



**PINEWOOD**

**Pinewood Group Limited**  
**Interim Report as at and for**  
**the 9 month period to**  
**31 December 2018**

## Third 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 the 9 months to December 2018, at our UK studios.
- Total UK spend for film in 2018 was £1.9 billion, second highest level on record.

### Strategic highlights

- Pinewood East Phase 2 works are progressing on time and on budget.
- On 12 February 2019, Spelthorne Borough Council's Planning Committee resolved to grant outline planning permission for the improvement and expansion of Shepperton Studios. Due to the scale of the application, it has now been referred to the Secretary of State for Housing, Communities and Local Government for his consideration, with a decision expected in the Spring.
- On 14 February 2019, the Company completed the acquisition of Alderbourne Farm, c.80 acres adjacent to Pinewood Studios.

### Financial highlights

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

	<b>9 month period ended 31 Dec 2018 £'000</b>	<b>9 month period ended 31 Dec 2017 £'000</b>	<b>Year ended 31 Mar 2018 £'000</b>
Stage occupancy	93%	95%	93%
Turnover (Media Services)	63,554	60,530	79,690
Adjusted EBITDA	32,913	31,793	42,338
Adjusted EBITDA margins	51.8%	52.5%	53.1%
Cash generated from operations	34,760	14,546	23,624
Capital expenditure	(21,317)	(5,205)	(133,873)
Adjusted net debt	(207,059)	(210,708)	(207,681)

### Turnover

YTD 2018/19 turnover, attributable to Media Services, has increased by 5.0% versus prior year, increasing from £60.5 million for YTD 2017/18 to £63.6 million in YTD 2018/19. The year on year increase is principally due to production scheduling resulting in higher other production accommodation revenues, resale 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 £32.9 million in YTD 2018/19 from £31.8 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>Year to date 31 Dec 2018 £'000</b>	<b>Year to date 31 Dec 2017 £'000</b>	<b>Year ended 31 Mar 2018 £'000</b>
Profit on ordinary activities	15,975	17,171	24,358
Net Interest payable	4,343	2,138	2,294
Tax charge on profit on ordinary activities	3,994	5,225	5,905
Depreciation of property, plant and equipment	6,503	6,572	8,811
Amortisation of goodwill	420	420	560
Amortisation of long-term assets	-	-	-
Exceptional items	674	(144)	(549)
Operating loss attributable to Media Investment (ceased)	60	387	905
Loss on disposal of property, plant and equipment	944	24	54
<b>Adjusted EBITDA</b>	<b>32,913</b>	<b>31,793</b>	<b>42,338</b>

### **Cash flow and capital expenditure**

Cash generated from operations increased to £34.8 million in YTD 2018/19 from £14.5 million in YTD 2017/18. This is principally driven by increased operating profit as a result of the cessation of certain activities and reduced admin expenses and changes in working capital, as a result of the timing of receipts from some of our leases and productions.

### **Paul Golding, CEO, commented**

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

The Company continues to work on its strategic initiatives, including the construction of c.200,000 square feet of space in the second phase of Pinewood East. Importantly, we remain on budget and on-track to complete the development in H2 of FY20.

The Company is encouraged by Spelthorne Borough Council's decision to grant outline planning consent for the improvement and expansion of Shepperton Studios. With support from the Secretary of State for Housing, Communities and Local Government, this decision will allow us to continue our investment in the studio and thus provide considerable benefits to the community of Spelthorne. Throughout the evolution of the project we have partnered with residents, businesses and members of the film industry and we thank them for their input and support.

### **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 31 December 2018 (“Q3 2018/19”, “Q3 FY19”), and the comparative period as of and for the 3 months ended 31 December 2017 (“Q3 2017/18” or “Q3 FY18”), prepared in accordance with FRS 102.
- The unaudited consolidated financial information of the Group as of and for the 9 months ended 31 December 2018 (“Q3 YTD 2018/19”, “Q3 YTD FY19”, or “YTD 2018/19”), and the comparative period as of and for the 9 months ended 31 December 2017 (“Q3 YTD 2017/18”, “Q3 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

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

#### *Turnover*

£ thousands	Q3 2018/19	Q3 2017/8	% Change
Media Services	20,370	19,912	2%
Media Investment	-	299	-
<b>Group Turnover</b>	<b>20,370</b>	<b>20,211</b>	<b>1%</b>

Turnover attributable to Media Services was £20.4 million in Q3 2018/19, an increase of 2.3%, £0.5 million, compared to Q3 2017/18.

Group turnover increased by £0.2 million, from £20.2 million in Q3 2017/18 to £20.4 million in Q3 2018/19 reflecting the increase in Media Services partially offset by the cessation of the Media Investment activity.

#### *Cost of sales*

Cost of sales expenses decreased by £1.2 million to £10.0 million in Q3 2018/19 from £11.2 million in Q3 2017/18. The cessation of non-core loss making activities and reduced international activity costs were the primary causes of this decrease.

#### *Gross Profit*

Gross profit increased from £9.0 million in Q3 2017/18 to £10.3 million in Q3 2018/19 for the reasons set out above. Gross margin increased from 44.4% in Q3 2017/18 to 50.8% in Q3 2018/19 reflecting the growth in core Media Services activity year on year and the impact of ceased non-core loss making activities.

#### *Selling and distribution costs*

Selling and distribution costs increased from £0.5 million in Q3 2017/18 to £0.6 million in Q3 2018/19 principally due to staff cost reductions and movements in the provision for bad debts.

#### *Administrative expenses*

Administrative expenses increased 10.5% to £2.0 million in Q3 2018/19 from £1.8 million in Q3 2017/18 which we primarily attribute to the timing of certain professional fees.

#### *Income from Participating Interests*

Losses from participating interests in Q3 2018/19 was £0.1 million compared to a profit £0.9 million in Q3 2017/18. This was primarily due to reduced activity in Atlanta.

#### *Interest receivable and similar income*

Interest receivable and similar income increased from £1.0 million in Q3 2017/18 to £1.1 million in Q3 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 £2.4 million in Q3 2017/18 to £2.8 million in Q3 2018/19 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 £1.5 million in Q3 2017/18 to £1.4 million in Q3 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	63,554	60,530	5%
Media Investment	-	1,954	-
<b>Group Turnover</b>	<b>63,554</b>	<b>62,484</b>	<b>2%</b>

Turnover attributable to the Media Services segment (after intersegmental elimination) increased by 5% to £63.6 million in YTD 2018/19 compared to £60.5 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 £63.6 million in YTD 2018/19 from £62.5 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 7% to £31.1 million from £33.5 million in YTD 2017/18. 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 £29.0 million in YTD 2017/18 to £32.5 million in YTD 2018/19 for the reasons set out above.

Gross margin has increased from 46.4% in YTD 2017/18 to 51.1% 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 along with the cessation of other non-care loss making activities.

### Selling and distribution

Selling and distribution costs in YTD 2018/19 decreased by £0.2 million, 13.4%, from £1.5 million in YTD 2017/18 to £1.3 million in YTD 2018/19 principally due to staff cost reductions and reduction in the provision for bad debts.

### Administrative expenses

Administration expenses decreased by 7.7%, £0.5 million, in YTD 2018/19 versus YTD 2017/18, from £6.1 million in YTD 2017/18 to £5.6 million in YTD 2018/19, principally due to:

- i) a decrease of £1.3 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 2017/18.

### Income from Participating Interests

Losses from participating interests in YTD 2018/19 was £1.2 million compared to a profit £3.2 million in 2017/18. This was primarily due to reduced activity in Atlanta.

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

Interest receivable and similar income increased from £1.1 million in YTD 2017/18 to £4.3 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 £3.3 million in YTD 2017/18 to £8.6 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 £5.2 million in YTD 2017/18 to £4.0 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 Q3 2018/19 was £43.2 million compared to a balance of £40.2 million at the end of Q3 2017/18.

The cash outflow of £12.9 million in Q3 2018/19 decreased from an inflow of £26.2 million in Q3 2017/18 principally reflecting reduced cash inflow from operating activities due to a higher working capital outflow, increased capital expenditure as the Group commences the strategic improvement and expansion of its UK sites and the impact of the refinancing.

The cash inflow of £0.1 million in YTD 2018/19 decreased from an inflow of £11.8 million in YTD 2017/18 principally reflecting increased cash inflow from operating activities due to increased profit and a working capital inflow and reduced dividend payments which have been offset by higher capital expenditure and the impact of the refinancing.

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

Net cash flow from operating activities decreased to a £0.4 million outflow in Q3 2018/19 from a £6.5 million inflow in Q3 2017/18. Movements in working capital due to the Group's payment and bookings structure, taxation payments and the timing of payments following the Groups refinancing are the principal factors.

Net cash inflow from operating activities increased to £22.7 million in YTD 2018/19 from £10.6 million in YTD 2017/18. Despite reduced profit before tax and increased interest and taxation payments movements in working capital have resulted in an increase.

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

Net cash outflow from investing activities increased to £12.3 million in Q3 2018/19 from £0.1 million in Q3 2017/18. This was principally driven by payments in relation to the Groups strategic initiatives and investments in Atlanta

Net cash outflow from capital expenditure increased to £21.3 million in YTD 2018/19 from £5.2 million in YTD 2017/18 for the reasons noted above.

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

Net cash flow from financing decreased to a £0.2 million outflow in Q3 2018/19 from a £19.7 million inflow in Q3 2017/18 due to the refinancing.

Net cash outflow from financing decreased to a £1.3 million outflow in YTD Q3 2018/19 from £6.4 million inflow in YTD Q3 2017/18 principally due to reduced dividend payments and the refinancing.



# **Pinewood Group Limited**

## **Interim condensed consolidated financial statements**

Period ended 31 December 2018

Company Registration Number: 03889552

**Pinewood Group Limited**

**Condensed Group Statement of Comprehensive Income**  
for the 9 months to 31 December 2018

	Notes	9 month period ended 31 Dec 2018 £'000	9 month period ended 31 Dec 2017 £'000	Year ended 31 Mar 2018 £'000
<b>Turnover</b>	1	<b>63,554</b>	<b>62,484</b>	81,663
Cost of Sales		<b>(31,058)</b>	<b>(33,504)</b>	(42,933)
<b>Gross profit</b>		<b>32,496</b>	<b>28,980</b>	38,730
Selling and distribution costs		<b>(1,336)</b>	<b>(1,543)</b>	(2,118)
Administrative expenses				
Recurring activities		<b>(4,925)</b>	<b>(6,212)</b>	(7,668)
Exceptional items		<b>(674)</b>	<b>144</b>	549
Total administrative expenses		<b>(5,599)</b>	<b>(6,068)</b>	(7,119)
<b>Operating profit</b>		<b>25,561</b>	<b>21,369</b>	29,493
Comprising:				
Operating profit/(loss) from:				
Media Services activities before exceptional items		26,295	21,612	29,849
Media Investment - film production companies		(60)	(91)	(257)
Media Investment - other activities		-	(296)	(648)
Exceptional items		(674)	144	549
		<b>25,561</b>	<b>21,369</b>	29,493
Income from participating interests		<b>(1,249)</b>	<b>3,165</b>	3,064
Other interest receivable and similar income	2	<b>4,278</b>	<b>1,141</b>	3,773
Interest payable and similar expenses	3	<b>(8,621)</b>	<b>(3,279)</b>	(6,067)
<b>Profit on ordinary activities before taxation</b>		<b>19,969</b>	<b>22,396</b>	30,263
Tax on profit on ordinary activities		<b>(3,994)</b>	<b>(5,225)</b>	(5,905)
<b>Profit on ordinary activities after taxation</b>		<b>15,975</b>	<b>17,171</b>	<b>24,358</b>
<b>Other comprehensive income</b>				
Exchange differences on translation of foreign operations on consolidation		<b>1,295</b>	<b>(402)</b>	(554)
<b>Total comprehensive income for the year</b>		<b>17,270</b>	<b>16,769</b>	<b>23,804</b>

**Pinewood Group Limited**

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

	Notes	31 Dec 2018 £'000	31 Dec 2017 £'000	31 Mar 2018 £'000
<b>Assets</b>				
<b>Non current assets</b>				
Intangible assets		3,501	4,062	3,924
Property, plant and equipment	4	247,091	234,451	233,441
Interests in joint ventures		13,772	11,123	10,971
Other investments		1,680	1,220	1,680
		<u>266,044</u>	<u>250,856</u>	<u>250,016</u>
<b>Current assets</b>				
Inventories		52	65	61
Trade and other receivables:				
Due within one year	5	14,495	15,526	26,599
Due after more than one year	5	133,018	127,747	129,045
Cash and cash equivalents	6	43,173	40,214	43,043
		<u>190,738</u>	<u>183,552</u>	<u>198,748</u>
<b>Total assets</b>		<u><b>456,782</b></u>	<u><b>434,408</b></u>	<u><b>448,764</b></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		2,081	938	786
Retained earnings		81,252	58,090	65,277
Total equity		<u>166,253</u>	<u>141,948</u>	<u>148,983</u>
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	8	244,359	242,108	246,123
Derivative financial instruments		1,752	3,028	1,781
Deferred tax liabilities		3,116	2,816	3,115
		<u>249,227</u>	<u>247,952</u>	<u>251,019</u>
<b>Current liabilities</b>				
Trade and other payables	9	41,302	44,508	48,762
		<u>41,302</u>	<u>44,508</u>	<u>48,762</u>
<b>Total liabilities</b>		<u>290,529</u>	<u>292,460</u>	<u>299,781</u>
<b>Total equity and liabilities</b>		<u><b>456,782</b></u>	<u><b>434,408</b></u>	<u><b>448,764</b></u>

**Pinewood Group Limited**

**Condensed Group Statement of Cash Flows**  
for the 9 months to 31 December 2018

	Notes	31 Dec 2018 £'000	31 Dec 2017 £'000	31 Mar 2018 £'000
<b>Cash flow from operating activities:</b>				
Profit on ordinary activities before taxation		19,969	22,396	30,263
<i>Adjustments to reconcile profit on ordinary activities before taxation to net cash flows:</i>				
Depreciation, impairment and amortisation		6,923	6,992	9,371
Exceptional costs		-	27	-
Loss on disposal of property, plant and equipment		944	24	54
Fair value adjustment on PMBS Holdings		-	-	(460)
Income from participating interests		1,249	(3,165)	(3,064)
Interest receivable and similar income	2	(4,278)	(1,141)	(3,773)
Interest payable and similar charges	3	8,621	3,279	6,067
<b>Cash flow from operating activities before changes in working capital</b>		<b>33,428</b>	<b>28,412</b>	<b>38,458</b>
Decrease/(increase) in trade and other receivables		12,442	2,677	(8,156)
Decrease/(increase) in inventories		15	(12)	(8)
(Decrease)/increase in trade and other payables		(11,125)	(16,531)	(6,670)
<b>Cash generated from operations</b>		<b>34,760</b>	<b>14,546</b>	<b>23,624</b>
Interest paid		(9,935)	(2,607)	(2,587)
Interest received		88	-	56
Corporation tax received in respect of FPC activity		931	-	-
Corporation tax paid		(3,118)	(1,342)	(2,809)
<b>Net cash flow from operating activities</b>		<b>22,726</b>	<b>10,597</b>	<b>18,284</b>
<b>Cash flow used in investing activities:</b>				
Purchase of property, plant and equipment		(18,343)	(6,570)	(7,736)
Investment in joint ventures		(2,974)	(264)	(196)
Repayment from joint ventures		-	1,629	1,533
Loans made to parent undertakings		-	-	(127,474)
<b>Net cash flow used in investing activities</b>		<b>(21,317)</b>	<b>(5,205)</b>	<b>(133,873)</b>
<b>Cash flow from financing activities:</b>				
Dividends paid		-	(11,950)	(11,950)
Proceeds from issue of loan notes		-	250,000	250,000
Repayment of asset financing obligations		(549)	(582)	(870)
Proceeds from asset financing		-	-	-
Repayment of bank borrowings		-	(100,000)	(100,000)
Issue loan to parent		-	(127,474)	-
Payment of loan issue fees		(730)	(3,636)	(7,012)
<b>Net cash flow from financing activities</b>		<b>(1,279)</b>	<b>6,358</b>	<b>130,168</b>
Net increase in cash and cash equivalents		<b>130</b>	<b>11,750</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>43,173</b>	<b>40,214</b>	<b>43,043</b>

**Pinewood Group Limited**

**Condensed Reconciliation of Movement in Net Debt**

for the 9 months to 31 December 2018	31 Dec 2018 £'000	31-Dec-17 £'000	31 Mar 2018 £'000
Increase in cash and cash equivalents	130	11,750	14,579
Repayments of bank borrowings	-	100,000	100,000
Proceeds from bank borrowings	-	-	-
Proceeds from issue of loan notes	-	(250,000)	(250,000)
Repayments of loan note interest	-	-	-
Repayments of asset financing obligations	492	582	780
Loan issue costs	-	8,999	7,643
Amortisation of loan issue costs	-	(623)	(438)
Movement on loan notes	1,270	-	(3,042)
<b>Movement in net debt</b>	<b>1,893</b>	<b>(129,292)</b>	<b>(130,478)</b>
Net debt at the start of the year	(203,080)	(72,602)	(72,602)
<b>Net debt at the end of the period</b>	<b>(201,187)</b>	<b>(201,894)</b>	<b>(203,080)</b>
<b>Net debt at end of year excluding restricted cash</b>	<b>(202,230)</b>	<b>(202,376)</b>	<b>(203,470)</b>

**Condensed Group Statement of Changes in Equity**

for the 9 months to 31 December 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>	<b>5,741</b>	<b>76,696</b>	<b>786</b>	<b>483</b>	<b>65,277</b>	<b>148,983</b>
<b>At 01 April 2018</b>	5,741	76,696	786	483	65,277	148,983
Profit for the period	-	-	-	-	15,975	15,975
Translation reserve movement	-	-	1,295	-	-	1,295
Total comprehensive income for the period	-	-	1,295	-	15,975	17,270
Equity dividends	-	-	-	-	-	-
<b>At 31 December 2018</b>	<b>5,741</b>	<b>76,696</b>	<b>2,081</b>	<b>483</b>	<b>81,252</b>	<b>166,253</b>
<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>	<b>5,741</b>	<b>76,696</b>	<b>1,340</b>	<b>483</b>	<b>52,869</b>	<b>137,129</b>
<b>At 01 April 2017</b>	5,741	76,696	1,340	483	52,869	137,129
Profit for the year	-	-	-	-	17,171	17,171
Translation reserve movement	-	-	(402)	-	-	(402)
Total comprehensive income for the year	-	-	(402)	-	17,171	16,769
Equity dividends	-	-	-	-	(11,950)	(11,950)
<b>At 31 December 2017</b>	<b>5,741</b>	<b>76,696</b>	<b>938</b>	<b>483</b>	<b>58,090</b>	<b>141,948</b>

**Pinewood Group Limited**

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

for the period ended 31 December 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.

	9 month period ended 31 Dec 2018 £'000	9 month period ended 31 Dec 2017 £'000	Year ended 30 Mar 2018 2018 £'000
<b>Turnover by segment</b>			
Media services	63,554	60,823	79,979
Media investment	-	1,954	1,973
<b>Total segmental turnover</b>	<u>63,554</u>	<u>62,777</u>	<u>81,952</u>
Intersegment elimination	-	(293)	(289)
<b>Group turnover</b>	<u>63,554</u>	<u>62,484</u>	<u>81,663</u>

**2 Interest receivable and similar income**

	9 month period ended 31 Dec 2018 £'000	9 month period ended 31 Dec 2017 £'000	Year ended 31 March 2018 £'000
<i>On financial assets measured at amortised cost:</i>			
Interest receivable from joint ventures	-	-	30
Loan interest receivable	4,160	438	1,781
Bank interest receivable	88	44	56
	<u>4,248</u>	<u>482</u>	<u>1,867</u>
<i>On financial assets measured at fair value:</i>			
Fair value movements of derivative financial instruments	30	659	1,906
	<u>4,278</u>	<u>1,141</u>	<u>3,773</u>

**3 Interest payable and similar charges**

	9 month period ended 31 Dec 2018 £'000	9 month period ended 31 Dec 2017 £'000	Year ended 31 March 2018 £'000
<i>On financial instruments measured at amortised cost:</i>			
Bank loan and overdraft interest	259	1,489	1,683
Loan interest payable	7,792	457	3,042
Finance fee amortisation	-	623	438
	<u>8,051</u>	<u>2,569</u>	<u>5,163</u>
<i>On financial instruments measured at fair value:</i>			
Interest rate hedging	498	625	813
Fair value movements of derivative financial instruments	-	-	-
	<u>498</u>	<u>625</u>	<u>813</u>
<i>Not on financial instruments:</i>			
Finance lease interest	47	70	90
Other interest paid	25	15	1
	<u>72</u>	<u>85</u>	<u>91</u>
	<u>8,621</u>	<u>3,279</u>	<u>6,067</u>

Pinewood Group Limited

Notes to the Condensed Consolidated Financial Statements (continued)  
for the period ended 31 December 2018

4 Property, plant and equipment

	Freehold land and buildings £'000	Lease-hold improvements £'000	Fixtures, fittings and equipment £'000	Assets under construc tion £'000	Total £'000
<b>Cost</b>					
At 31 March 2017	251,389	179	42,718	8,787	303,073
Additions	3,114	24	1,766	133	5,037
Reclassification	1,213	-	7,897	(8,656)	454
Disposals	(75)	(12)	113	-	26
<b>At 31 December 2017</b>	<b>255,641</b>	<b>192</b>	<b>52,494</b>	<b>264</b>	<b>308,591</b>
Additions	136	(12)	86	1,039	1,249
Reclassification	7,277	-	(7,731)	-	(454)
Revaluations	-	-	-	-	-
Disposals	(85)	-	(18)	-	(103)
<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	4,841	-	2,025	14,279	21,145
Reclassification	-	-	-	-	-
Revaluations	-	-	-	-	-
Disposals	(1,025)	(179)	(376)	-	(1,580)
<b>At 31 December 2018</b>	<b>266,785</b>	<b>0</b>	<b>46,480</b>	<b>15,582</b>	<b>328,847</b>
<b>Depreciation</b>					
At 31 March 2017	38,597	20	28,436	-	67,053
Provided during the period	4,612	8	2,013	-	6,633
Reclassification	(7,757)	(3)	8,216	-	456
Disposals	(9)	-	7	-	(2)
<b>At 31 December 2017</b>	<b>35,443</b>	<b>25</b>	<b>38,672</b>	<b>-</b>	<b>74,140</b>
Provided during the period	1,532	2	644	-	2,178
Reclassification	7,755	3	(8,216)	-	(458)
Disposals	-	(4)	(15)	-	(19)
<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	4,585	6	1,911	-	6,502
Disposals	(351)	(32)	(204)	-	(587)
<b>At 31 December 2018</b>	<b>48,964</b>	<b>-</b>	<b>32,792</b>	<b>-</b>	<b>81,756</b>
<b>Net book value</b>					
At 31 December 2018	217,821	0	13,688	15,582	247,091
At 31 December 2017	220,198	167	13,822	264	234,451
At 31 March 2018	218,239	153	13,746	1,303	233,441

5 Trade and other receivables

	9 month period ended 31 Dec 2018 £'000	9 month period ended 31 Dec 2017 £'000	Year ended 31 March 2018 £'000
<b>Amount falling due within one year:</b>			
Trade receivables - Media services	7,992	8,083	21,118
Trade receivables - Film production companies	34	40	105
Prepayments and other receivables	4,192	4,665	2,638
Loan notes receivable	2,277	2,738	2,738
Corporation tax receivable	-	-	-
	<b>14,495</b>	<b>15,526</b>	<b>26,599</b>
<b>Amount falling due after more than one year:</b>			
Loans due from parent undertakings	133,018	127,747	129,045
	<b>133,018</b>	<b>127,747</b>	<b>129,045</b>
	<b>147,513</b>	<b>143,273</b>	<b>155,644</b>

**Pinewood Group Limited**

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

for the period ended 31 December 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.

	9 month period ended 31 Dec 2018 £'000	9 month period ended 31 Dec 2017 £'000	Year ended 31 March 2018 £'000
Cash available for general use	42,130	39,732	42,653
Restricted cash and cash equivalents	1,043	482	390
<b>Net cash and cash equivalents</b>	<b>43,173</b>	<b>40,214</b>	<b>43,043</b>

**7 Share capital**

	9 month period ended 31 Dec 2018 £'000	9 month period ended 31 Dec 2017 £'000	Year ended 31 March 2018 £'000
<b>Issued, called up and fully paid</b>			
57,409,926 Ordinary shares of 10p each	5,741	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**

	9 month period ended 31 Dec 2018 £'000	9 month period ended 31 Dec 2017 £'000	Year ended 31 March 2018 £'000
<b>Current Borrowings</b>			
Bank overdraft	-	-	-
<b>Non-Current Borrowings</b>			
Term loan facility	-	-	-
Revolving credit facility	-	-	-
Asset financing	232	922	724
Loan notes	245,409	250,000	246,681
Non-current drawn loan facilities	245,641	250,922	247,405
Secured bank loan arrangement costs	(1,282)	(8,814)	(1,282)
	<b>244,359</b>	<b>242,108</b>	<b>246,123</b>
<b>Total current and non-current interest-bearing loans and borrowings</b>	<b>244,359</b>	<b>242,108</b>	<b>246,123</b>

**9 Trade and other payables**

	9 month period ended 31 Dec 2018 £'000	9 month period ended 31 Dec 2017 £'000	Year ended 31 March 2018 £'000
Trade payables - Media services	1,133	1,578	3,345
Trade payables - Film production companies	1,739	1,637	1,753
Corporation tax payable	2,255	4,062	794
Value added tax	198	1,528	2,902
Other payables	2,598	2,556	942
Accruals	3,771	10,044	4,842
Amounts due to parent company	3,055	1,345	3,124
Capital expenditure related payables	7,176	4,531	4,536
Deferred royalty	634	785	685
Deferred income - Media services	18,706	16,402	25,802
Deferred income - Film production companies	37	40	37
	<b>41,302</b>	<b>44,508</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.