Pinewood Group Limited

Report as at and for the year to 31 March 2019

Full Year 2018/19 and fourth quarter highlights

Operational and industry highlights

- Demand for production space continues to be robust at both Pinewood and Shepperton.
- Continued strong stage occupancy[1] of 94% in FY 2018/19 at our UK studios (FY 2017/18: 96%).
- UK spend for film in FY 2018/19 of £1.8 billion, including £1.5 billion of inward investment and co-production spend, broadly in line with FY 2017/18.
- Record year for UK spend on High End Television production (FY 2018/19 was £1.2 billion versus £1.1 billion in FY 2017/18).

Strategic highlights

- Netflix: The Group agreed a multi-year contract with Netflix to create a dedicated production hub at Shepperton Studios featuring 14 sound stages, workshops and office space. The contract which starts in October 2019 will increase occupancy and profitability of the studio.
- Shepperton Masterplan: Outline planning permission for the improvement and expansion of Shepperton Studios was issued by Spelthorne Borough Council on 4 July 2019. Detailed design of the scheme is underway.
- Pinewood East Phase II: Construction of c. 200,000 sq. ft. of production accommodation remains on time and on budget. Sir Robert McAlpine, the contractor, started work in August 2018 and completion is expected in autumn 2019.
- Real estate optimisation: A programme to improve the existing studios by redeveloping or refurbishing certain assets to enhance yield. Three projects have been completed and a further three are being designed and procured. The Group will continue to assess feasibility and implement projects in phases over the coming months.
- Land acquisition: The acquisition of Alderbourne Farm, c. 80 acres adjacent to Pinewood Studios was completed in February 2019.

Financial highlights

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

	Year to date 31 Mar 2019 £'000	**Year to date 31 Mar 2018 £'000**	**3 month period ended 31 Mar 2019 £'000**	**3 month period ended 31 Mar 2018 £'000**
Turnover (Media Services)	85,928	79,690	22,331	19,160
Adjusted EBITDA	44,672	42,338	11,759	10,545
Adjusted EBITDA margins	52.0%	53.1%	52.7%	55.0%
Cash generated from operations	52,748	23,624	17,988	9,078
Capital expenditure	(42,077)	(6,399)	(20,760)	(1,194)
Adjusted net debt	(210,257)	(207,681)	(210,257)	(207,681)

Turnover

Turnover (Media Services) increased by 7.8% to £85.9 million in FY 2018/19 (FY 2017/18: £79.7 million). Backed by strong studio occupancy levels, the increase is principally due to production scheduling resulting in higher revenue from workshop and office space, fees from the resale of certain production accommodation, rate increases and a higher volume of projects in the post-production business.

Adjusted EBITDA

Adjusted EBITDA increased to £44.7 million in FY 2018/19 from £42.3 million in FY 2017/18. This is supported by increased revenue as commented before, coupled with (i) an improvement in gross margins in the UK business following the cessation of a number of non-core, loss making activities, (ii) a decrease in both selling and distribution costs and recurring administrative expenses, offset by (iii) reduced activity in Atlanta and the expiry of a one-off consultancy contract in China.

Cash flow and capital expenditure

Cash generated from operations, before interest and tax receipts/payments, increased by £29.1 million to £52.7 million (FY 2017/18: £23.6 million). Cash flow from operating activities before movements in working capital increased by £6.7 million, reflecting the strong growth from our UK operations. In addition, there were changes in working capital in both years, driven by the timing of receipts from some of our leases around the financial year end dates. Lease receipts of c.£10 million in relation to FY 2017/18 were received early in FY17, whilst FY 2018/19 saw the early receipt of similar amounts in respect of FY 20 together with amounts for FY 2018/19.

Capital expenditure increased to £42.1 million in FY 2018/19 from £6.4 million in FY 2017/18 (excluding the loan to parent of £127.5m). This reflects the planned investment into the Company's strategic initiatives of Pinewood East Phase II, the purchase of Alderbourne Farm adjacent to Pinewood and real estate optimisation activity.

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

	Year ended 31 March 2019 £'000	Year ended 31 March 2018 £'000	3 month period ended 31 March 2019 £'000	3 month period ended 31 March 2018 £'000
Profit on ordinary activities after taxation	21,321	24,358	5,346	7,187
Net Interest payable	6,200	2,294	1,857	156
Tax charge on profit on ordinary activities	6,059	5,905	2,065	680
Depreciation of property, plant and equipment	8,707	8,811	2,204	2,239
Amoritisation of goodwill	560	560	140	140
Exceptional items	873	(549)	199	(405)
Operating loss attibutable to Media Investment	0	905	(60)	518
Loss on disposal of property, plant and equipment	952	54	8	30
Adjusted EBITDA	**44,672**	**42,338**	**11,759**	**10,545**

Adjusted Net debt and liquidity,

Adjusted net debt as at 31 March 2019 stood at £210.3 million with a cash balance of £39.9 million versus the position as at 31 March 2018 when adjusted net debt stood at £207.7 million and cash balance at £43.0 million. The Company has invested £42.1 million, principally, in long term capital expenditure during the year ending 31 March 2019 (as noted above) and generated a net cash inflow from operating activities of £39.6 million.

Paul Golding, CEO, commented

As expected, the demand for our UK facilities at Pinewood and Shepperton Studios remains strong and the results of the fourth quarter are in line with our expectations.

We have made very good progress on our core business and strategic initiatives. Most notable, is the Netflix agreement that was recently signed and the outline planning permission that was granted for our Shepperton masterplan. The consent positions us well to meet the demand from productions and thus remain the leading provider of stage space in the UK. Importantly, the expansion at Pinewood East remains on time and on budget, with completion due in the autumn of this year.

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

Finally, I would like to thank Chris Naisby, our former Finance Director, who leaves us later this month after 18 years with the company. Chris has contributed much during his time at Pinewood and he leaves with our best wishes for the future.

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. The 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 158 Oscar winners, 215 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 report is the historical consolidated financial information of the Group.

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

- The unaudited consolidated financial information of the Group as of and for the 3 months ended 31 March 2019 (“Q4 2018/19”, “Q4 FY19”), and the comparative period as of and for the 3 months ended 31 March 2018 (“Q4 2017/18” or “Q4 FY18”), prepared in accordance with FRS 102.
- The audited consolidated financial information of the Group as of and for the year ended 31 March 2019 (“FY 2018/19”, or “FY19”), and the comparative period as of and for the year ended 31 March 2018 (“FY 2017/18”, or “FY18”), prepared in accordance with FRS 102.
- The audited consolidated financial information of the Group as of and for the year ended 31 March 2019 and year ended 31 March 2018 are 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 report was prepared in accordance with the indenture dated 13 December 2017 among Pinewood Finco PLC, as issuer, the guarantors named therein, Deutsche Trustee Company Limited, as Trustee, and Deutsche Bank AG London Branch, as security agent and as paying agent.

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

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

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

Use of non-FRS 102 financial information

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

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

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

In this report, "Adjusted net debt" is calculated as debt net of cash balances, ignoring the unamortised loan issue fees.

Notes

1. Stage occupancy has been restated to exclude the specialist Underwater Stage and Paddock Tank.

Results of operations

Fourth Quarter 2018/19 compared with Fourth Quarter 2017/18

Turnover

Turnover from Media Services attributable to the Group (after intersegmental elimination) increased by 17% to £22.3 million in Q4 2018/19 (Q4 2017/18: £19.2 million). This increase reflects production scheduling resulting in higher other production accommodation revenues, rate increases, fees from the resale of certain production accommodation and a high volume of new TV productions.

Cost of sales

Cost of sales expenses increased by £0.5 million to £9.9 million (Q4 2017/18: £9.4 million). Q4 2017/18 benefitted from the release of various bad debt provisions, whilst Q4 2018/19 included the cost of hosting the new TV productions.

Gross Profit

As a result, gross profit increased to £12.5 million (Q4 2017/18: £9.8 million), with gross margin increasing to 55.8% in Q4 2018/19 from 50.9% in Q4 2017/18. This demonstrates 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 decreased to £0.4 million in Q4 2018/19 from £0.6 million in Q4 2017/18, with the small change due to movements in the provision for bad debts.

Administrative expenses

Administrative expenses include both recurring expenses and exceptional items. Administrative expenses increased by £1.6 million to £2.7 million in Q4 2018/19 (Q4 2017/18: £1.1 million) with £0.6 million of the movement relating to exceptional items. Q4 2017/18 saw the upwards revision in the value of our 15% holding in PMBS Holdings Ltd, whilst in Q4 2018/19 exceptional charges were incurred in the strengthening of the management team. The remaining £1.0 million increase in administrative expenses, is attributable to increased staff costs, the timing of the allocation of central energy costs and increased professional fees.

Income from Participating Interests

Losses from participating interests in Q4 2018/19 were £0.2 million compared with £0.1 million in Q4 2017/18, with reduced activity in Atlanta.

Interest receivable and similar income

Interest receivable and similar income decreased to £1.4 million in Q4 2018/19 from £2.6 million in Q4 2017/18. Q4 2017/18 saw beneficial movements on the fair value on the Group's derivative financial instruments.

Interest payable and similar charges

Interest payable and similar charges increased to £3.3 million in Q4 2018/19 from £2.8 million in Q4 2017/18, which mainly reflected a decrease in the forward value of our derivative financial instruments.

Tax charge on profit on ordinary activities

The tax charge on profit on ordinary activities increased to £2.1 million in Q4 2018/19 from £0.7 million in Q4 2017/18, primarily attributable to a FY 2018/19 effective rate provision of 22.1% (versus FY 2017/18: 19.5%).

Full Year 2018/19 compared with Full Year 2017/18

Turnover

	Year ended 31 March 2019 £'000	**Year ended 31 March 2018 £'000**	**% Change**
Media Services	85,928	79,690	8%
Media Investment	-	1,973	-
Group Turnover	**85,928**	**81,663**	**5%**

Turnover attributable to the Media Services segment (after intersegmental elimination) increased by 8% to £85.9 million in FY 2018/19 compared with £79.7 million in FY 2017/18. This is due to production scheduling resulting in higher workshop and office accommodation occupancy, rate increases, fees from the resale of certain production accommodation and a greater number of projects in the post-production business.

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 5% to £85.9 million in FY 2018/19 (FY 2017/18: £81.7 million).

Cost of sales

Cost of sales decreased by £2.0 million to £41.0 million in FY 2018/19 (FY 2017/18: £43.0 million), due to the cessation of Media Investment and other non-core loss making activities.

Gross Profit

Gross profit increased by 16% to £45.0 million (FY 2017/18: £38.7 million). With the cessation of the Media Investment business and other non-core businesses, gross margin increased by 4.9ppt to 52.3% in FY 2018/19 (FY 2017/18: 47.4%).

Selling and distribution costs

Selling and distribution costs decreased by 19% to £1.7 million (FY 2017/18: £2.1 million) with a lower level of marketing costs in the year.

Administrative expenses

Administration expenses includes both recurring expenses and exceptional items. Total administrative expenses increased by 16% to £8.3 million (FY 2017/18: £7.1 million). This reflected:

i. A £0.2 million reduction in recurring expenditure due to ceased activities, partially offset by staff cost and professional fee increases; and
ii. A £1.4 million increase in exceptional items in the year. An exceptional charge of £0.9 million was recognised in the year (2018: £0.5 million income), representing the cost of the performance improvement review, and changes to the management structure, which commenced in April 2017. The prior year comparative included a cost in relation to this programme of £0.8 million, together with a £0.5 million upwards revision to the value of the Group's 15% equity holding in PMBS Holdings Limited and the release of a £0.9 million accrual of a rent-free period at the Welsh studios, following the Group's decision to terminate its lease on the Welsh studios.

Income from Participating Interests

Losses from participating interests were £1.4 million (FY 2017/18: income of £3.1 million), with reduced activity experienced by our joint venture in Atlanta. Following the reporting period to 31 March 2019, there has been an increase in occupancy in the second half of the 2019 calendar year.

Interest receivable and similar income

Interest receivable and similar income increased to £5.7 million (FY 2017/18: £3.8 million), reflecting a full year's interest earned on the £127.5 million loan to the Group's parent company, Picture Holdco Limited, offset by fair value movements on the derivative financial instruments.

Interest payable and similar charges

Interest payable and similar charges increased to £11.9 million (FY 2018/19: £6.1 million) following the December 2017 refinancing to support studio development at Pinewood East and the real estate optimisation programme at Pinewood West. The previous senior debt facility of £97.5 million was repaid as a part of this refinancing.

Tax charge on profit on ordinary activities

The tax charge on profit on ordinary activities increased to £6.1 million (FY 2017/18: £5.9 million) reflecting an effective tax rate of 22.1% in FY 2018/19 versus 19.5% in FY 2017/18.

Liquidity and capital resources

Cash flow

The cash balance at the end of Q4 2018/19 was £39.9 million compared with a balance of £43.0 million at the end of Q4 2017/18.

The cash outflow of £3.3 million in Q4 2018/19 decreased from an inflow of £2.8 million in Q4 2017/18. This is mainly due to increased capital expenditure as the Group continues the strategic improvement and expansion of its UK sites, partially offset by increased working capital inflows from the timing of receipts from some of our leases around the financial year end dates.
The cash outflow of £3.1 million in FY 2018/19 decreased from an inflow of £14.6 million in FY 2017/18. This reflected improved inflows from operating activities and working capital in FY 2018/19, offset by a higher level of interest payments following the December 2017 refinancing, and higher capital expenditure from the continued development of production space at Pinewood, which was started during the prior year.

Net cash inflow from operating activities

Net cash flow from operating activities increased to a £16.8 million inflow in Q4 2018/19 from a £7.7 million inflow in Q4 2017/18, principally due to the timing of receipts from some of our leases around the financial year end dates.

Net cash inflow from operating activities increased to £39.6 million in FY 2018/19 (FY 2017/18: £18.3 million). This is principally driven by improved underlying trading (before the results of our share in the Atlanta joint venture) and the timing of receipts from some of our leases around the financial year end dates, partially offset by increased interest paid.

Net cash outflow from investing activities

Net cash outflow from investing activities increased to £20.8 million in Q4 2018/19 from £1.2 million in Q4 2017/18 due to an increase of £19.6m attributable to payments in relation to the Groups strategic initiatives and investments in Atlanta.

Net cash outflow from investing activities decreased to £42.1 million in FY 2018/19 (FY 2017/18: £133.9 million) due to:

i) A loan by the Group to its parent company in FY 2017/18 of £127.5 million (FY 2018/19 – £nil); partially offset by
ii) An increase of £35.7 million attributable to payments in relation to the Groups strategic initiatives and investments in Atlanta.

Net cash inflow/outflow from financing

Net cash flow from financing improved to a £0.1 million outflow in Q4 2018/19 from a £3.7 million outflow in Q4 2017/18. Q4 2017/18 included settlements in connection with the December 2017 refinancing.
Net cash outflow from financing decreased to a £0.6 million outflow in FY 2018/19 from £130.2 million inflow in 2017/18. This is principally due to the refinancing carried out in December 2017 and reduced dividend payments.

Pinewood Group Limited

Report and financial statements

Year ended 31 March 2019

Company Registration Number: 03889552

Pinewood Group Limited

Registered No: 03889552

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Strategic Report

Business overview

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

The Group has historically had two reporting segments – Media Services, which provides studio facilities and related production services to the screen-based industries; and Media Investment, which provides investment funding and production services to the screen-based industries. In the year to 31 March 2018, the Group announced its decision that the Media Investment segment would cease trading. The ceased activities do not meet the definition of discontinued operations as they have not been disposed of and certain legacy balances remain at the reporting date.

Our Media Services business principally generates revenue from the provision of space and ancillary services to film and television production houses, together with other Media Hub businesses. The business also provides other sound, picture and localisation services to its production customers.

Business review

Statement of Comprehensive Income
Group revenue increased by 5.2% to £85.9 million in the year (2018: £81.7 million). Excluding the ceased Media Investment segment (revenue of £nil (2018: £2.0 million)), revenue increased by £6.2 million or 7.8%. This increase was primarily driven by increased occupancy in workshop and office space, together with a price increase, whilst stage occupancy remained strong. Within Media Services, our post-production business also performed well, with increased audio, casting and localisation work.

Cost of sales decreased by £2.0 million to £41.0 million, principally from the cessation of the Media Investment business and rationalising some minor ancillary product offerings and costs within our Media Services business.

Group gross profit of £45.0 million (2018: £38.7 million) increased by 16.1%. With the cessation of the Media Investment business, gross profit margin for the Group increased by 4.9ppt to 52.3% (2018: 47.4%).

Selling and distribution costs decreased by 18.9% to £1.7 million (2018: £2.1 million) and administrative expenses increased by 16.0% to £8.3 million (2018: £7.1 million). Excluding exceptional items, administrative expense decreased to £7.4 million from £7.7 million.

The Group discloses significant financial impacts arising from events which are one-off or unusual in nature as exceptional items. An exceptional charge of £0.9 million was recognised in the year (2018: £0.5 million income), representing the cost of the performance improvement review, and changes to the management structure, which commenced in April 2017. The prior year comparative includes a cost in relation to this programme of £0.8 million, together with a £0.4 million upwards revision to the value of the Group's 15% equity holding in PMBS Holdings Limited and the release of a £0.9 million accrual of a rent-free period at the Welsh studios, following the Group's decision to terminate its lease on the Welsh studios.

Group operating profit increased by 18.7% to £35.0 million (2018: £29.5 million). Excluding exceptional items and the ceased Media Investment segment, Group operating profit increased by 20.2% to £35.9 million (2018: £29.8 million), which delivered an improved margin of 41.7% (2018: 37.5%). Group operating profit has been reconciled on the face of the Group Statement of Comprehensive Income.

Income from participating interests at £1.4 million loss (2018: £3.1 million profit), reflected a period of reduced activity experienced by our 40% joint venture in Atlanta. Following the reporting period to 31 March 2019, there has been an increase in occupancy in the second half of the 2019 calendar year.

Interest receivable and similar income increased to £5.7 million (2018: £3.8 million), reflecting a full year's interest earned on the £127.5 million loan to the Group's parent company, Picture Holdco Limited. Interest payable and similar charges increased to £11.9 million (2018: £6.1 million), following the December 2017 refinancing to support studio development at Pinewood East and the real estate optimisation programme at Pinewood West. The previous senior debt facility of £97.5 million was repaid as a part of this refinancing.

Profit on ordinary activities before tax reduced by 9.5% to £27.4 million (2018: £30.3 million). The strong trading result of the Media Services business, was offset by the trading result in Atlanta, together with the increased net finance costs of developing Pinewood East phase 2 which is due to be completed in October 2019. Corporation tax was charged at an effective rate of 22.1% (2018: 19.5%). Profit on ordinary activities after taxation was £21.3 million (2018: £24.4 million).

Strategic Report (continued)

Business review (continued)

Statement of Financial Position
Net assets increased by £22.1 million to £171.1 million (2018: £149.0 million). This reflects a net increase of £33.4 million in property, plant and equipment, a £2.9 million investment in our Atlanta joint venture, offset by a reduction in trade receivables in the year of £12.4 million. Amounts due from customers in April 2019, were received in March 2019, so reducing trade receivables this year.

The Group invested £43.1 million in property, plant and equipment, having progressed development of c. 200,000 sq.ft of lettable space at Pinewood East phase 2 and redevelopment of certain lettable space at Pinewood West. The Group also acquired c. 80 acres of land adjacent to Pinewood East.

Trade and other payables have increased by £2.8 million as at 31 March 2019 to £51.6 million (2018: £48.8 million) predominantly due to an increase in capital expenditure related payables.

Financing and cash flow
Net cash flow from operating activities was £39.6 million, up by 116% on prior year (2018: £18.3 million). This increase was caused by three key factors, being £6.8m from improved cash flows from operating activities before changes in working capital, a c. £20.0m improvement from the timing of receipts from our customers, and a partially offsetting increase of £6.9 million of net interest payments.

Certain customer receipts are contractually due immediately following the financial year end. The early or delayed receipt of these amounts can cause significant movements in working capital. In the reporting period to March 2019, amounts not due until April 2019 were received early, in addition to amounts due in April 2018. The prior year to 31 March 2018 did not benefit from these similar customer receivables, as they had been settled early with the Group in the year to March 2017. The overall impact due to timing of customer receipts was an improvement of c. £20 million against prior year.

Interest paid increased to £10.2 million (2018: £2.6 million), following the refinancing of the £250.0 million of 3.75% senior debt in December 2017, and the repayment of the £97.5 million of previous senior debt.

During the year, the business invested £39.2 million in capital expenditure (2018: £7.7 million) as described above, and invested £2.9 million into the Atlanta joint venture. Cash and cash equivalents decreased in the year by £3.1 million (2018: increased by £14.6 million).

Net debt at the end of the year stood at £206.9 million (2018: £203.1 million), which includes the 3.75% senior secured notes net of unamortised arrangement fees and accrued interest of £246.7 million, £0.2 million of asset financing, net of £39.9 million of cash.

At 31 March 2019 our committed borrowing facilities were £300.0 million, comprising the 3.75% senior notes of £250.0 million and the super senior revolving credit facility of £50.0 million. The revolving credit facility remained undrawn throughout the year.

Strategic Report (continued)

Performance measures

Performance of the Group is monitored internally using a variety of statutory and alternative performance measures (APMs). APMs are used where management considers they are more representative of underlying trading or in monitoring performance against the Group's objectives. Stage occupancy provides insight to the utilisation of the Group's stage facilities. Adjusted EBITDA is an important metric because it reflects the underlying earnings of the core business and is reflective of normalised cash flow. Additional information is provided within the adjusted net debt calculation to enable better understanding of the impact of the effective interest rate calculations. Definitions of the APMs and reconciliations to the equivalent statutory measures are detailed below. The measures used are:

	Notes	**31 March 2019 £'000**	31 March 2018 £'000
Stage occupancy		94%	96%
Turnover (excluding Media Investment ceased)	2	85,928	79,690
Adjusted EBITDA (see below)		44,672	42,338
Adjusted EBITDA margins (EBITDA/Revenue)		52.0%	53.1%
Cash generated from operations		52,748	23,624
Adjusted net debt (see below)		(210,257)	(207,681)
Capital expenditure		42,125	6,399

Stage occupancy for March 2018 has been amended from 93% to 96% to exclude the specialist underwater U stage and Paddock Tank. Stage occupancy is formulated by calculating the proportion of square footage utilised as a percentage of square footage available.

Group profit on ordinary activities after taxation for the year ended 31 March 2019 was £21.3 million (2018: £24.4 million), including the impact of exceptional items and the movement on fair value of financial derivatives.

Capital expenditure represents the total purchase of property, plant and equipment, purchase of intangible assets, investment in joint ventures and repayment from joint ventures, as disclosed in the statement of cash flows.

Reconciliation of profit on ordinary activities after taxation to adjusted EBITDA

	Notes	**31 March 2019 £'000**	31 March 2018 £'000
Profit on ordinary activities after taxation		21,321	24,358
Other interest receivable and similar income		(5,679)	(3,773)
Interest payable and similar expenses		11,879	6,067
Tax charge on profit on ordinary activities		6,059	5,905
Depreciation of property, plant and equipment		8,707	8,811
Amortisation of goodwill		560	560
Exceptional items	3	873	(549)
Operating loss attributable to Media Investment - FPC		-	257
Operating loss attributable to Media Investment - other		-	648
Loss on disposal of property, plant and equipment		952	54
Adjusted EBITDA		44,672	42,338

Reconciliation of adjusted net debt

	31 March 2019 £'000	31 March 2018 £'000
Current assets		
Cash and cash equivalents	39,914	43,043
Current borrowings		
Asset financing	(171)	-
Non-current borrowings		
High yield bond	(247,945)	(246,681)
Asset financing	-	(724)
Drawn loan facilities, less current assets	(208,202)	(204,362)
Secured loan arrangement costs	1,268	1,282
Net debt	(206,934)	(203,080)
Adjustments:		
Interest accrued	2,812	3,042
Secured loan arrangement costs	(1,268)	(1,282)
High yield bond arrangement costs	(4,867)	(6,361)
Adjusted net debt	(210,257)	(207,681)

Principal risks and uncertainties

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

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

Exit from the European Union
Although the majority of our direct customers are UK-registered companies, they tend also to be subsidiaries of predominantly US film and TV production corporations. If sterling were to fall further on an exit from the EU with no deal in place, the UK would be an attractive place to invest for film production purposes. However, a devaluation of sterling may also increase the cost of imported supplies for our construction activities and specialist equipment.

It is not expected that there will be a significant direct impact of a no-deal Brexit on imports and exports by Pinewood from and to non-EU countries in the medium term. It should be noted that, in the short term, there may be delays and issues arising from incomplete or novel legislation coming into force, a lack of suitably trained border staff and capacity constraints and "contagion" from EU originated procedural delays. However, there is a risk that a no deal Brexit may affect Pinewood's schedule of productions because of delays in the movement of personnel and equipment associated with the third parties.

It is challenging to assess the impact on Pinewood's third party suppliers, particularly at the second or third level down in a supply chain, be it for goods or services. Some of these services sit several levels below the primary supplier to Pinewood. Consequently, whilst it may be possible to interrogate primary suppliers of goods and services about the impact of a no deal Brexit on their supplies to Pinewood, they may not be in a position to assess the impact on their sub-suppliers at lower levels of the supply chain.

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

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

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

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

Regulatory and environmental risk

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

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

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

At the reporting date of 31 March 2019, the Group has banking facilities of up to £300.2 million, principally comprising a £50 million revolving credit facility and a £250 million high yield bond. These facilities are secured on certain of the principal assets of the Group. The revolving credit facility has one covenant and a range of events of default together with variable margins between 132.5 and 232.5 basis points over LIBOR. Our joint venture at Atlanta also has debt facilities totalling c. $72 million, with banking covenants. The Group's borrowings are subject to certain covenants and a deterioration in performance and profitability could affect the Group's ability to satisfy such covenants.

Strategic Report (continued)

Principal risks and uncertainties (continued)

Interest rate risk
Interest rate risk is the risk that the fair value or future values of a financial instrument will fluctuate because of changes in market interest rates. Given the Group's debt is subject to fixed rate interest rates, there is negligible risk to the results from interest rate volatility.

Credit risk
Credit risk is the risk that a counter-party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss.

Customer credit risk is managed across the Group in accordance with policy, procedures and controls relating to customer credit risk management. The Group trades with recognised, creditworthy third parties and it is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, studio space is billed in tranches prior to and throughout the period of customer occupancy, thereby allowing credit risk to be better controlled. Receivable balances are monitored on an ongoing basis to manage the Group's exposure to bad debts.

Foreign exchange risk

The Group does not hedge against foreign currency exposure due to its minimal exposure to foreign currency movements as its business is conducted primarily in UK sterling. The Board continues to review this area to identify any potential exposure.

Fiscal regime
Changes to the UK's film, animation, video games and high end television tax incentives or an increase of incentives in overseas jurisdictions could damage the attractiveness of the UK as a destination for film content creation. The Group monitors the cultural and economic contribution that screen-based industries make to the UK economy.

Our tax burden could increase due to changes in tax laws, rules or treaties or their application or interpretation, adverse decisions of tax authorities or current or future tax audits.

Competition risk

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

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

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

Post balance sheet events and future developments

In July 2019, the Group announced a multi-year deal with Netflix, which sees Netflix creating a dedicated production hub, featuring 14 sound stages, workshops and offices at Shepperton Studios. The contract will deliver a higher occupancy level for the Group.

In July 2019, the Group announced that its collaboration with Pinewood Iskandar Malaysia Studios ended by mutual agreement, with the initial objectives of the collaboration achieved, including the development of studios in Malaysia. The studio will be known as Iskandar Malaysia Studios.

Going Concern

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

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

Approved by the Board and signed on its behalf by:

Barbara Inskip
Director
23 July 2019

Directors' Report

The Directors present their annual report and audited financial statements of the Group for the year ended 31 March 2019.

Results and Dividends

Group profit on ordinary activities after taxation for the year ended 31 March 2019 was £21.3 million (2018: £24.4 million), including the impact of exceptional items and the movement on fair value of financial derivatives.

No dividends were paid during the year (2018: £12.0 million). The Directors do not recommend payment of a final dividend.

Directors

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

Paul Golding	
Barbara Inskip	(Appointed on 17 May 2019)
Luis Moner Parra	
Christopher Naisby	(Resigned on 17 May 2019)
Nathan Shike	
Andrew Smith	
Alison Trewartha	

Directors' Liabilities

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

Employees

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

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

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

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

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

Investing in skills, training and development remains a focus for the Company. This year two Pinewood employees completed an executive MBA for the Creative Industries. Their degrees were sponsored by Pinewood as part of our commitment to career development. The Group also has a well-developed work apprenticeship scheme providing "in work" apprenticeships in areas such as plumbing, carpentry and media. The Company currently has six apprentices whose training is paid for by the Apprenticeship Levy.

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

Directors' Report (continued)

Branches outside of the United Kingdom

The Group operates through various subsidiary undertakings in various jurisdictions as disclosed in Note 5 to the Parent Company financial statements. PSL Consulting Limited, a group company, operates a Beijing Representative Office, which is a branch established in China as defined by Section 1046(3) of the Companies Act 2006.

Going Concern

As outlined within the Strategic Report on page 6, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. As there are no material uncertainties relating to events or conditions that may cast doubt on the ability of the Group to continue as a going concern, the Group continues to adopt the going concern basis of accounting in preparing the financial statements.

Other Directors' Report Disclosure Requirements

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

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

Directors' Statement as to Disclosure of Information to Auditor

The Directors who were members of the Board at the time of approving the Directors' report are listed on page 7. Having made enquiries of fellow Directors, each of these Directors confirms that:

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

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

Deloitte LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board and signed on its behalf by:

Bridget Sheldon-Hill
Company Secretary
23 July 2019

Pinewood Group Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss for that period. In preparing those financial statements, the Directors are required to:

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

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

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Pinewood Group Limited (the 'parent company') and its subsidiaries (the 'group'):
• give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2019 and of the group's profit for the year then ended;
• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
• have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Pinewood Group Limited and its subsidiaries which comprise:
• the Group Statement of Comprehensive Income;
• the Group Statement of Financial Position;
• the Group Statement of Cash Flows;
• the Group Statement of Changes in Equity;
• the related notes to the Consolidated Financial Statements 1 to 27;
• the Parent Company Statement of Financial Position;
• the Parent Company Statements of Changes in Equity; and
• the related notes to the Parent Company Financial Statements 1 to 14.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of these matters.

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.

Andrew Evans (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Reading
United Kingdom
23 July 2019

Pinewood Group Limited

Group Statement of Comprehensive Income

for the year ended 31 March 2019

	Notes	**2019 £'000**	2018 £'000
Turnover	2	**85,928**	81,663
Cost of Sales		**(40,956)**	(42,933)
Gross profit		**44,972**	38,730
Selling & Distribution costs		**(1,717)**	(2,118)
Administrative expenses			
Recurring activities		**(7,388)**	(7,668)
Exceptional items	3	**(873)**	549
Total administrative expenses		**(8,261)**	(7,119)
Operating profit	4	**34,994**	29,493
Comprising:			
Operating profit/(loss) from:			
Media Services activities before exceptional items		**35,867**	29,849
Media Investment - film production companies		**-**	(257)
Media Investment - other activities		**-**	(648)
Exceptional items	3	**(873)**	549
		34,994	29,493
Income from participating interests	8	**(1,414)**	3,064
Interest receivable and similar income	9	**5,679**	3,773
Interest payable and similar expenses	10	**(11,879)**	(6,067)
Profit on ordinary activities before taxation		**27,380**	30,263
Tax on profit on ordinary activities	11	**(6,059)**	(5,905)
Profit on ordinary activities after taxation attributable to equity shareholders		**21,321**	24,358
Other comprehensive income			
Exchange differences on translation of foreign operations on consolidation		**809**	(554)
Total comprehensive income for the year		**22,130**	23,804

The notes on pages 16 to 36 form part of these financial statements.

Pinewood Group Limited

Group Statement of Financial Position
as at 31 March 2019

	Notes	**2019 £'000**	2018 £'000
Assets			
Non current assets			
Intangible assets	13	**4,622**	3,924
Property, plant and equipment	14	**266,876**	233,441
Interests in joint ventures	8	**13,308**	10,971
Other investments	15	**1,680**	1,680
Trade and other receivables	17	**134,369**	129,045
		420,855	379,061
Current assets			
Inventories		**36**	61
Trade and other receivables	17	**14,156**	26,599
Cash and cash equivalents	18	**39,914**	43,043
		54,106	69,703
Total assets		**474,961**	448,764
Equity and liabilities			
Share capital	19	**5,741**	5,741
Share premium		**76,696**	76,696
Capital redemption reserve		**135**	135
Merger reserve		**348**	348
Translation reserve		**1,595**	786
Retained earnings		**86,598**	65,277
Total equity		**171,113**	148,983
Non-current liabilities			
Interest-bearing loans and borrowings	21	**246,677**	246,123
Derivative financial instruments	22	**2,206**	1,781
Deferred tax liabilities	11	**3,233**	3,115
		252,116	251,019
Current liabilities			
Interest-bearing loans and borrowings	21	**171**	-
Trade and other payables	23	**51,561**	48,762
		51,732	48,762
Total liabilities		**303,848**	299,781
Total equity and liabilities		**474,961**	448,764

The financial statements of Pinewood Group Limited (registered number: 03889552) were approved and authorised for issue by the Board of Directors on 23 July 2019. They were signed on its behalf by:

Barbara Inskip
Director

The notes on pages 16 to 36 form part of these financial statements.

Pinewood Group Limited

Group Statement of Cash Flows

for the year ended 31 March 2019

	Notes	2019 £'000	2018 £'000
Cash flow from operating activities:			
Profit on ordinary activities before taxation		**27,380**	30,263
Adjustments to reconcile profit on ordinary activities before taxation to net cash flows:			
Depreciation, impairment and amortisation	4	**9,267**	9,371
Loss on disposal of property, plant and equipment	4	**952**	54
Fair value adjustment on PMBS Holdings	3	**-**	(460)
Income from participating interests	8	**1,414**	(3,064)
Interest receivable and similar income	9	**(5,679)**	(3,773)
Interest payable and similar charges	10	**11,879**	6,067
Cash flow from operating activities before changes in working capital		**45,213**	38,458
Decrease/(increase) in trade and other receivables	17	**12,066**	(8,156)
Decrease/(increase) in inventories		**25**	(8)
(Decrease) in trade and other payables	23	**(4,556)**	(6,670)
Cash generated from operations		**52,748**	23,624
Interest paid		**(10,171)**	(2,587)
Interest received		**732**	56
Corporation tax received in respect of FPC activity		**901**	-
Corporation tax paid		**(4,649)**	(2,809)
Net cash flow from operating activities		**39,561**	18,284
Cash flow used in investing activities:			
Proceeds from disposal of property, plant and equipment		**48**	-
Purchase of property, plant and equipment		**(37,925)**	(7,736)
Purchase of intangible assets		**(1,258)**	-
Investment in joint ventures		**(2,942)**	(196)
Repayment from joint ventures		**-**	1,533
Loans made to parent undertakings		**-**	(127,474)
Net cash flow used in investing activities		**(42,077)**	(133,873)
Cash flow from financing activities:			
Dividends paid	12	**-**	(11,950)
Proceeds from issue of loan notes	21	**-**	250,000
Repayment of asset financing obligations		**(613)**	(870)
Repayment of bank borrowings	21	**-**	(100,000)
Payment of loan issue fees		**-**	(7,012)
Net cash flow (used in)/from financing activities		**(613)**	130,168
Net (decrease)/increase in cash and cash equivalents		**(3,129)**	14,579
Cash and cash equivalents at the start of the year		**43,043**	28,464
Cash and cash equivalents at the end of the year	18	**39,914**	43,043

Included within the cash and cash equivalents balance is a total of £110,000 (2018: £390,000) which is unavailable for general use. See Note 18.

The notes on pages 16 to 36 form part of these financial statements.

Pinewood Group Limited

Reconciliation of Movement in Net Debt
for the year ended 31 March 2019

	2019 £'000	2018 £'000
(Decrease)/increase in cash and cash equivalents	**(3,129)**	14,579
Repayments of bank borrowings	**-**	100,000
Proceeds from issue of loan notes	**-**	(250,000)
Repayments of asset financing obligations	**553**	780
Loan issue costs	**-**	7,643
Amortisation of loan issue costs	**(14)**	(438)
Interest accrued on loan notes	**(1,264)**	(3,042)
Movement in net debt	**(3,854)**	(130,478)
Net debt at the start of the year	**(203,080)**	(72,602)
Net debt at the end of the year	**(206,934)**	(203,080)
Net debt at end of year excluding restricted cash	**(207,044)**	(203,470)

Group Statement of Changes in Equity
for the year ended 31 March 2019

	Share capital £'000	Share premium £'000	Translation reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 01 April 2018	5,741	76,696	786	483	65,277	148,983
Profit for the year	-	-	-	-	21,321	21,321
Translation reserve movement	-	-	809	-	-	809
Total comprehensive income for the year	-	-	809	-	21,321	22,130
At 31 March 2019	**5,741**	**76,696**	**1,595**	**483**	**86,598**	**171,113**
At 01 April 2017	5,741	76,696	1,340	483	52,869	137,129
Profit for the year	-	-	-	-	24,358	24,358
Translation reserve movement	-	-	(554)	-	-	(554)
Total comprehensive income for the year	-	-	(554)	-	24,358	23,804
Equity dividends (Note 12)	-	-	-	-	(11,950)	(11,950)
At 31 March 2018	5,741	76,696	786	483	65,277	148,983

The notes on pages 16 to 36 form part of these financial statements.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2019

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

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

1 Accounting policies

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

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

The full financial statements have been prepared with early adoption of the FRS 102 Triennial Review 2017 amendments in full. This is the first set of financial statements where the Triennial Review amendments have been adopted and the application date is therefore 1 April 2017. There have been no changes to amounts presented in respect of transactions or balances in any of the main statements as a result of adoption of the changes, but certain disclosures relating to financial instruments have been updated in line with the new requirements.

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

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

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Group and its subsidiaries up to 31 March 2019. All intragroup transactions, balances, income and expenses are eliminated in full on consolidation. All subsidiaries are consolidated for the financial year ending 31 March 2019 regardless of the individual entities' statutory reporting date. Individual entities within the Group that have a functional currency other than sterling are translated to sterling so that the consolidated financial statements may be presented.

1 Accounting policies (continued)

Turnover

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

Media Services:

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

Media Investment:

- The business segment ceased trading in the year ended 31 March 2018 with certain legacy balances remaining at the reporting date.
- External investment advisory turnover is derived from the provision of services on a per film investment basis, with turnover from an annual management fee recognised on a straight line basis over the course of the year.
- Film Production Companies' turnover relates to the funding provided from the various financiers (excluding loans against tax credit, which are recognised as a liability on the Group statement of financial position). Turnover recognised is the proportion of completion of the relevant project.

Foreign currency

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

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

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

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

Employee benefits

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

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

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

1 Accounting policies (continued)

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

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

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

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

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

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

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

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

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

Intangible assets
Intangible assets excluding goodwill, when identified, are capitalised at cost and subsequently amortised over their useful economic life on the following bases:

The software asset is not yet in use and so is not being depreciated, accordingly. The anticipated useful life is between 5 and 10 years and will be determined at the point the software is completed and in use.

1 Accounting policies (continued)

Goodwill

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

Property, plant and equipment

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

Freehold buildings	- 30 to 50 years
Freehold improvements	- 5 to 25 years
Leasehold improvements	- shorter of 25 years or the term of the lease
Fixtures, fittings and equipment	- 3 to 10 years

Land and assets under construction are not depreciated.

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

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

An item of property, plant and equipment is derecognised upon disposal. Any gain or loss arising in de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised.

Interests in joint ventures

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

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

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

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2019

1 Accounting policies (continued)

Inventories

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

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

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

Impairment of assets

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

Financial instruments

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

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

Financial assets and liabilities

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

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

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

1 Accounting policies (continued)

Financial instruments (continued)

Investments

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

Equity instruments

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

Fair value measurement

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

Interest-bearing loans and borrowings

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

Derivative financial instruments

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

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

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

Provisions

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

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

Leases

The Group as lessee - finance leases

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

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

1 Accounting policies (continued)

Leases (continued)

The Group as lessee - operating leases

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

The Group as lessor - operating leases

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

Significant accounting judgements, estimates and assumptions

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

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

Significant accounting estimates

Fair value of investment in PMBS Holdings Limited

The Group's investment in the equity and loan notes of PMBS Holdings Limited is held at fair value of £1.7 million (2018: £1.7 million) and £2.3 million (2018: £2.7 million), respectively. The Group was issued equity and loan notes equal to a 15% share of the debt and equity of PMBS Holdings Limited when the initial investment was made. At each reporting date management make an estimate of the fair value of both the value of the loan notes and the value of the equity investment.

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

An adverse movement of 10% points on the discount factor, or a 50% reduction on the annual cashflows of PMBS, when applied to the equity would result in an impairment, and could result in the recoverability of the loan notes being considered doubtful.

S106 liability

In order to facilitate the construction of Pinewood East, the Group entered into a Section 106 agreement with Buckinghamshire County Council. Under this agreement the Group must pay for traffic improvements at the Iver Heath Five Points roundabout. These improvements, the implementation of which the Group is currently in discussion with Buckinghamshire County Council, have been estimated and capitalised at cost. Included in both accruals and the gross cost of plant, property and equipment is an estimate of £4.0 million (2018: £4.0 million), relating to this agreement. The capitalised gross cost is being depreciated over 50 years and has a remaining NBV of £3.8 million (2018: £3.9 million).

Atlanta joint venture

The Group's investment in the Atlanta Joint Venture is accounted for using the equity accounting method. Management has performed an impairment review of the asset, calculating a value in use through application of a discounted cashflow model. Key inputs into the model are the expected levels of occupancy of the studio space, the price and the discount factor applied. The assumptions applied to these factors support the carrying value of the asset. A movement in these factors may have an impact on that value. The carrying value of the investment at 31 March 2019 was £13.3 million (2018: £11.0 million). There are no indicators of impairment.

Significant accounting judgements

Fixed asset useful economic lives.

The Group has fixed assets held at amortised cost, the total cost of which is £350.8 million at 31 March 2019 (2018: £309.3 million). Accumulated depreciation is £84.0 million (2018: £75.8 million) and the charge for the period is £8.7 million (2018: £8.8 million). If the average useful economic life of the assets was reduced by 15% the charge would increase by £1.5 million.

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

2 Turnover and segment information

Turnover by operating segment

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

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

Segment data for the year ended 31 March 2019 and 2018 is presented below:

	2019	2018
	£'000	£'000
Turnover by segment		
Media services	**85,928**	79,979
Media investment	**-**	1,973
Total segmental turnover	**85,928**	81,952
Intersegment elimination	**-**	(289)
Group turnover	**85,928**	81,663

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

The ceased Media Investment activities do not meet the definition of discontinued operations as they have not been disposed of and certain legacy balances remain at the reporting date.

Turnover by geographical region

Turnover continues to arise predominantly in the United Kingdom, being the Group's country of domicile, with turnover from the Group's international activity representing 3.6% (2018: 3.3%).

	2019	2018
	£'000	£'000
United Kingdom	**82,865**	78,975
North America	**2,446**	1,308
Asia	**329**	1,028
Rest of the World	**288**	352
	85,928	81,663

Non current assets by geographical region

The Group's interest in joint ventures with a carrying value of £13.3 million (2018: £11.0 million) is domiciled outside the UK, see note 8. There are also items of property, plant and equipment with a carrying value of £0.2 million (2018: £nil) held outside the UK.

Turnover by major customers

Turnover from one Media Services customer, operating through several separate subsidiaries, of £37.9 million (year ending 31 March 2018: £35.7 million) was recognised in the year. No other single customer contributed 10% or more of the Group's turnover in either 2018 or 2019.

Pinewood Group Limited

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2019

2 Turnover and segment information (continued)

	Notes	**Year ended 31 March 2019** Media Services £'000	Media Investment £'000	Total £'000	Year ended 31 March 2018 Media Services £'000	Media Investment £'000	Total £'000
Turnover		**85,928**	**-**	**85,928**	79,690	1,973	81,663
Cost of sales		**(40,956)**	**-**	**(40,956)**	(41,367)	(1,566)	(42,933)
Gross profit		**44,972**	**-**	**44,972**	38,323	407	38,730
Distribution costs		**(1,717)**	**-**	**(1,717)**	(2,118)	-	(2,118)
Administrative expenses							
Recurring activities		**(7,388)**	**-**	**(7,388)**	(6,356)	(1,312)	(7,668)
Exceptional items	3	**(873)**	**-**	**(873)**	549	**-**	549
Total administrative expenses		**(8,261)**	**-**	**(8,261)**	(5,807)	(1,312)	(7,119)
Operating profit/(loss)	4	**34,994**	**-**	**34,994**	30,398	(905)	29,493
Comprising:							
Operating profit/(loss) from:							
Media Services activities before exceptional items		**35,867**	**-**	**35,867**	29,849	-	29,849
Media Investment - FPCs		**-**	**-**	**-**	-	(257)	(257)
Media Investment - other activities		**-**	**-**	**-**	-	(648)	(648)
Exceptional items	3	**(873)**	**-**	**(873)**	549	-	549
		34,994	**-**	**34,994**	30,398	(905)	29,493
Income from participating interests	8	**(1,414)**	**-**	**(1,414)**	3,064	-	3,064
Other interest receivable and similar income	9	**5,679**	**-**	**5,679**	3,773	-	3,773
Interest payable and similar expenses	10	**(11,879)**	**-**	**(11,879)**	(6,067)	-	(6,067)
Profit/(loss) on ordinary		**27,380**	**-**	**27,380**	31,168	(905)	30,263
Tax on profit/(loss) on ordinary activities	11	**(6,059)**	**-**	**(6,059)**	(6,162)	257	(5,905)
Profit/(loss) on ordinary activities after taxation		**21,321**	-	**21,321**	25,006	(648)	24,358

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2019

3 Exceptional items of (income)/expense

	2019	2018
	£'000	£'000
Release of rent free accrual	**-**	(912)
Restructuring and management consultancy	**873**	823
PMBS Holdings Limited	**-**	(460)
	873	(549)

Release of rent free accrual
Pinewood Studio Wales signed an agreement for lease for the Welsh Studios on 16 July 2014. The agreement was for a 15 year lease with 2 years rent free. In line with accounting convention Pinewood accrued the applicable proportion of the full rent during this rent free period. Following the decision to terminate the lease on the Welsh Studios this rent is no longer payable and was released as an exceptional income during the year ended 31 March 2018.

Restructuring and management consultancy
Restructuring reorganisation costs of £0.9 million (year ended 31 March 2018: £0.8 million) relate to a performance improvement review, streamlining and changes to the management structure, as well as costs in relation to Pinewood Media Guarantors Limited and the disposal of Pinewood Television Limited on 26 September 2017.

PMBS Holdings Limited
The Group has a 15% interest in PMBS Holdings Limited. The Group reviewed the carrying value of its interest in the equity and loan notes at the 31 March 2019. The fair value gain recorded in the period ended 31 March 2019 in respect of the equity and loan notes was £nil (2018: £0.5 million).

4 Operating profit

	2019	2018
Operating profit is stated after charging/(crediting):	**£'000**	£'000
Depreciation of property, plant and equipment	**8,707**	8,811
Loss on disposal of property, plant and equipment	**952**	54
Operating lease payments	**957**	1,224
Amortisation of goodwill	**560**	560
Net foreign exchange gains	**(97)**	(18)

Depreciation and amortisation charges are included within cost of sales on the Statement of Comprehensive Income.

5 Auditor's remuneration

	2019	2018
The analysis of auditor's remuneration is as follows:	**£'000**	£'000
Fees payable to Group's auditor for the audit of Parent Company and Group financial statements	**50**	48
Fees payable to the Company's auditor and its associates for the audit of the Company's subsidiaries	**140**	130
Total audit fees	**190**	178
Fees payable to the Group's auditor and its associates for other services:		
Other assurance services	**-**	297
Total fees for other services	**-**	297
Total fees	**190**	475

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2019

6 Staff costs and numbers

Staff costs including Directors	**2019 £'000**	2018 £'000
Salaries	**10,792**	12,507
Social security costs	**1,090**	1,305
Pension costs	**752**	910
Long term incentive plan	**-**	3
Other employee benefits	**276**	307
	12,910	15,032

Average monthly number of employees, including Executive Directors:	**2019 numbers**	2018 numbers
Management	**9**	20
Operational	**89**	90
Administration	**27**	36
Executive	**3**	5
Technical	**108**	112
Sales	**25**	27
	261	290

7 Directors' emoluments

	2019 £'000	2018 £'000
Salaries	**451**	551
Pension costs	**46**	54
Compensation for loss of office	**241**	-
Other employee benefits	**11**	18
	749	623

The number of Directors to whom retirement benefits are accruing under defined contribution schemes was 2 (2018: 3).

The emoluments of the highest paid Director were £453,000 which includes £241,017 in respect of compensation for loss of office (2018: £308,000); pensions contributions were £20,000 (2018: £20,000).

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

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

Amounts paid to third parties in relation to Directors services in the period are £0.3 million (2018: £0.3 million).

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2019

8 Interests in joint ventures

As at 31 March 2019 and at 31 March 2018, the Group had interests in the following joint ventures:

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

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

Registered office address details are included in Note 5 to the Parent Company financial statements.

2019	**PAS £'000**		**Total £'000**
Equity	13,308		13,308
Loan note	-		-
Total investment	13,308		13,308
Less: share of losses	-		-
Net investment	13,308		13,308
Non-current assets	97,709		97,709
Current assets	4,074		4,074
Non-current liabilities (non-recourse)	(56,199)		(56,199)
Current liabilities	(4,646)		(4,646)
Net assets	40,938		40,938
Turnover	9,968		9,968
Expenses	(13,567)		(13,567)
Loss	(3,599)		(3,599)
Group share of loss	**(1,414)**		**(1,414)**

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

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

The Group's interests in joint ventures at 31 March 2019 and 31 March 2018 was as follows:

	2019 £'000
As at 31 March 2018	**10,971**
Share of loss from joint venture	**(1,414)**
Investment in joint ventures	**2,942**
Foreign currency movement	**809**
As at 31 March 2019	**13,308**

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2019

8 Interests in joint ventures (continued)

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

PAS is a partnership in the US and therefore the partners are responsible for tax charges in relation to the entity.

9 Interest receivable and similar income

	2019	2018
	£'000	£'000
On financial assets measured at amortised cost:		
Interest receivable from joint ventures	**24**	30
Loan interest receivable	**5,325**	1,781
Bank interest receivable	**102**	56
	5,451	1,867
On financial assets measured at fair value:		
Loan interest receivable	**228**	-
Fair value movements of derivative financial instruments	**-**	1,906
	5,679	3,773

10 Interest payable and similar charges

	2019	2018
	£'000	£'000
On financial instruments measured at amortised cost:		
Bank loan and overdraft interest	**383**	1,683
Loan interest payable	**10,346**	3,042
Finance fee amortisation	**-**	438
	10,729	5,163
On financial instruments measured at fair value:		
Interest rate hedging	**639**	813
Fair value movements of derivative financial instruments	**425**	-
	1,064	813
Not on financial instruments:		
Finance lease interest	**60**	90
Other interest paid	**26**	1
	86	91
	11,879	6,067

11 Tax on profit on ordinary activities

	2019	2018
(a) Analysis of charge for the year:	**£'000**	£'000
Current tax:		
UK corporation tax charge	5,326	3,964
Amounts payable for Group tax loss relief	1,020	1,840
Foreign corporation tax	36	727
Foreign tax suffered	81	318
UK film tax relief	(14)	(257)
Double taxation credit	(50)	(224)
Amounts under provided in previous years	(415)	(352)
	5,984	6,016
Deferred tax:		
Relating to origination and reversal of temporary differences	124	208
Effect of change in deferred tax rates	-	-
Amounts (under)/over provided in previous years	(49)	(319)
	75	(111)
Tax charge in the Group comprehensive income statement	**6,059**	5,905

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2019

11 Tax on profit on ordinary activities (continued)

(b) Factors affecting current taxation for the year:	**2019** **£'000**	2018 £'000
Profit on ordinary activities before tax	**27,380**	30,263
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	**5,202**	5,750
Adjustments in respect of:		
UK Film tax relief	(14)	(257)
Corporation tax overprovided in previous years	(442)	(352)
Deferred tax overprovided in previous years	(49)	(319)
Non-allowable depreciation on buildings	635	661
Other non-allowable expenses	332	121
Unrelieved tax losses	545	(32)
Double taxation relief	(50)	(224)
Overseas tax at different rates	(116)	564
Group relief	(1,020)	(1,840)
Amounts payable for group tax relief	1,020	1,840
Land remediation relief	-	(3)
Deferred tax - effect of taxation rate change	(9)	5
Other adjustments	25	(9)
	6,059	5,905

(c) Deferred tax	**2019** **£'000**	2018 £'000
Deferred tax relates to the following:		
Group comprehensive statement of income:		
Deferred tax credit arising on:		
Accelerated capital allowances	75	75
Short term temporary differences	-	(230)
Tax losses	-	44
Net deferred tax (credit)/charge	**75**	(111)

Statement of financial position:	**At 31 March 2018** **£'000**	**Charged to income statement** **£'000**	**Forex** **£'000**	**At 31 March 2019** **£'000**
Accelerated capital allowances	3,676	75	-	**3,751**
Short term temporary differences	(896)	-	43	**(853)**
Tax losses	-	-	-	**-**
Fair value adjustment in respect of SSPP acquisition	335	-	-	**335**
Net deferred tax liability	3,115	75	43	**3,233**

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

A reduction to the main rate of UK corporation tax to from 19% to 17% has been enacted and is effective from 1 April 2020, was enacted in the previous financial year. Therefore, deferred tax balances have been calculated at 17% (2018: 17%).

Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2019

12 Dividends

	2019 £'000	2018 £'000
2019 Final dividend paid at £nil per share (2018: 20.8p)	-	11,950
	-	11,950

13 Intangible assets

	Software £'000	Goodwill £'000	Total £'000
Cost			
At 31 March 2018	-	5,604	5,604
Additions	1,258	-	1,258
At 31 March 2019	**1,258**	**5,604**	**6,862**
Amortisation			
At 31 March 2018	-	1,680	1,680
Provided during year	-	560	560
At 31 March 2019	**-**	**2,240**	**2,240**
Net book value			
At 31 March 2019	**1,258**	**3,364**	**4,622**
At 31 March 2018	-	3,924	3,924

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

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

Software relates to an asset under the course of construction and as such is not being amortised.

14 Property, plant and equipment

	Freehold land and buildings £'000	Lease-hold improve-ments £'000	Fixtures, fittings and equipment £'000	Assets under construction £'000	Total £'000
Cost					
At 31 March 2018	262,969	179	44,831	1,303	309,282
Additions	11,055	-	2,168	29,919	43,142
Reclassification	(13)	-	-	13	-
Disposals	(1,033)	(179)	(378)	-	(1,590)
At 31 March 2019	**272,978**	**-**	**46,621**	**31,235**	**350,834**
Depreciation					
At 31 March 2018	44,730	26	31,085	-	75,841
Provided during year	6,124	6	2,577	-	8,707
Disposals	(354)	(32)	(204)	-	(590)
At 31 March 2019	**50,500**	**-**	**33,458**	**-**	**83,958**
Net book value					
At 31 March 2019	**222,478**	**-**	**13,163**	**31,235**	**266,876**
At 31 March 2018	218,239	153	13,746	1,303	233,441

Assets under construction at 31 March 2019 and 2018 relate to costs capitalised in respect of the development of Pinewood East. These are not depreciated until the development is available for use. Phase One of the development became operational on 30 June 2016.

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2019

14 Property, plant and equipment (continued)

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

Included within Fixtures, fittings and equipment are assets held under finance leases with a net book value of £2,298,000 (2018: £2,734,000) and depreciation charged in the year of £436,000 (2018: £514,000).

15 Other investments

	£'000
At 31 March 2018	1,680
Revaluation	-
At 31 March 2019	**1,680**
Fair value	
At 31 March 2019	**1,680**
At 31 March 2018	1,680

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

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

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

The registered office of POP Global Limited is: Tea Building, 56 Shoreditch High Street, London, E1 6JJ.

16 Financial instruments held at fair value through profit or loss

The carrying value of the Group's financial instruments measured at fair value through profit or loss at 31 March 2019 were:

	2019	2018
Financial assets measured at fair value through profit or loss:	**£'000**	£'000
Other investments (Note 15)	**1,680**	1,680
Loan notes receivable (Note 17)	**2,336**	2,738
Fair value at 31 March	**4,016**	4,418

	2019	2018
Financial liabilities measured at fair value through profit or loss:	**£'000**	£'000
Derivatives (Note 22)	**2,206**	1,781
Fair value at 31 March	**2,206**	1,781

Total gains/(losses) on financial instruments held at fair value through profit and loss on the group statement of comprehensive income were as follows:

	2019	2018
	£'000	£'000
Other investments (Note 15)	**-**	460
Derivatives (Note 22)	**(425)**	1,906
Total (losses)/gains	**(425)**	2,366

Other investments (Equity)

The fair value of the equity has been calculated by using a discounted cashflow model. The key inputs in respect of the discounted cashflow model are the discount factor of 10.6%, deemed to be a market rate reflecting the risks associated with the asset, the projected annual cash flows and a terminal growth rate of 1.3%.

Loan notes receivable

The fair value calculations for the loan use eight year income projections and assume an 8% coupon on the loan is rolled into the loan balance. The par value of the loan notes is £2.3 million and the fair value exercise with the assumptions noted below results in a fair value that is in line with this par value. The key assumptions used in the value in use calculations are:

Discount rate

The discount rate reflects the current market assessment of the risks specific to the financial instrument. The discount rate was calculated using the Group’s cost of debt. The discount rate used for the year ended 31 March 2019 is 8% (2018: 8%).

Income from operations

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

17 Trade and other receivables

	2019	2018
	£'000	£'000
Amount falling due within one year:		
Trade receivables - Media services	**9,096**	21,118
Trade receivables - Film production companies	**109**	105
Prepayments and other receivables	**2,615**	2,638
Loan notes receivable	**2,336**	2,738
	14,156	26,599
Amount falling due after more than one year:		
Loans due from parent undertakings	**134,369**	129,045
	134,369	129,045
	148,525	155,644

Loan notes receivable of £2,336,000 (2018: £2,738,000) are due for repayment by 1 January 2025. Interest, which is rolled up, is charged at 8% and is payable in June and December each year.

Following management's review of assets for impairment, trade receivables above are stated net of a provision of £606,000 (2018: £777,000) against bad debts. In the year ended 31 March 2019 amounts of £130,000 (2018: £424,000) were charged to the income statement and are included within administrative expenses in respect of bad debt. The movement on the provision of £171,000 (2018: £418,000) netted off with bad debt write offs of £331,000 (2018: £6,000) within the year.

Loans due from parent undertakings are due for repayment on 1 December 2023 and carry interest charged at 4.05% (2018: 4.05%).

18 Cash and cash equivalents

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

	2019 £'000	2018 £'000
Cash available for general use	**39,804**	42,653
Restricted cash and cash equivalents	**110**	390
Net cash and cash equivalents	**39,914**	43,043

19 Share capital

Issued, called up and fully paid	2019 £'000	2018 £'000
57,409,926 Ordinary shares of 10p each	**5,741**	5,741

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

20 Reserves

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

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

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

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

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

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

21 Interest bearing loans and borrowings

		Maturity	2019 £'000	2018 £'000
Current Borrowings				
Asset financing		5 November 2019	**171**	-
			171	-
Non-Current Borrowings				
Revolving credit facility	(i)	1 June 2023	**-**	-
Asset financing		5 November 2019	**-**	724
Loan notes	(ii)	1 December 2023	**247,945**	246,681
Non-current drawn loan facilities			**247,945**	247,405
Secured bank loan arrangement costs			**(1,268)**	(1,282)
			246,677	246,123
Total current and non-current interest-bearing loans and borrowings			**246,848**	246,123

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2019

21 Interest bearing loans and borrowings (continued)

The effective interest rates of the above loans and borrowings are: (i) Revolving credit facility - LIBOR plus variable margin; (ii) Loan notes - 4.28%.

On 13 December 2017, a refinancing of the Group was completed. At this date, the Group's existing drawn senior facilities, which were £97.5 million, were repaid in full and £250 million of new 3.75% Senior Secured Notes due 1 December 2023 were issued. Pinewood Group Limited advanced a £127.5 million loan on to its Parent. At the reporting date of 31 March 2019, the principal balance of £127.5 million was still outstanding and £6.9 million (2018: £1.5 million) of interest accrued on the balance is included within receivables due after more than one year.

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

Directly attributable costs of £6.4 million were recognised at the inception of the £250 million loan notes and are being amortised as part of the effective interest rate method in accordance with the Group's accounting policy.

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

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

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

At 31 March 2019:	**Within 1 year £'000**	**1-4 years £'000**	**5+ years £'000**	**Total £'000**
Facilities:				
Revolving credit facility	-	50,000	-	50,000
Asset financing facility	171	-	-	171
Loan notes	-	250,000	-	250,000
Total facilities	171	300,000	-	300,171
Drawn loans:				
Revolving credit facility	-	-	-	-
Asset financing facility	(171)	-	-	(171)
Loan notes	-	(250,000)	-	(250,000)
Total drawn loans	(171)	(250,000)	-	(250,171)
Undrawn facilities:				
Revolving credit facility	-	50,000	-	50,000
Asset financing facility	-	-	-	-
Loan notes	-	-	-	-
Undrawn committed facilities	-	50,000	-	50,000

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

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2019

22 Derivative financial instruments

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

	2019 £'000	2018 £'000
Financial liabilities carried at fair value:		
Non-current derivative financial instrument liabilities	**2,206**	1,781
	2,206	1,781

Interest rate swaps

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

Effective interest rate %	**Maturity**	**2019 £'000**	2018 £'000
2.00% + variable margin	30 April 2025	25,000	25,000
2.08% + variable margin	30 April 2022	25,000	25,000
		50,000	50,000

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

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

23 Trade and other payables

	2019 £'000	2018 £'000
Trade payables - Media services	**2,048**	3,345
Trade payables - Film production companies	**517**	1,753
Corporation tax payable	**1,967**	794
Value added tax	**1,385**	2,902
Other payables	**635**	942
Accruals	**4,807**	4,842
Amounts due to parent company	**4,078**	3,124
Capital expenditure related payables	**9,753**	4,536
Deferred royalty	**669**	685
Deferred income - Media services	**25,665**	25,802
Deferred income - Film production companies	**37**	37
	51,561	48,762

Amounts due to parent company bear interest at 4.05% (2018: 4.05%) and have no fixed repayment terms.

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

At 31 March 2019, the Group had total capital commitments contracted for, but not provided in the financial statements, of £26,943,000 (2018: £nil) in respect of development expenses arising from Pinewood East.

24 Obligations under leases

Operating leases as lessee

Future minimum rentals payable on the Group's non-cancellable operating leases as at 31 March 2019 and 31 March 2018 are as follows:

	2019	2018
	£'000	£'000
Within one year	**733**	470
After one year but not more than five years	**2,249**	1,490
	2,982	1,960

Operating leases as lessor

Future minimum rentals receivable under non-cancellable operating leases as at 31 March 2019 and 31 March 2018 are as follows:

	2019	2018
	£'000	£'000
Within one year	**-**	9,975
After one year but not more than five years	**22,544**	33,018
	22,544	42,993

Rentals for the year ended 31 March 2020 of c. £10.5 million have been received and included within deferred income, and consequently are not included in the disclosure above.

Finance leases as lessee

Obligations under finance leases are secured on the assets to which they relate. The future minimum lease payments as at 31 March 2019 and 31 March 2018 are as follows:

	2019	2018
	£'000	£'000
Within one year	**173**	580
After one year but not more than five years	**-**	167
	173	747

25 Related party transactions

The Group has elected not to disclose related party transactions entered into between wholly owned members of its wider group in accordance with paragraph 33.1A of FRS 102.

The Group's subsidiary undertakings are listed in Note 5 to the Parent Company financial statements.

A number of the Group's subsidiary undertakings have claimed exemption from audit, these are listed in Note 5 to the Parent Company financial statements.

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

	2019	2018
	£'000	£'000
Sales to jointly controlled entities	**2,330**	814
Purchases from jointly controlled entities	**628**	411
Amounts owed to jointly controlled entities	**46**	6
Amounts owed by jointly controlled entities	**356**	564

26 Ultimate parent undertaking and controlling party

The immediate parent is Picture Holdco Limited, a company incorporated in England & Wales. The ultimate parent undertaking and controlling party is PW Real Estate Fund III GP Limited, in its capacity as General Partner of PW Real Estate Fund III LP.

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

27 Events after the reporting date

In July 2019, the Group announced a multi-year deal with Netflix, which sees Netflix creating a dedicated production hub, featuring 14 sound stages, workshops and offices at Shepperton Studios. The contract will deliver a higher occupancy level for the Group.

In July 2019, the Group announced that its collaboration with Pinewood Iskandar Malaysia Studios ended by mutual agreement, with the initial objectives of the collaboration achieved, including the development of studios in Malaysia. The studio will be known as Iskandar Malaysia Studios.

Pinewood Group Limited

Parent Company Statement of Financial Position

as at 31 March 2019

	Notes	2019 £'000	2018 as restated £'000
Assets			
Non current assets			
Investments	5	**33,006**	33,006
Intangible assets	6	**1,258**	-
Deferred tax asset		**-**	128
Trade and other receivables	7	**134,369**	129,045
		168,633	162,179
Current assets			
Trade and other receivables	7	**257,287**	266,921
Cash and cash equivalents		**23,653**	32,472
		280,940	299,393
Total assets		**449,573**	461,572
Equity and liabilities			
Share capital	8	**5,741**	5,741
Share premium		**76,696**	76,696
Capital redemption reserve		**135**	135
Merger reserve		**348**	348
Translation reserve		**1,243**	887
Retained earnings		**8,439**	9,709
Total equity		**92,602**	93,516
Non-current liabilities			
Interest bearing loans and borrowings	9	**246,686**	249,442
Derivative financial instruments	10	**2,206**	1,781
		248,892	251,223
Current liabilities			
Interest bearing loans and borrowings	9	**171**	-
Trade and other payables	11	**107,908**	116,833
		108,079	116,833
Total liabilities		**356,971**	368,056
Total equity and liabilities		**449,573**	461,572

As permitted by section 408(4) of the Companies Act 2006, the Company has elected not to present its own income statement for the year. The loss of the Company for the year was £1,270,000 (2018: profit as restated of £3,768,000).

The financial statements of Pinewood Group Limited (registered number: 03889552) were approved and authorised for issue by the Board of Directors on 23 July 2019. They were signed on its behalf by:

Barbara Inskip
Director

The notes on pages 39 to 46 form part of these financial statements.

Pinewood Group Limited

Parent Company Statement of Changes in Equity
for the year ended 31 March 2019

	Notes	Share capital £'000	Share premium £'000	Translation reserve £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 01 April 2018 as restated		5,741	76,696	887	483	9,709	93,516
Loss for the year		-	-	-	-	(1,270)	(1,270)
Translation reserve movement		-	-	356	-	-	356
Total comprehensive loss for the year		-	-	356	-	(1,270)	(914)
Equity dividends		-	-	-	-	-	-
At 31 March 2019		**5,741**	**76,696**	**1,243**	**483**	**8,439**	**92,602**
At 01 April 2017		5,741	76,696	1,340	483	17,891	102,151
Profit for the year as restated	2	-	-	-	-	3,768	3,768
Translation reserve movement		-	-	(453)	-	-	(453)
Total comprehensive income for the year as restated		-	-	(453)	-	3,768	3,315
Equity dividends		-	-	-	-	(11,950)	(11,950)
At 31 March 2018 as restated		5,741	76,696	887	483	9,709	93,516

The notes on pages 39 to 46 form part of these financial statements.

Notes to the Parent Company Financial Statements
for the year ended 31 March 2019

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

1 Accounting policies

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

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

The full financial statements have been prepared with early adoption of the FRS 102 Triennial Review 2017 amendments in full. This is the first set of financial statements where the Triennial Review amendments have been adopted and the application date is therefore 1 April 2017. There have been no changes to amounts presented in respect of transactions or balances in any of the main statements as a result of adoption of the changes, but certain disclosures have been updated in line with the new requirements.

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

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

The financial statements of the company are consolidated in the financial statements on pages 12 to 36.

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

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

Intangible assets
Intangible assets excluding goodwill, when identified, are capitalised at cost and subsequently amortised over their useful economic life on the following bases:

The software asset is not yet in use and so is not being depreciated, accordingly. The anticipated useful life is between 5 and 10 years and will be determined at the point the software is completed and in use.

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

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

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

1 Accounting policies (continued)

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

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

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

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

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

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

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

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

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

2 Prior period adjustment

	2018 as previously reported £'000	adjustment £'000	2018 as restated £'000
Current assets			
Trade and other receivables	259,869	7,052	266,921
Total assets	**454,520**	**7,052**	**461,572**
Equity and liabilities			
Retained earnings	2,657	7,052	9,709
Total equity	**86,464**	**7,052**	**93,516**
Total equity and liabilities	454,520	7,052	461,572
(Loss)/profit for the financial year	(3,284)	7,052	3,768

Subsequent to the signing of the company financial statements of Pinewood Group Limited for the year ended 31 March 2018, and prior to the publication of the other entity statutory reports, the company reviewed the basis of the calculation for intercompany interest charges. As a result of the review it was determined that an adjustment was required, which results in a net intercompany interest receivable adjustment of £7,052k. Management consider this to be material, in respect of the value, and therefore have adjusted the prior year comparatives instead of the current period.

The adjustment has resulted in a restatement of the Company's retained earnings from £2,657k to £9,709k being the increase of £7,052k of intercompany interest. Amounts due from subsidiary undertakings, which were disclosed within the Trade and other receivables of £223.4 million in the prior year statement of financial position, have been restated as £230.4 million.

Notes to the Parent Company Financial Statements (continued)
for the year ended 31 March 2019

3 Profit and loss

As permitted by section 408(4) of the Companies Act 2006, the Company has elected not to present its own income statement for the year. The loss of the Company for the year was £1,270,000 (2018: profit as restated of £3,768,000).

4 Staff costs and numbers

Staff costs including Directors	**2019 £'000**	2018 £'000
Salaries	**1,212**	1,809
Social security costs	**45**	195
Pension costs	**39**	62
Other employee benefits	**16**	43
	1,312	2,109

Average monthly number of employees, including Executive Directors:	**2019 numbers**	2018 numbers
Management	**2**	1
Administration	**6**	7
Executive	**1**	2
	9	10

5 Investments

	£'000
Cost and net book value	
At 31 March 2018 and 31 March 2019	**33,006**

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

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

Notes to the Parent Company Financial Statements (continued)

for the year ended 31 March 2019

5 Investments (continued)

Subsidiaries (continued)

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

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

[3]Since the reporting date, these companies have been dissolved.

[4]The reporting date for Pinewood USA Inc. is 31 December.

[5]At the date of approval of these financial statements, this company had an active proposal to strike off.

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

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

Joint ventures

As at 31 March 2019, the Company had interests in the following joint ventures:

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

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

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

Other investments

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

Notes to the Parent Company Financial Statements (continued)
for the year ended 31 March 2019

5 Investments (continued)

Audit exemption
Pinewood Group Limited has given statutory guarantees against all the outstanding liabilities of the below listed wholly-owned subsidiaries at 31 March 2019 under Section 479A of the Companies Act 2006, thereby allowing these subsidiaries to be exempt from the annual audit requirement for the year ended 31 March 2019.

Although the Company does not anticipate the guarantees to be called upon, the book values of the guaranteed liabilities, excluding intragroup balances, for each relevant subsidiary at 31 March 2019 are set out below:

Company name	**Company registration number**	**Liabilities to non-group entities £'000**
Baltray No.1 Limited	05776674	-
Baltray No.2 Limited	05778635	-
Pinewood Camera Trap Limited	08153323	-
Pinewood Dominican Republic Limited	07096246	308
Pinewood Films Limited	07660856	-
Pinewood Films No. 13 Limited	09006529	12
Pinewood Malaysia Limited	07074446	70
Pinewood Media Development Limited	09592018	-
Pinewood Studio Wales Limited	08863162	121
PSL Consulting Limited	08655214	35
Shepperton Management Limited	05907027	-
Shepperton Studios (General Partner) Limited	05913009	-
Pinewood Germany Limited	07079399	-
Pinewood Shepperton Facilities Limited	07527390	-
Pinewood Films No. 11 Limited	08865342	49
Pinewood Films No. 12 Limited	08865668	32
Where Hands Touch (FPC) Limited	09443603	325

6 Intangible assets

	Software £'000	**Total £'000**
Cost		
At 31 March 2018	-	-
Additions	1,258	1,258
At 31 March 2019	**1,258**	**1,258**
Net book value		
At 31 March 2019	**1,258**	**1,258**
At 31 March 2018	-	-

Software relates to an asset under the course of construction and as such is not being amortised.

7 Trade and other receivables

	2019 £'000	2018 as restated £'000
Amount falling due within one year:		
Prepayments and accrued income	**59**	66
Loans due from subsidiary undertakings	**36,414**	36,414
Amounts due from subsidiary undertakings	**220,814**	230,441
	257,287	266,921
Amount falling due after more than one year:		
Loans due from parent undertakings	**134,369**	129,045
	134,369	129,045
	391,656	395,966

Intragroup balances are repayable on demand and interest is charged at 4.05% (2018: 4.05%). The loans due from the parent company are repayable on 1 December 2023 and carry interest charged at 4.05% (2018: 4.05%). The loans due from subsidiary undertakings are repayable on demand and interest is charged at 4.05% (2018: 4.05%).

8 Share capital

Issued, called up and fully paid	2019 £'000	2018 £'000
57,409,926 Ordinary shares of 10p each	**5,741**	5,741

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

9 Interest bearing loans and borrowings

	Maturity	2019 £'000	2018 £'000
Current Borrowings			
Asset financing	5 November 2019	**171**	-
		171	-
Non-Current Borrowings			
Asset financing	5 November 2019	**-**	724
Loan from subsidiary undertaking	1 December 2023	**247,954**	250,000
Non-current drawn loan facilities		**247,954**	250,724
Secured bank loan arrangement costs		**(1,268)**	(1,282)
		246,686	249,442
Total current and non-current interest-bearing loans and borrowings		**246,857**	249,442

On the 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 (as disclosed in note 12 of Pinewood Finco plc Report and Financial Statements for the period ending 31 March 2018). The loan bears interest at the same rate as the external debt, referenced in note 12 of Pinewood Finco plc Report and Financial Statements for the period ending 31 March 2018, 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 payment to its external debt providers. As a result, the capital balance falls due for repayment on 1 December 2023.

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

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

	2019 £'000	2018 £'000
Payable other than by instalments	**-**	250,000

Notes to the Parent Company Financial Statements (continued)
for the year ended 31 March 2019

10 Derivative financial instruments

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

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

	2019	2018
	£'000	£'000
Financial liabilities carried at fair value:		
Non-current derivative financial instrument liabilities	**2,206**	1,781
	2,206	1,781

11 Trade and other payables

	2019	2018
	£'000	£'000
Other creditors	**2,350**	1,535
Amounts due to parent undertakings	**-**	75
Amounts due to subsidiary undertakings	**105,558**	115,223
	107,908	116,833

Intragroup balances are repayable on demand and interest is charged at 4.05% (2018: 4.05%).

12 Related party transactions

The Company has elected not to disclose related party transactions entered into between wholly owned members of its wider group in accordance with paragraph 33.1A of FRS 102.

Notes to the Parent Company Financial Statements (continued)
for the year ended 31 March 2019

13 Contingent liability

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

Company name	Expiration date of financial support
Baltray No.1 Limited	13 December 2019
Baltray No.2 Limited	13 December 2019
Pinewood Films Limited	13 December 2019
Pinewood Media Development Limited	13 December 2019
Pinewood Studio Wales Limited	13 December 2019
Pinewood Germany Limited	13 December 2019

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

The guarantee was secured by a floating charge which as at 31 March 2019 was £252,377,000 (2018: £252,505,000).

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

14 Ultimate parent undertaking and controlling party

The immediate parent is Picture Holdco Limited, a company incorporated in England and Wales. The ultimate parent undertaking and controlling party is PW Real Estate Fund III GP Limited, in its capacity as General Partner of PW Real Estate Fund III LP.

The registered office address of Picture Holdco Limited is 4th Floor, 18 St. Swithin's Lane, London, EC4N 8AD. Picture Holdco Limited is the parent of the largest group for which consolidated accounts are prepared which include the results of Pinewood Group Limited, and these will be publicly available at Companies House. The smallest group for which consolidated accounts are prepared is for Pinewood Group Limited which are shown on pages 12 to 36 of these financial statements.