Pinewood Group Limited

Report as at and for the year to 31 March 2018

Full Year 2017/18 and fourth quarter highlights

Operational and industry highlights

Demand for production space continues to exceed capacity at Pinewood and Shepperton thereby supporting the need for expansion.

- Stage occupancy of 93% in FY18 at our UK studios; highest on record over the last 10 years.
- Production spend in the UK had a record year in 2017, according to BFI data.
- HM Government forecasts annual UK spend on feature films and high-end TV programmes produced in the UK will double from £2bn to £4bn between 2017-2025.

Strategic highlights

A number of strategic initiatives were completed over the FY18,

- Land acquisitions: In 2017, the Group (being Pinewood Group Limited and its subsidiaries) acquired c. 40 acres of land taking our total land bank adjacent to Shepperton Studios to c. 100 acres, in addition to the c. 26 acres currently occupied by the existing studio. Following these acquisitions, the Group is seeking planning consent to modernise existing facilities and expand on the undeveloped land (see below for more detail).
- Focus on core activities: In line with its strategy, the Group ceased certain peripheral activities, principally, Media Investment and Pinewood Creative, and sold its entire interest in the Pinewood TV joint venture. In addition, a loss-making lease on Pinewood Wales studio was replaced with a studio management agreement.
- Refinancing: In December 2017, the Group issued £250m of Senior Secured Notes maturing in December 2023 with a fixed coupon of 3.75% and arranged a £50m SS RCF facility expiring in June 2023 with a margin between 1.325%-2.325% based on the applicable leverage ratio[1]. The new capital structure provides flexibility and liquidity to grow the business. Further detail is provided below.
- Reinforcement of management team: Strengthened management team with 4 new directors including Commercial, Legal, Technology and HR.

A number of strategic initiatives are currently underway,

- Construction of Pinewood East phase 2: Full planning consent was achieved during FY18 for phase 2 of Pinewood East. The development will deliver c. 200,000 sq ft of new lettable area comprising 4 sound stages totalling 90,000 sq ft and c. 110,000 sq ft of workshop / office space. Pre-construction work progressing with buildings expected to be available for occupation 2H 2019.
- New Shepperton masterplan: Following the land acquisitions at Shepperton in FY18 (as commented above), in June 2018, the Group announced a consultation process with the local authority in advance of the potential submission of a planning application for the expansion of Shepperton Studios. If obtained, planning permission will secure the potential for future growth at Shepperton.
- Real estate optimisation programme: with the objective of improving the existing estate by redeveloping and / or refurbishing certain assets to improve the yield. 25 projects have been identified at Pinewood West of which 2 projects are currently underway and a further 2 currently in design stage. The Group expects to continue implementing projects in phases over the coming years.

[1] Margin on the SS RCF facility varies based on the Consolidated Senior Secured Net Leverage Ratio as set out in the relevant facility agreement.

Financial highlights

The table below provides an overview of key performance indicators for the period:

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000	3 month period ended 31 March 2018 £'000	3 month period ended 31 March 2017 £'000
Revenue (excluding Media Investment)	79,690	76,082	19,160	21,101
Adjusted EBITDA	42,338	34,062	10,545	11,315
Adjusted EBITDA margins	53.1%	44.8%	55.0%	53.6%
Cash generated from operations	23,624	34,971	9,078	21,714
Capital expenditure	6,482	31,632	1,458	3,351
Adjusted net debt	207,681	73,040	207,681	73,040

Turnover

Turnover attributable to the Media Services segment increased by 4.7% to £79.7 million in FY 2017/18 compared to £76.1 million in FY 2016/17 which we primarily attribute to (i) a full year of Pinewood East Phase 1, (ii) higher stage occupancy (93% vs. 81%), partly offset by (iii) the cessation of certain non-core activities within the Media Services segment.

In Q4 FY18, Media Services turnover dropped by 9.2% (or £1.9m) vs. Q4 FY17. The decrease, from a strong performance in Q4 FY17, is principally due to changes in production scheduling resulting in lower revenues on workshops, offices and ancillary revenue. This resulted from changes in production schedules as a result of which productions that had previously booked and paid for stages in advance did not ultimately book workshop and offices space.

Adjusted EBITDA

Adjusted EBITDA increased to £42.3 million in FY 2017/18 from £34.1 million in FY 2016/17 principally due to (i) the increase in revenue commented above, coupled with (ii) an improvement in gross margins resulting from the cessation of a number of non-core, loss making activities, and (iii) a decrease in administrative expenses attributable to reduced staff costs including the expiry of our long-term incentive plan.

Adjusted EBITDA in the Q4 FY18 stood at £10.5 million, a decrease from a strong performance in Q4 FY17 at £11.3 million. This decrease is mostly driven by (i) reduced turnover in the given quarter, and (ii) lower income from Atlanta, partly offset by (iii) an improvement in margins in the quarter and more generally over the year as explained above. Despite the decrease, Q4 FY18 EBITDA is in line with 25% of the FY18 EBITDA of £42m.

Cash flow and capital expenditure

Cash generated from operations decreased to £23.6 million in FY 2017/18 from £35.0 million in FY 2016/17. This is principally driven by changes in working capital in both years, as a consequence of the timing of receipts from some of our leases around the financial year end dates. The principal timing differences were unwound shortly after 31 March 2018.

The same factors explain the difference between cash generated from operations in Q4 FY18 of £9.0 million and £21.7 million in Q4 FY17.

Capital expenditure decreased to £6.4 million in FY 2017/18 from £28.5 million in FY 2016/17. This is principally driven by the completion of the Pinewood East phase I construction.

Adjusted Net Debt and liquidity

On 13 December 2017, a refinancing of the Group was completed. At this date, the Group's existing drawn senior facilities, which were £97.5 million, were repaid in full and £250 million of new 3.75% Senior Secured

Notes due 1 December 2023 were issued. Pinewood Group Limited advanced a £127.5 million loan to its Parent.

On 13 December 2017, the Group completed a super senior revolving credit facility of £50m which is available to draw down until 1 May 2023 with Barclays Bank plc, Credit Suisse AG London Branch, HSBC Bank plc and Lloyds Bank plc. The Group terminated its existing £35 million multi-currency revolving credit facility and its £5m overdraft facility.

Interest-bearing loans and borrowings are stated net of accrued interest and unamortised issue costs using the effective interest rate method.

Adjusted Net Debt as at 31st March 2018 stood at £207.7 million with a cash balance of £43.0 million vs. the position on the previous quarter as at 31st December 2017 when Adjusted Net Debt stood at £210.7 million and cash balance at £40.2 million.

Paul Golding, CEO, commented

As expected, the demand for our UK facilities at Pinewood and Shepperton Studios continues to remain strong as demonstrated by the growth in Media Services' turnover. The results of the fourth quarter are in line with our expectations.

The film and high-end television industry in the UK continues to flourish. Latest data from the BFI show production spend in the UK reached record levels in 2017 with 211 feature films and 91 high-end television programmes starting principal photography, together spending £2.8 billion, up 12% year on year. Of this, inward investment accounted for 89% (£2.4 billion), an increase of 24% year on year. This trend continued in Q1 2018 with total spend on 25 feature films in the UK reaching £386 million, the second highest since records began and 18 high-end television programmes started principal photography with a spend in the UK of £152 million.

I am delighted to see continued progress in our core business and strategic initiatives. Having obtained the necessary consents for the development of Phase 2 of Pinewood East – a c. 200,000 square foot expansion – we ran a tender process and have selected a preferred contractor. We expect the accommodation to be ready for occupation in the fourth quarter of 2019.

The Group continues to perform well with good visibility for the year ahead.

General information

Pinewood is the leading independent provider of the real estate that is required for the production of film and television content. Founded in 1936 and headquartered in the United Kingdom, Pinewood owns premium, large-scale facilities also known as studios, for hosting film, television and other media productions. Our freehold studios are located in prime locations near London and make Pinewood a preferred choice for major film production companies, including Disney, Universal Studios and Warner Bros. Pinewood branded studios have hosted over 2,000 films, among them at least 145 Oscar winners, 201 BAFTA winners and numerous blockbuster film productions with budgets of over $100.0 million.

Change of control

On 4 October 2016, Pinewood Group plc was acquired by Picture Holdco Limited, which is indirectly wholly owned by PW Real Estate Fund III LP, a fund advised by Aermont.

On 5 October 2016, Pinewood Group plc re-registered from a public company to a private limited company and was renamed Pinewood Group Limited.

Presentation of financial information

Unless otherwise indicated, the financial information presented in this report is the historical consolidated financial information of the Group.

This report includes or derives information from the following financial sources:

- The unaudited consolidated financial information of the Group as of and for the 3 months ended 31 March 2018 ("Fourth Quarter 2017/18", "Q4 2017/18", or "the Quarter"), and the comparative period as of and for the 3 months ended 31 March 2017 ("Fourth Quarter 2016/17" or "Q4 2016/17"), prepared in accordance with FRS 102.
- The audited consolidated financial information of the Group as of and for the year ended 31 March 2018 ("FY 2017/18") and the comparative period as of and for the year ended 31 March 2017 ("FY 2016/17") prepared in accordance with FRS 102. The financial year for the Group runs form 1 April following the previous financial year end to 31 March each calendar year.

Further information for the noteholders

This report was prepared in accordance with the indenture dated 13 December 2017 among Pinewood Finco PLC, as issuer, the guarantors named therein, Deutsche Trustee Company Limited, as Trustee, and Deutsche Bank AG London Branch, as security agent and as paying agent.

This report may include forward-looking statements. All statements other than statements of historical fact included in this report, including those regarding the Group's financial position, business and acquisition strategy, plans and objectives of management for future operations are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Many factors could cause the Group's actual results, performance or achievements to differ materially from those in the forward-looking statements. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this report. The Group expressly disclaims any obligations or undertaking, except as required by applicable law and regulations to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Group's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

The financial results presented in this presentation are preliminary and may change. This financial information includes calculations or figures that have been prepared internally by management and have not been reviewed or audited by our independent chartered accounting firm. There can be no assurance that the Group's actual results for the period presented herein will not differ from the preliminary financial data presented herein and such changes could be material. This preliminary financial data should not be viewed as a substitute for full financial statements prepared in accordance with FRS 102 and is not necessarily indicative of the results to be achieved for any future periods. This preliminary financial information, and previously reported amounts, could be impacted by the effects of further review by the Board of Directors.

Use of non-FRS 102 financial information

This report contains certain non-UK GAAP and non-IFRS financial measures and ratios, including, Adjusted EBITDA, Adjusted EBITDA margin, cash conversion, and certain other measures (collectively, "**Non-GAAP Measures**") that are not required by, or presented in accordance with UK GAAP, IFRS or the accounting measures of any other jurisdiction.

In this report, "Adjusted EBITDA" is calculated as profit on ordinary activities before interest receivable and similar income, interest payable and similar charges, tax (credit)/charge on profit on ordinary activities, depreciation of property, plant and equipment, depreciation of investment property, impairment of long-term assets, amortization of goodwill, amortization of long-term assets, exceptional items, operating loss attributable to Media Investment (ceased) and (gain)/loss on disposal of property, plant and equipment.

In this report, "Adjusted EBITDA margin" is calculated as Adjusted EBITDA (which includes the impact of income from participating interests and based on financial statements prepared in accordance with UK GAAP) divided by turnover (excluding Media Investment (ceased)) (which does not include the impact of income from participating interests).

In this report, "adjusted net debt" is calculated as net debt less the loan to parent and unamortised loan issue costs.

Results of operation

Fourth Quarter 2017/18 compared with Fourth Quarter 2016/17

Turnover

£ thousands	**Q4 2017/18**	**Q4 2016/17**	**% Change**
Media Services	19,160	21,101	(9%)
Media Investment	19	1,877	(99%)
Group Turnover	**19,179**	**22,978**	**(17%)**

Turnover attributable to the Media Services of £19.2 million in Q4 FY18 compares to £21.1 million in Q4 FY17 a decrease of 9%. Both quarters reflect a full period of utilisation of Pinewood East Phase 1 albeit Q4 FY18 was under a long-term lease. The year on year decrease is principally due to changes in production scheduling resulting in lower other production accommodation revenues (and consequently energy consumption revenues) whereby productions paid for the utilisation of stages they had booked but did not book workshops and offices. Additional factors include a reduced level of other international activity and the cessation of certain non-core activities.

Group Turnover decreased by £3.8 million (17%) to £19.2 million in Q4 FY18 from £23.0 million in Q4 FY17 principally due to the reasons set out above and the ceasing of the activities in the Media Investment segment.

Cost of sales

Cost of sales expenses decreased by £1.7 million (16%) to £9.4 million in Q4 FY18 from £11.2 million in Q4 FY17. The cessation of non-core activities was the primary cause of this decrease, offset by increased estate running costs.

Gross Profit

Gross profit decreased from £11.8 million in Q4 FY17 to £9.8 million in Q4 FY18 for the reasons set out above. Gross margin marginally decreased from 51.4% in Q4 FY17 to 50.8% in Q4 FY18.

Selling and distribution

Selling and distribution expenses before exceptional items increased 51% to £0.6 million in Q4 FY18 from £0.4 million in Q4 FY17. This was primarily attributable to additional professional fees incurred.

Administrative expenses

Administrative expenses decreased 6% to £1.0 million in Q4 FY18 from £1.1 million in Q4 FY17 which we primarily attribute to i) a decrease of £1.1 million or 43% attributable to reduced staff costs in relation to reduced employee headcount, performance incentive costs and the expiry of our long-term incentive plan, ceased activities and reduced professional fees, and ii) a movement in exceptional items of £1.0 million which we primarily attribute to the recognition of a fair value gain on the carrying value of the Group's interest in PMBS Holdings Limited.

Income from Participating Interests

Income from participating interests in Q4 FY18 was a loss of £0.1 million compared to a profit £0.4 million in Q4 FY17. This primarily due to reduced activity in Atlanta.

Interest receivable and similar income

Interest receivable and similar income increased from £0.3 million in Q4 FY17 to £3.3 million in Q4 FY18 reflecting receipts on loan notes related to Pinewood MBS and interest on the Group's loan to its parent.

Interest payable and similar charges

Interest payable and similar charges increased from £0.7 million in Q4 FY17 to £3.4 million in Q4 FY18 which we primarily attribute to the Group's refinancing.

Tax charge on profit on ordinary activities

The tax charge on profit on ordinary activities decreased from a £1.6 million in Q4 FY17 to £0.7 million in Q4 FY18 primarily attributable to the reduction in taxable profit.

Full Year 2017/18 compared with Full Year 2016/17

Turnover

£ thousands	FY 2017/18	FY 2016/17	% Change
Media Services	79,690	76,082	5%
Media Investment	1,973	22,226	(91%)
Group Turnover	**81,663**	**98,348**	**(17%)**

Turnover attributable to the Media Services segment increased by 5% to £79.7 million in FY 2017/18 compared to £76.1 million in FY 2016/17 which we primarily attribute to the opening of Pinewood East Phase 1, along with higher stage occupancy and the cessation of certain non-core activities offset by lower Other Production Accommodation revenues.

Group Turnover decreased 17% to £81.7 million in FY 2017/18 from £98.3 million in FY 2016/17 principally due to the discontinuation of Media Investment activity.

Cost of sales

Cost of sales expenses decreased 33% to £42.9 million in FY 2017/18 from £63.9 million in FY 2016/17. The cessation of the Media Investment activity offset by the increased estate running costs and depreciation due to Pinewood East Phase 1 were the primary causes of this decrease.

Gross Profit

Gross profit has increased from £34.5 million in FY 2016/17 to £38.7 million in FY 2017/18 for the reasons set out above.

Gross margin has increased from 35.1% in FY 2016/17 to 47.4% in FY 2017/18. The cessation of the Media Investment segment activity which was loss making at the gross profit level is the principal driver for the increased margin as well as the cessation of other loss-making activities.

Selling and distribution

Selling and distribution expenses before exceptional items decreased 6% to £2.1 million in FY 2017/18 from £2.3 million in FY 2016/17. This was primarily due to a reduction in staff costs and professional fees.

Administrative expenses

Administrative expenses decreased 56% to £7.1 million in FY 2017/18 from £13.3 million in FY 2016/17, which we primarily attribute to i) a decrease of £2.5 million or 24% attributable to reduced staff costs in relation to reduced employee headcount, and the expiry of our long-term incentive plan, and ii) a movement in exceptional items of £3.7 million which we primarily attribute to professional fees in FY 2016/17 relating to a strategic review of the Group.

Income from Participating Interests

Income from participating interests in FY 2017/18 was £3.1m compared to £1.1m in FY 2016/17. Expansions in Atlanta along with the calculation of income from participating interests being on a gross, as opposed to net of tax, basis are the primary reasons for the increase.

Interest receivable and similar income

Interest receivable and similar income increased from £0.3m in FY 2016/17 to £3.8 million in FY 2017/18 reflecting interest chargeable on the loan to parent and receipts on loan notes related to Pinewood MBS.

Interest payable and similar charges

Interest payable and similar charges increased from £5.3 million in FY 2016/17 to £6.1 million in FY 2017/18 which we primarily attribute to loan interest payable on the Groups debt and includes the impact of the refinancing.

Tax (charge)/credit on profit on ordinary activities

The tax charge on profit on ordinary activities increased from £1.4 million in FY 2016/17 to a £5.9 million charge in FY 2017/18 primarily attributable to the reduction of the UK Film Tax Relief credit receivable due to the cessation of the Media Investment activity, increased taxable profit and income from participating interests being on a gross, as opposed to net of tax basis.

Liquidity and capital resources

Cash flow

The cash balance at the end of FY 2017/18 was £43.0 million compared to a balance of £28.5 million at the end of 2016/17.

The cash inflow of £2.8 million in Q4 FY18 decreased from an inflow of £20.5 million in Q4 FY17principally reflecting a reduction in the cash inflow from operating activities driven by the timing of cash receipts from customers in relation to their lease commitments (the majority of which were received immediately post year-end).

The cash inflow of £14.6 million in FY 2017/18 decreased from £27.1 million in FY 2016/17 principally reflecting reduced cash inflow from operating activities as described above offset by the impact of a lower level of capital expenditure, following the completion of Pinewood East Phase 1.

Net cash inflow from operating activities

Net cash inflow from operating activities decreased to £7.7 million in Q4 FY18 from £23.7 million in Q4 FY17. This was due to reduced profit before tax and the movements in working capital described above.

Net cash inflow from operating activities decreased by 44% to £18.3 million in FY 2017/18 from £32.9 million in FY 2016/17.

Net cash outflow from investing activities

Net cash outflow from investing activities decreased to £1.2 million in Q4 FY18 from £1.3 million in Q4 FY17.

Net cash outflow from investing activities increased by 370% to £133.9 million in FY 2017/18 from £28.5 million in FY 2016/17. This was principally driven by the advance of a loan to the Group’s parent offset by a lower level of capital expenditure, following the completion of Pinewood East Phase 1.

Net cash inflow/outflow from financing

Net cash outflow from financing increased to £3.7 million in Q4 FY18 from £2.0 million in Q4 FY17 principally due to the refinancing and payment of loan issue fees.

Net cash inflow from financing increased to £130.2 million in FY 2017/18 from £22.6 million in FY 2016/17 due to the refinancing and a higher dividend payment.

Pinewood Group Limited

Report and financial statements

Year ended 31 March 2018

Company Registration Number: 03889552

Pinewood Group Limited

Registered No: 03889552

Directors
Paul Golding
Luis Moner Parra
Christopher Naisby
Nathan Shike
Andrew Smith
Alison Trewartha

Secretary
Bridget Sheldon-Hill

Auditor
Deloitte LLP
Statutory Auditor
Abbott's House
Abbey Street
Reading
RG1 3BD

Registered Office
Pinewood Studios
Pinewood Road
Iver Heath
Buckinghamshire
SL0 0NH

Strategic Report

Business overview

Pinewood Group Limited ("Pinewood" or the "Group") is the leading independent provider of the real estate required to produce screen based content. In addition, Pinewood offers services that support the screen based industries including digital content services.

The Group has historically had two reporting segments – Media Services, which provides studio facilities and related production services to the screen-based industries; and Media Investment, which provides investment funding and production services to the screen-based industries.

The Media Services segment principally generates revenue from Film, Television and Media Hub activities through the provision of rental, ancillary and other production services.

In line with its strategy to focus on the core business, in year ending 31 March 2017 the Group ceased certain activities, namely, the Media Investment segment activities and Pinewood Creative and sold its entire interest in the Pinewood TV joint venture.

The ceased activities do not meet the definition of discontinued operations as they have not been disposed of.

Business review

Media Services turnover:
Media Services had total turnover within this segment of £79.7m for the year (year ended 31 March 2017: £76.1m), excluding £0.3m of intersegment turnover (year ended 31 March 2017: £0.6m). Intersegment turnover relates to turnover generated from the utilisation of the Company's core services by the Group's wholly-owned Film Production Companies ("FPCs"). Stage occupancy for the year ended 31 March 2018 was 93% (year ended 31 March 2017: 81%). The largest film production at Pinewood Studios was *Solo: A Star Wars Story* (Lucasfilm) and at Shepperton Studios was *Mamma Mia! Here We Go Again* (Universal).

Media Investment turnover:
The Media Investment segment (trading as "Pinewood Pictures") included an agreement to source and advise on film, high-end television and video game investment opportunities for two media development funds; a £25m fund established by the Isle of Man Treasury and a £30m fund established by the Welsh Government. In addition, the segment involves identification and investment by the Group in British qualifying film and high-end television productions.

Media Investment turnover for the year was £2.0m (year ended 31 March 2017: £22.3m).

The year on year decrease is principally driven by a decrease in Film Production Company ("FPC") activity (£1.3m in the year ending 31 March 2018 versus £20.0m in 2017). A FPC is considered active from the close of film financing until the production is completed and delivered. The operating loss from FPC activity of £0.3m (year ended 31 March 2017: £2.2m) was offset by UK film tax relief of £0.3m (year ended 31 March 2017: £1.8m) as expected.

In 2017, management decided to cease all activities relating to Media Investment.

On 31 October 2017 the Group's Collaboration agreement with the Welsh Government was terminated and on 25 October 2017 the Group ceased providing investment advisory services to the Isle of Man Treasury.

Strategic Report (continued)

Business review (continued)

Cost of sales
Cost of sales expenses decreased from £63.9m in the year ending 31 March 2017 to £42.9m in the year ending 31 March 2018 predominantly due to the cessation of the Media Investment activity.

Selling & Distribution costs
Selling and Distribution expenses decreased to £2.1 million in the year ending 31 March 2018 from £2.3 million in the year ending 31 March 2017. This was primarily due a decrease in staff costs and professional fees.

Administrative expenses from recurring activiities
Administrative expenses decreased to £7.7 million in the year ending 31 March 2018 from £10.2 million in the year ending 31 March 2017, which we primarily attribute to a decrease in staff costs in relation to reduced employee headcount, and the expiry of our long-term incentive plan.

Exceptional items
The Group discloses as exceptional items on the face of the income statement those items which, because of the nature and expected infrequency of the events giving rise to them, merit separate disclosure to allow users of the financial statements to better understand the elements of financial performance in the year, so as to facilitate comparison with prior periods and to better assess trends in financial performance.

The Company generated net exceptional operating income of £0.5m (year ended 31 March 2017: costs of £3.2m), as detailed in Note 3.

Income from Participating Interests
Income from participating interests in the year ending 31 March 2018 was £3.1m compared to £1.1m in the year ending 31 March 2017. Expansions in Atlanta along with the calculation of income from participating interests being on a gross, as opposed to net of tax, basis are the primary reasons for the increase, see note 8.

Interest receivable and similar income
Interest receivable and similar income increased from £0.3m in the year ending 31 March 2017 to £3.8 million in the year ending 31 March 2018 reflecting interest chargeable on the loan to parent and receipts on loan notes related to Pinewood MBS.

Interest payable and similar charges
Interest payable and similar charges increased from £5.3 million in the year ending 31 March 2017 to £6.1 million in the year ending 31 March 2018 which we primarily attribute to loan interest payable on the Groups debt and includes the impact of the refinancing.

Tax on profit on ordinary activities
The tax charge on profit on ordinary activities increased from £1.4 million in the year ending 31 March 2017 to a £5.9 million charge in the year ending 31 March 2018 primarily attributable to the reduction of the UK Film Tax Relief credit receivable due to the cessation of the Media Investment activity, increased taxable profit and income from participating interests being on a gross, as opposed to net of tax basis, see note 8.

Exchange differences on translation of foreign operations on consolidation
Exchange differences resulted in an other comprehensive loss of £0.6m in the year ending 31 March 2018 (2017: gain £1.3m) predominantly from translation of the Atlanta joint venture.

Property plant and equipment
The Group had property, plant and equipment with a net book value of £233.4m as at 31 March 2018 (as at 31 March 2017: £236m). The movement relates to additions of £6.3m offset by depreciation of £8.8m.

In June 2017, the Group acquired Laleham Nurseries, 3 ha of land adjacent to Shepperton Studio's backlot. Together with the purchase of 13 ha of land earlier in the year, the acquisition provides the Group with a total of 50 ha for the design of a new masterplan for Shepperton Studios.

In September 2017, South Bucks District Council granted full planning permission for Pinewood East Phase 2. In December 2017, three construction firms participated in a tender process to appoint the main contractor for the Pinewood East Phase 2 development. The preferred contractor was selected in February 2018.

Interests in joint ventures
For details see note 8.

Financial instruments held at fair value through profit and loss

For details of financial instruments which includes other investments of £1.7m at 31 March 2018 (2017: £1.2m), loan notes receivable of £2.7m as at 31 March 2018 (2017: £2.5m) and derivative financial instruments £1.8m payable as at 31 March 2018 (2017: £3.7m payable) see note 16.

Trade and other receivables
Trade and other receivables have increased from £19.7m as at 31 March 2017 to £155.6m as at 31 March 2018 predominantly due to a £129m loan issued to the parent, an increase on trade receivables in the Media Services segment of £14.6m due to the timing of cash receipts partially offset by the reduced receivables in the media investment segment of £4m following the cessation of activities.

Pinewood Group Limited

Strategic Report (continued)

Trade and other payables

Trade and other payables have decreased by £4.9m as at 31 March 2018 to £48.8m from £53.7m as at 31 March 2017 predominantly due to the cessation of Media Investment activity, the settlement of previously accrued loss of office payments and the exceptional release of a rent free accrual offset by an increase in deferred income.

Refinancing

On 13 December 2017, a refinancing of the Group was completed. At this date, the Group's existing drawn senior facilities, which were £97.5 million, were repaid in full and £250 million of new 3.75% Senior Secured Notes due 1 December 2023 were issued. Pinewood Group Limited advanced a £127.5 million loan on to its Parent (Picture Holdco Limited). On 13 December 2017, the Group secured a super senior revolving credit facility of £50m which is available to draw down until 1 May 2023 with Barclays plc, Credit Suisse AG London Branch, HSBC Bank plc and Lloyds Bank plc. The Group terminated its existing £35 million multi-currency revolving credit facility and its £5m overdraft facility.

Cash and cash equivalents

Cash and cash equivalents increased to £43.0m at 31 March 2018 from £28.5m at 31 March 2017. Cash flow from operating activities, before changes in working capital, in the year to 31 March 2018 of £38.5m (2017: £24.3m) has been partially offset by the movements in working capital described above. Cash flow from investing activities of £133.9m in the year ending 31 March 2018 (2017: £28.5m) principally includes the payments for purchase of property, plant and equipment along with a £127.5m loan to the Parent. Cash flow from financing activities of £130.2m in the year ending 31 March 2018 compares to £22.6m in the year ending 31 March 2017 principally reflecting the impact of the refinancing detailed above and dividend payments of £12.0m in the year ending 31 March 2018 (2017: £3.6m).

Key performance indicators

The Group uses a number of key performance indicators ("KPIs") to monitor the Group's performance, as well as to measure progress against the Group's objectives. The KPIs used are:

	31 March 2018 £'000	31 March 2017 £'000
Stage Occupancy	93%	81%
Turnover (excluding Media Investment ceased)	79,690	76,082
Adjusted EBITDA (see below)	42,338	34,062
Adjusted EBITDA margins	53.1%	44.8%
Cash generated from operations	23,624	34,971
Adjusted net debt (see below)	(207,681)	(73,040)
Capital expenditure	6,482	31,632

Group profit on ordinary activities after taxation for the year ended 31 March 2018 was £24.4m (2017: £13.6m), including the impact of exceptional items and the movement on fair value of financial derivatives.

Capital expenditure represents the total purchase of property, plant and equipment, investment acquisitions and investment in joint ventures as disclosed in the statement of cash flows adjusted for the movement in capital creditor.

Reconciliation of profit on ordinary activities after taxation to adjusted EBITDA

	31 March 2018 £'000	31 March 2017 £'000
Profit on ordinary activities after taxation	24,358	13,607
Other interest receivable and similar income	(3,773)	(344)
Interest payable and similar expenses	6,067	5,294
Tax charge on profit on ordinary activities	5,905	1,436
Depreciation of property, plant and equipment	8,811	8,111
Amortisation of goodwill	560	560
Amortisation of long-term assets	-	166
Exceptional items	(549)	3,170
Operating loss attributable to Media Investment - FPC	257	2,164
Operating loss/(profit) attributable to Media Investment - other	648	(150)
Loss on disposal of property, plant and equipment	54	48
Adjusted EBITDA	42,338	34,062

Strategic Report (continued)

Reconciliation of adjusted net debt

	31 March 2018 £'000	31 March 2017 £'000
Current assets		
Cash and cash equivalents	43,043	28,464
Non-current borrowings		
Term loan facility	-	(100,000)
High yield bond	(246,681)	-
Asset financing	(724)	(1,504)
Non-current drawn loan facilities, less current assets	(204,362)	(73,040)
Secured loan arrangement costs	1,282	438
Net debt	(203,080)	(72,602)
Adjustments:		
Interest accrued	3,042	-
Loan issue costs	(7,643)	(438)
Adjusted net debt	(207,681)	(73,040)

Principal risks and uncertainties

The Group's principal risks and uncertainties are as follows:

Commercial and general risk

The Group is dependent on demand for production of new screen content and film productions. Any changes in demand for these productions or technological developments resulting in decreased demand for our studios could have a material adverse effect on our business.

Exit from the European Union

The Board is continuing to monitor ongoing Brexit negotiations and the potential implications for the Group.

Development risk

The Group may undertake a number of capital expenditures, including in connection with the further development and expansion of its existing studios; the inability to obtain the necessary permits, the inability to complete such projects on time or at all, the inability to generate the desired returns therefrom or the inability to raise additional capital as might be required to complete such projects could have a material adverse effect on our business, financial condition and results of operations.

The Group engages advisors with the necessary experience to complement the Group's in-house teams and manage this risk.

Business continuity and disaster recovery

A major incident such as a fire or an explosion could put people and/or the sites of operation at risk, result in a loss of turnover and damage the Group's reputation.

A dedicated health, safety and fire team carries out regular risk evaluation. A Business Continuity Team is also in place to ensure that the operational business continues as far as possible in the event of a major incident. The Group has an insurance portfolio, which looks to mitigate potential incidents described. It also invests in information technology and monitors the adequacy of its applications in use on an ongoing basis.

Regulatory and environmental risk

We are exposed to risks relating to regulations and liabilities arising from our operations and assets including environmental, health and safety laws and liabilities.

Financial risk management

The main risk currently arising from the Group's financial instruments is liquidity risk. Interest rate risk, credit risk, foreign exchange risk and fiscal incentives are also considered below.

Liquidity risk

The Group manages its exposure to liquidity risk at Group level. The Group's objective is to maintain a balance between the continuity of operating and development funding and flexibility using cash and a revolving credit facility.

As at the Statement of financial position date, the Group has banking facilities of up to £300.7m, comprising a £50m revolving credit facility, a £250m high yield bond and an asset financing facility of £0.7m. These facilities are secured on certain of the principal assets of the Group. The revolving credit facility has one covenant and a range of events of default together with variable margins between 132.5 and 232.5 basis points over LIBOR. The asset financing is covenant free and has a fixed interest rate of 620 basis points.

Strategic Report (continued)

Principal risks and uncertainties (continued)

Interest rate risk
Interest rate risk is the risk that the fair value or future values of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates. In order to manage its interest rate risk the Group's policy is to have at least 50% of its borrowings at fixed rates of interest.

Credit risk
Credit risk is the risk that a counter-party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily trade receivables, and financial instruments.

Customer credit risk is managed across the Group in accordance with policy, procedures and controls relating to customer credit risk management. The Group trades with recognised, creditworthy third parties and it is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to manage the Group's exposure to bad debts.

Foreign exchange risk
The Group does not hedge against foreign currency exposure due to its minimal exposure to foreign currency movements as its business is conducted primarily in UK sterling. The Board continues to review this area to identify any potential exposure with the increase in international arrangements.

Fiscal incentives
Changes to the UK's film, animation, video games and high end television tax incentives or an increase of incentives in overseas jurisdictions could damage the attractiveness of the UK as a destination for film content creation.

The Group monitors the cultural and economic contribution that screen-based industries make to the UK economy.

Competition risk

The Group competes in an international marketplace and film producers are able to choose from a number of studios worldwide.

Were other existing studios to invest significantly, or new studios to be successfully established either in the UK or elsewhere, this may have a material adverse effect on the Group's market share, reduce its bargaining power in commercial negotiations, and threaten profitability due to ongoing operational costs being largely fixed in nature.

The Group continues to invest to ensure that the expectations and demand from the industry are met.

Post balance sheet events and future developments

In September 2017, the Group obtained full consent from the local planning authorities for the development of c. 200,000 sq ft of additional studio space in what would be the second phase of construction at Pinewood East. Following a competitive tender process, the Group selected a preferred contractor to assist in finalising the design of the scheme in advance of a potential start of the development later in the year.

In June 2018, the Group announced a consultation process with the relevant local authorities in advance of the potential submission of a planning application to secure consent for the expansion of Shepperton Studios. If obtained, the permission will secure the potential for future growth at Shepperton.

In line with its strategy to focus on the core business, in 2017 the Group ceased certain activities, namely, the Media Investment segment activities and Pinewood Creative and sold its entire interest in the Pinewood TV joint venture.

On 26 June 2018, the Group exchanged contracts for the acquisition of c. 80 acres of land adjacent to Pinewood studios.

In respect of the Media Services segment the Directors expect the general level of activity to be maintained in the forthcoming year.

Going Concern

In assessing the going concern basis, the Directors considered the Group's business activities, the financial position of the Group and the Group's financial risk management objectives and policies. The Group meets its day-to-day working capital requirements through its bank facilities. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, economic uncertainty and Brexit, show that the Group will be able to operate within the level of its current facilities.

Information on the Group's Financial risk management is included in the Directors' report, and other Principal Risks and Uncertainties are detailed in the Strategic report. The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in the operational business for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

Approved by the Board and signed on its behalf by:

Christopher Naisby
Director
26 June 2018

Pinewood Group Limited

Directors’ Report

The Directors present their annual report and audited financial statements of the Group for the year ended 31 March 2018.

Results and Dividends

Group profit on ordinary activities after taxation for the year ended 31 March 2018 was £24.4m (2017: £13.6m), including the impact of exceptional items and the movement on fair value of financial derivatives.

Dividends totalling £12.0m were paid during the year (2017: £3.6m). The Directors do not recommend payment of a final dividend.

Directors

The Directors, who served during the year and to the date of signing, unless otherwise indicated were as follows:

Ivan Dunleavy (resigned 24 April 2017)
Paul Golding
Luis Moner Parra
Christopher Naisby
Nathan Shike
Nicholas Smith (resigned 24 April 2017)
Andrew Smith
Alison Trewartha

Directors’ Liabilities

The Company has granted an indemnity to one or more of its Directors against liability brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

Employees

The Group actively considers the position of its employees’ rights through comprehensive and regularly reviewed employment practices in the areas of recruitment, training, welfare, remuneration and employee relations.

In addition to a published grievance policy, the Group maintains a ‘Whistleblower’ policy providing an opportunity for employees to raise grievances with senior management.

The Group’s stated policy on Equal Opportunities recognises the diversity of individuals and has procedures in place to ensure that recruitment and promotion recognises such diversity and is not biased by consideration of age, gender, disability, colour, racial origin, religion or sexual orientation. We provide employees with reasonable conditions of employment and career prospects.

The Group supports its disabled employees with regular training and support through the equal opportunity and training policies.

The Group has regular contact with employees via its intranet site, *Spotlight* , and via regular catch ups and briefings. These methods are used to ensure employees are kept up to date with the performance of the business. In addition, the Group continuously manages employees' performance.

Investing in skills, training and development remains a high priority for the Company. 21 Pinewood employees have completed the Pinewood Studio Management Diploma course and further 11 are currently studying for the Diploma. The Diploma equips candidates with the knowledge and skills to manage and operate world class studio facilities to the screen-based industries. The course was supported by Creative Skillset’s Film Skills Fund, with BFI’s Film Forever National Lottery funds. The Group also has a well-developed work apprenticeship scheme providing ‘in work’ apprenticeships in areas such as plumbing, carpentry and media apprentices. The Company currently has 12 apprentices whose training is paid for by the Apprenticeship Levy.

Pinewood’s commitment to skills and training was acknowledged by winning the Apprentice and Young Person Employer of the Year Award at the 2018 Buckinghamshire Business Awards.

Directors' Report (continued)

Branches outside of the United Kingdom

The Group operates through various subsidiary undertakings in various jurisdictions as disclosed in Note 4 to the Parent Company financial statements. The Company does not have any branches as defined by Section 1046(3) of the Companies Act 2006.

Going Concern

As outlined within the Strategic Report on page 5, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements, as there are no material uncertainties related to events or conditions that may cast doubt on the ability of the Group to continue as a going concern.

Other Directors' Report Disclosure Requirements

Certain disclosures required by s414C(11) of the Companies Act 2006 to be included in the Directors Report have been included elsewhere in this Annual Report, as follows:

- Principal activities - Strategic Report, page 2
- Principal risks and uncertainties - Strategic Report, pages 5-6
- Post balance sheet events - Strategic Report, page 6
- Indication of future developments - Strategic Report, page 6

Directors' Statement as to Disclosure of Information to Auditor

The Directors who were members of the Board at the time of approving the Directors' report are listed on page 6. Having made enquiries of fellow Directors and of the Group's auditor, each of these Directors confirms that:

- To the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Group's auditor is unaware; and
- Each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

Bridget Sheldon-Hill
Company Secretary
26 June 2018

Pinewood Group Limited

Statement of Directors’ Responsibilities

The Directors are responsible for preparing the Strategic Report and the Directors’ 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 Group and the Company and of the profit or loss for that period. In preparing those 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 Group and 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report

to the Members of Pinewood Group Limited

Opinion

In our opinion the financial statements:

• give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;

• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and

• have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Pinewood Group Limited (the 'parent company') and its subsidiaries (the 'group') which comprise:

• the Group Statement of Comprehensive Income;

• the Group Statement of Financial Position;

• the Group Statement of Cash Flows;

• the Group Statement of Changes in Equity;

• the related notes to the Consolidated Financial Statements 1 to 26;

• the Parent Company Statement of Financial Position;

• the Parent Company Statements of Changes in Equity; and

• the related notes to the Parent Company Financial Statements 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

• the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or

• the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Independent Auditor's Report (continued)
to the Members of Pinewood Group Limited

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:
• 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; and
• the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:
• adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
• the parent company financial statements are not in agreement with the accounting records and returns; or
• certain disclosures of directors' remuneration specified by law are not made; or
• we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Andrew Evans (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Reading
United Kingdom
26 June 2018

Pinewood Group Limited

Group Statement of Comprehensive Income
for the year ended 31 March 2018

	Notes	**Year ended 31 March 2018 £'000**	Year ended 31 March 2017 £'000
Turnover	2	**81,663**	98,348
Cost of Sales		**(42,933)**	(63,854)
Gross profit		**38,730**	34,494
Selling & Distribution costs		**(2,118)**	(2,258)
Administrative expenses			
Recurring activities		**(7,668)**	(10,155)
Exceptional items	3	**549**	(3,170)
Total administrative expenses		**(7,119)**	(13,325)
Operating profit	4	**29,493**	18,911
Comprising:			
Operating profit/(loss) from:			
Media Services activities before exceptional items		**29,849**	24,095
Media Investment - film production companies		**(257)**	(2,164)
Media Investment - other		**(648)**	150
Exceptional items	3	**549**	(3,170)
		29,493	18,911
Income from participating interests	8	**3,064**	1,082
Other interest receivable and similar income	9	**3,773**	344
Interest payable and similar expenses	10	**(6,067)**	(5,294)
Profit on ordinary activities before taxation		**30,263**	15,043
Tax on profit on ordinary activities	11	**(5,905)**	(1,436)
Profit on ordinary activities after taxation attributable to equity shareholders		**24,358**	13,607
Other comprehensive income			
Exchange differences on translation of foreign operations on consolidation		**(554)**	1,340
Total comprehensive income for the year		**23,804**	14,947

The notes on pages 16 to 38 form part of these financial statements.

Pinewood Group Limited

Group Statement of Financial Position

as at 31 March 2018

	Notes	2018 £'000	2017 £'000
Assets			
Non current assets			
Intangible assets	13	**3,924**	4,484
Property, plant and equipment	14	**233,441**	236,020
Interests in joint ventures	8	**10,971**	7,780
Other investments	15	**1,680**	1,220
		250,016	249,504
Current assets			
Inventories		**61**	53
Trade and other receivables:			
Due within one year	17	**26,599**	19,749
Due after more than one year	17	**129,045**	-
Cash and cash equivalents	18	**43,043**	28,464
		198,748	48,266
Total assets		**448,764**	297,770
Equity and liabilities			
Share capital	19	**5,741**	5,741
Share premium		**76,696**	76,696
Capital redemption reserve		**135**	135
Merger reserve		**348**	348
Translation reserve		**786**	1,340
Retained earnings		**65,277**	52,869
Total equity		**148,983**	137,129
Non-current liabilities			
Interest-bearing loans and borrowings	21	**246,123**	101,066
Derivative financial instruments	22	**1,781**	3,687
Deferred tax liabilities	11	**3,115**	2,227
		251,019	106,980
Current liabilities			
Trade and other payables	23	**48,762**	53,661
		48,762	53,661
Total liabilities		**299,781**	160,641
Total equity and liabilities		**448,764**	297,770

The financial statements of Pinewood Group Limited (registered number: 03889552) were approved and authorised for issue by the Board of Directors on 26 June 2018. They were signed on its behalf by:

C J Naisby
Director

The notes on pages 16 to 38 form part of these financial statements.

Pinewood Group Limited

Group Statement of Cash Flows
for the year ended 31 March 2018

	Notes	2018 £'000	2017 £'000
Cash flow from operating activities:			
Profit on ordinary activities before taxation		**30,263**	15,043
Adjustments to reconcile profit on ordinary activities before taxation to net cash flows:			
Depreciation, impairment and amortisation	4	**9,371**	8,885
Loss on disposal of property, plant and equipment	4	**54**	-
Fair value adjustment on PMBS Holdings	3	**(460)**	(3,486)
Income from participating interests	8	**(3,064)**	(1,082)
Interest receivable and similar income	9	**(3,773)**	(344)
Interest payable and similar charges	10	**6,067**	5,294
Cash flow from operating activities before changes in working capital		**38,458**	24,310
(Increase)/decrease in trade and other receivables	17	**(8,156)**	981
(Increase) in inventories		**(8)**	(6)
(Decrease)/increase in trade and other payables	23	**(6,670)**	9,686
Cash generated from operations		**23,624**	34,971
Interest paid		**(2,587)**	(4,298)
Interest received		**56**	-
Corporation tax received in respect of FPC activity		**-**	4,473
Corporation tax paid		**(2,809)**	(2,243)
Net cash flow from operating activities		**18,284**	32,903
Cash flow used in investing activities:			
Purchase of property, plant and equipment		**(7,736)**	(30,348)
Movement in long term liability		**-**	765
Investment in joint ventures		**(196)**	(1,906)
Joint venture land sale proceeds		**-**	1,187
Repayment from joint ventures		**1,533**	1,841
Loans made to parent undertakings		**(127,474)**	-
Net cash flow used in investing activities		**(133,873)**	(28,461)
Cash flow from financing activities:			
Dividends paid	12	**(11,950)**	(3,614)
Proceeds from issue of loan notes	21	**250,000**	-
Repayment of asset financing obligations		**(870)**	(747)
Repayment of bank borrowings	21	**(100,000)**	-
Proceeds from bank borrowings	21	**-**	27,000
Payment of loan issue fees		**(7,012)**	-
Net cash flow from financing activities		**130,168**	22,639
Net increase in cash and cash equivalents		**14,579**	27,081
Cash and cash equivalents at the start of the year		**28,464**	1,383
Cash and cash equivalents at the end of the year	18	**43,043**	28,464

Included within the cash and cash equivalents balance is a total of £390,000 (2017: £1,465,000) which is unavailable for general use. See Note 18.

The notes on pages 16 to 38 form part of these financial statements.

Pinewood Group Limited

Reconciliation of Movement in Net Debt
for the year ended 31 March 2018

	2018 £'000	2017 £'000
Increase in cash and cash equivalents	**14,579**	27,081
Repayments of bank borrowings	**100,000**	-
Proceeds from bank borrowings	**-**	(27,000)
Proceeds from issue of loan notes	**(250,000)**	-
Repayments of asset financing obligations	**780**	747
Loan issue costs	**7,643**	-
Amortisation of loan issue costs	**(438)**	(649)
Interest accrued on loan notes	**(3,042)**	-
Movement in net debt	**(130,478)**	179
Net debt at the start of the year	**(72,602)**	(72,781)
Net debt at the end of the year	**(203,080)**	(72,602)
Net debt at end of year excluding restricted cash	**(203,470)**	(74,067)

Group Statement of Changes in Equity
for the year ended 31 March 2018

	Share capital £'000	Share premium £'000	Translation reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 01 April 2017	5,741	76,696	1,340	483	52,869	137,129
Profit for the year	-	-	-	-	24,358	24,358
Translation reserve movement	-	-	(554)	-	-	(554)
Total comprehensive income for the year	-	-	(554)	-	24,358	23,804
Equity dividends (Note 12)	-	-	-	-	(11,950)	(11,950)
At 31 March 2018	**5,741**	**76,696**	**786**	**483**	**65,277**	**148,983**
At 01 April 2016	5,741	76,696	-	483	42,876	125,796
Profit for the year	-	-	-	-	13,607	13,607
Translation reserve movement	-	-	1,340	-	-	1,340
Total comprehensive income for the year	-	-	1,340	-	13,607	14,947
Equity dividends (Note 12)	-	-	-	-	(3,614)	(3,614)
At 31 March 2017	5,741	76,696	1,340	483	52,869	137,129

The notes on pages 16 to 38 form part of these financial statements.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2018

Pinewood Group Limited ("the Company") is a private company limited by shares incorporated and domiciled in England. The registered office is located at Pinewood Studios, Pinewood Road, Iver Heath, Buckinghamshire, SL0 0NH.

The Group's principal activities and the nature of its operations are detailed in the Strategic Report on page 2.

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and prior year.

Accounting convention
These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under historical cost convention, modified to include the revaluation of freehold properties and to include certain financial instruments at fair value.

The financial statements are presented in Sterling, which is also the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise indicated.

Going concern
In assessing the going concern basis, the Directors considered the Group's business activities, the financial position of the Group and the Group's financial risk management objectives and policies. The Group meets its day-to-day working capital requirements through its bank facilities. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, economic uncertainty and Brexit, show that the Group will be able to operate within the level of its current facilities. The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in the operational business for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Group and its subsidiaries up to 31 March 2018. All intragroup transactions, balances, income and expenses are eliminated in full on consolidation. All subsidiaries are consolidated for the financial year ending 31 March 2018 regardless of the individual entities' statutory reporting date. Individual entities within the Group that have a functional currency other than sterling are translated to sterling so that the consolidated financial statements may be presented.

1 Accounting policies (continued)

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured at the fair value of the consideration receivable, net of discounts, rebates, VAT and other sales taxes or duty. The Group has assessed its turnover arrangements and has concluded that it is acting as a principal in all of its turnover arrangements. Where a contract spans an accounting cut-off date, the value of the turnover recognised is the time proportion of the total value of the contract completed by the cut-off date. The following specific recognition criteria apply:

Media Services:

- Film customers utilise services for a period of time. Turnover is recognised as the Group earns the right to consideration for the service provided and this is time apportioned and earned as time elapses.
- Film turnover is also derived from international consultancy agreements and sales and marketing agreements. Revenue is recognised on a stage of completion basis, by reference to costs incurred for the former, and based on the passage of time for the latter.
- Television turnover is derived from the provision of services and is recognised on a time apportioned basis in relation to the television production process.
- Media Hub turnover is derived from customers contracting to use the Group’s facilities for a period of time. Turnover is recognised on a straight line basis over the term of the agreement.

Media Investment:

- External investment advisory turnover is derived from the provision of services on a per film investment basis, with turnover from an annual management fee recognised on a straight line basis over the course of the year.
- Film Production Companies' turnover relates to the funding provided from the various financiers (excluding loans against tax credit, which are recognised as a liability on the Group statement of financial position). Turnover recognised is the proportion of completion of the relevant project.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income;
- Unrealised gains or losses are recognised in other comprehensive income; and
- in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or are capitalised as an intangible fixed asset or a tangible fixed asset.

The cost of any unused entitlement is recognised in the period in which the employee’s services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2018

1 Accounting policies (continued)

Pensions and other post-employment benefits
The Group operates a defined contribution scheme. Contributions are charged to the income statement as they become payable in accordance with the rules of the scheme.

Interest receivable and payable
Interest receivable and payable is recognised using the effective interest rate method.

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

Corporation tax relating to items recognised directly in equity is recognised in other comprehensive income and the statement of changes in equity and not in the income statement.

Deferred tax
Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Film tax credits
Film tax credits are recognised in profit or loss for the period line with the cost incurred over the period of a film project. Where the rate of expenditure incurred is not proportionate to the rate of qualifying expenditure, the difference in film tax credits is accrued or deferred on the Group statement of financial position.

Film investments
Film investments are classified as investments at fair value and due to the uncertainty of return on investment are typically determined to have a £nil fair value. The Group reviews the fair value at least annually. Any net changes in fair value are recognised in the income statement.

Intangible assets
Intangible assets, when identified, are capitalised at cost and subsequently amortised over their useful economic life.

1 Accounting policies (continued)

Goodwill
Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any amortisation or accumulated impairment loss. Goodwill is expected to have a useful life of 10 years and is amortised over that period. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill is allocated to the related cash-generating unit monitored by management. Where the recoverable amount of the cash-generating unit is less than the carrying amount, including goodwill, an impairment loss is recognised in the income statement.

Property, plant and equipment
Property, plant and equipment are stated at cost to the Group less accumulated depreciation and any impairment loss. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. Depreciation is calculated on all property, plant and equipment, other than land, from the time they are available for use on a straight line basis over the estimated useful life as follows:

Freehold buildings	- 50 years
Freehold improvements	- 5 to 25 years
Leasehold improvements	- shorter of 25 years or the term of the lease
Fixtures, fittings and equipment	- 3 to 10 years

Land and assets under construction are not depreciated.

The carrying value of freehold land and buildings within 'Property, plant and equipment' in the statement of financial position is based on external valuations undertaken by an independent firm of Chartered Surveyors in February 2000 (as amended in January 2001) and November 2000, on each occasion to establish the fair values of the Pinewood Studios and Shepperton Studios businesses acquired. Subsequent to these valuations, which established the cost to the Group of freehold land and buildings, additions, disposals and depreciation have been recorded in line with Group accounting policies.

The carrying value of property, plant and equipment is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and is written down immediately to the recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required, these are made prospectively.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising in de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

Interests in joint ventures
The Group has interests in joint ventures. A joint venture is a joint arrangement whereby two or more parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group accounts for joint ventures under the equity method. Under the equity method, a joint venture is initially recognised in the Group statement of financial position at cost and adjusted thereafter to recognise the Group's income from participating interests and other comprehensive income of the joint venture. When the Group's share of losses of the joint venture exceeds the Group's interest in that joint venture, the Group discontinues recognising its share of further losses. Additional losses are only recognised to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

When a Group entity transacts with a joint venture of the Group, profits and losses resulting from the transactions with the joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

1 Accounting policies (continued)

Long-term assets
Costs incurred in the establishment of long term agreements are capitalised on the statement of financial position and categorised as long-term assets.

These costs are reviewed at least annually for any impairment in their carrying value and once the long-term agreement becomes operational the costs are amortised over the term of the agreement.

Impairment costs and amortisation are expensed to the Group income statement.

Inventories
Inventory is valued at the lower of cost and estimated selling price less costs to complete and sell. Inventory held for distribution at no or nominal consideration is measured at cost, adjusted where applicable for any loss of service potential, i.e. benefits expected from use or sale of the inventory. Cost is determined using the weighted average cost.

At each reporting date, the group assesses whether inventory are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

Reversals of impairment losses are also recognised in profit or loss.

Impairment of assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Financial instruments
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Financial assets and liabilities
All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

1 Accounting policies (continued)

Financial instruments (continued)

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

In the Company statement of financial position, for investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value only of the shares issued. Any premium is ignored.

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of proceeds received, cash or other resources received or receivable, net of direct issue costs.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the Company estimates the fair value by using a valuation technique.

Interest-bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Group becomes party to the related contracts and are measured initially at the fair values of consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method, allocating the interest income or interest expense over the relevant period.

Derivative financial instruments

The Group has interest rate swaps to hedge against risks associated with interest rate fluctuations. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each statement of financial position date. The Group reports the movement in fair value through profit or loss.

The fair values of the interest rate swap contracts are determined by reference to market values for similar instruments.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Provisions

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

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as interest and similar charges.

Pinewood Group Limited

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2018

1 Accounting policies (continued)

Leases
The Group as lessee - finance leases
An asset and corresponding liability are recognised for leasing agreements that transfer to the Company substantially all of the risks and rewards incidental to ownership (“finance leases”). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are expensed as incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

The Group as lessee - operating leases
All other leases are operating leases and the annual rentals are charged to profit or loss on a straight line basis over the lease term. Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

The Group as lessor - operating leases
Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease as Media Services turnover. Rent free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

Significant accounting judgements, estimates and assumptions
The preparation of the Group’s financial statements requires management to make judgements, estimates and assumptions that affect reported amounts at the end of the year.

There are no critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date are:

Fair value of investment in PMBS Holdings Limited

The Group's investment in the equity and loan notes of PMBS Holdings Limited is held at fair value. The Group was issued equity and loan notes equal to a 15% share of the debt and equity of PMBS Holdings Limited when the initial investment was made. At each reporting date management make an estimate of the fair value of both the value of the loan notes and the value of the equity investment.

In determining the fair value of the loan notes management review the future cash flows attributable to those loan notes, and in determining the fair value of the equity holding management perform a value in use exercise, using a discounted cashflow model. The key inputs in respect of the discounted cashflow model are the discount factor, the projected annual cashflows and the annual growth factor applied. In the case of the loan notes, these are interest bearing at 8% per annum and management considers this to be a market rate of interest and as such are discounted at that rate. Further details are included in Note 16.

An adverse movement of 17% on the discount factor, or an 40% reduction on the annual cashflows of PMBS, when applied to the equity would result in an impairment, and could result in the recoverability of the loan notes being considered doubtful.

S106 liability
In order to facilitate the construction of Pinewood East, the Group entered into a Section 106 agreement with Buckinghamshire County Council. Under this agreement the Group must pay for traffic improvements at the Iver Heath Five Points roundabout. These improvements, the implementation of which the Group is currently in discussion with Buckinghamshire County Council, have been estimated and capitalised at cost. Included in accruals and plant, property and equipment is £4m (2017: £4m) and £4m (2017: £4m) respectively, relating to this agreement.

Atlanta joint venture
The Group’s investment in the Atlanta Joint Venture is accounted for using the equity accounting method. Management has performed an impairment review of the asset, calculating a value in use through application of a discounted cashflow model. Key inputs into the model are the expected levels of occupancy of the studio space, the price and the discount factor applied. The assumptions appllied to these factors support the carrying value of the asset. A movement in these factors may have an impact on that value.

Fixed Asset Useful Economic Lives.

The Group has fixed assets held at amortised cost, the total cost of which is £309.3m at 31 March 2018. Accumulated depreciation is £67.1m and the charge for the period is £8.8m. If the average useful economic life of the assets was reduced by 15% the charge would increase by £1.6m

Other estimates, assumptions and judgements are applied by the Group. These include, but are not limited to, accruals and provisions for impairments of assets. These estimates, assumptions and judgements are also evaluated on a continual basis but are not significant.

2 Turnover and segment information

Turnover by operating segment

The Group identifies its operating segments based on a combination of factors, including the nature and type of service provided and differences in regulatory environment. Operating segments are aggregated where there is a high degree of consistency across these factors, and the segments have similar economic characteristics. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Group has determined it has two reportable segments, Media Services, which provides studio and related services to the film, television and wider creative industries, and Media Investment, which provides content investment and production services, principally to the film industry.

Segment data for the year ended 31 March 2018 and 2017 is presented below:

	2018	2017
	£'000	£'000
Turnover by segment		
Media services	**79,979**	76,709
Media investment	**1,973**	22,266
Total segmental turnover	**81,952**	98,975
Intersegment elimination	**(289)**	(627)
Group turnover	**81,663**	98,348

The Group has historically had two reporting segments – Media Services, which provides studio facilities and related services to the screen-based industries; and Media Investment, which provides investment funding and production services to the screen-based industries.

In line with its strategy to focus on the core business, in 2017 the Group ceased certain activities, namely, the Media Investment segment activities and Pinewood Creative and sold its entire interest in the Pinewood TV joint venture.

The ceased activities do not meet the definition of discontinued operations as they have not been disposed of.

Turnover by geographical region

Although turnover continues to arise predominantly in the United Kingdom, being the Group's country of domicile, the Group's international activity continues to increase.

	2018	2017
	£'000	£'000
United Kingdom	**78,975**	86,965
North America	**1,308**	1,282
Asia	**1,028**	1,741
Rest of the World	**352**	8,360
	81,663	98,348

Non current assets by geographical region

The only non current asset domiciled outside of the UK is the interest in joint ventures with a carrying value of £11.0m (2017: £7.8m) see note 8.

Turnover by major customers

Turnover from one Media Services customer, operating through several separate subsidiaries, of £35.7m (year ending 31 March 2017: £30.6m) was recognised in the year. No other single customer contributed 10% or more of the Group's turnover in either 2017 or 2018.

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2018

2 Turnover and segment information (continued)

		Year ended 31 March 2018			Year ended 31 March 2017		
	Notes	**Media Services £'000**	**Media Investment £'000**	**Total £'000**	Media Services £'000	Media Investment £'000	Total £'000
Turnover		**79,690**	**1,973**	**81,663**	76,082	22,266	98,348
Cost of Sales		**(41,367)**	**(1,566)**	**(42,933)**	(41,470)	(22,384)	(63,854)
Gross profit/(loss)		**38,323**	**407**	**38,730**	34,612	(118)	34,494
Distribution costs		**(2,118)**	**-**	**(2,118)**	(2,258)	-	(2,258)
Administrative expenses							
Recurring activities		**(6,356)**	**(1,312)**	**(7,668)**	(8,259)	(1,896)	(10,155)
Exceptional items	3	**549**	**-**	**549**	(3,170)	-	(3,170)
Total administrative expenses		**(5,807)**	**(1,312)**	**(7,119)**	(11,429)	(1,896)	(13,325)
Operating profit/(loss)	4	**30,398**	**(905)**	**29,493**	20,925	(2,014)	18,911
Comprising:							
Operating profit/(loss) from:							
Media Services activities before exceptional items		**29,849**	**-**	**29,849**	24,095	-	24,095
Media Investment - FPCs		**-**	**(257)**	**(257)**	-	(2,164)	(2,164)
Media Investment - other		**-**	**(648)**	**(648)**	-	150	150
Exceptional items	3	**549**	**-**	**549**	(3,170)	-	(3,170)
		30,398	**(905)**	**29,493**	20,925	(2,014)	18,911
Income from participating interests	8	**3,064**	**-**	**3,064**	1,082	-	1,082
Other interest receivable and similar income	9	**3,773**	**-**	**3,773**	344	-	344
Interest payable and similar expenses	10	**(6,067)**	**-**	**(6,067)**	(5,294)	-	(5,294)
Profit/(loss) on ordinary		**31,168**	**(905)**	**30,263**	17,057	(2,014)	15,043
Tax on profit/(loss) on ordinary activities	11	**(6,162)**	**257**	**(5,905)**	(3,631)	2,195	(1,436)
Profit/(loss) on ordinary activities after taxation		**25,006**	**(648)**	**24,358**	13,426	181	13,607

Pinewood Group Limited

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2018

3 Exceptional items of (income)/expense

	2018	2017
	£'000	£'000
Release of rent free accrual	**(912)**	-
Strategic review	**-**	4,045
Restructuring and management consultancy	**823**	2,774
PMBS Holdings Limited	**(460)**	(3,486)
Technicolour lease surrender	**-**	(163)
	(549)	3,170

Release of rent free accrual
Pinewood Studio Wales signed an agreement for lease for the Welsh Studios on 16 July 2014. The agreement was for a 15 year lease with 2 years rent free. In line with accounting convention Pinewood accrued the applicable proportion of the full rent during this rent free period. Following the decision to exit the Welsh Studios this rent is no longer payable and has been released as an exceptional income statement during the period.

Strategic review
On 10 February 2016 the company announced that it had appointed Rothschild & Co to advise on a strategic review of the Company. Expenses incurred in the year to 31 March 2017 relate to professional fees and were £4.0m.

Restructuring and management consultancy
Restructuring reorganisation costs of £0.8m (year ended 31 March 2017: £2.8m) relate to a performance improvement review and streamlining and changes to the management structure, as well as costs in relation to Pinewood Television Limited and Pinewood Media Guarantors Limited.

PMBS Holdings Limited
The Company has a 15% interest in PMBS Holdings Limited. The Company reviewed the carrying value of its interest in the equity and loan notes at the 31 March 2018. The fair value gain recorded in the period ended 31 March 2018 in respect of the equity and loan notes was £0.5m (2017: £3.5m).

Technicolor lease surrender
During the year ending 31 March 2016 the company accepted a surrender of the lease to Technicolor. The net income from the lease surrender, after related expenses, was £nil (year ending 31 March 2017: £0.2m).

4 Operating profit/(loss)

	2018	2017
Operating profit/(loss) is stated after charging/(crediting):	**£'000**	£'000
Depreciation of property, plant and equipment	**8,811**	8,111
Loss on disposal of property, plant and equipment	**54**	-
Operating lease payments	**1,224**	1,259
Amortisation of goodwill	**560**	560
Amortisation of long-term assets	**-**	166
Net foreign exchange losses/(gains)	**(18)**	(10)
Stock:		
- amounts expensed to cost of sales	**110**	63
- impairment losses recognised in cost of sales	**-**	-

5 Auditor's remuneration

	2018	2017
The analysis of auditor's remuneration is as follows:	**£'000**	£'000
Fees payable to Group's auditor for the audit of Parent Company and Group financial statements	**48**	48
Fees payable to the Company's auditor and its associates for the audit of the Company's subsidiaries	**130**	105
Total audit fees	**178**	153
Fees payable to the Group's auditor and its associates for other services:		
Audit-related assurance services	**-**	-
Other assurance services	**297**	10
Taxation advisory services	**-**	14
Total fees for other services	**297**	24
Total fees	**475**	177

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2018

6 Staff costs and numbers

Staff costs including Directors	**2018 £'000**	2017 £'000
Salaries	**12,507**	12,233
Social security costs	**1,305**	1,265
Pension costs	**910**	888
Long term incentive plan	**3**	752
Compensation for loss of office	**-**	2,034
Other employee benefits	**307**	303
	15,032	17,475

Average monthly number of employees, including Executive Directors:	**2018 numbers**	2017 numbers
Management	**20**	26
Operational	**90**	86
Administration	**36**	37
Executive	**5**	5
Technical	**112**	95
Sales	**27**	29
	290	278

7 Directors' emoluments

	2018 £'000	2017 £'000
Salaries	**551**	1,341
Pension costs	**54**	55
Long term incentive plan	**-**	225
Compensation for loss of office	**-**	2,028
Other employee benefits	**18**	24
	623	3,673

The number of directors to whom retirement benefits are accruing under defined contribution schemes was 3 (2017: 3)

The emoluments of the highest paid director were £308,000 (2017: £1,619,000); pensions contributions were £20,000 (2017: £20,000).

The Directors are considered to be the only key management personnel.

No share options have been held by any Directors in the period.

Amounts paid to third parties in relation to Directors services in the period are £0.3m (2017: £0.2m)

8 Interests in joint ventures

As at 31 March 2018 and at 31 March 2017, the Group had interests in the following joint ventures:

Joint Venture Name	Principal place of business	% equity interest	% voting rights
Pinewood Atlanta LLC	USA	40	50
PAS Holdings Fayette LLC	USA	40	50

"PAS" - collectively, Pinewood Atlanta LLC and PAS Holdings Fayette
"PTV" - Pinewood Television Limited

Registered office address details are included in Note 4 to the Parent Company financial statements.

2018	**PAS £'000**	**PTV £'000**	**Total £'000**
Equity	10,511	-	10,511
Loan note	460	-	460
Total investment	10,971	-	10,971
Less: share of losses	-	-	-
Net investment	10,971	-	10,971
Non-current assets	93,421	-	93,421
Current assets	2,412	-	2,412
Non-current liabilities (non-recourse)	(56,345)	-	(56,345)
Current liabilities	(5,462)	-	(5,462)
Net assets	34,026	-	34,026
Turnover	21,520	58	21,578
Expenses	(14,066)	(481)	(14,547)
Profit/(loss)	7,454	(423)	7,031
Group share of profit/(loss)	**3,155**	**(91)**	**3,064**

2017	**PAS £'000**	**PTV £'000**	**Total £'000**
Equity	5,661	-	5,661
Loan note	2,092	622	2,714
Total investment	7,753	622	8,375
Less: share of losses	-	(595)	(595)
Net investment	7,753	27	7,780
Non-current assets	102,270	-	102,270
Current assets	4,850	394	5,244
Non-current liabilities (non-recourse)	(65,260)	(1,127)	(66,387)
Current liabilities	(12,970)	(127)	(13,097)
Net assets/(liabilities)	28,890	(860)	28,030
Turnover	18,120	60	18,180
Expenses	(14,170)	(725)	(14,895)
Profit/(loss) after tax	3,950	(665)	3,285
Group share of profit/(loss) after tax	1,580	(498)	1,082

The group disposed of their 50% equity interest in Pinewood Television Limited on 26 September 2017 for £nil consideration.

The Group's interests in joint ventures at 31 March 2018 and 31 March 2017 was as follows:

	2018 £'000
As at 31 March 2017	**7,780**
Share of profit from joint venture	**3,064**
Investment in joint ventures	**196**
Repayment from joint ventures	**(1,533)**
Taxation	**1,963**
Foreign currency movement	**(557)**
Other movements	**58**
As at 31 March 2018	**10,971**

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2018

8 Interests in joint ventures (continued)

The value of the joint venture in Pinewood Atlanta LLC and PAS Holdings Fayette LLC (collectively "PAS") is shown gross of taxation, which has been presented separately on the statement of financial position.

PAS is a partnership in the US and therefore the partners are responsible for tax charges in relation to the entity. Historically the interest in PAS was shown in the Condensed Group Statement of Financial Position net of tax however given the nature of the partnership the amounts in relation to the current and deferred tax have been transferred to current tax and deferred tax respectively in the current period. This has no impact on net assets. Additionally, tax in the Group Statement of Comprehensive Income is now presented within tax on profit on ordinary activities rather than within Income from participating interests. As the impact on prior periods is immaterial, all amendments have been made prospectively in the current period.

9 Interest receivable and similar income

	2018	2017
	£'000	£'000
On financial assets measured at amortised cost:		
Interest receivable from joint ventures	**30**	13
Loan interest receivable	**1,781**	316
Bank interest receivable	**56**	15
	1,867	344
On financial assets measured at fair value:		
Fair value movements of derivative financial instruments	**1,906**	-
	3,773	344

10 Interest payable and similar charges

	2018	2017
	£'000	£'000
On financial instruments measured at amortised cost:		
Bank loan and overdraft interest	**1,683**	3,234
Loan interest payable	**3,042**	-
Finance fee amortisation	**438**	649
	5,163	3,883
On financial instruments measured at fair value:		
Interest rate hedging	**813**	767
Fair value movements of derivative financial instruments	**-**	494
	813	1,261
Not on financial instruments:		
Finance lease interest	**90**	122
Other interest paid	**1**	28
	91	150
	6,067	5,294

11 Tax on profit on ordinary activities

	2018	2017
(a) Analysis of credit for the year:	**£'000**	£'000
Current tax:		
UK corporation tax charge	**3,964**	1,637
Amounts payable for Group tax loss relief	**1,840**	1,184
Foreign corporation tax	**727**	(329)
Foreign tax suffered	**318**	115
UK film tax relief	**(257)**	(1,792)
Double taxation credit	**(224)**	(85)
Amounts under provided in previous years	**(352)**	(1,137)
	6,016	(407)
Deferred tax:		
Relating to origination and reversal of temporary differences	**208**	918
Effect of change in deferred tax rates	**-**	(61)
Amounts (under)/over provided in previous years	**(319)**	986
	(111)	1,843
Tax charge in the Group comprehensive income statement	**5,905**	1,436

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2018

11 Tax on profit on ordinary activities (continued)

(b) Factors affecting current taxation for the year:	**2018 £'000**	2017 £'000
Profit on ordinary activities before tax	**30,263**	15,043
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017: 20%)	**5,750**	3,009
Adjustments in respect of:		
UK Film tax relief	**(257)**	(1,792)
Corporation tax overprovided in previous years	**(352)**	(1,137)
Deferred tax overprovided in previous years	**(319)**	985
Non-allowable depreciation on buildings	**661**	404
Profit from joint venture	**-**	(263)
Other non-allowable expenses	**121**	328
Unrelieved tax losses	**(32)**	82
Double taxation relief	**(224)**	(85)
Overseas tax at different rates	**564**	156
Land remediation relief	**(3)**	(13)
Deferred tax - effect of taxation rate change	**5**	(238)
Other adjustments	**(9)**	-
	5,905	1,436

(c) Deferred tax	**2018 £'000**	2017 £'000
Deferred tax relates to the following:		
Group comprehensive statement of income:		
Deferred tax credit arising on:		
Accelerated capital allowances	**75**	1,167
Short term temporary differences	**(230)**	178
Tax losses	**44**	518
Fair value adjustment in respect of SSPP acquisition	**-**	(20)
Net deferred tax (credit)/charge	**(111)**	1,843

Statement of financial position:	**At 31 March 2017 £'000**	**Charged to income statement £'000**	**Balance sheet reclassification (see note 8) £'000**	**At 31 March 2018 £'000**
Accelerated capital allowances	2,147	75	1,454	**3,676**
Short term temporary differences	(211)	(230)	(455)	**(896)**
Tax losses	(44)	44	-	**-**
Fair value adjustment in respect of SSPP acquisition	335	-	-	**335**
Net deferred tax liability	2,227	(111)	999	**3,115**

The deferred tax assets are shown net against the non-current deferred tax liability in the statement of financial position.

The main rate of UK corporation tax reduced to 19% from 1 April 2017 from 20% in the previous financial year. A further reduction to the main rate of UK corporation tax to 17% has been enacted and is effective from 1 April 2020. Deferred tax balances have been calculated at 17%.

At 31 March 2017, a potential deferred tax asset of £2,000 in respect of £9,000 of non-trading losses in Sauls Farm Limited and £nil of trading losses in Teddington Studios Limited had not been recognised. During the year, Sauls Farm Limited and Teddington Studios Limited were dissolved and there are no unrecognised deferred tax assets in respect of £9,000 of losses at 31 March 2018.

12 Dividends

	2018 £'000	2017 £'000
2017 Final dividend paid at 20.8p per share (2016: 3.2p)	**11,950**	1,837
2018 Interim dividend paid at £nil per share (2017: 3.1p)	**-**	1,777
	11,950	3,614

13 Intangible assets

	Goodwill £'000
At 31 March 2017 and 31 March 2018	**5,604**
Amortisation	
At 31 March 2017	1,120
Provided during year	560
At 31 March 2018	**1,680**
Net book value	
At 31 March 2018	**3,924**
At 31 March 2017	4,484

Goodwill has been acquired through business combinations and has been allocated to the Group's Media Services cash-generating unit.

Following a review for indicators of impairment at the reporting date, it was determined that there were no indicators that the carrying value exceeded the recoverable amount.

14 Property, plant and equipment

	Freehold land and buildings £'000	**Lease-hold improve-ments £'000**	**Fixtures, fittings and equipment £'000**	**Assets under construction £'000**	**Total £'000**
Cost					
At 31 March 2017	251,389	179	42,718	8,787	303,073
Additions	3,250	12	1,852	1,172	6,286
Reclassification	8,490	-	166	(8,656)	-
Disposals	(160)	(12)	95	-	(77)
At 31 March 2018	**262,969**	**179**	**44,831**	**1,303**	**309,282**
Depreciation					
At 31 March 2017	38,597	20	28,436	-	67,053
Provided during year	6,144	10	2,657	-	8,811
Disposals	(11)	(4)	(8)	-	(23)
At 31 March 2018	**44,730**	**26**	**31,085**	**-**	**75,841**
Net book value					
At 31 March 2018	**218,239**	**153**	**13,746**	**1,303**	**233,441**
At 31 March 2017	212,792	159	14,282	8,787	236,020

Assets under construction at 31 March 2018 and 2017 relate to costs capitalised in respect of Pinewood East. These are not depreciated. Phase One of the development became operational on 30 June 2016.

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2018

14 Property, plant and equipment (continued)

The Group's long-term loan is secured by a floating charge over the Group's assets.

Included within Fixtures, fittings and equipment are assets held under finance leases with a net book value of £2,734,000 (2017: £3,214,000) and depreciation charged in the year of £514,000 (2017: £570,000).

On 26 June 2018, the Group exchanged contracts for the acquisition of c. 80 acres of land adjacent to Pinewood studios.

15 Other investments

	£'000
At 31 March 2017	1,220
Revaluation	460
At 31 March 2018	**1,680**
Fair value	
At 31 March 2018	**1,680**
At 31 March 2017	1,220

Company name	Principal Activity	Country of incorporation	% equity interest
PMBS Holdings Limited	Holding company	United Kingdom	15.0%
POP Global Limited	Film IT services	United Kingdom	12.5%

PMBS Holdings Limited owns 100% of Pinewood MBS Lighting Limited, a company that has an exclusive agreement to provide Lighting facilities at the Group's UK facilities.

The registered office of PMBS Holding Limited is: Pinewood Studios, Pinewood Road, Iver Heath, Buckinghamshire, SL0 0NH.

The registered office of POP Global Limited is: 6 Elder Street, London, England, E1 6BT.

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2018

16 Financial instruments held at fair value through profit or loss

The carrying value of the Group's financial instruments measured at fair value through profit or loss at 31 March 2018 were:

	2018	2017
Financial assets measured at fair value through profit or loss:	**£'000**	£'000
Other investments (Note 15)	**1,680**	1,220
Loan notes receivable (Note 17)	**2,738**	2,531
Fair value at 31 March 2018	**4,418**	3,751

	2018	2017
Financial liabilities measured at fair value through profit or loss:	**£'000**	£'000
Derivatives (Note 22)	**1,781**	3,687
Fair value at 31 March 2018	**1,781**	3,687

Other investments (Equity)
The fair value of the equity has been calculated by using a discounted cashflow model. The key inputs in respect of the discounted cashflow model are the discount factor of 11%, deemed to be a market rate reflecting the risks associated with the asset, the projected annual cashflows and an annual growth factor applied of 2.5%.

Loan notes receivable
The fair value calculations for the loan use eight year income projections and assume an 8% coupon on the loan is rolled into the loan balance. The par value of the loan notes is £2.7m and the fair value exercise with the assumptions noted below results in a fair value that is in line with this par value. The key assumptions used in the value in use calculations are:

Discount rate
The discount rate reflects the current market assessment of the risks specific to the financial instrument. The discount rate was calculated using the Group's cost of debt. The discount rate used for the year ended 31 March 2018 is 8% (2017: 9.3%).

Income from operations
Income projections are fixed using an interest coupon of 8% on the loan notes.

17 Trade and other receivables

	2018	2017
	£'000	£'000
Amount falling due within one year:		
Trade receivables - Media services	**21,118**	6,521
Trade receivables - Film production companies	**105**	4,125
Prepayments and other receivables	**2,638**	5,026
Loan notes receivable	**2,738**	2,531
Corporation tax receivable	**-**	1,546
	26,599	19,749
Amount falling due after more than one year:		
Loans due from parent undertakings	**129,045**	-
	129,045	-
	155,644	19,749

Loan notes receivable of £2,738,000 (2017: £2,531,000) are due for repayment by 1 January 2025. Interest, which is rolled up, is charged at 8% and is payable in June and December each year.

Loans due from parent undertakings are due for repayment on 1 December 2023 and carry interest charged at 4.05% (2017: nil).

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2018

18 Cash and cash equivalents

Included within the cash and cash equivalents balance per the statement of financial position at the reporting date are amounts unavailable for general use. These amounts relate to funds reserved solely for use in the production of specific Media Investment Film production company operations.

	2018 **£'000**	2017 £'000
Cash available for general use	**42,653**	26,999
Restricted cash and cash equivalents	**390**	1,465
Net cash and cash equivalents	**43,043**	28,464

19 Share capital

Issued, called up and fully paid	**2018** **£'000**	2017 £'000
57,409,926 Ordinary shares of 10p each	**5,741**	5,741

The Ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

20 Reserves

Share premium
Consideration received for shares issued above their nominal value net of transaction costs.

Other reserves
Other reserves represent Capital redemption reserve £135,000 and Merger reserve £348,000.

Capital redemption reserve
The capital redemption reserve represents amounts reserved in accordance with section 733 of the Companies Act 2006 relating to the cancellation of shares.

Merger reserve
On acquiring Shepperton Studios Limited the Company issued ordinary shares as part of the consideration. Merger relief was taken in accordance with Section 131 of the Companies Act 1985 (since succeeded by Section 612 of Companies Act 2006), and hence £348,000 was credited to the merger reserve.

Translation reserve
Cumulative effect of the effect of foreign currency translation of operations with a functional currency other than Sterling in line with the Group's foreign currency translation accounting policy.

Retained earnings
Cumulative profit and loss net of distributions to owners.

21 Interest bearing loans and borrowings

		Maturity	**2018** **£'000**	2017 £'000
Current Borrowings				
Bank overdraft	(i)	Annual renewal	**-**	-
Non-Current Borrowings				
Term loan facility	(ii)	29 May 2019	**-**	100,000
Revolving credit facility	(ii)	1 June 2023	**-**	-
Asset financing	(iii)	5 November 2019	**724**	1,504
Loan notes	(iv)	1 December 2023	**246,681**	-
Non-current drawn loan facilities			**247,405**	101,504
Secured bank loan arrangement costs			**(1,282)**	(438)
			246,123	101,066
Total current and non-current interest-bearing loans and borrowings			**246,123**	101,066

21 Interest bearing loans and borrowings (continued)

The effective interest rates of the above loans and borrowings are: (i) Bank overdraft - base rate plus 2.5% margin; (ii) Term loan facility and Revolving credit facility - LIBOR plus variable margin; (iii) Asset financing - 6.2%; (iv) Loan notes - 4.4%.

At 31 March 2017, the Group had a £100m term loan facility used to fund the construction of Pinewood East. During the year to 31 March 2017, £27m was drawn down on this facility.

On 13 December 2017, a refinancing of the Group was completed. At this date, the Group's existing drawn senior facilities, which were £97.5 million, were repaid in full and £250 million of new 3.75% Senior Secured Notes due 1 December 2023 were issued. Pinewood Group Limited advanced a £127.5 million loan on to its Parent.

On 13 December 2017, the Group completed a super senior revolving credit facility of £50m which is available to draw down until 1 May 2023 with Barclays Bank plc, Credit Suisse AG London Branch, HSBC Bank plc and Lloyds Bank plc. The Group terminated its existing £35 million multi-currency revolving credit facility and its £5m overdraft facility.

Interest-bearing loans and borrowings are stated net of unamortised issue costs of £7.7 million. The issue costs are being amortised over the term of the interest-bearing loans and borrowings to which they relate.

These facilities are secured on certain of the principal assets of the Group.

Asset financing facility

The asset financing facility comprises of both a sterling chattel mortgage facility and a finance lease facility which are over a fixed term with fixed monthly payments and are secured over identifiable assets of an equal value. These assets are classified as 'Fixtures, fittings and equipment' within 'Property, plant and equipment' in the statement of financial position.

Borrowing facilities
The available but undrawn committed facilities are as follows:

At 31 March 2018:	**Within 1 year £'000**	**1-4 years £'000**	**5+ years £'000**	**Total £'000**
Facilities:				
Revolving credit facility	-	-	50,000	50,000
Asset financing facility	559	165	-	724
Loan notes	-	-	250,000	250,000
Total facilities	559	165	300,000	300,724
Drawn loans:				
Revolving credit facility	-	-	-	-
Asset financing facility	(559)	(165)	-	(724)
Loan notes	-	-	(250,000)	(250,000)
Total drawn loans	(559)	(165)	(250,000)	(250,724)
Undrawn facilities:				
Revolving credit facility	-	-	50,000	50,000
Asset financing facility	-	-	-	-
Loan notes	-	-	-	-
Undrawn committed facilities	-	-	50,000	50,000

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2018

22 Derivative financial instruments

The Group's interest rate swaps are recognised as derivative financial instruments. Fair value movements are recognised in the income statement within interest receivable and similar income.

	2018	2017
	£'000	£'000
Financial liabilities carried at fair value:		
Non-current derivative financial instrument liabilities	**1,781**	3,687
	1,781	3,687

Interest rate swaps
To minimise the volatility in cash flows from a change in LIBOR, the Group held interest rate swaps designated as hedges against drawn debt obligations as detailed below.

Effective interest rate %	**Maturity**	**2018 £'000**	2017 £'000
2.00% + variable margin	30 April 2025	25,000	25,000
2.08% + variable margin	30 April 2022	25,000	25,000
		50,000	50,000

The Group's economic hedges of interest rate risk are treated as derivative financial instruments and fair value movements are recognised in the income statement.

The interest swap finance costs are charged to the income statement when the swap is payable. The swaps are payable on a quarterly basis.

23 Trade and other payables

	2018	2017
	£'000	£'000
Trade payables - Media services	**3,345**	4,218
Trade payables - Film production companies	**1,753**	4,909
Corporation tax payable	**794**	-
Value added tax	**2,902**	3,823
Other payables	**942**	1,545
Accruals	**4,842**	10,652
Amounts due to parent company	**3,124**	2,043
Capital expenditure related payables	**4,536**	5,986
Deferred royalty	**685**	835
Deferred income - Media services	**25,802**	18,637
Deferred income - Film production companies	**37**	1,013
	48,762	53,661

Amounts due to parent company bear interest at 4.05% and have no fixed repayment terms.

No fixed security has been given in respect of any of the items listed above.

24 Obligations under leases

Operating leases as lessee

Future minimum rentals payable on the Group's non-cancellable operating leases as at 31 March 2018 and 31 March 2017 are as follows:

	2018 £'000	2017 £'000
Within one year	**470**	1,109
After one year but not more than five years	**1,490**	4,009
After five years but not more than 20 years	**-**	4,258
	1,960	9,376

During the year two of the Group's property rental agreements were cancelled. The landlords released the group from obligations under these lease agreements and no payments under the operating lease agreements are due after 31 March 2018 (2017 - £7.4m).

Operating leases as lessor

Future minimum rentals receivable under non-cancellable operating leases as at 31 March 2018 and 31 March 2017 are as follows:

	2018 £'000	2017 £'000
Within one year	**9,975**	-
After one year but not more than five years	**33,018**	-
	42,993	-

During the year the Group leased a part of its freehold premises to an unconnected company for 5 years.

Finance leases as lessee

Obligations under finance leases are secured on the assets to which they relate. The future minimum lease payments as at 31 March 2018 and 31 March 2017 are as follows:

	2018 £'000	2017 £'000
Within one year	**580**	824
After one year but not more than five years	**167**	741
	747	1,565

25 Related party transactions

The Group has elected not to disclose related party transactions entered into between wholly owned members of its wider group in accordance with paragraph 331A of FRS 102.

The Group's subsidiary undertakings are listed in Note 4 to the Parent Company financial statements.

A number of the Group's subsidiary undertakings have claimed exemption from audit, these are listed in Note 4 to the Parent Company financial statements.

Transactions between the Group and its related parties are disclosed below:

	2018 £'000	2017 £'000
Sales to jointly controlled entities	**814**	3,093
Purchases from jointly controlled entities	**411**	242
Amounts owed to jointly controlled entities	**6**	27
Amounts owed by jointly controlled entities	**564**	178

26 Ultimate parent undertaking and controlling party

On 4 October 2016, Pinewood Group plc was acquired by Picture Holdco Limited, whose ultimate parent undertaking and controlling party is PW Real Estate Fund III GP Limited, in its capacity as General Partner of PW Real Estate Fund III LP.

On 5 October 2016, Pinewood Group plc re-registered from a public limited company and became Pinewood Group Limited.

The registered office address of Picture Holdco Limited is 4th Floor, 18 St. Swithin's Lane, London, England, EC4N 8AD. Picture Holdco Limited is the only parent of Pinewood Group Limited which prepares consolidated financial statements, and these will be publicly available at Companies House.

Pinewood Group Limited

Parent Company Statement of Financial Position

as at 31 March 2018

	Note	2018 £'000	2017 £'000
Assets			
Non current assets			
Investments	4	**33,006**	32,956
Deferred tax asset		**128**	128
		33,134	33,084
Current assets			
Trade and other receivables			
Due within one year	5	**259,869**	278,470
Due after more than one year	5	**129,045**	-
Cash and cash equivalents		**32,472**	4,503
		421,386	282,973
Total assets		**454,520**	316,057
Equity and liabilities			
Share capital	6	**5,741**	5,741
Share premium		**76,696**	76,696
Capital redemption reserve		**135**	135
Merger reserve		**348**	348
Translation reserve		**887**	1,340
Retained earnings		**2,657**	17,891
Total equity		**86,464**	102,151
Non-current liabilities			
Interest bearing loans and borrowings	7	**249,442**	101,066
Derivative financial instruments	8	**1,781**	3,687
		251,223	104,753
Current liabilities			
Trade and other payables	9	**116,833**	109,153
		116,833	109,153
Total liabilities		**368,056**	213,906
Total equity and liabilities		**454,520**	316,057

As permitted by section 408(4) of the Companies Act 2006, the Company has elected not to present its own income statement for the year. The loss of the Company for the year was £3,284,000 (year ended 31 March 2017: profit of £3,138,000).

The financial statements of Pinewood Group Limited (registered number: 3889552) were approved and authorised for issue by the Board of Directors on 26 June 2018. They were signed on its behalf by:

C J Naisby
Director

The notes on pages 40 to 47 form part of these financial statements.

Pinewood Group Limited

Parent Company Statement of Changes in Equity

for the year ended 31 March 2018

	Share capital £'000	Share premium £'000	Translation reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 01 April 2017	5,741	76,696	1,340	483	17,891	102,151
Loss for the year	-	-	-	-	(3,284)	(3,284)
Translation reserve movement	-	-	(453)	-	-	(453)
Total comprehensive income for the year	-	-	(453)	-	(3,284)	(3,737)
Equity dividends	-	-	-	-	(11,950)	(11,950)
At 31 March 2018	**5,741**	**76,696**	**887**	**483**	**2,657**	**86,464**
At 01 April 2016	5,741	76,696	-	483	18,367	101,287
Profit for the year	-	-	-	-	3,138	3,138
Translation reserve movement	-	-	1,340	-	-	1,340
Total comprehensive income for the year	-	-	1,340	-	3,138	4,478
Equity dividends	-	-	-	-	(3,614)	(3,614)
At 31 March 2017	5,741	76,696	1,340	483	17,891	102,151

The notes on pages 40 to 47 form part of these financial statements.

Notes to the Parent Company Financial Statements
for the year ended 31 March 2018

Pinewood Group Limited ("the Company") is a private company limited by shares incorporated and domiciled in England. The registered office is located at Pinewood Studios, Pinewood Road, Iver Heath, Buckinghamshire, SL0 0NH.

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and prior year.

Accounting convention
These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under historical cost convention.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

• Section 4 ‘Statement of Financial Position’ – Reconciliation of the opening and closing number of shares;
• Section 7 ‘Statement of Cash Flows’ – Presentation of a statement of cash flow and related notes and disclosures;
• Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instrument Issues’ – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
• Section 33 ‘Related Party Disclosures’ – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements on pages 11 to 35.

Going concern
No material uncertainties that may cast significant doubt on the ability of the Company to continue as a going concern into the foreseeable future have been identified by the Directors. Therefore, the financial statements have been prepared on the going concern basis.

Fixed assets investments
Investments in subsidiaries and joint ventures are stated initially at cost. The carrying values are reviewed for impairments if events or changes in circumstances indicate the carrying values may not be recoverable.

Financial instruments
Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities
All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Notes to the Parent Company Financial Statements (continued)
for the year ended 31 March 2018

1 Accounting policies (continued)

Equity instruments
Equity instruments issued by the Company are recorded at the fair value of proceeds received, cash or other resources received or receivable, net of direct issue costs.

Interest-bearing loans and borrowings
Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair values of consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method, allocating the interest income or interest expense over the relevant period. The loan issue costs are amortised in the income statement over the remaining maturity of the loans at a constant carrying amount and are reviewed for changes in circumstances that may indicate that the loans will not be held to maturity.

Significant accounting judgements, estimates and assumptions
The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect reported amounts at the reporting date.

Estimates, assumptions and judgements are applied by the Company. These include, but are not limited to, accruals and provisions for impairments of assets. These estimates, assumptions and judgements are also evaluated on a continual basis but are not significant.

2 Profit and loss

As permitted by section 408(4) of the Companies Act 2006, the Company has elected not to present its own income statement for the year. The loss of the Company for the year was £3,284,000 (year ended 31 March 2017: profit of £3,138,000).

3 Staff costs and numbers

Staff costs including Directors	**2018 £'000**	2017 £'000
Salaries	**1,809**	2,172
Social security costs	**195**	203
Pension costs	**62**	76
Other employee benefits	**43**	66
	2,109	2,517

Average monthly number of employees, including Executive Directors:	**2018 numbers**	2017 numbers
Management	**1**	3
Administration	**7**	7
Executive	**2**	3
	10	13

4 Investments

	£'000
Cost and net book value	
At 31 March 2017	32,956
Additions	50
At 31 March 2018	**33,006**

Notes to the Parent Company Financial Statements (continued)

for the year ended 31 March 2018

4 Investments (continued)

Subsidiaries

Details of investments in which the Company holds 20% or more of the nominal value of ordinary share capital (or other class of share capital where marked [2], see below) are as follows:

Company name	Principal Activity	Country of incorporation	% equity interest
Pinewood-Shepperton Studios Limited[1,2]	Holding company	United Kingdom	100%
Pinewood PSB Limited[1]	Property development	United Kingdom	100%
Pinewood Film Advisors Limited[1]	Film investment advice	United Kingdom	100%
Pinewood Film Advisors (W) Limited[1]	Film investment advice	United Kingdom	100%
Pinewood Studios Limited	Film studio services	United Kingdom	100%
Shepperton Studios Limited	Film studio services	United Kingdom	100%
Shepperton Studios (General Partner) Limited	Property investment	United Kingdom	100%
Pinewood Shepperton Limited	Dormant	United Kingdom	100%
Baltray No.1 Limited	Property investment	United Kingdom	100%
Baltray No.2 Limited	Property investment	United Kingdom	100%
Shepperton Management Limited	Property support	United Kingdom	100%
Pinewood Shepperton Facilities Limited	Property support	United Kingdom	100%
PSL Consulting Limited	Film services	United Kingdom	100%
Pinewood Studio Wales Limited	Film services	United Kingdom	100%
Pinewood Germany Limited	Dormant	United Kingdom	100%
Pinewood Film Services GmbH[3,4]	Dormant	Germany	100%
Pinewood Dominican Republic Limited	Film services	United Kingdom	100%
Pinewood Malaysia Limited	Film services	United Kingdom	100%
Pinewood USA Inc.[4]	Film services	USA	100%
Pinewood Film Production Studios Canada Inc.[3]	Film services	Canada	100%
Pinewood Production Services Canada Inc.	Film services	Canada	100%
Pinewood Films Limited	Film investment	United Kingdom	100%
Pinewood Media Development Limited	Film services	United Kingdom	100%
Pinewood Productions Ireland Limited	Film services	Ireland	100%
Space Bear IR Designated Activity Company	Film services	Ireland	100%
Pinewood Last Passenger Limited[3]	Film production	United Kingdom	100%
Pinewood Belle Limited[3]	Film production	United Kingdom	100%
Pinewood Camera Trap Limited	Film production	United Kingdom	100%
Pinewood Christmas Candle Limited[3]	Film production	United Kingdom	100%
Pinewood Robot Overlords Limited	Film production	United Kingdom	100%
Pinewood Riot Club Limited	Film production	United Kingdom	100%
Pinewood Pressure Limited[3]	Film production	United Kingdom	100%
Pinewood KYF Limited[3]	Film production	United Kingdom	100%
Pinewood Films No. 10 Limited	Film production	United Kingdom	100%
Pinewood Films No. 11 Limited	Film production	United Kingdom	100%
Pinewood Films No. 12 Limited	Film production	United Kingdom	100%
Pinewood Films No. 13 Limited	Film production	United Kingdom	100%
Pinewood Films No. 14 Limited	Film production	United Kingdom	100%
Where Hands Touch (FPC) Limited	Film production	United Kingdom	100%
Pinewood Films No. 16 Limited[3,4]	Film production	United Kingdom	100%
The Studios Unit Trust[2]	Property investment	Jersey	100%
Shepperton Studios Property Partnership[2]	Property investment	United Kingdom	100%
Pinewood Finco PLC[1,5]	Financial services	United Kingdom	100%

Notes to the Parent Company Financial Statements (continued)
for the year ended 31 March 2018

4 Investments (continued)

Subsidiaries (continued)

[1]Directly held.
[2]Investment held as follows:

- o Pinewood Shepperton Studios Limited - 17,830 ordinary shares of 5p each with a nominal value of £892, and 942,700 redeemable shares of 10p each with a nominal value of £94,270. Further details included in the subsidiary financial statements of Pinewood Shepperton Studios Limited.
- o The Studios Unit Trust - units held in Jersey Property Unit Trust by Baltray No 1 Limited and Baltray No 2 Limited.
- o Shepperton Studios Property Partnership - Limited Partnership in which Baltray No 1 Limited and the Studios Unit Trust are Limited Partners.

[3]At the date of approval of these financial statements, these companies have active proposals to strike off.
[4]The reporting date for Pinewood Film Services GmbH and Pinewood USA Inc. is 31 December and for Pinewood Films No. 16 Limited is 28 February.
[5]On 8 November 2017, the company purchased 100% of the shares of Pinewood Finco PLC upon the entity's incorporation.

The registered office of the subsidiaries (or local equivalent) are as follows:

- o All United Kingdom subsidiaries - Pinewood Studios, Pinewood Road, Iver Heath, SL0 0NH, England
- o The Studios Unit Trust - 47 Esplanade, St. Helier, Jersey JE1 0BD
- o All Irish subsidiaries - Second Floor, 10 South Anne Street, Dublin 2, Ireland
- o Pinewood Film Services GmbH – c/o Greenfort Partnerschaft von Rechtsanwälten, Arndtstraße 28 e 28, 60325 Frankfurt am Main, Germany
- o Pinewood USA Inc. and Pinewood Media Guarantors Insurance Services LLC – c/o Katten Munchin Rosenman LLP, 2029 Century Park East, Suite 2600, Los Angeles, CA 90067, USA
- o Pinewood Production Services Canada Inc. - 225 Commissioners Street, Toronto, ON M4M 0A1, Canada
- o Pinewood Film Production Studios Canada Inc. Suite 2600, Three Bentall Centre, PO Box 49314, 595 Burrard Street, Vancouver BC, V7X 1L3, Canada

Joint ventures

As at 31 March 2018, the Company had interests in the following joint ventures:

Company name	Principal place of business	% equity interest	% voting rights
Pinewood Atlanta LLC	USA	40%	50%
PAS Holdings Fayette LLC	USA	40%	50%

None of the investments in joint ventures is directly held. The accounting reference date for the two joint ventures is 31 December.

All joint venture interests are indirectly held. The registered office of Pinewood Atlanta LLC and PAS Holdings Fayette LLC is 461 Sandy Creek Road, Fayetteville, Georgia 30214, USA.

Other investments
The Group owns 15% of the share capital of PMBS Holdings Ltd. PMBS Holdings Ltd owns 100% of Pinewood MBS Lighting Limited. The Company also has an indirect investment in POP Global Limited amounting to 12.5% of the share capital. POP Global Limited owns 100% of We Got Pop Limited.

Notes to the Parent Company Financial Statements (continued)
for the year ended 31 March 2018

4 Investments (continued)

Audit exemption
Pinewood Group Limited has given statutory guarantees against all the outstanding liabilities of the below listed wholly-owned subsidiaries at 31 March 2018 under Section 479A of the Companies Act 2006, thereby allowing these subsidiaries to be exempt from the annual audit requirement for the year ended 31 March 2018.

Although the Company does not anticipate the guarantees to be called upon, the book values of the guaranteed liabilities, excluding intragroup balances, for each relevant subsidiary at 31 March 2018 are set out below:

Company name	Company registration number	Liabilities to non-group entities £'000
Baltray No.1 Limited	05776674	96
Baltray No.2 Limited	05778635	-
Pinewood Camera Trap Limited	08153323	-
Pinewood Dominican Republic Limited	07096246	27
Pinewood Films Limited	07660856	-
Pinewood Films No. 10 Limited	08818148	7
Pinewood Films No. 13 Limited	09006529	12
Pinewood Malaysia Limited	07074446	66
Pinewood Media Development Limited	09592018	-
Pinewood Riot Club Limited	08446929	-
Pinewood Robot Overlords Limited	08370083	-
Pinewood PSB Limited	06300755	15,837
Pinewood Studio Wales Limited	08863162	121
PSL Consulting Limited	08655214	156
Shepperton Management Limited	05907027	-
Shepperton Studios (General Partner) Limited	05913009	-
Pinewood Germany Limited	07079399	-
Pinewood Camera Trap Limited	08153323	2
Pinewood Robot Overlords Limited	08370083	2
Pinewood Riot Club Limited	08446929	-
Pinewood Shepperton Facilities Limited	07527390	-

Notes to the Parent Company Financial Statements (continued)
for the year ended 31 March 2018

5 Trade and other receivables

	2018	2017
	£'000	£'000
Amount falling due within one year:		
Prepayments and accrued income	**66**	47
Loans due from subsidiary undertakings	**36,414**	36,414
Amounts due from subsidiary undertakings	**223,389**	242,009
	259,869	278,470
Amount falling due after more than one year:		
Loans due from parent undertakings	**129,045**	-
	129,045	-
	388,914	278,470

Intragroup balances are repayable on demand and interest is charged at 4.05% (2017: 3.1%). The loans due from the parent company are repayable on 1 December 2023 and carry interest charged at 4.05% (2017: nil). The loans due from subsidiary undertakings are repayable on demand and interest is charged at 4.5% (2017: 4.5%).

6 Share capital

	2018	2017
Issued, called up and fully paid	**£'000**	£'000
57,409,926 Ordinary shares of 10p each	**5,741**	5,741

The Ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

7 Interest bearing loans and borrowings

	Maturity	**2018**	2017
		£'000	£'000
Current Borrowings			
Bank overdraft	Annual renewal	**-**	-
Non-Current Borrowings		-	
Term loan facility	29 May 2019	**-**	100,000
Revolving credit facility	1 June 2023	**-**	-
Asset financing	5 November 2019	**724**	1,504
Loan from subsidiary undertaking	1 December 2023	**250,000**	-
Non-current drawn loan facilities		**250,724**	101,504
Secured bank loan arrangement costs		**(1,282)**	(438)
		249,442	101,066
Total current and non-current interest-bearing loans and borrowings		**249,442**	101,066

The loan from subsidiary undertaking carries interest at 3.75% and is repayable on 1 December 2023.

Details of effective interest rates, total facilities, security, repayment, covenants are listed in Note 21 of the consolidated Group financial statements accounts above.

Notes to the Parent Company Financial Statements (continued)
for the year ended 31 March 2018

8 Derivative financial instruments

The Company's interest rate swaps are recognised as derivative financial instruments. Fair value movements are recognised in the income statement within interest payable and similar charges.

Further details can be found in Note 22 to the consolidated Group financial statements.

	2018	2017
	£'000	£'000
Financial liabilities carried at fair value:		
Non-current derivative financial instrument liabilities	**1,781**	3,687
	1,781	3,687

9 Trade and other payables

	2018	2017
	£'000	£'000
Other creditors	**1,535**	4,992
Amounts due to parent undertakings	**75**	150
Amounts due to subsidiary undertakings	**115,223**	104,011
	116,833	109,153

Intragroup balances are repayable on demand and interest is charged at 4.05% (2017: 3.1%).

10 Related party transactions

The Company has elected not to disclose related party transactions entered into between wholly owned members of its wider group in accordance with paragraph 331A of FRS 102.

Notes to the Parent Company Financial Statements (continued)
for the year ended 31 March 2018

11 Contingent liability

The Company has committed to provide financial support to several of its wholly owned subsidiary undertakings in a net current liability position to an amount as may be required to enable each subsidiary to fulfil its operational commitments to meet liabilities as and when they fall due and carry on their business as a going concern. Where it is required, Pinewood Group Limited intends to extend such support for a further 12 months from the date the current commitments expire as shown below.

Company name	Expiration date of financial support
Baltray No.1 Limited	6 March 2019
Baltray No.2 Limited	6 March 2019
Pinewood Films Limited	14 December 2018
Pinewood Film Advisors (W) Limited	14 December 2018
Pinewood Germany Limited	11 April 2018
Pinewood Media Development Limited	15 December 2018
Pinewood PSB Limited	15 December 2018
Pinewood-Shepperton Studios Limited	15 December 2018
Pinewood Studios Limited	15 December 2018
Pinewood Studio Wales Limited	15 December 2018
Shepperton Studios Limited	15 December 2018
Pinewood Film Advisors Limited	27 July 2018

The Company, together with certain subsidiary undertakings had at the financial statement date granted a cross guarantee in favour of its bankers in respect of the bank borrowings of the Group.

The guarantee was secured by a floating charge which as at 31 March 2018 was £252,505,000 (2017: £105,390,000).

The loan notes issued during the year within the financial statements of the Group are secured by fixed and floating charges over the trade and assets of the group headed by Picture Holdco Limited, of which the company is a member.

12 Ultimate parent undertaking and controlling party

On 4 October 2016, Pinewood Group plc was acquired by Picture Holdco Limited, whose ultimate parent undertaking and controlling party is PW Real Estate Fund III GP Limited, in its capacity as General Partner of PW Real Estate Fund III LP.

On 5 October 2016, Pinewood Group plc re-registered from a public limited company and became Pinewood Group Limited.

The registered office address of Picture Holdco Limited is 4th Floor, 18 St. Swithin's Lane, London, England, EC4N 8AD. Picture Holdco Limited is the parent of the largest group for which consolidated accounts are prepared which include the results of Pinewood Group Limited, and these will be publicly available at Companies House. The smallest group for which consolidated accounts are prepared is for Pinewood Group Limited which are shown on pages 13 to 38 of these financial statements.