PINEWOOD

Pinewood Group Limited

Report as at and for the 9 months to 31 December 2021

Third quarter highlights

Operational and industry highlights

- The BFI reported that the combined UK film and high-end television ('HETV') production spend in the UK for the full year 2021 was £5.6 billion from 420 productions. This is the highest combined film and HETV annual spend on record, and up by £1.3 billion since the previous peak in 2019
- Both studios operated at capacity during Q3 with our customers having full production schedules. Several productions completed during December and, currently, there are 14 at the studios of which 5 are shooting. The Post-production business continued to perform strongly throughout the quarter
- The Group raised £300.0 million to finance the expansion at Shepperton Studios, issuing 3.625% senior notes due November 2027, and amended and extended the revolving credit facility to £75 million, with £15 million due to end in March 2025 and the remainder in May 2027
- Another positive set of results, with turnover up by 5% to £75.8 million (Q3 YTD FY21: £72.0 million) and Adjusted EBITDA up by 8% to £50.2 million (Q3 YTD FY21: £46.5 million) in the 9-month period to 31 December

Strategic highlights

Solid progress on expansion projects:

- Shepperton pre-let: on 9 February, we announced that the Group had entered into a long-term arrangement with Prime Video (Amazon) in relation to the Shepperton expansion (comprising Shepperton South and Shepperton North West); this contract, together with the Netflix contract announced in November 2021, results in the entire expansion being pre-let
- Shepperton North West: the enabling works have been completed and the main works are underway for the construction of three sound stages and other production accommodation (c. 165k sq ft) together with a six-acre backlot; completion is expected H1 CY23
- Shepperton South: the enabling works are underway to deliver 14 sound stages and other production accommodation (c. 800k sq ft); completion is expected H2 CY23
- Pinewood West real estate optimisation ("REO"): construction of five new stages, pre-let to Disney, with completion expected in summer CY22
- Pinewood East Phase 3: the last phase of development at Pinewood East which currently has planning permission for 4 new sound stages (c. 150k sq ft total area); currently refining the design of the scheme
- Pinewood South: Buckinghamshire Council has resolved to grant planning permission for a global screen industries growth hub totalling 750k sq ft in December 2021. This enables the future expansion of Pinewood Studios

Financial highlights

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

	9 months ended 31 Dec 2021 £'000	**9 months ended 31 Dec 2020 £'000**
Turnover	75,797	71,990
Adjusted EBITDA	50,227	46,488
Adjusted EBITDA margin	66.3%	64.6%
Cash generated from operations	66,681	71,168
Capital expenditure*	(62,838)	(20,492)
Adjusted net debt	(468,226)	(421,680)

** Capital expenditure represents the purchase of property, plant and equipment, intangible assets, and the investment in and repayments from participating interests, net of proceeds from disposal of property, plant and equipment, intangibles, investments and participating interests*

Turnover

Turnover of £75.8 million was up by £3.8 million on the prior year period (Q3 YTD FY21: £72.0 million). Whilst the prior year was impacted by the pandemic, this year has benefited, in particular, from strong trading within the Post-production business. UK studios continues to deliver stable, index-linked income from our production accommodation.

Adjusted EBITDA

Adjusted EBITDA improved by £3.7 million to £50.2 million (Q3 YTD FY21: £46.5 million), with the Post-production and TV businesses supporting this improvement. With the studios operating at capacity, there has been limited space available for resale to third parties. However, the impact from lower resale income has been largely offset by the sale of other ancillary studio services and improved results from Media Hub, and more than offset through our share of results from our associate company (PMBS Holdings Ltd or 'PMBS') in delivering lighting services to productions.

Adjusted EBITDA for both the current and comparative periods also includes two distinctive items, with the total variance between the two years being negligible. Q3 YTD FY22 reflects the repayment of £0.5 million received in FY21 under the Government's Coronavirus Job Retention Scheme ('CJRS') in relation to retained staff. Q3 YTD FY21 recognised (i) the receipt of monies under the CJRS and (ii) a charge for advisory fees in relation to a small potential acquisition which, subsequently, was not pursued.

Adjusted EBITDA margin of 66.3% compares with Q3 YTD FY21 of 64.6%. However, excluding the items described above (funds in relation to the CJRS and advisory fees from the potential acquisition) and income received from participating interests, in both years, the adjusted EBITDA margin of 65.2% is in line with the prior year period (Q3 YTD FY21: 65.4%).

Reconciliation of profit after taxation to Adjusted EBITDA

	9 months ended 31 Dec 2021	**9 months ended 31 Dec 2020**
Profit after taxation	23,799	24,452
Tax charge on profit	7,576	7,632
Net interest payable and other charges	10,538	6,588
Depreciation of property, plant and equipment	7,740	7,772
Impairment of property, plant and equipment	-	-
Amortisation of intangible assets	709	743
(Profit)/ loss on disposal of property, plant & equipment and investments	(135)	1,857
EBITDA	**50,227**	**49,044**
Adjusted items **	-	(2,556)
Adjusted EBITDA	**50,227**	**46,488**

** See note 1 of the accompanying financial statements for details of adjusted items

Cash flow and capital expenditure

The cash balance at 31 December 2021 was £541.8 million, having increased by the cash inflow of £244.1 million since the start of the financial year, and a negligible foreign exchange gain.

Cash generated from operations was £66.7 million, and after a net £12.9 million of interest and £4.0 million of tax paid, net cash inflow from operations was £49.8 million. £62.8 million was spent on capital expenditure*, in particular on developing five stages at Pinewood West which are pre-let to Disney and undertaking enabling works at Shepperton South and North West. Finally, having issued £300.0 million 3.625% senior notes due November 2027, the Group received net proceeds of £297.1 million in December. £40.0 million of funds were invested in bank deposits with a tenure of more than three months but less than one year, and in accordance with FRS102, this amount has been shown separately from cash on the balance sheet.

Adjusted Net debt and liquidity

Adjusted net debt as at 31 December 2021 stood at £468.2 million, based on £1,050.0 million of senior secured notes, a cash balance of £541.8 million and bank deposits with tenure of no more than one year of £40.0 million. Adjusted net debt at 31 March 2021 was £452.4 million, based on £750.0 million of senior secured notes and a cash balance of £297.6 million.

Paul Golding, CEO, commented:

“This has been another important quarter for the business, with several strategic milestones achieved.

In November, we successfully raised £300 million to finance our studio expansion at Shepperton. Once completed in 2023, Shepperton will be the second largest studio in the world and comprise 31 purpose-built stages. We’re thrilled that the expanded studios are already entirely pre-let, nearly two years prior to completion. And moreover, we’re delighted to be extending our existing partnership with Netflix whilst welcoming Prime Video to the fold.

In December, Buckinghamshire Council agreed to grant planning permission for our 750k square foot scheme at Pinewood South. This decision is an important step to ensuring that we can continue to expand Pinewood when the conditions are favourable.”

The next Investor update is scheduled for 15 June 2022.

General information

Pinewood is the leading independent provider of the real estate that is required for the production of film and television content. Founded in 1936 and headquartered in the United Kingdom, Pinewood owns premium, large-scale facilities also known as studios, for hosting film, television and other media productions. Our freehold studios are located in prime locations near London and make Pinewood and Shepperton preferred choices for major film production companies. Pinewood branded studios have hosted over 2,000 films, among them 170 Oscar winners, 230 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 December 2021 ("Q3 2022", "Q3 FY22"), and the comparative period as of and for the 3 months ended 31 December 2020 ("Q3 2021" or "Q3 FY21"), prepared in accordance with FRS 102
- The unaudited consolidated financial information of the Group as of and for the 9 months ended 31 December 2021 ("Q3 YTD 2022", "Q3 YTD FY22"), and the comparative period as of and for the 9 months ended 31 December 2020 ("Q3 YTD 2021" or "Q3 YTD FY21"), prepared in accordance with FRS 102.
- The audited consolidated financial information of the Group as of and for the year ended 31 March 2021 ("FY21"), and the comparative period as of and for the year ended 31 March 2020 ("FY20"), is prepared in accordance with FRS 102. The financial year for the Group runs from 1 April following the previous financial year end to 31 March each calendar year.

Further information for the noteholders

This report was prepared in accordance with the indenture dated 25 September 2019 and the indenture dated 2 December 2021 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 principal paying agent and Deutsche Bank Luxembourg S.A. as transfer agent and registrar.

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 out-turned 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 out-turned results, performance, or achievements to differ materially from those in the forward-looking statements. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this interim report. The Group expressly disclaims any obligations or undertaking, except as required by applicable law and regulations to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Group's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

The financial results presented in this presentation are preliminary and may change. This financial information includes calculations or figures that have been prepared internally by management and have not been reviewed or audited by our independent auditors. 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, Adjusted net debt, 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 addition, where narrative information given in this report excludes the impact of adjusted items and, therefore, refers to non-GAAP measures, this is indicated in the information given.

In this report, "Adjusted EBITDA" is calculated as profit before interest receivable and similar income, interest payable and similar charges, tax charge/credit on profit/loss, depreciation of property, plant and equipment, impairment of long-term assets, amortisation of goodwill and intangibles, gain/loss on disposal of property, plant and equipment, gain/loss on disposal of participating interests and investments, and adjusted items.

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

In this report, "adjusted net debt" is calculated as debt, ignoring accrued interest and the unamortised loan issue costs, net of cash balances and deposits where the tenure on the deposit accounts are equal to or less than one year.

Financial update for the 3 months ended 31 December 2021

Group Statement of Comprehensive Income

Turnover

Turnover at £26.3 million was £1.0 million higher than the prior year period (Q3 FY21: £25.3 million). This quarterly upside was mainly delivered by the Post-production business, which experienced a sharp rebound in activity as a result of increased production levels.

UK studios revenue remained level with the prior year quarter. Production accommodation continued to operate at capacity, with our customers having full production schedules, which resulted in little unutilised space available for rental to third parties and a lower level of resale income. However, the Group benefitted from higher revenues in the Media Hub business, with increased occupancy in areas that were vacant during the prior period as a result of the pandemic.

The long-term contracts contain indexation provisions which, in accordance with FRS102, result in certain revenue being recognised on a straight-line basis over the initial term, rather than increasing each year. Consequently, revenue was adjusted upwards by £0.5 million (Q3 FY21: £0.7 million) compared with the contractual amounts due.

Cost of sales

Cost of sales expenditure, at £10.0 million, remained in line with the prior year period (Q3 FY21: £9.7 million), with the Post-production team fully utilised in delivering the increased volume of local versioning.

Gross profit

Gross profit at £16.2 million, was £0.6 million ahead of the prior year (Q3 FY21: £15.6 million), with the gross profit margin at 61.8% level with the prior year period (Q3 FY21: 61.8%).

Selling, distribution and administrative expenses †

Selling, distribution and administrative expenses, together totalling £1.8 million, are slightly lower than the prior year quarter (Q3 FY21: £2.1 million).

Other operating expenses/income

Other operating income/ expense was £0.1 million income in Q3 FY22 (Q3 FY21: £1.2 million expense). The prior year quarter included a charge for advisory fees to in relation to a small potential acquisition which, subsequently, was not pursued, with the income of £0.1 million in Q3 FY22 relating to deferred consideration from the sale of the Group's investment in POP Global Ltd which was agreed in FY20.

Operating profit

Operating profit before adjusted items of £14.6 million (Q3 FY21: £12.3 million) improved by £2.3 million from the prior year quarter. This was mainly as a result of the aborted acquisition advisory fees last year which have not reoccurred and higher levels of activity from the Post-production business throughout Q3. Operating profit margin was 55.5% (Q3 FY21: 48.5%).

Income from participating interests

Income from our associate company, PMBS Holdings Limited ('PMBS'), was £0.3 million in Q3 FY22, having returned to profitability following the pandemic.

Interest receivable and similar income

Interest receivable and similar income, which mainly comprises income earned on the loan to the Group's parent company, was £3.3 million (Q3 FY21: £2.9 million), with the slight improvement from a fair value gain on the Group's derivative financial instruments and higher bank interest.

Financial update for the 3 months ended 31 December 2021 (continued)

Group Statement of Comprehensive Income (continued)

Interest payable and similar charges

Interest payable and similar charges increased by £2.3 million to £7.2 million (Q3 FY21: £4.9 million), following the financing, in January 2021, which increased the principal of the 3.25% senior secured notes by £200.0 million, and the issue of £300.0 million 3.625% senior notes in December 2021.

Tax charge †

Excluding the impact of adjusted items, the tax charge reduced by £0.2 million to £2.3 million (Q3 FY21: £2.4 million) in spite of the adjusted profit before tax increasing by £0.7 million. The effective tax rate reduced in the quarter to 20.6% (Q3 FY21: 23.8%), with the prior year period impacted by the non-deductible expenses in relation to the aborted potential acquisition and a higher level of non-allowable depreciation.

Cash flow

The cash balance at 31 December 2021 was £541.8 million compared with £248.5 million at 30 September 2021; an increase of £293.3 million of cash in the quarter. This increase reflects the recent financing where, a net £297.1 million was raised in December 2021 through the issue of £300.0 million 3.625% senior notes due November 2027. Following this refinancing, £40.0 million of funds have been deposited into bank accounts with a tenure of over 3 months, and this amount is shown separately from cash and cash equivalents on the balance sheet.

Excluding the financing and investment of funds, cash balances improved by £36.2 million. The Group recognised a £17.3 million cash inflow from operating activities before changes in working capital and a working capital inflow of £46.8 million. The movement in working capital is predominantly from cash receipts of rental income in advance (and associated VAT) under the long-term contracts. Net interest paid totalled £0.2 million and net tax paid of £0.8 million related to the third instalment for the financial year. Investment cashflows included £26.9 million of capital expenditure* mainly related to the Group's growth plan.

* Capital expenditure represents the purchase of property, plant and equipment, intangible assets, and the investment in and repayments from participating interests, net of proceeds from disposal of property, plant and equipment, intangibles, investments and participating interests

† Excluding adjusted items

Financial update for the 9 months ended 31 December 2021

Group Statement of Comprehensive Income

Turnover

Turnover increased by £3.8 million to £75.8 million (Q3 YTD FY21: £72.0 million), due to both the ancillary TV studios and Post-production businesses having returned to normal operating levels. During the production hiatus in Q1 FY21, two of the three TV studios remained empty until production scheduling resumed in July 2020 and, similarly, Post-production was impacted by delays in production scheduling. During Q3 YTD FY22, Post-production has delivered an increasingly high level of foreign language versioning and the TV studios have returned to a normal level of activity.

The UK studios continue to deliver stable, index-linked income from our production accommodation. However, with our customers having full production schedules, the studios continued to be busy throughout the period to December, which has resulted in a change in the mix of other revenues earned. Resale income is lower than prior year, largely as there is little unutilised space available for rental to third parties. However, ancillary studio services income (e.g. for energy) and our Media Hub revenues have increased, more than offsetting the fall in resale income.

The long-term contracts contain indexation provisions which, in accordance with FRS102, result in certain revenue being recognised on a straight-line basis over the initial term, rather than increasing each year. Consequently, revenue was adjusted upwards by £1.9 million (Q3 YTD FY21: £2.3 million) compared with the contractual amounts due.

Revenue from international agreements has declined marginally, following the exit from the sales and marketing agreement with the studios in Atlanta in October 2020. Income continues to be generated from our agreements with studios in Toronto and the Dominican Republic.

Cost of sales

Cost of sales expenditure increased by £1.5 million to £28.8 million (Q3 YTD FY21: £27.3 million). The increase is a result of activity having returned to pre-pandemic levels, with increased energy costs which are principally charged under the two long-term contracts at cost, together with slight increases in other costs incurred in maintaining the site.

Gross profit

Gross profit at £47.0 million was £2.3 million higher than prior year (Q3 YTD FY21: £44.7 million) and gross profit margin at 62.0% was level with the prior year period (Q3 YTD FY21: 62.1%). The high level of production scheduling at the studios has resulted in a reduced opportunity for generating resale income and an increased usage of ancillary studio services, which are principally sold at cost. This impact to the gross profit margin has been mitigated by the strong return and growth of Post-production.

Selling, distribution and administrative expenses [†]

Selling, distribution and administrative expenses, together totalling £6.0 million, are slightly lower than the prior year (Q3 YTD FY21: £6.2 million) with a low level of savings continuing as the pandemic progresses.

Other operating expenses/income

Other operating expenses of £0.4 million is £2.0 million lower than prior year (Q3 YTD FY21: £2.4 million). This year's expense relates to the repayment of £0.5 million in June 2021 of funds granted throughout FY21 under the Government's Coronavirus Job Retention Scheme ('CJRS'), net of £0.1 million of deferred consideration from the sale of our investment in POP Global Ltd in FY20.

The net expense of £2.4 million in the prior year period, related to a £1.9 million loss on disposal of property at Pinewood Studios following the clearance of three areas in advance of the construction of the five stages which will be occupied by Disney, advisory fees in relation to a small potential acquisition which subsequently was not pursued, net of c. £0.7 million of CJRS grants received.

Financial update for the 9 months ended 31 December 2021 (continued)

Group Statement of Comprehensive Income (continued)

Operating profit

Operating profit before adjusted items of £40.6 million (Q3 YTD FY21: £36.1 million) improved by £4.5 million against the prior year period, delivering an operating profit margin of 53.6% (Q3 YTD FY21: 50.2%). Excluding the items disclosed within Other operating expenses (receipts/ repayment under the CJRS, the impact of the advisory costs incurred on the aborted acquisition and profit/ loss on disposal), operating profit and operating profit margin grew by £2.4 million and 0.5 ppt respectively against the prior year period.

Income from participating interests

Our associate company, PMBS Holdings Limited (‘PMBS’), has benefitted from the studios operating at capacity. Although PMBS’s results suffered during the pandemic, the associate has returned to profitability and has recouped losses incurred during the period of reduced activity. As a result, income from participating interests has been recognised at £1.3 million. This income has increased the carrying value of the Group’s equity interest in PMBS to £1.3 million. The equity interest in our associate was initially recognised at its original cost of £nil, with the Group having recognised a share of results after equity accounting adjustments of £nil up to the start of the financial year.

Interest receivable and similar income

Interest receivable and similar income, which mainly comprises income earned on the loan to the Group’s parent company, was £9.4 million (Q3 YTD FY21: £8.6 million). The improvement from the prior year period follows a £0.5 million fair value gain on the Group’s derivative financial instruments and an improvement in other interest income of £0.3 million.

Interest payable and similar charges

Interest payable and similar charges increased by £4.7 million to £19.9 million (Q3 YTD FY21: £15.2 million) following the financing in January 2021 which increased the principal of the 3.25% senior secured notes by £200.0 million and the subsequent issue of £300.0 million of 3.625% senior notes on 2 December 2021. The prior year period had been impacted by a fair value charge on the Group’s interest rate swaps, compared with the fair value gain reported within interest receivable and similar income in Q3 YTD FY22.

Tax charge †

Excluding the impact of adjusted items, the tax charge increased by £0.6 million to £7.6 million (Q3 YTD FY21: £7.0 million). The effective tax rate in the period was 24.1% (Q3 YTD FY21: 23.8%). The high tax rate in FY22 is due to the main rate of UK corporation tax increasing from 19% to 25% from 1 April 2023 as determined by the Finance Act 2021; the rates are now incorporated in the Group’s deferred tax position, so increasing the effective rate for the period by 3.8ppt. The tax rate for Q3 YTD FY21 was higher than is typical for the Group due to a higher level of non-allowable depreciation and the loss on disposal of property, together with other non-deductible expenditure.

Financial update for the 9 months ended 31 December 2021 (continued)

Group Statement of Comprehensive Income (continued)

Adjusted items

The Group presents its results in the statement of comprehensive income to separately identify the impact of certain items ("adjusted items") in order to provide a clear and consistent presentation of the underlying operating performance of the Group. Adjusted items are transactions that are unusual in size or nature or have limited predictive value such as disposals, discontinued operations, impairments, certain fair value remeasurements and other significant items where the Group considers separate disclosure would be useful.

There are no adjusted items reported in Q3 YTD FY22, compared with adjusted income of £1.9 million in Q3 YTD FY21, being:

- **Administrative expenses** (£0.5 million): Following disposal of the Group's equity investment in Pinewood Atlanta Studios in 2019, the Group continued its previous licence arrangement with the Pinewood Forest complex, now owned by Pinewood Atlanta Studios. This arrangement was terminated in October 2020 and resulted in a £0.5 million credit recognised within other operating income/(expenses).

- **Gain on loan to participating interests** (£2.0 million): In June 2020, the step-up associated with the Group's investment in PMBS completed for £nil consideration. The Group also received additional loan notes from PMBS for £nil consideration. These were recognised on the balance sheet at a fair value of £2.0 million, resulting in a corresponding gain in the income statement; and

- **Tax charge** (£0.6 million): Arising on the item above and a small catch up on tax from the sale of the Group's equity interest in the Atlanta studios.

Financial update for the 9 months ended 31 December 2021 (continued)

Liquidity and capital resources

Cash flow

At 31 December 2021, the cash balance was £541.8 million, having increased by £244.2 million from £297.6 million since the start of the financial year. This increase is mainly from the receipt of proceeds from the recent financing where, a net £297.1 million was raised in December 2021 through the issue of 3.625% senior notes. Following this financing, £40.0 million of these funds were deposited into bank accounts with over a 3-month tenure and, in accordance with FRS102, this amount is shown separately from cash and cash equivalents on the face of the balance sheet. Apart from cash flows in connection with the financing, the Group generated £49.8 million from operations after interest and tax and spent a net £62.8 million on capital expenditure *.

Net cash flow from operating activities

Net cash flow from operating activities of a £49.8 million inflow (Q3 YTD FY21: £56.5 million), reduced period-on-period by £6.7 million. Before movements in working capital, cash inflows of £48.9 million (Q3 YTD FY21: £47.0 million) were £1.9 million ahead of the prior year period, due to the improved trading results as described above, but excluding the non-cash income from participating interests in Q3 YTD FY22. However, the overall period-on-period decrease in operating cash flows is largely due to £6.4 million lower working capital benefits, £3.2 million higher net interest paid following the financing in January 2021, but £1.0 million lower tax payments.

The lower working capital benefit in Q3 YTD FY22 mainly relates to: (i) receipts under the two long-term contracts now being received on a regular payment cycle, whereas FY21 benefited from the long-term contracts phasing in alongside receipts from traditional contracts which ended by October 2020 ; (ii) a natural delay from the timing of VAT reclaims relating to capital expenditure as our studio expansion plans progress; and is partially offset by (iii) a reduced level of resale-related payments in the period.

Net cash flow from investing activities

Net cash outflow from investing activities was £102.8 million compared with £20.5 million in Q3 YTD FY21. As described above, £40.0 million of proceeds from the December 2021 refinancing were placed on deposit in bank accounts with a tenure greater than three months; therefore, not included in cash and cash equivalents. However, the remaining spend of £62.8 million largely relates to the continued development of the five stages at Pinewood West, enabling works at Shepperton North West and the design and enabling works at Shepperton South expansion.

Expenditure at £20.5 million in Q3 YTD FY21 related to the purchase of land at Pinewood South, the five stages at Pinewood West, progressing planning applications at Pinewood and Shepperton and the completion of works at Pinewood East phase II.

Net cash flow from financing activities

Net cash inflow from financing activities was £297.1 million (Q3 YTD FY21: £nil) following the issue of £300.0 million 3.625% senior notes due November 2027, net of arrangement fees.

* Capital expenditure represents the purchase of property, plant and equipment, intangible assets, and the investment in and repayments from participating interests, net of proceeds from disposal of property, plant and equipment, intangibles, investments and participating interests

† Excluding adjusted items

Pinewood Group Limited

Interim condensed consolidated financial statements

Period ended 31 December 2021

Company Registration Number: 03889552

Group Statement of Comprehensive Income

for the nine month period ended 31 December 2021

		9 months ended 31 Dec 2021			9 months ended 31 Dec 2020			Full year 31 Mar 2021
		Adjusted	**Adjusted items (Note 1)**	**Total**	Adjusted	Adjusted items (Note 1)	Total	Total
	Note	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000
Turnover		**75,797**	**-**	**75,797**	71,990	-	71,990	96,888
Cost of sales		**(28,785)**	**-**	**(28,785)**	(27,268)	-	(27,268)	(36,434)
Gross profit		**47,012**	**-**	**47,012**	44,722	-	44,722	60,454
Selling and distribution costs		**(610)**	**-**	**(610)**	(1,286)	-	(1,286)	(878)
Administrative expenses		**(5,401)**	**-**	**(5,401)**	(4,875)	542	(4,333)	(7,039)
Other operating expenses		**(388)**	**-**	**(388)**	(2,445)	-	(2,445)	(2,405)
Operating profit	2	**40,613**	**-**	**40,613**	36,116	542	36,658	50,132
Income from participating interests	6	**1,300**	**-**	**1,300**	-	-	-	-
Gain on loan to participating interests		**-**	**-**	**-**	-	2,014	2,014	2,014
Interest receivable and similar income	3	**9,381**	**-**	**9,381**	8,638	-	8,638	11,476
Interest payable and similar charges	4	**(19,919)**	**-**	**(19,919)**	(15,226)	-	(15,226)	(20,612)
Profit before taxation		**31,375**	**-**	**31,375**	29,528	2,556	32,084	43,010
Tax charge	5	**(7,576)**	**-**	**(7,576)**	(7,015)	(617)	(7,632)	(9,276)
Profit after taxation attributable to equity shareholders		**23,799**	**-**	**23,799**	22,513	1,939	24,452	33,734
Other comprehensive income								
Currency exchange differences		**82**	**-**	**82**	(504)	-	(504)	(535)
Total comprehensive income		**23,881**	**-**	**23,881**	22,009	1,939	23,948	33,199

The notes on pages 16 to 26 form part of these financial statements.

Group Statement of Financial Position
as at 31 December 2021

	Note	**31 Dec 2021 £'000**	31 Dec 2020 £'000	31 Mar 2021 £'000
Assets				
Non-current assets				
Intangible assets	7	**5,133**	6,008	5,801
Property, plant and equipment	8	**389,796**	316,396	325,370
Interests in associates	6	**5,374**	4,613	3,841
Trade and other receivables	9	**337,043**	325,963	328,733
		737,346	652,980	663,745
Current assets				
Inventories		**64**	55	59
Trade and other receivables	9	**9,771**	5,327	7,124
Deposits	10	**40,008**	-	-
Cash and cash equivalents		**541,766**	128,320	297,596
		591,609	133,702	304,779
Total assets		**1,328,955**	786,682	968,524
Equity and liabilities				
Share capital	11	**1**	1	1
Translation reserve	12	**1,682**	1,631	1,600
Retained earnings	12	**170,433**	137,352	146,634
Total equity		**172,116**	138,984	148,235
Non-current liabilities				
Interest bearing loans and borrowings	13	**1,045,456**	549,682	747,655
Derivative financial instruments	14	**783**	2,798	2,095
Deferred tax liabilities	5	**5,123**	3,856	3,769
		1,051,362	556,336	753,519
Current liabilities				
Interest bearing loans and borrowings	13	**6,988**	-	-
Derivative financial instruments	14	**275**	-	-
Trade and other payables	15	**98,214**	91,362	66,770
		105,477	91,362	66,770
Total liabilities		**1,156,839**	647,698	820,289
Total equity and liabilities		**1,328,955**	786,682	968,524

Group Statement of Cash Flows

for the nine month period ended 31 December 2021

	Note	9 months ended 31 Dec **2021** **£'000**	 2020 £'000	Year ended 31 Mar 2021 £'000
Cash flow from operating activities:				
Profit before taxation		**31,375**	32,084	43,010
Adjustments to reconcile profit before taxation to net cash flows:				
Depreciation, impairment and amortisation	2	**8,449**	8,515	11,317
Profit on disposal of investments	2	**(141)**	-	-
Loss on disposal of property, plant and equipment	2	**6**	1,857	1,783
Income from participating interests	6	**(1,300)**	-	-
Gain on investment in participating interests	1	**-**	(2,014)	(2,014)
Unrealised foreign exchange loss/(gain)		**2**	(27)	13
Interest receivable and similar income	3	**(9,381)**	(8,638)	(11,476)
Interest payable and similar charges	4	**19,919**	15,226	20,612
Cash flow from operating activities before changes in working capital		**48,929**	47,003	63,245
(Increase)/decrease in trade and other receivables		**(1,468)**	3,444	1,546
(Increase)/decrease in inventories		**(5)**	1	(3)
Increase/(decrease) in trade and other payables		**19,225**	20,720	(3,350)
Cash generated from operations		**66,681**	71,168	61,438
Interest paid		**(13,171)**	(9,794)	(22,329)
Interest received		**297**	49	55
Corporation tax received in respect of FPC activity		**-**	-	41
Net corporation tax paid		**(3,968)**	(4,956)	(6,866)
Net cash flow from operating activities		**49,839**	56,467	32,339
Cash flow (used in)/from investing activities:				
Proceeds from disposal of property, plant and equipment		**-**	195	270
Purchase of property, plant and equipment		**(62,886)**	(19,710)	(31,256)
Purchase of intangible assets		**(93)**	(977)	(1,084)
Proceeds from disposal of investments		**141**	-	-
Amounts placed on deposit		**(40,000)**	-	-
Repayment of loan by associate		**-**	-	392
Net cash flow used in investing activities		**(102,838)**	(20,492)	(31,678)
Cash flow from/(used in) financing activities:				
Proceeds from issue of loan notes		**300,000**	-	206,576
Payment of loan issue costs and finance arrangement fees		**(2,914)**	-	(1,978)
Net cash flow from financing activities		**297,086**	-	204,598
Net increase in cash and cash equivalents		**244,087**	35,975	205,259
Currency exchange movement		**83**	(310)	(318)
Cash and cash equivalents at the start of the period		**297,596**	92,655	92,655
Cash and cash equivalents at the end of the period		**541,766**	128,320	297,596

Reconciliation of Movement in Net Debt
for the nine month period ended 31 December 2021

	9 months ended 31 Dec **2021** **£'000**	2020 £'000	Year ended 31 Mar 2021 £'000
Net increase in cash and cash equivalents	**244,087**	35,975	205,259
Currency exchange movement	**83**	(310)	(318)
Payment of interest on loan notes	**12,188**	8,938	21,125
Proceeds from issue of loan notes	**(300,000)**	-	(206,576)
Payment of loan issue costs and finance arrangement fees	**2,914**	-	1,978
Movement in loan issue costs accrued	**280**	-	171
Loan arrangement costs recognised within other receivables	**(577)**	-	-
Interest expense on loan notes	**(19,594)**	(14,134)	(19,867)
Movement in net debt	**(60,619)**	30,469	1,772
Net debt at the start of the period	**(450,059)**	(451,831)	(451,831)
Net debt at the end of the period	**(510,678)**	(421,362)	(450,059)
Net debt at the end of the period excluding restricted cash	**(512,433)**	(421,429)	(451,822)

Group Statement of Changes in Equity
for the nine month period ended 31 December 2021

	Share capital £'000	**Translation reserve £'000**	**Retained earnings £'000**	**Total Equity £'000**
At 01 April 2021	**1**	**1,600**	**146,634**	**148,235**
Profit for the period	**-**	**-**	**23,799**	**23,799**
Currency exchange differences	**-**	**82**	**-**	**82**
Total comprehensive income for the period	**-**	**82**	**23,799**	**23,881**
At 31 December 2021	**1**	**1,682**	**170,433**	**172,116**
At 01 April 2020	1	2,135	112,900	115,036
Profit for the year	-	-	33,734	33,734
Currency exchange differences	-	(535)	-	(535)
Total comprehensive (loss)/income for the year	-	(535)	33,734	33,199
At 31 March 2021	1	1,600	146,634	148,235
At 01 April 2020	1	2,135	112,900	115,036
Profit for the period	-	-	24,452	24,452
Currency exchange differences	-	(504)	-	(504)
Total comprehensive (loss)/income for the period	-	(504)	24,452	23,948
At 31 December 2020	1	1,631	137,352	138,984

Notes to the Condensed Consolidated Financial Statements
for the nine month period ended 31 December 2021

1 Adjusted items

The Group separately presents, as adjusted items, gains and losses on major disposals, certain remeasurements and other significant items. All of the adjusted items shown below are transactions that are either unusual in size or nature or have limited predictive value. Providing additional information on adjusted items and presenting them separately from the total statutory performance of the Group is considered helpful in order to provide a consistent presentation of the underlying performance of the Group.

	9 months ended 31 Dec		Year ended
	2021	2020	31 Mar 2021
	£'000	£'000	£'000
Administrative expenses:			
Termination of agreement with Pinewood Forest	**-**	542	542
Administrative expenses within adjusted items	**-**	542	542
Gain on loan to participating interests within adjusted items	**-**	2,014	2,014
Tax charge on adjusted items	**-**	(617)	(705)
Adjusted items per statement of comprehensive income	**-**	1,939	1,851

Further detail on adjusted items in prior periods is available in the reports for those periods, which can be found at pinewoodgroup.com/pinewood-today/investors.

2 Operating profit

	9 months ended 31 Dec		Year ended
	2021	2020	31 Mar 2021
Operating profit is stated after charging/(crediting):	**£'000**	£'000	£'000
Depreciation of property, plant and equipment	**7,740**	7,772	10,344
Loss on disposal of property, plant and equipment	**6**	1,857	1,783
Operating lease payments	**956**	958	1,265
Profit on disposal of investments	**(141)**	-	-
Net Government grants returned/(received)	**527**	(686)	(700)
Amortisation of software	**289**	323	413
Amortisation of goodwill	**420**	420	560
Net foreign exchange losses/(gains)	**6**	(33)	34

Government grants relate to the UK's Coronavirus Job Retention Scheme, and are presented within other operating income/expenses. During the 9 months ended 31 December 2021, in light of the positive result achieved for the year ended 31 March 2021, the Group returned monies received under this scheme relating to retained employees. The total repayment made was £548,000.

Depreciation charges are included within cost of sales. Amortisation of intangible assets is included within administrative expenses. Profits and losses on disposal are included within other operating income/expenses.

Notes to the Condensed Consolidated Financial Statements (continued)
for the nine month period ended 31 December 2021

3 Interest receivable and similar income

	9 months ended 31 Dec		Year ended
	2021	2020	31 Mar 2021
	£'000	£'000	£'000
On financial assets measured at amortised cost:			
Interest receivable from associates	**233**	279	340
Interest receivable on loan due from parent undertaking	**8,310**	8,310	11,080
Bank interest receivable	**194**	49	56
Other interest receivable	**110**	-	-
	8,847	8,638	11,476
On financial instruments measured at fair value:			
Gains on derivative financial instruments (including interest accruals)	**534**	-	-
	9,381	8,638	11,476

4 Interest payable and similar charges

	9 months ended 31 Dec		Year ended
	2021	2020	31 Mar 2021
	£'000	£'000	£'000
On financial instruments measured at amortised cost:			
Senior Secured Notes	**19,594**	14,134	19,867
On financial instruments measured at fair value:			
Losses on derivative financial instruments (including interest accruals)	**-**	739	288
On other instruments:			
Other interest	**325**	353	457
	19,919	15,226	20,612

Notes to the Condensed Consolidated Financial Statements (continued)

for the nine month period ended 31 December 2021

5 Tax charge on ordinary activities

(a) Analysis of charge for the period:	9 months to 31 Dec **2021** **£'000**	2020 £'000	Year ended 31 Mar 2021 £'000
Current tax:			
UK corporation tax charge	**4,628**	5,589	7,176
Amounts payable for group tax relief	**1,553**	1,425	2,074
Foreign income tax	**26**	209	10
Foreign tax suffered	**51**	55	74
Double taxation credit	**(36)**	(39)	(49)
Amounts under/(over) provided in previous periods	**-**	117	(204)
	6,222	7,356	9,081
Deferred tax:			
Relating to origination and reversal of timing differences	**168**	276	339
Effect of change in deferred tax rates on opening balances	**1,186**	-	-
Amounts over provided in previous periods	**-**	-	(144)
	1,354	276	195
Tax charge in the Group statement of comprehensive income	**7,576**	7,632	9,276
The tax charge in the Group statement of comprehensive income comprises:			
Tax on profit before adjusted items	**7,576**	7,015	9,120
Amounts over provided in previous periods before adjusted items	**-**	-	(549)
Amounts under provided in previous periods on adjusted items	**-**	117	201
Tax charge on adjusted items	**-**	500	504
Tax charge in the Group statement of comprehensive income	**7,576**	7,632	9,276

The 2021 Finance Bill was substantively enacted during the nine months ended 31 December 2021. The main rate of UK corporation tax will increase from 19% to 25% with effect from April 2023. As a result, the Group's deferred tax assets and liabilities existing at the point of the enactment have been re-measured using the revised 25% rate, resulting in an increase in the net liability of £1.2 million.

5 Tax charge (continued)

(b) Factors affecting taxation for the period:	9 months to 31 Dec **2021** **£'000**	9 months to 31 Dec 2020 £'000	Year ended 31 Mar 2021 £'000
Profit before tax	**31,375**	32,084	43,010
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19%	**5,961**	6,096	8,172
Adjustments in respect of:			
Corporation tax under/(over) provided in previous periods	**-**	117	(204)
Deferred tax over provided in previous periods	**-**	-	(144)
Non-taxable income	**(247)**	-	-
Non-allowable depreciation on buildings	**516**	707	691
Amortisation of goodwill	**80**	80	106
Other non-allowable expenses	**14**	588	593
Double taxation relief	**(36)**	(39)	(49)
Overseas tax at different rates	**58**	83	111
Group tax relief	**(1,553)**	(1,425)	(2,074)
Amounts payable for group tax relief	**1,553**	1,425	2,074
Deferred tax - effect of taxation rate change on opening balances	**1,186**	-	-
Deferred tax - effect of taxation rate change on current period timing differences	**44**	-	-
	7,576	7,632	9,276

(c) Deferred tax	9 months to 31 Dec **2021** **£'000**	9 months to 31 Dec 2020 £'000	Year ended 31 Mar 2021 £'000
Deferred tax relates to the following			
Group comprehensive statement of income:			
Accelerated capital allowances	**179**	238	380
Short-term timing differences	**-**	38	(92)
Fair value adjustments arising on acquisitions	**(11)**	-	(93)
Effect of taxation rate change on opening balances	**1,186**	-	-
	1,354	276	195

Group statement of financial position	**At 1 Apr 2021 £'000**	**Charged to profit or loss £'000**	**Currency exchange £'000**	**At 31 Dec 2021 £'000**
Accelerated capital allowances	3,491	1,286	-	**4,777**
Short-term timing differences	(3)	-	-	**(3)**
Fair value adjustment arising on acquisitions	281	68	-	**349**
Net deferred tax liability	3,769	1,354	-	**5,123**

6 Interests in associates

	31 Dec 2021 £'000	31 Dec 2020 £'000	31 Mar 2021 £'000
Equity	**1,300**	-	-
Loan notes	**4,074**	4,613	3,841
Total investment in associates	**5,374**	4,613	3,841

The carrying value of the Group's equity investment in its associate was as follows:

	31 Dec 2021 £'000	31 Dec 2020 £'000	31 Mar 2021 £'000
At beginning of period	**-**	**-**	**-**
Share of profit	**1,300**	**-**	**-**
At end of period	**1,300**	**-**	**-**

At 31 December 2021, the Group had interests in the following associate:

Company name	**Principal activity**	**Country of incorporation**	**% equity interest**
PMBS Holding Limited	Holding company	United Kingdom	25%

7 Intangible assets

	Software £'000	**Goodwill £'000**	**Total £'000**
Cost			
At 31 March 2020	2,837	5,604	8,441
Additions	1,113	-	1,113
At 31 December 2020	3,950	5,604	9,554
Additions	23	-	23
At 31 March 2021	3,973	5,604	9,577
Additions	41	-	41
At 31 December 2021	**4,014**	**5,604**	**9,618**
Amortisation			
At 31 March 2020	-	2,803	2,803
Provided during the period	323	420	743
At 31 December 2020	323	3,223	3,546
Provided during the period	90	140	230
At 31 March 2021	413	3,363	3,776
Provided during the period	289	420	709
At 31 December 2021	**702**	**3,783**	**4,485**
Net book value			
At 31 December 2021	**3,312**	**1,821**	**5,133**
At 31 March 2021	3,560	2,241	5,801
At 31 December 2020	3,627	2,381	6,008
At 31 March 2020	2,837	2,801	5,638

8 Property, plant and equipment

	Freehold land and buildings £'000	Fixtures, fittings and equipment £'000	Assets under construction £'000	Total £'000
Cost				
At 31 March 2020	344,634	37,128	3,473	385,235
Additions	8,240	1,313	12,755	22,308
Disposals	(3,797)	(580)	-	(4,377)
Exchange movements	-	(18)	-	(18)
At 31 December 2020	349,077	37,843	16,228	403,148
Additions	794	392	10,364	11,550
Disposals	-	(344)	-	(344)
Exchange movements	-	(3)	-	(3)
At 31 March 2021	349,871	37,888	26,592	414,351
Additions	5,623	1,680	65,910	73,213
Disposals	(771)	(1,331)	-	(2,102)
Exchange movements	-	4	-	4
At 31 December 2021	**354,723**	**38,241**	**92,502**	**485,466**
Depreciation				
At 31 March 2020	57,217	24,096	-	81,313
Provided during the period	5,690	2,082	-	7,772
Disposals	(1,822)	(503)	-	(2,325)
Exchange movements	-	(8)	-	(8)
At 31 December 2020	61,085	25,667	-	86,752
Provided during the period	1,885	687	-	2,572
Disposals	-	(343)	-	(343)
Exchange movements	-	-	-	-
At 31 March 2021	62,970	26,011	-	88,981
Provided during the period	5,684	2,056	-	7,740
Disposals	(116)	(939)	-	(1,055)
Exchange movements	-	4	-	4
At 31 December 2021	**68,538**	**27,132**	**-**	**95,670**
Net book value				
At 31 December 2021	**286,185**	**11,109**	**92,502**	**389,796**
At 31 March 2021	286,901	11,877	26,592	325,370
At 31 December 2020	287,992	12,176	16,228	316,396
At 31 March 2020	287,417	13,032	3,473	303,922

As at 31 December 2021, assets under construction mainly comprises costs associated with the redevelopment of certain lettable space at Pinewood West and the development of land at Shepperton Studios. Assets under construction are not depreciated until the development is available for use.

9 Trade and other receivables

	31 Dec 2021 £'000	31 Dec 2020 £'000	31 Mar 2021 £'000
Amount falling due within one year:			
Trade receivables	**2,438**	2,483	2,260
Prepayments and other receivables	**7,042**	2,514	3,212
Corporation tax receivable	**291**	330	645
Value added tax	**-**	-	1,007
	9,771	5,327	7,124
Amount falling due after more than one year:			
Loans due from parent undertakings	**337,043**	325,963	328,733
	337,043	325,963	328,733
	346,814	331,290	335,857

Amounts due from the parent company are due for repayment in September 2025 and bear interest at 3.55%.

10 Deposits

	31 Dec 2021 £'000	31 Dec 2020 £'000	31 Mar 2021 £'000
Deposits	**40,008**	-	-

Deposits comprise balances held in interest-bearing accounts that require advance notice of withdrawal.

11 Share capital

	31 Dec 2021 £'000	31 Dec 2020 £'000	31 Mar 2021 £'000
57,409,926 Ordinary shares of 0.001p each	**1**	1	1

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

12 Reserves

Translation reserve

The translation reserve represents the cumulative foreign currency impact of the translation of operations with a functional currency other than sterling, and related funding balances, in line with the Group's foreign currency accounting policy.

Retained earnings

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

Notes to the Condensed Consolidated Financial Statements (continued)

for the nine month period ended 31 December 2021

13 Interest bearing loans and borrowings

	Maturity	31 Dec 2021	31 Dec 2020	31 Mar 2021
		£'000	£'000	£'000
Non-current borrowings:				
3.25% Senior Secured Notes	September 2025	**747,998**	549,682	747,655
3.625% Senior Secured Notes	November 2027	**297,458**	-	-
Non-current drawn loan facilities		**1,045,456**	**549,682**	**747,655**
Current borrowings				
Senior secured notes interest accruals		**6,988**	-	-
Current drawn loan facilities		**6,988**	-	-
Total Borrowings				
Senior Secured notes		**1,045,456**	549,682	747,655
Senior Secured notes interest accruals		**6,988**	-	-
		1,052,444	549,682	747,655

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

In December 2021 the Group issued £300.0 million aggregate principal amount of Senior Secured Notes at par. The Notes mature in November 2027 and bear interest at a rate of 3.625%, payable in May and November. The liability is presented net of related transaction costs that were incurred in connection with the issuance. The Group has also extended its revolving credit facility. See below for further details.

13 Interest bearing loans and borrowings (continued)

The available drawn and undrawn committed facilities are as follows.

At 31 December 2021	Within 1 year £'000	2 – 5 years £'000	5+ years £'000	Total £'000
Facilities:				
Revolving credit facility	-	15,000	60,000	75,000
Loan notes	-	750,000	300,000	1,050,000
Total facilities	**-**	**765,000**	**360,000**	**1,125,000**
Drawn loans:				
Revolving credit facility	-	-	-	-
Loan notes	-	(750,000)	(300,000)	(1,050,000)
Total drawn loans	**-**	**(750,000)**	**(300,000)**	**(1,050,000)**
Undrawn facilities:				
Revolving credit facility	-	15,000	60,000	75,000
Loan notes	-	-	-	-
Undrawn committed facilities	**-**	**15,000**	**60,000**	**75,000**

At 31 December 2020	Within 1 year £'000	2 – 5 years £'000	5+ years £'000	Total £'000
Facilities:				
Revolving credit facility	-	50,000	-	50,000
Loan notes	-	550,000	-	550,000
Total facilities	-	600,000	-	600,000
Drawn loans:				
Revolving credit facility	-	-	-	-
Loan notes	-	(550,000)	-	(550,000)
Total drawn loans	-	(550,000)	-	(550,000)
Undrawn facilities:				
Revolving credit facility	-	50,000	-	50,000
Loan notes	-	-	-	-
Undrawn committed facilities	-	50,000	-	50,000

14 Derivative financial instruments

The Group's interest rate swaps are recognised as derivative financial instruments.

	31 Dec 2021	31 Dec 2020	31 Mar 2021
	£'000	£'000	£'000
Financial liabilities carried at fair value:			
Current derivative financial instrument liabilities	**275**	-	-
Non-current derivative financial instrument liabilities	**783**	2,798	2,095
	1,058	2,798	2,095

Interest rate swaps

To minimise the volatility in cash flows from a change in SONIA, the Group holds interest rate swaps as economic hedges against undrawn debt obligations. The main terms of the Group's interest rate swaps, including the notional amounts, are detailed below.

Effective interest rate %	**Maturity**	**31 Dec 2021**	31 Dec 2020	31 Mar 2021
		£'000	£'000	£'000
2.00% + variable margin	April 2025	**25,000**	25,000	25,000
2.16% + variable margin	April 2022	**25,000**	25,000	25,000
		50,000	50,000	50,000

Fair value movements on interest rate swaps are recognised in the statement of comprehensive income within interest payable and receivable. The swaps settle in cash on a quarterly basis. The fair value of the swaps is determined by reference to market interest rate curves.

15 Trade and other payables

	31 Dec 2021	31 Dec 2020	31 Mar 2021
	£'000	£'000	£'000
Trade payables	**1,216**	4,747	2,803
Corporation tax payable	**340**	396	-
Value added tax	**6,744**	9,844	-
Other payables	**755**	1,290	981
Accruals and deferred income	**57,729**	56,028	43,379
Amounts due to parent company	**9,289**	7,110	7,741
Capital expenditure related payables	**22,141**	11,947	11,866
	98,214	91,362	66,770

Amounts due to the parent company are interest free and have no fixed repayment terms.

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

At 31 December 2021, the Group had total capital commitments contracted for, but not provided in the financial statements, of £408.5 million (2020: £41.8 million) in respect of property, plant and equipment arising from the redevelopment of Pinewood West and the expansion of Shepperton Studios. Included within property, plant and equipment are certain assets connected with the Group's long-standing expansion and redevelopment programme, the cost of which is not yet known with certainty. Liabilities in respect of these amounts are estimated and recognised within capital creditors, totalling £11.4 million (31 March 2021: £6.0 million). The

15 Trade and other payables (continued)

liabilities are reviewed and revised as situations change, when new information becomes available or when further obligations are incurred, or liabilities extinguished. These estimates are sensitive to changes in various assumptions, including capital programme spend (including costs to fulfil the liabilities) and property yields. The estimates and assumptions underpinning the liabilities recorded are felt to be appropriate, but depending on the ultimate outcome, different amounts may be payable.

16 Events after the reporting date

In February 2022, the Group announced a long-term arrangement with Amazon's Prime Video for the exclusive use of new production facilities at Shepperton Studios. The new facilities form part of the wider redevelopment and expansion of Shepperton Studios.

16 Principal risks and uncertainties

There are no significant changes to the principal risks and uncertainties disclosed in the consolidated financial statements of Pinewood Group Limited.