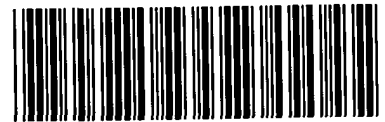


Company Registration No. 11054849 (England and Wales)

PINEWOOD FINCO PLC
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 MARCH 2018

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COMPANIES HOUSE

PINEWOOD FINCO PLC

COMPANY INFORMATION

Directors	P W M Golding C J Naisby L Moner Parra
Company secretary	B Sheldon-Hill
Company number	11054849
Registered office	Pinewood Studios Pinewood Road Iver Heath Buckinghamshire SL0 0NH
Auditor	Deloitte LLP Statutory Auditor Abbots House Abbey Street Reading Berkshire RG1 3BD

PINEWOOD FINCO PLC

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 MARCH 2018

The directors present the strategic report for the period ended 31 March 2018.

Fair review of the business

The company was incorporated on 8 November 2017 as a wholly-owned subsidiary of Pinewood Group Limited with a view to refinancing the external debt of group undertakings. On 13 December 2017, the company issued £250m of debt listed on The International Stock Exchange ("TISE") which it lent on to its parent company, Pinewood Group Limited, to settle the existing external finance held in the group headed by Pinewood Group Limited (the "Pinewood Group").

Principal risks and uncertainties

The directors do not consider it appropriate to discuss the risks and uncertainties affecting Pinewood Finco PLC as a single entity because the company's financial risks are managed on a group basis.

Further information in respect of the financial risk management of the group can be found in the consolidated financial statements of Picture Holdco Limited, or Pinewood Group Limited, which are publicly available from Companies House.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, despite the net current liabilities at 31 March 2018 of £9,000. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The company meets its day-to-day working capital requirements through intercompany funding. As at 31 March 2018 £250.4 million was owed to the company by group undertakings and the company owed £3.0 million to group undertakings. The company's forecasts show that the company will be able to operate within the level of its cash resources and facilities for at least the next twelve months from the date of these financial statements.

On behalf of the board



.....
C J Naisby

Director

Date: 12 September 2018

PINEWOOD FINCO PLC

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the period ended 31 March 2018.

Principal activities

The company is a wholly-owned member of the group headed by Picture Holdco Limited. The principal activity of the company is that of provision of finance for the group.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

P W M Golding	(Appointed 8 November 2017)
C J Naisby	(Appointed 8 November 2017)
L Moner Parra	(Appointed 8 November 2017)

Results and dividends

The results for the period are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

Future developments

The Directors believe that the company will continue in its current form for the foreseeable future and do not anticipate any future developments in the company's business.

Auditor

Deloitte LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006. Management intends that the auditor will be deemed to be reappointed under section 487(2) of the Companies Act 2006 for future financial years.

Strategic Report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of disclosures relating to principal risks and uncertainties and going concern.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



.....
C J Naisby
Director

Date: 12 September 2018

PINEWOOD FINCO PLC

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 MARCH 2018

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PINWOOD FINCO PLC

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its 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 Finco plc (the 'company') which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 15.

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 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 as applied to listed entities, 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.

Summary of our audit approach	
Key audit matters	The key audit matter that we identified in the current year was the treatment of senior secured notes arrangement fees.
Materiality	The materiality that we used in the current year was £200,000 which was determined on the basis of 2% of annualised interest expense including amortisation of capitalised fees.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.





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 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PINWOOD FINCO PLC

<p>Key audit matters</p> <p>Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.</p> <p>These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.</p>	
<p>Treatment of senior secured notes arrangement fees </p>	
<p>Key audit matter description</p> <p></p>	<p>In relation to the December 2017 re-financing Pinewood Group Limited, of which Pinewood Finco plc is a 100% directly held subsidiary, incurred arrangement fees. Of these fees £6.4 million were in relation to the senior secured notes issued by Pinewood Finco plc and have therefore been allocated to Pinewood Finco plc (see note 12) and recorded against the senior secured notes balance.</p> <p>In accordance FRS 102, arrangement fees should be charged to the income statement using the effective interest rate method.</p> <p>The accounting for the arrangement fees has been identified as a significant audit risk, given the material balance, the complexity of the calculation and the judgement involved in arriving at the associated interest cost.</p> <p>Key management judgements and estimates involved were (see note 1):</p> <ul style="list-style-type: none"> • The allocation of total arrangement fees directly attributable to the senior secured notes as opposed to other facilities entered into by other group companies; and • The estimation of accrued arrangement fees.
<p>How the scope of our audit responded to the key audit matter</p> <p></p>	<ul style="list-style-type: none"> • We evaluated the design and implementation of the key controls related to the treatment of the arrangement fees. • We have reviewed management's calculation and disclosure of the arrangement fees and assessed the recognition and measurement requirements of the relevant accounting standards. • We have agreed the amounts of the arrangement fees directly attributable to the senior secured notes to supporting documentation. • We have re-performed the calculations of capitalised arrangement fees. • We challenged management judgements over the treatment of the allocation of arrangement fees and estimation of accrued arrangement fees.
<p>Key observations</p> <p></p>	<p>No material uncorrected misstatements were identified.</p>

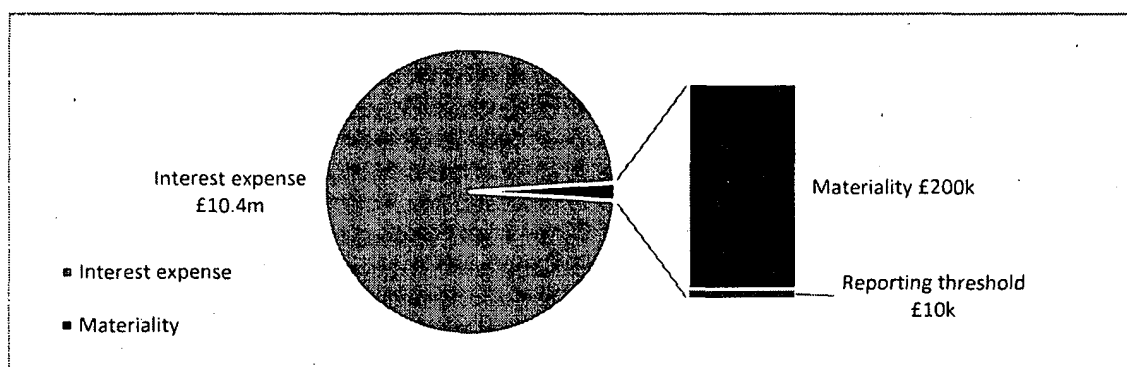
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PINEWOOD FINCO PLC

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£200,000
Basis for determining materiality	2% of annualised interest expense including amortisation of capitalised fees.
Rationale for the benchmark applied	We determined materiality based on the annualised interest expense including amortisation of capitalised fees as this is a key metric used by Management and investors to assess the Company's position as the debt holding entity of the Pinewood Group.



We agreed with the Board of Directors that we would report all audit differences in excess of £10,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Board of Directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PINWOOD FINCO PLC

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.

We have nothing to report in respect of these matters.

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.

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 company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PINWOOD FINCO PLC

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

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

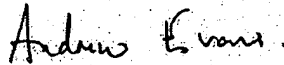
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records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

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.



Andrew Evans, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom
12 September 2018

PINEWOOD FINCO PLC

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2018

	Notes	Period ended 31 March 2018 £'000
Investment income	6	3,150
Finance costs	7	(3,101)
Profit before taxation		<u>49</u>
Tax on profit	8	-
Profit and total comprehensive income for the financial period		<u><u>49</u></u>

All amounts reported in the statement of comprehensive income relate to continuing operations.

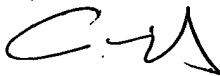
PINEWOOD FINCO PLC

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Notes	2018	
		£'000	£'000
Non-current assets			
Trade and other receivables falling due after more than one year	9		246,789
Current assets			
Trade and other receivables falling due within one year	9	3,633	
Cash and cash equivalents		50	
		<u>3,683</u>	
Current liabilities	10	<u>(3,692)</u>	
Net current liabilities			<u>(9)</u>
Total assets less current liabilities			<u>246,780</u>
Non-current liabilities	11		<u>(246,681)</u>
Net assets			<u><u>99</u></u>
Equity			
Called up share capital	13		50
Retained earnings	14		49
Total equity			<u><u>99</u></u>

The financial statements were approved by the board of directors and authorised for issue on 12 September 2018 and are signed on its behalf by:



.....
C J Naisby
Director

PINEWOOD FINCO PLC

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2018

	Note	Share capital £'000	Retained earnings £'000	Total £'000
Period ended 31 March 2018:				
Profit and total comprehensive income for the financial period		-	49	49
Issue of share capital	13	50	-	50
		<hr/>	<hr/>	<hr/>
Balance at 31 March 2018		<u>50</u>	<u>49</u>	<u>99</u>

PINEWOOD FINCO PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

1 Accounting policies

Company information

Pinewood Finco PLC is a public company limited by shares and is registered and incorporated in England and Wales. The registered office is Pinewood Studios, Pinewood Road, Iver Heath, Buckinghamshire, SL0 0NH.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Pinewood Group Limited. These consolidated financial statements are available from Companies House.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, despite the net current liabilities at 31 March 2018 of £9,000. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The company meets its day-to-day working capital requirements through intercompany funding. As at 31 March 2018 £250.4 million was owed to the company by group undertakings and the company owed £3.0 million to group undertakings. The company's forecasts show that the company will be able to operate within the level of its cash resources and facilities for at least the next twelve months from the date of these financial statements.

PINEWOOD FINCO PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

1 Accounting policies (Continued)

Reporting period

The company was incorporated on 8 November 2017. The reporting date was changed to 31 March 2018 to coincide with the rest of the group. These financial statements show the 5 month period from the date of incorporation to 31 March 2018.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

PINEWOOD FINCO PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

1 Accounting policies (Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, and the secured loan notes, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

PINEWOOD FINCO PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

1 Accounting policies (Continued)

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

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.

PINEWOOD FINCO PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Capitalised bond issue fees

Pinewood Finco plc is a 100% owned subsidiary of Pinewood Group Limited. On 13 December 2017, a refinancing of the Pinewood Group Limited, and its subsidiaries, was completed. At this date, the existing drawn senior facilities, which were £97.5 million, were repaid in full, £250 million of new 3.75% Senior Secured Notes due 1 December 2023 were issued to Pinewood Finco plc, and Pinewood Finco plc advanced a £250 million loan on to Pinewood Group Limited. In addition, on 13 December 2017 Pinewood Group Limited 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.

Issuance fees, incurred in relation to these new debt facilities, principally relate to legal and professional fees. Certain of these identified fees relate specifically, and wholly, to the issuance of either the senior secured notes or the super senior revolving credit facility and have been accounted for in the accounts of Pinewood Finco plc or Pinewood Group Limited accordingly. However, certain fees relate to the provision of services during the refinancing exercise as a whole and are not able to be directly allocated to one facility/entity or another.

The Directors have exercised judgement to allocate these fees on a proportional basis between the debt facilities with those fees relating to the senior secured notes being accounted for as capitalised bond issue fees in the accounts of Pinewood Finco plc. If the proportion allocated to Pinewood Finco plc was reduced by 10% capitalised bond issue fees would reduce by £161,000.

Management are not aware of any judgements or key sources of estimation uncertainty which they have made in the application of the company's accounting policies which would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3 Employees

There were no persons employed and remunerated by the company (including directors) during the period.

No directors received any remuneration from the company during the current period. All directors are remunerated by other group companies and no recharge is made to Pinewood Finco PLC in respect of their remuneration.

4 Auditor's remuneration

Fees payable to the auditor of the company are borne by other group undertakings and no recharge is made to the company in respect of these costs.

PINEWOOD FINCO PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

5 Segmental reporting

The Directors believe that the company operates only one reporting segment and consequently no further segmental reporting is deemed necessary.

6 Investment income

	2018 £'000
Interest income	
Interest receivable from group companies	3,150
	<u> </u>

Interest receivable from group companies relates to the loan disclosed in note 9.

7 Finance costs

	2018 £'000
Interest on financial liabilities measured at amortised cost:	
Interest payable to group undertakings	60
Other interest on financial liabilities	3,041
	<u> </u>
	<u>3,101</u>

8 Taxation

The total tax charge for the period included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2018 £'000
Profit before taxation	49
	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00%	9
Group relief	(9)
	<u> </u>
Taxation charge for the period	-
	<u> </u>

9 Trade and other receivables

	2018 £'000
Amounts falling due within one year:	
Amounts owed by group undertakings	3,633
	<u> </u>

PINEWOOD FINCO PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

9 Trade and other receivables (Continued)

	2018 £'000
Amounts falling due after more than one year:	
Amounts owed by group undertakings	246,789
	<u> </u>
Total debtors	250,422
	<u> </u>

On 13 December 2017 Pinewood Finco PLC entered into a loan agreement with its parent company, Pinewood Group Limited. The company agreed to loan its parent £250 million under a loan agreement subordinated under the company's external debt disclosed in note 12. The loan bears interest at the same rate as the external debt referenced in note 12, 3.75%, plus a margin of 0.15% per annum (for the administration of the external debt on behalf of the Group) and a charge for the recovery of finance fees incurred by Pinewood Finco PLC in arranging the external debt. Repayments of interest and capital are required to be made in sufficient time for the company to make onward repayment to its external debt providers. As a result, the capital balance falls due for repayment on 1 December 2023.

All other amounts due from group undertakings are interest bearing and due on demand.

10 Current liabilities

	2018 £'000
Amounts due to group undertakings	3,004
Accruals and deferred income	688
	<u> </u>
	3,692
	<u> </u>

Amounts due to group undertakings bear interest at a rate of 4.05% and are repayable on demand.

PINEWOOD FINCO PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

11 Non-current liabilities

	Note	2018 £'000
Other borrowings	12	246,681

Amounts included above which fall due after five years are as follows:

Payable other than by instalments	250,000
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12 Borrowings

	2018 £'000
Other loans	246,681
Payable after one year	246,681

Loans payable after one year:

	2018 £'000
Capital balance	250,000
Accrued interest and unamortised arrangement fees	(3,319)
	246,681

The loan notes are secured by fixed and floating charges over the trade and assets of the group headed by Picture Holdco Limited which are held and operated within the United Kingdom.

On 13 December 2017 the company issued 3.75% Senior Secured Notes with a capital value of £250,000,000. The loan notes fall due on 1 December 2023. Directly attributable costs of £6,361,000 were paid in the period to 31 March 2018 and are being amortised as part of the effective interest rate method in accordance with the company's accounting policy. The loan notes are listed on The International Stock Exchange ("TISE").

PINEWOOD FINCO PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

13 Share capital

	2018 £'000
Ordinary share capital	
Issued and fully paid	
50,000 Ordinary shares of £1 each	50
	<u>50</u>
	<u><u>50</u></u>

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

On incorporation, the company issued 50,000 Ordinary shares of £1 each for cash at par.

14 Reserves

Retained earnings

Retained earnings represents cumulative profit and loss net of distributions to owners.

15 Controlling party

The immediate parent company is Pinewood Group Limited, a company incorporated in England and Wales. Pinewood Group Limited has its registered office at: Pinewood Studios, Pinewood Road, Iver Heath, Buckinghamshire, SL0 0NH. Pinewood Group Limited is the smallest group to prepare consolidated accounts which include the results of Pinewood Finco PLC.

The largest group which prepares consolidated financial statements which include the results of Pinewood Finco PLC is headed by Picture Holdco Limited, a company incorporated in England and Wales. Picture Holdco Limited has its registered office at: 18 St. Swithin's Lane, 4th Floor, London, EC4N 8AD.

The consolidated financial statements of Pinewood Group Limited and Picture Holdco Limited are both available from Companies House.

The ultimate parent entity is PW Real Estate Fund III GP Limited (a company incorporated in Jersey) in its capacity as general partner of PW Real Estate Fund III LP (a limited partnership formed in Jersey). The registered office of PW Real Estate Fund III GP Limited and PW Real Estate Fund III LP is: 1 Waverley Place, Union Street, St Helier, Jersey, JE1 1SG.

PINEWOOD FINCO PLC

MANAGEMENT INFORMATION

FOR THE PERIOD ENDED 31 MARCH 2018

THE FOLLOWING PAGE DOES NOT FORM PART OF THE FINANCIAL STATEMENTS

PINEWOOD FINCO PLC

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2018

	£'000	Period ended 31 March 2018 £'000
Investment revenues		
Interest receivable from group companies	3,150	
	<u> </u>	3,150
Finance costs		
Non bank interest on loans	3,041	
Interest payable to group companies	60	
	<u> </u>	(3,101)
Profit before taxation		<u> </u> <u> </u> 49



PINEWOOD

Andrew Evans
Deloitte LLP
Abbots House
Abbey Street
Reading
RG1 3BD

12 September 2018

Our Ref: AE / GW

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Pinewood Finco plc and its financial statements for the period ended 31 March 2018 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of Pinewood Finco plc as of 31 March 2018 and of the results of its operations for the period then ended in accordance with the applicable accounting framework and the Companies Act 2006. We are aware that under Section 501 of the Companies Act 2006, it is an offence to mislead a company auditor.

We confirm, to the best of our knowledge and belief, the following representations.

Financial statements

1. We understand and have fulfilled our responsibilities for the preparation of the financial statements in accordance with the applicable financial reporting framework and the Companies Act 2006 which give a true and fair view, as set out in the terms of the audit engagement letter.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. All events subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment of or disclosure have been adjusted or disclosed.
4. The effects of uncorrected misstatements and disclosure deficiencies are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements and disclosure deficiencies is detailed in the appendix to this letter.

Pinewood Group Limited

Pinewood Studios, Pinewood Road, Iver Heath, Buckinghamshire, SLO 0NH United Kingdom
T: +44 (0)1753 651700 Email: info@pinewoodgroup.com

www.pinewoodgroup.com

Registered in England No 3889552 Registered Office: Pinewood Studios, Pinewood Road, Iver Heath, Bucks, England SLO 0NH



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5. We confirm that the financial statements have been prepared on the going concern basis. We do not intend to liquidate the company or cease trading as we consider we have realistic alternatives before doing so. We are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the company's ability to continue as a going concern. In light of the net current liabilities position at the period end we have assessed company forecasts and intercompany funding resources which will enable the company to meet its working capital requirements and to be able to continue operating for at least the next 12 months. We confirm the completeness of the information provided regarding events and conditions relating to going concern at the date of approval of the financial statements, including our plans for future actions.
6. We have drawn to your attention all correspondence and notes of meetings with regulators.
7. All trades in complex financial instruments are in accordance with our risk management policies, have been conducted on an arm's length basis and have been appropriately recorded in the accounting records, including consideration of whether the complex financial instruments are held for hedging, asset/liability management or investment purposes. None of the terms of the trades have been amended by any side agreement and no documentation relating to complex financial instruments (including any embedded derivatives and written options) and other financial instruments has been withheld.

Information provided

8. We have provided you with all relevant information and access as agreed in the terms of the audit engagement letter and required by sections 499 and 500 of the Companies Act 2006.
9. All transactions have been recorded and are reflected in the financial statements and the underlying accounting records.
10. We acknowledge our responsibilities for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
11. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
12. We are not aware of any fraud or suspected fraud that affects the entity and involves:
 - (i) management;
 - (ii) employees who have significant roles in internal control; or
 - (iii) others where the fraud could have a material effect on the financial statements.
13. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.



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14. We are not aware of any instances of non-compliance, or suspected non-compliance, with laws, regulations, and contractual agreements whose effects should be considered when preparing financial statements
15. We have disclosed to you the identity of the company's related parties and all the related party relationships and transactions of which we are aware.
16. We confirm that we have disclosed to the company all matters as may be necessary for the purpose of making the directors' remuneration disclosures required by the Companies Act 2006.
17. No claims in connection with litigation have been or are expected to be received.
18. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
19. We have made available to you all copies of all advice or opinions received by the Company from outside tax advisors.
20. All minutes of directors, management and shareholders meetings during and since the financial year have been made available to you.
21. We have considered the recoverability of the intercompany receivables in the statement of financial position. We confirm that the above representations are made on the basis of adequate enquiries of management and staff (and where appropriate, inspection of evidence) sufficient to satisfy ourselves that we can properly make each of the above representations to you.
22. The measurement processes, including related assumptions and models used to determine accounting estimates in the context of the applicable financial reporting framework are appropriate and have been applied consistently.
23. The assumptions appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity where relevant to the accounting estimates and disclosures.
24. The disclosures related to accounting estimates under the entity's applicable financial reporting framework are complete and appropriate.



PINEWOOD

25. There have been no subsequent events that require adjustment to the accounting estimates and disclosures included in the financial statements.
26. We have allocated the total refinancing fees incurred as part of Project Showreel proportionately to the bond held in Pinewood Finco plc and to the revolving credit facility held by Pinewood Group Limited. This allocation is on a proportionate basis of total commitment available. It is our judgement that this is the most appropriate available basis on which to allocate the fees.

Yours faithfully

Signed on behalf of the Board of Directors



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Appendix 1

Schedule of Uncorrected Misstatements

Description	Assets	Liabilities	Equity	Income
	DR / (CR)	DR / (CR)	DR / (CR)	Statement
	£	£	£	£
None noted				



PINEWOOD

Disclosure deficiencies:

#	Disclosure title	Description of the deficiency and explanation of why not adjusted	Amount (if applicable)
	None noted		