Life expectancy of a male age 60 (future pensioner)	28.9yrs	28.4yrs

As required by FRS 17 'Retirement benefits', the value of the defined benefit liabilities has been measured using the projected unit method.

Asset distribution and long term rate of return expected

	30 June 2015 Expected return	30 June 2015 Fair value £'m	30 June 2014 Expected return	30 June 2014 Fair value £'m
Equities	n/a	85.9	7.20%	75.1
Bonds	n/a	110.1	3.80%	93.4
Cash	n/a	0.5	0.50%	5.9
Total		**196.5**		**174.4**
Balance sheet				
Total fair value of assets		196.5		174.4
Present value of scheme liabilities		(189.9)		(169.7)
Gross pension asset		6.6		4.7
Irrecoverable pension scheme surplus		(6.6)		-
Surplus recognised on the balance sheet		-		4.7
Deferred tax liability		-		(0.9)
Net pension asset		**-**		**3.8**

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

The Company pays contributions of between 24.1% and 32.7% of pensionable salaries for the majority of the 351 active members of the scheme as at the last triennial valuation date, plus the cost of matching Additional Voluntary Contributions ('AVCs').

24 Pension commitments (continued)

The Company is currently consulting with the trustees and members of the defined benefit pension scheme to close the scheme to future accrual, potential effective later this calendar year . At the current time, the Company does not have a formally agreed position in relation to the FRS 17 accounting surplus reported in relation to the scheme and therefore given the uncertainty as to the future level of contributions to the scheme the Group has applied a restriction on the recognition of the scheme surplus in accordance with UK Generally Accepted Accounting Practice.

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

	Year ended 30 June 2015 £'m	Year ended 30 June 2014 £'m
1 July	169.7	150.1
Current service costs	4.7	4.6
Contributions by employees	1.4	1.3
Interest on post retirement liabilities	7.5	7.3
Benefits paid	(3.9)	(2.8)
Past service costs	0.4	-
Actuarial loss	10.1	9.2
30 June	**189.9**	**169.7**

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

	Year ended 30 June 2015 £'m	Year ended 30 June 2014 £'m
1 July	174.4	147.1
Expected return on scheme assets	9.3	8.8
Actuarial gain (actual return less expected return on scheme assets)	9.8	3.9
Contributions by employer	5.5	16.1
Contributions by employees	1.4	1.3
Benefits paid	(3.9)	(2.8)
30 June	**196.5**	**174.4**

The post retirement surplus under FRS 17 moved over the year as follows:

	Year ended 30 June 2015 £'m	Year ended 30 June 2014 £'m
Surplus / (deficit) at 1 July	4.7	(3.0)
Current service costs	(4.7)	(4.6)
Past service costs	(0.4)	-
Contributions	5.5	16.1
Other net finance income	1.8	1.5
Actuarial loss	(0.3)	(5.3)
Irrecoverable pension scheme surplus	(6.6)	-
Surplus at 30 June	**-**	**4.7**

24 Pension commitments (continued)

The following amounts have been included within operating profit:

	Year ended 30 June 2015 £'m	Year ended 30 June 2014 £'m
Current services costs (employer only)	4.7	4.6
Past service costs (employer only)	0.4	-
Total operating charge	**5.1**	**4.6**

The following amounts have been included as net finance income under FRS 17:

	Year ended 30 June 2015 £'m	Year ended 30 June 2014 £'m
Expected return on scheme assets	9.3	8.8
Interest on post retirement liabilities	(7.5)	(7.3)
Net finance income	**1.8**	**1.5**

The actual return on scheme assets was £19.1m (2014: £12.7m).

The following amounts have been recognised within the statement of group total recognised gains and losses ('STRGL') under FRS 17:

	Year ended 30 June 2015 £'m	Year ended 30 June 2014 £'m
Actual return less expected return on scheme assets	9.8	3.9
Experience gains arising on scheme liabilities	2.8	-
Losses due to changes in assumptions underlying the FRS 17 value of scheme liabilities	(12.9)	(9.2)
Irrecoverable pension scheme surplus	(6.6)	-
Actuarial loss recognised in the STRGL	**(6.9)**	**(5.3)**

The financial assumptions as at 30 June 2015 have changed since 30 June 2014, as a result of changes in market conditions. This would place a higher value on the Plan's liabilities, and has resulted in an actuarial loss of £12.4m. Changes in mortality assumptions have also resulted in an actuarial loss of £0.5m over the period.

The cumulative amount of actuarial gains and losses recognised in the STRGL is a loss of £27.7m (2014: £20.8m).

24 Pension commitments (continued)

The history of experience gains and losses is:

	2015 £'m	2014 £'m	2013 £'m	2012 £'m	2011 £'m
Present value of scheme liabilities	(189.9)	(169.7)	(150.1)	(131.3)	(109.5)
Fair value of scheme assets	196.5	174.4	147.1	128.3	113.1
Surplus / (Deficit) on scheme	-	4.7	(3.0)	(3.0)	3.6
Actual return less expected return on scheme assets	9.8	3.9	7.5	(3.3)	10.6
Percentage of Scheme's assets	5%	2%	5%	(3%)	9%
Experience gains arising on scheme's liabilities	2.8	-	-	1.7	-
Percentage of the FRS 17 value of the scheme's liabilities	1%	0%	0%	(1%)	0%
Total amount recognised in the STRGL	(0.3)	(5.3)	(0.5)	(13.8)	12.5
Percentage of the FRS 17 value of the scheme's liabilities	0%	3%	0%	11%	(11%)

The scheme is closed to new entrants and under the method used to calculate pension costs in accordance with FRS 17, the cost as a percentage of covered pensionable payroll will tend to increase as the average age of the membership increases.

Other pension schemes

The Company has operated a defined contribution scheme during the year, for those employees who are not members of the Defined Benefit scheme described above. Contributions payable in respect of this scheme for the year were £6.4m (2014: £5.4m). The assets of the scheme are held outside of the Group.

An amount of £0.9m (2014: £1.0m) is included in accruals being the outstanding contributions to the defined contribution scheme.

25 Related party disclosures

The Company has taken advantage of the exemptions available under FRS 8 'Related party disclosures' for disclosure of transactions with entities that are part of the Group as related parties in these financial statements.

All transactions are conducted under normal trading terms.

As at 30 June 2015, the amount outstanding from Arts Alliance Media Investment Limited, a joint venture company, including accrued interest was £0.5m (2014: £0.3m). This balance has increased with a further loan advanced during the year. Interest charged during the year was £59,000 at 12% (2014: 22,000 at 12%).

In 2015 the Company received a dividend from YouView TV Limited, a joint venture company, of £0.2m (2014: £0.3m).

The Company paid subscriptions of £0.9m (2014: £3.4m) to YouView TV Limited, a joint venture.

There are no other related party transactions.

26 Immediate parent company and ultimate UK parent undertaking

The Company's immediate parent company is AHL, which is the parent undertaking of the smallest group to consolidate these financial statements.

The ultimate UK parent undertaking is ABHL, which is the parent undertaking of the largest UK group to consolidate these financial statements.

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

27 Controlling parties

ABHL is owned by a consortium of shareholders including Canada Pension Plan Investment Board, Macquarie European Infrastructure Fund II, other Macquarie managed funds and minorities. There is no ultimate controlling party of the Company, as defined by FRS 8.