



**PINEWOOD**

**Pinewood Group Limited  
Interim Report as at and for  
the 6 month period to  
30 September 2018**

## Second 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 91%, in the 6 months to September 2018, at our UK studios.
- Total UK spend for film in Q1 – Q3 2018 was £1.5 billion, the third highest since records began.

### Strategic highlights

- Pinewood East expansion works are progressing on time and on budget.
- A decision on the planning application for the modernisation and expansion of Shepperton Studios is expected in early 2019.
- Real estate optimisation programme for the redevelopment/refurbishment of certain assets continuing with 3 projects complete, 2 under construction and a further 6 in procurement/design phase.

### Financial highlights

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

#### Key performance indicators

	<b>6 month period ended 30 Sept 2018 £'000</b>	<i>6 month period ended 30 Sept 2017 £'000</i>	<i>Year ended 31 Mar 2018 £'000</i>	<i>Year ended 31 Mar 2017 £'000</i>
Stage occupancy	91%	94%	93%	81%
Turnover	43,184	40,618	79,690	76,082
Adjusted EBITDA	22,603	21,536	42,338	34,062
Adjusted EBITDA margins	52.3%	53.0%	53.1%	44.8%
Cash generated from operations	27,237	6,636	23,624	34,971
Capital expenditure	8,272	5,149	6,482	31,632
Adjusted net debt	(194,322)	(84,621)	(207,681)	(73,040)

#### Turnover

YTD 2018/19 turnover, attributable to Media Services, has increased by 6.3% versus prior year, increasing from £40.6 million for YTD 2017/18 to £43.2 million in YTD 2018/19. The year on year increase is principally due to production scheduling resulting in higher other production accommodation revenues, cancellation fee revenue following the cancellation of certain contracted bookings, production facility rate card increases and a high volume of projects in Creative Services.

#### Adjusted EBITDA

Adjusted EBITDA increased to £22.6 million in YTD 2018/19 from £21.5 million in YTD 2017/18 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, (iii) a decrease in administrative expenses attributable to reduced staff costs and ceased activities, offset by (iv) reduced activity in Atlanta.

**Reconciliation of profit on ordinary activities  
after taxation / profit after tax to adjusted EBITDA**

	<b>6 month period ended 30 Sept 2018 £'000</b>	<i>6 month period ended 30 Sept 2017 £'000</i>	<i>Year ended 31 Mar 2018 £'000</i>	<i>Year ended 31 Mar 2017 £'000</i>
Profit on ordinary activities	11,502	12,544	24,358	13,607
Net Interest payable	2,629	744	2,294	4,950
Tax charge on profit on ordinary activities	2,553	3,678	5,905	1,436
Depreciation of property, plant and equipment	4,309	4,404	8,811	8,111
Amortisation of goodwill	280	280	560	560
Amortisation of long-term assets	0	0	0	166
Exceptional items	523	(343)	(549)	3,170
Operating loss attributable to Media Investment (ceased)	2	229	905	2,014
Loss on disposal of property, plant and equipment	805	0	54	48
<b>Adjusted EBITDA</b>	<b>22,603</b>	<b>21,536</b>	<b>42,338</b>	<b>34,062</b>

**Cash flow and capital expenditure**

Cash generated from operations increased to £27.2 million in YTD 2018/19 from £6.6 million in YTD 2017/18. This is principally driven by changes in working capital, as a result of the timing of receipts from some of our leases and productions.

**Change of director**

Earlier this year, our Finance Director, Chris Naisby, informed us that he wished to leave the company next year in order to pursue personal interests. Mr. Naisby has contributed significantly to Pinewood over the past 17 years, playing an important role in the group's UK and international expansion, the public to private transaction two years ago and the refinancing last year. To ensure continuity and a smooth succession, Mr. Naisby will remain as Finance Director until 28 April 2019 and will continue to work for Pinewood until 31 July 2019.

We also announce the appointment of Barbara Inskip as our Chief Financial Officer, effective 29 April 2019. Ms. Inskip will join Pinewood from Taylor Wimpey Plc, a London Stock Exchange listed and FTSE 100 housebuilder where she is currently the Group Financial Controller. Prior to Taylor Wimpey, Ms. Inskip held senior financial positions at Serco Group Plc and Centrica Plc. Ms. Inskip qualified as a chartered accountant with KPMG and holds a first-class degree in Economics from University College, London.

**Paul Golding, CEO, commented**

Firstly, on behalf of the Board, I would like to thank Chris for his considerable contribution over the years and we wish him well for the future. Chris has been an immensely loyal colleague and I have very much enjoyed working with him.

We have conducted a thorough search for Chris' successor and are delighted to appoint Barbara as our Chief Financial Officer. The timing of Barbara's appointment and Chris' departure enables us to effect an orderly transition and smooth succession.

Pinewood and Shepperton Studios in the UK continue to perform strongly and in line with expectations.

The expansion of Pinewood East where we are building an additional 200,000 square feet of stages and ancillary space is progressing both on time and on budget. We expect to complete the development in the second half of FY2020.

**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.

### **Presentation of financial information**

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

This interim 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 30 September 2018 (“Q2 2018/19”, “Q2 FY19”), and the comparative period as of and for the 3 months ended 30 September 2017 (“Q2 2017/18” or “Q2 FY18”), prepared in accordance with FRS 102.
- The unaudited consolidated financial information of the Group as of and for the 6 months ended 30 September 2018 (“Q2 YTD 2018/19”, “Q2 YTD FY19”, or “YTD 2018/19”), and the comparative period as of and for the 6 months ended 30 September 2017 (“Q2 YTD 2017/18”, “Q2 YTD FY18”, or “YTD 2017/18”), 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”) is prepared in accordance with FRS 102. The financial year for the Group runs from 1 April following the previous financial year end to 31 March each calendar year.

## Further information for the noteholders

This interim 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 interim report may include forward-looking statements. All statements other than statements of historical fact included in this interim 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 interim 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 interim 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 interim 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 interim 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 interim report, "adjusted net debt" is calculated as net debt less the loan to parent and unamortised loan issue costs.

## Results of operation

### Second Quarter 2018/19 compared with Second Quarter 2017/8

#### *Turnover*

£ thousands	Q2 2018/19	Q2 2017/8	% Change
Media Services	20,617	20,288	2%
Media Investment	-	852	-
<b>Group Turnover</b>	<b>20,617</b>	<b>21,140</b>	<b>(2%)</b>

Turnover attributable to Media Services was £20.6 million in Q2 2018/19, an increase of 2%, £0.3 million, compared to Q2 2017/18.

Group turnover decreased by £0.5 million, from £21.1 million in Q2 2017/8 to £20.6 million in Q2 2018/9 principally due to the cessation of Media Investment activity.

#### *Cost of sales*

Cost of sales expenses decreased by £0.1 million to £11.2 million in Q2 2018/19 from £11.3 million in Q2 2017/18. The cessation of Media Investment and other non-core loss making activities was the primary cause of this decrease albeit this has been offset by increased activity and the loss on disposal of certain assets impacted by the real estate optimisation programme.

#### *Gross Profit*

Gross profit decreased from £9.9 million in Q2 2017/18 to £9.4 million in Q2 2018/19 for the reasons set out above. Gross margin decreased from 46.7% in Q2 2017/18 to 45.7% in Q2 2018/19 reflecting the items set out above with the impact of the cessation of Media Investment activity being offset by the loss on disposal of certain assets.

#### *Selling and distribution costs*

Selling and distribution costs were reduced from £0.5 million in Q2 2017/18 to £0.2 million in Q2 2018/19 principally due to staff cost reductions and reduction in the provision for bad debts.

#### *Administrative expenses*

Administrative expenses increased 27.7% to £1.8 million in Q2 2018/19 from £1.4 million in Q2 2017/18 which we primarily attribute to a movement in exceptional items of £1.4 million arising from fees incurred in relation to a strategic review of the Group, offset by a decrease of £1.0 million attributable to ceased activities, staff costs and reduced professional fees.

#### *Income from Participating Interests*

Losses from participating interests in Q2 2018/9 was £0.4 million compared to a profit £1.1 million in Q2 2017/8. This was primarily due to reduced activity in Atlanta.

#### *Interest receivable and similar income*

Interest receivable and similar income increased from £0.1 million in Q2 2017/8 to £1.7 million in Q2 2018/19 principally reflecting interest on the Group's loan to its parent.

#### *Interest payable and similar charges*

Interest payable and similar charges increased from £0.4 million in Q2 2017/8 to £2.6 million in Q2 2017/18 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 £2.3 million in Q2 2017/18 to £1.0 million in Q2 2018/19 primarily attributable to increased UK based taxable profit offset by the reduction in taxable profit from participating interests.

## Year to Date 2018/9 compared with Year to Date 2017/8

### **Turnover**

£ thousands	YTD 2018/19	YTD 2017/18	% Change
Media Services	43,184	40,618	6%
Media Investment	-	1,655	-
<b>Group Turnover</b>	<b>43,184</b>	<b>42,273</b>	<b>2%</b>

Turnover attributable to the Media Services segment (before intersegmental elimination) increased by 6% to £43.2 million in YTD 2018/19 compared to £40.6 million in YTD 2017/18 which we primarily attribute to production facility rate card increases, production scheduling resulting in higher other production accommodation revenues, resale fee revenue following the resale of certain contracted bookings and a high volume of projects in Creative Services.

Turnover attributable to the Media Investment segment (before intersegmental elimination) reflects the cessation of the activities in this segment.

Group Turnover (after intersegmental elimination) increased 2% to £43.2 million in YTD 2018/19 from £42.3 million in YTD 2017/18 principally due to the factors set out above.

### **Cost of sales**

Cost of sales for YTD 2018/19 decreased by 6% to £21.0 million from £22.3 million in YTD 2017/8. The cessation of Media Investment and other non-core loss making activities was the primary cause of this decrease offset by increased costs relating to increased activity and the loss on disposal of certain assets impacted by the real estate optimisation programme.

### **Gross Profit**

Gross profit has increased from £20.0 million in YTD 2017/18 to £22.2 million in YTD 2018/19 for the reasons set out above.

Gross margin has increased from 47.3% in YTD 2017/18 to 51.3% in YTD 2018/19. 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.

### **Selling and distribution**

Selling and distribution costs in YTD 2018/19 decreased by £0.3 million, 30.3%, from £1.1 million in YTD 2017/8 to £0.8 million in YTD 2018/9 principally due to staff cost reductions and reduction in the provision for bad debts.

### **Administrative expenses**

Administration expenses decreased by 16%, £0.7 million, in YTD 2018/9 versus YTD 2017/8, from £4.2 million in YTD 2017/8 to £3.6 million in YTD 2018/9, principally due to:

- i) a decrease of £1.0 million attributable to ceased activities, reduced staff costs and reduced professional fees.
- ii) movement in exceptional items relating to a one-off release of rent free accrual of £0.9 million in YTD 2017/8.

### **Income from Participating Interests**

Losses from participating interests in YTD 2018/9 was £1.1 million compared to a profit £2.3 million in 2017/8. This was primarily due to reduced activity in Atlanta.



### ***Interest receivable and similar income***

Interest receivable and similar income increased from £0.1 million in YTD 2017/8 to £3.1 million in YTD 2018/19 principally reflecting interest on the Group's loan to its parent.

### ***Interest payable and similar charges***

Interest payable and similar charges increased from £0.9 million in YTD 2017/8 to £5.7 million in YTD 2018/19 which we primarily attribute to the Group's refinancing.

### ***Tax (charge)/credit on profit on ordinary activities***

The tax charge on profit on ordinary activities decreased from £3.7 million in YTD 2017/18 to £2.6 million in YTD 2018/19 primarily attributable to increased UK based taxable profit offset by the reduction in taxable profit from participating interests.

## **Liquidity and capital resources**

### ***Cash flow***

The cash balance at the end of Q2 2018/19 was £56.0 million compared to a balance of £14.0 million at the end of Q2 2017/18.

The cash inflow of £1.7 million in Q2 2018/19 increased from an outflow of £9.5 million in Q2 2017/18 principally reflecting increased cash inflow from operating activities due to increased profit and a lower working capital outflow and reduced dividend payments, offset by increased capital expenditure as the Group commences the strategic development of its UK sites.

The cash inflow of £13.0 million in YTD 2018/19 increased from an outflow of £14.5 million in YTD 2017/18 principally reflecting increased cash inflow from operating activities due to increased profit partially offset by an increased working capital outflow and reduced dividend payments, offset by higher capital expenditure as noted above.

### ***Net cash inflow from operating activities***

Net cash inflow from operating activities increased to £7.5 million in Q2 2018/19 from £1.3 million in Q2 2017/18. Despite reduced profit before tax, movements in working capital due to the Group's payment and bookings structure and the timing of payments following the Groups refinancing are the principal factors.

Net cash inflow from operating activities increased to £22.4 million in YTD 2018/19 from £4.1 million in YTD 2017/18. This was due to reduced profit before tax and increased interest costs being offset by movements in working capital due to the Group's payment and bookings structure and payments in YTD 2017/18 relating to the expiration of the long-term incentive plan.

### ***Net cash outflow from investing activities***

Net cash outflow from investing activities increased to £5.6 million in Q2 2018/19 from £1.8 million in Q2 2017/18. This was principally driven by payments in relation to the Groups strategic initiatives and investment in Atlanta.

Net cash outflow from investing activity increased by 61% to £8.3 million in YTD 2018/19 from £5.1 million in YTD 2017/18 for the reasons noted above.

### ***Net cash inflow/outflow from financing***

Net cash outflow from financing decreased to a £0.2 million in Q2 2018/19 from £9.1 million in Q2 2017/18 due to reduced dividend payments.

Net cash outflow from financing decreased to a £1.1 million in YTD Q2 2018/19 from £13.4 million in YTD Q2 2017/18 principally due to reduced dividend payments and the refinancing.

# **Pinewood Group Limited**

## **Interim condensed consolidated financial statements**

Period ended 30 September 2018

Company Registration Number: 03889552

**Pinewood Group Limited**

**Condensed Group Statement of Comprehensive Income**  
for the six months to 30 September 2018

	Notes	6 month period ended 30 Sep 2018 £'000	6 month period ended 30 Sep 2017 £'000	Year ended 31 Mar 2018 £'000
<b>Turnover</b>	1	<b>43,184</b>	42,273	81,663
Cost of Sales		<b>(21,035)</b>	(22,265)	(42,933)
<b>Gross profit</b>		<b>22,149</b>	20,008	38,730
Selling and distribution costs		<b>(757)</b>	(1,086)	(2,118)
Administrative expenses				
Recurring activities		<b>(3,052)</b>	(4,579)	(7,668)
Exceptional items		<b>(523)</b>	343	549
Total administrative expenses		<b>(3,575)</b>	(4,236)	(7,119)
<b>Operating profit</b>		<b>17,817</b>	14,686	29,493
Comprising:				
Operating profit/(loss) from:				
Media Services activities before exceptional items		18,342	14,572	29,849
Media Investment - film production companies		(2)	(12)	(257)
Media Investment - other activities		-	(217)	(648)
Exceptional items		<b>(523)</b>	343	549
		<b>17,817</b>	14,686	29,493
Income from participating interests		<b>(1,133)</b>	2,280	3,064
Other interest receivable and similar income	2	<b>3,115</b>	146	3,773
Interest payable and similar expenses	3	<b>(5,744)</b>	(890)	(6,067)
<b>Profit on ordinary activities before taxation</b>		<b>14,055</b>	16,222	30,263
Tax on profit on ordinary activities		<b>(2,553)</b>	(3,678)	(5,905)
<b>Profit on ordinary activities after taxation</b>		<b>11,502</b>	<b>12,544</b>	<b>24,358</b>
<b>Other comprehensive income</b>				
Exchange differences on translation of foreign operations on consolidation		<b>908</b>	(303)	(554)
<b>Total comprehensive income for the year</b>		<b>12,410</b>	<b>12,241</b>	<b>23,804</b>

**Pinewood Group Limited**

**Condensed Group Statement of Financial Position**  
as at 30 September 2018

	Notes	30 Sep 2018 £'000	30 Sep 2017 £'000	31 Mar 2018 £'000
<b>Assets</b>				
<b>Non current assets</b>				
Intangible assets		3,641	4,204	3,924
Property, plant and equipment	4	238,509	236,143	233,441
Interests in joint ventures		12,519	10,724	10,971
Other investments		1,680	1,220	1,680
		<u>256,349</u>	<u>252,291</u>	<u>250,016</u>
<b>Current assets</b>				
Inventories		52	43	61
Trade and other receivables:				
Due within one year	5	10,944	14,319	26,599
Due after more than one year	5	131,680	-	129,045
Cash and cash equivalents	6	56,042	13,997	43,043
		<u>198,718</u>	<u>28,359</u>	<u>198,748</u>
<b>Total assets</b>		<u>455,067</u>	<u>280,650</u>	<u>448,764</u>
<b>Equity and liabilities</b>				
Share capital	7	5,741	5,741	5,741
Share premium		76,696	76,696	76,696
Capital redemption reserve		135	135	135
Merger reserve		348	348	348
Translation reserve		1,694	1,037	786
Retained earnings		76,779	54,923	65,277
Total equity		<u>161,393</u>	<u>138,880</u>	<u>148,983</u>
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	8	246,567	98,319	246,123
Derivative financial instruments		1,481	2,444	1,781
Deferred tax liabilities		3,115	2,967	3,115
		<u>251,163</u>	<u>103,730</u>	<u>251,019</u>
<b>Current liabilities</b>				
Trade and other payables	9	42,511	38,040	48,762
		<u>42,511</u>	<u>38,040</u>	<u>48,762</u>
<b>Total liabilities</b>		<u>293,674</u>	<u>141,770</u>	<u>299,781</u>
<b>Total equity and liabilities</b>		<u>455,067</u>	<u>280,650</u>	<u>448,764</u>

**Pinewood Group Limited**

**Condensed Group Statement of Cash Flows**

for the period ended 30 September 2018

	Notes	30 Sep 2018 £'000	30 Sep 2017 £'000	31 Mar 2018 £'000
<b>Cash flow from operating activities:</b>				
Profit on ordinary activities before taxation		14,055	16,222	30,263
<i>Adjustments to reconcile profit on ordinary activities before taxation to net cash flows:</i>				
Depreciation, impairment and amortisation		4,589	4,684	9,371
Exceptional costs		-	27	-
Loss on disposal of property, plant and equipment		805	-	54
Fair value adjustment on PMBS Holdings		-	-	(460)
Income from participating interests		1,133	(2,280)	(3,064)
Interest receivable and similar income	2	(3,115)	(146)	(3,773)
Interest payable and similar charges	3	5,744	890	6,067
<b>Cash flow from operating activities before changes in working capital</b>		<b>23,211</b>	<b>19,397</b>	<b>38,458</b>
Decrease/(increase) in trade and other receivables		15,993	3,985	(8,156)
Decrease/(increase) in inventories		15	10	(8)
(Decrease)/increase in trade and other payables		(11,982)	(16,756)	(6,670)
<b>Cash generated from operations</b>		<b>27,237</b>	<b>6,636</b>	<b>23,624</b>
Interest paid		(4,966)	(1,701)	(2,587)
Interest received		57	-	56
Corporation tax received in respect of FPC activity		847	-	-
Corporation tax paid		(814)	(877)	(2,809)
<b>Net cash flow from operating activities</b>		<b>22,361</b>	<b>4,058</b>	<b>18,284</b>
<b>Cash flow used in investing activities:</b>				
Purchase of property, plant and equipment		(6,371)	(6,127)	(7,736)
Investment in joint ventures		(1,901)	(184)	(196)
Repayment from joint ventures		-	1,162	1,533
Loans made to parent undertakings		-	-	(127,474)
<b>Net cash flow used in investing activities</b>		<b>(8,272)</b>	<b>(5,149)</b>	<b>(133,873)</b>
<b>Cash flow from financing activities:</b>				
Dividends paid		-	(10,490)	(11,950)
Proceeds from issue of loan notes		-	-	250,000
Repayment of asset financing obligations		(360)	(386)	(870)
Repayment of bank borrowings		-	(2,500)	(100,000)
Payment of loan issue fees		(730)	-	(7,012)
<b>Net cash flow from financing activities</b>		<b>(1,090)</b>	<b>(13,376)</b>	<b>130,168</b>
Net increase in cash and cash equivalents		<b>12,999</b>	<b>(14,467)</b>	<b>14,579</b>
Cash and cash equivalents at the start of the year		<b>43,043</b>	<b>28,464</b>	<b>28,464</b>
<b>Cash and cash equivalents at the end of the year</b>	6	<b>56,042</b>	<b>13,997</b>	<b>43,043</b>

**Pinewood Group Limited**

**Condensed Reconciliation of Movement in Net Debt**

for the six months to 30 September 2018

	30 Sep 2018 £'000	30 Sep 2017 £'000	31 Mar 2018 £'000
Increase in cash and cash equivalents	12,999	(14,467)	14,579
Repayments of bank borrowings	-	2,500	100,000
Proceeds from issue of loan notes	-	-	(250,000)
Repayments of asset financing obligations	360	386	780
Loan issue costs	-	-	7,643
Amortisation of loan issue costs	-	(139)	(438)
Interest accrued on loan notes	(804)	-	(3,042)
Movement in net debt	<u>12,555</u>	<u>(11,720)</u>	<u>(130,478)</u>
Net debt at the start of the year	<u>(203,080)</u>	<u>(72,602)</u>	<u>(72,602)</u>
<b>Net debt at the end of the year</b>	<b><u>(190,525)</u></b>	<b><u>(84,322)</u></b>	<b><u>(203,080)</u></b>
<b>Net debt at end of year excluding restricted cash</b>	<b><u>(191,747)</u></b>	<b><u>(84,894)</u></b>	<b><u>(203,470)</u></b>

**Condensed Group Statement of Changes in Equity**

for the period ended 30 September 2018

	Share capital £'000	Share premium £'000	Translation reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
<b>At 01 April 2017</b>	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	-	-	-	-	(11,950)	(11,950)
<b>At 31 March 2018</b>	<u>5,741</u>	<u>76,696</u>	<u>786</u>	<u>483</u>	<u>65,277</u>	<u>148,983</u>
<b>At 01 April 2018</b>	5,741	76,696	786	483	65,277	148,983
Profit for the year	-	-	-	-	11,502	11,502
Translation reserve movement	-	-	908	-	-	908
Total comprehensive income for the year	-	-	908	-	11,502	12,410
Equity dividends	-	-	-	-	-	-
<b>At 30 September 2018</b>	<u>5,741</u>	<u>76,696</u>	<u>1,694</u>	<u>483</u>	<u>76,779</u>	<u>161,393</u>
<b>At 01 April 2016</b>	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	-	-	-	-	(3,614)	(3,614)
<b>At 31 March 2017</b>	<u>5,741</u>	<u>76,696</u>	<u>1,340</u>	<u>483</u>	<u>52,869</u>	<u>137,129</u>
<b>At 01 April 2017</b>	5,741	76,696	1,340	483	52,869	137,129
Profit for the year	-	-	-	-	12,544	12,544
Translation reserve movement	-	-	(303)	-	-	(303)
Total comprehensive income for the year	-	-	(303)	-	12,544	12,241
Equity dividends	-	-	-	-	(10,490)	(10,490)
<b>At 30 September 2017</b>	<u>5,741</u>	<u>76,696</u>	<u>1,037</u>	<u>483</u>	<u>54,923</u>	<u>138,880</u>

**Pinewood Group Limited**

**Notes to the Condensed Consolidated Financial Statements (continued)**

for the period ended 30 September 2018

**1 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.

	<b>6 month period ended 30 Sep 2018 £'000</b>	6 month period ended 30 Sep 2017 £'000	Year ended 30 Mar 2018 2018 £'000
<b>Turnover by segment</b>			
Media services	43,184	40,911	79,979
Media investment	-	1,655	1,973
<b>Total segmental turnover</b>	<b>43,184</b>	<b>42,566</b>	<b>81,952</b>
Intersegment elimination	-	(293)	(289)
<b>Group turnover</b>	<b>43,184</b>	<b>42,273</b>	<b>81,663</b>

**2 Interest receivable and similar income**

	<b>6 month period ended 30 Sep 2018 £'000</b>	6 month period ended 30 Sep 2017 £'000	Year ended 31 March 2018 £'000
<i>On financial assets measured at amortised cost:</i>			
Interest receivable from joint ventures	12	56	30
Loan interest receivable	2,747	-	1,781
Bank interest receivable	57	17	56
	<b>2,816</b>	<b>73</b>	<b>1,867</b>
<i>On financial assets measured at fair value:</i>			
Fair value movements of derivative financial instruments	299	73	1,906
	<b>3,115</b>	<b>146</b>	<b>3,773</b>

**3 Interest payable and similar charges**

	<b>6 month period ended 30 Sep 2018 £'000</b>	6 month period ended 30 Sep 2017 £'000	Year ended 31 March 2018 £'000
<i>On financial instruments measured at amortised cost:</i>			
Bank loan and overdraft interest	5,179	1,416	1,626
Loan interest payable	189	-	3,042
Finance fee amortisation	-	239	495
	<b>5,368</b>	<b>1,655</b>	<b>5,163</b>
<i>On financial instruments measured at fair value:</i>			
Interest rate hedging	343	429	813
Fair value movements of derivative financial instruments	-	(1,243)	-
	<b>343</b>	<b>(814)</b>	<b>813</b>
<i>Not on financial instruments:</i>			
Finance lease interest	33	49	90
Other interest paid	-	-	1
	<b>33</b>	<b>49</b>	<b>91</b>
	<b>5,744</b>	<b>890</b>	<b>6,067</b>

Pinewood Group Limited

Notes to the Condensed Consolidated Financial Statements (continued)  
for the period ended 30 September 2018

4 Property, plant and equipment

	Freehold land and buildings £'000	Lease-hold improve-ments £'000	Fixtures, fittings and equipment £'000	Assets under construct ion £'000	Total £'000
<b>Cost</b>					
At 31 March 2017	251,389	179	42,718	8,787	303,073
Additions	3,111	24	1,271	133	4,539
Reclassification	8,787	-	-	(8,787)	-
Disposals	-	(12)	-	-	(12)
<b>At 30 September 2017</b>	<b>263,287</b>	<b>192</b>	<b>43,989</b>	<b>133</b>	<b>307,600</b>
Additions	141	-	581	1,039	1,761
Reclassification	(299)	-	166	131	(2)
Revaluations	-	-	-	-	-
Disposals	(160)	(13)	95	-	(78)
<b>At 31 March 2018</b>	<b>262,969</b>	<b>179</b>	<b>44,831</b>	<b>1,303</b>	<b>309,282</b>
Additions	3,699	-	1,352	5,177	10,228
Reclassification	-	-	-	-	-
Revaluations	-	-	-	-	-
Disposals	(1,024)	-	(378)	-	(1,402)
<b>At 30 September 2018</b>	<b>265,644</b>	<b>179</b>	<b>45,805</b>	<b>6,480</b>	<b>318,108</b>
<b>Depreciation</b>					
At 31 March 2017	38,597	20	28,436	-	67,053
Provided during the period	3,072	6	1,326	-	4,404
Disposals	-	-	-	-	-
<b>At 30 September 2017</b>	<b>41,669</b>	<b>26</b>	<b>29,762</b>	<b>-</b>	<b>71,457</b>
Provided during the period	3,072	4	1,331	-	4,407
Disposals	(11)	(4)	(8)	-	(23)
<b>At 31 March 2018</b>	<b>44,730</b>	<b>26</b>	<b>31,085</b>	<b>-</b>	<b>75,841</b>
Provided during the period	3,051	4	1,260	-	4,315
Disposals	(353)	-	(204)	-	(557)
<b>At 30 September 2018</b>	<b>47,428</b>	<b>30</b>	<b>32,141</b>	<b>-</b>	<b>79,599</b>
<b>Net book value</b>					
At 30 September 2018	218,216	149	13,664	6,480	238,509
At 31 March 2018	218,239	153	13,746	1,303	233,441
At 30 September 2017	221,618	166	14,227	133	236,143
At 31 March 2017	212,792	159	14,282	8,787	236,020

5 Trade and other receivables

	6 month period ended 30 Sep 2018 £'000		6 month period ended 30 Sep 2017 £'000	Year ended 31 March 2018 £'000
<b>Amount falling due within one year:</b>				
Trade receivables - Media services	5,233		7,197	21,118
Trade receivables - Film production companies	34		245	105
Prepayments and other receivables	2,980		4,245	2,638
Loan notes receivable	2,697		2,632	2,738
Corporation tax receivable	-		-	-
	<b>10,944</b>		<b>14,319</b>	<b>26,599</b>
<b>Amount falling due after more than one year:</b>				
Loans due from parent undertakings	131,680		-	129,045
	<b>131,680</b>		<b>-</b>	<b>129,045</b>
	<b>142,624</b>		<b>14,319</b>	<b>155,644</b>



**Pinewood Group Limited**

**Notes to the Condensed Consolidated Financial Statements (continued)**  
for the period ended 30 September 2018

**6 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.

	<b>6 month period ended 30 Sep 2018 £'000</b>	6 month period ended 30 Sep 2017 £'000	Year ended 31 March 2018 £'000
Cash available for general use	54,820	13,425	42,653
Restricted cash and cash equivalents	1,222	572	390
<b>Net cash and cash equivalents</b>	<b>56,042</b>	<b>13,997</b>	<b>43,043</b>

**7 Share capital**

	<b>6 month period ended 30 Sep 2018 £'000</b>	6 month period ended 30 Sep 2017 £'000	Year ended 31 March 2018 £'000
<b>Issued, called up and fully paid</b>			
57,409,926 Ordinary shares of 10p each	<b>5,741</b>	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.

**8 Interest bearing loans and borrowings**

	<b>6 month period ended 30 Sep 2018 £'000</b>	6 month period ended 30 Sep 2017 £'000	Year ended 31 March 2018 £'000
<b>Current Borrowings</b>			
Bank overdraft	-	-	-
<b>Non-Current Borrowings</b>			
Term loan facility	-	97,500	-
Revolving credit facility	-	-	-
Asset financing	364	1,118	724
Loan notes	247,485	-	246,681
Non-current drawn loan facilities	247,849	98,618	247,405
Secured bank loan arrangement costs	(1,282)	(299)	(1,282)
	<b>246,567</b>	<b>98,319</b>	<b>246,123</b>
<b>Total current and non-current interest-bearing loans and borrowings</b>	<b>246,567</b>	<b>98,319</b>	<b>246,123</b>

**9 Trade and other payables**

	<b>6 month period ended 30 Sep 2018 £'000</b>	6 month period ended 30 Sep 2017 £'000	Year ended 31 March 2018 £'000
Trade payables - Media services	2,098	1,819	3,345
Trade payables - Film production companies	1,739	1,921	1,753
Corporation tax payable	3,330	2,384	794
Value added tax	617	1,415	2,902
Other payables	889	2,598	942
Accruals	4,310	4,845	4,842
Amounts due to parent company	3,080	2,240	3,124
Capital expenditure related payables	7,647	4,479	4,536
Deferred royalty	652	801	685
Deferred income - Media services	18,149	15,478	25,802
Deferred income - Film production companies	-	60	37
	<b>42,511</b>	<b>38,040</b>	<b>48,762</b>

**10 Principal risks and uncertainties**

There are no changes to the assessment and considerations of the principal risks as disclosed in the Group's Annual Report for the year ending 31 March 2018.