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Pinewood Group plc
(formerly "Pinewood Shepperton plc")
Audited results for the year ended 31 March 2015

Pinewood Group plc, the world leading studio and production services operator, delivered another year of record revenues and strong growth as it continued to build on its offer to the screen-based industries

Today the Company publishes its audited results for the year ended 31 March 2015

Financial highlights

- Revenue £75.0m (year ended 31 March 2014 £64 1m)
- Operating profit £5 8m (year ended 31 March 2014· £4 9m)
- Operating profit from Media Services activities before exceptional items £11 0m (year ended 31 March 2014 £9 2m)
- Basic earnings per share 16.4p (year ended 31 March 2014 10 8p)
- Basic earnings per share adjusted for exceptional items 13 5p (year ended 31 March 2014 11 5p)
- Final dividend of 2 8p per share declared (year ended 31 March 2014 1 9p)
- Cash generated from operations of £18.4m (year ended 31 March 2014· £14 0m)
- Net debt of £71 9m (31 March 2014 £40 2m) with increase principally from the Shepperton Studios Property Partnership ("SSPP") acquisition
- Media Services return on capital employed of 10 1% (31 March 2014· 9 6%)

Strategic progress

- Design & Build contract signed and full construction of Phase One of the Pinewood Studios Development Framework ("PSDF") has commenced
- Completed the acquisition of the 50% interest in SSPP formerly owned by clients of Aviva Investors
- A joint venture, Pinewood MBS Lighting Limited, established to become the provider of lighting to productions based at Pinewood Studios and Shepperton Studios
- International activities growing at rapid pace

Commenting on today's results, Ivan Dunleavy, Chief Executive, said

"Pinewood is a uniquely positioned independent operator and has once again delivered strong growth

"As our core business has grown we have expanded the range of services for the screen-based industries We are seeing encouraging results from this strategy Our growing presence internationally continues to deliver clear benefits

"Following the successful share placing in April 2015, construction has begun on the first phase of the Pinewood expansion. This is an exciting development for the Group and we are pleased with the support and commitment given to us through the placing

"Although we have hosted the three largest film productions of the year, being *Star Wars Episode VII – The Force Awakens*, *Avengers Age of Ultron* and the 24th Bond film *Spectre,* we continue to be unable to meet all the demand from large films This will be partly addressed by the first phase of the Pinewood expansion

"We are encouraged that the current financial year has got off to a strong start with good visibility into the coming year "

Key developments since year end

- Initial drawing on the newly agreed £135m term and revolving credit facilities and £30m (before expenses) raised in a share placing, through the admission of 8m new ordinary shares to trading on AIM.
- Two new Independent Non-Executive Director appointments were made adding further complementary expertise to an already skilled Board
- Extended the media investment offering to video games and high-end television

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Notes to editors

- Pinewood Group plc is Europe's largest provider of stage and studio space
- Pinewood Studios, Shepperton Studios and Pinewood Studio Wales together accommodate 37 stages and three dedicated digital television studios
- Pinewood Studios is home to Europe's leading studio-based underwater filming stage, as well as one of the largest exterior water tanks in Europe
- The Group now offers financing to UK film, television and video game production as part of its growing range of services
- Pinewood Studios and Shepperton Studios have been home to over 2,000 films in more than 80 years
- Pinewood Studios and Shepperton Studios have hosted over 800 TV shows
- There are approximately 250 independent, media related companies based within the Pinewood, Shepperton and Wales Media Hub's
- The Pinewood Group's international network of studios includes Toronto, Canada, Iskandar, Malaysia, the Dominican Republic, Atlanta, Georgia, USA and activities in China and Ireland

Forward looking statements

This announcement includes forward looking statements that are based on current expectations and assumptions. They involve risks and uncertainties and may differ, possibly materially, from actual results, performance and achievement Neither the Company, nor any of its Directors, undertakes any obligation to update publicly or revise forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required

For more information

www pinewoodgroup com

Neither the content of the Company's website nor the content of any website accessible from hyperlinks on the Company's website, nor any other website, is incorporated into, or forms part of this announcement nor, unless previously published by means of a recognised information service, should any such content be relied upon in reaching a decision as to whether or not to acquire, continue to hold, or dispose of, securities in the Company.

Chairman's Statement

Pinewood Group plc has again delivered record revenues with strong margin growth Consolidated revenues of £75 0m for the year ended 31 March 2015 (year ended 31 March 2014 £64 1m) were up 17% on the previous year These results are despite being capacity constrained Phase One of the Pinewood Studios Development Framework ("PSDF") is now underway and is scheduled for completion in the first half of 2016 This additional capacity will significantly increase Pinewood's offer to the global screen-based industries

The Pinewood brand has global reach and enjoys a reputation for excellence This has enabled the Group to develop a number of complementary new business opportunities in the UK such as the provision of lighting and 3D digital printing The Company has extended its media investment offering to video games and high-end television Internationally, new revenue streams have included production services and studio consultancy

I would like to take this opportunity to thank all our customers for their continuing support and confidence in the Group

On 6 March 2015, the Company agreed new banking facilities of up to £135 million with its two long-standing relationship banks, Lloyds Bank plc and The Royal Bank of Scotland plc, and also welcomes two new partners to its banking syndicate, HSBC Bank plc and Barclays Bank Plc

On 31 March 2015, the Company announced details of a conditional placing by N+1 Singer to raise £30 million through the issue of 8,000,000 new ordinary shares at an issue price of 375 pence per share, which were admitted to trading on AIM on 17 April 2015 I would like to thank our shareholders, old and new, who made the placing possible and to welcome all the new shareholders who have invested in the Company

In my letter to shareholders dated 31 March 2015, I wrote that it was "*the Board's current intention to apply in due course for the admission of the ordinary shares to the premium segment of the Official List of the UK Listing Authority and to trading on the Main Market*" The Company's shares are still tightly held, notwithstanding this the Board will continue to seek a full listing of the shares which is subject to satisfying the UK Listing Authority's eligibility criteria.

The Board has decided to recommend a final dividend of 2 8p per share recognising the strong performance in the year. We look forward to continuing to see further benefits from the strategy which has delivered these results.

In May 2015, Dr. Catherine Raines and Mary Teresa ("MT") Rainey joined the Board as Independent Non-Executive Directors Both bring valuable experience and skills to the Board which will be of immense value to the Group in delivering its strategic objectives Ruth Prior was also appointed the Senior Independent Director. Subsequent to year end, Tom Allison, Neil Lees and Steve Christian stood down as directors. I would like to record the Board's grateful thanks for their contribution

These results would not have been achieved without the dedication and commitment of our staff and senior management

Lord Grade of Yarmouth, CBE
Chairman

29 June 2015

Strategic Report

This Strategic Report has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for those strategies to succeed.

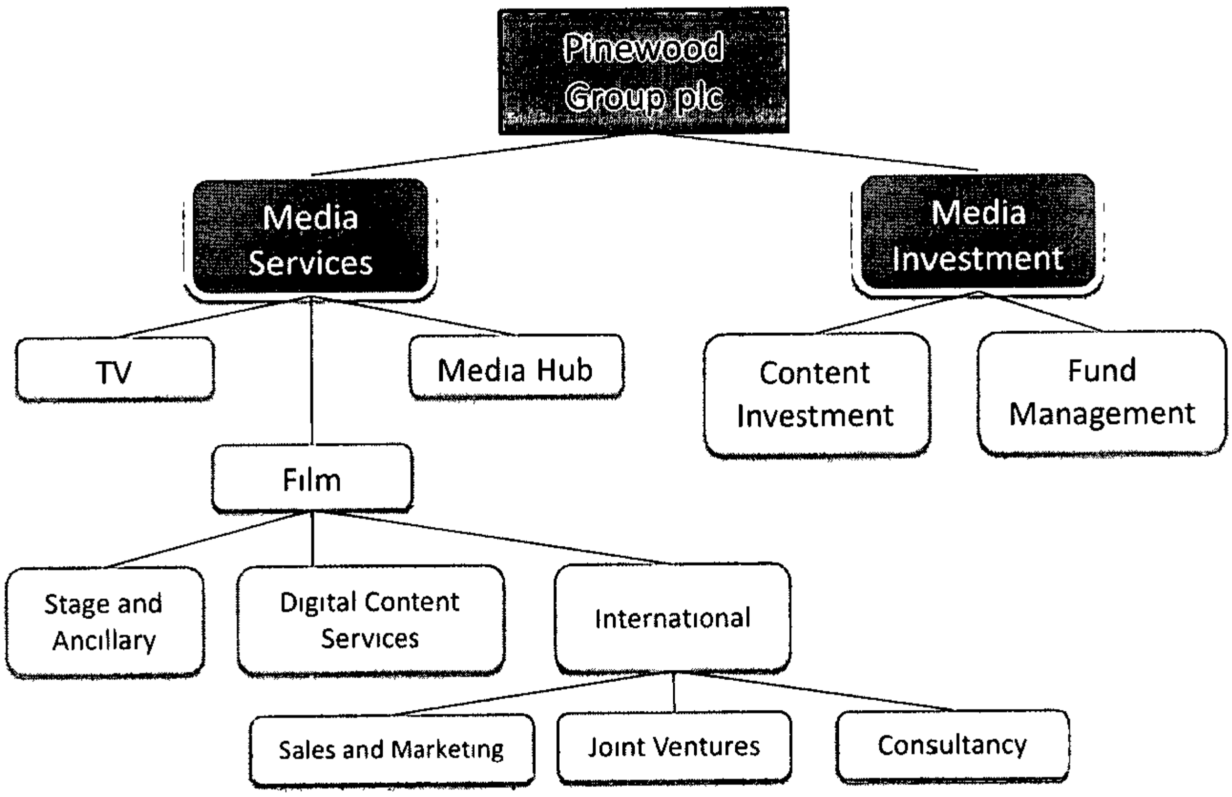
The Strategic Report contains certain forward-looking statements These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information

The Directors, in preparing this Strategic Report, have complied with Section 414C of the Companies Act 2006

Business model

Pinewood Group plc is a leading provider of studio and related services to the global screen-based industries. Our services support film production, filmed television and studio television recording, digital content services and the provision of facilities to media related business ("Media Hub").

The Group's unique selling point is the breadth of production related facilities and services available 'on-the-lot' which provides clients with a full service offering.



The Company currently has two reporting segments - Media Services, which provides studio and related services to the screen-based industries, and Media Investment, which provides investment funding and production services to the screen-based industries

The Media Services segment has principally three complementary operating streams - Film, Television, and Media Hub.

Risk	Description	Mitigation
Loss of reputation	The Group provides services to the worldwide film and television industries which requires a strong reputation Damage to that reputation could have an adverse effect on the Group	The Directors and Executive Management team maintain strong relationships and open lines of communication with customers and international partners, and consider the risks pertaining to such partners before entering into any significant commercial arrangements The Group invests in and adapts all key sites to maintain high levels of security, and continues to focus closely on safeguarding confidentiality
Exit from the European Union ("EU")	If the UK was to exit from the EU, a number of industry specific risks could arise which could have an impact on demand for Pinewood's facilities Such risks include the inability of the UK to influence changes to regulations governing broadcasting and communication services in the EU	The Group's exposure to a UK exit from the EU is partly mitigated as its largest customers are US based The Group also has a significant presence in a number of overseas markets
Risk of pandemics, acts of terrorism and natural disasters	Diseases, terrorist threats and natural disasters may reduce the appeal to customers of travel and may impact local operational capability	With UK-based studios and operational partners in a number of international locations the Group consider that the availability of location options would reduce the risk in this area

2. Financial risks

Risk	Description	Mitigation
Fiscal incentives	Changes to the UK's film, animation, video games and high end television tax incentives or an increase of incentives in overseas jurisdictions could damage the attractiveness of the UK as a destination for film making.	Reasoned, evidence-based arguments continue to be put forward to the Government highlighting the cultural and economic contribution that screen-based industries make to the UK economy
Exchange rates	The majority of international film and high end television clients are in the US and an adverse movement in currency exchange rates may result in a reduction in the Group's competitive edge versus other European or international locations	The Group assesses the need for a formal foreign exchange hedging strategy on an annual basis The risk is mitigated in part by the Group's strategy to invest in international sites The Group also holds funds in foreign currencies in international bank accounts which can be used for operational purposes as required.
Treasury	Risks exist is in a number of areas including credit risk, liquidity risk, interest rate risk and market risk	These are discussed in detail in Note 29 to the Annual Report

Principal risks and uncertainties

The Board views effective risk management as a primary part of the Group's wider strategy and is fully committed to the identification, evaluation and management of significant risks facing the Group The table below outlines the key risks and uncertainties identified by the Board together with an outline of mitigation activities

1. General risks

Risk	Description	Mitigation
Importance of key customers and big budget films	The Group's largest customers account for a high percentage of revenues If 'big budget' filmmakers cease to choose the Group's facilities, or if Pinewood's key customer base experiences financial difficulties, this could reduce revenues	The Group maintains strong, long-standing relationships through consistent levels of service and retention of employees to offer continuity The Group continues to diversify its revenues through the development of its strategy and demand for the Group's facilities continues to exceed supply In addition, strong relationships are maintained with key industry decision makers at government level to continue to highlight the importance of the tax credit regime
Competition	The Group competes in an international marketplace and film producers are able to choose from a number of studios worldwide Were other existing studios to invest significantly or new studios to be successfully established either in the UK or elsewhere, this may have a material adverse effect on the Group's market share, reduce its bargaining power in commercial negotiations, and threaten profitability due to ongoing operational costs being largely fixed in nature	The Directors believe that the Group has significant competitive advantage in its market The Group continues to invest both in the UK and overseas to ensure that the expectations and demand from the industry are met This includes investment in the PSDF and also foreign studio operations such Pinewood Atlanta Studios via a joint venture with River's Rock LLC (see Note 9 for further details)
Industrial action	Members of the various trade guilds/unions work on a high proportion of UK inward investment films. Industrial action could impact on the production of films and television programmes at the Group's studio facilities and, consequently, could have a material impact on the Group's business	The Group maintains strong, long-standing relationships with members of guilds and unions

Future developments

The Pinewood Studios Development Framework

The PSDF comprises a substantial expansion of the existing Pinewood Studios by ultimately adding a total of 1,000,000 sq ft of new facilities including 10 large stages with supporting workshops, production offices and infrastructure The Secretary of State for Communities and Local Government approved the outline planning consent for the project on 19 June 2014 Detailed planning permission for Phase One of PSDF was granted by South Bucks District Council on 23 December 2014

Phase One of the scheme incorporates five sound stages totalling 150,000 sq ft, 140,000 sq ft of workshops across 10 buildings and two office buildings totalling 55,000 sq ft. This first phase of development will be completed in the first half of 2016

A Design and Build contract for Phase One was signed on 19 May 2015 with Sir Robert McAlpine Limited. The cost of development is to be funded by a combination of the £135m banking facilities agreed on 6 March 2015 and £30m (before expenses) of equity raised through the issuance of 8m new ordinary shares on 17 April 2015.

The carrying value of all PSDF related assets totals £11.1m which includes costs incurred during the planning process and initial construction of £6 1m and land of £5 0m

Media Investment

The Company is considering possible further media investment funds Both in terms of fund advice and direct diversification opportunities, this segment continues to be an important driver for the future

Outlook

Pinewood has once again delivered strong growth

As the Group's core business has grown, the range of services for the screen-based industries has expanded The Group is seeing encouraging results from this strategy. The Group's growing presence internationally continues to deliver clear benefits.

Following the successful share placing in April 2015, construction has begun on the first phase of the Pinewood expansion This is an exciting development for the Group and the Board are pleased with the support and commitment given to the Company through the placing.

Although the Group has hosted the three largest film productions of the year, being *Star Wars: Episode VII - The Force Awakens*, *Avengers Age of Ultron* and the 24th Bond film *Spectre*, the Group continues to be unable to meet demand for all large films This will be partly addressed by the first phase of the Pinewood expansion

The Board are encouraged that the current financial year has got off to a strong start with good visibility into the coming year an increase in gearing to 78 6% compared to 48 3% at 31 March 2014, excluding fair value and loan issue costs

As at the balance sheet date, the Company had banking facilities of up to £85m which comprised a £35m revolving credit facility, a £15m term facility and a £35m acquisition facility.

On 17 April 2015, these banking facilities were fully repaid and terminated and replaced by a £135m term and revolving facilities agreement, which comprises a £35m revolving credit facility and a £100m term facility

These facilities are secured on certain of the Company's assets. The new revolving credit facility has no scheduled repayments and matures on 30 April 2019. The new term facility contains scheduled repayments of £2 5m on both 30 June 2017 and 31 December 2017, and of £5m on both 30 June 2018 and 31 December 2018 and matures on 30 April 2019

The Company has retained its £5m overdraft facility

The revolving credit and term facilities have a range of standard covenants and events of default together with variable margins ranging between 175 and 375 basis points over LIBOR

Dividend

The Board is committed to paying dividends in line with its dividend policy of not less than three times cover and as a result the Board has recommended a final dividend of 2.8p (year ended 31 March 2014· 1 9p) for approval at the Annual General Meeting, making a total dividend for the year of 3 5p (year ended 31 March 2014. 2 5p) This represents a 40% increase year on year.

The dividend is to be paid on 5 October 2015 to shareholders on the register at 4 September 2015 (ex-dividend date of 3 September 2015)

Going concern

Having considered the performance of the Group for the year to 31 March 2015 above and future developments outlined below the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements

The Group has primary banking facilities in place until 30 April 2019. Although the Group is in a net current liability position of £11 3m, principally driven by the deferred income balance which arises as a result of the Group's billing profile on major contracts, the Group has £71 4m of undrawn committed loan facilities in place following the refinancing drawn upon in April 2015 The Group also has £8 7m of asset financing available to be drawn upon including £1 6m of a pre-approved facility The Directors are confident these undrawn debt facilities provide sufficient headroom to support continued trading

The Directors have specifically considered the level of capital commitment at 31 March 2015 (see Note 27) and the projected spend on the PSDF compared with the existing financing and the additional financing completed in April 2015 (see Note 22)

In addition, Notes 22 and 29 to the financial statements include the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities and its exposure to credit risk and liquidity risk

The Group also has a strong brand and reputation in the marketplace with a growing number of customers and suppliers in the film and television industry As a consequence, the Directors believe that the Group is well placed to manage its business risks and operations successfully

Result after tax
Results for the Media Investment segment are more meaningfully reviewed at the after tax level due to the impact of the UK Film Tax Relief

The loss after tax for the segment is £0 1m (year ended 31 March 2014 £0 2m loss)

Group performance

Total consolidated revenue for the year is £75 0m (year ended 31 March 2014. £64.1m). Profit after tax for the year ended 31 March 2015 was £8.1m (year ended 31 March 2014 £5 4m) This includes exceptional income of £2 0m and an associated tax charge of £0.4m (year ended 31 March 2014 £0 5m exceptional expense, £0 1m tax credit).

Basic and diluted earnings per share for the period were 16.4p (year ended 31 March 2014 10 8p) Normalised basic and diluted earnings per share for the year (after adjusting for exceptional items) were 13 5p (year ended 31 March 2014· 11.5p).

EBITDA (earnings before exceptional items, interest, tax, depreciation and amortisation) for the year was £12 2m (year ended 31 March 2014 £9 9m), including £5 3m of Media Investment loss (year ended 31 March 2014· £3 8m loss) but excluding the EBITDA attributable to the Group's share of joint ventures After adding back the FPC loss which is largely offset by the UK Film Tax Relief, adjusted EBITDA is £16 5m (year ended 31 March 2014· £13 4m)

Taxation

The total corporation tax credit for the period, based on profit before tax of £5 0m, was £3 1m (year ended 31 March 2014 £1 8m credit)

The Group qualified for an aggregate film tax credit of £4 1m (year ended 31 March 2014 £3 1m) on the expenditure from the film production companies that are group subsidiaries

The underlying rate of tax on profit before accounting for UK film tax relief from FPCs, prior year adjustments and exceptional items is 23% (year ended 31 March 2014 23%)

Liquidity management

The Company's cash balance increased by £5.6m over the year to 31 March 2015 Excluding restricted cash reserved solely for the use by specific film production companies, the Company's general cash balance increased by £6 5m

The main drivers of this cash inflow is an increase in underlying profitability as demonstrated by the £2 4m improvement in cash from operating activities, coupled with a favourable working capital movement of £6 6m, including a £2 1m Media Services deferred income movement and a £2 6m Media Services trade payables movement, alongside a reduction in capital expenditure (as explained below)

Capital expenditure (excluding acquisition activity) has decreased from £18 4m in the comparative period to £7 1m as a number of large scale investment projects have been completed The Company has invested a further £2 6m (year ended 31 March 2014· £1 0m) in its Pinewood Atlanta Studios joint venture

The Company's acquisition of the 50% of SSPP previously owned by clients of Aviva Investors resulted in a cash outflow totalling £36 8m, which was funded by an extension to the existing bank facility of £35m plus internal resources

Net debt at 31 March 2015 was £71 9m including restricted FPC cash and £72 5m excluding FPC cash (31 March 2015 £40 2m including FPC cash, £41 6m excluding FPC cash) The increase in net debt year on year is driven by the SSPP acquisition on 3 December 2014 This has led to

Return on capital employed
The Company measures return on capital employed ("ROCE") for the Media Services segment by reference to annualised operating profit before exceptional items, including intersegment profit and share of results of joint ventures, as a percentage of average capital employed, being total equity plus interest bearing loans and borrowings. ROCE for the twelve months ended 31 March 2015 was 10 1% (twelve months ended 31 March 2014 restated 9.6%) The prior period has been restated to include the results of joint ventures

The ROCE year on year is principally driven by significant capital investment during previous years now being fully revenue generating.

The PSDF is a capital intensive project with significant long-term infrastructure spend front-loaded Capital employed at 31 March 2015 includes £6 1m of assets in the course of construction and land of £5.3m relating to this project, totalling £11 4m (31 March 2014. £8 8m) which are non-revenue generating, and are not expected to be so until the year ending 31 March 2017 Excluding these assets from average capital employed gives a ROCE of 11.2% for the year ended 31 March 2015 and 10 0% for the prior period

Media Investment review

Media Investment revenue for the year was £19 0m (year ended 31 March 2014 £14.9m)

Investment advisory
The combined investment funds advised by the Company total £55m (Wales - £30m, Isle of Man - £25m), making them a significant investment portal for British film, television and video games content During the year the funds co-invested £6 4m in *Take Down* following advice from Pinewood Pictures

Investment advisory revenue for the year was £0 8m (year ended 31 March 2014. £0.4m), with the year on year increase due to the commencement of the Welsh investment advisory agreement in March 2014.

In addition to the investment made by third party funds in *Take Down*, the Group also provided film finance totalling £1 0m to its wholly-owned subsidiary FPCs (year ended 31 March 2014. £1 9m).

During the year the Company earned other commissions and investment recoupment totalling £0.5m against film investments made in prior years (year ended 31 March 2014. £0 5m) The recoupment revenue has been generated from the theatrical release of *Riot Club* during the year and further receipts from *Dom Hemingway*.

Film production companies
Revenue from FPCs for the year totalled £17 8m (year ended 31 March 2014 £14 0m) An FPC is considered active from the close of film financing until the production is completed and delivered

The operating loss from FPC activity of £4.3m (year ended 31 March 2014 £3 5m) is largely offset by UK film tax relief of £4 1m (year ended 31 March 2014· £3 1m) as expected

Included in the Group cash balance of £6.4m is £0 6m (year ended 31 March 2014 £1 4m) restricted solely for use in the production of specific FPC operations The Group trade receivables balance of £5 7m includes £0 7m (31 March 2014· £7 0m) consolidated from FPC activities whilst the Group trade and other payables balance of £30 3m includes £5 1m (31 March 2014 £9 5m) from FPCs The year on year variance is driven by the stage of completion of active FPCs these large format TV productions in the future Tapeless workflow has increased the volume of TV work being facilitated in DCS

The Group completed its exit from Teddington Studios on 24 December 2014

Pinewood Studio Wales
In January 2015, Pinewood Studio Wales opened and is now home to 15 tenant companies and has hosted two productions, *The Bastard Executioner* (Fox) and *The Crow* (Relativity Media) The Company is targeting film and high-end TV drama productions to utilise the facility

Media Hub
Media Hub revenues inclusive of service, utility and facility charges for the year were £6 2m (year ending 31 March 2014 £5 6m) with the increase principally due to the Shepperton Studios Property Partnership transaction as discussed below.

The total number of Media Hub companies accommodated at the year end was 242 at Pinewood Studios and Shepperton Studios, with occupancy of 97% across a net lettable area of 359,000 sq ft (year ended 31 March 2014 228 companies, 96% occupancy, 349,000 sq ft)

Gross and operating margins
The Media Services segment gross margin, including intersegment revenues, for the year ended 31 March 2015 was 37 2% (year ended 31 March 2014· 37.7%) The year on year variance is principally driven by an increase in depreciation costs due to progression of a number of development projects

The Media Services operating margin before exceptional items is 19 3% (year ended 31 March 2014 18 3%), reflecting a Selling, Distribution and Administrative cost base capable of servicing the expanded revenue generated

Exceptional items
The Group discloses as exceptional items on the face of the income statement those items which, because of the nature and expected infrequency of the events giving rise to them, merit separate disclosure to allow users of the financial statements to better understand the elements of financial performance in the year, so as to facilitate comparison with prior periods and to better assess trends in financial performance

The Company earned exceptional income of £2 0m (year ended 31 March 2014. £nil income, £0 5m charge) as detailed below

Shepperton Studios Property Partnership ("SSPP") acquisition
Up until 3 December 2014, the Group held a 50% share in SSPP which was treated as a joint venture under IFRS 11 *Joint Arrangements* On 3 December 2014, the Group acquired the 50% previously owned by clients of Aviva Investors, with the resultant 100% ownership leading to SSPP becoming a wholly-owned subsidiary undertaking of the Company In accounting for this transaction, a net gain of £1,952,000 was realised (after accounting for loan break costs in SSPP of £366,000).

Details of exceptional items incurred in the year ended 31 March 2014 can be found in Note 7 of these financial statements

DCS revenues included within the total film revenue for the year ended 31 March 2015 were £7 2m (year ended 31 March 2014 £6 5m)

Notable sound post production work completed during the year included Kenneth Branagh's *Cinderella* (Disney), *Ex Machina* (DNA Films) and *The Theory of Everything* (Working Title Films). The Company also successfully completed original and international sound work for the video games industry on Microsoft Lionhead *Fable Legends* and Sega's *Total War Attila*

Digital Production Services, the secure management of data generated from digital film shoots on-set and on location, continues to grow with services provided to productions including *The Avengers· Age of Ultron* (Marvel), *Pride and Prejudice and Zombies* (Cross Creek Pictures) and *The Riot Club* (Pinewood Productions/Blueprint Pictures)

DCS continues to enhance its offering to the growing number of feature films choosing to shoot with digital camera technology and television productions wishing to work in a digital file-based environment at the Studios The Company now offers digital intermediate colour grading for Film and TV projects post producing on-the-lot with serviced projects including *Spooks· The Greater Good* (Kudos Films/Shine/Pinewood Pictures), *Take Down* (Pinewood Pictures) and *I Live With Models* (Comedy Central)

International
International revenues for the year included within film were £3 1m (year ended 31 March 2014· £1 1m) and relate to sales and marketing agreements in Toronto, Malaysia and Dominican Republic, with the increase driven by the newly operational Pinewood Atlanta Studios plus consultancy services provided in China, as further discussed below

Pinewood Atlanta Studios
Pinewood Atlanta Studios ("PAS"), the Company's partnership with Rivers Rock LLC, is located on approximately 650 acres of land in Georgia, USA owned by the Partnership Phase One of the development, comprising 118,000 sq ft of film sound stages (being six stages), 90,000 sq ft of workshops and 200,000 sq ft of offices, was completed in June 2014

Marvel's *Antman* was the first production to shoot at PAS, moving in shortly after construction was completed and finishing principal photography in November 2014 Marvel's second feature to shoot at PAS commenced principal photography in April 2015.

PAS has established several exclusive vendor relationships including MBS Lighting, Hollywood Trucks, Home Depot and The Rag Place PAS also took over sales and management of the Pinewood Atlanta Studios Production Centre formerly managed by Rivers Rock LLC.

China
The Company provides consultancy services to a number of leading Chinese film industry companies During the year, the Company continued to provide advice on the design and construction of the Qingdao Oriental Movie Metropolis, a film facility comprising 45 stages for the Wanda Group Construction on Phase One commenced in 2015 with the studio complex scheduled to open in 2017 In addition the Company commenced the provision of consultancy advice to the Shanghai Film Group on its studio facilities in Chidden Both projects remain ongoing

Television
TV revenues for the year were £5 8m (year ended 31 March 2014 £6 2m)

The Company's television business hosted a number of productions during the year, including *Not Going Out* (Avalon), *Birds of a Feather* (Freemantle Media) and *Still Open All Hours* (BBC) ITV, BBC and Sky expressed an interest in utilising the Company's dual purpose film stages for their large scale light entertainment formats but the Company was unable to accommodate these requests due to capacity constraints The PSDF should enable Pinewood to accommodate

Key Performance Indicators

The Board uses a number of key performance indicators ("KPIs") to monitor the Company's performance, as well as to measure progress against the Company's objectives

The KPIs used to measure performance and which are discussed in further detail below are.

	Year ended 31 March 2015	Year ended 31 March 2014
Media Services		
Revenue (including inter-segment)	**£57.2m**	£50 4m
Operating profit before exceptional items	**£11.0m**	£9 2m
Return on capital employed	**10.1%**	9 6%
Stage occupancy	**80%**	81%
Media Hub occupancy (as a % of net lettable area)	**97%**	96%
Media Investment		
Number of active Film Production Companies during the year	**7**	8
Loss after tax	**(£0.1m)**	(£0 2m)
Film finance funding invested by the Group	**£1.0m**	£1 9m
Film finance funding from third party funds	**£6.4m**	£11 3m
Group performance		
Profit after tax	**£8.1m**	£5 4m
Earnings per share adjusted for exceptional items	**13.5p**	11 5p
Cash generated from operations	**£18.4m**	£14 0m
Net debt	**£71.9m**	£40 2m

Media Services review

Total revenues within this segment were £57 2m for the year (year ended 31 March 2014. £50 4m), including £1 3m of intersegment revenue (year ended 31 March 2014 £1 2m) Inter-segment revenues relate to revenue generated from the utilisation of the Company's core services by the Group's wholly-owned Film Production Companies ("FPCs").

Film

Film revenues for the year ended 31 March 2015 were £43 9m (year ended 31 March 2014. £37 4m), a year on year increase of 17 5%. The increase is due to greater utilisation of ancillary studio space, expansion of the Group's offering in complementary activities, growth in DCS revenues and a higher level of international activity.

The demand for the Company's facilities throughout the year has been strong, as reflected in stage occupancy of 80% (year ended 31 March 2014. 81%), however this ongoing strong film demand has limited television occupancy opportunities over the year.

The largest film production based at Pinewood Studios during the period was *Star Wars· Episode VII – The Force Awakens* (Lucasfilm) and the largest production at Shepperton Studios was *Alice Through the Looking Glass* (Disney)

Other major productions which were based at Pinewood and Shepperton during the year include the 24th Bond film, *Spectre* (Eon) and *Avengers. Age of Ultron* (Marvel).

Within Film, operations are further divided into Stage and Ancillary, which provides production facilities to clients, Digital Content Services ("DCS") and International

DCS offers picture and sound post production, media storage and management and distribution for original English language and internationally re-versioned content

International operations, which leverage the Pinewood brand, include providing international sales, marketing, studio development and consultancy services in Canada, the Dominican Republic, Malaysia and China plus a joint venture in the United States of America

The Company's television ("TV") business provides a range of unique TV production facilities, often utilising its stages and DCS offerings to host and service large 'event' television productions The television offering consists of a comprehensive range of production facilities such as high definition TV studios, film stages and post production services to support all forms of television production

The Media Hub is currently home to 257 independent businesses representing and providing expertise, equipment and support to the film, television, games, advertising and photographic industries These companies come together to form a unique cluster and centre of excellence for the entire creative industry

The Media Investment segment (trading as "Pinewood Pictures") includes an agreement to source and advise on film, high-end television and video game investment opportunities for two media development funds, a £25m fund established by the Isle of Man Treasury and a £30m fund established by the Welsh Government In addition, the segment involves identification and investment by the Group in British qualifying film and high-end television productions.

Objectives and Strategy

The Group's mission is to·

- Continue to create the UK's leading film, television and media destination,
- Enhance our brand heritage,
- Exceed our customers' expectations through our commitment to professionalism, quality of service and offering sustainable advantage, and
- Increase value for all our stakeholders.

Targeted strategic plans to achieve this mission include

- Operational growth.
    - Increase capacity through expansion of existing stage and studio facilities,
    - Investment in digital activities, and
    - Increased Media Investment activity

- Property development
    - Plan to increase overall capacity through the Pinewood Studios Development Framework ("PSDF"), and
    - Demand-led Media Hub expansion to limit speculative risk.

- Leveraging the brand
    - Selective international growth through joint ventures with limited capital commitment,
    - Lower risk investment in screen content; and
    - Provision of investment advice to third party 'content' funds

3. Operational Risks

Risk	Description	Mitigation
Pinewood Strategic Development Framework ("PSDF")	The construction of phase one of the PSDF is dependent on the performance of third party contractors and may suffer delays, may not be completed or may fail to achieve expected results	A leading construction company has been appointed on a fixed price contract, with the necessary scale and credentials to undertake this project. The Group has engaged experienced project managers within the business to monitor the progress of the construction
Business continuity and disaster recovery	A major incident such as a fire or an explosion could put people and/or the sites of operation at risk, result in a loss of revenue and damage the Group's reputation. In addition, given the profile of the business and its operations, there is a risk that its sites of operation or information technology systems could be subject to cyber-attack or acts of terrorism If these occur, there is no guarantee that trading will not suffer in the short or medium term	A dedicated health, safety and fire team carries out regular risk evaluation Further details can be found in the Corporate Responsibility section of the Annual Report A Business Continuity Team is also in place to ensure that the operational business continues as far as possible in the event of a major incident. The Group has an insurance portfolio It also invests in information technology and monitors the adequacy of its applications in use on an ongoing basis
Environmental	While the Directors believe that the Group currently complies with applicable environmental laws and regulations, any future changes or developments in environmental regulation may adversely affect its operations, results or financial condition A number of buildings at Pinewood Studios and Shepperton Studios are many decades old and contain asbestos If an accident or other unanticipated event were to result in any asbestos becoming exposed at either studio, there is a risk that filming could be interrupted or otherwise affected	Details of the Group's environmental policy are included on pages 18-19 of this report The Group has a health and safety process for dealing with any asbestos that becomes exposed and, in accordance with health and safety legislation, engages the services of a specialist asbestos remover if required All productions on site are required to have public liability insurance in place prior to accessing any facilities.

Risk	Description	Mitigation
Ability to attract and retain key personnel	The Group relies on the continued services and performance of the Executive Directors The Directors place considerable importance on attracting and retaining top quality personnel and acknowledge that competition for such personnel in the industry and wider market is intense	The Executive Directors are subject to service agreements with notice periods commensurate to their level of seniority. The Group has a Remuneration Committee which reviews compensation packages against market comparable data to ensure a competitive offering
Rising energy prices	There is a general climate of increasing prices for all forms of energy	The Group engages energy consultants who monitor, and provide advice on the energy markets. The Group has also invested in an energy efficient replacement equipment programme and an Automated Meter Reading system to measure and monitor energy consumption.

Employees

The Company 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. The Director of Strategy and Communications has Board responsibility for these areas and regularly updates the Board on relevant issues

At the Executive Management Team level, the Group Human Resources Manager maintains responsibility for all operational human resources issues and provides the Board with a monthly report

In addition to a published Grievance policy, the Company maintains a 'Whistleblower' policy providing an opportunity for employees to raise grievances with senior management initially and then ultimately with the Senior Independent Non-Executive Director, Ruth Prior.

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

Employees receive regular and relevant communication via the Company's intranet site *Spotlight* and staff briefings, regarding operational issues and trading performance and, where appropriate, the views of employees are sought in guiding business practices and strategy

The Company has adopted a training policy whereby all members of staff are actively encouraged to contribute to their own development The Company believes that personal development is a partnership between the individual and the Company and the attitude of the individual to their own development is a key element of this process

Training is seen as serving three main purposes. helping to meet the Company's corporate aims and objectives; helping to improve the individual's performance in undertaking their current duties, and developing the individual's abilities and potential by extending knowledge, skills and influencing attitudes During the period, 25% of training was health and safety related and 75% related to skills training and career progression As part of the Pinewood Studios Group Apprenticeship Scheme, staff members completed NVQ Apprenticeships in Customer Service and Business Administration, with a further six apprenticeships in Digital, IT, Drapes, Post Production and Maintenance and Plumbing The Company's Studio Management Diploma has been expanded with 36 employees and 10 external students having been enrolled on the course since inception in 2013

Executive Management Team

The Executive Management Team members are the first line of support for the Board and their combined experience and backgrounds assist in delivering the Group's strategy and maximising stakeholder value They are a key part of the succession plan for the Group and their training and development needs are reviewed regularly to ensure that the talent pool is developed and retained

Details of the Executive Management Team can be found on the Group's website, www pinewoodgroup com/about-us/management-team

Corporate Responsibility

The Company continues to support and encourage the next generation of employees in the British screen-based industries By giving training and work experience, the Company seeks to develop the skilled production resource base in order to maintain the high degree of excellence that draws overseas productions to this country

Support is given to the National Film and Television School by way of a scholarship for two undergraduates, the Rye Studio School with visits to the studios and the BFI Academy schemes which introduce young people across the country to film and television production

Pinewood Studios and Shepperton Studios also work with local schools, colleges and universities, including Buckinghamshire New University, Amersham and Wycombe College, Chalfont Community College and the London Film School.

We continue to support local charities and organisations to encourage residents to embrace the studios as an advantage to their environment with the impact on providing jobs in the surrounding areas and sustainable growth within their communities for local shops and businesses

All staff are encouraged to participate in charity fund raising either individually or as a group, thus promoting good working relationships and a sense of achievement

Staff and tenant film screenings and other social events are also held throughout the year to maintain and develop community relationships.

Health and Safety issues

The Company is committed to building a safe working environment and improving on its already high standards of health and safety, acknowledging its responsibilities under the Health and Safety at Work Act 1974 and subordinate regulations

The Company places the safety of all persons in high regard and has a detailed policy that clearly details each employee's responsibilities

Progress continues to be made with raising the profile of health and safety in the Company The Group Health, Safety and Fire Team are always available to provide advice supplemented by information on the Company's intranet, *Spotlight*, which is accessible to all staff and clients.

There was a reduction in the number of minor staff accidents for 2014/2015 and no reportable injuries under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations ("RIDDOR")

Neil Lees, Non-Executive Director, had Board accountability during the year for health and safety issues supported by Nicholas Smith, Commercial Director and the Executive Management Team. Board accountability has transferred to Dr Catherine Raines subsequent to year end The Board monitors relevant health and safety issues each month

Environmental issues

The Group's environmental policy seeks to minimise any adverse impact that our business activities may have on the environment to ensure compliance with regulatory requirements, reduce CO_2 emissions and continuously improve our environmental performance

Recycling
In line with Pinewood's ongoing commitment to provide further recycling opportunities for domestic waste, the Company is now able to recycle the majority of domestic waste generated across its UK sites The new process has been embraced by all customers and over the past

year has seen the elimination of all landfill waste realising further cost savings and creating recyclable rebates

Travel Plan
Travel Plan measures continue to be promoted to staff, tenants and productions to further reduce the number of vehicles arriving at the studios, to cut the subsequent CO_2 emissions and to promote sustainable travel options

Some of these initiatives include participation in the Cycle to Work scheme, provision of cycle shelters, travel information points, travel surveys, video conferencing facilities and electric car charging points The Guaranteed Lift Home Policy and a Season Ticket Loan Scheme are also used to encourage staff to choose more sustainable modes of transport

The two hybrid pool cars that are available to staff when making business journeys also helps to reduce CO_2 emissions and encourages staff to share their journeys The free studio shuttle bus services to and from local railway stations have the greatest impact on reducing the number of car movements and associated CO_2 emissions 2014 saw nearly 94,000 passenger journeys being made, which was the highest figure since the service began in 2008

Energy
The Company continues to participate in the Government's Carbon Reduction Commitment Energy Efficiency Scheme, which aims to cut CO_2 emissions by reducing energy consumption

The Group's absolute (or total) CO_2 emissions for 2014/15 were 8 5% below those from the baseline year of 2010/11 but approximately 1% higher than those in 2013/14 This small annual increase is a reflection of the increased level of Group activity However, the 'benchmark' CO_2 figure which shows a company's 'carbon intensity' by allowing a comparison to be made between the annual emissions figures and the associated levels of revenue shows a 7% reduction in 2014/15 over 2013/14 and a 23% reduction from the benchmark year of 2010/11 The significant reductions in CO_2 benchmark figures are achieved by the continuing investment and focus on the Group's energy saving measures and procedures.

Initiatives to reduce CO_2 emissions and energy consumption include.

- the conversion of Pinewood from gas oil to gas,
- replacing existing gas oil boilers with more energy-efficient gas fired models measuring and monitoring of energy consumption,
- management of Building Management Systems (BMS),
- the identification of unnecessary energy consumption via the automated meter reading system,
- extending the use of the Automated Meter Reading system (AMR), and
- the installation of energy-efficient motors, devices and systems wherever possible, including stage lighting and boiler controls

By order of the Board

Ivan Dunleavy
Chief Executive

29 June 2015

Corporate Governance Statement

The Company is not required to comply with the UK Corporate Governance Code ("the Code") as it is listed on the AIM operated by the London Stock Exchange The Company has not elected to voluntarily adopt the Code, however it is committed to high standards of corporate governance and has adopted procedures to institute good governance where practical and appropriate for an organisation of its size and complexity The information included in this report is designed to illustrate the Company's commitment to an appropriate governance framework and is not a statement of compliance with the Code

Membership of the Board

As at 31 March 2015, the Board comprised of the Non-Executive Chairman, Lord Grade of Yarmouth, five Executive Directors. Ivan Dunleavy (Chief Executive), Nicholas Smith, Andrew M Smith, Christopher Naisby and Steve Christian; and four Non-Executive Directors Ruth Prior (Senior Independent Director), Steven Underwood, Neil Lees and Thomas Allison.

Since the year end two appointments were made adding further complementary expertise to an already skilled Board. Dr. Catherine Raines brings significant insight of the China market and government relations Mary Teresa ("MT") Rainey adds to the Chairman's considerable media sector experience as well as offering perspective from the broader industry With Ruth Prior taking on the role of Senior Independent Director the Board is well equipped to ensure the Company is delivering its strategic objectives.

Further details of the Board members, including details of appointments and resignations that have occurred subsequent to the year end, can be found on pages 25 to 26 of the Annual Report

Role and responsibility of the Board

The Board is responsible for determining corporate strategy, treasury policy, approval of capital expenditure projects in excess of £75,000, dividend policy, interim and annual financial statements, all regulatory communications required by the Group and appointments to the Board The Board continues to maintain and, where it considers necessary, enhance the financial disciplines across the Group.

In advance of the monthly Board meeting, the Board members are provided with comprehensive historic and forward-looking financial and operational information to support their understanding of the business and related strategic and operational issues and to enable them to fulfil their responsibilities accordingly Where there are specific items that require Board approval additional reports and supporting information is circulated Directors are provided with regular access to the Company Secretary and to the Executive Management Team to facilitate their understanding of significant operational issues and assessment of the Group's prospects, including the ongoing consideration of succession planning This also ensures that the Directors can make further enquiries on financial, operational and strategic matters as and when required There are also procedures in place to enable Board members to take independent professional advice as necessary

Independence of Directors

Each of Steven Underwood, Neil Lees and Thomas Allison are executives of the Peel group which indirectly held 58 05 per cent of the Company's issued share capital as at 31 March 2015 Following the share placing that completed subsequent to the year end, on 17 April 2015, the Peel group's indirect shareholding reduced to 39.09 per cent Neil Lees and Thomas Allison resigned their directorships effective 17 April 2015.

Notwithstanding the fact that the Non-Executives in place during the year in question were not independent (with the exception of Ruth Prior), the Board is of the view that all the Non-

Executive Directors contributed significantly to the Group's strategic direction over the year and that their level of experience made a significant and valuable contribution to the Board

On 5 May 2015, Dr Catherine Raines and MT Rainey were appointed to the Board, joining Ruth Prior as Independent Non-Executive Directors

The terms and conditions of appointment of the Non-Executive Directors are available for inspection upon request from the Company Secretary

Conflicts of interest

In accordance with Section 175 of the Companies Act 2006, procedures have been put into place for the disclosure by Directors of potential and/or actual conflicts of interest and these have been operated effectively Each potential and/or actual conflict is disclosed as it arises and is considered by an appropriate quorum of Directors. Directors leave a Board meeting when matters relating to them, or which may constitute a conflict of interest, are being discussed

The Group has in place a share dealing code for dealings in shares by Directors and senior employees which is appropriate for an AIM-listed company The Directors comply with Rule 21 of the AIM Rules for Companies relating to Directors' dealings and take all reasonable steps to ensure compliance by the Group's applicable employees.

Meetings of Directors

The following table sets out attendance of the Directors at the Board and Committee meetings during the year ended 31 March 2015

	Board meetings	**Audit Committee meetings**	**Remuneration Committee meetings**	**Nomination Committee meetings**
Number of meetings	***10***	***3***	***3***	***1***
Chairman				
Lord Grade of Yarmouth	10	-	3	1
Executive Directors				
Ivan Dunleavy	10	-	-	-
Nicholas Smith	10	-	-	-
Andrew M Smith	10	-	-	-
Christopher Naisby	10	-	-	-
Steven Christian	10	-	-	-
Non-Executive Directors				
Ruth Prior	10	3	3	1
Steven Underwood	10	3	3	1
Neil Lees	10	-	-	-
Thomas Allison	9	-	-	-

Executive Directors maintain regular and structured dialogue with major shareholders via direct scheduled meetings In addition, the Chairman is available to meet significant shareholders, as required.

Board Committees

The Board has established three committees. Audit, Nomination and Remuneration The Chairman and members of these committees are appointed by the Board following consultation with the appropriate committee's chairperson

The terms of reference of the Audit, Nomination and Remuneration committees are contained in the *'Corporate Governance'* sub-section of the Company's Investor Relations website at www pinewoodgroup com/investor-relations/board-directors/corporate-governance Further details of the committees are set out below.

Audit Committee
Ruth Prior, Chairperson
Steven Underwood
Dr Catherine Raines (appointed to Committee on 29 June 2015)

The Audit Committee reports to the full Board of the Company and is responsible for.

- monitoring the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance and reviewing significant financial reporting judgements contained therein,
- reviewing the Group's internal financial controls and the Group's internal control and risk management systems, including consideration of the need for an internal audit function;
- making recommendations to the Board for a resolution to be put to the shareholders for their approval in general meetings on the appointment of the external auditor and the approval of the remuneration and terms of engagement of the external auditor, and
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process and implementing a policy on the engagement of the external auditor to supply non-audit services as described further below

The Group's external auditors meet directly with the Audit Committee in advance of full year and interim results and on other occasions as required

The Audit Committee also reviews the effectiveness of the external audit process including the issue of auditor independence.

Nomination Committee
Lord Grade of Yarmouth, Chairman (stood down as Chairman on 29 June 2015)
Ruth Prior
Steven Underwood
Dr Catherine Raines (appointed to Committee as Chairperson on 29 June 2015)
MT Rainey (appointed to Committee on 29 June 2015)

The Nomination Committee's nomination duties are to make recommendations to the Board on all proposed appointments of Directors, to review succession plans for the Group and to review Board effectiveness.

Remuneration Committee
Steven Underwood, Chairman (stood down as Chairman on 29 June 2015)
Lord Grade of Yarmouth
Ruth Prior (stood down from Committee on 29 June 2015)
MT Rainey (appointed to Committee as Chairperson on 29 June 2015)

A detailed report on the Remuneration Committee's activities is contained within the Directors' Remuneration Report

Internal control

The Board acknowledges that it is responsible for the Group's system of internal control and has reviewed its effectiveness over the year The Audit Committee has reviewed the effectiveness of the internal control systems and has found the systems to be effective The internal control systems implemented at the Company for the year under review, and continuing, is structured in order that the Group's risks are effectively identified, evaluated and managed to provide reasonable, but not absolute, reassurance that there is no material misstatement or loss

The main elements of the Group's internal control system, including risk identification, are as follows

Board
The Board of Directors is ultimately responsible for internal control procedures with an organisational structure that supports clearly defined authority levels The primary responsibility for the operation of the internal control systems lies with the Executive Directors and the Executive Management Team. Board meetings include consideration of strategic, financial, operational and compliance issues which are endorsed through assessment by the Audit Committee of the effectiveness of the internal, financial and operating control environment

Operating Company controls
The identification and mitigation of major business risks is the responsibility of the Executive Directors and Executive Management Team who have ongoing operational responsibility A part of this remit includes the maintenance and regular review of procedures to identify and mitigate potential areas of risk supported by the Group's in-house Legal Counsel in addition to external adviser guidance This process and review also ensures that procedures comply with Group policies and guidelines

Authorisation procedures
The authorisation procedures in respect of matters such as purchase commitments, capital expenditure, investment limits and treasury transactions are defined within the Group

Insurance
The Company has granted an indemnity to all its Directors against liability brought by third parties, subject to the conditions set out in the Companies Act 2006 The continuing adequacy of insurance cover for the Group is evaluated on an annual basis and the Board have concluded that the insurance cover for the Group is currently adequate

Financial reporting
In advance of each financial year, the Board approves a comprehensive budget incorporating a detailed appraisal of underlying assumptions and business risks The Board is provided with financial information on a monthly basis detailing historical and forecast results against budget and prior year, incorporating monthly and year to date trading results, statement of financial position and summary notes, cash flow statement, capital expenditure, levels of indebtedness and covenant compliance In addition, monthly Board meetings include an appraisal of current forecasts, treasury policy, financial resources, borrowing facilities and hedging strategy. The Executive Management Team is also provided with key financial data on a monthly basis to assess performance against budgets and provide explanations on the results to the Board.

Treasury management
The treasury function is managed in accordance with guidance approved by the Board and procedures are regularly reviewed to ensure that they remain suitable Appropriate segregation of duties is in place and significant transactions are authorised by the Board. Financial reports and analysis are provided to the Board on a monthly basis as noted in '*Financial reporting*' above

Shareholder communication
The Company maintains a communication strategy with its shareholders The Company also communicates regularly with the employees of the Group All Company announcements are posted on the investor relations website, www pinewoodgroup com/investor-relations, as they are released This website also includes historic financial and share price information, as well as a link to *'About us'* which provides information on the Group.

Additionally, the Annual General Meeting to be held this year on 28 September 2015 will provide shareholders with a further opportunity to meet and question the Company's Board, and to review the results and business during the year ended 31 March 2015

By order of the Board,

Andrew M. Smith
Company Secretary

29 June 2015

Board of Directors

Non-Executive Chairman

Lord Grade of Yarmouth, CBE‡Ψ (72) began his career as a sports journalist. Previous positions include Chief Executive of Channel 4, Chairman and Chief Executive of First Leisure plc and Chairman of the Governors of the BBC and Chairman and Chief Executive of ITV plc He is a Non-Executive Director of WRG and a Director of National Angels Ltd. Lord Grade has been Chairman of Pinewood Group plc since February 2000. He was created a Life Peer in 2011

Executive Directors

Ivan Dunleavy, Chief Executive (55) has spent his career in media businesses initially in finance roles Prior to his current role he was Chief Executive of VCI plc. He is also a Director of the industry trade body, UK Screen Association Limited and on the Board of Creative Skillset (the sector skills council for the UK creative industries) He is also a member of the British Film Commission's Business Group and British Screen Advisory Council

Nicholas Smith, Commercial Director (53) joined Pinewood Group plc in May 2002 and was appointed to the Board in July 2005 In February 2012, Nicholas was appointed Non-Executive Director of Pinewood Iskandar Malaysia Studios SDN BHD Previous positions include Head of European Sales for Nokia (Home Communications), European Sales Director for beenz com, Broadcast Director for TSMS Ltd and Marketing Manager at London Weekend Television

Andrew M. Smith, Director of Strategy and Communications and Company Secretary (52) joined the Company in June 2008 from a role as Managing Partner of The Policy Partnership He was appointed to the Board in May 2012 He is a member of the Film Skills Council, the British Film Commission Advisory Board, the Buckinghamshire Thames Valley Local Enterprise Partnership and Creative Skillset Cymru He is a Non-Executive Director of Bucks Business First Ltd

Christopher Naisby, FCCA, Finance Director (43) joined the Company in 2001 having previously held a number of positions in the Finance teams of construction and media companies, including Reed Elsevier. Christopher was appointed to the Board of Pinewood Group plc in September 2013

Steve Christian, ACA (51) was responsible for coordinating the investment advice to the Isle of Man Treasury and Welsh Government Film and Television Funds from his appointment as Director on 25 October 2012 until his resignation on 5 May 2015 He is a Non-Executive Director of The Manx Electricity Authority and is also a Director of CinemaNX Limited, Fordex Limited, Agrimark Limited and Gasworks Media Limited.

Non-Executive Directors

Ruth Prior*‡Ψ (47) is currently Deputy Chief Financial Officer at Worldpay Prior to her current role, she was Group Chief Operating Officer and Group Chief Financial Officer of the EMI group of companies (2010–2012) and Finance Director of Portfolio Business at Terra Firma Capital Partners Limited (2002–2010) She was appointed to the Board of Pinewood Group plc in 2012

Steven Underwood, ACA*‡Ψ (41) trained as a chartered accountant with Coopers & Lybrand He joined the Board of the Peel group as Corporate Development Director in March 2007 and was promoted to Chief Executive in April 2012 He previously spent eight years in Investment Banking with Rothschild He represents the Peel group on the Boards of a number of its investee companies

Neil Lees (51) was appointed Deputy Chairman of the Peel group in March 2012 having been an Executive Director since 2007 He began his career as a Company Secretary at Ferranti International and subsequently joined the Peel group in 1994 He chairs a number of Peel group businesses and operating companies and is also Chairman of the Trustees of Peel Ports Final Salary Pension Scheme. He was appointed to the Board of Pinewood Group plc in 2011 and resigned on 17 April 2015

Thomas Allison (67) is Chairman of Peel Ports and is the Non-Executive Chairman of Tulloch Homes Group, a Non-Executive Director of Celtic plc, a partner in Kiltane Investments and a Council Member of the CBI He was appointed to the Board of Pinewood Group plc in April 2013 and resigned on 17 April 2015.

Subsequent to the year end, on 5 May 2015, two new Independent Non-Executive Directors were appointed

Dr. Catherine Raines*Ψ (52) is currently Minister and Director-General of UK Trade & Investment China ("UKTI China"), a role she has held since 2013 Prior to her current role, Dr Raines was Deputy CEO of Staffordshire County Council and has held a number of senior positions in global pharmaceutical companies, including ICI Pharmaceuticals and Zeneca, which later became part of AstraZeneca She has also held non-executive roles at the Criminal Records Bureau, North Staffordshire Regeneration Partnership, HM Land Registry and The Whitehall and Industry Group Dr Raines is a Fellow of the Royal Society of Arts and holds a PhD from the University of London in pharmaceutical engineering.

Mary Teresa ("MT") RaineyΨ‡ (59) is currently Chair of leading Digital Strategy Agency Th_nk Ltd, a position she has held since 2008 She is also a Non-Executive Director of Channel 4 and Vice Chair of Creative Skillset (the sector skills council for the UK creative industries). In addition, Ms Rainey is the founder of Horsesmouth co uk, a social enterprise for online mentoring Prior to this portfolio of roles, Ms Rainey had a long career in advertising both in the UK and the US In 1993, she founded the advertising agency Rainey Kelly Campbell Roalfe, which she grew to being a top 20 agency before it was sold to Y&R, a subsidiary of WPP plc, and it was then built to being one of the top 5 agencies in the UK where it now remains. Previous non-executive directorships held by Ms Rainey include WH Smith plc and STV Group plc.

* Member of the Audit Committee
‡ Member of the Remuneration Committee
Ψ Member of the Nomination Committee

Directors' Report

The Directors present their Report together with the audited financial statements for the year ended 31 March 2015.

An indication of likely future developments in the business of the Company is included within the Strategic Report

Information about the use of financial instruments by the Company is given in Note 29 to the financial statements.

Result and Dividends

Profit for the year ended 31 March 2015 was £8 1m (year ended 31 March 2014 £5 4m)

The Directors recommend a final dividend of 2 8p per ordinary share in respect of the year ended 31 March 2015 (year ended 31 March 2014 1 9p) for approval at the Annual General Meeting which together with the interim dividend of 0 7p (year ended 31 March 2014 0.6p) makes a total dividend for the year of 3 5p (year ended 31 March 2014· 2 5p)

Directors and their interests

The Directors who served throughout the year, except as noted, and their interests in the share capital of the Company as at 31 March 2014, 31 March 2015 and 26 June 2015 were as follows

	Number of ordinary shares at 31 March 2015 and 2014	**Number of ordinary shares at 26 June 2015**
Lord Grade of Yarmouth, CBE	17,500	17,500
Ivan Dunleavy	-	127,884
Nicholas Smith	-	89,131
Andrew M Smith	-	19,376
Christopher Naisby	-	19,376
Steven Christian (resigned 5 May 2015)	10,000	29,376
Ruth Prior	-	-
Steven Underwood	-	-
Neil Lees (resigned 17 April 2015)	-	-
Thomas Allison (resigned 17 April 2015)	8,000	8,000
Dr Catherine Raines (appointed 5 May 2015)	-	-
MT Rainey (appointed 5 May 2015)	-	-

At the forthcoming Annual General Meeting to be held on 28 September 2015, Andrew M. Smith and Nicholas Smith will retire by rotation and, being eligible, will offer themselves for re-election In accordance with the Company's Articles of Association, Dr Catherine Raines and MT Rainey will offer themselves for election as they have been appointed to the Board since the Company's last Annual General Meeting

Substantial Shareholdings

Beneficial interests amounting to three per cent. or more of the issued share capital of the Company, as notified to the Company, as at 31 March 2015 and at 26 June 2015 are as follows.

	31 March 2015		26 June 2015	
	Number of ordinary 10p shares	**Percentage of issued ordinary share capital**	**Number of ordinary 10p shares**	**Percentage of issued ordinary share capital**
Goodweather Investment Management Limited	28,683,236	58 05%	22,443,396	39 09%
Warren James Holdings Limited ("Warren James")	13,186,148	26 69%	14,983,990	26 10%
Treasury, a Department of the Isle of Man Government	4,891,582	9 9%	2,864,755	4 99%
N+1 Singer	103,858	0 21%	2,195,688	3 82%
Aviva Investors	-	-	6,666,666	11 61%
Crystal Amber Advisers	-	-	2,320,000	4 04%

No holder of shares in the Company has any special rights with regard to control of the Company and all issued shares are fully paid

Save as set out below, there are no agreements known to the Company between holders of shares in the Company which may result in restrictions on the transfer of shares or on voting rights in relation to the Company.

The undertakings given by Peel Holdings Land and Property Group Limited on behalf of Goodweather Investment Management Limited and Warren James to the Company and N+1 Singer in connection with the cancellation of the listing of the Company's shares on the Official List and the removal of such shares from trading on the main market of the London Stock Exchange and the admission of the shares to trading on AIM on 23 July 2012 were terminated on Admission of the new ordinary shares on 17 April 2015

The Company, N+1 Singer, Peel Holdings (IOM) Limited ("Peel Holdings (IOM)") and Peel Holdings Land and Property Group Limited (both of which companies are members of the Peel group) entered into a new agreement, the Peel Relationship Agreement and the Company, N+1 Singer and Warren James entered into the Warren James Relationship Agreement, upon Admission of the new ordinary shares.

Peel Relationship Agreement

The Peel Relationship Agreement regulates certain aspects of the continuing relationship between the Group and the Peel group to ensure that the Group is capable at all times of carrying on its business independently of the Peel group and that any future transactions between the Group and the Peel group are on an arm's length basis The Peel Relationship Agreement also provides that there should always be a majority of directors on the Board, and on any committee of the Board, who are independent of the Company's shareholders

The Peel Relationship Agreement provides that the Peel group will not acquire ordinary shares for one year from Admission (i e from 17 April 2015), irrespective of whether the Peel Relationship Agreement terminates prior to that date This restriction is subject to certain exceptions, including for acquisitions made pursuant to a general offer or scheme of

arrangement or to maintain an aggregate holding of approximately 39 1 per cent of the Company's issued share capital or at any time with N+1 Singer's consent
The Company has undertaken to the Peel group that (i) it will not without the consent of Peel Holdings (IOM) create a new class of security, alter the rights attaching to the Company's ordinary shares, grant any options to subscribe for new ordinary shares or allot or issue any shares for non-cash consideration, and (ii) it will enforce the terms of the Warren James Relationship Agreement

The Peel Relationship Agreement terminates on the date upon which the ordinary shares are no longer admitted to trading on AIM, the Main Market or any other recognised investment exchange or any other regulated or prescribed market or, if earlier, the later of the date upon which (i) the Peel group ceases to hold 25 per cent or more of the ordinary shares and (ii) the Peel group ceases to have a representative director on the Board

Warren James Relationship Agreement
The Warren James Relationship Agreement regulates certain aspects of the continuing relationship between the Group and the Warren James group to ensure that the Group is capable at all times of carrying on its business independently of Warren James and that any future transactions between the Group and the Warren James group are on an arm's length basis The Warren James Relationship Agreement also provides that there should always be a majority of directors on the Board, and on any committee of the Board, who are independent of the Company's shareholders

The Warren James Relationship Agreement provides that the Warren James group will not acquire shares in the Company for one year from Admission (i.e from 17 April 2015), irrespective of whether the Warren James Relationship Agreement terminates prior to that date This restriction is subject to certain exceptions, including for acquisitions made pursuant to a general offer or scheme of arrangement or to maintain an aggregate holding of no less than 25.1 per cent. of the Company's issued share capital or at any time with N+1 Singer's consent

The Company has undertaken to the Warren James group that (i) it will not without Warren James' consent, as the case may be, create a new class of security, alter the rights attaching to the ordinary shares, grant any options to subscribe for new ordinary shares or allot or issue any shares for non-cash consideration, and (ii) it will enforce the terms of the Peel Relationship Agreement

The Warren James Relationship Agreement terminates on the date upon which the Company's ordinary shares are no longer admitted to trading either on AIM, the Main Market or any other recognised investment exchange or any other regulated or prescribed market or, if earlier, the date upon which the Warren James group ceases to hold 25 per cent. or more of the ordinary shares

Lock-in Agreements
The Company and N+1 Singer have entered into Lock-in Agreements with each of Peel Holdings (IOM) and Warren James pursuant to which Peel Holdings (IOM) and Warren James have undertaken, subject to certain limited exceptions, including a sale in the event of an offer for all the Ordinary Shares in the Company, not to dispose of any of the Ordinary Shares which they hold, or another group company holds, immediately following the Placing for a period of 12 months from Admission (i e from 17 April 2015)

Going Concern

As outlined within the Strategic Report on page 11 the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements, as there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern

Directors' statement as to disclosure of information to auditors

The Directors who were members of the Board at the time of approving the Directors' report are listed on pages 25 to 26

Having made enquiries of fellow Directors and of the Group's auditors, each of these Directors confirms that at the date of approval of this annual report.

(1) so far as they are aware, there is no relevant information of which the Group's auditors are unaware, and

(2) they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are 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 have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

By order of the Board,

Andrew M. Smith
Company Secretary

29 June 2015

Directors' Remuneration Report

Remuneration Committee

The Board has established a Remuneration Committee ("the Committee") to advise it on appropriate policies and procedures in determining suitable remuneration packages for Executive Directors and senior management

The Committee's responsibilities include the monitoring, review and recommendation to the Board on the Group's broad policy for the remuneration of all Executive Directors and to determine, and thereafter review at least annually, the remuneration packages of all Executive Directors including basic salary, pension arrangements and annual and long-term incentives and as appropriate, make recommendations in respect of other senior management. In addition, the Committee reviews the corporate targets and objectives relating to the Executive Directors' compensation including an evaluation of their performance

General policy

The Group's remuneration policy is to provide remuneration packages to Executive Directors and senior management which align their interests to those of shareholders whilst retaining appropriate flexibility to cater for potential future changes in remuneration policy best practice and the environment in which the Group operates Group policy aims to provide competitive rewards based on the achievement of recognised short-term and long-term performance based targets, recognising that the value of awards to Executive Directors and employees should be commensurate with individual responsibilities within the Group

The Committee has concluded that the remuneration policy remains valid for 2015

Components of the Executive Directors' remuneration

The key components of the Executive Directors' remuneration are

Basic salary and benefits in kind
The basic salary for each Executive Director reflects the Committee's assessment of performance, responsibilities and market value for comparable positions

Benefits in kind include provision of a car allowance, pension, medical and life insurance and permanent health insurance

Annual bonus
The Executive Directors participate in an annual bonus scheme, which is linked to the achievement of annual financial targets set by the Committee, based on the Group's budget approved prior to the commencement of the financial year

Long-Term Incentive Plan ("LTIP")
The Executive Directors, and certain members of the Executive Management Team, participate in an LTIP scheme where contributions will be made by the Company to the scheme over a five year period, commencing 1 April 2012, providing the target EBITDA (earnings before interest, tax, depreciation and amortisation) is achieved in each of the relevant years

The first payment from the LTIP to Executive Directors was made on 31 March 2015 and comprised the cumulative award of the first three years of the scheme which exceeded the scheme EBITDA milestone

In the event that each of the EBITDA milestones is achieved the value of the LTIP scheme at the end of the fifth year would be £5m However, the scheme contains provisions should the milestone be exceeded to increase the value up to a maximum of £6m

Pension arrangements
For Executive Directors only basic salary is pensionable. All Executive Directors are eligible to become members of the personal pension plan arranged by the Group which is a defined contribution scheme

Executive Directors' service agreements

The Executive Directors have rolling Service Agreements that are subject to 12 months' notice which the Committee regards as appropriate in the event of termination of an Executive Director's Service Agreement The Service Agreements of the Executive Directors (other than for Nicholas Smith) specify the compensation which must be paid to the Executive Director where the Company terminates the agreement either without notice or without cause, which is limited to salary and benefits payable during the Executive Director's notice period (salary only in the case of Andrew M Smith and Christopher Naisby). The Service Agreement of Nicholas Smith provides that the Company may opt to terminate the agreement with notice or a payment in lieu of notice, and provides for inherent mitigation

Chairman and Non-Executive Directors' remuneration

The Chairman is appointed for an initial term of one year and thereafter on a rolling basis with notice to terminate of six months (or immediately by the Company in certain circumstances such as breach of terms)

Independent Non-Executive Directors are appointed for an initial term of three years unless terminated earlier by, and at the discretion of, either party upon one month's written notice subject to retirement by rotation with immediate right of termination by the Company in specific circumstances including breach of terms

Non-Executive Directors appointed under the agreement with Peel Acquisitions (as outlined below) are appointed for a rolling term of 12 months subject to normal provisions of appointment at the Company's first Annual General Meeting following their appointment and retirement by rotation with immediate right of termination by the Company in specific circumstances including breach of terms

Retirements by rotation are noted in the Directors' report The appointment and reappointment of the Chairman and Non-Executive Directors are matters reserved for the full Board

The fees of the Chairman and Independent Non-Executive Directors are determined by the Remuneration Committee reflecting market practice, levels of service, together with their contribution of time and expertise in support of the Group and are reviewed annually. The Chairman and Independent Non-Executive Directors are not eligible for pension scheme membership (other than under statutory obligations) and do not participate in any of the Group's bonus or LTIP

Non-Executive Directors appointed under the agreement with Peel Acquisitions are not entitled to receive any fees

Agreement with Peel Acquisitions
The Company entered into an agreement with Peel Acquisitions pursuant to which Peel Acquisitions has agreed to supply the Company with Non-Executive Directors. As consideration for the supply of the Non-Executive Directors, the Company has agreed to pay a fee of £40,000 per annum for each Non-Executive Director that is supplied (exclusive of VAT where applicable) Either party may terminate the agreement by giving three months' prior written notice For the year ended 31 March 2015, Peel Acquisitions provided 3 Non-Executive Directors, namely Steven Underwood, Thomas Allison and Neil Lees Thomas Allison and Neil Lees have since resigned on 17 April 2015.

Directors' remuneration for the year ended 31 March 2015 (unaudited)

	Year ended 31 March 2015						Year ended 31 March 2014
	Basic salary and fees £	**Benefits in kind £**	**Annual Bonus £**	**LTIP £**	**Pension contrib -utions £**	**Total remun-eration £**	**Total remun-eration £**
Chairman							
Lord Grade of Yarmouth	**105,000**	**n/a**	**n/a**	**n/a**	**n/a**	**105,000**	105,000
Executive							
Ivan Dunleavy	**360,500**	**20,329**	**128,832**	**904,841**	**45,062**	**1,459,564**	655,666
Nicholas Smith	**240,000**	**14,241**	**84,661**	**630,647**	**36,000**	**1,005,549**	409,346
Andrew Smith	**150,000**	**9,639**	**103,852**	**137,097**	**72,063**	**472,651**	203,186
Christopher Naisby	**150,000**	**4,092**	**44,171**	**137,097**	**15,750**	**351,110**	169,580
Steve Christian*	**40,000**	**nil**	**nil**	**137,097**	**nil**	**177,097**	40,000
Non-Executive							
Steven Underwood**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	nil
Neil Lees**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	nil
Ruth Prior	**42,000**	**588**	**nil**	**nil**	**2,100**	**44,688**	43,015
Thomas Allison**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	nil

** - The Group had a consultancy agreement with Gasworks Media Limited, a company incorporated in the Isle of Man, whose sole shareholder, Steve Christian, was also an Executive Director of the Group during the year The total value of the transactions, including reimbursement of expenses, during the year was £384,000 See Note 28 for further details*

*** - Non-Executive Directors provided under the agreement with Peel Acquisitions do not receive remuneration*

On behalf of the Board,

Steven Underwood
Chairman of the Remuneration Committee

29 June 2015

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual 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 group financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing the parent company financial statements, the Directors are required to.

- select suitable accounting policies and then apply them consistently,
- make judgments 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 company will continue in business

In preparing the group financial statements, International Accounting Standard 1 requires that Directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the company's ability to continue as a going concern

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

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

Responsibility statement

We confirm that to the best of our knowledge

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole,

- the strategic report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face, and

- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's performance, business model and strategy

By order of the Board,

Andrew M. Smith
Company Secretary

29 June 2015

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

We have audited the financial statements of Pinewood Group plc for the year ended 31 March 2015 which comprise the Group Income Statement, the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group reconciliation of movement in net debt, the Group Statement of Changes in Equity and the related notes 1 to 30 for the group and 1 to 16 for the parent company The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditor

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 Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2015 and of the group's profit for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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

Christopher Robertson (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom

29 June 2015

Group income statement for the year ended 31 March 2015 and 31 March 2014

	Notes	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Revenue – continuing operations	3	**75,002**	64,058
Cost of sales		**(58,027)**	(48,129)
Gross profit		**16,975**	15,929
Selling and distribution expenses		**(2,036)**	(1,791)
Administrative expenses			
- Recurring activities in the ordinary course of business		**(9,222)**	(8,630)
- Exceptional expenses	7	**-**	(548)
Total administrative expenses		**(9,222)**	(9,178)
Profit/(loss) on disposal of property, plant and equipment		**41**	(76)
Operating profit	4	**5,758**	4,884
Comprising			
- Operating profit from Media Services activities, before exceptional items		**11,043**	9,220
- Operating loss from Media Investment in respect of Film Production Companies		**(4,328)**	(3,463)
- Operating loss from Media Investment activities, excluding Film Production Companies		**(957)**	(325)
- Exceptional expenses	7	**-**	(548)
		5,758	4,884
Exceptional income	8	**1,952**	-
Share of results of joint ventures	9	**1,149**	1,144
Finance costs	10	**(3,890)**	(2,436)
Profit before tax		**4,969**	3,592
Current corporation tax expense		**(1,814)**	(1,292)
UK Film Tax Relief from Film Production Companies		**4,062**	3,085
Deferred tax credit/(charge)		**879**	(33)
Total tax credit	11	**3,127**	1,760
Profit for the year		**8,096**	5,352
Attributable to Equity holders of the parent		**8,096**	5,352
Earnings per share *Basic and diluted for result for the year*	12	**16.4p**	10 8p

The notes on pages 44 to 82 are an integral part of these consolidated financial statements

Group statement of other comprehensive income for the year ended 31 March 2015 and 31 March 2014

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Profit for the year	**8,096**	5,352
Transfer of cash flow hedge interest to income statement	-	328
Other comprehensive income for the year, net of tax	-	328
Total comprehensive income for the year, net of tax	**8,096**	5,680
Attributable to Equity holders of the parent	**8,096**	5,680

The notes on pages 44 to 82 are an integral part of these consolidated financial statements

Group statement of financial position at 31 March 2015 and 31 March 2014

	Notes	31 March 2015 £000	31 March 2014 £000
Assets			
Non-current assets			
Property, plant and equipment	13	**165,398**	118,227
Investment property	14	**5,796**	5,929
Intangible assets	15	**5,604**	5,604
Long-term assets	16	**510**	871
Investment in joint ventures	9	**4,026**	7,394
Deferred tax asset	11	**119**	-
		181,453	138,025
Current assets			
Inventories	17	**50**	312
Trade receivables	18	**5,690**	11,794
Prepayments and other receivables	19	**6,912**	4,660
Cash and cash equivalents	20	**6,357**	775
		19,009	17,541
Total assets		**200,462**	155,566
Equity and liabilities			
Equity attributable to equity holders of parent			
Share capital	21	**4,941**	4,941
Share premium		**48,718**	48,718
Capital redemption reserve	21	**135**	135
Merger reserve	21	**348**	348
Retained earnings		**37,381**	30,570
Total equity		**91,523**	84,712
Non-current liabilities			
Interest-bearing loans and borrowings	22	**78,275**	40,939
Derivative financial instruments	23	**310**	175
Deferred tax liabilities	11	**-**	760
		78,585	41,874
Current liabilities			
Derivative financial instruments	23	**13**	15
Trade and other payables	24	**30,341**	28,466
Provisions	25	**-**	499
		30,354	28,980
Total liabilities		**108,939**	70,854
Total equity and liabilities		**200,462**	155,566

The financial statements of Pinewood Group plc, Company number· 03889552, were approved and authorised for issue by the Board of Directors on 29 June 2015. They were signed on its behalf by.

Christopher Naisby, FCCA
Finance Director

The notes on pages 44 to 82 are an integral part of these consolidated financial statements

Group statement of cash flows for the year ended 31 March 2015 and 31 March 2014

	Notes	**Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000
Cash flow from operating activities:			
Profit before tax		**4,969**	3,592
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and amortization	4	**6,455**	4,458
(Gain)/loss on disposal of property, plant and equipment	4	**(41)**	76
Exceptional income		**(2,318)**	-
Share of results of joint ventures	9	**(1,149)**	(1,144)
Finance costs	10	**3,890**	2,436
Cash flow from operating activities before changes in working capital		**11,806**	9,418
Decrease/(increase) in trade and other receivables	18,19	**5,909**	(6,843)
Decrease in inventories	17	**262**	147
Increase in trade and other payables		**899**	12,353
Decrease in provisions	25	**(499)**	(1,039)
Cash generated from operations		**18,377**	14,036
Finance costs paid		**(2,463)**	(2,102)
Corporation tax received in respect of FPC activity		**1,402**	2,584
Corporation tax paid		**(1,211)**	(2,787)
Net cash flow from operating activities		**16,105**	11,731
Cash flow from/(used in) investing activities:			
Proceeds from disposal of property, plant and equipment		**56**	-
Purchase of property, plant and equipment		**(7,074)**	(18,389)
Investment acquisitions		**(36,800)**	-
Additions to long-term assets	16	**-**	(591)
Investment in joint ventures	9	**(2,588)**	(1,038)
Distributions from joint ventures	9	**820**	1,931
Net cash flow used in investing activities		**(45,586)**	(18,087)
Cash flow (used in)/from financing activities:			
Dividends paid	12	**(1,285)**	(1,037)
Repayment of asset financing obligations		**(1,542)**	(1,160)
Proceeds from asset financing		**1,152**	2,233
Repayment of bank borrowings	22	**(4,500)**	(5,000)
Proceeds from bank borrowings	22	**41,500**	13,000
Payment of loan issue fees		**(262)**	-
Net cash flow from financing activities		**35,063**	8,036
Net increase in cash and cash equivalents		**5,582**	1,680
Cash and cash equivalents/(overdraft) at the start of the year		**775**	(905)
Cash and cash equivalents at the end of the year	20	**6,357**	775

Included within the cash and cash equivalents balance is a total of £550,000 (year ended 31 March 2014 £1,426,000) which is unavailable for general use Please see Note 20

The notes on pages 44 to 82 are an integral part of these consolidated financial statements

Group reconciliation of movement in net debt for the year ended 31 March 2015 and 31 March 2014

	Notes	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Reconciliation of net cash flow to movement in net debt:			
Increase in cash and cash equivalents		**5,582**	1,680
Repayments of bank borrowings		**4,500**	5,000
Proceeds from bank borrowings		**(41,500)**	(13,000)
Repayments of asset financing obligations		**1,542**	1,160
Proceeds from asset financing		**(1,152)**	(2,233)
Loan issue costs		**262**	-
Amortisation of loan issue costs		**(988)**	(286)
Movement in fair value of cash flow hedge		**-**	631
Movement in net debt		**(31,754)**	(7,048)
Net debt at the start of the year		**(40,164)**	(33,116)
Net debt at the end of the year		**(71,918)**	(40,164)
Attributable to:			
Cash and cash equivalents	20	**6,357**	775
Non-current liabilities			
Term and revolving credit facilities	22	**(75,000)**	(38,000)
Asset financing	22	**(3,275)**	(3,665)
Unamortised loan issue costs	22	**-**	726
Interest-bearing loans and borrowings		**(78,275)**	(40,939)
Net debt at end of year		**(71,918)**	(40,164)
Net debt at end of year excluding restricted cash		**(72,468)**	(41,590)

The notes on pages 44 to 82 are an integral part of these consolidated financial statements

Group statement of changes in equity
From 1 April 2014 to 31 March 2015

	Share capital £000	Share premium £000	Capital redemption reserve £000	Merger reserve £000	Fair value of cash flow hedge reserve £000	Retained earnings £000	Total equity £000
At 1 April 2014	**4,941**	**48,718**	**135**	**348**	**-**	**30,570**	**84,712**
Profit for the year	-	-	-	-	-	**8,096**	**8,096**
Other comprehensive income, net of tax	-	-	-	-	-	-	-
Total comprehensive income, net of tax	-	-	-	-	-	**8,096**	**8,096**
Equity dividends (Note 12)	-	-	-	-	-	**(1,285)**	**(1,285)**
At 31 March 2015	**4,941**	**48,718**	**135**	**348**	**-**	**37,381**	**91,523**

From 1 April 2013 to 31 March 2014

	Share capital £000	Share premium £000	Capital redemption reserve £000	Merger reserve £000	Fair value of cash flow hedge reserve £000	Retained earnings £000	Total equity £000
At 1 April 2013	4,941	48,718	135	348	(328)	26,255	80,069
Profit for the year	-	-	-	-	-	5,352	5,352
Other comprehensive income, net of tax	-	-	-	-	328	-	328
Total comprehensive income, net of tax	-	-	-	-	328	5,352	5,680
Equity dividends (Note 12)	-	-	-	-	-	(1,037)	(1,037)
At 31 March 2014	4,941	48,718	135	348	-	30,570	84,712

The notes on pages 44 to 82 are an integral part of these consolidated financial statements

Notes to the consolidated financial statements at 31 March 2015

1. Authorisation of financial statements and statement of compliance with IFRS

The Group financial statements of Pinewood Group plc (formerly "Pinewood Shepperton plc") for the year ended 31 March 2015 were authorised for issue by the Board of the Directors on 29 June 2015 and the statement of financial position was signed on the Board's behalf by the Finance Director. Pinewood Group plc is a public limited company incorporated and domiciled in England and Wales The registered office is located at Pinewood Studios, Pinewood Road, Iver Heath, Buckinghamshire, SL0 0NH, United Kingdom The Company's ordinary shares are traded on the AIM market of the London Stock Exchange

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") as they apply to the financial statements of the Group for year ended 31 March 2015 The Group's financial statements are also consistent with IFRSs as issued by the International Accounting Standards Board ("IASB") The principal accounting policies adopted by the Group are set out in Note 2

2. Accounting policies

Basis of preparation and statement of compliance
The consolidated financial statements of Pinewood Group plc and all of its subsidiaries have been prepared in accordance with IFRS as adopted by the EU as they apply to the financial statements of the Group for the year ended 31 March 2015 and applied in accordance with the Companies Act 2006

The accounting policies which follow set out those policies which apply in preparing the financial statements for the years ended 31 March 2015 and 31 March 2014. The Group financial statements are presented in UK sterling and all values are rounded to the nearest thousand pounds (£000), except when otherwise indicated The Group financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities (including derivative instruments) to fair value

Going concern
In assessing the going concern basis, the Directors considered the Group's business activities, the financial position of the Group and the Group's financial risk management objectives and policies The Group meets its day-to-day working capital requirements through its bank facilities The Group's forecasts and projections, taking account of reasonably possible changes in trading performance and economic uncertainty, show that the Group should be able to operate within the level of its current facilities Although the Group is in a net current liability position of £11 3m, the Group has £71.4m of undrawn committed loan facilities in place following the refinancing in April 2015. The Group also has £8 7m of asset financing available to be drawn upon including £1 6m of a pre-approved facility The Directors are confident these undrawn debt facilities provide sufficient headroom to support continued trading

The Directors have specifically considered the level of capital commitment at 31 March 2015 (see Note 27) and the projected spend on the PSDF compared with the existing financing and the additional financing completed in April 2015 (see Note 22)

Information on the Group's risks, management and exposure are set out in the "Principal Risks and Uncertainties" section of the Annual Report and Note 29 "Financial risk management, objectives and policies" of these Accounts. 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

The Group's assessment of going concern is explained further in the Strategic report on page 11 of the Annual Report and further information on the Group's borrowings is given in Note 22.

Basis of consolidation
The Group consolidated financial statements comprise the financial statements of Pinewood Group plc and its subsidiaries as at 31 March 2015 and 31 March 2014 All intercompany transactions, balances, income and expenses are eliminated in full on consolidation All subsidiaries are consolidated for the financial year ending 31 March 2015 regardless of the individual entities statutory reporting date

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting year during which Pinewood Group plc has control

During the year the Company's interest in Shepperton Studios Property Partnership increased from 50% to 100% on 3 December 2014 Prior to this date, the investment was accounted for using the equity method, with the Company recognising its ownership interest within 'Investments in joint ventures' on the statement of financial position and its interest in the profits of the joint venture as 'Share of results of joint ventures' on the income statement Following the acquisition, the investment is fully consolidated as a wholly owned subsidiary.

Changes in accounting policy and disclosures
The accounting policies adopted are consistent with those of the previous financial year, with the exception of newly applicable standards, amendments or interpretations issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for annual periods beginning on or after 1 April 2014

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements

IFRIC 21	*Levies*
IAS 32 (amendments)	*Offsetting financial assets and financial liabilities*
IAS 36 (amendments)	*Recoverable Amount Disclosures for Non-Financial Assets*
IAS 39 (amendments)	*Novation of Derivatives and Continuation of Hedge Accounting*

Standards in issue but not yet effective
At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective and in some cases had not yet been adopted by the EU·

IFRS 9	*Financial Instruments*
IFRS 15	*Revenue from Contracts with Customers*
IAS 16 and IAS 38 (amendments)	*Clarification of Acceptable Methods of Depreciation and Amortisation*
IAS 16 and IAS 41 (amendments)	*Agriculture. Bearer Plants*
IAS 19 (amendments)	*Defined Benefit Plans. Employee Contributions*
IAS 27 (amendments)	*Equity Method in Separate Financial Statements*
IFRS 10 and IAS 28 (amendments)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
Annual Improvements to IFRSs 2010-2012 cycle (amendments)	IFRS 2 *Share-based Payments*, IFRS 3 *Business Combinations*, IFRS 8 *Operating Segments*, IFRS 13 *Fair Value Measurement*, IAS 16 *Property, Plant and*

	Equipment, IAS 24 *Related Party Disclosures* and IAS 38 *Intangible Assets*
2011-2013 cycle (amendments)	IFRS 1 *First-time Adoption of International Financial Reporting Standards,* IFRS 3 *Business Combinations,* IFRS 13 *Fair Value Measurement* and IAS 40 *Investment Property*
2012-2014 cycle (amendments)	IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations,* IFRS 7 *Financial Instruments Disclosures,* IAS 19 *Employee Benefits* and IAS 34 *Interim Financial Reporting*

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments and IFRS 15 may have an impact on revenue recognition and related disclosures. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 and IFRS 15 until a detailed review has been completed

Summary of significant accounting policies

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

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

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

Foreign currency translation
The functional and presentation currency of Pinewood Group plc and its subsidiaries is UK sterling (UK £) Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of transactions Exchange differences resulting from the settlement of such transactions and from the translation at exchange rates ruling at the statement of financial position date of monetary assets and liabilities denominated in currencies other than the functional currency are recognised in the consolidated income statement

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured Revenue 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 revenue arrangements and has concluded that it is acting as a principal in all of its revenue arrangements Where a contract spans an accounting cut-off date, the value of the revenue recognised is the time proportion of the total value of the contract completed by the cut-off date. The following specific recognition criteria apply.

Media services.

- Film customers utilise services for a period of time Film revenues are also derived from international agreements to provide sales and marketing services Revenue is recognised as the Group earns the right to consideration for the service provided and this is time apportioned and earned as time elapses

- Television revenue is derived from the provision of services and is recognised on a time apportioned basis in relation to the television production process.

- Media Hub revenue, which includes revenue from investment property, is derived from customers contracting to use the Group's facilities for a period of time Revenue is recognised on a straight line basis over the term of the agreement

Media investment

- External investment advisory revenue is derived from the provision of services on a per film investment basis, with revenue from an annual management fee recognised on a straight line basis over the course of the year

- Film Production Companies revenue relates to the funding provided from the various financiers (excluding loans against tax credit, which are recognised as a liability on the balance sheet) Revenue recognised is the proportion of completion of the relevant project

Film investments
Film investments are classified as investments at fair value with any impairment in the investment expensed in the income statement The Company reviews the fair value at least annually. Any net changes in fair value are recognised in the income statement

Operating profit
Operating profit is stated after charging exceptional items but before the share of results of associates and finance costs

Tax
Deferred tax
Deferred corporation tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes

Deferred corporation tax liabilities are recognised for all taxable temporary differences

- except where the deferred corporation tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and

- in respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred corporation tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except

- where the deferred corporation tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred corporation tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred corporation tax asset to be utilised

Deferred corporation tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date

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

Film tax credits
Film tax credits are recognised in line with the cost incurred over the period of a film project Where the rate of expenditure incurred is not proportionate to the rate of qualifying expenditure, the difference in film tax credits is accrued or deferred on the balance sheet

Value added tax
The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position

Revenues, expenses and assets are recognised net of the amount of value added tax except

- where the value added tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable, and

- receivables and payables are stated with the amount of value added tax included.

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

Cash and cash equivalents
Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand For the purpose of the Group statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as described above, net of outstanding bank overdrafts

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

Derivative financial instruments
The Group has interest rate swaps to hedge against risks associated with interest rate fluctuations Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date The Group reports the movement in fair value through profit or loss as permitted by International Accounting Standard 39 *Financial Instruments Recognition and Measurement* ("IAS 39").

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

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

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as provisions An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefit expected to be received under it

Leases
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangements at the inception date· whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased item, or if lower, at the present value of the minimum lease payments Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability, using the effective interest rate method Finance charges are recognised in the income statement on a straight line basis

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

Leases, where the lessor retains substantially all the risks and benefits of ownership of the asset, are classified as operating leases Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term

Operating lease income is recognised as Media Hub revenue in the income statement on a straight line basis over the lease term

Property, plant and equipment
Property, plant and equipment are stated at cost to the Group less accumulated depreciation and any impairment loss Cost comprises the aggregate amount paid and the fair value of any

other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. Depreciation is calculated on all property, plant and equipment, other than land, from the time they are available for use on a straight line basis over the estimated useful life as follows

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

Land and assets under construction are not depreciated

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising in de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised

Borrowing costs
Borrowing costs that are directly attributable to the acquisition, construction or development of certain investment capital expenditure projects that necessarily take a substantial period of time to get ready for their intended use, or sale, are capitalised as part of the cost of the respective assets All other borrowing costs are recognised as an expense in the period in which they are incurred Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The Group has capitalised borrowing costs for all eligible assets where development or construction was commenced on or after 1 January 2007 No charges have been made for borrowing costs incurred prior to this date that have been expensed

Investment property
As defined by IAS 40 *Investment property* ("IAS 40"), investment property is property held to earn rental income and/or for capital appreciation Assets classified as investment property are carried at cost (including transaction costs) less accumulated depreciation and any recognised impairment in value, and exclude the costs of the day to day servicing of an investment property The depreciation policies for investment property are in accordance with the Group depreciation policy, as defined within the 'Property, plant and equipment' accounting policy. In accordance with IAS 40, the Group has determined the fair value of assets classified as investment The key assumptions used in arriving at the fair value and the fair value are contained in Note 14, 'Investment property'

Impairment of assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount An asset's

recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for the publicly traded Pinewood Group plc or other fair value indicators

Impairment losses of continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates assets or CGUs recoverable amount A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised If that is the case the carrying amount of the asset is increased to its recoverable amount That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years Such reversal is recognised in the income statement After such reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over the remaining useful life.

Goodwill

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

Intangible assets

Intangible assets, when identified, are capitalised at cost and subsequently amortised over their useful economic life

Available-for-sale financial assets

Available-for-sale financial investments include equity securities Equity investments classified as available-for-sale are those which are neither classified as held for trading nor designated at fair value though profit or loss

Certain loans and receivables are also designated as available-for-sale, in particular those for which the holder may not recover substantially all of its initial investment IAS 39 permits entities to designate, at the time of acquisition, any loan or receivable as available-for-sale, in which case it is measured at fair value with changes in fair value recognised in equity

The Group evaluates its available-for-sale financial assets and whether the ability to sell them is still appropriate

The Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired

Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement - is removed from other comprehensive income and recognised in the income statement. Impairment losses on equity investments are not reversed through the income statement, increases in their fair value after impairment are recognised directly in other comprehensive income

Long-term assets
Costs incurred in the establishment of long term agreements are capitalised on the statement of financial position and categorised as long-term assets

These costs are reviewed at least annually for any impairment in their carrying value and once the long-term agreement becomes operational the costs are amortised over the term of the agreement

Impairment costs and amortisation are expensed to the consolidated income statement

Inventories
Inventories are valued at the lower of cost and net realisable value Cost includes all costs incurred in bringing each product to its present location and condition Net realisable value is based on the estimated selling price less any estimated further costs expected to be incurred to completion and disposal

Trade and other receivables
Trade receivables are recognised and carried at the lower of their original invoice value and recoverable amount

An estimate for doubtful debts is made when collection of the full amount is no longer probable Bad debts are written off when identified and are determined using business knowledge and individual circumstances specific to each customer.

Exceptional items
The Group discloses as exceptional items on the face of the income statement those material items of income or expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate disclosure to allow users of the financial statements to better understand the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance

Dividends
The equity transaction is recognised when the shareholders' right to receive payment is established

Share issue costs
Costs directly attributable to the raising of equity are charged to the share premium account.

Significant accounting judgements, estimates and assumptions

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

Judgements
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date are discussed below

Impairment of goodwill
The carrying amount of goodwill at 31 March 2015 was £5,604,000 (31 March 2014 £5,604,000) and wholly relates to the Media Services cash generating unit The Group

determines whether goodwill is impaired at least on an annual basis This requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated.

Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the Media Services cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows The cash flows are derived from the Board approved budget for the next year and the Board approved long range plan for the Media Services segment only, and do not include non-cash generating assets, any activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the Media Services cash generating unit This assessment is sensitive to the discount rate used for the calculation of present values of cash flows

The key assumptions used to determine the value in use are further explained in Note 15

The Pinewood Studio Development Framework ("PSDF")
At 31 March 2015, £6 1m of capital expenditure had been incurred in respect of the PSDF, excluding land. Whilst the PSDF itself will not be treated as a separate business unit going forward, and will be part of the Media Services segment, the Directors have conducted a separate impairment review on the PSDF asset at the year end and are comfortable there are no indicators of impairment

Going concern
Information on the Group's risks, management and exposure are set out in the "Principal risks and uncertainties" section of the Annual Report and Note 29 "Financial risk management, objectives and policies" of these Accounts 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

3. Segment information and revenue analysis

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

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

The accounting policies of all operating segments are the same as those described in Note 2, "Accounting policies"

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i e at current market price

Segment data for the year ended 31 March 2015 and 2014 is presented below

Revenue:	**Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000
Media Services:		
External Film	**43,946**	37,390
Inter-segment Film	**1,256**	1,215
External Television	**5,826**	6,184
External Media Hub	**6,199**	5,575
	57,227	50,364
Media Investment:		
Film Production Companies	**17,752**	14,037
External investment advisory	**804**	402
Investment recoupment	**475**	270
Other income and commissions	**-**	200
	19,031	14,909
Total segmental revenue	**76,258**	65,273
Elimination of inter-segment revenue	**(1,256)**	(1,215)
Group revenue	**75,002**	64,058

Income statement	**Year ended 31 March 2015**			Year ended 31 March 2014		
	Media Services £000	**Media Invest-ment £000**	**Total £000**	Media Services £000	Media Invest-ment £000	Total £000
Segment revenue- total	**57,227**	**19,031**	**76,258**	50,364	14,909	65,273
Cost of sales	**(35,933)**	**(22,094)**	**(58,027)**	(31,393)	(16,736)	(48,129)
Elimination of inter-segment revenue	**(1,256)**	**-**	**(1,256)**	(1,215)	-	(1,215)
Gross profit/(loss)	**20,038**	**(3,063)**	**16,975**	17,756	(1,827)	15,929
Selling and distribution expenses	**(2,036)**	**-**	**(2,036)**	(1,791)	-	(1,791)
Administrative expenses						
Recurring in the ordinary course of business	**(7,000)**	**(2,222)**	**(9,222)**	(6,669)	(1,961)	(8,630)
Exceptional expenses	**-**	**-**	**-**	(548)	-	(548)
Total administrative expenses	**(7,000)**	**(2,222)**	**(9,222)**	(7,217)	(1,961)	(9,178)
Profit/(loss) on disposal of property, plant and equipment	**41**	**-**	**41**	(76)	-	(76)
Operating profit/(loss)	**11,043**	**(5,285)**	**5,758**	8,672	(3,788)	4,884
Operating profit/(loss) before exceptional expenses	**11,043**	**(5,285)**	**5,758**	9,220	(3,788)	5,432
Exceptional income	**1,952**	**-**	**1,952**	-	-	-
Share of results of joint ventures	**1,149**	**-**	**1,149**	1,144	-	1,144
Finance costs	**(3,890)**	**-**	**(3,890)**	(2,203)	(233)	(2,436)
Profit/(loss) before tax	**10,254**	**(5,285)**	**4,969**	7,613	(4,021)	3,592
Corporation tax (expense)/credit	**(2,199)**	**385**	**(1,814)**	(2,212)	920	(1,292)
UK film tax relief	**-**	**4,062**	**4,062**	-	3,085	3,085
Deferred tax credit/(charge)	**155**	**724**	**879**	189	(222)	(33)
Total corporation tax (expense)/credit	**(2,044)**	**5,171**	**3,127**	(2,023)	3,783	1,760
Profit/(loss) after tax	**8,210**	**(114)**	**8,096**	5,590	(238)	5,352

During the year, the Group provided film finance totalling £969,000 to its wholly owned subsidiary film production companies for the production of *Take Down* and *Genius* (year ended 31 March 2014 £1,885,000 *Robot Overlords, The Riot Club, Pressure, Kill Your Friends* and *Spooks. The Greater Good*)

Geographical information
Although revenues continue to arise predominantly in the United Kingdom, being the Group's country of domicile, the Group's international activity continues to increase For the year ended 31 March 2015, £3 1m of revenue was generated from the Group's overseas activities, representing 4% of total revenue (year ended 31 March 2014 £1 1m, 2%)

Information about major customers
Revenue from one Media Services customer, operating through several separate subsidiaries, of £22 6m (year ended 31 March 2014 one customer £17.5m) was recognised in the year No other single customer contributed 10% or more of the Group's revenue in either 2014 or 2015

4. Operating profit

This is stated after charging/(crediting)

	Note	**Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000
Cost of inventories recognised as an expense		**1,342**	2,016
Staff costs	6	**14,777**	12,447
Depreciation of property, plant and equipment	13	**5,961**	4,236
Depreciation of investment property	14	**133**	133
(Gain)/loss on disposal of property, plant and equipment		**(41)**	76
Operating lease payments		**1,319**	1,996
Impairment of long-term assets	16	**156**	65
Amortisation of long-term assets	16	**205**	24

Operating lease payments relating to the cost to the Group of the operating lease of the Shepperton Studios premises were £833,000 (year ended 31 March 2014· £1,334,000) and relating to the Teddington Studios premises were £486,000 (year ended 31 March 2014 £662,000)

5. Auditor's remuneration

The analysis of auditor's remuneration is as follows

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Fees payable to Company's auditor for the audit of Parent Company and Group financial statements	**40**	39
Fees payable to the Company's auditor and its associates for the audit of the Company's subsidiaries	**92**	59
Total audit fees	**132**	98
Fees payable to the Company's auditor and its associates for other services		
Audit-related assurance services	**28**	28
Other assurance services	**12**	8
Taxation compliance services	**15**	42
Taxation advisory services	**69**	94
Corporate finance services	**102**	44
Total fees for other services	**226**	216
Total fees	**358**	**314**

6. Staff costs and Directors' emoluments

(a) Staff costs including Directors

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Wages and salaries	**10,774**	9,581
Social security costs	**1,073**	1,043
Pension costs	**836**	578
Long term incentive plan	**1,871**	958
Other employee benefits	**223**	287
	14,777	12,447

(b) Average monthly number of employees, including Executive Directors:

	Year ended 31 March 2015 No.	Year ended 31 March 2014 No
Management	**17**	18
Administration	**102**	80
Operating and technical	**120**	115
	239	213

(c) Directors' remuneration:

	Year ended 31 March 2015						Year ended 31 March 2014
	Basic salary and fees £	**Benefits in kind £**	**Annual Bonus £**	**LTIP £**	**Pension contrib -utions £**	**Total remun-eration £**	Total remun-eration £
Chairman							
Lord Grade of Yarmouth	**105,000**	**n/a**	**n/a**	**n/a**	**n/a**	**105,000**	105,000
Executive Directors							
Ivan Dunleavy	**360,500**	**20,329**	**128,832**	**904,841**	**45,062**	**1,459,564**	655,666
Nicholas Smith	**240,000**	**14,241**	**84,661**	**630,647**	**36,000**	**1,005,549**	409,346
Andrew Smith	**150,000**	**9,639**	**103,852**	**137,097**	**72,063**	**472,651**	203,186
Christopher Naisby	**150,000**	**4,092**	**44,171**	**137,097**	**15,750**	**351,110**	169,580
Steve Christian*	**40,000**	**nil**	**nil**	**137,097**	**nil**	**177,097**	40,000
Non-Executive Directors							
Steven Underwood**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	nil
Neil Lees**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	nil
Ruth Prior	**42,000**	**588**	**nil**	**nil**	**2,100**	**44,688**	43,015
Thomas Allison**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	nil

** - The Group had a consultancy with Gasworks Media Limited, a company incorporated in the Isle of Man, whose sole shareholder, Steve Christian, was also an Executive Director of the Group during the years ended 31 March 2015 and 2014. The total value of the transactions, including reimbursement of expenses, during the year was £384,000 See Note 28 for further details*

*** - Non-Executive Directors provided under the agreement with Peel Acquisitions do not receive remuneration See Directors Remuneration Report on page 32 for further details*

7. Exceptional administrative expenses

The Group did not incur any exceptional administrative expenses during the year ended 31 March 2015.

Exceptional administrative expenses relating to the year ended 31 March 2014 totalled £548,000 and consisted of

Group reorganisation
The Group incurred exceptional reorganisation costs of £190,000 in year ended 31 March 2014 in relation to the restructuring of certain business areas

Teddington exit
During the year ending 31 March 2014, an additional provision of £172,000 was recognised in relation to the cessation of activities at the Teddington Studios site

Transaction costs
The Group incurred exceptional transaction costs of £170,000 in the year ended 31 March 2014 in relation to a potential joint venture which has not progressed

AIM listing
In the year ended 31 March 2014 the Group incurred an additional £16,000 of costs related to the Company's ordinary shares admission to AIM in the previous year

8. Exceptional income

Up until 3 December 2014, the Group held a 50% share in Shepperton Studios Property Partnership ("SSPP") which was treated as a joint venture under IFRS 11 *Joint Arrangements* On 3 December 2014, the Group acquired the 50% previously owned by clients of Aviva Investors, with the resultant 100% ownership leading to SSPP becoming a subsidiary undertaking of the Company In accordance with IFRS 3 "Business Combinations", the previous investment in the venture was derecognised resulting in a net gain of £1,952,000 (after accounting for transaction costs of £974,000 and loan break costs in SSPP of £366,000)

There were no such amounts recognised in the prior year

9. Interests in joint ventures

As at 31 March 2015, the Group had interests in the following joint ventures·

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

As at 31 March 2014, the Group had the following interests in joint ventures

Joint Venture Name	Principal place of business	% ownership interest	% voting rights
Shepperton Studios (General Partner) Limited	United Kingdom	50	50
Shepperton Studios Property Partnership	United Kingdom	50	50
Pinewood Studio Berlin Film Services GmbH	Germany	50	50
Pinewood Atlanta LLC	USA	40	50
PAS Holdings Fayette LLC	USA	40	50

Shepperton Studios Property Partnership
Up until 3 December 2014, the Group had a 50% interest in SSPP, an entity controlled jointly with a third party, Aviva Investors SSPP is strategic to the Group's business, as it holds a 995 year lease on the Shepperton Studios property On 3 December 2014, the Group acquired the 50% interest in SSPP previously held by clients of Aviva Investors for a total cash consideration of £36 8m, including the full termination of a £24m loan facility provided by Aviva As a result of the transaction, the Group now owns 100% of SSPP and has given the Group full control over the Shepperton site and future investment in the facilities there, which was the primary reason for the transaction The acquisition price relative to the value of the assets acquired did not generate any goodwill.

Up to date of this transaction, the Group received distributions from SSPP totalling £820,000 from SSPP (year ended 31 March 2014 £1,931,000)

Details of assets acquired and liabilities assumed·

	£000
Recognised amounts of identifiable assets acquired·	
Financial assets	**945**
Property, plant and equipment	**46,030**
Financial liabilities	**(996)**
Total identifiable net assets	**45,979**

Financial assets acquired includes £777,000 of receivables at fair value, which is equivalent to the gross contractual amounts receivable and the best estimate on the acquisition date of the contractual cash flow expected to be collected

Since the date of the transaction to 31 March 2015, revenue of £450,000 and operating profit of £16,000 has been recognised in the Group's consolidated income statement

Had SSPP been 100% consolidated from 1 April 2014, the consolidated income statement would have included approximate revenue of £1,740,000 and profit before tax of £400,000 including the impact of net rental savings to the Group.

Shepperton Studios (General Partner) Limited
The Group also had a 50% interest in Shepperton Studios (General Partner) Limited until 3 December 2014 On that date, the Group acquired the other 50% interest as part of the SSPP transaction outlined above There are no material amounts consolidated for this joint venture in either period

Pinewood Studio Berlin Film Services GmbH
Pinewood Germany Limited previously held a 50% interest in Pinewood Studio Berlin Film Services GmbH, a joint venture with Studio Hamburg GmbH to market their studio facilities in Germany On 10 September 2014, the Group purchased Studio Hamburg GmbH's 50% shareholding for a total cash consideration of EUR50,000 The acquisition price represents market value and accordingly no goodwill has been recognised The name of the entity was subsequently amended to Pinewood Film Services GmbH The Company is not actively trading and there are no material amounts consolidated for this entity in either period

Pinewood Atlanta LLC / PAS Holdings Fayette LLC (collectively 'Pinewood Atlanta Studios')
During the year ended 31 March 2014, Pinewood USA Inc entered into a 40 60 joint venture with River's Rock LLC to develop land south of Atlanta, Georgia, USA into world class studio facilities, known as Pinewood Atlanta Studios The Group also provides sales and marketing services Pinewood Atlanta Studios are strategic to the Group's business given the similarity in nature to the Group's core Media Services operations

Pinewood Atlanta Studios was the Group's only remaining joint venture as at 31 March 2015 The summarised financial information below represents amounts in Pinewood Atlanta Studios statement of financial position at that date, prepared in accordance with IFRSs, adjusted by the Group for equity accounting purposes

	Pinewood Atlanta Studios	
	31 March 2015	31 March 2014
	£000	£000
Non-current assets	**49,744**	26,898
Current assets	**983**	1,304
Non-current liabilities	**(30,343)**	(14,947)
Current liabilities	**(3,238)**	(4,874)
Equity attributable to owners	**17,146**	8,381

The summarised financial information below represents amounts in SSPP's income statement until 3 December 2014, being the date of disposal of the Group's joint venture interest, and in Pinewood Atlanta Studios' income statement for the year to 31 March 2015

	SSPP		**Pinewood Atlanta Studios**		**Total material joint ventures**	
	Year ended 31 March 2015*	Year ended 31 March 2014	**Year ended 31 March 2015**	Year ended 31 March 2014	**Year ended 31 March 2015**	Year ended 31 March 2014
	£000	£000	**£000**	£000	**£000**	£000
Revenue	**645**	1,708	**5,814**	187	**6,459**	1,895
Profit/(loss) and total comprehensive income/(loss)	**1,498**	2,288	**1,255**	(392)	**2,753**	1,896
Group's share of results of joint ventures	**749**	1,144	**400**	-	**1,149**	1,144
Distributions received from joint venture	**820**	1,931	**-**	-	**820**	1,931

**For the period to 3 December 2014 only*

Reconciliation of the above summarised financial information to the carrying amount of the interest in SSPP and Pinewood Atlanta Studios recognised in the consolidated financial statements:

	SSPP		**Pinewood Atlanta Studios**		**Total material joint ventures**	
	31 March 2015 £000	31 March 2014 £000	**31 March 2015 £000**	31 March 2014 £000	**31 March 2015 £000**	31 March 2014 £000
Net assets of joint venture	**-**	13,579	**17,146**	8,381	**17,146**	21,960
Proportion of Group's ownership interest in the joint ventures	**-**	(6,790)	**(10,288)**	(5,029)	**(10,288)**	(11,819)
Other adjustments						
Intercompany eliminations	**-**	(433)	**-**	-	**-**	(433)
Equity contribution from partner	**-**	-	**(2,832)**	(2,314)	**(2,832)**	(2,314)
Carrying amount of the *Group's interest in the* joint venture	**-**	6,356	**4,026**	1,038	**4,026**	7,394

Reconciliation of movement in investment in joint ventures:

	31 March 2015 £000	31 March 2014 £000
Investment in joint ventures at 1 April	**7,394**	7,143
Additional investment in joint ventures	**2,588**	1,038
Share of results of joint ventures	**1,149**	1,144
Less disposal of joint ventures	**(6,285)**	-
Less distributions received from joint ventures	**(820)**	(1,931)
Investment in joint ventures at 31 March	**4,026**	7,394

10. Finance costs

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Bank loans and overdrafts	**2,376**	1,618
Interest rate hedging	**233**	263
Finance fee amortisation	**989**	285
Finance charges payable under asset financing	**145**	167
Other finance charges	**18**	215
Fair value movements of derivative financial instruments	**129**	(112)
	3,890	2,436

11. Taxation

(a) *The major components of corporation tax expense are:*

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Consolidated income statement:		
Current corporation tax		
UK corporation tax charge	**1,646**	1,180
Foreign Tax suffered	**49**	259
UK Film Tax Relief	**(4,062)**	(3,085)
Tax adjustments in respect of disposals	**413**	-
Amounts over provided in previous years	**(294)**	(147)
Total current corporation tax credit	**(2,248)**	(1,793)
Deferred tax		
Relating to origination and reversal of temporary differences	**(313)**	48
Amounts over provided in previous years	**(566)**	(15)
Total deferred tax (credit)/ charge	**(879)**	33
Tax credit in the income statement	**(3,127)**	(1,760)

The tax credit in the income statement comprises:		
Tax on profit before exceptional items	**1,417**	1,612
UK Film Tax Relief	**(4,062)**	(3,085)
Tax over provided in previous years	**(860)**	(162)
Tax provision adjustments relating to exceptional items and swap termination costs	**378**	(125)
Tax credit in the income statement	**(3,127)**	(1,760)

The Group statement of changes in equity is set out on page 43

Amounts over provided in previous years includes £428,000 relating to an increase in the deferred tax asset which has been recognised on the construction of Q Stage at Pinewood Studios

(b) Reconciliation of the total tax credit

A reconciliation between the tax credit and the product of accounting profit multiplied by the standard rate of corporation tax in the UK for the year ended 31 March 2015 and 2014 is as follows

	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Accounting profit before corporation tax	**4,969**	3,592
Profit on ordinary activities multiplied by UK rate of 21% (2014 23%)	**1,043**	826
Adjustments in respect of		
UK Film Tax Relief	**(4,062)**	(3,085)
Corporation tax over provided in previous years	**(294)**	(147)
Deferred tax over provided in previous years	**(138)**	(15)
Prior period deferred tax adjustment in respect of Q Stage	**(428)**	-
Non-allowable depreciation on buildings	**230**	169
Non taxable income	**-**	(30)
Income from joint venture	**(84)**	-
Other non-allowable expenses	**129**	279
Overseas tax at higher rate	**49**	261
Utilisation of previously unrecognised tax losses	**(223)**	19
Effect of taxation rate change on provision for deferred taxation	**15**	(182)
Fair value adjustment in respect of SSPP acquisition	**223**	-
Gain on disposal of sub-licence	**413**	-
Derivative financial instruments	**-**	145
Corporation tax credit reported in the Group income statement	**(3,127)**	(1,760)

(c) Deferred tax

Deferred tax relates to the following·

Consolidated income statement:	**Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000
Deferred tax credit arising on accelerated capital allowances	**(474)**	(154)
Short term temporary differences	**30**	(176)
Tax losses	**(825)**	218
Fair value adjustment in respect of SSPP acquisition	**390**	145
Net deferred tax (credit)/charge	**(879)**	33

Consolidated statement of financial position:	31 March 2014 £000	**Charged to income statement £000**	**31 March 2015 £000**
Accelerated capital allowances	1,162	**(474)**	**688**
Short term temporary differences	(292)	**30**	**(262)**
Tax losses	(110)	**(825)**	**(935)**
Fair value of SSPP acquisition	-	**390**	**390**
Net deferred tax liability/(asset)	760	**(879)**	**(119)**

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

The main rate of UK corporation tax reduced to 20% from 1 April 2015 No further rate changes have been announced Deferred tax balances have been calculated at 20%

(d) Potential unrecognised deferred tax assets

A potential deferred tax asset of £7,000 (31 March 2014 £106,000) in respect of £9,000 (31 March 2014 £9,000) non-trading losses in Sauls Farm Limited and £27,000 (31 March 2014 £27,000) trading losses in Teddington Studios Limited has not been recognised as it is not anticipated that suitable gains will arise to enable them to be offset against taxable profits £501,000 of capital losses in Pinewood-Shepperton Studios Limited have been utilised in the year where the deferred tax asset was previously unrecognised (31 March 2014· £501,000) No further deferred tax assets relating to these capital losses remains

12. Earnings per ordinary share and dividend

Earnings per ordinary share

Basic earnings per ordinary share are calculated by dividing profit for the period attributable to the holders of ordinary equity of the parent by the weighted average number of ordinary shares outstanding during the period

There are no potential ordinary shares outstanding from employee share schemes and therefore basic earnings per share are equivalent to diluted earnings per share

The Group presents as exceptional items on the face of the income statement those items where the cost is of such size or incidence that the additional disclosure is required for the reader to understand the financial statements.

Basic and diluted earnings per share are also presented adjusting for the combined effect of any such exceptional items

The following reflects the profit and number of shares used in the basic and diluted earnings per ordinary share computations

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Profit attributable to equity holders of the parent	**8,096**	5,352
Adjustments to profit for calculation of adjusted earnings per share		
Exceptional administrative expenses	-	548
Exceptional income	**(1,952)**	-
Fair value movements of derivative financial instruments	**129**	(112)
Taxation adjustments on non-recurring items and fair value movements	**378**	(98)
Adjusted profit for adjusted earnings per share	**6,651**	5,690

	Thousands	Thousands
Basic and diluted weighted average number of ordinary shares	**49,410**	49,410

	Year ended 31 March 2015	Year ended 31 March 2014
Earnings per share:		
Basic and diluted for result for the year	**16.4p**	10 8p
Basic and diluted for result for the year adjusted for exceptional items	**13.5p**	11 5p

Dividend paid

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Final dividend for year ending 31 March 2013 paid at 1 5p per share	-	741
Interim dividend for year ending 31 March 2014 paid at 0 6p per share	-	296
Final dividend for year ending 31 March 2014 paid at 1 9p per share	**939**	-
Interim dividend for year ending 31 March 2015 paid at 0.7p per share	**346**	-
	1,285	1,037

The Board is recommending a final dividend of 2 8p per share for approval at the Annual General Meeting to be paid on 5 October 2015 to shareholders on the register on 4 September 2015 (ex-dividend date of 3 September 2015) Based on the shares in issue at the date the Board approved the Group financial statements, this would amount to a final dividend payment of £1,607,000 (year ended 31 March 2014 £939,000)

13. Property, plant and equipment

	Freehold land £000	Freehold buildings and improvements £000	Leasehold improvements £000	Fixtures, fittings and equipment £000	Assets under construction £000	Total £000
Cost:						
At 1 April 2013 (restated)	56,471	55,614	3,372	34,323	1,784	151,564
Additions	213	11,499	7	2,894	1,683	16,296
Disposals	-	(200)	-	(1,298)	-	(1,498)
At 31 March 2014	56,684	66,913	3,379	35,919	3,467	166,362
Acquisition of JV interest	-	**46,030**	-	-	-	**46,030**
Additions	**31**	**2,431**	**406**	**1,578**	**2,671**	**7,117**
Disposals	-	-	**(226)**	**(1,651)**	-	**(1,877)**
At 31 March 2015	**56,715**	**115,374**	**3,559**	**35,846**	**6,138**	**217,632**
Depreciation:						
At 1 April 2013 (restated)	7,690	12,880	1,745	22,886	-	45,201
Provided during the year	-	1,912	246	2,078	-	4,236
Depreciation on disposals	-	(35)	-	(1,267)	-	(1,302)
At 31 March 2014	7,690	14,757	1,991	23,697	-	48,135
Provided during the year	-	**3,175**	**201**	**2,585**	-	**5,961**
Depreciation on disposals	-	-	**(226)**	**(1,636)**	-	**(1,862)**
At 31 March 2015	**7,690**	**17,932**	**1,966**	**24,646**	-	**52,234**
Net book value:						
At 31 March 2015	**49,025**	**97,442**	**1,593**	**11,200**	**6,138**	**165,398**
At 31 March 2014	48,994	52,156	1,388	12,222	3,467	118,227

Assets under construction at 31 March 2015 and 2014 relate to costs capitalised under the Pinewood Studio Development Framework These are not depreciated Land at 31 March 2015 and 2014 includes £5.3m of land for use in the PSDF Construction of Phase One of the development commenced during the year ended 31 March 2015 following receipt of detailed planning consent by South Bucks District Council on 23 December 2014

The Group capitalised borrowing costs totaling £115,000 in the year ended 31 March 2014 on qualifying assets No such costs were capitalised in the current year

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

Fixtures, fittings and equipment include the following amounts where the Group is a lessee under non-cancellable finance lease agreements

	31 March 2015 £000	31 March 2014 £000
Cost - capitalised finance leases	**5,227**	4,076
Accumulated depreciation	**(873)**	(363)
Net book value	**4,354**	3,713

The lease terms are 5 years, and ownership of the assets lies within the Group Lease rentals amounting to £1,384,000 (year ended 31 March 2014 restated £1,213,000) relating to the lease of this equipment are included in the income statement

14. Investment property

	£000
Cost:	
At 31 March 2015, 31 March 2014 and 31 March 2013	**6,615**
Depreciation:	
At 31 March 2013	553
Provided during the year	133
At 31 March 2014	686
Provided during the year	133
At 31 March 2015	**819**
Net book value:	
At 31 March 2015	**5,796**
At 31 March 2014	5,929

The Group's investment property relates to a long-term covenant-rich single building tenancy at Pinewood Studios

No independent valuation has been undertaken at the year end A Directors' valuation was carried out in accordance with the 'Red Book' to determine the fair value of the investment property A yield based valuation has been used which provided a fair value of £8,182,000 at 31 March 2015 using a 7 00% yield on annual rental income of £606,000 and allowing for purchasers costs of 5 76% The previous Directors' valuation was performed at 31 March 2014 and also used the yield based valuation method which provided a fair value of £7,900,000, assuming a 7 25% yield and allowing for purchaser's costs of 5 76%

15. Intangible assets

	Goodwill £000
At 31 March 2015 and 31 March 2014	5,604

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

The recoverable amount of the cash-generating unit is based on a value in use calculation and is tested at least annually for impairment Other than goodwill there are no intangible assets with indefinite lives

Outcome of impairment review

The recoverable amount of the Group's Media Services cash-generating unit exceeds its carrying value and no impairment charge has been recognised (year ended 31 March 2014· no impairment charge recognised)

Key assumptions
The value in use calculations use five year cash flow projections derived from the Board approved budget for the next year and the Board approved long range plan and do not include non-cash generating assets, any activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit The key assumptions used in the value in use calculations are

Discount rate
The discount rate reflects the current market assessment of the risks specific to the cash-generating unit The discount rate was calculated using the Group's cost of debt together with an estimate based on the average cost of equity, adjusted to reflect the market assessment of any risk specific to the cash-generating unit for which future estimates of cash flows have not been adjusted The pre-tax discount rate used for the year ended 31 March 2015 is 8 7% (year ended 31 March 2014· 7 8%)

Perpetuity growth rate
The cash flows subsequent to the Board approved period are based on the long term growth rate prospects of the industry in which the Group operates The perpetuity growth rate used is 2 5% (year ended 31 March 2014 2 5%)

Cash flow from operations
Cash flow projections have been estimated using a combination of assumptions including, but not limited to, facility utilisation, income growth and Media Hub void ratios and rent increases. Considering previously achieved trading levels and the anticipated future operating environment for the business and taking into account any cost efficiencies which may be achieved, the Company has retained the assumptions used in its Board approved budget and its long range plan

Sensitivities
The Group's impairment review is sensitive to a change in the key assumptions used, notably the discount rate The discount rate would need to move to 13 4% to result in a breakeven position and, should the discount rate remain at 8 7%, the perpetuity growth rate would need to be a negative 4 0% to reach a breakeven point. Based on the Group's sensitivity analysis, a reasonably possible change in a single factor would not cause an impairment charge

16. Long-term assets

	Toronto long-term agreement £000	Malaysia long-term agreement £000	Dominican Republic long-term agreement £000	Atlanta long-term agreement £000	China long-term agreement £000	Total £000
Cost:						
At 31 March 2013	94	198	65	24	39	420
Additions	-	-	-	474	117	591
At 31 March 2014	94	198	65	498	156	1,011
Additions	-	-	-	-	-	-
At 31 March 2015	**94**	**198**	**65**	**498**	**156**	**1,011**
Amortisation:						
At 31 March 2013	51	-	-	-	-	51
Impairment during the year	-	-	65	-	-	65
Provided during the year	24	-	-	-	-	24
At 31 March 2014	75	-	65	-	-	140
Impairment during the year	-	-	-	-	156	156
Provided during the year	19	20	-	166	-	205
At 31 March 2015	**94**	**20**	**65**	**166**	**156**	**501**
Carrying value:						
At 31 March 2015	**-**	**178**	**-**	**332**	**-**	**510**
At 31 March 2014	19	198	-	498	156	871

The Group signed a five year sales and marketing agreement with Pinewood Toronto Studios on 26 May 2009 Transaction costs in relation to this agreement were recognised as a long-term asset and have been amortised over the term of the original agreement, ending in May 2014 The agreement was renewed during the year for a further five years to 26 May 2019

Pinewood Malaysia Limited signed a long term agreement on 16 December 2009 until the 10 year anniversary of the opening of Pinewood Iskandar Malaysia Studios to provide marketing, operations and management support Transaction costs of £198,000 in relation to this agreement were recognised as a long-term asset The costs are being amortised over the period of the agreement from when the Studio opened for business in April 2014

Pinewood Dominican Republic Limited signed an agreement on 20 May 2010 with a term of 15 years to provide sales, marketing and operations support to Pinewood Dominican Republic Studios Transaction costs of £65,000 in relation to this agreement were previously recognised as a long-term asset and were fully impaired in the year ended 31 March 2014

Transaction costs of £498,000 in relation to the Pinewood Atlanta Studios joint venture were previously recognised as a long-term asset and are being amortised over the first three years of the Studio's operations, commencing April 2014 The Group's investment in the joint venture is included in Note 9

Transaction costs of £156,000 incurred in relation to the Song Lin joint operation with Seven Stars Media Limited were previously recognised as a long-term asset and have subsequently fully impaired in the year ended 31 March 2015

17. Inventories

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Finished goods	**50**	312

18. Trade receivables

	31 March 2015 £000	31 March 2014 £000
Trade receivables - Media Services	**4,942**	4,792
Trade receivables - Film Production Companies	**748**	7,002
	5,690	11,794

As at 31 March 2015 and 2014, the ageing analysis of trade receivables is as follows

			Past due but not impaired			
	Total £000	Neither past due nor impaired £000	<30 days £000	30-60 days £000	60-90 days £000	90+ days £000
2015	**5,690**	**5,399**	**162**	**45**	**10**	**74**
2014	11,794	11,040	232	99	43	380

At 31 March 2015, trade receivables of £365,000 (31 March 2014· £70,000) were impaired and fully provided for (see Note 29 for further details)

The movement in impairment loss recognised is recorded within 'Selling and distribution expenses' in the Group income statement and is as follows.

	£000
At 1 April 2014	70
Provision for the year	365
Utilised during the year	(70)
At 31 March 2015	**365**

19. Prepayments and other receivables

	31 March 2015 £000	31 March 2014 £000
Prepayments and other receivables	**3,303**	3,108
Corporation tax recoverable	**3,609**	1,552
	6,912	4,660

20. Cash and cash equivalents

Included within the cash and cash equivalents/(overdraft) balance per the statement of financial position at the year end are amounts unavailable for general use These amounts relate to funds reserved solely for use in the production of specific Media Investment FPC operations

The reconciliation below shows the breakdown of total cash per the statement of financial position at the year end

	31 March 2015 £000	31 March 2014 £000
Net cash/(overdraft) available for general use	**5,807**	(651)
Restricted cash and cash equivalents	**550**	1,426
Total cash and cash equivalents	**6,357**	775

21. Share capital and reserves

Authorised

	£000
As at 31 March 2015 and 31 March 2014 Ordinary shares of 10p each	**7,000**

Issued, called up and fully paid

	31 March 2015		31 March 2014	
	No.	**£000**	No	£000
Ordinary shares of 10p each	**49,409,926**	**4,941**	49,409,926	4,941
Shares in issue:				
As at 31 March 2015 and 31 March 2014	**49,409,926**	**4,941**	49,409,926	4,941

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the general meetings of the Company

Event after the reporting period
On 17 April 2015, 8,000,000 new ordinary shares of par value 10p were issued for cash and admitted to trading on AIM, giving rise to gross proceeds of £30 0m The proceeds of this share issue were used to reduce drawn bank debt

Nature and purpose of other reserves

Capital redemption reserve
The capital redemption reserve, totalling £135,000, arose as a result of the repurchase of shares in 2001

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

22. Interest-bearing loans and borrowings

	Effective interest rate %	Maturity	**31 March 2015 £000**	31 March 2014 £000
Current borrowings				
Bank overdraft	Base rate + 2 5% margin	Annual renewal	**-**	-
Non-current borrowings				
Revolving credit facility	LIBOR + variable margin	28 November 2016	**75,000**	38,000
Asset financing	1 63%	31 March 2018	**3,275**	3,665
Non-current drawn loan facilities			**78,275**	41,665
Secured bank loan arrangement costs			**-**	(726)
			78,275	40,939
Total current and non-current interest-bearing loans and borrowings			**78,275**	40,939

Banking facilities
On 6 March 2015, the Company conditionally agreed proposed new banking facilities of up to £135 million with Lloyds Bank plc, The Royal Bank of Scotland plc, HSBC Bank plc and Barclays Bank Plc, comprising·

- a £100 million term loan facility committed to 29 May 2019, £45 million of which will be utilised to refinance the Company's existing committed debt facilities and the remaining £55 million (the "Development Tranche") will be available to draw down prior to 30 September 2016 to fund phase 1 of the PSDF, with repayments commencing in June 2017; and
- a £35 million multicurrency revolving credit facility, which will be available to draw down until 30 April 2019

The Group has also retained its £5m overdraft facility which is subject to annual review

On 17 April 2015, the Group fully repaid and terminated its existing banking facility and drew under the new agreement for the first time

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

The term facility contains scheduled repayments of £2.5m on 30 June 2017 and 31 December 2017, increasing to £5 0m on each of 30 June 2018 and 31 December 2018 The revolving credit facility has no scheduled repayments

The facility has a range of covenants and events of default together with variable margins between 175 and 375 basis points over LIBOR

Covenants
The banking agreements contain a range of covenants The Group was covenant compliant at 31 March 2015.

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

Borrowing facilities

The available but undrawn committed facilities are as follows.

31 March 2015:

	Within 1 year £000	1-2 years £000	2-3 years £000	3-4 years £000	4-5 years £000	More than 5 years £000	Total £000
Facilities:							
Bank overdraft	**5,000**	**-**	**-**	**-**	**-**	**-**	**5,000**
Term and revolving credit facility	**-**	**50,000**	**-**	**-**	**-**	**-**	**50,000**
Acquisition facility	**-**	**35,000**	**-**	**-**	**-**	**-**	**35,000**
Asset financing facility	**1,024**	**747**	**780**	**559**	**165**	**-**	**3,275**
Total facilities	**6,024**	**85,747**	**780**	**559**	**165**	**-**	**93,275**
Drawn loans:							
Bank overdraft	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Term and revolving credit facility	**-**	**(40,000)**	**-**	**-**	**-**	**-**	**(40,000)**
Acquisition facility	**-**	**(35,000)**	**-**	**-**	**-**	**-**	**(35,000)**
Asset financing facility	**(1,024)**	**(747)**	**(780)**	**(559)**	**(165)**	**-**	**(3,275)**
Total drawn loans	**(1,024)**	**(75,747)**	**(780)**	**(559)**	**(165)**	**-**	**(78,275)**
Undrawn facilities:							
Bank overdraft	**5,000**	**-**	**-**	**-**	**-**	**-**	**5,000**
Term and revolving credit facility	**-**	**10,000**	**-**	**-**	**-**	**-**	**10,000**
Acquisition facility	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Asset financing facility	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Undrawn committed facilities	**5,000**	**10,000**	**-**	**-**	**-**	**-**	**15,000**

31 March 2014

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5	Total
	£000	£000	£000	£000	£000	£000	£000
Facilities							
Bank overdraft	5,000	-	-	-	-	-	5,000
Term and revolving credit facility	-	-	50,000	-	-	-	50,000
Asset financing facility	1,471	807	522	570	295	-	3,665
Total facilities	6,471	807	50,522	570	295	-	58,665
Drawn loans							
Bank overdraft	-	-	-	-	-	-	-
Term and revolving credit facility	-	-	(38,000)	-	-	-	(38,000)
Asset financing facility	(1,471)	(807)	(522)	(570)	(295)	-	(3,665)
Total drawn loans	(1,471)	(807)	(38,522)	(570)	(295)	-	(41,665)
Undrawn facilities							
Bank overdraft	5,000	-	-	-	-	-	5,000
Term and revolving credit facility	-	-	12,000	-	-	-	12,000
Asset financing facility	-	-	-	-	-	-	-
Undrawn committed facilities	5,000	-	12,000	-	-	-	17,000

23. Derivative financial instruments

The Group's cash flow hedges are recognised as derivative financial instruments. Fair value movements are recognised in the income statement within finance costs Further details can be found in Note 29

	31 March 2015 £000	31 March 2014 £000
Financial liabilities carried at fair value through profit or loss		
Non-current derivative financial instrument liabilities	**310**	175
Current derivative financial instrument liabilities	**13**	15
	323	190

24. Trade and other payables

	31 March 2015 £000	31 March 2014 £000
Trade payables - Media Services	**6,104**	3,469
Trade payables - FPC's	**4,334**	3,383
Value added tax	**549**	15
Other payables	**1,445**	2,707
Accruals	**6,619**	4,914
Capital expenditure related payables	**1,347**	837
Deferred income - Media Services	**9,139**	7,074
Deferred income - FPC's	**804**	6,067
	30,341	28,466

Terms and conditions of the above financial liabilities.

- Group trade creditors are non-interest bearing and at 31 March 2015 were equivalent to 56 days (31 March 2014· 43 days) of purchases, excluding film production companies
- Other payables are non-interest bearing and are settled as they become due
- Accruals are non-interest bearing and are settled as they become due
- Deferred income is recognised as it is earned

25. Provisions

Teddington Studios Limited previously exercised an option to terminate its leasehold interest in Teddington Studios on 24 December 2014 During the year ended 31 March 2013, the Group determined the lease on the Studio to be an onerous contract The provision for onerous lease contracts represents the present value of the future lease payments and unavoidable costs that the Group is presently obliged to make under the non-cancellable onerous operating lease contract for Teddington Studios, less net revenue expected to be earned on the lease from tenants and productions The estimate may vary as a result of changes in the utilisation of the leased premises The provision was fully utilised during the year ended 31 March 2015

	Onerous Lease Provision £000
Balance at 1 April 2013	1,538
Utilisation of provision	(1,211)
Additional provision recognised	172
Balance at 31 March 2014	499
Utilisation of provision	(499)
Balance at 31 March 2015	-

26. Obligations under leases

Operating lease commitments – Company as a lessee

Future minimum rentals payable on the Group's non-cancellable operating leases as at 31 March 2015 and 31 March 2014 are as follows

	31 March 2015 £000	31 March 2014 £000
Within one year	**60**	484
After one year but not more than five years	**1,676**	-
After five years but not more than 20 years	**5,469**	
	7,205	484

Operating lease commitments – Group as a lessor

The Group granted a 15 year Full Repairing and Insuring lease to Technicolor Limited, the occupier of the property classified as investment property, with the tenant's first option to break on 11 June 2016 with a penalty clause; principal rent is subject to upwards-only annual reviews in line with RPI capped at 4%

Future minimum rentals receivable under non-cancellable operating leases as at 31 March 2015 and 31 March 2014 are as follows.

	31 March 2015 £000	31 March 2014 £000
Within one year	**606**	594
After one year but not more than five years	**1,789**	2,376
	2,395	2,970

27. Commitments and contingencies

Capital commitments

At 31 March 2015, the Group had total capital commitments contracted for, but not provided in the accounts, of £2,454,000 (31 March 2014 £nil) in respect of pre-development expenses arising from the PSDF

Guarantees

At 31 March 2015, the Group had guarantees in place, in the form of documentary credits, that were not provided for in the accounts totalling £155,000 (31 March 2014: £155,000) in relation to certain Section 278 highways related infrastructure

28. Related party disclosures

The Group consists of a parent company, Pinewood Group plc, incorporated in the UK and a number of subsidiaries and joint ventures held directly and indirectly by Pinewood Group plc. Listed below are details of the material interests in subsidiaries, including the country of incorporation which is also equivalent to each entity's operating territory Details of joint ventures are included in Note 9

Subsidiaries

Company Name	Country of incorporation	% equity interest **31 March 2015**	% equity interest 31 March 2014
Pinewood Studios Limited	United Kingdom	**100**	100
Shepperton Studios Limited	United Kingdom	**100**	100
Pinewood-Shepperton Studios Limited	United Kingdom	**100**	100
Teddington Studios Limited	United Kingdom	**100**	100
Pinewood PSB Limited	United Kingdom	**100**	100
Pinewood Film Advisors Limited	United Kingdom	**100**	100
Pinewood Film Advisors (W) Limited	United Kingdom	**100**	100
Saul's Farm Limited	United Kingdom	**100**	100
Baltray No 1 Limited	United Kingdom	**100**	100
Baltray No 2 Limited	United Kingdom	**100**	100
Shepperton Management Limited	United Kingdom	**100**	100
Pinewood Shepperton Facilities Limited	United Kingdom	**100**	100
PSL Consulting Limited	United Kingdom	**100**	100
Pinewood Studio Wales Limited	United Kingdom	**100**	100
Pinewood Germany Limited	United Kingdom	**100**	100
Pinewood Film Services GmbH	Germany	**100**	50
Pinewood Dominican Republic Limited	United Kingdom	**100**	100
Pinewood Malaysia Limited	United Kingdom	**100**	100
Pinewood China Limited	United Kingdom	**100**	100
Pinewood Atlanta Limited	United Kingdom	**100**	100
Pinewood USA Inc	USA	**100**	100
Pinewood Film Production Studios Canada Inc	Canada	**100**	100
Pinewood Production Services Canada Inc	Canada	**100**	-
Pinewood Films Limited	United Kingdom	**100**	100
Pinewood Last Passenger Limited	United Kingdom	**100**	100
Pinewood Belle Limited	United Kingdom	**100**	100
Pinewood Camera Trap Limited (previously Pinewood Films No 4 Limited)	United Kingdom	**100**	100
Pinewood Christmas Candle Limited (previously Pinewood Films No 5 Limited)	United Kingdom	**100**	100
Pinewood Robot Overlords Limited (previously Pinewood Films No 6 Limited)	United Kingdom	**100**	100
Pinewood Riot Club Limited (previously Pinewood Films No 7 Limited)	United Kingdom	**100**	100
Pinewood Pressure Limited (previously Pinewood Films No 8 Limited)	United Kingdom	**100**	100
Pinewood KYF Limited (previously Pinewood Films No 9 Limited)	United Kingdom	**100**	100
Pinewood Films No 10 Limited	United Kingdom	**100**	100
Pinewood Films No 11 Limited	United Kingdom	**100**	100
Pinewood Films No 12 Limited	United Kingdom	**100**	-
Pinewood Films No 13 Limited	United Kingdom	**100**	-
Pinewood Films No 14 Limited	United Kingdom	**100**	-
Pinewood Films No 15 Limited	United Kingdom	**100**	-
Pinewood Films No 16 Limited	United Kingdom	**100**	-

Company Name	Country of incorporation	% equity interest	
		31 March 2015	31 March 2014
Shepperton Studios Property Partnership	United Kingdom	**100**	50
Shepperton Studios (General Partner) Limited	United Kingdom	**100**	50
The Studios Unit Trust	Jersey	**100**	-
Pinewood Shepperton Limited	United Kingdom	**100**	-

There are no significant restrictions on the ability of the Group to access or use assets and settle liabilities, with the exception of the cash restrictions relating to several film production company subsidiaries ("Pinewood Films No X Limited") as detailed in Note 20

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

Company Name	Expiration date of financial support
Pinewood Studios Limited	31 July 2015
Pinewood-Shepperton Studios Limited	31 July 2015
Baltray No 1 Limited	10 September 2015
Pinewood PSB Limited	10 September 2015
Pinewood Germany Limited	10 September 2015

Shepperton Studios Limited has a commercial property lease on the Shepperton Studios property The net cost to the Group of principal lease rentals for the period up to 3 December 2015 was £834,000 (year ended 31 March 2014 £1,208,000). In addition, the Group paid a top up rent to the partnership based on certain of its trading activities at the Shepperton Studios site The net cost to the Group of the top up rent for the period to 3 December 2014 was £55,000 (year ended 31 March 2014 £91,000). Subsequent to 3 December 2014, the partnership was a wholly-owned partnership and the rent became wholly inter-group

Shepperton Management Limited manages the assets of the partnership and until 3 December 2014 charged an asset management fee based on independent valuations of the Shepperton Studios site. Asset management fees charged during the period to 3 December 2014 were £279,000 (year ended 31 March 2014 £128,000)

Peel Management fee
On 16 August 2012, the Group agreed an Advisory and Non-Executive Directors Services fee of £40,000 per Director per annum with Peel Acquisitions (Pegasus) Limited Fees charged in relation to these services during the year were £120,000 (year ended 31 March 2014 £120,000) of which £nil remains outstanding for payment by the Group at 31 March 2015 (31 March 2014 £nil)

Transaction with Director
The Group has a consultancy agreement with Gasworks Media Limited, a company incorporated in the Isle of Man, whose sole shareholder, Steve Christian, was also an Executive Director of the Group during the year ended 31 March 2015 The total value of the transactions during the year was £384,000 (year ended 31 March 2014. £336,000), of which £nil remains outstanding for payment by the Group at 31 March 2015 (31 March 2014· £111,000) The balance owing is unsecured, interest free and payable in cash upon invoicing Subsequent to the year end, on 5 May 2015, Steve Christian resigned as an Executive Director of the Group

Audit exemption

Pinewood Group plc has given statutory guarantees against all the outstanding liabilities of the below listed wholly-owned subsidiaries at 31 March 2015 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 2015

Although the Company does not anticipate the guarantees to be called upon, the book values of the guaranteed liabilities, excluding intercompany balances, for each relevant subsidiary at 31 March 2015 are set out below

Company Name	Company Registration Number	Book value of liabilities 31 March 2015 £000
Baltray No 1 Limited	05776674	97
Baltray No 2 Limited	05778635	-
Pinewood Atlanta Limited	08355034	-
Pinewood China Limited	08355173	-
Pinewood Dominican Republic Limited	07096246	472
Pinewood Film Advisors (W) Limited	08864165	73
Pinewood Films Limited	07660856	-
Pinewood Germany Limited	07079399	-
Pinewood Malaysia Limited	07074446	71
Pinewood PSB Limited	06300755	1,085
Pinewood Shepperton Facilities Limited	07527390	-
Pinewood Shepperton Limited	09083961	-
Pinewood Studio Wales Limited	08863162	256
PSL Consulting Limited	08655214	1,528
Saul's Farm Limited	06233879	-
Shepperton Management Limited	05907027	-
Shepperton Studios (General Partner) Limited	05913009	11
Teddington Studios Limited	05365850	22

29. Financial risk management, objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, chattel mortgages, finance leases and trade and other payables The main purpose of these financial liabilities is to provide finance for the Group's operations The Group has financial assets such as trade and other receivables and cash that arise directly from its operations

The Group is exposed to market risk, credit risk and liquidity risk The Board of Directors oversee the management of these risks and are supported by the appropriate members of the Executive Management Team together with specialist advisors as required All derivative activities for risk management purposes are carried out with specialists involved who have the appropriate skills and experience It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices Market prices comprise three types of risk interest rate risk, currency risk and other price risk, such as equity risk The Group's financial instruments affected by market risk include loans and borrowings and derivative financial instruments

Interest rate risk

Interest rate risk is the risk that the fair value or future values of a financial instrument will fluctuate because of changes in market interest rates The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligations with floating interest rates. In order to manage its interest rate risk the Group's policy is to have at least 50% (31 March 2014· 50%) of its borrowings at fixed rates of interest To manage this, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specific intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principle amount

At 31 March 2015, the Group had the following interest rate swaps in place to minimise the volatility in cash flows from a change in LIBOR

	Effective interest rate %	**Maturity**	**Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000
Cash flow hedge	2 27% + variable margin	1 July 2014	-	7,500
Cash flow hedge	1 33% + variable margin	1 July 2016	**7,500**	-
Cash flow hedge	1 66% + variable margin	28 November 2016	**15,000**	15,000
Cash flow hedge	0 69% + variable margin	4 January 2016	**17,500**	-
			40,000	22,500

The interest swap finance costs are charged to the Group income statement when they are payable These are payable on a quarterly basis in March, June, September and December The change in the fair value is recognised in the income statement

At 31 March 2015, £75,000,000 of the Group's term and revolving facility (31 March 2014 £38,000,000) had been drawn (Note 22) £35,000,000 (31 March 2014. £15,500,000) of drawn facility is at a floating interest rate of LIBOR plus a margin, or UK Bank base rate plus a margin, and is therefore subject to market risk through interest rate fluctuations The remaining drawn loan of £40,000,000 (31 March 2014 £22,500,000) has been converted to a fixed rate with interest rate swaps

The Group has entered asset financing facilities over a fixed term with fixed monthly payments and which are secured over identifiable assets of an equal value These assets are classified as 'Fixtures, fittings and equipment' within 'Property, plant and equipment' on the statement of financial position At 31 March 2015, the balance payable was £3,275,000 (31 March 2014 £3,665,000)

Taking into consideration the fixed rate instruments in place, a one percentage point increase in LIBOR would increase the interest charge, and reduce the Group profit before taxation, by £350,000 (31 March 2014 £155,000)

At 31 March 2015, after taking into account the effect of interest rate swaps and the asset finance facility, approximately 55% (31 March 2014 63%) of the Group's borrowings are at a fixed rate of interest

A summary of fixed and floating rate debt at 31 March 2015 is as follows

31 March 2015:

	Within 1 year £000	**1-2 years £000**	**2-3 years £000**	**3-4 years £000**	**4-5 years £000**	**More than 5 years £000**	**Total £000**
Secured bank loan at floating rate	-	(75,000)	-	-	-		(75,000)
Portion of secured loan effectively converted to fixed rate with an interest rate swap	-	*(40,000)*	-	-	-		*(40,000)*
Effective floating portion of secured loan at floating rate	-	*(35,000)*	-	-	-		*(35,000)*
Fixed rate asset financing	(1,024)	(747)	(780)	(559)	(165)	-	(3,275)
Fixed rate drawn loan	-	(40,000)	-	-	-	-	(40,000)
Floating rate drawn loans	-	(35,000)	-	-	-	-	(35,000)
Total drawn loans	**(1,024)**	**(75,747)**	**(780)**	**(559)**	**(165)**	**-**	**(78,275)**

31 March 2014.

	Within 1 year £000	1-2 years £000	2-3 years £000	3-4 years £000	4-5 years £000	More than 5 years £000	Total £000
Secured bank loan at floating rate	-	-	(38,000) -	-	-	-	(38,000)
Portion of secured loan effectively converted to fixed rate with an interest rate swap	-	-	*(22,500)*	-	-	-	*(22,500)*
Effective floating portion of secured loan at floating rate	-	-	*(15,500)*	-	-	-	*(15,500)*
Fixed rate asset financing	(1,471)	(807)	(522)	(570)	(295)	-	(3,665)
Fixed rate drawn loan	-	-	(22,500)	-	-	-	(22,500)
Floating rate drawn loans	-	-	(15,500)	-	-	-	(15,500)
Total drawn loans	(1,471)	(807)	(38,522)	(570)	(295)	-	(41,665)

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

Equity price risk
The Group does not hedge against equity price risk as it does not have exposure in this area

Credit risk

Credit risk is the risk that a counter-party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss The Group is exposed to credit risk from its operating activities, primarily trade receivables, and financial instruments

Credit risks related to receivables

Customer credit risk is managed across the Group in accordance with policy, procedures and controls relating to customer credit risk management The Group trades with recognised, creditworthy third parties and it is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures In addition, receivable balances are monitored on an ongoing basis to manage the Group's exposure to bad debts The requirement for impairment is reviewed each month on an individual customer basis and not on a collective basis The review to assess the need for impairment is not dependent on the age of the receivable and is determined using business knowledge and individual circumstances specific to each customer. There were no changes to the Group policy during the year As at 31 March 2015 the Group's maximum exposure to credit risk was £6,055,000 (31 March 2014. £11,864,000), of which £365,000 (31 March 2014. £70,000) is considered to be potentially impaired and £291,000 (31 March 2014 £754,000) has exceeded credit terms but has not been impaired Note 18 provides further details of the ageing profile of receivables

Credit risks related to financial instruments

With respect to credit risk relating to cash, cash equivalents and other financial instruments the Group's exposure to credit arises from default of the counter-party, with the maximum exposure equal to the carrying amount of these instruments At 31 March 2015 the Group has a positive cash balance (31 March 2014 positive cash balance) and has a total of £40,000,000 interest rate swaps (31 March 2014 £22,500,000) and a £3,275,000 (31 March 2014 £3,665,000) asset financing facility agreement

Liquidity risk

The Group's objective is to maintain a balance between the continuity of operating and development funding and flexibility through the use of an overdraft facility and a term and revolving credit facility Short-term flexibility is achieved by the overdraft facility of £5,000,000 (31 March 2014 £5,000,000) which, as at 31 March 2015, was available to the Group for drawdown until 28 November 2016 (subject to an annual review).

As at 31 March 2015, the term and revolving credit facility, which supports the operating activities of the Group, was available for drawdown until 28 November 2016

As part of the new banking facilities agreed on 6 March 2015 (see Note 22) which became active on 17 April 2015, the Group has term and revolving credit facilities available to 30 April 2019 The overdraft facility remains subject to annual review

The Board has reviewed the Group's banking facilities and current levels of headroom on those facilities and considers that there is sufficient capacity going forward

The table below summarises the maturity profile of the Group's main financial liabilities based on contractual undiscounted payments at 31 March 2015 and 31 March 2014

At 31 March 2015:

	On demand £000	Less than 3 months £000	3-12 months £000	1 to 5 years £000	> 5 years £000	Total £000
Drawn facility loans	-	**2,853**	**4,058**	**73,774**	-	**80,685**
Derivative financial instruments	-	-	**13**	**310**	-	**323**
Asset financing	-	**341**	**798**	**2,390**	-	**3,529**
Trade and other payables	**20,398**	-	-	-	-	**20,398**
	20,398	**3,194**	**4,869**	**76,474**	-	**104,935**

At 31 March 2014

	On demand £000	Less than 3 months £000	3-12 months £000	1 to 5 years £000	> 5 years £000	Total £000
Drawn facility loans	-	387	1,161	47,890	-	49,438
Cash flow hedge	-	59	131	-		190
Asset financing	-	548	1,041	2,360	-	3,949
Trade and other payables	15,377	-	-	-	-	15,377
	15,377	994	2,333	50,250	-	68,954

Fair values of financial assets and liabilities

Set out below is a comparison by category of book values and fair values of all the Group's financial assets and liabilities as at 31 March 2015 and 31 March 2014·

	Book Value		Fair value	
	31 March 2015 £000	31 March 2014 £000	**31 March 2015 £000**	31 March 2014 £000
Financial assets				
Cash and cash equivalents	**6,357**	775	**6,357**	775
Trade receivables	**5,690**	11,794	**5,690**	11,794
Financial assets	**12,047**	12,569	**12,047**	12,569
Financial liabilities				
Interest-bearing loans and borrowings				
Floating rate borrowings	**35,000**	15,500	**35,000**	15,500
Floating rate borrowings converted to fixed rate	**40,000**	22,500	**40,000**	22,500
Asset financing	**3,275**	3,665	**3,529**	3,949
Total interest-bearing loans and borrowings	**78,275**	41,665	**78,529**	41,949
Trade and other payables	**30,341**	28,466	**30,341**	28,466
Financial liabilities	**108,616**	70,131	**108,870**	70,415
Derivative financial instruments held to manage the interest rate profile				
Cash flow hedge (£7 5m at 2 27% + variable margin)	-	6	-	6
Cash flow hedge (£7 5m at 1 33% + variable margin)	**62**	-	**62**	-
Cash flow hedge (£15 0m at 1 66% + variable margin)	**248**	184	**248**	184
Cash flow hedge (£17 5m at 0 69% + variable margin)	**13**	-	**13**	-
Interest rate swaps - fair value of liability	**323**	190	**323**	190

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale

As at 31 March 2015, there were no significant differences between the book value and fair value (as determined by market value) of the Group's financial assets and liabilities The fair value of floating and fixed rate borrowings approximate to the carrying value because interest rates are reset to market rates at intervals of less than one year

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique

- Level 1· quoted (unadjusted) prices in active markets for identical assets and liabilities
- Level 2 other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3. techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

At 31 March 2015, the Group held interest rate swap contracts and had an asset financing liability The fair value of these derivative financial instruments is estimated by discounting the future contracted cash flow using readily available market data and represents a level 2 measurement in the fair value hierarchy under IFRS 7 Financial Instruments. *Disclosures*

During the year ended 31 March 2015, the Group received a 15% investment in PMBS Holding Limited in relation to the contribution of a licence to use the Pinewood trademarks The investment has a nominal value of £1,375,000. The investment represents a level 3 measurement in the fair value hierarchy under IFRS 7 Financial Instruments *Disclosures* Management consider the fair value of the investment asset at 31 March 2015 to be £Nil

During the year ended 31 March 2015, there were no transfers between the different fair value measurement levels

As at 31 March 2015, the total interest rate instruments outstanding were for principal amounts totalling £40,000,000 The contracts mature in over the period to November 2016 and therefore the cash flows and resulting effect on profit and loss are expected to occur over that period The fair values of the interest rate instruments are disclosed as derivative financial instruments totalling £323,000 in the statement of financial position Any movements in the fair values of the contracts are recognised in the income statement.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business as a going concern and maximise shareholder value

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares No changes were made in the strategy, objectives, policies or processes during the years ended 31 March 2015 and 2014

The Group monitors capital using a gearing ratio, which is net debt divided by total equity Included within net debt are interest-bearing loans and borrowings (excluding the derivatives, fair value of the cash flow hedge and loan costs) and cash. Equity includes all capital and reserves of the Group The gearing ratio is reviewed regularly by management with the appropriate measures being considered to maintain a capital structure to support the business

	31 March 2015 £000	31 March 2014 £000
Non-current liabilities		
Non-current drawn loan facilities	**78,275**	41,665
Secured bank loan arrangement costs	**-**	(726)
Derivative financial instruments	**310**	175
Interest-bearing loans and borrowings	**78,585**	41,114
Current liabilities		
Derivative financial instruments	**13**	15
Current assets		
Cash	**(6,357)**	(775)
Net debt	**72,241**	40,354
Total equity	**91,523**	84,712
Gearing ratio	**78.9%**	47 6%
Net debt excluding derivatives, fair value and loan costs	**71,918**	40,890
Gearing ratio	**78.6%**	48 3%

Significant accounting policies
Details of the significant accounting policies and methods adopted for each class of financial asset, financial liability and equity instrument are disclosed in Note 2

30. Subsequent Events

Bank refinancing
On 6 March 2015, the Company conditionally agreed proposed new banking facilities of up to £135 million with Lloyds Bank plc, The Royal Bank of Scotland plc, HSBC Bank plc and Barclays Bank Plc Refer to Note 22 for further details.

Equity raise
On 17 April 2015, 8,000,000 new ordinary shares of par value 10p were issued for cash and admitted to trading on AIM, giving rise to gross proceeds of £30 0m The proceeds of this share issue were used to reduce drawn bank debt.

Parent Company Balance Sheet at 31 March 2015

	Notes	**31 March 2015 £000**	31 March 2014 £000
Fixed assets			
Investments	6	**32,705**	32,705
Long term assets	8	**332**	673
Total fixed assets		**33,037**	33,378
Current assets			
Cash		**-**	64
Debtors			
Amounts falling due after one year	9	**204,449**	137,157
Amounts falling due within one year	9	**1,188**	406
Total current assets		**205,637**	137,627
Creditors: amounts falling due within one year	10	**(81,046)**	(76,216)
Net current assets		**124,591**	61,411
Total assets less current liabilities		**157,628**	94,789
Creditors: amounts falling due after more than one year	11	**(77,561)**	(39,643)
Total assets less total liabilities		**80,067**	55,146
Capital and reserves			
Called up share capital	12	**4,941**	4,941
Share premium account	13	**48,718**	48,718
Capital redemption reserve	13	**135**	135
Merger reserve	13	**348**	348
Retained earnings	13	**25,925**	1,004
Equity shareholders' funds	13	**80,067**	55,146

The financial statements of Pinewood Group plc, Company number. 03889552, were approved and authorised for issue by the Board of Directors on 29 June 2015 They were signed on its behalf by

Christopher Naisby, FCCA
Finance Director

The notes on pages 84 to 96 are an integral part of these financial statements

Notes to the financial statements at 31 March 2015

1. Authorisation of financial statements

The Company's ordinary shares are traded on the Alternative Investment Market of the London Stock Exchange The financial statements of Pinewood Group plc for the year ended 31 March 2015 were authorised for issue by the Board of the Directors on 29 June 2015 and the statement of financial position was signed on the Board's behalf by the Finance Director. Pinewood Group plc is a public limited company incorporated and domiciled in England and Wales The registered office is located at Pinewood Studios, Pinewood Road, Iver Heath, Buckinghamshire, SL0 0NH, United Kingdom

2. Accounting policies

Accounting convention
The financial statements are prepared under the historical cost convention and in accordance with UK GAAP

Basis of preparation
The Company has taken advantage of the exemption available under Section 408 of the Companies Act 2006 not to present its own profit and loss account The profit after tax of the Company for the year was £26,206,000 (year ended 31 March 2014. £1,340,000) The Company accounts have been prepared in accordance with UK Generally Accepted Accounting Policies as they apply to the financial statements of the Company for the year ended 31 March 2015 and applied in accordance with the Companies Act 2006

The Company has taken advantage of the exemption in paragraph 2D of FRS 29 *Financial Instruments Disclosures* and has not disclosed information required by that standard, as the Group's consolidated financial statements, in which the Company is included, provide equivalent disclosures for the Group under IFRS 7 *Financial Instruments: Disclosures*

Going concern
The Group's assessment of going concern is explained in the Directors' report on page 29 of the Annual Report

Fixed asset investments
Investments in subsidiaries 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.

Loan issue costs
Loans are initially recorded at their net proceeds The loan issue costs are amortised in the profit and loss account over the remaining maturity of the loans at a constant carrying amount and are reviewed for changes in circumstances that may indicate that the loans will not be held to maturity

Share issue costs
Costs directly attributable to the raising of equity are offset against share premium arising on share issuance

Financial assets
Financial assets in the scope of FRS 26 *Financial Instruments Recognition and Measurement* are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or as available-for-sale financial assets, as appropriate The Company determines the classification of its financial assets at initial recognition and re-evaluates this designation at each financial year-end When financial assets are recognised initially, they are measured at fair value All regular way purchases and sales of financial assets are recognised on the trade date, being the date that the Company commits to purchase or sell the asset Regular way transactions require delivery of assets within the timeframe generally established by regulation or convention in the marketplace The subsequent measurement of financial assets depends on their classification, as follows·

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit and loss or available-for-sale Such assets are carried at amortised cost using the effective interest method if the time value of money is significant Gains and losses are recognised in profit when the loans and receivables are derecognised or impaired, as well as through the amortisation process

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the carrying amount of the asset is reduced, with the amount of the loss recognised in administration costs

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed

Any subsequent reversal of an impairment loss is recognised in the profit and loss account, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date

Derivative financial instruments
The Company has interest rate swaps to hedge against risks associated with interest rate fluctuations These derivative financial instruments are stated at fair value

The fair values of the interest rate swap contracts are determined by reference to market values for similar instruments The interest rate swaps are cash flow hedges which hedge exposure to variability in cash flows that are attributable to the interest rate risk on the Company's external borrowings

Pensions
The Company operates defined contribution schemes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

Corporation taxes
Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exception:

- Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position dates.

3. Auditor's remuneration

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Audit of the financial statements	**6**	5
Other fees to auditors		
- taxation services	**6**	5
	12	10

4. Directors remuneration

	Year ended 31 March 2015						Year ended 31 March 2014
	Basic salary and fees £	**Benefits in kind £**	**Annual Bonus £**	**LTIP £**	**Pension contrib -utions £**	**Total remun-eration £**	Total remun-eration £
Chairman							
Lord Grade of Yarmouth	**105,000**	**n/a**	**n/a**	**n/a**	**n/a**	**105,000**	105,000
Executive							
Ivan Dunleavy	**360,500**	**20,329**	**128,832**	**904,841**	**45,062**	**1,459,564**	655,666
Nicholas Smith	**240,000**	**14,241**	**84,661**	**630,647**	**36,000**	**1,005,549**	409,346
Andrew Smith	**150,000**	**9,639**	**103,852**	**137,097**	**72,063**	**472,651**	203,186
Christopher Naisby	**150,000**	**4,092**	**44,171**	**137,097**	**15,750**	**351,110**	169,580
Steve Christian*	**40,000**	**nil**	**nil**	**137,097**	**nil**	**177,097**	40,000
Non-Executive							
Steven Underwood**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	nil
Neil Lees**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	nil
Ruth Prior	**42,000**	**588**	**nil**	**nil**	**2,100**	**44,688**	43,015
Thomas Allison**	**nil**	**nil**	**nil**	**nil**	**nil**	**nil**	nil

** - The Group had a consultancy agreement with Gasworks Media Limited, a company incorporated in the Isle of Man, whose sole shareholder, Steve Christian, was also an Executive Director of the Group during the years ended 31 March 2015 and 2014 The total value of the transactions, including reimbursement of expenses, during the year was £384,000 See Note 28 of the consolidated Group financial statements for further details*

*** - Non-Executive Directors provided under the agreement with Peel Acquisitions do not receive remuneration See Directors Remuneration Report on page 32 of the Annual Report for further details*

None of the above Directors received reimbursement for expenses during the year requiring separate disclosure as required by The Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008

The Company had no employees other than the Directors above in either the current or previous year

5. Taxation

(a) Analysis of charge/(credit) for the year:

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Current tax:		
UK corporation tax	**-**	-
Deferred tax		
Origination and reversal of timing differences	**51**	(177)
Total deferred tax	**51**	(177)
Total tax charge/(credit)	**51**	(177)

(b) Factors affecting tax charge /(credit) for the year:

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Accounting profit before corporation tax	**26,257**	1,163
Profit on ordinary activities multiplied by UK rate of 21% (2013 23%)	**5,514**	267
Non-deductible expenses	**36**	(59)
Other short term timing differences	**169**	(220)
Group relief claimed	**632**	(165)
Group income	**(6,300)**	-
Corporation tax expense/(credit) reported in the income statement	**51**	(177)

6. Investments

	£000
Cost	
At 31 March 2015 and 31 March 2014	**32,705**

Details of the investments in which the Group and the Company (unless indicated) holds 20% or more of the nominal value of any class of share capital or Joint Venture interests are as follows:

Company Name	**Country of incorporation**	% equity interest	
		31 March 2015	31 March 2014
Pinewood Studios Limited*	United Kingdom	**100**	100
Shepperton Studios Limited*	United Kingdom	**100**	100
Pinewood-Shepperton Studios Limited	United Kingdom	**100**	100
Teddington Studios Limited	United Kingdom	**100**	100
Pinewood PSB Limited	United Kingdom	**100**	100
Pinewood Film Advisors Limited	United Kingdom	**100**	100
Pinewood Film Advisors (W) Limited	United Kingdom	**100**	100
Saul's Farm Limited*	United Kingdom	**100**	100
Baltray No 1 Limited*	United Kingdom	**100**	100
Baltray No 2 Limited*	United Kingdom	**100**	100
Shepperton Management Limited*	United Kingdom	**100**	100
Pinewood Shepperton Facilities Limited*	United Kingdom	**100**	100
PSL Consulting Limited	United Kingdom	**100**	100
Pinewood Studio Wales Limited*	United Kingdom	**100**	100
Pinewood Germany Limited*	United Kingdom	**100**	100
Pinewood Film Services GmbH	Germany	**100**	50
Pinewood Dominican Republic Limited*	United Kingdom	**100**	100
Pinewood Malaysia Limited*	United Kingdom	**100**	100
Pinewood China Limited *	United Kingdom	**100**	100
Pinewood Atlanta Limited *	United Kingdom	**100**	100
Pinewood USA Inc *	USA	**100**	100
Pinewood Film Production Studios Canada Inc *	Canada	**100**	100
Pinewood Production Services Canada Inc *	Canada	**100**	-
Pinewood Films Limited*	United Kingdom	**100**	100
Pinewood Last Passenger Limited	United Kingdom	**100**	100
Pinewood Belle Limited	United Kingdom	**100**	100
Pinewood Camera Trap Limited (previously Pinewood Films No 4 Limited)	United Kingdom	**100**	100
Pinewood Christmas Candle Limited (previously Pinewood Films No 5 Limited)	United Kingdom	**100**	100
Pinewood Robot Overlords Limited (previously Pinewood Films No 6 Limited)	United Kingdom	**100**	100
Pinewood Riot Club Limited (previously Pinewood Films No 7 Limited)	United Kingdom	**100**	100
Pinewood Pressure Limited (previously Pinewood Films No 8 Limited)	United Kingdom	**100**	100

Company Name	**Country of incorporation**	% equity interest **31 March 2015**	% equity interest 31 March 2014
Pinewood KYF Limited (previously Pinewood Films No 9 Limited)	United Kingdom	**100**	100
Pinewood Films No 10 Limited	United Kingdom	**100**	100
Pinewood Films No 11 Limited	United Kingdom	**100**	100
Pinewood Films No 12 Limited	United Kingdom	**100**	-
Pinewood Films No 13 Limited	United Kingdom	**100**	-
Pinewood Films No 14 Limited	United Kingdom	**100**	-
Pinewood Films No 15 Limited	United Kingdom	**100**	-
Pinewood Films No 16 Limited	United Kingdom	**100**	-
Shepperton Studios Property Partnership	United Kingdom	**100**	50
Pinewood Studios Berlin Film Services GmbH **	Germany	**100**	50
Shepperton Studios (General Partner) Limited*	United Kingdom	**100**	50
The Studios Unit Trust	United Kingdom	**100**	-
Pinewood Shepperton Limited	United Kingdom	**100**	-

* *Held by Pinewood-Shepperton Studios Limited*
** *Held by Pinewood Germany Limited*

The Company also holds investments in several joint ventures

Company Name	**Country of incorporation**	% equity interest **31 March 2015**	% equity interest 31 March 2014
Pinewood Atlanta LLC***	USA	**40**	40
PAS Holdings Fayette LLC***	USA	**40**	40

*** *Held by Pinewood USA Inc*

The accounting reference date for Pinewood Atlanta LLC and PAS Holdings Fayette LLC is 31 December

Following the acquisition of the remaining 50% stakes in Shepperton Studios Property Partnership and Shepperton Studios (General Partner) Limited on 3 December 2014, the accounting reference dates have been extended to 31 March to align with the Company Further details of this transaction are included within Note 9 to the consolidated Group financial statements

The Company accounts for its investments in subsidiaries using the cost model

Audit exemption

Pinewood Group plc has given statutory guarantees against all the outstanding liabilities of the below listed wholly-owned subsidiaries at 31 March 2015 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 2015

Audit exemption

Although the Company does not anticipate the guarantees to be called upon, the book values of the guaranteed liabilities, excluding intercompany balances, for each relevant subsidiary at 31 March 2015 are set out below

Company Name	Company Registration Number	Book value of liabilities 31 March 2015 £000
Baltray No 1 Limited	05776674	97
Baltray No 2 Limited	05778635	-
Pinewood Atlanta Limited	08355034	-
Pinewood China Limited	08355173	-
Pinewood Dominican Republic Limited	07096246	472
Pinewood Film Advisors (W) Limited	08864165	73
Pinewood Films Limited	07660856	-
Pinewood Germany Limited	07079399	-
Pinewood Malaysia Limited	07074446	71
Pinewood PSB Limited	06300755	1,085
Pinewood Shepperton Facilities Limited	07527390	-
Pinewood Shepperton Limited	09083961	-
Pinewood Studio Wales Limited	08863162	256
PSL Consulting Limited	08655214	1,528
Saul's Farm Limited	06233879	-
Shepperton Management Limited	05907027	-
Shepperton Studios (General Partner) Limited	05913009	11
Teddington Studios Limited	05365850	22

7. Dividends paid

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Final dividend for year ending 31 March 2013 paid at 1 5p per share	-	741
Interim dividend for year ending 31 March 2014 paid at 0 6p per share	-	296
Final dividend for year ending 31 March 2014 paid at 1 9p per share	**939**	-
Interim dividend for year ending 31 March 2015 paid at 0 7p per share	**346**	-
	1,285	1,037

The Board is committed to pay dividends in line with its dividend policy of not less than three times cover

8. Long-term assets

	Toronto long-term agreement £000	Atlanta long-term agreement £000	China long-term agreement £000	Total £000
Cost:				
At 31 March 2013	94	24	39	157
Additions	-	474	117	591
At 31 March 2014	94	498	156	748
Additions	-	-	-	-
At 31 March 2015	**94**	**498**	**156**	**748**
Amortisation:				
At 31 March 2013	51	-	-	51
Provided during the year	24	-	-	24
At 31 March 2014	75	-	-	75
Provided during the year	**19**	**166**	**-**	**185**
Impairment in the year	**-**	**-**	**156**	**156**
At 31 March 2015	**94**	**166**	**156**	**416**
Carrying value:				
At 31 March 2015	**-**	**332**	**-**	**332**
At 31 March 2014	19	498	156	673

The Group signed a five year sales and marketing agreement with Pinewood Toronto Studios on 26 May 2009 Transaction costs in relation to this agreement were recognised as a long-term asset and have been amortised over the term of the original agreement, ending in May 2014 The agreement was renewed for a further five years to 26 May 2019

Transaction costs of £498,000 in relation to the Pinewood Atlanta Studios joint venture were previously recognised as a long-term asset and are being amortised over the first three years of the Studio's operations, commencing April 2014. The Group's investment in the joint venture is included in Note 9 of the consolidated Group financial statements.

Transaction costs of £156,000 incurred in relation to the Song Lin joint operation with Seven Stars Media Limited were previously recognised as a long-term asset and have subsequently fully impaired in the year ended 31 March 2015

9. Debtors

	31 March 2015 £000	31 March 2014 £000
Due from subsidiary undertakings	**204,449**	137,157
Prepayments and accrued income	**1,188**	406
	205,637	137,563
Amounts falling due after more than one year included above are		
- Due from subsidiary undertakings	**204,449**	137,157

10. Creditors: amounts falling due within one year

	31 March 2015 £000	31 March 2014 £000
Bank overdraft	**793**	-
Amounts due to subsidiary undertakings	**73,660**	70,931
Other creditors	**5,556**	3,799
Asset financing	**1,024**	1,471
Derivative financial instruments	**13**	15
	81,046	76,216

11. Creditors: amounts falling due after more than one year

	31 March 2015 £000	31 March 2014 £000
Revolving credit facility	**75,000**	38,000
Secured bank loan arrangement costs	-	(726)
Asset financing	**2,251**	2,194
Derivative financial instruments	**310**	175
	77,561	39,643
Amounts falling due		
- in more than one year but not more than two years	**76,057**	1,157
- in more than two years but not more than five years	**1,504**	38,486
	77,561	39,643

On 6 March 2015, the Company conditionally agreed proposed new banking facilities of up to £135 million with Lloyds Bank plc, The Royal Bank of Scotland plc, HSBC Bank plc and Barclays Bank Plc, comprising

- a £100 million term loan facility committed to 29 May 2019, £45 million of which will be utilised to refinance the Company's existing committed debt facilities and the remaining £55 million (the "Development Tranche") will be available to draw down prior to 30 September 2016 to fund phase 1 of the PSDF, with repayments commencing in June 2017; and
- a £35 million multicurrency revolving credit facility, which will be available to draw down until 30 April 2019

The Group has also retained its £5m overdraft facility which is subject to annual review

On 17 April 2015, the Group fully repaid and terminated its existing banking facility and drew under the new agreement for the first time

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

The term facility contains scheduled repayments of £2 5m on 30 June 2017 and 31 December 2017, increasing to £5 0m on each of 30 June 2018 and 31 December 2018 The revolving credit facility has no scheduled repayments

The facility has a range of covenants and events of default together with variable margins ranging between 175 and 375 basis points over LIBOR

Covenants
The banking agreements contain a range of covenants appropriate for the facilities in place The Group was covenant compliant at 31 March 2015

Cash flow hedge
At 31 March 2015, the Group held interest rate swaps designated as hedges against drawn debt obligations amounting to £40,000,000 (31 March 2014· £22,500,000) Further information can be found in Note 29 of the consolidated Group financial statements

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

At 31 March 2015, the Group had the following interest rate swaps in place to minimise the volatility in cash flows from a change in LIBOR.

	Effective interest rate %	**Maturity**	**Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000
Cash flow hedge	2 27% + variable margin	1 July 2014	**-**	7,500
Cash flow hedge	1 33% + variable margin	1 July 2016	**7,500**	-
Cash flow hedge	1 66% + variable margin	28 November 2016	**15,000**	15,000
Cash flow hedge	0 69% + variable margin	4 January 2016	**17,500**	-
			40,000	22,500

The Company's cash flow hedges are treated as derivative financial instruments and fair value movements are recognised in the income statement.

The interest swap finance costs are charged to the income statement when they are payable. These are payable on a quarterly basis in March, June, September and December

12. Share capital

Authorised

	£000
As at 31 March 2015 and 31 March 2014 Ordinary shares of 10p each	**7,000**

Issued, called up and fully paid

	31 March 2015		31 March 2014	
	No.	**£000**	No	£000
Ordinary shares of 10p each	**49,409,926**	**4,941**	49,409,926	4,941
Shares in issue:				
As at 31 March 2015 and 31 March 2014	**49,409,926**	**4,941**	49,409,926	4,941

13. Reconciliation of shareholders' funds and movements on reserves

	Share capital £000	Share premium £000	Capital redemption reserve £000	Merger reserve £000	Fair value of cash flow hedge reserve £000	Retained earnings £000	Total equity £000
At 1 April 2013	4,941	48,718	135	348	(328)	701	54,515
Profit for the year	-	-	-	-	-	1,340	1,340
Dividend paid (Note 7)	-	-	-	-	-	(1,037)	(1,037)
Fair value of cash flow hedges	-	-	-	-	328	-	328
At 31 March 2014	4,941	48,718	135	348	-	1,004	55,146
Profit for the year	-	-	-	-	-	26,206	26,206
Dividend paid (Note 7)	-	-	-	-	-	(1,285)	(1,285)
At 31 March 2015	**4,941**	**48,718**	**135**	**348**	**-**	**25,925**	**80,067**

14. Related party disclosures

The Company has taken the exemption available to it under FRS 8 *Related party disclosures* not to disclose its transactions with related parties as the disclosures are included in the financial statements of the consolidated Group.

15. Ultimate parent undertaking

The ultimate holding company in the year to 31 March 2015 was Tokenhouse Limited, a company incorporated in the Isle of Man

Tokenhouse Limited is controlled by the 1997 Billown settlement trust

The largest group of companies, of which the company is a member that produces consolidated accounts is Peel Holdings Group Limited, a company incorporated in the Isle of Man.

The smallest group of companies, of which the company is a member that produces consolidated accounts is Goodweather Holdings Limited, a company incorporated in the Isle of Man

16. Post balance sheet events

On 6 March 2015, the Company agreed new banking facilities of up to £135 million with Lloyds Bank plc, The Royal Bank of Scotland plc, HSBC Bank plc and Barclays Bank Plc See Note 11 for further details

On 17 April 2015, 8,000,000 new ordinary shares of par value 10p were issued for cash and admitted to trading on AIM, giving rise to gross proceeds of £30 0m. The proceeds of this share issue were used to partially repay drawn bank debt outstanding at the year end.

Following completion of this share issue, the information disclosed in Note 15 is no longer applicable by virtue of Goodweather Investment Management Limited's shareholding reducing below 50% to 39 09%. No shareholder has a greater than 50% holding in the Company as a result.