PINEWOOD

Pinewood Group Limited

Report as at and for the 6 months to 30 September 2024

Second quarter highlights – FY25

Company and industry highlights

- Revenue of £100 million and Adjusted EBITDA of £64 million in the first half of the year (H1 FY24: £68 million and £41 million).
- Revenue and Adjusted EBITDA growth of 47% and 55% respectively compared with H1 FY24, following the completion of construction and rental of the new studio facilities at Shepperton.
- The resultant increase in Cash generated from operations exceeded the higher interest payments from the 2024 refinancing; cash flow from operating activities was £19 million ahead of H1 FY24.
- A total of over 20 productions are onsite across our studio portfolio and 6 are currently filming.
- Whilst the Group has witnessed growth due to studio expansions and a return to production activity following the strikes, market commentators point to a longer-term moderation in the growth of global content expenditure as the streamers place a greater focus on return on investment.
- In October, the Group announced the launch of its Independent Film Hub, due to open in summer 2025 on the Pinewood site, which will offer sound stages and ancillary accommodation and services to lower budget filmmakers who qualify for the UK's new Independent Film Tax Credit scheme.
- The Group plans to close its light entertainment television studio department during 2025 due to the outlook for the traditional broadcast TV market.
- Shepperton Studios launched a £250,000 fund as a part of its 'Virtual Academy', to provide film production education, skills and training initiatives for young people in the area.

Financial highlights

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

	6 months to 30 Sept 2024 £'000	6 months to 30 Sept 2023 £'000	Year to 31 Mar 2024 £'000
Turnover	**100,457**	68,415	146,473
Adjusted EBITDA	**63,828**	41,258	86,048
Adjusted EBITDA margin	**63.5%**	60.3%	58.7%
Cash generated from operations	**40,495**	12,413	88,694
Adjusted capital expenditure*	**(8,402)**	(134,129)	(199,897)
Senior secured notes	**(1,340,296)**	(1,050,000)	(1,800,000)
Bank loans	**(96,655)**	(105,597)	(102,355)
UK Government gilts	**300,000**	-	-
Cash and cash equivalents	**81,831**	89,267	828,136
Adjusted net debt	**(1,055,120)**	(1,066,330)	(1,074,219)

Following a refinancing in March 2024, the Group held cash balances of £828.1 million at the start of the financial year. In April 2024, the Group repaid £459.7 million principal value of senior secured notes with the proceeds, and invested £290.3 million in fixed-rate UK Government gilts with principal value of £300.0 million, maturing in September 2025.

Growth from studio expansions and a resilient half year

David Conway, CEO, commented:

"Our results for the first half of our financial year continue to show significant year-on-year improvement following our successful growth programme, which was centred around the acquisition of Pinewood Toronto Studios and the expansion of Shepperton Studios.

Globally, production activity is ramping up following the 2023 strikes, but it is evident that we will not be returning to the content production growth profile witnessed through the 'streamer wars' during the pandemic.

In October, it was announced that we will be opening a new Independent Film Hub on the Pinewood site in 2025, for which we are already gaining significant market interest."

The next Investor update is scheduled for 26 February 2025.

Footnotes applicable to this announcement:

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

**** Excluding adjusted items**

***** Contribution** represents gross profit excluding depreciation charges, but before any indirect costs such as maintenance, business rates, security, cleaning and other costs, which cannot be allocated by business line.

For further information, please write to Investor.Relations@pinewoodgroup.com

General information

Pinewood is the leading independent operator of the real estate that is required for the production of film and television content. Founded in 1936, Pinewood owns premium, large-scale facilities also known as studios, for hosting film, television and other media productions. Our studios are located in prime locations, making them the preferred choice for major film and high-end television production companies. Pinewood branded studios have hosted over 2,600 films, among them +170 Oscar winners, +230 BAFTA winners and numerous blockbuster film productions with budgets of over US$100 million and close to 950 TV and HETV productions.

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 30 September 2024 ("Q2 FY25"), and the comparative period as of and for the 3 months ended 30 September 2023 ("Q2 FY24") prepared in accordance with FRS 104: "Interim Financial Reporting".
- The unaudited consolidated financial information of the Group as of and for the 6 months ended 30 September 2024 ("Q2 YTD FY25" or "H1 FY25"), and the comparative period as of and for the 6 months ended 30 September 2023 ("Q2 YTD FY24" or "H1 FY24"), prepared in accordance with FRS 104: "Interim Financial Reporting".
- The audited consolidated financial information of the Group as of and for the year ended 31 March 2024 ("FY24"), and the comparative period as of and for the year ended 31 March 2023 ("FY23") prepared in accordance with FRS 102: "The Financial Reporting Standard Applicable in the UK and Republic of Ireland". 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 indentures dated 25 September 2019, and 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 principal paying agent, and Deutsche Bank Luxembourg S.A. as transfer agent and registrar. This report was also prepared in accordance with the indenture dated 28 March 2024 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, principal paying agent and transfer agent and Deutsche Bank Luxembourg S.A. as 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-GAAP 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, intangibles, 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 turnover 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 period to 30 September 2024

Adjusted results of operations

	3 months to		6 months to	
	30 Sep 2024 £'000	30 Sep 2023 £'000	**30 Sep 2024 £'000**	30 Sep 2023 £'000
Turnover	**51,115**	32,724	**100,457**	68,415
Cost of sales	**(27,619)**	(15,181)	**(54,246)**	(31,010)
Gross profit	**23,496**	17,543	**46,211**	37,405
Selling, distribution and administrative	**(3,978)**	(3,766)	**(7,697)**	(7,067)
Other operating (expense)/income	**-**	-	**-**	-
Operating profit	**19,518**	13,777	**38,514**	30,338
Income/ (Loss) from participating interests	**759**	(670)	**896**	(207)
Interest receivable and similar income	**5,452**	2,243	**11,301**	6,160
Interest payable and similar charges	**(19,143)**	(10,817)	**(37,377)**	(21,896)
Profit before taxation	**6,586**	4,533	**13,334**	14,395
Tax charge	**(2,052)**	(1,943)	**(4,271)**	(4,926)
Profit after taxation	**4,534**	2,590	**9,063**	9,469

Turnover

Turnover during the quarter was £51.1 million (Q2 FY24: £32.7 million), an increase of 56.2% from the prior year quarter. Further, turnover for the first six months of FY25 was £100.5 million (H1 FY24: £68.4 million), £32.1 million ahead of the prior year period. Across both periods, the growth in revenue reflected substantially the rental of the recently completed production accommodation at Shepperton, but also growth in revenues at Pinewood Toronto Studios ('PTS') following the commencement of a long-term contract in December 2023.

Across the legacy UK areas of the Global Studios business, revenue in the second quarter was in line with the prior year period. Improvements from the inflationary clauses in the Long-term rental contracts, were offset by lower energy revenues. These largely offsetting factors were also reflected in the half year results, although accompanied by a healthy but lower level of studio resale income from the first quarter of the year.

In our Production Services business, revenue ticked-up in the second quarter as the industry re-started following the conclusion of the 2023 strikes in the US. The business closed the first half of the year with revenues level with the prior year period.

Cost of sales

Cost of sales increased by £12.4 million to £27.6 million in the quarter (Q2 FY24: £15.2 million). Largely as a result of the Shepperton Studio's expansion, higher depreciation charges contributed £6.1 million of this increase, with the remainder mainly attributed to additional indirect costs associated with the studio expansion (e.g. business rates, insurance, cleaning and security services).

In the legacy businesses, a low level of additional costs were incurred as activity in the Production Services businesses began to ramp-up. Business rates increased, albeit tempered by the Government's transitional relief scheme.

At the half year, cost of sales increased by £23.2 million to £54.2 million (H1 FY24: £31.0 million). Additional depreciation charges from the growth programme contributed to £12.8m of this increase and, as with the quarter, the remainder was mainly from other indirect cost associated with servicing the newly expanded studio facilities.

Gross profit

Gross profit for the quarter was £23.5 million (Q2 FY24: £17.5 million), an increase of £6.0 million compared with the prior year quarter. Again, this increase was driven principally by the growth projects, a slight up-tick in the Production Services business lines, and partially offset by business rates increases across the legacy areas of the studios.

Gross profit for the first six months of the year was £46.2m, £8.8 million higher than the comparative period last year, driven by the same factors as above.

The gross profit margin for the quarter of 46.0% was 7.6ppt below the prior year period (Q2 FY24: 53.6%). This is also been seen in the first half numbers, with the gross profit margin also at 46.0% compared with 54.7% in the prior year period. Whilst the studio expansion created positive impacts on the Group's gross profit, the associated depreciation has created a non-cash drag on the Group's gross profit margin percentage.

Selling, distribution, administrative and other income/ expenses**

Selling, distribution, administrative and other expenses totalling £4.0 million in the quarter, was in line with the prior year quarter (Q2 FY24: £3.8 million). This pattern was repeated in the first half position, with charges totalling £7.7m (H1 FY24: £7.1 million), and the increase mainly from the additional one month of goodwill amortisation from PTS which was purchased in May 2023. The additional studio capacity in the UK did not impact the overall selling and administrative costs incurred, due to economies of scale within the business model.

Operating profit **

Adjusted operating profit for the quarter of £19.5 million was £5.7 million above that of the prior year quarter (Q2 FY24: £13.8million), and adjusted operating profit at the half year of £38.5 million was £8.2 million above that of the prior year period (H1 FY24: £30.3million).

The resultant operating profit margin for the quarter of 38.2% was 3.9ppt lower than the prior year quarter (Q2 FY24: 42.1%). The resultant operating profit margin for the half year of 38.3% was 6.0ppt lower than the prior year quarter (H1 FY24: 44.3%). The margin reductions were due to the EBITDA benefit of increased studio capacity being offset by the non-cash depreciation charges associated with the Shepperton expansion across the first half of the year, with a similar effect from PTS which was acquired during Q1 of last year.

Income from participating interests

Our associate lighting business, PMBS Holding Limited ('PMBS'), offers lighting services across numerous UK-based film studios and has an exclusive lighting contract at the Group's UK studios. As with other businesses offering production services to film and HETV productions, lighting services were significantly curtailed during the industry strikes in 2023. With their position in the production cycle, the lighting industry started to realise the benefit of production activity resuming and the Group recognised its £0.8 million share of their post-tax profits in the quarter, bringing our equity returns to £0.9 million profit at the half year (H1 FY24: £0.2 million loss).

Interest receivable and similar income

Interest receivable and similar income of £5.5 million in the quarter was £3.3 million above that of the prior year quarter (Q2 FY24: £2.2 million). Similarly, interest receivable and similar income of £11.3 million at the half year was £5.1 million above that of the prior year period (H1 FY24: £6.2 million).

Following the refinancing and tender offer of £750 million 3.25% senior secured notes in March 2024, £290.3 million of funds received were invested in fixed-rate UK Government gilts rather than redeeming the associated 3.25% notes. The gilts, which the Group plans to hold until their and the 3.25% notes' maturity in September 2025, delivered £3.3 million of additional interest income in the quarter and £6.2 million of interest income at the half year.

Interest payable and similar charges

Interest payable and similar charges, at £19.1 million in the quarter, were £8.3 million higher than those of the prior year quarter (Q2 FY24: £10.8 million). Similarly, interest payable and similar charges of £37.4 million at the half year were £15.5 million above that of the prior year period (H1 FY24: £21.9 million).

These increases were substantially due to a refinancing at the end of March 2024, with £750 million 6.0% senior secured notes raised, and £290.3 million of 3.25% senior secured notes remaining until their settlement in 2025.

*Tax charge ***

Adjusted Profit before tax in the quarter was £6.6 million (Q2 FY24: £4.5 million), with a £5.7 million improvement in adjusted operating profit, and £1.4 million higher income from participating interests, largely offset by a £5.1 million increase in net interest charges. Accordingly, the adjusted tax charge for the quarter at £2.1 million was similar to the prior year period (Q2 FY24: £1.9 million).

Adjusted Profit before tax at the half year was £13.3 million (H1 FY24: £14.4 million). The £8.2 million improvement in adjusted operating profit and the £1.1 million higher income from participating interests, was slightly more than offset by a £10.3 million increase in net interest charges. Accordingly, the adjusted tax charge for the quarter at £4.3 million was £0.6 million below the prior year period (H1 FY24: £4.9 million).

At half year, this represents an adjusted effective tax rate of 32.0% (H1 FY24: 34.2%). In both periods, the adjusted effective tax rate is impacted by goodwill amortisation charges which are not deductible for tax purposes, and depreciation charges associated with certain assets which do not attract tax-related capital allowances.

Segmental reporting

The Group manages and reports its business under the following segments:

- ***Global Studios*** represents our core business, being the provision of production accommodation to film and high-end television production companies, together with the rental of other serviced accommodation at our studios.
- ***Production Services*** represents our ancillary businesses, including Post-production, Television, as well as international sales and marketing and profit sharing agreements.

Key information reported by business segment and geographic area is:

	3 months to		**6 months to**	
	30 Sep 2024 £'000	30 Sep 2023 £'000	**30 Sep 2024 £'000**	30 Sep 2023 £'000
Revenue by operating segment				
Global Studios	**47,822**	30,637	**94,355**	62,253
Production Services	**3,293**	2,087	**6,102**	6,162
Total revenue	**51,115**	32,724	**100,457**	68,415
Revenue by Geography				
UK	**46,795**	29,581	**91,520**	63,163
North America	**4,320**	3,143	**8,937**	5,252
Total revenue	**51,115**	32,724	**100,457**	68,415
Contribution ***				
Global Studios	**44,368**	27,512	**87,419**	54,732
Production Services	**1,893**	1,210	**3,273**	3,644
Total segmental Contribution	**46,261**	28,722	**90,692**	58,376

Revenue

Global Studios' revenue improved by £17.2 million in the quarter and by £32.1 million in the first half of the year. This increase was due mainly to the additional accommodation at the Shepperton expansion, which was opened and let in phases across the second half of last year. Additionally, with PTS acquired in May 2023, the studio delivered a full period of revenues in the first half of this year.

Production Services' revenues increased slightly since Q1 of this year, and were above those of Q2 last year when the industry strikes commenced. The business ended the half year level with the prior year period, as the re-start to content production made its way through the film production lifecycle and into Production Services.

Contribution**

Contribution represents gross profit excluding (i) depreciation charges and (ii) indirect costs, which cannot be attributed by business line, such as security, cleaning, maintenance, insurance and business rates.

The Global Studios increase in contribution of £16.9 million compared with the prior year quarter, and £32.7 million at the half year was due to growth projects as described above. The legacy areas of the UK studios were largely aligned with the prior year period. Production Services' contribution for the quarter was improved due to impacts described in the Revenue section above, after a slower first quarter.

Adjusted EBITDA

Adjusted EBITDA at £32.5 million (Q2 FY24: £19.2 million) in the quarter, and £63.8 million (H1 FY24: £41.3 million) at the half year, reflected underlying growth in Global Studios capacity, mainly at Shepperton Studios, with a new long-term contract for studio accommodation in place at PTS.

The gradual restart of content production led to performance improvements in our Production Services business lines, which closed the half year level with H1 FY24, and a £1.1 million improvement in our lighting associate's equity results. These were offset by factors such as higher business rates on the legacy areas of our UK studios.

Adjusted EBITDA margin of 63.5% at the half year was 3.2 ppt above that of the 60.3% margin achieved in the prior year period, due to the start of new long-term contracts at both Shepperton and Pinewood Toronto Studios.

Reconciliation of profit after taxation to adjusted EBITDA	**3 months to**		**6 months to**	
	30 Sep 2024 £'000	30 Sep 2023 £'000	**30 Sep 2024 £'000**	30 Sep 2023 £'000
Profit after taxation (incl. adjusted items)	**4,134**	1,674	**8,257**	7,624
Tax charge on profit	**1,892**	1,564	**3,949**	4,163
Net interest payable and other charges	**13,691**	8,574	**26,076**	15,736
Depreciation of property, plant and equipment	**10,797**	4,745	**21,603**	8,771
Amortisation of intangible assets	**1,430**	1,365	**2,815**	2,356
Loss on disposal of property, plant & equipment	**-**	-	**-**	-
EBITDA	**31,944**	17,922	**62,700**	38,650
Adjusted items	**560**	1,295	**1,128**	2,608
Adjusted EBITDA	**32,504**	19,217	**63,828**	41,258

Adjusted items

During the 6-month periods to 30 September 2024 and 30 September 2023, there was one item presented as an adjusted item. In financial year to 31 March 2022, the Group had set aside funds to establish a long-term incentive plan to incentivise and retain certain senior members of staff following the recapitalisation of the business in that financial year. Payments made under this plan are also intended to reward individuals for their past performance in developing the Group.

During the period, the plan gave rise to adjusted charges of £1.1 million (H1 FY24: £2.6 million), with associated tax credits in the period at 28.5% of £0.3 million (H1 FY24: £0.8 million). Continuing the treatment from last year, this has been presented as an adjusted item as the incentive plan is considered unusual in size and is, therefore, of limited long-term predictive value. The long-term incentive plan is expected to give rise to charges and payments over the period to December 2025.

Liquidity and capital resources

Group statement of cash flows

The Group commenced the year with cash and cash equivalents of £828.1 million, having closed a refinancing under a tender offer of the Group's £750.0 million 3.25% senior secured notes due September 2025 on the last working day of the previous financial year. In April 2024, £454.0 million of the proceeds were used to settle notes with a principal value of £459.7 million, and £290.3 million was invested in fixed-rate UK Government gilts, maturing in September 2025 when the remaining notes are due to be settled.

The Group commenced the quarter with cash and equivalents of £91.6 million, and generated £19.6 million from operations, which was £12.1 million higher than in the same quarter last year due to the growth in pre-let studio space. During Q2 FY25, the Group paid its six-monthly interest arising on the newly refinanced debt, which was the key driver for interest payments being £10.7 million higher than the prior year quarter. As a result, cash used by operating activities after interest and tax in the quarter was similar to the same period last year at £5.1 million. With capital expenditure payments of £3.7 million, this resulted a healthy cash balance of £81.8m at September 2025.

Details of these and cash flows for the first half of the year follow below.

	3 months to		6 months to	
	30 Sep 2024 £'000	30 Sep 2023 £'000	**30 Sep 2024 £'000**	30 Sep 2023 £'000
Cash flow from operating activities before working capital changes	**31,179**	18,590	**61,794**	38,854
Net change in working capital	**(11,558)**	(11,095)	**(21,299)**	(26,441)
Cash generated/ (used) by operations	**19,621**	7,495	**40,495**	12,413
Net interest paid	**(23,558)**	(12,891)	**(28,762)**	(18,751)
Net income tax refunded/ (paid)	**(1,200)**	(209)	**392**	(569)
Net cash flow from/ (used by) operating activities	**(5,137)**	(5,605)	**12,125**	(6,907)
Investment in subsidiaries	**-**	(1,593)	**-**	(248,086)
Purchase of property, plant and equipment net of disposal proceeds	**(3,748)**	(57,653)	**(8,402)**	(134,129)
Purchase of securities	**-**	-	**(290,300)**	-
Repayment of loan by parent company	**-**	-	**-**	125,000
Net cash flow used in investing activities	**(3,748)**	(59,246)	**(298,702)**	(257,215)
Net cash flow (used in)/ from financing activities	**(18)**	(416)	**(458,731)**	101,685
Net (decrease)/ increase in cash and cash equivalents	**(8,903)**	(65,267)	**(745,308)**	(162,437)
Currency exchange movement	**(831)**	417	**(997)**	(468)
Cash and cash equivalents at the start of the period	**91,565**	154,117	**828,136**	252,172
Cash and cash equivalents at the end of the period	**81,831**	89,267	**81,831**	89,267

Net cash flow from operating activities

At half year, cash generated by operating activities, after interest and tax, of £12.1 million reflected a £19.0 million increase from the prior year period (H1 FY24: £6.9 million outflow). This was due to the following factors:

i. A £22.9 million increase in cash flows from operating activities before movement in working capital to £61.8 million (H1 FY24: £38.9 million), mainly attributable to a £22.6 million increase in adjusted EBITDA as described above as well as other smaller offsetting factors.

ii. A £5.1 million improvement in working capital cashflows to £21.3 million outflow (H1 FY24: £26.4 million outflow). A significant proportion of rentals are received in advance of each calendar year, and the working capital outflows in both periods are largely due to the net unwind to profit of the resultant deferred income balances.

   The improvement in working capital this financial year is due to the commencement of new lease rentals. During Q1 FY25, the Group received rent associated with the studio expansion for Q1 and in advance for Q2 FY25, so leading to a one-off improvement in working capital at the start of the leases. Partially offsetting this improvement in FY25, and following a period of high resale activity in the first half of FY24, the prior year period was slightly flattered by the timing of resale cash receipts and payments.

iii. A £10.0 million increase in net interest payments. The Group paid its six-monthly interest on the new 6.0% £750 million senior secured notes and the remaining £290 million 3.25% senior notes. This overall increase in interest paid was partially offset by a new stream of interest received from the £300 million principal UK Government gilts held, and by a change to the payment schedule for the Canadian bank loan following its conversion from CDOR- to CORRA-based terms.

iv. A £1.0 million improvement in income tax to £0.4 million recovered (H1 FY24: £0.6 million paid). The Group is claiming capital allowance tax benefits on expenditure in relation to the studio expansion programme in the UK. Whilst these allowances offset UK taxable profits in the prior year, in FY25 the Group has recommenced paying UK corporation tax whilst continuing to benefit in part from unused allowances brought forward from prior years. These payments were more than offset by a refund of corporation tax following a finalised capital allowance claim for prior years.

Net cash flow from investing activities

Net cash outflow from investing activities totalled £298.7 million at the half year (H1 FY24: £257.2 million). The Group invested £290.3 million of proceeds from the recent refinancing in gilts maturing in September 2025, and invested a further £8.4 million in capital expenditure*, largely relating to the remaining elements of the studio expansion programme at Shepperton and other investment expenditure.

In the prior year period, the Group received a partial repayment of £125.0 million for the loan to its parent company and invested £248.1 million in the acquisition of PTS. Additionally, the Group invested £134.1 million in capital expenditure* which also predominantly related to UK studio expansion programme.

Net cash flow from financing activities

Net cash flow from financing activities amounted to a £458.7 million outflow (H1 FY24: £101.7 million inflow). Following the refinancing in March 2024, the Group paid £454.0 million to settle a tranche of the senior notes due September 2025, together with £4.8 million of fees associated with the refinancing exercise.

In the prior year period, the Group received £101.7 million from a bank loan raised to fund the acquisition of PTS.

Adjusted net debt

Adjusted net debt comprises the principal amount of the Group's senior secured notes, bank loans and any drawing under the Group's RCF (thereby ignoring interest accruals, capitalised issue fees paid and premiums received), net of cash and cash equivalents as well as deposits and securities of tenure of no more than 24 months.

	30 Sep 2024 £'000	**31 Mar 2024 £'000**	**30 Sep 2023 £'000**
Senior secured notes	**(1,340,296)**	(1,800,000)	(1,050,000)
Bank loans	**(96,655)**	(102,355)	(105,597)
Revolving credit facility	**-**	-	-
Less:			
Cash and cash equivalents	**81,831**	828,136	89,267
UK Government gilts	**300,000**	-	-
Adjusted net debt	**(1,055,120)**	(1,074,219)	(1,066,330)

Adjusted net debt at 30 September 2024 was £1,055.1 million, based on £1,340.3 million of senior secured notes, a Canadian $ bank loan of £96.7 million, cash and cash equivalents of £81.8 million and UK Government Gilts. In April 2024, £290.3 million of proceeds from the March 2024 refinancing were invested in fixed-rate UK Government gilts with a principal value of £300.0 million. The Group plans to hold these gilts until maturity in September 2025, which coincides with the maturity of the remaining 3.25% notes.

Cash and cash equivalents were held with several banks rated A/A1/A+ or higher. Separately, the UK Government gilts are held in custodian accounts. The Group does not invest in money market funds.

The Group's Loan to Value ("LTV") metric was 35.2%. This is based on the UK valuation performed by JLL at March 2024, as well as the JLL valuation of Pinewood Toronto Studios of C$445 million (c.£246 million) as of April 2023.

Finally, we may from time to time seek to retire or purchase our outstanding debt through cash purchases in open market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Pinewood Group Limited

Interim condensed consolidated financial statements

Period ended 30 September 2024

Company Registration Number: 03889552

Group Statement of Comprehensive Income

for the six month period ended 30 September 2024

	Note	**6 months ended 30 September 2024** Adjusted £'000	Adjusted items £'000	Total £'000	6 months ended 30 September 2023 Adjusted £'000	Adjusted items £'000	Total £'000	Full year 31 Mar 2024 Total £'000
Turnover	3	**100,457**	**-**	**100,457**	68,415	-	68,415	146,473
Cost of sales		**(54,246)**	**-**	**(54,246)**	(31,010)	-	(31,010)	(71,399)
Gross profit		**46,211**	**-**	**46,211**	37,405	-	37,405	75,074
Selling and distribution costs		**(349)**	**-**	**(349)**	(484)	-	(484)	(1,241)
Administrative expenses		**(7,348)**	**-**	**(7,348)**	(6,583)	-	(6,583)	(13,423)
Other operating expenses	2	**-**	**(1,128)**	**(1,128)**	-	(2,608)	(2,608)	(4,226)
Operating profit/(loss)	4	**38,514**	**(1,128)**	**37,386**	30,338	(2,608)	27,730	56,184
Income/(loss) from participating interests	8	**896**	**-**	**896**	(207)	-	(207)	(1,295)
Interest receivable and similar income	5	**11,301**	**-**	**11,301**	6,160	-	6,160	13,971
Interest payable and similar charges	6	**(37,377)**	**-**	**(37,377)**	(21,896)	-	(21,896)	(44,275)
Profit/(loss) before taxation		**13,334**	**(1,128)**	**12,206**	14,395	(2,608)	11,787	24,585
Tax (charge)/credit	2,7	**(4,271)**	**322**	**(3,949)**	(4,926)	763	(4,163)	(8,252)
Profit/(loss) after taxation attributable to equity shareholders		**9,063**	**(806)**	**8,257**	9,469	(1,845)	7,624	16,333
Other comprehensive income								
Currency exchange differences		**(8,088)**	**-**	**(8,088)**	3,738	-	3,738	(1,135)
Net cash flow hedging (losses)/gains		**(1,673)**	**-**	**(1,673)**	3,287	-	3,287	1,635
Net cash flow hedging gains transferred to profit or loss		**(778)**	**-**	**(778)**	(717)	-	(717)	(1,731)
Total other comprehensive (loss)/income		**(10,539)**	**-**	**(10,539)**	6,308	-	6,308	(1,231)
Total comprehensive (loss)/income		**(1,476)**	**(806)**	**(2,282)**	15,777	(1,845)	13,932	15,102

The notes on pages 19 to 31 form part of these financial statements.

Group Statement of Financial Position

as at 30 September 2024

	Note	**30 Sep 2024**	30 Sep 2023	31 Mar 2024
		£'000	£'000	£'000
Assets				
Non-current assets				
Intangible assets	9	**41,125**	49,243	46,252
Property, plant and equipment	10	**1,133,313**	1,150,226	1,165,504
Interests in associates	8	**5,264**	10,129	9,229
Derivative financial instruments	16	**-**	4,861	1,181
Trade and other receivables	12	**236,165**	229,523	232,844
		1,415,867	1,443,982	1,455,010
Current assets				
Inventories		**62**	81	72
Interests in associates	8	**5,056**	-	-
Derivative financial instruments	16	**829**	1,742	1,278
Securities	11	**293,489**	-	-
Trade and other receivables	12	**25,746**	23,893	36,054
Cash and cash equivalents		**81,831**	89,267	828,136
		407,013	114,983	865,540
Total assets		**1,822,880**	1,558,965	2,320,550
Equity and liabilities				
Share capital	13	**1**	1	1
Translation reserve	14	**(7,086)**	5,875	1,002
Cashflow hedge reserve	14	**(1,190)**	3,927	1,261
Retained earnings	14	**230,612**	213,646	222,355
Total equity		**222,337**	223,449	224,619
Non-current liabilities				
Interest bearing loans and borrowings	15	**1,139,090**	1,151,336	1,435,616
Deferred tax liabilities		**63,461**	64,033	65,069
Derivative financial instruments	16	**1,850**	-	-
		1,204,401	1,215,369	1,500,685
Current liabilities				
Interest bearing loans and borrowings	15	**296,776**	4,112	458,492
Trade and other payables	17	**93,843**	110,001	130,905
Provisions	18	**5,523**	6,034	5,849
		396,142	120,147	595,246
Total liabilities		**1,600,543**	1,335,516	2,095,931
Total equity and liabilities		**1,822,880**	1,558,965	2,320,550

Group Statement of Cash Flows
for the six month period ended 30 September 2024

	Note	6 months ended 30 Sep 2024 £'000	2023 £'000	Year ended 31 Mar 2024 £'000
Cash flow from operating activities:				
Profit before taxation		**12,206**	11,787	24,585
Adjustments to reconcile profit before taxation to net cash flows:				
Depreciation and amortisation	4	**24,418**	11,127	26,933
(Income)/loss from participating interests	8	**(896)**	207	1,295
Unrealised foreign exchange (gain)/loss		**(10)**	(3)	1
Interest receivable and similar income	5	**(11,301)**	(6,160)	(13,971)
Interest payable and similar charges	6	**37,377**	21,896	44,275
Cash flow from operating activities before changes in working capital		**61,794**	38,854	83,118
Decrease/(increase) in trade and other receivables		**6,709**	7,387	(2,666)
Decrease in inventories		**10**	25	34
(Decrease)/increase in trade and other payables		**(28,018)**	(33,853)	8,208
Cash generated from operations		**40,495**	12,413	88,694
Interest paid		**(34,765)**	(21,516)	(43,500)
Interest received		**6,003**	2,765	5,015
Net income tax recovered/(paid)		**392**	(569)	(328)
Net cash flow from/(used in) operating activities		**12,125**	(6,907)	49,881
Cash flow (used in)/from investing activities:				
Investment in subsidiaries (net of acquired cash)		**-**	(248,086)	(247,942)
Purchase of property, plant and equipment		**(8,402)**	(134,129)	(199,865)
Purchase of intangible assets		**-**	-	(32)
Purchase of securities		**(290,300)**	-	-
Repayment of loan by parent company		**-**	125,000	125,000
Net cash flow used in investing activities		**(298,702)**	(257,215)	(322,839)
Cash flow (used in)/from financing activities:				
Settlement of Senior Secured Notes tender offer		**(453,958)**	-	-
Payment of Senior Secured Notes tender offer fees		**(488)**	-	-
Proceeds from term loan financing net of fees		**-**	101,685	101,520
Proceeds from issue of Senior Secured Notes net of fees		**-**	-	750,000
Payment of Senior Secured Notes issue costs and finance arrangement fees		**(4,285)**	-	(1,613)
Net cash flow (used in)/from financing activities		**(458,731)**	101,685	849,907
Net (decrease)/increase in cash and cash equivalents		**(745,308)**	(162,437)	576,949
Currency exchange movement		**(997)**	(468)	(985)
Cash and cash equivalents at the start of the period		**828,136**	252,172	252,172
Cash and cash equivalents at the end of the period		**81,831**	89,267	828,136

Reconciliation of Movement in Net Debt
for the six month period ended 30 September 2024

	6 months ended 30 Sep		Year ended
	2024	2023	31 Mar 2024
	£'000	£'000	£'000
Net (decrease)/increase in cash and cash equivalents	**(745,308)**	(162,437)	576,949
Currency exchange movement	**4,652**	(3,041)	(474)
Payment of interest on Senior Secured Notes	**32,820**	17,580	35,250
Payment of interest on term loan (net of cash flow hedging receipt)	**1,495**	2,938	5,852
Proceeds from issue of Senior Secured Notes	**-**	-	(750,000)
Proceeds from term loan financing (net of fees paid)	**-**	(101,685)	(101,520)
Payment of Senior Secured Notes issue costs	**-**	-	1,056
Movement in loan issue costs accrued	**33**	-	3,949
Settlement of Senior Secured Notes tender offer	**453,958**	-	-
Gain on Senior Secured Notes tender offer	**-**	-	4,054
Interest expense on Senior Secured Notes	**(33,100)**	(18,136)	(36,753)
Interest expense on term loan (including effect of cash flow hedging)	**(3,064)**	(2,494)	(5,538)
Derivative gains/(losses) recognised in other comprehensive income	**(3,334)**	5,327	1,717
Movement in net debt	**(291,848)**	(261,948)	(265,458)
Net debt at the start of the period	**(1,063,790)**	(798,332)	(798,332)
Net debt at the end of the period	**(1,355,638)**	(1,060,280)	(1,063,790)
Net debt at the end of the period excluding restricted cash	**(1,357,326)**	(1,061,968)	(1,065,478)

Group Statement of Changes in Equity
for the six month period ended 30 September 2024

	Share capital	Translation reserve	Cashflow hedge reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000
At 01 April 2024	**1**	**1,002**	**1,261**	**222,355**	**224,619**
Profit for the period	**-**	**-**	**-**	**8,257**	**8,257**
Net cash flow hedging losses (net of tax)	**-**	**-**	**(1,673)**	**-**	**(1,673)**
Net cash flow hedging gains transferred to profit or loss	**-**	**-**	**(778)**	**-**	**(778)**
Currency exchange differences	**-**	**(8,088)**	**-**	**-**	**(8,088)**
Total comprehensive (loss)/income for the period	**-**	**(8,088)**	**(2,451)**	**8,257**	**(2,282)**
At 30 September 2024	**1**	**(7,086)**	**(1,190)**	**230,612**	**222,337**
At 01 April 2023	1	2,137	-	206,022	208,160
Profit for the year	-	-	-	16,333	16,333
Net cash flow hedging gains (net of tax)	-	-	1,635	-	1,635
Net cash flow hedging gains transferred to profit or loss	-	-	(1,731)	-	(1,731)
Currency exchange differences	-	(1,135)	-	-	(1,135)
Total comprehensive (loss)/income for the year	-	(1,135)	(96)	16,333	15,102
Cash flow hedge reserve reclassified to goodwill	-	-	1,357	-	1,357
At 31 March 2024	1	1,002	1,261	222,355	224,619
At 01 April 2023	1	2,137	-	206,022	208,160
Profit for the period	-	-	-	7,624	7,624
Net cash flow hedging gains (net of tax)	-	-	3,287	-	3,287
Net cash flows gains transferred to profit or loss	-	-	(717)	-	(717)
Currency exchange differences	-	3,738	-	-	3,738
Total comprehensive income for the period	-	3,738	2,570	7,624	13,932
Cash flow hedge reserves reclassified to goodwill	-	-	1,357	-	1,357
At 30 September 2023	1	5,875	3,927	213,646	223,449

Notes to the Condensed Consolidated Financial Statements
for the six month period ended 30 September 2024

1. Accounting convention, significant judgements and key sources of estimation uncertainty

These financial statements have been prepared under FRS 104 'Interim Financial Reporting' and under the historic cost convention, modified to include certain financial instruments at fair value.

The principal accounting policies are stated in the annual consolidated financial statements of Pinewood Group Limited for the year ended 31 March 2024, which were prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The same accounting policies and methods of computation are followed in these interim financial statements and the accounting policies have been applied throughout the periods presented.

Where it has been presented, the information for the year ended 31 March 2024 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

Significant judgements and key sources of estimation uncertainty
There have been no significant changes to the Group's significant judgements and key sources of estimation uncertainty as described in the annual consolidated financial statements for the year ended 31 March 2024.

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 operating requirements through its cash resources and operating cashflows. 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 for a period of at least twelve months from the date of approval of these financial statements. The Group, therefore, continues to adopt the going concern basis of accounting in preparing the financial statements.

Seasonality of operations
The nature of the Group's revenue streams means that there is very little seasonal variability in results.

Notes to the Condensed Consolidated Financial Statements (continued)
for the six month period ended 30 September 2024

2. Adjusted items

The Group has a long-term incentive plan to incentivise and retain certain senior members of staff. Payments made under this plan are also intended to reward individuals for their past performance in developing the Group.

During the six months ended 30 September 2024, the plan gave rise to exceptional charges of £1,128k (2023: £2,608k) with associated tax credits of £322k (2023: £763k). This has been presented as an adjusted item as the incentive plan is considered unusual in size, and is therefore of limited long-term predictive value. The incentive plan is expected to give rise to further charges over its life to 2025.

3. Segmental reporting

Turnover and segment information

IFRS 8: "Operating Segments" requires that the Group identifies its operating segments on the basis of internal reports provided to the Chief Operating Decision Maker. These operating segments may be aggregated and combined into reportable segments where they are sufficiently similar in terms of factors such as the nature and type of service provided by the segments, and their economic characteristics.

The Group has the following reportable segments:

- Global Studios represents our core business, being the provision of production accommodation to film and HETV production companies, together with the rental of other serviced accommodation to the related creative industries companies based at our studios.
- Production Services represents our other operating segments including Post Production, TV, international sales and marketing agreements, and profit-sharing agreements.

Segmental Contribution is the key measure used by the Group to measure segmental performance, reflecting the profitability and cash generation performance and capacity that is controllable by segment managers. It is defined as gross profit excluding depreciation charges but before indirect costs such as business rates, security, cleaning and other costs that cannot be allocated by business line.

Key information reported by business segment and geographic area is:

	6 months ended 30 Sep		Year ended
	2024	2023	31 Mar 2024
	£'000	£'000	£'000
Revenue			
Global Studios	**94,355**	62,253	135,573
Production Services	**6,102**	6,162	10,900
Total revenue	**100,457**	68,415	146,473
Revenue by geography			
UK	**91,520**	63,163	132,470
North America	**8,937**	5,252	14,003
Total revenue	**100,457**	68,415	146,473
Contribution			
Global Studios	**87,419**	54,732	118,014
Production Services	**3,273**	3,644	6,234
Total segmental contribution	**90,692**	58,376	124,248

Notes to the Condensed Consolidated Financial Statements (continued)
for the six month period ended 30 September 2024

3. Segmental reporting (continued)

The segmental Contribution result presented above is reconciled to gross profit as presented in the Group Income Statement, which can be used to reconcile gross profit to profit before tax. Indirect costs are those costs of sale that are controlled centrally, rather than at the operating segment level, such as insurance, business rates and similar taxes, and health and safety and security costs. Such costs cannot be allocated by business line.

	6 months ended 30 Sep		Year ended
	2024	2023	31 Mar 2024
	£'000	£'000	£'000
Total segmental Contribution	**90,692**	58,376	124,248
Indirect costs excluding depreciation	**(22,878)**	(12,200)	(27,596)
Depreciation	**(21,603)**	(8,771)	(21,578)
Gross profit	**46,211**	37,405	75,074

4. Operating profit

	6 months ended 30 Sep		Year ended
	2024	2023	31 Mar 2024
Operating profit is stated after charging/(crediting):	**£'000**	£'000	£'000
Depreciation of property, plant and equipment	**21,603**	8,771	21,578
Operating lease payments	**1,584**	1,219	2,519
Amortisation of software	**200**	202	400
Amortisation of goodwill	**2,615**	2,154	4,955
Net foreign exchange (gains)/losses	**(9)**	3	97

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 six month period ended 30 September 2024

5. Interest receivable and similar income

	6 months ended 30 Sep		Year ended
	2024	2023	31 Mar 2024
	£'000	£'000	£'000
On financial instruments measured at amortised cost:			
Interest receivable from associates	**194**	179	367
Interest receivable on loan due from parent undertaking	**3,321**	3,630	6,951
Bank interest receivable	**1,561**	1,549	2,636
Interest receivable on gilts	**6,184**	-	-
Other interest receivable	**-**	342	127
	11,260	5,700	10,081
On financial instruments measured at fair value through profit or loss:			
Gains on derivative financial instruments (including interest accruals)	**41**	460	382
	11,301	6,160	10,463

In the year ended 31 March 2024, the Group recognised a gain of £3.5 million in relation to its repurchase of Senior Secured Notes issued under its 2025 indenture. This gain was presented as an adjusted item and is therefore not included in the amounts presented above. See the financial statements for the year ended 31 March 2024 for more information.

6. Interest payable and similar charges

	6 months ended 30 Sep		Year ended
	2024	2023	31 Mar 2024
	£'000	£'000	£'000
On financial instruments measured at amortised cost:			
Senior Secured Notes	**33,100**	18,136	36,753
Term loan	**3,064**	2,494	5,538
Revolving credit facility	**-**	-	72
On other instruments:			
Other interest	**1,213**	1,266	1,912
	37,377	21,896	44,275

7. Taxation

	6 months ended 30 Sep		Year ended
	2024	2023	31 Mar 2024
Analysis of charge for the period:	**£'000**	£'000	£'000
Current tax:			
UK corporation tax charge	**1,709**	91	69
Amounts payable for group tax relief	**586**	869	1,705
Foreign income tax	**8**	23	162
Foreign tax suffered	**25**	35	75
Double taxation credit	**(17)**	(24)	(68)
Amounts over provided in previous periods	**-**	-	(700)
	2,311	994	1,243
Deferred tax:			
Relating to origination and reversal of timing differences	**1,638**	3,169	6,853
Amounts under provided in previous periods	**-**	-	156
	1,638	3,169	7,009
Tax charge in the Group statement of comprehensive income	**3,949**	4,163	8,252

The tax charge in the Group statement of comprehensive income comprises:			
Tax charge on profit for the period before adjusted items	**4,271**	4,926	8,976
Amounts over provided in previous periods before adjusted items	**-**	-	(544)
Tax benefit of adjusted items	**(322)**	(763)	(180)
Tax charge in the Group statement of comprehensive income	**3,949**	4,163	8,252

The tax charge for the period has been calculated based on an estimate of the annual effective tax rate expected for the full financial year applied to the period's pre-tax accounting profits.

8. Interest in associates

	30 Sep 2024	30 Sep 2023	31 Mar 2024
	£'000	£'000	£'000
Equity	**5,264**	5,456	4,368
Loan notes	**5,056**	4,673	4,861
Total investment in associates	**10,320**	10,129	9,229

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

	30-Sep-24	30-Sep-23	31 Mar 2024
	£'000	£'000	£'000
At beginning of period	**4,368**	5,663	5,663
Share of profit/(loss)	**896**	(207)	(1,295)
At period/year end	**5,264**	5,456	4,368

At 30 September 2024, 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%

9. Intangible assets

	Software	**Goodwill**	**Total**
	£'000	**£'000**	**£'000**
At 1 April 2024	4,106	53,138	57,244
Exchange differences	-	(2,646)	(2,646)
At 30 September 2024	**4,106**	**50,492**	**54,598**
Amortisation			
At 1 April 2024	1,591	9,401	10,992
Provided during the period	200	2,615	2,815
Exchange differences	-	(334)	(334)
At 30 September 2024	**1,791**	**11,682**	**13,473**
Net book value			
At 30 September 2024	**2,315**	**38,810**	**41,125**
At 31 March 2024	2,515	43,737	46,252

Notes to the Condensed Consolidated Financial Statements (continued)

for the six month period ended 30 September 2024

10. Property, plant & equipment

	Freehold land and buildings	Fixtures, fittings and equipment	Assets under construction	Total
	£'000	**£'000**	**£'000**	**£'000**
Cost				
At 1 April 2024	1,036,983	166,431	88,346	1,291,760
Additions	866	723	1,865	3,454
Reclassifications	50,825	21,312	(72,137)	-
Exchange movements	(14,424)	(107)	-	(14,531)
At 30 September 2024	**1,074,250**	**188,359**	**18,074**	**1,280,683**
Depreciation				
At 1 April 2024	94,310	31,946	-	126,256
Provided during the period	12,864	8,739	-	21,603
Exchange movements	(451)	(38)	-	(489)
At 30 September 2024	**106,723**	**40,647**	**-**	**147,370**
Net book value				
At 30 September 2024	**967,527**	**147,712**	**18,074**	**1,133,313**
At 31 March 2024	942,673	134,485	88,346	1,165,504

At 30 September 2024, assets under construction mainly comprises costs associated with undeveloped land adjacent to our studios, along with various small programmes to maintain and further develop our existing facilities. Such assets are not depreciated until the development or asset is available for use.

11. Securities

	30 Sep 2024	30 Sep 2023	31 Mar 2024
	£'000	£'000	£'000
Securities	**293,489**	-	-

In April 2024, as part of its treasury management activities in respect of the Group's Senior Secured Notes maturing in September 2025, the Company purchased United Kingdom Treasury gilts of principal value £300 million. The gilts mature in September 2025 and bear coupon interest at 2%, payable in March and September. The gilts were purchased for a cost of £290 million and are expected to be held to maturity, with funds being used to repay the remainder of Senior Secured Notes due September 2025.

12. Trade and other receivables

	30 Sep 2024	30 Sep 2023	31 Mar 2024
	£'000	£'000	£'000
Amount falling due within one year			
Trade receivables	**13,435**	4,500	13,571
Prepayments and other receivables	**10,945**	12,606	17,819
Term loan interest prepayment	**-**	745	679
Income tax receivable	**1,366**	1,173	3,557
Sales tax	**-**	4,869	428
	25,746	23,893	36,054
Amount falling due after more than one year			
Loans due from parent undertakings	**236,165**	229,523	232,844
	261,911	253,416	268,898

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

13. Share capital

	30 Sep 2024	30 Sep 2023	31 Mar 2024
	£'000	£'000	£'000
1,000 Ordinary shares of £1 each (30 September 2023: 1,000 Ordinary shares of £1 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.

14. 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.

Cashflow hedge reserve
The cashflow hedge reserve represents the effective part of forward contracts designated as hedges of the variability in cash flows arising from foreign currency and interest rate risk associated with firm commitments and highly probable forecast transactions.

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

15. Interest bearing loans and borrowings

Details of the carrying values of liabilities under the Group's borrowing facilities are shown below.

	Maturity	30 Sep 2024	30 Sep 2023	31 Mar 2024
		£'000	£'000	£'000
Non-current borrowings				
3.25% Senior Secured Notes	September 2025	-	748,860	291,129
3.625% Senior Secured Notes	November 2027	**298,546**	298,088	298,330
6.0% Senior Secured Notes	March 2030	**745,055**	-	744,997
Term loans	April 2028	**95,489**	104,388	101,160
Other credit facilities	See below	-	-	-
Non-current drawn loan facilities		**1,139,090**	1,151,336	1,435,616
Current borrowings				
3.25% Senior Secured Notes		**291,042**	-	454,070
Senior Secured Notes interest accruals		**4,660**	4,112	4,422
Term loans interest accruals		**1,074**	-	-
Current drawn loan facilities		**296,776**	4,112	458,492
Total borrowings				
Senior Secured Notes		**1,334,643**	1,046,948	1,788,526
Senior Secured Notes interest accruals		**4,660**	4,112	4,422
Term loans		**95,489**	104,388	101,160
Term loans interest accruals		**1,074**	-	-
Total interest-bearing loans and borrowings		**1,435,866**	1,155,448	1,894,108

Other credit facilities include a £76 million UK revolving credit facility that bears interest at SONIA plus a variable margin when drawn. The facility expires in three tranches: £1.0 million in March 2025, £15.0 million in May 2027 and £60.0 million in September 2029. The remainder of the Group's other credit facilities arise in Canada for a total of C$5 million, bearing interest at a floating rate plus a margin when drawn. The C$ facilities expire in April 2028.

The Senior Secured Notes due September 2025 totalled an aggregate principal amount of £750 million, with coupon interest of 3.25% payable in March and September. In March 2024 the Group accepted notes under the 2025 indenture for repurchase. These notes totalled a principal amount of £459.7 million, for consideration of £454.0 million. Accordingly, the Group revised its forecasts of cash flows under this indenture, and reduced the carrying amount of the financial instrument at 31 March 2024. The Senior Secured Notes were repurchased in line with the accepted offer on 2 April 2024.

The Senior Secured Notes due November 2027 total an aggregate principal amount of £300 million, with coupon interest of 3.625% payable in May and November.

In March 2024 the group issued £750 million aggregate principal amount of Senior Secured Notes at par. The notes mature in March 2030 and bear interest at a rate of 6.0%, payable in September and March.

15. Interest bearing loans and borrowings (continued)

The term loan is for a principal amount of C$175 million and carries interest at a floating rate linked to CORRA. Interest is payable quarterly in May, August, November and February. The loan may be repaid each quarter without penalty until April 2028. The loan is designated as a hedged item in a cash flow hedging relationship with the Group's C$ interest rate swap in order to mitigate interest rate risk arising from the floating rate.

UK facilities are secured on certain principal UK assets of the Group. Canadian facilities are secured on the Group's Canadian assets, and are guaranteed by Pinewood Group Limited up to the maximum level of the facilities.

The available drawn and undrawn committed facilities are as follows.

	Within 1 year	1 – 5 years	5+ years	Total
At 30 September 2024	**£'000**	**£'000**	**£'000**	**£'000**
Facilities				
Senior secured notes	290,296	300,000	750,000	1,340,296
Term loans	-	96,655	-	96,655
Other credit facilities	1,000	77,762	-	78,762
Total facilities	**291,296**	**474,417**	**750,000**	**1,515,713**
Drawn loans				
Senior secured notes	(290,296)	(300,000)	(750,000)	(1,340,296)
Term loans	-	(96,655)	-	(96,655)
Other credit facilities	-	-	-	-
Total drawn loans	**(290,296)**	**(396,655)**	**(750,000)**	**(1,436,951)**
Undrawn facilities				
Senior secured notes	-	-	-	-
Term loans	-	-	-	-
Other credit facilities	1,000	77,762	-	78,762
Undrawn committed facilities	**1,000**	**77,762**	**-**	**78,762**

15. Interest bearing loans and borrowings (continued)

At 30 September 2023	Within 1 year £'000	1 – 5 years £'000	5+ years £'000	Total £'000
Facilities				
Senior secured notes	-	1,050,000	-	1,050,000
Term loans	-	105,597	-	105,597
Other credit facilities	-	78,017	-	78,017
Total facilities	**-**	**1,233,614**	**-**	**1,233,614**
Drawn loans				
Senior secured notes	-	(1,050,000)	-	(1,050,000)
Term loans		(105,597)		(105,597)
Other credit facilities	-	-	-	-
Total drawn loans	**-**	**(1,155,597)**	**-**	**(1,155,597)**
Undrawn facilities				
Senior secured notes	-	-	-	-
Term loans	-	-	-	-
Other credit facilities	-	78,107	-	78,107
Undrawn committed facilities	**-**	**78,107**	**-**	**78,107**

16. Derivative financial instruments

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

	30 Sep 2024 £'000	30 Sep 2023 £'000	31 Mar 2024 £'000
Derivative financial assets carried at fair value through profit or loss:			
Current derivative financial instrument assets	**582**	-	-
Non-current derivative financial instrument assets	**-**	1,447	956
Financial instruments in cash flow hedging relationships:			
Current derivative financial instrument assets	**247**	1,742	1,278
Non-current derivative financial instrument assets/(liabilities)	**(1,850)**	3,414	225

16. Derivative financial instruments (continued)

Interest rate swaps

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

	Maturity	30 Sep 2024	30 Sep 2023	31 Mar 2024
		'000	'000	'000
Receive SONIA/pay fixed	April 2025	£25,000	£25,000	£25,000
Receive CORRA/pay fixed	April 2028	C$175,000	C$175,000	C$175,000

Fair value movements on the GBP interest rate swap are recognised in the statement of comprehensive income within interest payable and receivable. The swap settles in cash on a quarterly basis in arrears.

The Canadian dollar swap is designated in a cash flow hedging relationship with the Group's floating rate Canadian dollar term loan. Accordingly gains and losses are recognised in other comprehensive income and recycled to interest payable in order to achieve a fixed rate of interest charged on the loan. In line with interest payable over the term of the loan, interest payments on the swap are made quarterly. During the period to 30 September 2024, both the swap and the term loan were amended to refer to CORRA as an underlying interest rate benchmark. These changes were made in response to interest rate benchmark reform, and have resulted in bases for determining contractual cash flows that are economically equivalent to those bases used immediately before the change. Therefore, in line with FRS 102, such changes have been considered as part of the re-estimation of cash flows of the related financial instruments, and not a modification or cancellation of those instruments. The Group's hedge accounting for this relationship has continued accordingly.

The fair value of the swaps is determined by reference to market interest rate curves.

17. Trade and other payables

	30 Sep 2024	30 Sep 2023	31 Mar 2024
	£'000	£'000	£'000
Trade payables	**5,782**	9,933	11,010
Sales tax	**4,570**	-	-
Other payables	**554**	492	371
Accruals and deferred income	**47,448**	33,776	79,582
Amounts due to parent company	**10,747**	7,279	10,231
Capital expenditure related payables	**24,742**	58,521	29,711
	93,843	110,001	130,905

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.

As described in Note 18, estimated land remediation costs have been re-presented as provisions.

17. Trade and other payables (continued)

At 30 September 2024, the Group had capital commitments contracted for, but not provided in the financial statements, of £1.8 million (30 September 2023: £44.3 million) in respect of Property, plant and equipment, mainly arising from the expansion of Shepperton Studios.

18. Provisions

	30 Sep 2024	30 Sep 2023	31 Mar 2024
	£'000	£'000	£'000
At beginning of the year	**5,849**	-	-
Acquired	**-**	5,882	5,882
Exchange differences	**(326)**	152	(33)
At period/year end	**5,523**	6,034	5,849

Provisions relate to estimated land remediation costs. The provisions are classified as current as the Group expects to perform works within the next twelve months.

Estimated land remediation costs have been re-presented as provisions. These amounts were originally included in capital expenditure related payables at 30 September 2023 and 31 March 2024.

19. Events after the reporting date

On 1 October 2024, the Group announced its intention to close its broadcast TV business. The closure is expected to take place in FY25. The Group is committed to hosting and supporting shows that are already scheduled to occupy the related space throughout the remainder of 2024 and into 2025.

This announcement does not materially impact the carrying values of assets and liabilities recognised in the financial statements.

20. 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.