Pinewood Finco PLC

Report and financial statements

Year ended 31 March 2024

Company Registration Number: 11054849

Registered No: 11054849

Directors
David Conway (appointed 14 November 2023)
Paul Golding CBE (resigned 14 November 2023)
Barbara Inskip
Luis Moner Parra (resigned 14 November 2023)

Secretary
Leonie Dorrington-Ward

Auditor
Deloitte LLP
Statutory Auditor
Reading
RG1 3BD

Registered Office
Pinewood Studios
Pinewood Road
Iver Heath
Buckinghamshire
SL0 0NH

Strategic Report

The Directors present the Strategic Report for the year ended 31 March 2024.

Business review

Pinewood Finco PLC (the “Company”) is a wholly-owned subsidiary of Pinewood Group Limited that was incorporated for the purpose of administering the external debt of the Pinewood group (the “Group”).

In March 2024, the Company raised £750 million 6.0% Senior Secured Notes due March 2030, whilst simultaneously launching a tender offer process to buy back a portion of the existing £750 million 3.25% Senior Secured Notes due September 2025. The results of this tender offer were announced in March 2024, with the Company agreeing to repurchase notes of principal value £459.7 million for cash consideration of £454.0 million. The tender offer completed as expected in April 2024.

The announcement of the results of the tender offer led the Company to revise its estimates of future cash flows under the 2025 notes, leading to a reduction in the carrying value of these notes to £752.4 million, this reduction being broadly offset by a similar reduction in amounts receivable from the Company’s parent under the arrangement described below. Taking into account the tender offer and reduction in expected future cash flows at the balance sheet date, the total carrying value of all external borrowings was £1,793 million. At the time of authorising these financial statements, following completion of the tender offer, the Company’s external borrowing comprises contractual amounts of £290.3 million due September 2025, £300 million due November 2027 and £750 million due March 2030.

In April 2024, the Group used the proceeds from these financing activities to invest £290.3 million in UK Government gilts maturing in September 2025. Proceeds from the maturity of these gilts will be used to repay the remaining notes under the 2025 indenture.

The Company has an arrangement with its parent, whereby the Company loans to its parent an amount that matches the face value of the Senior Secured Notes. This loan bears interest at the same rate as the external debt plus a margin for administration and a charge for the recovery of finance fees incurred by the Company. Accordingly, there is relative certainty regarding the performance of the Company in terms of its key income and expense in the medium term, and the performance of the Company during the year has been in line with expectations and the principal purpose of the entity.

Principal risks and uncertainties

In general, the Directors do not consider it appropriate to discuss the risks and uncertainties affecting the Company as a single entity because the Company’s financial and operational risks are managed on a Group basis. While the principal risk to which the Company is exposed on a standalone basis relates to the ability of its parent to repay its outstanding loan and related interest, the occurrence of this risk is dependent on the trading performance of the wider Group, risks around which are discussed in the consolidated financial statements of Pinewood Group Limited.

Further information in respect of the financial and operational risk management of the Group can be found in the consolidated financial statements of Pinewood Group Limited, which are publicly available from the Company’s registered office given in the notes to the Financial Statements.

Section 172 Directors' duties

The Directors have regard to the interests of the Company's wider stakeholders, in accordance with Section 172 of the Companies Act. The Directors are required by law to act in a way that promotes the success of the Company for the benefit of shareholders as a whole. In so doing the Company must also have regard to wider expectations of responsible business behaviour, the likely consequences of any decision in the long term and the desirability of maintaining a reputation for high standards of business conduct.

The Company is part of the Pinewood group headed by Pinewood Group Limited, the Board of which has ultimate responsibility for compliance with Section 172 for the Group. Further details of how the Board undertook its responsibilities during the year ended 31 March 2024 and details of the Group-wide considerations can be found in the Strategic Report of Pinewood Group Limited, which is available from Company’s registered office given in the notes to the Financial Statements. The Company’s purpose is to administer external debt on behalf of the Group, the ability of the Company to administer and settle that debt at the appropriate time depends on the performance of the Group as a whole. As a result, the manner in which the Directors discharge their duties with respect to the Group’s stakeholders has a direct impact on the activities and performance of the Company.

Strategic Report (continued)

Going Concern

In assessing the going concern basis, the Directors considered the Company's business activities, its financial position and the Company's financial risk management objectives and policies. The Company has continued, and expected to continue to meet its interest payments to external debt holders, which is the primary cash outflow, through interest receivable earned on the Company's loan to its parent entity, Pinewood Group Limited.

The Company's forecasts and projections, which are informed by the Group forecasts and projections, taking account of reasonably possible changes in the trading performance of its parent and related subsidiaries, and the maturity of a tranche of the Company's Senior Secured Notes in September 2025, show that the Company's parent will be able to continue to meet its obligations under its loan from the Company and, therefore, that the Company will be able to operate within the level of its current facilities for at least the 12-month period from the date of signing the financial statements.

The Directors, having made appropriate enquiries, consider that the Company has adequate resources to continue in operational business for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

Events after the reporting date

Investment of refinancing proceeds

As described in the Business Review section of this report, in March 2024 the Company announced the results of a tender offer to repurchase a portion of its outstanding 3.25% Senior Secured Notes due September 2025. This tender offer completed as expected in April 2024, with the Company repurchasing notes of principal value £459.7 million for cash consideration of £454.0 million. This reduction in outstanding loan principal is reflected in the Company's receivable from its parent.

In April 2024, as part of its treasury management activities in respect of its Senior Secured Notes maturing in September 2025, the Group 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. These gilts are held by the Company's parent and on maturity, funds will be used to repay the notes remaining under the 2025 indenture.

Approved by the Board and signed on its behalf by:

Barbara Inskip
Director

30 September 2024

Directors' Report

The Directors present their annual report and audited financial statements of the Company for the year ended 31 March 2024.

Results and dividend

The results for the year are set out on page 13 and are in line with expectations and the activities of the Company. No ordinary dividends were paid (2023: £nil). The Directors do not recommend payment of a final dividend.

Directors

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

David Conway (appointed 14 November 2023)
Paul Golding CBE (resigned 14 November 2023)
Barbara Inskip
Luis Moner Parra (resigned 14 November 2023)

Directors' Duties

The Board recognises the importance of considering the Company's responsibilities and duties to both its shareholder and its broader stakeholder group. The Directors' duties under Section 172 of the Companies Act 2006 help to underpin the good governance of the Company. Details of formal statement of how the Board complied with this legal requirement and met its obligations in respect of Section 172 during the year, is set out in the Strategic Report of Pinewood Group Limited, which is publicly available from the registered address of the Company.

Future developments

The Directors believe that the Company will continue in its current form for the foreseeable future and do not anticipate any future developments in the Company's business.

Going Concern

As outlined within the Strategic Report on page 3, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As there are no material uncertainties relating to events or conditions that may cast doubt on the ability of the Company to operate as a going concern, the Company continues to adopt the going concern basis of accounting in preparing the financial statements.

Other Directors' Report Disclosure Requirements

Certain disclosures required by section 414C(11) of the Companies Act 2006 to be included in the Directors Report have been included elsewhere in the Annual Report, as follows:

- Principal activity – Strategic Report, page 2
- Principal risks and uncertainties – Strategic Report, page 2
- Post balance sheet events – Strategic Report, page 3

Directors' Statement as to Disclosure of Information to Auditor

The Directors who were members of the Board at the time of producing the Directors' report are listed on page 1. Having made enquiries of fellow Directors, each of these Directors confirms that:

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

Directors' Report (continued)

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

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

Approved by the Board and signed on its behalf by

Barbara Inskip
Director

30 September 2024

Statement of Directors’ Responsibilities

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

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

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PINEWOOD FINCO PLC

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Pinewood Finco PLC (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 15.

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

2. Basis for opinion

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was the risk surrounding the recoverability of receivables from Group and Parent undertakings.
Materiality	The materiality that we used for the financial statements in the current year was £1,460,000 (2023: £722,000) which was determined on the basis of 4% of costs associated with the loan notes (2023: 2%). We have reassessed materialtiy this year to align it to the scope of the work required.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	There were no significant changes in our audit approach.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Our evaluation of the Directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- understanding the financing facilities including the nature of financing facilities, covenants and repayment terms;
- assessing the assumptions used in the wider Group's forecasts given that the company's basis for going concern is directly linked to that of Pinewood Group Limited;
- assessing the historical accuracy of Group's forecasts prepared by management through retrospective review of previous assumptions and estimates;
- understanding current and future demand in the market, including an assessment of current external market factors; and
- evaluating the appropriateness of the going concern disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.
These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

5.1 Recoverability of receivables from Group and parent undertakings

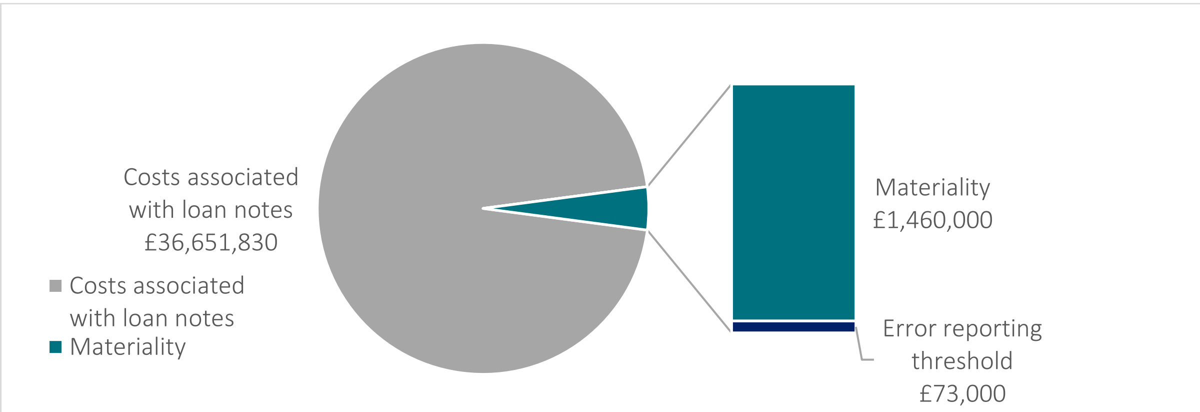
Key audit matter description	Receivables from Group and Parent undertakings are stated in note 8 of the financial statements at £1,800,889,000 (FY23: £1,054,714,000). There is a level of judgement involved in determining the recoverability of these receivables from Group and Parent undertakings based on the financial position and future prospects of the Group and Parent undertakings. This takes into consideration a range of factors such as the assessment of management's cash flow forecasts, covenant compliance, use of debt facilities, ability to repay amounts owed, growth rates and historical accuracy of management's forecasting. We did not consider the recoverability of receivables from Group and Parent undertakings a significant risk as part of our audit.
How the scope of our audit responded to the key audit matter	We obtained an understanding of the relevant controls related to the recoverability of receivables from Group and Parent undertakings. We challenged the appropriateness of the carrying value through obtaining an understanding of and reviewing corroborative evidence supporting the future trading performance of Pinewood Group Limited undertakings including their cash flow forecasts, covenant compliance, use of debt facilities, the fair value of property, plant and equipment owned by the group, and ability to repay amounts owed. We assessed the growth rates of forecasted future performance as well as the historical accuracy of Management's forecasts by comparing the actual results to forecasts.
Key observations	Based on the work performed we concluded that receivables from Group and Parent undertakings are appropriately stated.

6. Our application of materiality

6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.
Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£1,460,000 (2023: £722,000)
Basis for determining materiality	The materiality that we used for the financial statements was £1,460,000 which was determined on the basis of 4% of costs associated with the loan notes. We have reassessed materialtiy this year to align it to the scope of the work required.
Rationale for the benchmark applied	We determined materiality based on the costs associated with the loan notes as this is a key metric used by management and investors to assess the company's position as the debt holding entity of Pinewood Group.



6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2024 audit (2023: 70%). In determining performance materiality, we considered the following factors:

1. The quality of the control environment; and
2. The low number of corrected and uncorrected misstatement identified in prior periods.

6.3 Error reporting threshold

We agreed with the Directors that we would report to the Directors all audit differences in excess of £73,000 (2023: £36,100), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1 Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

8. Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors

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

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

10. Auditor's responsibilities for the audit of the financial statements

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

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

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management and the Directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's sector;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

11.2 Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

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

13. Matters on which we are required to report by exception

13.1 Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

13.2 Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Amy Lyons FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom
30 September 2024

Statement of Comprehensive Income

for the year ended 31 March 2024

	Note	2024 £'000	2023 £'000
Administrative expenses		**(16)**	(14)
Investment income	**5**	**38,276**	37,737
Finance costs	**6**	**(36,753)**	(36,145)
Profit before taxation		**1,507**	1,578
Tax on profit	**7**	**(375)**	(300)
Profit for the financial year		**1,132**	1,278

There is no other comprehensive income in the year (2023: nil).

All amounts reported in the statement of comprehensive income relate to continuing operations.

The notes on pages 16 to 24 form part of these financial statements.

Statement of Financial Position

as at 31 March 2024

	Note	2024 £'000	2023 £'000
Assets			
Non-current assets			
Trade and other receivables	8	**1,342,218**	1,050,494
		1,342,218	1,050,494
Current assets			
Trade and other receivables	8	**458,671**	4,220
Cash and cash equivalents		**1,907**	20
		460,578	4,240
Total assets		**1,802,796**	1,054,734
Equity and liabilities			
Share capital	11	**50**	50
Retained earnings	12	**5,306**	4,174
Total equity		**5,356**	4,224
Non-current liabilities			
Interest bearing loans and borrowings	10	**1,334,456**	1,046,452
		1,334,456	1,046,452
Current liabilities			
Interest bearing loans and borrowings	10	**458,492**	4,052
Trade and other payables	9	**4,492**	6
		462,984	4,058
Total liabilities		**1,797,440**	1,050,510
Total equity and liabilities		**1,802,796**	1,054,734

The financial statements were approved and authorised for issue by the Board of Directors on 30 September 2024. They were signed on its behalf by:

Barbara Inskip
Director

Statement of Changes in Equity
for the year ended 31 March 2024

	Share capital £'000	Retained Earnings £'000	Total £'000
At 01 April 2023	**50**	**4,174**	**4,224**
Profit and total comprehensive income for the year	**-**	**1,132**	**1,132**
At 31 March 2024	**50**	**5,306**	**5,356**
At 01 April 2022	50	2,896	2,946
Profit and total comprehensive income for the year	-	1,278	1,278
At 31 March 2023	50	4,174	4,224

Notes to the Financial Statements
for the year ended 31 March 2024

Pinewood Finco PLC ("the Company") is a public company limited by shares incorporated in the United Kingdom and registered in England and Wales. The registered office is located at Pinewood Studios, Pinewood Road, Iver Heath, Buckinghamshire, SL0 0NH.

The Company's principal activities and the nature of its operations are detailed in the Directors' report.

1 Accounting policies

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

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

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

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

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

The financial statements of the Company are consolidated in the financial statements of Pinewood Group Limited. These consolidated financial statements are available from the registered office address given above.

Going concern
In assessing the going concern basis, the Directors considered the Company's business activities, its financial position and the Company's financial risk management objectives and policies. The Company has continued to meet its interest payments to external debt holders, which is the primary cash out flow, through interest receivable earned on the Company's loan to its parent entity, Pinewood Group Limited.

The Company's forecasts and projections, which are informed by the Group forecasts and projections, taking account of reasonably possible changes in the trading performance of its parent and related subsidiaries, and the maturity of a tranche of the Company's Senior Secured Notes in September 2025, show that the Company's parent will be able to continue to meet its obligations under its loan from the Company and, therefore, that the Company will be able to operate within the level of its current facilities for at least the 12-month period from the date of signing the financial statements.

The Directors, having made appropriate enquiries, consider that the Company has adequate resources to continue in operational business for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

Notes to the Financial Statements (continued)
for the year ended 31 March 2024

1 Accounting policies (continued)

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

Cash and cash equivalents
Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

Financial instruments
General financial instruments policy
The Company applies Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and liabilities – classification and recognition
Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument.

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

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

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

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

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

Interest bearing loans and borrowings and deposits
Deposits and loans and borrowings payable and receivable are measured initially at the fair value of consideration transferred, adjusted for directly attributable transaction costs. After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest method, allocating the interest income or interest expense over the relevant period.

Impairment of financial assets
At the end of each reporting period, financial assets measured at amortised cost (including trade receivables) are assessed for objective evidence of impairment. If an asset is impaired, the loss recognised is the difference between the carrying amount and the present value of future estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Notes to the Financial Statements (continued)
for the year ended 31 March 2024

1 Accounting policies (continued)

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is recognised only to the extent that the revised carrying amount of the asset does not exceed what the carrying amount would have been had the impairment not been previously recognised.

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

Income tax
Income tax expense represents the sum of current and deferred tax recognised in the period. Current tax is based on taxable profit for the year or prior years. Taxable profit differs from profit before tax as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax
Deferred tax is calculated at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.
Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Significant accounting judgements, estimates and assumptions
The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect reported amounts at the end of the year. Estimates, assumptions and judgements are applied by the Company. These include, but are not limited to, recoverability of financial assets, accruals and provisions for impairments of assets. These estimates, assumptions and judgements are evaluated on a continual basis.

There are no significant accounting judgements exercised in the preparation of the Company's financial statements. The Company's key sources of estimation uncertainty relate to the recoverability of receivables from its parent and other Group undertakings.

As at the reporting date, the Company has total loans due from its parent company of £1,793 million, consisting of a loan of carrying value £745 million bearing interest at a fixed coupon rate of 3.4% per annum and due for repayment in 2025, a loan of carrying value £303 million bearing interest at a fixed coupon rate of 3.775% and due for repayment in 2027, and a further loan of carrying value £745 million bearing interest at a fixed coupon rate of 6.15% and due for repayment in 2030. The forecasts and projections of the Company's parent and related subsidiaries, taking account of reasonably possible changes in trading performance, economic uncertainty and UK-international trade agreements, show that the parent will be able to continue to meet its obligations under its loan from the Company. On this basis these loans are considered fully recoverable. The interest rate on the loans was determined with reference to the Company's borrowing following its refinancing in 2019, further bond issue in 2021 and refinancing this year, and was considered to be a market rate of interest at each time.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

2 Employees

There were no persons employed and remunerated by the Company (including Directors) during the current and prior year. No Directors received any remuneration from the Company during the current or prior year. Directors' emoluments and service costs are paid for by other Pinewood group companies and no recharge is made to the Company in respect of these amounts as the Directors' emoluments cannot be allocated on a meaningful basis.

3 Auditor's remuneration

Fees payable to the auditor of the Company in respect of the audit of these financial statements, amounting to £30,000 (2023: £21,000), are borne by other Group companies and no recharge is made to the Company in respect of these costs.

4 Segmental reporting

The Company operates only one reporting segment and consequently no further segmental reporting is deemed necessary.

5 Investment income

	2024	2023
	£'000	£'000
Interest receivable from Group companies	**38,276**	37,737
	38,276	37,737

6 Finance costs

	2024	2023
	£'000	£'000
On financial liabilities measured at amortised cost		
Senior Secured Notes	**36,753**	36,145
	36,753	36,145

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

7 Taxation

(a) Analysis of charge for the year:	**2024 £'000**	2023 £'000
Current tax:		
Adjustment in respect of prior periods	**(2)**	-
Amounts payable for group tax relief	**377**	300
Tax charge in statement of comprehensive income	**375**	300

(b) Factors affecting taxation for the year	**2024 £'000**	2023 £'000
Profit before taxation:	**1,507**	1,578
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 25% (2023: 19%)	**377**	300
Adjustments in respect of:		
Group tax relief	**(377)**	(300)
Amounts payable for group tax relief	**377**	300
Adjustment in respect of prior periods	**(2)**	-
	375	300

The main rate of UK corporation tax in the year was 25%. In the March 2021 budget, an increase in the main rate of UK corporation tax from 19% to 25% was announced, with effect from April 2023.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

8 Trade and other receivables

	2024 £'000	2023 £'000
Amount falling due within one year:		
Amounts owed by parent undertaking	**458,671**	4,220
Total amounts falling due within one year	**458,671**	4,220
Amount falling due after more than one year:		
Amounts owed by parent undertaking	**1,334,332**	1,046,389
Amounts owed by Group undertaking	**7,886**	4,105
Total amounts falling due after more than one year	**1,342,218**	1,050,494
Total trade and other receivables	**1,800,889**	1,054,714

In December 2021, the Company issued £300 million aggregate principal amount of 3.625% Senior Secured Notes due November 2027 under an indenture. As a result, the Company and its parent entered into a loan agreement for a principal amount and term mirroring this indenture.

As at 31 March 2024 the loan agreement between the Company and its parent is for a total principal of £1,800 million (2023: £1,050 million), consisting of £750 million due September 2025, which bears interest at 3.25% plus a margin of 0.15% per annum, £300 million due November 2027, which bears interest at 3.625% plus a margin of 0.15% per annum and a further £750 million due March 2030, which bears interest at 6% plus a margin of 0.15% per annum.

In March 2024, the Company 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. This has been reflected in the loan between the Company and its parent. Accordingly, amounts have been reclassified to current receivables.

The agreement between the Company and its parent includes a charge for the recovery of the finance fees incurred by the Company directly related to arranging the external debt. Repayments of interest and capital are required to be made in sufficient time for the Company to make onward payment to its external debt providers. As described more fully in Note 15, during April 2024 the Group purchased UK Treasury gilts of principal value £300 million, maturing in September 2025. These gilts are held by the Company's parent. On maturity funds will be used to repay amounts receivable by the Company under the September 2025 indenture.

All other amounts due from Group undertakings are unsecured repayable on demand and are non-interest bearing. These amounts are classified as non-current receivables because settlement is not expected within 12 months of the reporting date.

9 Trade and other payables

	2024 £'000	2023 £'000
Amount falling due within one year:		
Accruals	**4,492**	6
	4,492	6

Notes to the Financial Statements (continued)
for the year ended 31 March 2024

10 Interest bearing loans and borrowings

	Maturity	2024 £'000	2023 £'000
Non-Current:			
3.25% Senior Secured Notes	September 2025	**291,129**	748,571
3.625% Senior Secured Notes	November 2027	**298,330**	297,881
6% Senior Secured Notes	March 2030	**744,997**	-
Non-current drawn loan facilities		**1,334,456**	1,046,452
Current:			
Senior Secured Notes interest accruals		**4,422**	4,052
3.25% Senior Secured Notes		**454,070**	-
Current drawn loan facilities		**458,492**	4,052
Total interest bearing loans and borrowings		**1,792,948**	1,050,504

At the start of the financial year, the Company had in issue £750 million Senior Secured Notes due 2025. Interest is payable under this indenture in March and September.

In March 2024 the Company 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 Company 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.

In December 2021 the Company 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.

In March 2024 the Company 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.

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

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

11 Share capital

	2024	2023
	£'000	£'000
Ordinary share capital issued and fully paid up		
50,000 Ordinary shares of £1 each	**50**	50
	50	50

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

12 Reserves

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

13 Related party transactions

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

14 Ultimate parent undertaking and controlling party

The immediate parent company is Pinewood Group Limited, a company incorporated in England and Wales.

The ultimate parent entity is PGV GP S.À R.L (a company registered in Luxembourg) in its capacity as general partner of PGV SCSp (a limited partnership formed in Luxembourg). The registered office of PGV GP S.À R.L and PGV SCSp is 5th Floor, 28 Boulevard Road, L-2449, Luxembourg.

The smallest group which prepares consolidated financial statements which include the results of the Company is headed by Pinewood Group Limited. Pinewood Group Limited has its registered office at: Pinewood Studios, Pinewood Road, Iver Heath, Buckinghamshire, SL0 0NH.

The largest group which prepares consolidated financial statements which include the results of the Company is headed by Picture Holdco Limited, a company incorporated in England and Wales. Picture Holdco Limited has its registered office at: 10th Floor St Mary Axe, London, EC3A 8BF.

The consolidated financial statements of Pinewood Group Limited can be found on the Group's website www.pinewoodgroup.com. The consolidated financial statements of Picture Holdco Limited are publicly available from the registered address of that company.

15 Events after the reporting date

As described in Note 10, in March 2024 the Company announced the results of a tender offer to repurchase a portion of its outstanding 3.25% Senior Secured Notes due September. This tender offer completed as expected in April 2024, with the Company repurchasing notes of principal value £459.7 million for cash consideration of £454.0 million. This reduction in outstanding loan principal is reflected in the Company's receivable from its parent, as described in Note 9. On settlement of the tender offer in April 2024, the Company's current external debt reduced by the amount of consideration paid, with a commensurate decrease in the Company's current receivable from its parent.

In April 2024, as part of its treasury management activities in respect of its Senior Secured Notes maturing in September 2025, the Group 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. These gilts are held by the Company's parent and on maturity, funds will be used to repay the notes remaining under the 2025 indenture.