# Pinewood Group Limited

# Report as at and for the year to 31 March 2025

## Full year highlights

### Industry and operational highlights

- The British Film Institute ('BFI') reported a level of recovery (29% year-on-year increase) in the combined production spend for UK film and high-end television ('HETV') in the year to March 2025. In the previous year, filming had been brought to a virtual halt across many locations by the actors' and writers' strikes in the US.
- The Group's financial performance has remained resilient throughout these market dynamics, and its studio growth programme was substantially delivered by the start of the financial year. This positioned the business to deliver improved financial performance in FY25, with robust year-on-year growth.
- Production activity accelerated at the studios in the fourth quarter of the year, after a more gradual recovery earlier in the year. As at 31 March 2025, over 20 productions were on site across our three studios.
- Our production accommodation continues to be let under predominantly long-term, index-linked contracts.
- Pinewood Studios hosted its third annual UK careers fair - the *Futures Festival* - in March 2025, attracting over 4,500 young participants, making it the largest free careers event for the film and TV industry in the UK.

### Strategic highlights

- The second round of a public consultation was held in June 2025, which seeks to install a data centre in the expansion land to the South of the Pinewood Studios site. This alternate proposal for the land is a reflection of the moderation in the growth of global production expenditure, the current climate of rising construction costs and increased business rates.
- We have experienced a promising level of interest in our Independent Film Hub which is scheduled to open at Pinewood Studios in summer 2025; comprising sound stages, ancillary accommodation and services aimed at lower budget filmmakers.

### Financial highlights

- Revenue of £213 million and Adjusted EBITDA of £137 million in the year to March 2025, up by 46% and 59% respectively compared with last year; adjusted EBITDA delivered in line with expectations.
- Cash flow from operating activities after interest and tax of £82 million, up by £32 million versus last year.
- At 31 March 2025, following a refinancing, the Group held cash balances of £143.8 million. 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 maturing in September 2025.

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

| | **Year to 31 Mar 2025 £'000** | Year to 31 Mar 2024 £'000 |
|---|---|---|
| Turnover | **213,194** | 146,473 |
| Adjusted EBITDA | **137,050** | 86,048 |
| Adjusted EBITDA margin | **64.3%** | 58.7% |
| Cash generated from operations | **141,700** | 88,694 |
| Adjusted capital expenditure* | **(16,190)** | (199,897) |
| Senior secured notes | **(1,340,296)** | (1,800,000) |
| Bank loans | **(94,399)** | (102,355) |
| UK Government gilts | **300,000** | - |
| Cash and cash equivalents | **143,824** | 828,136 |
| Adjusted net debt | **(990,871)** | (1,074,219) |

**David Conway, CEO, commented:**

*"It has been a positive year for the Group, and I am pleased to report that we have delivered our financial objectives, even in the context of a sluggish rebound in production activity following the industry strikes of 2023. In early 2024, we concluded our latest expansion programme which added significant studio capacity to the Group, and all new production accommodation was fully leased under long-term contracts throughout the year. It is this successful programme which has driven our robust year-on-year financial growth.*

*We are now entering a new normal, where global production expenditure is no longer growing at the pace we experienced post-pandemic, but our Studios are evidencing that they are well placed to service the industry's pivot towards quality.*

The next Investor update is scheduled for 6 August 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 high-end TV 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 31 March 2025 ("Q4 FY25"), and the comparative period as of and for the 3 months ended 31 March 2024 ("Q4 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 2025 ("FY25"), and the comparative period as of and for the year ended 31 March 2024 ("FY24") 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.

**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 31 March 2025

### Adjusted results of operations

| | 3 months to | | Year to | |
|---|---|---|---|---|
| | **31 Mar 2025 £'000** | 31 Mar 2024 £'000 | **31 Mar 2025 £'000** | 31 Mar 2024 £'000 |
| **Turnover** | **59,499** | 41,033 | **213,194** | 146,473 |
| Cost of sales | **(29,925)** | (21,913) | **(111,989)** | (71,399) |
| **Gross profit** | **29,574** | 19,120 | **101,205** | 75,074 |
| Selling, distribution and administrative expenses | **(3,654)** | (3,904) | **(15,720)** | (14,664) |
| Other operating expenses** | **(1,096)** | - | **(1,096)** | - |
| **Operating profit ** ** | **24,824** | 15,216 | **84,389** | 60,410 |
| Income/(loss) from participating interests | **1,263** | (297) | **3,172** | (1,295) |
| Profit on disposal of participating interest | **173** | - | **173** | - |
| Interest receivable and similar income ** | **6,188** | 2,633 | **23,173** | 10,463 |
| Interest payable and similar charges | **(18,402)** | (11,302) | **(73,983)** | (44,275) |
| **Profit before taxation ** ** | **14,046** | 6,250 | **36,924** | 25,303 |
| Tax charge ** | **(4,229)** | (1,531) | **(11,364)** | (8,432) |
| **Profit after taxation ** ** | **9,817** | 4,719 | **25,560** | 16,871 |

***Turnover***

Turnover during the last quarter of the year was £59.5 million (Q4 FY24: £41.0 million), an increase of 45% or £18.5 million versus the prior year period. As with earlier quarters in the financial year, much of this improvement has been delivered by the Group's growth initiatives. The Shepperton expansion was fully opened and rented from early in the financial year, leading to a significant year-on-year revenue uplift across each quarter. Additionally, revenue across the legacy (like-for-like) UK areas of the Global Studios business slightly exceeded last year's figures, due to indexation clauses in long-term rental contracts and steady income from studio resales on behalf of our key customers.

The ongoing recovery in global content creation following the 2023 industry strikes contributed to an improvement in our Production Services business. An increase in lighting activity and an amended partnership arrangement with our associate, PMBS Holding Limited ('PMBS'), led to improved revenue compared with the prior year quarter. This was also supported by a return to pre-strike levels of activity in Post Production.

From a full-year perspective, revenue grew by 46% or £66.7 million to £213.2 million (FY24: £146.5 million). The vast majority of the improvement was delivered as part of our Global Studios growth initiative, being the development of new studio capacity at Shepperton North West, which opened in autumn 2023, and Shepperton South, and a full year of activity from Pinewood Toronto Studios ('PTS') following its acquisition in May 2023. Throughout the year, all available production accommodation in the UK was rented under long-term agreements to Amazon MGM Studios ('Amazon MGM'), Disney and Netflix, while the PTS accommodation was substantially let to Amazon MGM and CBS. The remaining revenue increase included contractual indexation uplifts in the long-term rental agreements, performance improvements in the Production Services businesses as described above, partially offset by lower energy revenues.

***Cost of sales***

Cost of sales increased by £8.0 million to £29.9 million in the quarter (Q4 FY24: £21.9 million). The Group's growth projects noted above, mainly Shepperton South, largely drove this moderate cost increase. Higher depreciation charges contributed £4.1 million of the increase, with the remainder of the increase mainly attributed to additional indirect costs associated with the studio expansion, such as business rates, insurance, cleaning and security services.

For the year to 31 March 2025, cost of sales totalled £112.0 million (FY24: £71.4 million), which is £40.6 million higher than the prior year. Additional depreciation charges, mainly from the growth programme, contributed to £22.4 million of this increase, with the remainder largely from other indirect costs associated with servicing the newly expanded studio facilities. In the legacy (like-for-like) businesses, increased business rates which were moderated by the Government's transitional relief scheme, were offset by lower energy costs incurred during the year.

***Gross profit***

Gross profit for the quarter was £29.6 million (Q4 FY24: £19.1 million), representing an increase of £10.5 million compared with the same quarter last year. As with turnover, the success of our studio expansion projects drove significant growth in contribution, and performance improvements were delivered across the legacy studios and the Production Services business lines. However, these gains were partially offset by higher depreciation charges and other costs, mainly from operating the expansions.

Gross profit for the year to 31 March 2025 amounted to £101.2 million, a 34.8% or £26.1 million improvement on the prior year (FY24: £75.1 million). The improvement was driven by the growth factors outlined above.

Gross profit margin for the year ended 31 March 2025 was 47.5% compared with 51.3% in the prior year. Whilst the studio expansion created positive impacts on the Group's absolute gross profit earned, the associated depreciation has created a non-cash decline in the Group's gross profit margin percentage. The gross profit margin for the quarter of 49.7%, was 3.1 ppt above the prior year quarter (Q4 FY24: 46.6%). Whilst the same impact from the studio expansion was repeated in the quarter, this was more than offset by improved performance from the Production Services businesses.

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

Selling, distribution, administrative and other operating expenses totalling £4.8 million in the quarter, were slightly above the prior year period (Q4 FY24: £3.9 million). 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. However, the Group incurred a moderate level of expenditure in assessing expansion options in strategic markets that are important to its customers.

The total charge for the year ended 31 March 2025 of £16.8 million was £2.1 million higher than last year (FY24: £14.7 million). This year-on-year increase included the expense as described above, in addition to an additional one month of goodwill amortisation at PTS, which was purchased in May 2023, and costs associated with the Group's decision to close the Group's television studios in summer 2025.

***Operating profit *****

Adjusted operating profit for the quarter of £24.8 million was £9.6 million above that of the prior year quarter (Q4 FY24: £15.2 million), and adjusted operating profit for the year of £84.4 million was £24.0 million above that of last year (FY24: £60.4 million).

The resultant operating profit margin for the year of 39.6% was 1.6 ppt lower than the prior year (FY24: 41.2%). The year-on-year margin improvement from higher EBITDA earned from increased studio capacity was offset by the non-cash depreciation charges associated with the Shepperton expansion across the year.

The resultant operating profit margin for the quarter of 41.7% was 4.6 ppt higher than the prior year quarter (FY24: 37.1%), the quarter having benefitted disproportionately from the improved Production Services profitability.

***Income/(loss) 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 high-end TV productions, lighting services were significantly curtailed during the industry strikes in 2023.

Moving into 2024, the studio lighting business started to realise the benefit of production activity resuming and the Group recognised its £1.3 million share of PMBS' post-tax profits in the quarter, bringing our equity returns to a £3.2 million profit for the full year (FY24: £1.3 million loss).

***Profit from disposal of participating interests***

The Group recognised a gain of £0.2 million in the year (FY24: £nil) from the sale of its investment in a studio in the Dominican Republic, which had previously been recognised on the balance sheet at £nil.

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

Interest receivable and similar income of £6.2 million in the quarter was £3.6 million above that of the prior year quarter (Q4 FY24: £2.6 million). Interest receivable and similar income of £23.2 million in the year was £12.7 million above that of the prior year (FY24: £10.5 million).

Following a refinancing under a 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 £12.8 million of interest income during the year.

***Interest payable and similar charges***

Interest payable and similar charges, at £18.4 million in the quarter, were £7.1 million higher than those of the prior year quarter (Q4 FY24: £11.3 million). Similarly, interest payable and similar charges of £74.0 million in the year were £29.7 million above that of the prior year (FY24: £44.3 million).

These increases were substantially due to the refinancing at the end of March 2024, with £750.0 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 year to 31 March 2025 at £36.9 million (FY24: £25.3 million), was £11.6 million higher than the prior year. The £24.0 million improvement in adjusted operating profit and the £4.5 million higher income from participating interests, was largely offset by a £17.0 million increase in net interest charges.

With an adjusted tax charge of £11.4 million (FY24: £8.4 million), the full year adjusted effective tax rate of 30.8% (FY24: 33.3%) is lower than the same period last year. In both periods, the adjusted effective tax rate is higher than the standard rate of tax due to 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. However, the effective rate of tax is also affected by the equity profit of our studio lighting associate (loss in FY24), which is included in the Group's income statement on a post-tax basis and is not subject to further tax in the Group.

**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 partnership arrangements.

Key information reported by business segment and geographic area is:

| | **3 months to** | | **Year to** | |
|---|---|---|---|---|
| | **31 Mar 2025 £'000** | 31 Mar 2024 £'000 | **31 Mar 2025 £'000** | 31 Mar 2024 £'000 |
| **Revenue by operating segment** | | | | |
| Global Studios | **51,848** | 39,511 | **195,874** | 135,573 |
| Production Services | **7,651** | 1,522 | **17,320** | 10,900 |
| **Total revenue** | **59,499** | 41,033 | **213,194** | 146,473 |
| **Revenue by Geography** | | | | |
| UK | **55,352** | 35,889 | **195,814** | 132,470 |
| North America | **4,147** | 5,144 | **17,380** | 14,003 |
| **Total revenue** | **59,499** | 41,033 | **213,194** | 146,473 |
| **Contribution ***** | | | | |
| Global Studios | **46,727** | 33,911 | **180,022** | 118,014 |
| Production Services | **6,245** | 481 | **12,144** | 6,234 |
| **Total segmental Contribution** | **52,972** | 34,392 | **192,166** | 124,248 |

***Revenue***

Global Studios' revenues improved by £12.3 million in the last quarter and by £60.3 million in the full year to 31 March 2025. This sustained growth over the year was due significantly to the additional accommodation at the Shepperton Studios expansion, which was opened and let in phases across the second half of the last financial year. Additionally, acquired in May 2023, PTS contributed a full period of revenues this financial year.

Revenues from Production Services increased steadily throughout the first nine months of the year, allied with the recovery of content production pipelines following the industry strikes in the US during 2023. This recovery was further evidenced in Q4, with a quarter-on-quarter improvement of £6.1 million, driven by Post Production, Television and our lighting associate. The Production Services business finished the full year with revenues of £17.3 million, which was £6.4 million higher compared with the same period last year.

***Contribution******

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

The Global Studios increase in contribution of £12.8 million compared with the prior year quarter, and £62.0 million in the full year to 31 March 2025, was mainly delivered by growth factors outlined in the sections above. Improvements in Production Services also were due to the factors outlined above.

**Adjusted EBITDA**

Adjusted EBITDA at £38.7 million (Q4 FY24: £23.4 million) in the quarter, and £137.1 million (FY24: £86.0 million) in the full year to 31 March 2025, 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. Overall, Production Services closed the year ahead of the prior year by £5.9 million and the Group's equity share of its associates' results showed a £4.5 million improvement.

Further, inflationary clauses within the long-term rental contracts of our studios, were offset by factors such as higher business rates on the legacy areas of our UK studios.

Adjusted EBITDA margin of 64.3% at 31 March 2025 was 5.6 ppt above that of the 58.7% margin achieved in the prior year period. This improvement was due to the increase in profitability in the Production Services business and our studio lighting associate, as described earlier, together with the start of new long-term contracts at both Shepperton and PTS.

| ***Reconciliation of profit after taxation to adjusted EBITDA*** | **3 months to** | | **Year to** | |
|---|---|---|---|---|
| | **31 Mar 2025 £'000** | 31 Mar 2024 £'000 | **31 Mar 2025 £'000** | 31 Mar 2024 £'000 |
| Profit after taxation (incl. adjusted items) | **9,689** | 6,766 | **24,345** | 16,333 |
| Tax charge on profit | **4,265** | 2,417 | **10,959** | 8,252 |
| Net interest payable and other charges | **12,214** | 5,161 | **50,810** | 30,304 |
| Depreciation of property, plant and equipment | **11,207** | 7,060 | **43,939** | 21,578 |
| Amortisation of intangible assets | **1,363** | 1,442 | **5,550** | 5,355 |
| Gain on disposal of participating interest | **(173)** | - | **(173)** | - |
| **EBITDA** | **38,565** | 22,846 | **135,430** | 81,822 |
| Adjusted items | **92** | 575 | **1,620** | 4,226 |
| **Adjusted EBITDA** | **38,657** | 23,421 | **137,050** | 86,048 |

**Adjusted items**

Continuing the treatment from last year, one item has been presented as an adjusted item in both the full years to 31 March 2025 and 31 March 2024. In the financial year to 31 March 2023, the Group had established a long-term incentive plan and set aside funds to incentivise and retain certain senior members of staff following the recapitalisation of the business in that financial year. Payments made under this plan were also intended to reward individuals for their past performance in developing the Group. During the year, the plan gave rise to further adjusted charges of £1.6 million (FY24: £4.2 million).

In addition, during the prior year to 31 March 2024, the Group refinanced its £750.0 million 3.25% senior secured notes due September 2025. This was partially achieved through a tender offer, whereby £459.7 million of bonds were surrendered at a discount to par value, leading to an adjusted gain of £3.5 million after fees.

Along with associated net tax credits of £0.4 million (FY24: £0.2 million), these items have been presented as adjusted items as the charges are considered unusual in size and are, therefore, of limited long-term predictive value.

## Liquidity and capital resources

### Group statement of cash flows

At 31 March 2025, the Group held cash and cash equivalents ('cash') of £143.8 million (FY24: £828.1 million), with the prior year's cash position supported by the closure of a £750.0 million refinancing round at the end of the previous financial year. At the start of this year, £454.0 million of the proceeds were used to settle £459.7 million (par value) of 3.25% senior secured notes due September 2025. Further, £290.3 million of the proceeds were invested in fixed-rate UK Government gilts, maturing in September 2025 when the remaining 3.25% notes are due to be settled. Whilst these financing settlements early in the year reduced our cash balances by £744.3 million, the Group delivered other net cash inflows totalling £59.9 million largely as a result of operating cash flow generation, net of cash used to purchase property, plant and equipment, as detailed below.

With respect to the last quarter of the financial year, the Group started the period with cash of £167.7 million. The business generated £3.2 million of cash from operations, which was similar to that of the same quarter last year. Whilst the Group delivered a £15.2 million improvement in adjusted EBITDA as discussed above, £1.6 million of this was from a non-cash uplift in equity share profits from our associate, and the working capital outflow was £14.9 million higher. Overall, the working capital outflows in both periods are caused by significant rentals being received in advance of the quarter of occupation. However, last year working capital benefitted from VAT reclaimed on capital expenditure as the construction works at Shepperton Studios were being finalised, whereas this year, there were some receivables not due and advance payments which are expected to unwind over the next financial year.

During Q4 FY25, the Group paid £24.2 million of net interest on its refinanced net debt position, which was £11.0 million higher than the same period last year. As a result, cash from operating activities after interest and tax, at £20.8 million outflow, was £11.5 million behind the same period last year. With the expansion programme substantially complete and capital expenditure payments of £2.7 million, the Group maintained a cash balance of £143.8 million at March 2025.

| | **3 months to** | | **Year to** | |
|---|---|---|---|---|
| | **31 Mar 2025 £'000** | 31 Mar 2024 £'000 | **31 Mar 2025 £'000** | 31 Mar 2024 £'000 |
| **Cash flow from operating activities before working capital changes** | **37,300** | 23,137 | **132,245** | 83,118 |
| Net (decrease)/ increase in working capital | **(34,053)** | (19,181) | **9,455** | 5,576 |
| **Cash generated by operations** | **3,247** | 3,956 | **141,700** | 88,694 |
| Net interest paid | **(24,203)** | (13,230) | **(59,467)** | (38,485) |
| Net income tax received/(paid) | **147** | (19) | **39** | (328) |
| **Net cash flow from operating activities** | **(20,809)** | (9,293) | **82,272** | 49,881 |
| Investment in subsidiaries | **-** | - | **-** | (247,942) |
| Proceeds from disposal of investment | **173** | - | **173** | - |
| Purchase of property, plant and equipment net of disposal proceeds | **(2,736)** | (19,093) | **(16,363)** | (199,897) |
| Purchase of securities | **-** | - | **(290,300)** | - |
| Repayment of loan by parent company | **-** | - | **-** | 125,000 |
| **Net cash flow used in investing activities** | **(2,563)** | (19,093) | **(306,490)** | (322,839) |
| **Net cash flow (used in)/from financing activities** | **(9)** | 736,387 | **(458,825)** | 849,907 |
| Net (decrease)/ increase in cash | **(23,381)** | 708,001 | **(683,043)** | 576,949 |
| Currency exchange movement | **(524)** | (176) | **(1,269)** | (985) |
| Cash at the start of the period | **167,729** | 120,311 | **828,136** | 252,172 |
| **Cash at the end of the period** | **143,824** | 828,136 | **143,824** | 828,136 |

Details of cash flows for the year ended 31 March 2025 follow below.

***Net cash flow from operating activities***

In the year to 31 March 2025, cash generated by operating activities, after interest and tax, of £82.3 million reflected a 64.9% or £32.4 million increase from the prior year period (FY24: £49.9 million). The vast majority of this increase was attributable to the £51.0 million increase in adjusted EBITDA as described above.

Further, this included a £3.9 million improvement in working capital cashflows compared with last year, which consisted of numerous offsetting items. The most notable of these items included benefits from the start of rents at our studio expansion, whereby the first year benefits from cash received in advance of the period, and other operating charges associated with the expansion which are not yet payable. Offsetting these items, the prior year had benefitted from the recovery of VAT from HMRC as our capital expansion spend drew to a close. Additionally, FY25 saw a higher net unwind of the adjusted item LTIP accrual as the scheme draws to an end, and other receivable and payable timing differences.

The improvement in adjusted EBITDA and working capital was partially offset by a £21.0 million increase in net interest payments as the Group transitioned to its refinanced debt arrangements at the start of the year. The Group recommenced its regular tax payments in FY25 and, whilst continuing to benefit in part from unused allowances brought forward from prior years, these payments were offset by a refund of tax paid in prior years.

***Net cash flow used in investing activities***

Net cash outflow from investing activities totalled £306.5 million at 31 March 2025 (FY24: £322.8 million). During the year, the Group invested £290.3 million of proceeds from the recent refinancing in gilts maturing in September 2025, and invested a further £16.2 million in capital expenditure*, a significant proportion of which related to studio expansion programmes.

In the prior year, the Group received a £125.0 million capital injection from its parent to part-fund the acquisition of PTS, which was completed for £247.9 million. Additionally, the Group invested £199.9 million in capital expenditure* which was also predominantly related to the UK studio expansion programme.

***Net cash flow (used in)/from financing activities***

Net cash flow from financing activities amounted to a £458.8 million outflow (FY24: £849.9 million inflow). These cash flows related predominately to closing a refinancing last year and the redemption of a tranche of notes in FY25 as described above. In addition, in the prior year, the Group received £101.5 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.

| | 31 Mar 2025 £'000 | 31 Mar 2024 £'000 |
|---|---|---|
| Senior secured notes | (1,340,296) | (1,800,000) |
| Bank loans | (94,399) | (102,355) |
| Revolving credit facility | - | - |
| Less: | | |
| Cash and cash equivalents | 143,824 | 828,136 |
| UK Government gilts | 300,000 | - |
| **Adjusted net debt** | **(990,871)** | **(1,074,219)** |

Adjusted net debt at 31 March 2025 was £990.9 million, based on £1,340.3 million of senior secured notes, a Canadian dollar bank loan of £94.4 million, cash and cash equivalents of £143.8 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% senior secured notes.

Cash and cash equivalents were held with several banks rated A+/A2/A- or higher, and 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 33.1%. This is based on the UK valuation performed by JLL at March 2024 of £2,750 million, as well as the April 2023 JLL valuation of Pinewood Toronto Studios of C$445 million (c.£240 million).

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

## Report and financial statements

**Year ended 31 March 2025**

Company Registration Number: 03889552

**Registered No:** 03889552

**Directors**
David Conway
Siddhanth Das (appointed 24 July 2024)
Paul Golding CBE
Barbara Inskip
Luis Moner Parra
Nathan Shike (resigned 24 July 2024)
Andrew M Smith OBE DL
Alison Trewartha (resigned 24 July 2024)

**Secretary**
Leonie Dorrington-Ward

**Auditor**
Deloitte LLP
Statutory Auditor
Abbots House
Abbey Street
Reading
RG1 3BD

**Registered office**
Pinewood Studios
Pinewood Road
Iver Heath
Buckinghamshire
SL0 0NH

# Strategic Report

## Business overview

Pinewood Group Limited ("Pinewood" or the "Group") is the leading independent provider of the real estate, infrastructure and supporting services required to produce film and television content. The Group owns two freehold studios, Pinewood Studios and Shepperton Studios, in prime locations close to central London, and the pre-eminent studio in Toronto, Pinewood Toronto Studios, held under lease and located 10 minutes from the downtown city-centre. With 76 sound stages and a total area of c. 3.5 million sq ft, the high-quality studios set in prime locations makes Pinewood’s facilities a compelling choice for major producers of content.

The Group has the following two reportable segments:

- ***Global Studios*** represents our core business, being the provision of production accommodation to film and high-end television (‘HETV’) production companies, together with the rental of other serviced accommodation at our studios to independent businesses that support film and television production. The production accommodation is predominantly let under long-term contracts, with high occupancy of the other serviced accommodation.

- ***Production Services*** represents our ancillary businesses, including Post Production, Television, international sales and marketing agreements and partnership arrangements.

From an industry perspective, the year ended 31 March 2025 saw a level of recovery in production volumes following the 2023 actors’ and writers’ strikes in the US, which brought filming to a virtual halt across many locations. Global production houses took a cautious approach to restarting content creation in 2024, with a renewed ethos of favouring quality over quantity with a view to improved investment returns and cost control. The Group’s financial performance remained resilient throughout this period of volatility, and we witnessed production activity at our sites gradually rebuilding over 2024.

On the theme of resilience, it is noteworthy that over 90% of our Group revenues and contribution are generated by the Global Studios segment, where our studio and associated facilities are let under long-term contracts. Accordingly, this business segment was relatively unaffected by the industry slowdown. The smaller Production Services segment, which makes up the remainder of the Group’s revenues and contribution, recovered over the course of the year as the industry gradually rebuilt. This growing content creation and filming at the studios also positively affected our studio lighting associate, of which the Group owns a 25% share.

During the year, the Group took the decision to close its TV department at Pinewood Studios (part of the Production Services segment), which serves the traditional UK broadcast TV market, from summer 2025. A decision was also taken to re-purpose these facilities to serve the independent film market.

The previous financial year was a year of transition, which saw the acquisition of Pinewood Toronto Studios (‘PTS’), and the phased completion of our studio expansion at Shepperton, with the final tranche delivered in April 2024. Following this expansion, there has been a period of bedding-in of the operating model at Shepperton Studios given the site is now more than twice its original size, with 17 sound stages added alongside other production accommodation. All of the production accommodation at Shepperton Studios is fully let to Amazon MGM Studios (‘Amazon MGM’) and Netflix under long-term rental contracts.

We continue to focus on our environmental, social and governance (‘ESG’) responsibilities given the importance of these subject areas to all of our stakeholders, and our ESG-related activity receives strategic oversight by the Group’s ESG committee. The Group is currently working on a revised Carbon Management Plan and is reviewing emissions targets as part of that work. The first part of this was an updated 2024 energy audit, which included the engagement of technical consultants to determine the latest building performance across the estate and to refine opportunities for energy and carbon reductions, with guidance on investment requirements.

In March 2025, Pinewood hosted the UK’s biggest screen industry careers event, ‘Set for More: Futures Festival’, for the third consecutive year. Global industry leaders shared their career experience and 50 businesses explained the career opportunities available across our industry to more than 4,500 young people, over the two-day event.

During 2024, the Group expanded its governance structure by creating a Senior Management Group (‘SMG’), with its members at the management level below the Group’s Senior Leadership Team (‘SLT’). It provides further support to the SLT in the effective and efficient operation of the Group, and strengthens engagement and communication on major corporate initiatives, practices and policies.

With the completion of the recent growth plan, and further development of the Group’s operational governance structures, the Group is well placed to continue to optimise results from the newly expanded studio capacity, and to assess and evaluate opportunities for further growth.

# Strategic Report (continued)

## Business review

### Statement of Comprehensive Income

The Group presents its results in the statement of comprehensive income to separately identify the impact of certain items ("adjusted items") to provide a clear and consistent presentation of the underlying operating performance of the Group. Adjusted items are transactions that are unusual in size or nature or have limited predictive value such as disposals, discontinued operations, impairments, certain fair value remeasurements and other significant items where the Group considers separate disclosure would be useful. There was one adjusted item in FY25 and two in FY24, and details about them can be found in the adjusted items section below and in Note 3 to the financial statements.

Group revenue grew to £213.2 million for the year, which was £66.7 million or 45.6% ahead of the prior year (FY24: £146.5 million). This strong growth in the year was driven primarily by the Global Studios business, where revenue increased by £60.3 million versus the prior year to £195.9 million (FY24: £135.6 million). Within Global Studios, the vast majority of our production accommodation is let to key customers under long-term contracts. Revenue growth was mainly due to additional studio capacity which was fully complete and rented from early in the year, alongside a complete year of trading from PTS which was acquired in May 2023, and inflationary clauses within our all of long-term rental contracts.

Our Productions Services business delivered revenue of £17.3 million, which was £6.4 million above that of the prior year (FY24: £10.9 million). This improvement followed an ongoing recovery in global content creation during 2024 following the industry strikes of 2023. Within this reporting segment, the Post Production business witnessed activity and financial performance gradually re-building throughout the year. Additionally, an amended partnership arrangement with our associate, PMBS Holding Limited ('PMBS'), further supported by improved activity over the year, delivered a higher contribution compared with the prior year.

Cost of sales totalled £112.0 million (FY24: £71.4 million), which was £40.6 million higher than the prior year. Additional depreciation charges, mainly from the Group's growth programme, contributed to £22.4 million of this increase, with the remainder of the cost increase largely from other indirect costs (e.g. business rates, security, cleaning, and insurance) associated with servicing the newly expanded studio facilities.

Taking the above factors into account, gross profit for the year amounted to £101.2 million, representing a 34.8% or £26.1 million improvement on the prior year (FY24: £75.1 million). The gross profit margin for the year of 47.5% was 3.8ppt lower than the prior year (FY24: 51.3%). Whilst the studio expansion created positive impacts on the Group's absolute gross profit, the associated depreciation has created a non-cash decline in the gross profit margin percentage.

Selling and distribution costs and administrative expenses together totalled £15.7 million (FY24: £14.7 million) for the year. This increase was due to an additional one month of goodwill amortisation at PTS, which was purchased in May 2023, and costs associated with the Group's decision to close the Group's TV department in summer 2025.

Adjusted other operating expenses were £1.1 million in the year (FY24: £nil million), linked to an assessment of expansion options in strategic markets that are important to our customers. In addition to these Adjusted other operating expenses, the Group set aside additional funds to continue the long-term incentive plan ('LTIP') that was set up in FY23 following the recapitalisation of the Group. Payments made under this plan were intended to incentivise and retain certain senior members of staff, and to reward individuals for their past performance in developing the Group. The plan gave rise to adjusted charges of £1.6 million (FY24: £4.2 million) in the year, and is expected to give rise to a smaller level of charges and payments over the period to December 2025 when the scheme ends.

Adjusted operating profit of £84.4 million (FY24: £60.4 million) was £24.0 million higher than the prior year, due to the growth-related items already mentioned, delivering an adjusted operating profit margin of 39.6% (FY24: 41.2%). As with the Gross profit margin percentage impact noted above, the margin percentage benefits from increased studio capacity, together with the recovery and improvement of the Production Services businesses, were offset by increases in the non-cash depreciation and goodwill amortisation charges associated with the Group's growth initiatives. Operating profit after adjusting items of £82.8 million (FY24: £56.2 million) increased by £26.6 million versus the prior year.

Our associate lighting business, headed by 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. PMBS performance was impacted by the strikes in FY24, although benefitted from a gradually improving market in FY25. The Group recognised its 25% share of PMBS's post-tax results for the year, which amounted to a profit of £3.2 million (FY24: loss of £1.3 million).

# Strategic Report (continued)

## Business review (continued)

### Statement of Comprehensive Income (continued)

During the year, the Group sold its investment in the Dominican Republic studios, and recognised a gain on disposal of £0.2 million (FY24: £nil).

In March 2024, the Group issued £750 million 6.0% senior secured notes due March 2030. £454.0 million of the proceeds were used to redeem £459.7 million of 3.25% senior secured notes due to mature in September 2025 at a discount, generating a gain of £3.5 million after fees, which was recorded as an adjusted item in FY24 due to the repurchase being committed at 31 March 2024. The cash was transferred to the holders of the redeemed notes shortly after the year-end in April 2024. The remaining £290.3 million of funds received were invested in fixed-rate UK Government gilts throughout FY25, rather than redeeming the associated 3.25% notes. The gilts delivered £12.8 million of interest income during the year. This was the main driver of the £12.7 million improvement in Adjusted interest receivable and similar income versus the prior year (FY25: £23.2 million, FY24: £10.5 million). The gilts along with the remaining 3.25% notes will be held until their maturity in September 2025.

Interest payable and similar charges increased by £29.7 million to £74.0 million (FY24: £44.3 million). This increase was substantially due to the refinancing in March 2024, with £750 million 6.0% senior secured notes raised, and the remaining £290.3 million of 3.25% senior secured notes held until their final settlement.

Adjusted Profit before tax in the year to 31 March 2025 at £36.9 million (FY24: £25.3 million) was £11.6 million higher than the prior year, and Adjusting charges before tax totalled £1.6 million (FY24: £0.7 million). Profit before tax in the year totalled £35.3 million (FY24: £24.6 million), an improvement of £10.7 million. The increase in Profit before tax was delivered by the £24.0 million improvement in adjusted operating profit, £4.5 million higher income from participating interests, being largely offset by a £17.0 million increase in adjusted net interest charges and £0.9 million higher Adjusting charges.

The combined adjusted charge for current and deferred tax was £11.4 million (FY24: £8.4 million), reflecting an adjusted effective tax rate of 30.8% (FY24: 33.3%). In both years, the adjusted effective tax rate is higher than the standard rate of tax due to 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. However, the effective rate of tax is also affected by the equity profit of our studio lighting associate (loss in FY24), which is included in the Group's income statement on a post-tax basis and is not subject to further tax in the Group.

### Adjusted Items

Continuing the treatment from FY24, one item has been presented as an adjusted item in both FY24 and FY25. In the year to 31 March 2023, the Group had established a long-term incentive plan and set aside funds to incentivise and retain certain senior members of staff following the recapitalisation of the business in that financial year. Payments made under this plan were also intended to reward individuals for their past performance in developing the Group. During the year, the plan gave rise to adjusted charges of £1.6 million (FY24: £4.2 million).

Further, during the prior year to 31 March 2024, the refinancing of the 3.25% senior secured notes was partially achieved through the redemption of notes under a tender offer, whereby £459.7 million of bonds were surrendered at a discount to par value, leading to an adjusted gain of £3.5 million after fees.

Along with an associated net tax credits of £0.4 million (FY24: £0.2 million), these items have been presented as adjusted items, as the charges are considered unusual in size and are, therefore, of limited long-term predictive value.

A reconciliation of the financial performance of the Group, excluding adjusted items, to the total results of the Group is shown in the statement of comprehensive income on page 29.

### Statement of Financial Position

The Group's net asset position at 31 March 2025 was £235.0 million (FY24: £224.6 million), an increase of £10.4 million versus the prior year. This increase arose as a result of a profit after tax of £24.3 million, which was partially offset by net currency translation losses, predominantly due the impact of the weakening Canadian dollar on our PTS business, and cash flow hedge movements.

# Strategic Report (continued)

## Business review (continued)

### Statement of Financial Position (continued)

There were two main areas of activity affecting the statement of financial position within the year. These were (i) the practical completion of the Shepperton expansion towards the end of FY24 and the start of asset depreciation, and (ii) the subsequent investment of cash proceeds and partial redemption of 3.25% senior secured notes in FY25, which followed the completion of a £750.0 million financing round on the last working day of FY24.

Non-current assets decreased by £54.2 million during the year. A significant element of this decrease was due to recognising depreciation charges, predominantly across our newly completed studio growth initiatives, and the amortisation of goodwill recognised on the acquisition of PTS. Both categories also reflected reductions in value due to the impact of the weakening Canadian dollar.

Current assets decreased by £391.5 million, with the position at 31 March 2024 being particularly high following the receipt of £750.0 million of cash proceeds following a refinancing of the 3.25% senior notes. At the start of FY25, £290.3 million of these proceeds were invested in UK Government gilts, with the balance growing to £297.1 million by the end of the year. Additionally, £458.8 million was paid to redeem a tranche of the 3.25% notes and pay the refinancing arrangement fees. Partially offsetting this cash reduction, the Group's cash resources grew in FY25 due to net cash flow from operating activities of £82.3 million, less c.£16 million employed to complete the studio expansion and deliver regular upgrade works across the Group's facilities.

More than offsetting the £445.7 million decrease in total assets is a larger £456.1 million decrease in total liabilities. This reduction in liabilities was due to the redemption of £459.7 million of 3.25% notes at the start of the year.

### Borrowings

The Group's borrowing position consists of several tranches of senior secured notes, with differing maturity dates. Additionally, a Canadian dollar bank loan was raised in the previous year to part-fund the acquisition of PTS and to provide a natural hedge against exchange rate fluctuations.

Following the closure of a refinancing under a tender offer of £750.0 million 3.25% senior secured notes (due in September 2025) at the end of last year, the total senior secured notes position reflected a temporarily high balance of £1.8 billion, and cash on balance sheet rose to £828.1 million at 31 March 2024.

At the start of this year, the Group paid £454.0 million to settle £459.7 million (par value) of the 3.25% notes, and invested the remaining proceeds of the refinancing in UK Government gilts. Thereafter principal borrowings totalled £1.4 billion, and comprised £290.3 million of the remaining 3.25% notes due September 2025, £300.0 million of 3.625% notes due November 2027, £750.0 million of 6.0% notes due March 2030, and a C$175 million bank loan which terminates in April 2028. UK Government gilts totalling £297.1 million at the end of the year, will be used to settle the remaining 3.25% notes at maturity.

The Group also has revolving credit facilities amounting to £77.7 million at the end of the year (FY24: £78.9 million). The UK facility amounts to £75 million, of which £15.0 million expires in 2027 and £60.0 million expires in 2029. PTS also has a C$5 million facility expiring in 2028. Both the senior secured notes and the revolving credit facilities are secured on certain principal assets of the Group.

Adjusted net debt as at 31 March 2025 decreased to £990.9 million (FY24: £1,074.2 million), mainly due to a net cash increase from operating activities of £82.3 million, less cashflow used in investing activities (except that of the purchase of securities) of £16.2 million largely in connection with studio expansion works, and a small reduction due to the impact of the weakening Canadian dollar on the adjusted net debt of PTS. See performance measures on page 8 for the calculation of adjusted net debt.

# Strategic Report (continued)

## Business review (continued)

### Cash flow

At 31 March 2025, the Group held cash and cash equivalents of £143.8 million (FY24: £828.1 million), with the prior year's cash position supported by the closure of a £750.0 million refinancing round on the last working day of the previous financial year. At the start of this year, £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 3.25% notes are due to be settled. These financing settlements early in the year reduced our cash balances by £744.3 million, with the remaining £60.0 million increase in cash largely as a results of operating cash flow generation net of cash used to purchase property, plant and equipment.

Cash generated by the Group's operating activities after interest and tax totalled £82.3 million of (FY24: £49.9 million). The £32.4 million improvement was due to the following factors:

i. A £49.1 million increase in cash flows from operating activities before movement in working capital to £132.2 million (FY24: £83.1 million). This uplift represents a £26.6 million increase in operating profit as described above, and adding back non-cash depreciation and amortisation charges which increased in the year by £22.6 million due to the delivery of the Group's growth initiatives.

ii. A £3.9 million higher working capital inflow to a £9.5 million inflow in FY25 (FY24: £5.6 million inflow). The change in working capital benefits between the years consisted of numerous offsetting items. The most notable of these items included benefits from the start of rents at our studio expansion, whereby the first year benefits from cash received in advance of the period, and other operating charges associated with the expansion which are not yet payable. Offsetting these items, the prior year had benefitted from the recovery of VAT from HMRC as our capital expansion spend drew to a close. Additionally, FY25 saw a higher net unwind of the adjusted item LTIP accrual as the scheme draws to an end, and other receivable and payable timing differences.

iii. A £21.0 million increase in net interest payments, as the Group transitioned to its refinanced debt arrangements from the start of the year.

iv. A £0.3 million decrease in income tax paid to £nil (FY24: £0.3 million). Payments on account in both the UK and Canada in respect of FY25, were offset by refunds in respect of prior years due largely to capital allowance claims in relation to the studio expansion works.

Net cash outflow from investing activities totalled £306.5 million (FY24: £322.8 million). The Group invested £290.3 million of its cash balances into gilts, and a further £16.3 million (FY24: £199.9 million) in property, plant and equipment, a significant proportion of which related to studio expansion programmes. In the prior year, the Group also received a £125.0 million capital injection from its parent to part-fund the acquisition of PTS, which was completed for £247.9 million.

Net cash flow from financing activities amounted to a £458.8 million outflow (FY24: £849.9 million inflow). These cash flows related predominately to closing a refinancing last year and the redemption of a tranche of notes in FY25 as described above. In addition, in the prior year, the Group received £101.5 million from a bank loan raised to fund the acquisition of PTS.

# Strategic Report (continued)

## Performance measures

Performance of the Group is monitored internally using a variety of statutory and alternative performance measures (“APMs”). APMs are used where management considers they are more representative of underlying trading or in monitoring performance against the Group’s objectives. Adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) is an important metric because it reflects the underlying earnings of the core business, and excludes items with limited predictive value or non-recurring in nature. Accordingly, Adjusted EBITDA is reflective of normalised cash flow and is a measure monitored by the Group’s investors and other stakeholders. The adjusted net debt measure is considered helpful to understand the effective interest rate calculations on the Group’s borrowings by excluding accrued interest and amortised cost adjustments, and the effect of amounts placed on deposit or securities purchased as part of the Group’s treasury management activities. Definitions of the APMs (which are considered to be the Group’s key performance indicators) and reconciliations to the equivalent statutory measures are detailed below.

| For the year ended 31 March | Note | 2025<br>£’000 | 2024<br>£’000 |
|---|---|---|---|
| Turnover | 2 | **213,194** | 146,473 |
| Adjusted EBITDA (see below) | | **137,050** | 86,048 |
| Adjusted EBITDA margin (adjusted EBITDA/Turnover) | | **64.3%** | 58.7% |
| Cash generated from operations (Group Statement of Cash Flows) | | **141,700** | 88,694 |
| Net cash flow from operating activities (Group Statement of Cash Flows) | | **82,272** | 49,881 |
| Adjusted net debt (see below) | | **(990,871)** | (1,074,219) |
| Adjusted capital expenditure (see below) | | **16,190** | 199,897 |

### Reconciliation of profit after taxation to adjusted EBITDA

| For the year ended 31 March | Note | 2025<br>£’000 | 2024<br>£’000 |
|---|---|---|---|
| Profit after taxation | | **24,345** | 16,333 |
| Tax charge on profit | 10 | **10,959** | 8,252 |
| Net interest payable and similar charges | 8,9 | **50,810** | 30,304 |
| Depreciation of property, plant and equipment | 4 | **43,939** | 21,578 |
| Amortisation of intangible assets | 4 | **5,550** | 5,355 |
| Gain on disposal of property, plant and equipment, and investments | | **(173)** | - |
| **EBITDA** | | **135,430** | 81,822 |
| Adjusted Items: | | | |
| Other operating expenses | 3 | **1,620** | 4,226 |
| **Adjusted EBITDA** | | **137,050** | 86,048 |

# Strategic Report (continued)

## Performance measures (continued)

## Adjusted capital expenditure

| For the year ended 31 March | **2025**<br>**£'000** | 2024<br>£'000 |
|---|---|---|
| Proceeds from disposal of participating interests | **173** | - |
| Purchase of property, plant and equipment | **(16,327)** | (199,865) |
| Purchase of intangible assets | **(36)** | (32) |
| **Adjusted capital expenditure** | **(16,190)** | (199,897) |

Adjusted 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, as disclosed in the cash flow statement.

### Reconciliation of adjusted net debt

| As at 31 March | Note | **2025**<br>**£'000** | 2024<br>£'000 |
|---|---|---|---|
| Non-current (liabilities)/assets: derivative financial instruments in cash flow hedging relationships | 20 | **(1,765)** | 225 |
| Current assets: Cash and cash equivalents | 16 | **143,824** | 828,136 |
| Current assets: term loan interest prepayment | 15 | **-** | 679 |
| Current (liabilities)/assets: derivative financial instruments in cash flow hedging relationships | 20 | **(642)** | 1,278 |
| Non-current and current borrowings: High yield bond | 19 | **(1,339,763)** | (1,792,948) |
| Non-current borrowings: term loan | 19 | **(94,335)** | (101,160) |
| **Net debt** | | **(1,292,681)** | (1,063,790) |
| Adjustments: | | | |
| UK Government gilts | 14 | **300,000** | - |
| Derivatives in cash flow hedging relationships | 20 | **2,407** | (1,503) |
| High yield bond interest accrual | 19 | **4,730** | 4,422 |
| Term loan interest accrual | 19 | **757** | - |
| Term loan interest prepayment | 15 | **-** | (679) |
| Tender offer gain | 3 | **-** | (4,054) |
| Financing arrangement costs net of premium received | | **(6,084)** | (8,615) |
| **Adjusted net debt** | | **(990,871)** | (1,074,219) |

# Strategic Report (continued)

## Risk Management

The Group considers the risks and uncertainties which the business faces over the short (1-2 years), medium (3-4 years) and longer term given the dynamic nature of the industry and considerations such as the asset-based nature of the Group. The Group considers its principal risks to be those outlined below. In addition to these, the Group reviews other ancillary and emerging risk areas, which are outlined later in the report (see page 11 to 12).

### *Principal risks and uncertainties*

***Competition risk from other studio providers***

We face competition from existing studios and new market entrants, both in the UK and internationally. That said, long-term contracts are in place for 100% of the Global Studios production accommodation at our UK sites. Rent is payable in advance, and the risk of low occupancy levels or downward pressure on our rates is substantially eliminated in the medium-term, albeit credit risk is relatively concentrated.

The Group acquired PTS in May 2023, and its production accommodation is let under a mixture of long- to short-term contracts. Space let in the short-term spot market is subject to market fluctuations, and exposure to this market may increase if contracts are not renewed or replaced as leases end. An existing long-term contract provides a level of income protection for the studios, with the Toronto market remaining a location of choice for the film and HETV industry.

If the Group were to further expand without long-term customer contracts in place, these new facilities would be subject to greater competition risk in the event that they were sold in the spot market. Accordingly, any new studio expansion projects would be subject to rigorous market-testing such that we were confident of high-levels of occupation and a compelling return on investment.

Our smaller, ancillary businesses (Independent Film Hub and Post Production) are subject to competition from both existing facilities and providers as well as new entrants.

***Economic environment and government policy***

Our business is to a degree influenced by general economic trends. The demand for films and streaming platforms has been generally resilient in recent years; however, there is no certainty that this will always be the case. For instance, prolonged inflation impacting consumers' purchasing power may affect demand for streamer subscriptions and cinema viewings and, therefore, our customers' need for production accommodation. Similarly, the race for content creation around the time of the Covid pandemic has moderated, with the main production houses announcing that they are now favouring quality over volume, and 2024 was a period of settling into this new normal. Further, labour strikes held by workers associated with the creation and production of film and television content, may also lead to a short-term reduction in the requirement for studio space (as experienced during 2023).

The long-term contracts with our customers broadly mitigate the short-term financial risk to the Group through periods of lower demand for production accommodation and the risk from strikes. However, we remain exposed to the economic environment through our accommodation not let under long-term contract, and in our ancillary businesses such as TV, Independent Film Hub and Post Production. These risks are mitigated by being agile to new and emerging economic trends and government policy.

With regard to government policy, the UK Government may respond to an economic downturn by changes to tax laws, rules or treaties or their application or interpretation. Any detrimental changes to the UK audio-visual expenditure credits ('AVEC'), or an increase in incentives in overseas jurisdictions, could potentially damage the attractiveness of the UK as a destination for the production of film and HETV. That said, the UK Government has repeatedly reinforced its support for the industry, including making the creative industries a key sector in its Modern Industrial Strategy policy.

It is possible for a proportion of our cost base to be subject to inflation above RPI, such as business rates or insurance costs, and it may not always be possible to pass these cost increases on to our customer base, thereby leading to lower profit margins. For example, the UK's Valuation Office Agency ('VOA') published revised rateable values for buildings at Pinewood Studios and Shepperton Studios effective from 1 April 2023, with new rateable values expected every three years thereafter. The latest valuation caused the Group's business rates to increase considerably, albeit these increases are in part shielded by the Government's relief scheme for the film and HETV studio sector, which is available for all studio space for ten years from 1 April 2024.

# Strategic Report (continued)

## Risk Management (continued)

### *Principal risks and uncertainties (continued)*

#### *Economic environment and government policy (continued)*

The Board continues to monitor the impacts associated with global trade arrangements, and views this as being a part of our day-to-day control framework. A risk to the business may arise from moves that could inhibit free trade between nations. For instance, there have been recent statements and press commentary on the potential of tariffs in the film and HETV industry. The framework for applying such tariffs remains uncertain, primarily due to the intangible nature of services and the cross-border mix of production. The imposition of tariffs on certain content produced overseas could result in our clients re-evaluating their investment strategies and redirecting future production activities away from the UK and Canada.

Notwithstanding the above, global production houses will continue to produce a proportion of content overseas to deliver locally-produced content which resonates with local audiences. As our studios are in internationally accessible locations, with a robust ecosystem of companies onsite and highly-skilled crews in the locality, the Group is well-placed to facilitate efficient content production. The Group's long-term rental contracts with key customers help to reduce the financial risk in the short to medium-term. Together with organisations such as the British Film Commission ('BFC'), the Group continues to liaise with national governments on global trade initiatives.

#### *Expansion plans, development and liquidity risk*

The Group owns land adjacent to its studios, which would be suitable for development in the future. Our ability to develop on this land is dependent on retaining existing planning permissions from the local authority. Whilst the UK and Canada are locations of choice for the creation of film and HETV, changes in planning law and/or decisions of local authorities may affect our future developments.

Once construction is underway, any unforeseen factors such as design complications and amendments, or infrastructure matters, could result in higher costs and delays leading to reduced revenue from any delayed opening. Similarly, the Group may be exposed to commodity price inflation. These risks could impact the Group's future expansion considerations, its operations and ability to generate the required returns.

The Group employs a skilled team of property experts and engages external advisors throughout the design, planning and construction phases to help mitigate these types of development risks. The financial impact of any expansion plan is assessed, having regard to our capital resources, and is closely monitored throughout the course of each project. Where appropriate, the Group seeks to eliminate the risk of commodity price inflation through fixed price construction contracts.

Our ability to fund future potential expansion plans may be affected by a number of factors including general economic conditions, investment appetite and business valuations.

#### *Business continuity and disaster recovery*

There is a risk of personal injury as productions and construction teams use and move around our sites, given the nature of their operations and activities. A major incident, such as a fire or explosion, could put people and/or the site at risk, and damage the Group's operations and reputation.

A dedicated in-house health, safety and fire team carries out regular risk assessments, and works closely with our customers' operational and health and safety teams to oversee the daily safety of site-wide operations. The Group's studio and safety regulations are communicated to all customers, suppliers and visitors, with all staff trained as appropriate. The Group maintains a disaster recovery plan and a business continuity team is in place to ensure that operations continue as far as possible in the event of a major incident. Separately, the Group has an insurance portfolio which is designed to mitigate the financial impact of potential incidents.

#### *Cyber security risk*

As is common across most industries, cyber and information security is a risk for the Group, primarily concerning our systems, information and the data they contain. There has been an escalation in the risk level in recent years due to an increase in malicious activities, often at higher levels of sophistication, and driven by geopolitical and criminal motivations. A cyber security breach could create significant financial losses, reputational risk and data exposure for the Group.

# Strategic Report (continued)

## Risk Management (continued)

### *Principal risks and uncertainties (continued)*

#### *Cyber security risk (continued)*

The Group's Data Breach Committee meets monthly to provide governance in this area. We continually invest and improve our technology, processes and training programmes to mitigate the ever-increasing risk from cyber threats and data loss, recognising remote working, the frequency of ransomware attacks and changes in hacking practices.

#### *Environmental risk*

Our UK studios were originally built in the 1930s and have seen redevelopment, expansion and varied use since opening. As a result, there is potential for the presence of materials now known to be hazardous (e.g. asbestos) and for undetected contaminants in the soil. Additionally, certain areas of each of our studios and potential expansion areas sit on former landfill and mineral extraction sites, and past construction has resulted in certain obligations to clear an area of potentially contaminated soil, with the Group providing against these as appropriate. There is also the risk that our customers may use products which, if not managed carefully, could be harmful to the environment.

The Group has a health and safety process for managing the presence of hazardous materials at its studios, which includes works to remove or secure these materials in accordance with applicable health and safety and environmental laws and regulations. The risk to the Group from building on former industrial sites is considered at the time of construction, to ensure appropriate structural solutions are employed, and the Group monitors former landfill to ensure any remedial measures are effective. Our Environmental and Sustainability team regulate activities on site that have the potential to cause damage or disruption, ensuring that staff are appropriately trained to manage potential risks.

#### *Climate risk*

Failure to anticipate and respond to the causes of and impacts from climate change creates a risk to the Group.
In the short-term, continuing to enhance and articulate our business practices and implement our Environmental Social and Governance (ESG) roadmap are crucial to meeting our obligations as a responsible employer and landowner, fitting with our customers' and investors' expectations and attracting them to our business.

We are also conscious of climate-related transition risk, particularly in relation to minimum energy efficiency standards (MEES) in the UK, and the potential impact on our ability to lease legacy buildings should they be deemed inefficient in the future.

The Group's ESG committee oversees the ESG aspects relevant to our business, including environment- and climate-related issues and social and governance risks and opportunities. The Group's ESG Strategy Statement includes detail on the strategies we are developing to reduce the environmental impact of our activities and to mitigate the impact of climate change on our business.

The Group purchases 100% renewable electricity for its studios, which includes tenant usage. Advancements in metering across our sites mean that we are now able to report and manage our emissions inventory with greater granularity, differentiating between individual buildings and the energy used by the Group and by our tenants. We also seek to reduce transport-related emissions, continuing the use of shuttle buses for staff and visitors to reduce private car usage, and enhancing the provision of cycle parking and EV charging points within our car parks.

### *Other and emerging risks*

The Group considers other specific risk areas, which are in addition to its principal risks above. The Group also considers emerging risks, which are those where the extent, implications and timeframe are not yet fully known.

The Board recognises the risks associated with the ongoing conflicts in Ukraine and the Middle East and increased global political instability. This includes contemplating potential operational risks, such as the regular provision of power and other services to the studios, and financial aspects, such as inflation and the resultant rise in the base interest rates, which have and may continue to increase the cost of funding the Group and its growth agenda.

# Strategic Report (continued)

## Risk Management (continued)

### *Other and emerging risks (continued)*

Other specific and emerging risk areas include:

- The evolution of artificial intelligence and its impact on the film and HETV industry, including any resultant adaptations to studio space and specialist post production capabilities;
- ESG compliance including reporting obligations;
- The attraction and retention of high calibre employees; and
- The availability of energy supply to support future expansion projects.

We continue to monitor and respond to each risk area.

## Sustainability

Pinewood is dedicated to contributing to a sustainable future for the screen-based industries. The Group strives to improve its environmental performance and minimise negative impacts on the surrounding environment. Our approach to sustainability is multi-faceted, including energy and carbon reduction, sustainable travel, environmental protection and enhancement, and providing support for the local community and education programmes.

Following a comprehensive review of the Group's ESG approach, policies and processes to ensure resources and investment are directed to the right areas, a Group roadmap is maintained which sets out a number of commitments across ESG areas. Some highlights from FY25 for Pinewood's ESG roadmap priority areas are detailed below:

***Environmental***

*Priority areas: climate action; waste, recycling and circular economy; biodiversity; green buildings.*

The Group is committed to ongoing energy and carbon efficiency improvements and is targeting to reduce energy-related GHG emissions by 50% by 2030, based on a 2012 baseline (including scope 1, 2 and selected scope 3 emissions). As at the end of FY25, Pinewood has achieved a 33% reduction in emissions using the location-based approach and a 66% reduction using the market-based approach, with the latter including the impact of purchasing 100% of electricity from renewable sources since April 2020. Emissions reductions are below that of the prior year due to a full year of operation at the Shepperton Studios expansion and increased production activity on sites through the year. The intensity ratio reporting takes into account the impact of the additional studio capacity in the year, and reflects the increased activity on site as mentioned before.

Pinewood is currently working on a new Carbon Management Plan and is reviewing emissions targets as part of that work. The first part of this was an updated 2024 energy audit, which included the engagement of technical consultants to determine building performance across the estate and to refine opportunities for energy and carbon reductions, with guidance on investment requirements.

Pinewood also seeks to reduce transport-related emissions, continuing the use of shuttle buses for staff and visitors to reduce private car usage, and enhancing the provision of cycle parking and EV charging points within carparks. In September 2024, Pinewood achieved a "Good Travel Plan" ModeShift STARS accreditation (Bronze) for its sustainable travel initiatives. Also in September 2024, Pinewood's Travel Survey was completed by staff across Pinewood, Shepperton and Toronto, allowing us to better understand our employee commuting patterns and to continue to support green travel initiatives. Pinewood is also currently working with customers to trial mobile EV charging on the studio lot, in addition to increasing the number of fixed charging spaces where feasible.

Pinewood has achieved zero waste to landfill for office waste under its control since 2019. The Group has also implemented various initiatives to assist our customers and promote a circular approach, for example, partnerships for timber supply and recycling to manage the issue of waste from our tenants' productions. Recent improvements to Pinewood's waste management include the addition of a vape and battery recycling service, with plans underway to introduce reusable food packaging.

Further, we are cognisant of the long-term impact of new infrastructure. Buildings recently constructed in the UK have achieved a *Very Good* rating under the BREEAM New Construction green building rating system, and all new buildings have achieved an Energy Performance Certificate rating of B or above. Embedded sustainable solutions include air-source heat pumps to heat the offices and photovoltaic panels to provide on-site, renewable energy.

## Strategic Report (continued)

### Sustainability (continued)

***Environmental (continued)***

Last year, Pinewood invested £1.0 million, in an agreement with the Surrey Wildlife Trust, to fund a 30-year programme of conservation and restoration which would lead to a net gain for nature and biodiversity in Surrey. Projects during this year included grassland management and hedgerow and grazing works, as well as continuing to work with school communities to connect children with nature under the Wilder Schools programme. Last year, the Group also invested a further c.£1 million into opening up and delivering biodiversity enhancements in the River Ash Corridor, which runs along the Shepperton Studios boundary. The Group has allocated a £300,000 grant over 15 years for its maintenance, which is undertaken by Spelthorne Borough Council.

***Social***

*Priority areas: stakeholder engagement and inclusion; diversity, equality and inclusion (DEI); human capital development and education.*

Pinewood holds regular sustainability meetings with its customers and stakeholders to discuss common sustainability goals and ways of working together to achieve them.

Pinewood is committed to supporting young people from underprivileged backgrounds across the UK, with a host of programmes and events aimed at increasing industry awareness and developing skills. In 2023, the Group launched an employment programme named *'Behind the Screen'*, following the success of the Government's Kickstart Scheme launched in 2021. Our trainee programme is designed to help people who are currently out of work take their first step into the world of film and TV. Placements are paid, six months long and work across the Group's Post Production, Studio Management and Marketing departments. The Group also offers a range of apprenticeship opportunities, employing five apprentices in a variety of areas in FY25.

To inspire and educate the next generation of talent, Pinewood launched the Futures Festival in November 2022. The event is the UK's largest free careers event for youth looking to start a career in the film and TV industry. In March 2025, Pinewood Studios, supported by 50 companies in the sector, opened its doors to 4,500 people from across the UK for its third Futures Festival, with over 20 global industry leaders invited to share their career and sector experience at the event. Since the end of the financial year, we hosted the inaugural Futures Festival at PTS welcoming students and career changers from the Toronto area.

The Group also supports the British Film Institute ('BFI') Academy Scheme, which introduces people aged 16-25 across the country to film and television production. Pinewood gives its support by offering space at both Pinewood and Shepperton Studios for training events and the scheme's graduation. Pinewood also offers scholarships at the National Film and Television School (NFTS) to those living in areas local to Pinewood and Shepperton Studios.

In February 2024, the Group announced that Shepperton Studios would provide £20,000 per annum for five years to fund short courses for specific training in skills relating to the film and TV industry. Exclusively accessible to those local to the studios, the first short course ran in October 2024 with over 40 local residents taking part.

In August 2024, Shepperton Studios launched a £250,000 Education Fund to support film and media learning across primary to tertiary education levels. The Fund forms part of Shepperton's 'Virtual Academy' to deliver education, skills and training initiatives in film and television production, to young people living in Shepperton and the borough of Spelthorne. The key objective is to raise awareness of media and film production and pathways into the creative industries sector for the next generation of filmmakers. Grants awarded will actively seek to support under-represented and under-privileged groups who would otherwise have difficulty accessing funds.

The Group is involved in numerous community events that take place in and around the studios, including hosting a number of community screenings every year and annual Remembrance and Carol Services.

In 2022, Pinewood Group established the Shepperton Community Fund, a £500,000 charitable fund to support local individuals and non-profit and voluntary organisations in Shepperton and the wider borough of Spelthorne. Areas of focus for the fund include youth and community development as well as supporting under-privileged and disadvantaged individuals and communities. Fund applications are reviewed and presented twice a year, and as of the end of FY25 the fund had supported 19 local organisations.

# Strategic Report (continued)

## Sustainability (continued)

### *Governance*

*Priority areas: Legal compliance; risk management; supply chain management and procurement*

The duties fulfilled by the Board are, in part, set out in the Group's governance framework. The framework exists to promote effective controls and a culture of transparency within the Group. Where appropriate, the Board discharges certain day-to-day responsibilities to the Senior Leadership Team, which includes three Executive Directors, including David Conway, Barbara Inskip and Andrew Smith and other senior employees, to deliver the strategy and manage risk. In addition, a Senior Management Group has been formed, which is made up of 25 staff members at the management level below the SLT, and meets bi-monthly with the Chief Executive Officer. The purpose of the SMG is to provide further support to the SLT and ensure engagement and clear communication on major corporate initiatives such as the introduction of new commercial arrangements, customer experience enhancements, human resources policies, new working practices, changes in health and safety management, and significant property initiatives.

# Strategic Report (continued)

## Sustainability (continued)

### *Governance (continued)*

*Other priority areas: ESG governance and disclosure*

The management of ESG risks and opportunities is addressed by Pinewood's ESG Committee. The committee meets on a quarterly basis, and has cross-functional oversight and representation from the Board of Directors including the Chief Executive Officer.

Emissions in FY25 increased in the UK compared with FY24, due to a full year in operation of the Shepperton Studio expansion, and increased occupancy levels following the strikes of 2023.

The Group's UK carbon footprint for the years to 31 March is as described below. The information has been prepared following the 2019 UK Government Environmental Reporting Guidelines, using the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2024 to calculate the disclosures:

| | **FY25** | | **FY24** | |
|---|---|---|---|---|
| | **Pinewood + downstream leased assets** *Scope 1 + 2, with selected scope 3* | **Pinewood only** *Scope 1 + 2, except where noted* | **Pinewood + downstream leased assets** *Scope 1 + 2, with selected scope 3* | **Pinewood only** *Scope 1 + 2, except where noted* |
| Energy consumption used to calculate emissions (kWh) | 53,293,781 | 6,160,012 | 42,092,011 | 5,613,704 |
| Emissions from combustion of gas ($tCO_2e$) | 4,173 | 273 | 3,965 | 305 |
| Emissions from combustion of other fuels ** ($tCO_2e$) | 1,631 | 52 | 1,110 | 24 |
| Emissions from combustion of fuel for transport purposes** ‡ ($tCO_2e$) | 2 | 2 | 10 | 10 |
| Emissions from business travel in rental cars or employee-owned vehicles (Scope 3) ‡ ($tCO_2e$) | 2 | 2 | 1 | 1 |
| Emissions from purchased electricity - location-based ($tCO_2e$) | 5,440 | 952 | 3,716 | 831 |
| **Total annual gross emissions ($tCO_2e$)** | **11,248** | **1,281** | **8,802** | **1,171** |
| Intensity ratio ($tCO_2e$/ sq ft floor area) | 0.0037 | 0.0105 | 0.0029 | 0.0096 |
| Methodology | GHG Reporting Protocol | | GHG Reporting Protocol | |
| Emissions from purchased electricity - market-based ($tCO_2e$) | 0 | 0 | 0 | 0 |
| **Total annual net emissions ($tCO_2e$)** | **5,808** | **329** | **5,087** | **340** |

** Granular data for fuel card transactions is available from FY25, meaning such consumption can now be allocated based on activity type. In FY24, this fuel card spend was included under *Emissions from combustion of fuel for transport purposes*.

‡ Emissions relate to Pinewood Group only due to lack of available emissions data relating to customer transport and travel.

# Strategic Report (continued)

## Section 172 Statement

The Directors are responsible for acting, in good faith, to promote the success of the company for the benefit of its shareholders as a whole whilst having regard to the matters set out in s.172(1)(a)-(f) Companies Act 2006.

***Board of Directors***

At the date of this report, the Board consists of six Directors and their names can be found on page 1.

All Directors have had the opportunity to receive advice from the Company Secretary and independent advisers throughout the financial year, when judged necessary. The duties fulfilled by the Directors are, in part, set out in the Company's governance framework. The framework exists to promote effective controls and a culture of transparency within the Group. Where appropriate, the Board discharges certain day-to-day responsibilities to the SLT, which consists of the Executive Directors and senior Heads of Department, and other senior employees, to deliver the Group strategy and manage risk.

In addition to corporate governance, the Board is responsible for setting the culture and strategic direction of the Group and engaging with each of its key stakeholders to ensure the long-term success of the business. The Board meets each month to review these matters, as well as the Group's policies and procedures. Further information on this can be found in the sections below.

***Culture and values***

The Group's vision is to be the leading studio partner to the global production community. The Directors are responsible for establishing and embedding a culture that aligns to this vision. The key values that underpin our culture are:

- passion for the services that the business delivers;
- pioneering and can-do attitude;
- integrity and respect;
- diversity, equity and inclusion; and
- teamwork.

The Directors recognise the importance of articulating the Group's culture to all employees. Our performance management and rewards are aligned to the Group's values and thus influence our ways of working.

Culture remains on the Board's agenda as a subject of continuous review. Through the results of the annual Pinewood employee engagement survey, employee retention metrics and customer feedback, the SLT evaluates the extent to which the culture is emulated by employees and makes recommendations to the Board as relevant.

***Strategy***

To achieve its vision, the Group has set out a strategy focused on three pillars:

1. *Focus on the core business*: maintain our position as the leading independent provider of infrastructure for the production of film and high-end television content;
2. *Expand at home*: pursue demand led expansion of our UK studios whilst maintaining a judicious approach to development risk; and
3. *Expand internationally*: continually calibrate our international presence and expand in strategic markets, being present in those markets that are important to our customers.

Over recent years, the Directors have focused on delivering this strategy and executed several key initiatives, a selection of which are listed below:

- *Focus on the core business*: (i) entered into long-term leases for 100% of the UK production accommodation; (ii) continual improvement to deliver a quality and streamlined service to our customers; and (iii) exited non-core business lines;

- *Expand at home*: (i) completed the expansion of Pinewood East, adding nine stages and ancillary production accommodation; (ii) completed the construction of five new stages at Pinewood West; (iii) completed the construction of 17 new stages and ancillary production accommodation across Shepperton Studios. Also, purchased 77 acres of land adjacent to Pinewood Studios, which we refer to as "Pinewood South". Pinewood South has outline planning consents to develop 21 new sound stages plus ancillary accommodation, as well as an alternative consent for a visitor attraction and production accommodation on the land. In 2025, the Group commenced a public consultation for a mixed-use development of studio facilities and a data centre at Pinewood South; and

## Strategic Report (continued)

### Section 172 Statement (continued)

***Strategy (continued)***

- *Expand internationally*: In May 2023, the Group completed the acquisition of Pinewood Toronto Studios in Ontario, Canada and subsequently integrated the business as part of the Group's objective of expansion in strategic markets. The Group continues to consider opportunities in international markets that are important to its customers.

As highlighted in the sections above, Pinewood maintains a comprehensive ESG regime in keeping with the expectations of employees, customers, investors, and other stakeholders.

***Stakeholder engagement***

Engaging with our stakeholders helps us to identify and deliver the objectives that matter most to them. Our stakeholders' objectives are embedded in the Group's culture, values and strategy as described above. Additionally, the Board considers the specific needs and objectives of the key stakeholders during the monthly Board meetings, either via feedback from senior management or targeted communications such as the Pinewood Employee Engagement Survey. The Board delegates follow-up actions to achieve such objectives as appropriate.

| Stakeholders' interests | How we engage | Outcomes in FY25 |
|---|---|---|
| **Our customers and industry partners** | | |
| • First-class infrastructure and a secure environment required for the production of film and high-end television, located close to prime city locations<br>• Outstanding customer service<br>• Active participant and thought leader in the British and Canadian film industries<br>• Availability of highly skilled crew base capable of producing film and high-end television and broadcast content to an exceptional standard<br>• An ecosystem of companies able to service productions<br>• Technology and skills capable of producing world class multilingual audio mixes to tight timeframes | • Collaborate with our customers to understand their infrastructure and service requirements<br>• Meet with productions to gather feedback, track their experience at the studio and record their journey prior to, throughout and after their occupation. Focus on feedback themes to adapt and improve the offering<br>• Request feedback from Media Hub tenants, who make up the studio ecosystem, through surveys and forums<br>• Send regular notices and updates to, and hold a fortnightly virtual forum with, our productions on the latest operating protocols<br>• PTS circulates a quarterly "On the Lot" Newsletter, and holds Client Appreciation events around holidays<br>• The Group is actively involved with leading industry bodies such as the British Film Institute, British Film Commission, FilmOntario, Women in Film & TV, the British Screen Forum, BAFTA, the Canadian Film Centre, the City of Toronto's Film, Television and Digital Media Board, ScreenSkills, the Academy of Canadian Cinema & Television, British Film Designers Guild and The Production Guild | • Successfully mobilised c.1m sq ft of new production space at Shepperton<br>• Completed major electrical infrastructure upgrades to enable our customers to reduce the use of Diesel generators<br>• Updated productions' welcome packs and induction meetings, and expanded HSE inductions for production heads and crew<br>• Enhancements at our iconic 1930s studios (e.g. areas of Pinewood's original stately home, its ornamental gardens and cafes, restored and refurbished)<br>• Opened PTS's café and named "The Norman Jewison Stage" in honour of the late Oscar-winning Canadian Director<br>• Visitor management software and security protocols launched in PTS for improved access<br>• Worked with government on infrastructure upgrades in the Toronto Port Lands district<br>• Increased unit base areas to house increased production<br>• Updated Post Production's Apple Mac estate, giving clients access to the vastly increased processing power of the latest generation workstations |

## Strategic Report (continued)

### Section 172 Statement (continued)

| Stakeholders' interests | How we engage | Outcomes in FY25 |
|---|---|---|
| **Our employees** | | |
| • Health, safety and wellbeing<br>• Career progression<br>• Learning and development opportunities<br>• Timely and efficient communication channels<br>• Diversity and inclusion<br>• Aligning Group and employee interests | • An annual all-staff engagement survey, responding accordingly<br>• Seek employees' views through multiple channels, including: 1-to-1 meetings, monthly briefings on business activities and quarterly all-staff meetings<br>• Support employees' mental and physical wellbeing, with an enhanced healthcare offering of 24/7 access to a virtual GP service, health support for all staff and other support services<br>• Sponsor employees to undertake professional and accreditation courses<br>• Provide annual training to all staff covering data protection, anti-bribery, health & safety, cyber security and other training necessary for particular roles<br>• Management development course for upcoming and new managers, to grow the capability and skills of our existing and potential line manager population | • Encouraged internal promotions and 20% of vacancies were filled through internal progression<br>• Over 136 employees gained trade and professional skills through a mixture of training courses, academic qualifications, professional body certifications, apprenticeships and university work placements<br>• The Group runs health and safety toolbox talks for employees as well as actively engaging with productions and clients' health and safety teams<br>• Continued our management development programme. Supported internal secondments to focus on development and promotions<br>• Continuation of our 'Behind the Screen' trainee programme. Designed to help people who are out of work to take their first step into the world of film and HETV, we have eight paid, six-month placements |
| **Our suppliers and other partners** | | |
| • Long-term partnerships, with third-party suppliers of services at the studios, which embrace ethical and likeminded cultural values<br>• A clear agreement of the required service and performance levels<br>• Timely, efficient communication channels<br>• Fair payment terms | • A rigorous tender process, with panel review, for new services and expiring contracts. The tender includes a focus on the supplier, its vertical supply chain, and ESG credentials. We seek to work with SMEs in the local area<br>• Our suppliers are critical to the delivery of our operations, and we take a long-term approach to working with them. Certain contracts have a term of more than one year to allow the full benefit, for suppliers and our studios, to be realised<br>• We run a contract-start process, training suppliers on our studio regulations to minimise operational risks<br>• Regular service delivery meetings between our key suppliers and studio management and facility services staff | • Completed key tenders for fire alarm maintenance, HVAC maintenance and landscaping. Also completed numerous key contracts in the year, including water hygiene services, window cleaning, asbestos management and pest control<br>• We met with our key suppliers on a monthly basis, and considered performance, innovation and efficiencies, health, safety and ESG aspects of the contracts<br>• Continued the modern-slavery audit programme of identified high-risk suppliers and enhanced the tender process to capture ESG practices in greater detail<br>• We annually issue reminder letters to key suppliers confirming that we will conduct all business in an honest and ethical manner in compliance with all applicable laws and regulations |

## Strategic Report (continued)

### Section 172 Statement (continued)

| Stakeholders' interests | How we engage | Outcomes in FY25 |
|---|---|---|
| **Our environment** | | |
| • Sustainable environmental policies and practices<br>• Full compliance with environmental legislation in all locations where we operate<br>• Support for biodiversity<br>• Net Zero Carbon plans | • Employ a dedicated team of sustainability experts to drive green initiatives across our operations<br>• Hold frequent sustainability meetings with customers to discuss common sustainability goals and ways of working together to support their targets<br>• Provide training to all new joiners to the Group on environmental practices and policies<br>• Encourage greener travel by providing free shuttle busses for studio staff, clients and visitors<br>• Apply environmentally friendly construction techniques and plans on our expansion programmes<br>• ESG Committee meets quarterly to oversee, report on and advance our sustainability goals and objectives | • Pinewood achieved a “Good Travel Plan” ModeShift STARS accreditation (Bronze) for its sustainable travel initiatives<br>• Commissioned additional static EV chargers, bringing the total to 280 in the UK and 18 in Toronto<br>• Completion of a 2024 energy audit, including the engagement of technical consultants to determine building performance across the estate and to refine opportunities for energy and carbon reduction<br>• In partnership with the Surrey Wildlife Trust in a 30-year, £1 million agreement, we delivered another year of conservation and restoration works<br>• Purchased electricity from 100% renewable sources |
| **Our community** | | |
| • A responsible and considerate neighbour<br>• Timely and efficient communication channels with frequent information sharing<br>• Employment opportunities for the local community<br>• Sustainable environmental policies and practices<br>• Engagement with young people and educational facilities | • Our Senior Community Outreach and Education Manager holds monthly meetings with local communities’ stakeholders, such as businesses, councillors, and resident associations<br>• Host tours and an annual careers fair for schools, colleges and universities with a focus on routes into the industry and creating opportunities via the #SetForMore (Futures) platform<br>• Engaging with local groups and charities to support initiatives and fundraising via the #SetForMore (Community) platform, and local film screenings and litter-picks<br>• Consult with local communities regarding expansion proposals and plans from planning through to construction<br>• Shepperton Studios Community Fund, administered by the Community Foundation for Surrey, provides grants to good causes in the local area | • Extended our website to update our local communities with relevant studio news<br>• Hosted our third annual UK careers fair – the *Futures Festival* – which was attended by 4,500+ young people. The event was supported by c.50 businesses, with industry leaders sharing their career & sector experience. We hosted the inaugural *Futures Festival* in Toronto in May 2025<br>• Ran community events at the studios including screenings and hosting university end-of-year ‘production design’ shows<br>• Launched NFTS Bootcamps, delivering free, one-day courses for Spelthorne residents. Sponsored the Atticus Education series of NFTS & Ravensbourne Lectures. Partnered with the NFTS to offer scholarships for those living close to Shepperton<br>• Staff volunteering days for both local and national charities<br>• Shepperton Studios Community Fund awarded grants to local organisations such as *Talking Tree Climate Emergency Centre, Bags of Food Jubilee Church, The Afghanistan and Central Asian Association, Cocoon Kids, Addlestone Victory Bowls, and Heathrow Special Needs* |

## Strategic Report (continued)

### Section 172 Statement (continued)

***Policies and procedures***

The Directors have put in place policies and procedures to support the Group's operating strategy and considering their Section 172 duties, which include:

**(i) Reserved matters**

Under the process to approve reserved matters, critical business and strategic decisions for the Group or subsidiary companies are reserved solely to the Board of Directors. Business managers submit matters for Board consideration. The submissions are monitored by the Company Secretary and all approvals noted in monthly board reporting.

**(ii) Delegation – Authorised Signatories Process**

The Board oversees a delegated and authorised signature process, whereby certain matters can be dealt with by the Executive Directors, the SLT and Heads of Department. Weekly SLT meetings are held which include the three Executive Directors. The Board maintains a close working relationship with the Executive Directors and has oversight of key operational and strategic matters of the Group.

**(iii) Anti-bribery and Corruption**

The Board and Group are committed to the prevention, deterrence and detection of bribery and corruption, instigating a clear policy of non-tolerance of all forms of bribery and corruption within our business. The Board oversees its responsibilities through the General Counsel, who reports to the Board and investigates all breaches or suspected breaches of the policy and takes appropriate action.

**(iv) Prevention of Financial Crime**

The Board and Group are committed to the prevention of financial or economic crime and have instigated a clear policy with which the Group complies. The policy has been recently updated to take account of the incoming offence of the failure to prevent fraud and covers an internal control framework and ongoing training for employees in the finance teams and supplier/ customer contracting roles. The suite of policies also includes the Group's separate policies and control framework force in relation to anti-tax-evasion and economic and trade sanctions law. The finance team has day-to-day responsibility to prevent financial crime within the Group, and the Board oversees its responsibilities through the Chief Financial Officer and General Counsel, who report to the Board and relevant authorities on any known or suspected financial crime or breach of sanctions laws within the Group.

**(v) Whistleblowing**

The Board and Group are committed to conducting all business in an honest and ethical manner. The Board has approved the Group's whistleblowing policy to encourage the timely reporting of suspected wrongdoing and has appointed whistleblowing officers to oversee the policy. The Board does not tolerate retaliation and whistle-blowers must not suffer detrimental treatment as a result of raising a genuine concern.

**(vi) Anti-Slavery**

The Board and Group have a clear stance of zero-tolerance of all forms of slavery, human trafficking and other exploitation in any part of the Group's business or in its supply chain. The Board approves an annual statement, made on behalf of the Group pursuant to section 54, Part 6, Modern Slavery Act 2015, and receives regular updates on progress and actions relating to minimising risk within the Group's supply chain.

**(vii) Data Protection**

The Board is committed to ensuring that personal data processed by Pinewood in the course of its business complies with applicable laws on data protection and data privacy. A dedicated Data Protection Team and Data Breach Team, which includes SLT members and Heads of Department, has day-to-day responsibility for ensuring data protection compliance within the Group. The Group's policies on data protection are updated annually and all staff receive regular data protection training. The Board oversees its responsibilities through the General Counsel, who reports to the Board and relevant authorities on any known or suspected breach or data subject access request as required.

## Strategic Report (continued)

### Section 172 Statement (continued)

***Policies and procedures (continued)***

**(viii) Diversity, equity and inclusion procedures**

The Board's and Group's aim is to create an equal and inclusive working environment where our people feel empowered and bring their whole selves to work. The Group undertakes and plans to complete a number of measures in this regard which include:

- a Board member designated as a DEI champion;
- reporting monthly to the SLT and Board on the Group's demographic statistics;
- utilising our Diversity Monitoring Survey and company-wide inclusive resourcing practices; and
- ensuring all employees complete equality and diversity training when they commence employment and then once per year thereafter.

**(ix) Advice available to the Board**

The Board has access to the services of the General Counsel and may take independent professional advice where it judges it necessary to do so in order to discharge their responsibilities as Directors.

***Information***: The Directors arrange to receive and consider information required to carry out their duties and:

- receive regular business updates and monthly financial performance reviews against budget;
- receive monthly reports from the legal department and from the other functional areas;
- discuss and approve the annual operating plan;
- discuss, map and mitigate the operating and strategic risks to the Group;
- consider and debate strategic business decisions, which impact the long-term direction of the Group, such as the Group's studio expansion plans and financing arrangements; and
- receive monthly and ad-hoc reports from the Health, Safety, Environmental and Compliance teams.

### Post balance sheet events

There are no events after the reporting date requiring adjustment or disclosure in the financial statements.

### Going concern

In assessing the going concern basis, the Directors considered the Group's business activities, its financial position and the Group's financial risk management objectives and policies. The Group is able to meet its day-to-day operating requirements through its cash resources and facilities, and operating cashflows. Taking into account the long-term contracts for the rental of the majority of its production accommodation, the Group's forecasts and projections show that it will be able to operate within the level of its current facilities, for a period of at least 12 months following the date of signing these financial statements. Further, the Directors consider that the £290.3 million of senior secured notes due in September 2025, will be redeemed using the proceeds from the £300.0 million par value of UK fixed rate Government gilts maturing earlier in September 2025. In making this going concern assessment, the Directors have considered economic uncertainty arising from enacted and proposed changes to international trade tariffs.

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

Approved by the Board and signed on its behalf by:

**Barbara Inskip**

Director

10 June 2025

# Directors' Report

The Directors present their annual report and audited financial statements of the Group for the year ended 31 March 2025.

## Results and Dividends

Group profit after taxation for the year ended 31 March 2025 was £24.3 million (FY24: £16.3 million), including the impact of adjusted items.

No dividends were paid during the year (FY24: £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
Siddhanth Das (appointed 24 July 2024)
Paul Golding CBE
Barbara Inskip
Luis Moner Parra
Nathan Shike (resigned 24 July 2024)
Andrew M Smith OBE DL
Alison Trewartha (resigned 24 July 2024)

## Directors Duties

The Board recognises the importance of considering the Group's responsibilities and duties to both its shareholders and its broader stakeholder group. The Directors' duties under Section 172 of the Companies Act 2006 help to underpin good governance. The formal statement of how the Boards of the Group and its subsidiaries complied with this legal requirement and met its obligations in respect of Section 172 during the year, is set out on page 16.

## Employees

The Group actively considers the position of its employees' rights through comprehensive and regularly reviewed employment practices in the areas of recruitment, training, welfare, remuneration and employee relations (see Section 172 Statement on page 18 for further information on employee engagement). In addition to a published grievance policy, the Group maintains a 'whistle-blower' policy providing an opportunity for employees to raise grievances with senior management. The Group also provides all staff with access to an externally run Employee Assistance Programme that provides free and confidential advice.

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

The Group also has a well-developed apprenticeship scheme providing 'in work' apprenticeships in areas such as plumbing, electrical and carpentry. The Group currently has five apprentices whose training is paid for by the Apprenticeship Levy. The Group also works in partnership with universities to provide paid work placement year opportunities for sound students and internships for engineering students in its Post Production department.

Following the success of the Government's 'Kickstart' scheme, Pinewood launched its own scheme called the *Behind the Screen* trainee programme. It is designed to help people who are currently out of work take their first step into the world of film and high-end TV. The placements provide people with on-the-job learning, training, work experience, and the support they need to commence their career in the industry. In FY25 we had a further eight placements which are all paid, six months long and work across our Post Production, TV, Studio Management and Marketing departments.

Investing in skills, training and development remains a focus for the Group. The Group has continued its in-house Management Development programme which is focussed on growing the capability of our existing, and potential, pool of management resource.

### Engaging with our employees

The Executive Directors engage directly and indirectly with employees on a regular basis through quarterly all-staff briefings, monthly Chief Executive Officer newsletters, departmental briefings and an annual employee engagement survey. In turn, these are used to shape various actions and decisions taken by the Board.

# Directors' Report (continued)

## Employees (continued)

The Group provides employees with information on matters of concern, using a number of different ways to provide regular and systematic two-way communication. This includes, but is not limited to, quarterly all-staff briefings, monthly newsletters, regular updates and news stories though our internal intranet site and departmental team meetings.

We have a number of different ways in which we consult with and listen to our staff on various topics, so that their views can be taken into account in making decisions which are likely to affect them. Each month, managers meet with their team collectively and on a one-to-one basis, and the Group monitors and reports to the SLT and Board on these manager/employee 'check in' meetings. Annually we issue an anonymous all-staff employee engagement survey to gather input and feedback, which is used to inform our engagement plans. Additionally, we request questions and feedback to be submitted each month from the different teams, for review by the SLT and for questions as part of our staff briefings. We also formally consult with our employees' representatives annually who are part of our collective bargaining unit.

All employees are encouraged to engage with the performance of the company by being eligible to participate in the annual discretionary bonus scheme. This scheme is designed to incentivise and reward staff for their performance during the financial year and is a commitment to share in the company's success. Outcomes are determined based on both the Company's financial performance versus budgetary targets and the individual's performance. Staff are updated on the financial and economic factors affecting the performance of the Group through quarterly staff briefings, CEO updates and annually as part of the performance bonus scheme.

## Sustainability

The Group's approach to sustainability, including information on energy usage and carbon emissions, can be found in the Strategic Report on page 12 to 15.

## Branches outside of the United Kingdom

The Group does not operate any branches outside of the UK. However, the Group operates through subsidiary undertakings in various jurisdictions as disclosed in Note 5 to the Parent Company financial statements.

## Engagement with suppliers and customers

Details of the Group's approach to engaging with suppliers and customers can be found in the Strategic Report on page 17 to 18.

## Going concern

As outlined within the Strategic Report on page 21, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Given that a significant proportion of the Global Studios revenues are receivable under long-term contracts, with cash receivable in advance of studio occupation, 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 the next 12-month period. In making this assessment, the Directors have considered economic uncertainty arising from enacted and proposed changes to international trade tariffs. Therefore, the Group continues to adopt the going concern basis of accounting in preparing the financial statements.

## Financial instruments

***Liquidity risk***

The Group's objective in managing liquidity risk is to maintain a balance between continuity of operating and development funding and flexibility using cash resources and its available credit facilities which are detailed in Note 19 in the consolidated financial statements.

***Foreign exchange risk***

The Group continually assesses its exposure to foreign exchange risk and hedges such exposures where appropriate. The Group is exposed to transactional currency risk on transactions denominated in currencies other than the underlying functional currency of the commercial operation transacting. As the Group's subsidiaries typically conduct business in their local currencies, such risk is limited.

The Group is exposed to translation currency risk as the pounds sterling value of its net assets held in foreign operations may change depending on foreign exchange rates. This risk is managed, subject to other financial management policies, through holding debt in appropriate foreign currencies.

# Directors' Report (continued)

## 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 this Annual Report, as follows:

- Principal activities - Strategic Report, page 2
- Principal risks and uncertainties - Strategic Report, page 9 to 11
- Other and emerging risks – Strategic Report, page 11 to 12
- Post balance sheet events - Strategic Report, page 21
- Indication of future developments - Strategic Report, page 2

## Directors' Statement as to Disclosure of Information to Auditor

The Directors who were members of the Board at the time of approving the Directors' report are listed on page 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 Group's auditor is unaware; and
- each Director has taken all the steps which a Director might reasonably be expected to have taken, to be aware of relevant audit information and to establish that the Group's auditor is aware of that information.

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

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

Approved by the Board and signed on its behalf by:

**Barbara Inskip**

Director

10 June 2025

## Statement of Directors' Responsibilities

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

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

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Independent auditor's report to the members of Pinewood Group Limited

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of Pinewood Group Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2025 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Group Statement of Comprehensive Income;
- the Group Statement of Financial Position;
- the Group Statement of Cash Flows;
- the Group Statement of Changes in Equity;
- the related notes to the Group Financial Statements 1 to 26;
- the Parent Company Statement of Financial Position;
- the Parent Company Statement of Changes in Equity; and
- the related notes to the Parent Company Financial Statements 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).

### Basis for opinion

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

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

### Conclusions relating to going concern

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.

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 group's and parent 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.

### 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.

## Independent auditor's report to the members of Pinewood Group Limited (continued)

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.

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

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

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

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

**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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, those charged with governance and general council about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax, VAT and stamp duty legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the UK Bribery Act.

We discussed among the audit engagement team including component audit teams and relevant internal specialists such as tax, ESG and financial instruments specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

## Independent auditor's report to the members of Pinewood Group Limited (continued)

- Revenue recognition for new long-term contracts: The complex contract terms give light to a fraud risk as the terms can be manipulated by management to impact when revenue is recognized in new contracts. We reviewed the long-term contracts signed during the year, with focus on the contracts terms and their accounting under FRS 102. We have performed a recalculation of the revenue recognised in the current year for these contracts.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:
- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, and reviewing correspondence with HMRC.

**Report on other legal and regulatory requirements**

**Opinions on other matters prescribed by the Companies Act 2006**
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of these matters.

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

Claire Siviter FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom
10 June 2025

## Group Statement of Comprehensive Income
for the year ended 31 March 2025

| | | 31 March 2025 | | | 31 March 2024 | | |
|---|---|---|---|---|---|---|---|
| | | Adjusted | Adjusted items (Note 3) | | Adjusted | Adjusted items (Note 3) | Total |
| | Note | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Turnover** | 2 | 213,194 | - | 213,194 | 146,473 | - | 146,473 |
| Cost of sales | | (111,989) | - | (111,989) | (71,399) | - | (71,399) |
| **Gross profit** | | 101,205 | - | 101,205 | 75,074 | - | 75,074 |
| Selling and distribution costs | | (901) | - | (901) | (1,241) | - | (1,241) |
| Administrative expenses | | (14,819) | - | (14,819) | (13,423) | - | (13,423) |
| Other operating expenses | | (1,096) | (1,620) | (2,716) | - | (4,226) | (4,226) |
| **Operating profit/(loss)** | 4 | 84,389 | (1,620) | 82,769 | 60,410 | (4,226) | 56,184 |
| Income/(loss) from participating interests | 11 | 3,172 | - | 3,172 | (1,295) | - | (1,295) |
| Profit on disposal of participating interests | | 173 | | 173 | - | - | - |
| Interest receivable and similar income | 3,8 | 23,173 | - | 23,173 | 10,463 | 3,508 | 13,971 |
| Interest payable and similar charges | 9 | (73,983) | - | (73,983) | (44,275) | - | (44,275) |
| **Profit/(loss) before taxation** | | 36,924 | (1,620) | 35,304 | 25,303 | (718) | 24,585 |
| Tax (charge)/credit | 3,10 | (11,364) | 405 | (10,959) | (8,432) | 180 | (8,252) |
| **Profit/(loss) after taxation attributable to equity shareholders** | | 25,560 | (1,215) | 24,345 | 16,871 | (538) | 16,333 |
| **Other comprehensive income** | | | | | | | |
| Currency exchange differences | | (10,990) | - | (10,990) | (1,135) | - | (1,135) |
| Net cash flow hedging (losses)/gains (net of taxation) | | (2,269) | - | (2,269) | 1,635 | - | 1,635 |
| Net cash flow hedging gains transferred to profit or loss | | (714) | - | (714) | (1,731) | - | (1,731) |
| **Total other comprehensive loss** | | (13,973) | - | (13,973) | (1,231) | - | (1,231) |
| **Total comprehensive income/(loss)** | | 11,587 | (1,215) | 10,372 | 15,640 | (538) | 15,102 |

Profit for the period and other comprehensive income are wholly attributable to the owners of the Parent Company.

The notes on page 33 to 56 form part of these financial statements.

## Group Statement of Financial Position
as at 31 March 2025

| | Note | **2025** **£'000** | 2024 £'000 |
|---|---|---|---|
| **Assets** | | | |
| ***Non-current assets*** | | | |
| Intangible assets | 12 | **37,586** | 46,252 |
| Property, plant and equipment | 13 | **1,110,913** | 1,165,504 |
| Interests in associates | 11 | **12,797** | 9,229 |
| Derivative financial instruments | 20 | **-** | 1,181 |
| Trade and other receivables | 15 | **239,487** | 232,844 |
| | | **1,400,783** | 1,455,010 |
| ***Current assets*** | | | |
| Inventories | | **32** | 72 |
| Derivative financial instruments | 20 | **216** | 1,278 |
| Securities | 14 | **297,109** | - |
| Trade and other receivables | 15 | **32,889** | 36,054 |
| Cash and cash equivalents | 16 | **143,824** | 828,136 |
| | | **474,070** | 865,540 |
| **Total assets** | | **1,874,853** | 2,320,550 |
| **Equity and liabilities** | | | |
| Share capital | 17 | **1** | 1 |
| Translation reserve | 18 | **(9,988)** | 1,002 |
| Cashflow hedge reserve | 18 | **(1,722)** | 1,261 |
| Retained earnings | | **246,700** | 222,355 |
| **Total equity** | | **234,991** | 224,619 |
| ***Non-current liabilities*** | | | |
| Interest bearing loans and borrowings | 19 | **1,137,787** | 1,435,616 |
| Deferred tax liabilities | 10 | **64,970** | 65,069 |
| Derivative financial instruments | 20 | **1,765** | - |
| | | **1,204,522** | 1,500,685 |
| ***Current liabilities*** | | | |
| Interest bearing loans and borrowings | 19 | **296,311** | 458,492 |
| Trade and other payables | 21 | **132,992** | 130,905 |
| Provisions | 24 | **5,395** | 5,849 |
| Derivative financial instruments | 20 | **642** | - |
| | | **435,340** | 595,246 |
| **Total liabilities** | | **1,639,862** | 2,095,931 |
| **Total equity and liabilities** | | **1,874,853** | 2,320,550 |

The financial statements of Pinewood Group Limited (registered number: 03889552) were approved and authorised for issue by the Board of Directors on 10 June 2025. They were signed on its behalf by:

**Barbara Inskip**
Director

## Group Statement of Cash Flows
for the year ended 31 March 2025

| | Note | **2025** **£'000** | 2024 £'000 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Profit before taxation | | **35,304** | 24,585 |
| *Adjustments to reconcile profit before taxation to net cash flows:* | | | |
| Depreciation and amortisation | 4 | **49,489** | 26,933 |
| (Income)/loss from participating interests | 11 | **(3,172)** | 1,295 |
| Unrealised foreign exchange (gains)/losses | | **(13)** | 1 |
| Profit on disposal of participating interests | | **(173)** | - |
| Interest receivable and similar income | 3,8 | **(23,173)** | (13,971) |
| Interest payable and similar charges | 9 | **73,983** | 44,275 |
| **Cash flow from operating activities before changes in working capital** | | **132,245** | 83,118 |
| Increase in trade and other receivables | | **(621)** | (2,666) |
| Decrease in inventories | | **40** | 34 |
| Increase in trade and other payables | | **10,036** | 8,208 |
| **Cash generated from operations** | | **141,700** | 88,694 |
| Interest paid | | **(70,491)** | (43,500) |
| Interest received | | **11,024** | 5,015 |
| Net income tax received/(paid) | | **39** | (328) |
| **Net cash flow from operating activities** | | **82,272** | 49,881 |
| **Cash flow from investing activities** | | | |
| Investment in subsidiaries (net of acquired cash) | | **-** | (247,942) |
| Proceeds from disposal of participating interests | | **173** | - |
| Purchase of property, plant and equipment | | **(16,327)** | (199,865) |
| Purchase of intangible assets | | **(36)** | (32) |
| Purchase of securities | | **(290,300)** | - |
| Repayment of loan by parent company | | **-** | 125,000 |
| **Net cash flow used in investing activities** | | **(306,490)** | (322,839) |
| **Cash flow 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 | | **-** | 101,520 |
| Proceeds from issue of Senior Secured Notes | | **-** | 750,000 |
| Payment of Senior Secured Notes issue costs and finance arrangement fees | | **(4,379)** | (1,613) |
| **Net cash flow (used in)/from financing activities** | | **(458,825)** | 849,907 |
| Net (decrease)/increase in cash and cash equivalents | | **(683,043)** | 576,949 |
| Currency exchange movement | | **(1,269)** | (985) |
| Cash and cash equivalents at the start of the year | | **828,136** | 252,172 |
| **Cash and cash equivalents at the end of the year** | 16 | **143,824** | 828,136 |

## Reconciliation of Movement in Net Debt
for the year ended 31 March 2025

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Net (decrease)/increase in cash and cash equivalents | **(683,043)** | 576,949 |
| Currency exchange movement | **6,648** | (474) |
| Payment of interest on Senior Secured Notes | **65,271** | 35,250 |
| Payment of interest on term loan (net of cash flow hedging receipt) | **4,261** | 5,852 |
| Proceeds from issue of Senior Secured Notes | **-** | (750,000) |
| Proceeds from term loan financing (net of fees paid) | **-** | (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 | **(66,077)** | (36,753) |
| Interest expense on term loan (including effect of cash flow hedging) | **(5,883)** | (5,538) |
| Derivative gains recognised in other comprehensive income | **(4,059)** | 1,717 |
| Movement in net debt | **(228,891)** | (265,458) |
| Net debt at the start of the year | **(1,063,790)** | (798,332) |
| **Net debt at the end of the year** | **(1,292,681)** | (1,063,790) |
| **Net debt at the end of the year excluding restricted cash** | **(1,294,369)** | (1,065,478) |

## Group Statement of Changes in Equity
for the year ended 31 March 2025

| | Share capital £'000 | Translation reserve £'000 | Cashflow hedge reserve £'000 | Retained earnings £'000 | Total equity £'000 |
|---|---|---|---|---|---|
| At 01 April 2024 | **1** | **1,002** | **1,261** | **222,355** | **224,619** |
| Profit for the year | **-** | **-** | **-** | **24,345** | **24,345** |
| Net cash flow hedging losses (net of tax) | **-** | **-** | **(2,269)** | **-** | **(2,269)** |
| Net cash flow hedging gains transferred to profit or loss | **-** | **-** | **(714)** | **-** | **(714)** |
| Currency exchange differences | **-** | **(10,990)** | **-** | **-** | **(10,990)** |
| Total comprehensive (loss)/income for the year | **-** | **(10,990)** | **(2,983)** | **24,345** | **10,372** |
| **At 31 March 2025** | **1** | **(9,988)** | **(1,722)** | **246,700** | **234,991** |
| | | | | | |
| 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 |

# Notes to the Consolidated Financial Statements
for the year ended 31 March 2025

## Company information and principal activities

Pinewood Group Limited ("the Company") is a private 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, together with its subsidiaries, comprise "the Group".

Pinewood Group Limited ("Pinewood" or the "Group") is the leading independent provider of the real estate, infrastructure and supporting services required to produce film and television content. The Group owns two freehold studios, Pinewood Studios and Shepperton Studios, in prime locations close to central London, and the pre-eminent studio in Toronto, Pinewood Toronto Studios, held under lease and located 10 minutes from the downtown city-centre. With 76 sound stages and a total area of c. 3.5 million sq ft, the high-quality studios set in prime locations makes Pinewood's facilities a compelling choice for major producers of content.

## 1 Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the current year and prior year, unless otherwise noted.

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

***Going concern***
As outlined within the Strategic Report on page 21, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Given that a significant proportion of the Global Studios revenues are receivable under long-term contracts, with cash receivable in advance of studio occupation, 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 12 months following the date of signing these financial statements. In making this assessment, the Directors have considered economic uncertainty arising from enacted and proposed changes to international trade tariffs. Therefore, the Group continues to adopt the going concern basis of accounting in preparing the financial statements.

***Basis of consolidation***
The Consolidated Financial Statements comprise the financial statements of the Group and its subsidiaries up to 31 March 2025. All intragroup transactions, balances, income and expenses are eliminated in full on consolidation. All subsidiaries are consolidated for the financial year ending 31 March 2025 regardless of the individual entities' statutory reporting date. Individual entities within the Group that have a functional currency other than sterling are translated to sterling so that consolidated financial statements may be presented.

***Presentation of results and identification of adjusted items***
The Group presents its results in the statement of comprehensive income to separately identify the impact of certain items ("adjusted items") in order to provide a clear and consistent presentation of the underlying performance of the Group. Adjusted items are transactions that are unusual in size or nature or have limited predictive value such as disposals, discontinued operations, impairments, certain fair value remeasurements and other significant items where the Group considers separate disclosure would be useful to users of the financial statements. The identification and presentation of transactions as adjusted items requires judgement. Details about what the Group has presented as adjusted items can be found in Note 3 to the financial statements.

## Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2025

### 1 Accounting policies (continued)

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

- Film, HETV and Television customers utilise services for a period of time. Turnover is recognised as the Group earns the right to consideration for the service provided and this is time apportioned and earned as time elapses.
- Turnover is also derived from international sales and marketing agreements with 3rd party studios. Revenue is recognised based on the passage of time.
- Media Hub turnover is derived from customers contracting to use the Group’s facilities for a period of time. Turnover is recognised on a straight-line basis over the term of the agreement.
- Post Production revenue is derived from the provision of services and is recognised as the Group earns the right to consideration on a stage of completion basis by reference to the passage of time.
- Film, HETV and Television customers utilise lighting services for a period of time. Turnover is recognised as the Group earns the right to partnership arrangement income for the services provided and this is time apportioned and earned as time elapses.

***Foreign currency***
Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.
The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity.

In the Consolidated Financial Statements, exchange differences arising on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation) are recognised in other comprehensive income and reported under equity.

All other exchange differences are recognised in profit or loss in the period in which they arise.

***Employee benefits***
The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

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

Liabilities in respect of other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date. Changes in this liability during the period are recognised in profit or loss.

***Pensions and other post-employment benefits***
The Group operates a defined contribution pension scheme. Contributions payable for the period are charged to profit or loss in accordance with the rules of the scheme.

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

# Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2025

## 1 Accounting policies (continued)

***Current tax***

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. The Group'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 arises from timing differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

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

***Intangible assets (excluding goodwill)***

Intangible software assets are capitalised at cost and subsequently amortised over their useful economic life of 5 to 10 years.

***Goodwill***

Goodwill arising on a business combination is initially measured at cost, being the excess of the purchase consideration over the fair value of the identifiable assets, liabilities and contingent liabilities acquired. Following initial recognition, goodwill is measured at cost less any amortisation or accumulated impairment loss. Goodwill is expected to have a useful life of 10 years and is amortised on a straight-line basis over that period.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill is allocated to the related cash-generating unit monitored by management. Where the recoverable amount of the cash-generating unit ("CGU") is less than the carrying amount, including goodwill, an impairment loss is recognised in the statement of comprehensive income.

***Property, plant and equipment***

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

- Freehold buildings - 30 to 50 years
- Freehold improvements - 5 to 25 years
- Fixtures, fittings and equipment - 3 to 10 years

Land and assets under construction are not depreciated.

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

# Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2025

## 1 Accounting policies (continued)

***Property, plant and equipment (continued)***
Useful lives and residual values of items of Property, plant and equipment are reviewed annually and where adjustments are required, these are made prospectively.

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

***Interests in associates and joint ventures***
Associates are undertakings where the Group is considered to have the ability to exercise significant influence over the operating and financial decisions of the undertaking. Joint ventures arise when two or more parties share joint control over an economic activity being undertaken.

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

***Inventories***
Inventory is valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average cost.

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

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

***Business combinations***
Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill.

For the purpose of impairment testing, the goodwill acquired in a business combination is allocated, on acquisition date, to the cash generating units that are expected to benefit from the synergies of the combination.

# Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2025

## 1 Accounting policies (continued)

***Business combinations (continued)***

Contingent consideration is included in the cost of the combination at the acquisition date if additional payments are probable and can be measured reliably. The liability is measured at the present value of the estimated future payments, using a discount rate reflecting conditions at the acquisition date. If the additional payment becomes probable and/or reliably measurable only after the acquisition date, it is recognised as an adjustment to the cost of the combination and goodwill at that time. Similarly, if estimated future payments are revised, for example due to the non-occurrence of future events that had been expected to occur, the resulting adjustment is recorded against goodwill. However, changes resulting from the unwinding of the discount are recognised in profit or loss.

The results of acquired operations are included in the Group Statement of Comprehensive Income from the date on which control is obtained.

***Financial instruments***

*General financial instruments policy*

The Group 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 Group becomes a party to the contractual provisions of the instrument.

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

*Financial assets and liabilities - 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 an 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 Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

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

*Investments*

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

*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.

# Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2025

## 1 Accounting policies (continued)

***Financial instruments (continued)***

*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 the estimated future cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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.

*Hedge accounting*
Hedge accounting is applied to financial assets and financial liabilities only where all of the following criteria are met:

- At the inception of the hedge there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge;

- The hedge relationship meets all of the hedge effectiveness requirements including that an economic relationship exists between the hedged item and the hedging instrument, the credit risk effect does not dominate the value changes, and the hedge ratio is designated based on actual quantities of the hedged item and hedging instrument.

*Cash flow hedges*
Derivative contracts designated as a hedge of the variability in cash flows arising from firm commitments and highly probable forecast transactions are measured at fair value, with changes in fair value recognised in other comprehensive income and accumulated in the cash flow hedge reserve. Gains and losses accumulated in the cash flow hedge reserve are recycled to profit or loss or reclassified to the cost of the relevant asset, as appropriate, when the forecast transaction occurs.

*Derivative financial instruments*
The Group holds interest rate swaps to hedge against risks associated with interest rate fluctuations. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. Other than for cash flow hedges as detailed above, the Group reports the movement in fair value through profit or loss.

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

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

*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 Group estimates the fair value by using a valuation technique.

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

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

## Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2025

### 1 Accounting policies (continued)

***Provisions, contingent assets and contingent liabilities (continued)***

Contingent liabilities arise as a result of past events (i) when it is not probable that there will be an outflow of resources or when the amount of any outflow cannot be reliably measured at the reporting date or (ii) when the existence of the liability will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Other than those acquired in a business combination, contingent liabilities are not recognised. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable. Should the inflow of economic benefits be considered virtually certain, an asset is recognised.

***Leases***

*The Group as lessee - operating leases*

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

*The Group as lessor - operating leases*

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease and recognised as turnover. Rent-free periods or other incentives given to the lessee are accounted for as a reduction in the rental income and recognised on a straight-line basis over the term. Initial direct costs associated with arranging the operating lease are included in the carrying amount of the underlying leased asset and recognised in profit or loss on a straight-line basis in proportion to the recognition of lease income.

***Significant accounting judgements and key sources of estimation uncertainty***

The preparation of financial statements generally requires management to make judgements, estimates and assumptions that affect reported amounts at the end of the year. There are no judgements that have a significant effect on the Group's financial statements. Key sources of estimation uncertainty are discussed below.

*Section 106 liability and other contingent asset payments*

As part of its planning applications for expansion projects, the Group has entered into a number of Section 106 agreements with local councils. Under these agreements, the Group will pay for certain traffic management improvements around the development sites. The cost of these improvements has been estimated and capitalised. During the year, the valuation of the provision decreased as a result of works completed to date and slight revisions of cost estimates associated with its projects and decreased the amounts provided to £20.3 million (2024: £25.2 million). This amount is included in capital expenditure related payables and is capitalised within the gross cost of Property, plant and equipment. The capitalised cost is depreciated over the 50-year life of the associated assets, from the point of those assets being brought into use.

The Group has recognised provisions for estimated land remediation costs amounting to £5.4 million (2024: £5.8 million). A number of estimation uncertainties affect the calculation of the provision, including excavation, transportation and disposal cost and the timing of works to be undertaken. The provision incorporates the Group's best estimates of the financial impact of these uncertainties, but future changes in assumptions could materially increase or decrease the calculation of the provision.

# Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2025

## 1 Accounting policies (continued)

***Significant accounting judgements and key sources of estimation uncertainty (continued)***

*Useful economic lives of Property, plant and equipment*

The Group holds Property, plant and equipment at cost less accumulated depreciation and impairment losses, the total gross cost of which is £1,280.3 million at 31 March 2025 (2024: £1,291.8 million). Accumulated depreciation is £169.4 million (2024: £126.3 million) and the charge for the period is £43.9 million (FY24: £21.6 million). If the average useful economic life of the assets was reduced by 15% the charge would increase by £7.8 million.

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

## 2 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 judged that it 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 partnerships 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 insurance, business rates and similar property taxes, and health and safety and security costs. Such costs cannot be allocated by business line.

# Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2025

## 2 Segmental Reporting (continued)

Key information reported by business segment and geographic area is:

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| **Revenue** | | |
| Global Studios | **195,874** | 135,573 |
| Production Services | **17,320** | 10,900 |
| **Total revenue** | **213,194** | 146,473 |
| | | |
| **Revenue by geography** | | |
| UK | **195,814** | 132,470 |
| North America | **17,380** | 14,003 |
| **Total revenue** | **213,194** | 146,473 |
| | | |
| **Contribution** | | |
| Global Studios | **180,022** | 118,014 |
| Production Services | **12,144** | 6,234 |
| **Total segmental contribution** | **192,166** | 124,248 |

The Segmental Contribution result presented above is reconciled to gross profit as presented in the Group Statement of Comprehensive Income, which can be used to reconcile gross profit to profit before tax.

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| Total segmental contribution | **192,166** | 124,248 |
| Indirect costs excluding depreciation | **(47,022)** | (27,596) |
| Depreciation | **(43,939)** | (21,578) |
| **Gross profit** | **101,205** | 75,074 |

### Non-current assets by geographical region

The Group holds £263.8 million non-current assets in Canada, excluding financial instruments. The Group holds no other material non-current assets outside the UK.

### Turnover by major customer

Customers individually contributing more than 10% to Group revenue amounted to £162.5 million (FY24: £93.0 million).

# Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2025

## 3 Adjusted items

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

| Expense/(income) | **2025**<br>**£'000** | 2024<br>£'000 |
|---|---|---|
| Other operating expenses: | | |
| Long-term incentive plan | **1,620** | 4,226 |
| **Other operating expenses within adjusted items** | **1,620** | 4,226 |
| Interest receivable and similar income: | | |
| Gain on Senior Secured Notes tender offer | **-** | (3,508) |
| **Interest receivable and similar income within adjusted items** | **-** | (3,508) |
| **Loss before taxation within adjusted items** | **1,620** | 718 |
| Tax credit on adjusted items | **(405)** | (180) |
| **Adjusted items per statement of comprehensive income** | **1,215** | 538 |

During FY23, the Group set aside funds in order to establish 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. The plan gave rise to exceptional charges during the period of £1.6 million (FY24: £4.2 million), with associated tax credits of £0.4 million (FY24: £1.0 million). This has been presented as an adjusted item as the incentive plan is considered unusual in size, and is therefore of limited predictive value. The incentive plan is expected to give rise to further charges over its life to December 2025.

In March 2024, as part of its treasury management activities relating to its 2025 Senior Secured Notes, the Group announced a tender offer to repurchase notes under that indenture, subsequently agreeing to repurchase notes of principal value £459.7 million for total consideration of £454.0 million. As a result, the Group revised its forecasted cash flows under this indenture and recognised a gain of £3.5 million. This has been presented as an adjusted item as it is unusual in size and is of limited predictive value. The tender offer was settled in cash, as expected, on 2 April 2024. The gain presented above is net of fees associated with the tender offer.

## 4 Operating profit

| Operating profit is stated after charging/(crediting): | **2025**<br>**£'000** | 2024<br>£'000 |
|---|---|---|
| Depreciation of property, plant and equipment | **43,939** | 21,578 |
| Operating lease payments | **2,347** | 2,519 |
| Amortisation of software | **403** | 400 |
| Amortisation of goodwill | **5,147** | 4,955 |
| Net foreign exchange (gains)/losses | **(13)** | 97 |

Depreciation charges are included within cost of sales. Amortisation of intangible assets is included within administrative expenses.

# Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2025

## 5 Auditor's remuneration

| The analysis of auditor's remuneration is as follows: | **2025 £'000** | 2024 £'000 |
|---|---|---|
| Fees payable to Group's auditor for the audit of Parent Company and Consolidated Financial Statements | **90** | 74 |
| Fees payable to the Company's auditor and its associates for the audit of the Company's subsidiaries | **213** | 208 |
| **Total audit fees** | **303** | 282 |
| Fees payable to the Group's auditor and its associates for other services: | | |
| Other assurance services | **74** | 383 |
| **Total fees for other services** | **74** | 383 |
| **Total fees** | **377** | 665 |

## 6 Staff costs and numbers

| Staff costs including Directors | **2025 £'000** | 2024 £'000 |
|---|---|---|
| Salaries | **13,580** | 11,164 |
| Social security costs | **1,443** | 1,093 |
| Pension costs | **979** | 898 |
| Other employee benefits | **405** | 320 |
| | **16,407** | 13,475 |

The Group operates a salary sacrifice arrangement for its defined contribution pension schemes. The contributions paid via the salary sacrifice arrangement have been treated as employer contributions and included within pension costs in the table above, with a corresponding reduction shown in salaries. Refer to Note 3 for details of long-term incentive plan expenses treated as adjusted items, and therefore excluded from the costs above.

| Average monthly number of employees including Executive Directors | **2025** | 2024 |
|---|---|---|
| Management and Executive | **11** | 10 |
| Operational | **148** | 116 |
| Administration | **59** | 54 |
| Technical[1] | **44** | 45 |
| Sales | **6** | 6 |
| | **268** | 231 |

[1] Technical includes staff in technical roles within TV and Post Production.

# Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2025

## 7 Directors' emoluments

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| Salaries | **1,122** | 678 |
| Pension costs | **20** | 13 |
| Other employee benefits | **20** | 14 |
| Long Term Incentive Plan | **1,500** | 1,359 |
| | **2,662** | 2,064 |

As at 31 March 2025 the number of Directors to whom retirement benefits were accruing under defined contribution schemes was two (as at 31 March 2024: one). The emoluments of the highest paid Director were £1,369,000 (2024: £1,183,000), with pension contributions of £nil (2024: £10,000). No share options have been held by any Director in the current or previous period. The Directors are considered to be the only key management personnel. During the current and prior year, two directors received remuneration under the long-term incentive plan.

Amounts paid to third parties in relation to Directors services in the period are £300,000 (2024: £300,000).

## 8 Interest receivable and similar income

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| ***On financial assets measured at amortised cost:*** | | |
| Interest receivable from associates | **396** | 367 |
| Interest receivable on loan due from parent undertaking | **6,643** | 6,951 |
| Bank interest receivable | **3,259** | 2,636 |
| Interest receivable on gilts | **12,809** | - |
| Other interest receivable | **-** | 127 |
| | **23,107** | 10,081 |
| ***On financial instruments measured at fair value through profit or loss:*** | | |
| Gains on derivative financial instruments (including interest accrual) | **66** | 382 |
| | **23,173** | 10,463 |

See Note 3 for details of adjusted items recognised in interest receivable and similar income.

## 9 Interest payable and similar charges

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| ***On financial instruments measured at amortised cost:*** | | |
| Senior Secured Notes | **66,077** | 36,753 |
| Term loan | **5,883** | 5,538 |
| Revolving credit facility | **-** | 72 |
| Other interest | **2,023** | 1,912 |
| | **73,983** | 44,275 |

# Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2025

## 10 Tax

| (a) Analysis of charge for the year | 2025 £'000 | 2024 £'000 |
|---|---|---|
| *Current tax:* | | |
| UK corporation tax charge | **4,797** | 69 |
| Amounts payable for group tax relief | **1,622** | 1,705 |
| Foreign income tax | **368** | 162 |
| Foreign tax suffered | **19** | 75 |
| Double taxation credit | **(84)** | (68) |
| Amounts over provided in previous years | **-** | (700) |
| | **6,722** | 1,243 |
| *Deferred tax:* | | |
| Relating to origination and reversal of timing differences | **4,301** | 6,853 |
| Amounts (over)/under provided in previous years | **(64)** | 156 |
| | **4,237** | 7,009 |
| **Tax charge on profit** | **10,959** | 8,252 |
| *The tax charge in the Group statement of comprehensive income comprises:* | | |
| Tax on profit before adjusted items | **11,428** | 8,976 |
| Amounts over provided in previous years before adjusted items | **(64)** | (544) |
| Tax benefit of adjusted items | **(405)** | (180) |
| **Tax charge on profit** | **10,959** | 8,252 |

## Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2025

### 10 Tax (continued)

| (b) Factors affecting taxation for the year | 2025 £'000 | 2024 £'000 |
|---|---|---|
| **Profit before tax** | **35,304** | 24,585 |
| Profit multiplied by the standard rate of corporation tax in the UK of 25% (2024: 25%) | **8,826** | 6,146 |
| *Adjustments in respect of:* | | |
| Current tax over provided in previous years | **-** | (700) |
| Deferred tax under provided in previous years | **(64)** | 156 |
| Non-allowable depreciation on buildings | **1,434** | 1,128 |
| Amortisation of goodwill | **1,357** | 1,302 |
| (Income)/loss from associate | **(793)** | 324 |
| Other non-allowable expenses | **369** | 107 |
| Double taxation relief | **(84)** | (68) |
| Overseas tax at different rates | **(83)** | (33) |
| Land remediation relief | **(3)** | (110) |
| Benefit of losses arising in parent company | **(1,622)** | (1,705) |
| Amounts payable for group tax relief | **1,622** | 1,705 |
| **Tax charge on profit** | **10,959** | 8,252 |

| (c) Analysis of deferred tax charge for the year | 2025 £'000 | 2024 £'000 |
|---|---|---|
| ***Group statement of comprehensive income*** | | |
| Short-term timing differences relating to fixed assets and acquisition balances | **(2,226)** | 14,065 |
| Short-term timing differences | **(416)** | 328 |
| Tax losses | **6,879** | (7,384) |
| | **4,237** | 7,009 |

| (d) Analysis of movements during the year in the net deferred tax liability | At 1 April 2024 £'000 | Acquisition balances £'000 | (Credited)/ charged to profit or loss £'000 | Booked to reserves £'000 | Currency exchange £'000 | At 31 March 2025 £'000 |
|---|---|---|---|---|---|---|
| Short-term timing differences relating to fixed assets and acquisition balances | 77,638 | - | (2,226) | - | (3,345) | 72,067 |
| Short-term timing differences | 434 | - | (416) | (1,076) | 28 | (1,030) |
| Tax losses | (13,003) | - | 6,879 | - | 57 | (6,067) |
| **Net deferred tax liability** | **65,069** | **-** | **4,237** | **(1,076)** | **(3,260)** | **64,970** |

## Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2025

### 10 Tax (continued)

The Group anticipates that due to the forecast utilisation of brought forward losses, the net reversal of deferred tax liabilities in the year ending 31 March 2026 will be nil.

The main rate of UK corporation tax in the year was 25%.

### 11 Interests in associates

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| Equity | **7,540** | 4,368 |
| Loan notes | **5,257** | 4,861 |
| **Total investment in associates** | **12,797** | 9,229 |

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

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| At beginning of year | **4,368** | 5,663 |
| Share of profit/(loss) | **3,172** | (1,295) |
| **Total equity investment in associates** | **7,540** | 4,368 |

At 31 March 2025, the Group had an interest in the following associate:

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

Loan notes are due for repayment by 1 January 2033. Interest is charged at 8% and is receivable in June and December each year with the option to roll-up interest due into the principal amount.

# Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2025

## 12 Intangible assets

| | Software £'000 | Goodwill £'000 | Total £'000 |
|---|---|---|---|
| ***Cost*** | | | |
| At 1 April 2024 | 4,106 | 53,138 | 57,244 |
| Additions | 36 | - | 36 |
| Exchange differences | - | (3,694) | (3,694) |
| **At 31 March 2025** | **4,142** | **49,444** | **53,586** |
| ***Amortisation*** | | | |
| At 1 April 2024 | 1,591 | 9,401 | 10,992 |
| Provided during the year | 403 | 5,147 | 5,550 |
| Exchange differences | - | (542) | (542) |
| **At 31 March 2025** | **1,994** | **14,006** | **16,000** |
| **Net book value** | | | |
| **At 31 March 2025** | **2,148** | **35,438** | **37,586** |
| At 31 March 2024 | 2,515 | 43,737 | 46,252 |

Software assets principally relate to the Group's finance and procurement management system, which has a remaining life of 5 years.

Goodwill has been acquired through business combinations and has been allocated to their related groups of cash-generating units. Following a review for indicators of impairment at the reporting date, it was determined that there were no indicators that the carrying value exceeded the recoverable amount.

## Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2025

### 13 Property, plant and equipment

| | Freehold land and buildings £'000 | Fixtures, fittings and equipment £'000 | Assets under construction £'000 | Total £'000 |
|---|---|---|---|---|
| ***Cost*** | | | | |
| At 1 April 2024 | 1,036,983 | 166,431 | 88,346 | 1,291,760 |
| Additions | 3,648 | 2,659 | 2,557 | 8,864 |
| Reclassification | 49,591 | 24,981 | (74,572) | - |
| Exchange movements | (20,100) | (200) | (9) | (20,309) |
| **At 31 March 2025** | **1,070,122** | **193,871** | **16,322** | **1,280,315** |
| ***Depreciation*** | | | | |
| At 1 April 2024 | 94,310 | 31,946 | - | 126,256 |
| Provided during the year | 26,163 | 17,776 | - | 43,939 |
| Reclassification | (266) | 266 | - | - |
| Exchange movements | (737) | (56) | - | (793) |
| **At 31 March 2025** | **119,470** | **49,932** | **-** | **169,402** |
| **Net book value** | | | | |
| **At 31 March 2025** | **950,652** | **143,939** | **16,322** | **1,110,913** |
| At 31 March 2024 | 942,673 | 134,485 | 88,346 | 1,165,504 |

At 31 March 2025, 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.

### 14 Securities

| | **2025** £'000 | 2024 £'000 |
|---|---|---|
| Securities | **297,109** | - |

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 £300.0 million. The gilts mature in September 2025 and bear coupon interest at 2.0%, payable in March and September. The gilts were purchased for a cost of £290.3 million and are expected to be held to maturity, with funds being used to repay the remainder of Senior Secured Notes due September 2025.

# Notes to the Consolidated Financial Statements (continued)

for the year ended 31 March 2025

## 15 Trade and other receivables

| | 2025 | 2024 |
|---|---|---|
| | £'000 | £'000 |
| ***Amounts falling due within one year:*** | | |
| Trade receivables | **15,616** | 13,571 |
| Prepayments and other receivables | **17,273** | 17,819 |
| Term loan interest prepayment | **-** | 679 |
| Income tax receivable | **-** | 3,557 |
| Sales tax | **-** | 428 |
| | **32,889** | 36,054 |
| ***Amounts falling due after more than one year:*** | | |
| Loans due from parent undertakings | **239,487** | 232,844 |
| | **272,376** | 268,898 |

Amounts due from the parent company are due for repayment in September 2025 and bear interest at 3.55%. These amounts are classified as non-current receivables because settlement is not expected within 12 months of the reporting date.

## 16 Cash and cash equivalents

Cash and cash equivalents include amounts unavailable for general use. These amounts include sums held as security in accordance with agreements with local councils in respect of the Group's obligations under planning regulations for certain development projects.

| | 2025 | 2024 |
|---|---|---|
| | £'000 | £'000 |
| Cash available for general use | **142,136** | 826,448 |
| Restricted cash and cash equivalents | **1,688** | 1,688 |
| | **143,824** | 828,136 |

## 17 Share capital

| | 2025 | 2024 |
|---|---|---|
| | £'000 | £'000 |
| ***Ordinary share capital issued and fully paid up*** | | |
| 1,000 Ordinary shares of £1 each (2024: 1,000 Ordinary shares of £1 each) | **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.

## 18 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.

## Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2025

### 19 Interest-bearing loans and borrowings

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

| | Maturity | **2025** **£'000** | 2024 £'000 |
|---|---|---|---|
| ***Non-current borrowings*** | | | |
| 3.25% Senior Secured Notes | September 2025 | **-** | 291,129 |
| 3.625% Senior Secured Notes | November 2027 | **298,805** | 298,330 |
| 6.0% Senior Secured Notes | March 2030 | **745,404** | 744,997 |
| Term loan | April 2028 | **93,578** | 101,160 |
| Other credit facilities | See below | **-** | - |
| Non-current drawn loan facilities | | **1,137,787** | 1,435,616 |
| ***Current borrowings*** | | | |
| 3.25% Senior Secured Notes | | **290,824** | 454,070 |
| Senior Secured Notes interest accrual | | **4,730** | 4,422 |
| Term loan interest accrual | | **757** | - |
| Current drawn loan facilities | | **296,311** | 458,492 |
| ***Total borrowings*** | | | |
| Senior Secured Notes | | **1,335,033** | 1,788,526 |
| Senior Secured Notes interest accruals | | **4,730** | 4,422 |
| Term loan | | **93,578** | 101,160 |
| Term loan interest accrual | | **757** | - |
| **Total interest-bearing loans and borrowings** | | **1,434,098** | 1,894,108 |

As at 31 March 2025, other credit facilities include a £75.0 million UK revolving credit facility that bears interest at SONIA plus a variable margin when drawn. The UK revolving credit facility expires in two tranches £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$5.0 million, bearing interest at a floating rate plus a margin when drawn. The C$ facilities expire in April 2028.

The Senior Secured Notes due September 2025 totalled an aggregate principal amount of £750.0 million, with coupon interest of 3.25% payable in September and March. 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 £300.0 million, with coupon interest of 3.625% payable in May and November.

The Senior Secured Notes due March 2030 total an aggregate principal amount of £750.0 million, with coupon interest of 6.0% payable in September and March. The notes were issued in March 2024 at par.

# Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2025

## 19 Interest-bearing loans and borrowings (continued)

The term loan is for a principal amount of C$175.0 million and carries interest at a floating rate linked to CORRA. Interest is payable quarterly in May, August, November and February. The loan may be repaid each quarter without penalty until April 2028. The loan is designated as a hedged item in a cash flow hedging relationship with the Group's C$ 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.

| At 31 March 2025 | Within 1 year £'000 | 1 – 5 years £'000 | 5+ years £'000 | Total £'000 |
|---|---|---|---|---|
| ***Facilities*** | | | | |
| Senior Secured Notes | 290,296 | 1,050,000 | - | 1,340,296 |
| Term loan | - | 94,399 | - | 94,399 |
| Other credit facilities | - | 77,697 | - | 77,697 |
| **Total facilities** | **290,296** | **1,222,096** | **-** | **1,512,392** |
| ***Drawn loans*** | | | | |
| Senior Secured Notes | (290,296) | (1,050,000) | - | (1,340,296) |
| Term loan | - | (94,399) | - | (94,399) |
| Other credit facilities | - | - | - | - |
| **Total drawn loans** | **(290,296)** | **(1,144,399)** | **-** | **(1,434,695)** |
| ***Undrawn facilities*** | | | | |
| Senior Secured Notes | - | - | - | - |
| Term loan | - | - | - | - |
| Other credit facilities | - | 77,697 | - | 77,697 |
| **Total undrawn facilities** | **-** | **77,697** | **-** | **77,697** |

# Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2025

## 19 Interest-bearing loans and borrowings (continued)

| At 31 March 2024 | Within 1 year £'000 | 1 – 5 years £'000 | 5+ years £'000 | Total £'000 |
|---|---|---|---|---|
| ***Facilities*** | | | | |
| Senior Secured Notes | 459,704 | 590,296 | 750,000 | 1,800,000 |
| Term loan | - | 102,355 | - | 102,355 |
| Other credit facilities | 1,000 | 17,924 | 60,000 | 78,924 |
| **Total facilities** | **460,704** | **710,575** | **810,000** | **1,981,279** |
| ***Drawn loans*** | | | | |
| Senior Secured Notes | (459,704) | (590,296) | (750,000) | (1,800,000) |
| Term loan | - | (102,355) | - | (102,355) |
| Other credit facilities | - | - | - | - |
| **Total drawn loans** | **(459,704)** | **(692,651)** | **(750,000)** | **(1,902,355)** |
| ***Undrawn facilities*** | | | | |
| Senior Secured Notes | - | - | - | - |
| Term loan | - | - | - | - |
| Other credit facilities | 1,000 | 17,924 | 60,000 | 78,924 |
| **Total undrawn facilities** | **1,000** | **17,924** | **60,000** | **78,924** |

## 20 Derivative financial instruments

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

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| ***Derivative financial assets carried at fair value through profit or loss*** | | |
| Current derivative financial instrument assets | **216** | - |
| Non-current derivative financial instrument assets | **-** | 956 |
| ***Financial instruments in cash flow hedging relationships*** | | |
| Current derivative financial instrument (liabilities)/assets | **(642)** | 1,278 |
| Non-current derivative financial instrument (liabilities)/assets | **(1,765)** | 225 |

# Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2025

## 20 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.

| Effective interest rate % | Maturity | 2025 | 2024 |
|---|---|---|---|
| | | **'000** | '000 |
| Receive SONIA/pay fixed | April 2025 | **£25,000** | £25,000 |
| Receive CORRA/pay fixed | February 2028 | **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 in advance.

During the year, 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. These 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.

## 21 Trade and other payables

| | 2025 | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| Trade payables | **5,893** | 11,010 |
| Other payables | **470** | 371 |
| Income tax payable | **1,599** | - |
| Sales tax payable | **3,924** | - |
| Accruals and deferred income | **86,493** | 79,582 |
| Amounts due to parent company | **11,853** | 10,231 |
| Capital expenditure related payables | **22,760** | 29,711 |
| | **132,992** | 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, although as described in Note 16 cash balances of £1,688k (FY24: £1,688k) are held under agreements with local councils in respect of the Group's Section 106 planning obligations. These cash amounts are therefore unavailable for general use. See Note 1 for further discussion of Section 106 liabilities.

At 31 March 2025 and 31 March 2024, the Group had no material capital commitments contracted for, but not provided in the financial statements in respect of Property, plant and equipment.

# Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2025

## 22 Obligations under leases

***Operating leases as lessee***
Future minimum rentals payable on the Group's non-cancellable operating leases as at 31 March 2025 and 31 March 2024 are as follows:

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| Within one year | **542** | 618 |
| After one year but not more than five years | **2,059** | 2,118 |
| More than five years | **38,236** | 42,049 |
| | **40,837** | 44,785 |

***Operating leases as lessor***
Future minimum rentals receivable under non-cancellable operating leases as at 31 March 2025 and 31 March 2024 are as follows:

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| Within one year | **171,539** | 154,657 |
| After one year but not more than five years | **642,996** | 617,066 |
| More than five years | **336,453** | 450,705 |
| | **1,150,988** | 1,222,428 |

## 23 Related party transactions

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

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

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

The disclosures below, including comparatives, only refer to parties that were related in the current reporting period.

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| ***Statement of comprehensive income:*** | | |
| Sales to associates | **5,472** | 1,480 |
| Interest receivable from associates | **396** | 367 |
| Purchases from associates | **174** | 91 |
| ***Statement of financial position:*** | | |
| Amounts owed by associates | **449** | 123 |
| Amounts owed by associates on loan notes | **5,257** | 4,861 |

For information on the loans due from associate undertakings see Note 11. For information on interest receivable from associate undertakings see Note 8.

## Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2025

### 24 Provisions

| | **2025** **£'000** | 2024 £'000 |
|---|---|---|
| At beginning of year | 5,849 | - |
| Acquired | - | 5,882 |
| Exchange differences | (454) | (33) |
| **At end of year** | **5,395** | **5,849** |

Provisions relate to estimated land remediation costs as described in Note 1. The provisions are classified as current as the Group expects to perform work within the next financial year.

### 25 Ultimate parent undertaking and controlling party

The immediate parent is Picture Holdco Limited, a company incorporated in England & Wales, whose registered office is 10th Floor, 30 St Mary Axe, London, EC3A 8BF, United Kingdom.

The ultimate parent entity is PGV GP S.à.r.l (the "GP"), a company incorporated in the Grand Duchy of 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 28 Boulevard Royal, L-2449, Luxembourg.

The statutory manager and alternative investment fund manager of PGV SCSp is Aermont Capital Management S.à r.l. (the "Manager"), a company incorporated in the Grand Duchy of Luxembourg. The registered office is 28 Boulevard Royal, L-2449, Luxembourg. The GP and the Manager are subsidiaries of Aermont Capital S.à r.l. In April 2024, Keppel Limited indirectly acquired a c. 50% stake in Aermont Capital S.à r.l.

Picture Holdco Limited is the only parent of Pinewood Group Limited that prepares consolidated financial statements, and these are publicly available from the registered office of that company.

### 26 Events after the reporting date

There are no events after the reporting date requiring adjustment or disclosure in the financial statements.

## Parent Company Statement of Financial Position

as at 31 March 2025

| | Note | **2025 £'000** | 2024 £'000 |
|---|---|---|---|
| **Assets** | | | |
| ***Non-current assets*** | | | |
| Investments | 5 | **274,077** | 274,328 |
| Intangible assets | 4 | **2,121** | 2,505 |
| Derivative financial instruments | 10 | **-** | 956 |
| Trade and other receivables | 7 | **704,921** | 786,787 |
| Deferred tax assets | | **-** | 603 |
| | | **981,119** | 1,065,179 |
| ***Current assets*** | | | |
| Securities | 6 | **297,109** | - |
| Trade and other receivables | 7 | **2,223** | 2,317 |
| Derivative financial instruments | 10 | **216** | - |
| Cash and cash equivalents | | **123,719** | 809,349 |
| | | **423,267** | 811,666 |
| **Total assets** | | **1,404,386** | 1,876,845 |
| **Equity and liabilities** | | | |
| Share capital | 8 | **1** | 1 |
| Translation reserve | | **1,821** | 1,821 |
| Retained earnings | | **28,231** | 67,531 |
| **Total equity** | | **30,053** | 69,353 |
| ***Non-current liabilities*** | | | |
| Interest-bearing loans and borrowings | 9 | **1,058,252** | 1,334,332 |
| | | **1,058,252** | 1,334,332 |
| ***Current liabilities*** | | | |
| Interest-bearing loans and borrowings | 9 | **299,650** | 458,671 |
| Trade and other payables | 11 | **16,431** | 14,489 |
| | | **316,081** | 473,160 |
| **Total liabilities** | | **1,374,333** | 1,807,492 |
| **Total equity and liabilities** | | **1,404,386** | 1,876,845 |

As permitted by section 408(4) of the Companies Act 2006, the Company has elected not to present its own income statement for the year. The loss of the Company for the year was £39.3 million (FY24: £24.8 million loss).

The notes on page 59 to 67 form part of these financial statements.

The financial statements of Pinewood Group Limited (registered number: 03889552) were approved and authorised for issue by the Board of Directors on 10 June 2025. They were signed on its behalf by:

**Barbara Inskip**
Director

# Parent Company Statement of Changes in Equity
for the year ended 31 March 2025

| | Share capital £'000 | Translation reserve £'000 | Retained earnings £'000 | Total equity £'000 |
|---|---|---|---|---|
| At 01 April 2024 | **1** | **1,821** | **67,531** | **69,353** |
| Loss for the year | **-** | **-** | **(39,300)** | **(39,300)** |
| Total comprehensive loss for the year | **-** | **-** | **(39,300)** | **(39,300)** |
| **At 31 March 2025** | **1** | **1,821** | **28,231** | **30,053** |
| | | | | |
| At 01 April 2023 | 1 | 1,821 | 92,370 | 94,192 |
| Loss for the year | - | - | (24,839) | (24,839) |
| Total comprehensive loss for the year | - | - | (24,839) | (24,839) |
| At 31 March 2024 | 1 | 1,821 | 67,531 | 69,353 |

# Notes to the Parent Company Financial Statements

for the year ended 31 March 2025

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

## 1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and prior year. The accounting policies of the Company are consistent with those of the Group, which are detailed in the Consolidated Financial Statements. Additional details regarding policies that apply at a Company-only level are given below.

***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, modified to include certain financial instruments at fair value.

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 of key management personnel and related party transactions entered into with wholly owned members of its wider group.

The financial statements of the Company are consolidated in the Group financial statements on page 29 to 56.

***Going concern***

As outlined within the Strategic Report on page 21, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Given the nature of the Company within the Group, there are no material uncertainties relating to events or conditions that may cast doubt on the ability of the Company to continue as a going concern for a period of at least 12 months following the date of signing these financial statements. In making this assessment, the Directors have considered economic uncertainty arising from enacted and proposed changes to international trade tariffs on the Group and therefore this Company. Therefore, the Company continues to adopt the going concern basis of accounting in preparing the financial statements.

***Financial instruments***

The Company’s accounting policies for financial instruments are consistent with those of the Group, as described on page 37 to 38. Further detail regarding the treatment of investments in subsidiaries is given below.

***Fixed asset investments***

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

# Notes to the Parent Company Financial Statements (continued)

for the year ended 31 March 2025

## 1 Accounting policies (continued)

***Significant accounting judgements, estimates and assumptions***

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect reported amounts at the reporting date. Such estimates, assumptions and judgements include, but are not limited to, assessments of recoverability of financial assets, and the measurement of accruals and provisions for impairments of investments. 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 subsidiaries.

The Company holds receivables from its subsidiary undertakings amounting to £465.4 million. These amounts are repayable on demand and do not bear interest. The Company considers these balances to be fully recoverable. These amounts are classified as non-current receivables because settlement is not expected within 12 months of the reporting date.

Amounts due from the parent company are due for repayment in September 2025 and bear interest at 3.55%. These amounts are classified as non-current receivables because settlement is not expected within 12 months of the reporting date.

## 2 Profit and loss

As permitted by section 408(4) of the Companies Act 2006, the Company has elected not to present its own income statement for the year. The loss of the Company for the year was £39.3 million (2024: £24.8 million loss).

## 3 Staff costs and numbers

| Staff costs including Directors | **2025**<br>**£'000** | 2024<br>£'000 |
|---|---|---|
| Salaries | **833** | 749 |
| Social security costs | **117** | 97 |
| Pension costs | **17** | 16 |
| Other employee benefits | **16** | 14 |
| | **983** | 876 |

| | **2025** | 2024 |
|---|---|---|
| **Average monthly number of employees including Executive Directors** | | |
| Administration | **2** | 2 |
| Executive | **2** | 2 |
| | **4** | 4 |

## Notes to the Parent Company Financial Statements (continued)
for the year ended 31 March 2025

### 4 Intangible assets

| | Software £'000 |
|---|---|
| ***Cost*** | |
| At 1 April 2024 | 4,092 |
| Additions | 13 |
| **At 31 March 2025** | **4,105** |
| | |
| ***Amortisation*** | |
| At 1 April 2024 | 1,587 |
| Provided during the year | 397 |
| **At 31 March 2025** | **1,984** |
| | |
| **Net book value** | |
| **At 31 March 2025** | **2,121** |
| At 31 March 2024 | 2,505 |

Software assets principally relate to the Group's finance and procurement management system, which has a remaining life of 5 years.

# Notes to the Parent Company Financial Statements (continued)

for the year ended 31 March 2025

## 5 Investments

| | 2025 £'000 | 2024 £'000 |
|---|---|---|
| **Cost and net book value** | **274,077** | 274,328 |
| *Movement in Investments* | | |
| At beginning of year | 274,328 | 123,292 |
| Issue of shares by subsidiary | - | 151,036 |
| Capital contribution | 525 | - |
| Disposal | (776) | - |
| **At end of year** | **274,077** | 274,328 |

During the year, the Company's issued a capital contribution to Pinewood Film Advisors (W) Limited for £525k. In March 2025, the Company disposed of its investment in Pinewood Film Advisors Limited and Pinewood Film Advisors (W) Limited.

Details of investments in which the Company holds 20% or more of the nominal value of ordinary share capital (or other class of share capital where indicated below) at the year end are detailed below:

| Company name | Principal activity | Country of incorporation | % equity interest |
|---|---|---|---|
| Pinewood-Shepperton Studios Limited[1] | Holding company | United Kingdom | 100% |
| Pinewood PSB Limited[1] | Film studio services | United Kingdom | 100% |
| Pinewood Studios Limited | Film studio services | United Kingdom | 100% |
| Shepperton Studios Limited | Film studio services | United Kingdom | 100% |
| Pinewood South Limited | Property development | United Kingdom | 100% |
| Pinewood Shepperton Facilities Limited | Property support | United Kingdom | 100% |
| PSL Consulting Limited | Film services | United Kingdom | 100% |
| PSL Development Limited | Dormant | United Kingdom | 100% |
| Pinewood Dominican Republic Limited | Film services | United Kingdom | 100% |
| Pinewood USA Inc.[2] | Film services | USA | 100% |
| Pinewood Film Production Studios Canada Inc. | Film services | Canada | 100% |
| Pinewood Canada Inc. | Holding company | Canada | 100% |
| PT Studios Inc. | Film studio services | Canada | 100% |
| Pinewood Toronto Development Inc. | Property development | Canada | 100% |
| Pinewood Finco PLC[1] | Financial services | United Kingdom | 100% |
| PMBS Holding Limited[1 2] | Lighting services | United Kingdom | 25% |
| MBS Lighting UK Limited[2] | Lighting services | United Kingdom | 25% |

1 Directly held.

2 The reporting date is 31 December.

# Notes to the Parent Company Financial Statements (continued)

for the year ended 31 March 2025

## 5 Investments (continued)

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

- All United Kingdom subsidiaries - Pinewood Studios, Pinewood Road, Iver Heath, SL0 0NH.
- Pinewood USA Inc. - c/o Katten Munchin Rosenman LLP, 2029 Century Park East, Suite 2600, Los Angeles, CA 90067, USA.
- Pinewood Canada Inc. and Pinewood Toronto Development Inc. – 79 Wellington Street West, Suite 3000, Toronto, Ontario, Canada, M5K 1N2.
- Pinewood Film Production Studios Canada Inc. - Suite 2600, Three Bentall Centre, PO Box 49314, 595 Currard Street, Vancouver BC, Canada, V7X 1L3.
- PT Studios Inc. - 225 Commissioners Street, Toronto, Ontario, Canada, M4M 0A1.

***Associates***

As at 31 March 2025, the Company had interests in the following associate:

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

The registered office of PMBS Holding Limited is: Lakeside Road, Colnbrook, Slough, Berkshire, SL3 0EL

The investment is held through Pinewood-Shepperton Studios Limited, which owns 25% of the ordinary share capital of the associate.

***Audit exemption***

Pinewood Group Limited has given statutory guarantees against all the outstanding liabilities of the below listed wholly-owned subsidiaries at 31 March 2024 under Section 479A of the Companies Act 2006, thereby allowing these subsidiaries to be exempt from the annual audit requirement for the year ended 31 March 2024.

Although the Company does not anticipate the guarantees to be called upon, the book values of the guaranteed liabilities, excluding intragroup balances, for each relevant subsidiary at 31 March 2024 are set out below:

| Company name | Company registration number | Liabilities to non-group entities £000 |
|---|---|---|
| Pinewood Dominican Republic Limited | 07096246 | - |
| Pinewood Films Limited | 07660856 | - |
| Pinewood Shepperton Facilities Limited | 07527390 | - |
| PSL Consulting Limited | 08655214 | - |
| PSL Development Limited | 07079399 | - |

## 6 Securities

| | 2025 | 2024 |
|---|---|---|
| | £’000 | £’000 |
| Securities | 297,109 | - |

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 £300.0 million. The gilts mature in September 2025 and bear coupon interest at 2.0%, payable in March and September. The gilts were purchased for a cost of £290.3 million and are expected to be held to maturity, with funds being used to repay the remainder of Senior Secured Notes due September 2025.

## Notes to the Parent Company Financial Statements (continued)

for the year ended 31 March 2025

### 7 Trade and other receivables

| | 2025 | 2024 |
|---|---|---|
| | £'000 | £'000 |
| ***Amount falling due within one year*** | | |
| Prepayments and other receivables | **2,223** | 2,317 |
| ***Amount falling due after more than one year*** | | |
| Loans due from parent undertakings | **239,487** | 232,844 |
| Amounts due from subsidiary undertakings | **465,434** | 553,943 |
| | **704,921** | 786,787 |
| | **707,144** | 789,104 |

Amounts due from subsidiary undertakings are repayable on demand. Amounts receivable from overseas subsidiaries bear interest at a rate of 5.77%. Amounts receivable from subsidiary undertakings are classified as non-current receivables because settlement is not expected within 12 months of the reporting date.

The loan due from the parent company is repayable by September 2025 and carries interest at 3.55%. These amounts are classified as non-current receivables because settlement is not expected within 12 months of the reporting date.

### 8 Share capital

| | 2025 | 2024 |
|---|---|---|
| | £'000 | £'000 |
| ***Ordinary share capital issued and fully paid up*** | | |
| 1,000 Ordinary shares of £1 each (2024: 1,000 Ordinary shares of £1 each) | **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.

# Notes to the Parent Company Financial Statements (continued)

for the year ended 31 March 2025

## 9 Interest-bearing loans and borrowings

| | Maturity | 2025 £'000 | 2024 £'000 |
|---|---|---|---|
| ***Non-current borrowings*** | | | |
| Loans from subsidiary undertaking | September 2025 | **-** | 291,039 |
| Loans from subsidiary undertaking | November 2027 | **302,823** | 298,296 |
| Loans from subsidiary undertaking | March 2030 | **755,429** | 744,997 |
| **Non-current drawn loan facilities** | | **1,058,252** | 1,334,332 |
| ***Current borrowings*** | | | |
| Loans from subsidiary undertaking | | **294,735** | 454,041 |
| Loans from subsidiary undertaking interest accrual | | **4,915** | 4,630 |
| **Current drawn loan facilities** | | **299,650** | 458,671 |
| ***Total borrowings*** | | | |
| Loans from subsidiary undertaking | | **1,352,987** | 1,788,373 |
| Loans from subsidiary undertaking interest accrual | | **4,915** | 4,630 |
| **Total interest-bearing loans and borrowings** | | **1,357,902** | 1,793,003 |

As at 31 March 2025, loan agreements are present between Pinewood Finco PLC ("Finco") and the Company for 100% of borrowings held by Finco totalling a principal of £1,340,296,000, consisting of £290,296,000 due September 2025, £300,000,000 due November 2027 and £750,000,000 due March 2030. Interest is borne at the rate of the Finco issued Senior Secured Notes of 3.25%, 3.625% and 6.0% respectively plus a margin of 0.15% per annum.

The agreement between Finco and the Company includes a charge for the recovery of the finance fees incurred by Finco directly related to arranging the external debt. Repayments of interest and capital are required to be made in sufficient time for Finco to make onward payment to its external debt providers.

Details of total facilities and maturities for the Group are listed in Note 19 of the Consolidated Financial Statements.

## 10 Derivative financial instruments

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

Further details can be found in Note 20 to the Consolidated Financial Statements.

# Notes to the Parent Company Financial Statements (continued)
for the year ended 31 March 2025

## 11 Trade and other payables

| | **2025** | 2024 |
|---|---|---|
| | **£'000** | £'000 |
| Other creditors | **4,259** | 4,245 |
| Amounts due to parent undertaking | **11,853** | 10,231 |
| Amounts due to subsidiary undertakings | **319** | 13 |
| | **16,431** | 14,489 |

Intragroup balances are repayable on demand and non-interest-bearing.

## 12 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.

## 13 Contingent liability

The Company has committed to provide financial support to several of its wholly-owned subsidiary undertakings that were in a net current liability position at the time of signing their financial statements for the year ended 31 March 2024. This support was given up to an amount as may be required to enable each subsidiary to fulfil its operational commitments to meet liabilities as and when they fall due and to carry on their business as a going concern. Where it is required, Pinewood Group Limited intends to extend such support for a further 12 months from the date of signing financial statements for relevant subsidiaries for the year ended 31 March 2025.

| Company name | Expiration date of financial support |
|---|---|
| Pinewood Studios Limited | 15 December 2025 |
| Pinewood Film Advisors (W) Limited | 15 December 2025 |
| Pinewood PSB Limited | 15 December 2025 |
| Pinewood-Shepperton Studios Limited | 15 December 2025 |
| Pinewood South Limited | 15 December 2025 |
| Shepperton Studios Limited | 15 December 2025 |

The Company, together with certain subsidiary undertakings had at the financial statement date granted a cross guarantee in respect of the long-term borrowings and derivative liabilities of the Group. The guarantee was secured by a floating charge which as at 31 March 2025 was £1,437,102,000 (2024: £1,905,280,000).

# Notes to the Parent Company Financial Statements (continued)
for the year ended 31 March 2025

## 14 Ultimate parent undertaking and controlling party

The immediate parent is Picture Holdco Limited, a company incorporated in England & Wales, whose registered office is 10th Floor, 30 St Mary Axe, London, EC3A 8BF, United Kingdom.

The ultimate parent entity is PGV GP S.à.r.l (the "GP"), a company incorporated in the Grand Duchy of 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 28 Boulevard Royal, L-2449, Luxembourg.

The statutory manager and alternative investment fund manager of PGV SCSp is Aermont Capital Management S.à r.l. (the "Manager"), a company incorporated in the Grand Duchy of Luxembourg. The registered office is 28 Boulevard Royal, L-2449, Luxembourg. The GP and the Manager are subsidiaries of Aermont Capital S.à r.l. In April 2024, Keppel Limited indirectly acquired a c. 50% stake in Aermont Capital S.à r.l.

Picture Holdco Limited is the only parent of Pinewood Group Limited that prepares consolidated financial statements, and these are publicly available from the registered office of that company.

## 15 Events after the reporting date

There are no events after the reporting date requiring adjustment or disclosure in the financial statements.