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Pinewood Group Limited
(formerly Pinewood Group plc)

Report and financial statements

Year ended 31 March 2017

Company Registration Number: 3889552

Pinewood Group Limited (formerly Pinewood Group plc)

Registered No: 3889552

Directors
Paul Golding
Andrew M Smith
Christopher Naisby
Luis Moner
Nathan Shike
Alison Trewartha

Secretary
Bridget Sheldon-Hill

Auditor
Deloitte LLP
Statutory Auditor
2 Hardman Street
Manchester
M3 3HF

Bankers
Royal Bank of Scotland plc
62-63 Threadneedle Street
London
EC2R 8LA

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

HSBC Bank plc
8 Canada Square
London
E14 5HQ

Barclays Bank plc
1 Churchill Place
London
E14 5HP

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

Pinewood Group Limited (formerly Pinewood Group plc)

Strategic Report

Business overview

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

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 Group 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.

The Group plans to continue its existing activities.

Change of ownership

On 4 October 2016, Pinewood Group plc was acquired by Picture Holdco Limited, whose ultimate parent undertaking and controlling party is PW Real Estate Fund III GP Limited, in its capacity as General Partner of PW Real Estate Fund III LP.

On 5 October 2016, Pinewood Group plc re-registered from a public company to a private limited company and became Pinewood Group Limited.

Business review

Media Services
Media Services had total turnover within this segment of £76.7m for the year (year ended 31 March 2016: £66.6m), including £0.6m of intersegment turnover (year ended 31 March 2016: £0.9m). Intersegment turnover relates to turnover generated from the utilisation of the Company's core services by the Group's wholly-owned Film Production Companies ("FPCs").

The Group completed construction of the first phase of Pinewood East (formerly referred to as the "Pinewood Studios Development Framework") which became fully operational on 30 June 2016. This has added five stages and significant capacity to our existing world class offer.

Media Investment
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 Company in British qualifying film and high-end television productions.

Media Investment turnover for the year was £22.3m (year ended 31 March 2016: £17.4m).

The year on year increase is principally driven by an increase in Film Production Company ("FPC") activity (£20.0m in the year ending 31 March 2017 versus £15.5m in 2016). 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 £2.2m (year ended 31 March 2016: £3.5m) was offset by UK film tax relief of £1.8m (year ended 31 March 2016: £3.3m) as expected.

Turnover excluding this has grown by 16.3% from £2.0m in the year ending 31 March 2016 to £2.3m in the year ended 31 March 2017 principally due to recoupment on completed projects.

Strategic Report (continued)

Business review (continued)

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 incurred net exceptional operating costs of £3.2m (year ended 31 March 2016: £0.4m net exceptional operating income), as detailed in Note 9.

Key performance indicators

The Group uses a number of key performance indicators ("KPIs") to monitor the Group's performance, as well as to measure progress against the Group's objectives. The KPIs used are:

	Year ended 31 March 2017	Year ended 31 March 2016
Media Services		
Turnover (including inter-segment)	£76.7m	£66.6m
Operating profit before exceptional items	£24.1m	£16.3m
Media Investment		
Profit/(loss) after taxation	£0.2m	£0.4m
Group Performance		
Normalised EBITDA (see below)	£34.2m	£25.6m
Cash generated from operations	£35.0m	£21.7m
Net debt	£72.6m	£72.8m

Group profit on ordinary activities after taxation for the year ended 31 March 2017 was £13.6m (2016: £7.6m), including the impact of exceptional items and the movement on fair value of financial derivatives.

EBITDA (earnings before exceptional items, interest, tax, depreciation and amortisation) for the year was £30.9m (year ended 31 March 2016: £21.0m), including £2.0m of Media Investment loss (year ended 31 March 2016: £3.7m loss) but excluding the EBITDA attributable to the Group's income from participating interests. After adding back the FPC loss which is offset by the UK Film Tax Relief and the Group's income from participating interests, normalised EBITDA is £34.2m (year ended 31 March 2016: £25.6m).

Principal risks and uncertainties

The Group's principal risks and uncertainties are as follows:

Commercial and general risk
Standard form contracts are provided for commercial use and to assist the commercial function to negotiate within approved parameters. Insurance policies are regularly reviewed to ensure these are adequate and appropriate, in line with the nature, size and complexity of the business.

Exit from the European Union
The Board is continuing to monitor ongoing Brexit negotiations.

Strategic Report (continued)

Principal risks and uncertainties (continued)

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 turnover and damage the Group's reputation.

A dedicated health, safety and fire team carries out regular risk evaluation 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, which looks to mitigate potential incidents described. It also invests in information technology and monitors the adequacy of its applications in use on an ongoing basis.

Financial risk management
The main risk currently arising from the Group's financial instruments is liquidity risk. Interest rate risk, credit risk, foreign exchange risk and fiscal incentives are also considered below.

Liquidity risk
The Group manages its exposure to liquidity risk at Group level. 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, a revolving facility and a term loan. Short-term flexibility is achieved by the overdraft facility of £5,000,000 (31 March 2016: £5,000,000).

As at the Statement of financial position date, the Group has banking facilities of up to £135m, which comprised a £35m revolving credit facility and a £100m term loan facility. These facilities are secured on certain of the principal assets of the Group. The facility has a range of covenants and events of default together with variable margins between 175 and 375 basis points over LIBOR.

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% 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.

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.

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.

Foreign exchange 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.

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 content creation.

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.

Pinewood Group Limited (formerly Pinewood Group plc)

Strategic Report (continued)

Post balance sheet events and future developments

The Directors expect the general level of activity to be maintained in the forthcoming year.

A Reserved Matters planning application for Phase Two of the Pinewood East outline consent was approved by South Bucks District Council on 7 September 2017.

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, economic uncertainty and Brexit, show that the Group will be able to operate within the level of its current facilities. On 6 September 2017, the Group agreed that its loan facilities would remain in place until 30 September 2018.

Although the Group is in a net current liability position of £5.4m, the Group currently has £35.0m of undrawn committed loan facilities in place. 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 2017 (see Note 27) compared with the existing financing (see Note 23).

Information on the Group's Financial risk management is included in the Directors' report, and other Principal Risks and Uncertainties are detailed in the Corporate review section of the Strategic report. The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in the operational business for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

Approved by the Board and signed on its behalf by:

Christopher Naisby
Director
18 September 2017

Pinewood Group Limited (formerly Pinewood Group plc)

Directors' Report

The Directors present their annual report and audited financial statements of the Group for the year ended 31 March 2017.

Results and Dividends

Group profit on ordinary activities after taxation for the year ended 31 March 2017 was £13.6m (2016: £7.6m), including the impact of exceptional items and the movement on fair value of financial derivatives.

Dividends totalling of £3.6m were paid during the year (2016: £2.1m). The Directors do not recommend payment of a final dividend.

Directors

The Directors, who served during the year and to the date of signing, unless otherwise indicated, and their interests in the share capital of the Company as at 31 March 2016 and 31 March 2017 were as follows:

Ivan Dunleavy (resigned 24 April 2017)
Nicholas Smith (resigned 24 April 2017)
Andrew M Smith
Christopher Naisby
Paul Golding (appointed 5 October 2016)
Luis Moner (appointed 5 October 2016)
Nathan Shike (appointed 5 October 2016)
Alison Trewartha (appointed 5 October 2016)
Lord Grade of Yarmouth, CBE (resigned 5 October 2016)
Ruth Prior (resigned 5 October 2016)
Steven Underwood (resigned 5 October 2016)
Marie-Teresa Rainey (resigned 5 October 2016)

Directors' Liabilities

The Company has granted an indemnity to one or more of its Directors against liability brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

Employees

The Group actively considers the position of its employees' rights through comprehensive and regularly reviewed employment practices in the areas of recruitment, training, welfare, remuneration and employee relations.

In addition to a published grievance policy, the Group maintains a 'Whistleblower' policy providing an opportunity for employees to raise grievances with senior management.

The Group'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 consideration of age, gender, disability, colour, racial origin, religion or sexual orientation. We provide employees with reasonable conditions of employment and career prospects.

The Group supports its disabled employees with regular training and support through the equal opportunity and training policies.

The Group has regular contact with employees via its intranet site, *Spotlight*, and via regular catch ups and briefings. These methods are used to ensure employees are kept up to date with the performance of the business. In addition, the Group continuously manages employees' performance.

Skills and development continues to remain high up on the Group's agenda. Twenty-one Pinewood employees were recently presented with the Pinewood Studio Management Diploma. The Diploma equips candidates with the knowledge and skills to manage and operate world class studio facilities to the screen-based industries. The course was supported by Creative Skillset's Film Skills Fund, with BFI's Film Forever National Lottery funds. The Group also has a well-developed work apprenticeship scheme providing 'in work' apprenticeships in areas such as plumbing, carpentry and drapes, and media apprentices within Pinewood's post-production team.

Directors' Report (continued)

Going Concern

As outlined within the Strategic Report on page 5, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the forseeable 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 doubt on the ability of the Group to continue as a going concern.

Other Directors' Report Disclosure Requirements

Certain disclosures required by s416(4) of the Companies Act 2006 to be included in the Directors Report have been included elsewhere in this Annual Report, as follows:

- Principal risks and uncertainties - Strategic Report, pages 3-4
- Post balance sheet events - Strategic Report, page 5
- Indication of future developments - Strategic Report, page 5
- Existence of branches outside UK - Note 3 to the Parent Company financial statements

Directors' Statement as to Disclosure of Information to Auditor

The Directors who were members of the Board at the time of approving the Directors' report are listed on page 6. Having made enquiries of fellow Directors and of the Group's auditor, each of these Directors confirms that:

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

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

Deloitte LLP 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.

Approved by the Board and signed on its behalf by:

Bridget Sheldon-Hill
Company Secretary
18 September 2017

Pinewood Group Limited (formerly Pinewood Group plc)

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 102 Reduced Disclosure Framework. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the Company and of the profit or loss of the Group for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 102 Reduced Disclosure Framework has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Independent Auditor's Report
to the Members of Pinewood Group Limited (formerly Pinewood Group plc)

We have audited the financial statements of Pinewood Group Limited (formerly Pinewood Group plc) for the year ended 31 March 2017 which comprise the Group Statement of Comprehensive Income, the Group and Parent Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Parent Company Statements of Changes in Equity and the related Notes 1 to 29 for the Group financial statements and Notes 1 to 12 for the Parent Company. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent Auditor's Report (continued)
to the Members of Pinewood Group Limited (formerly Pinewood Group plc)

Opinion on other matter prescribed by the Companies Act 2006

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

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

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

Rachel Argyle

Rachel Argyle (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Manchester
United Kingdom
18 September 2017

Pinewood Group Limited (formerly Pinewood Group plc)

Group Statement of Comprehensive Income
for the year ended 31 March 2017

	Notes	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Turnover	3,4	**98,348**	83,182
Cost of Sales		**(63,854)**	(58,357)
Gross profit		**34,494**	24,825
Selling and distribution expenses		**(2,258)**	(2,155)
Administration expenses			
Recurring activities		**(10,155)**	(9,918)
Exceptional items	9	**(3,170)**	416
Total administration expenses		**(13,325)**	(9,502)
Loss on disposal of fixed assets		**-**	(122)
Operating profit	5	**18,911**	13,046
Comprising:			
Operating profit/(loss) from:			
Media Services activities before exceptional items		**24,095**	**16,295**
Media Investment - film production companies		**(2,164)**	**(3,475)**
Media Investment - other activities		**150**	**(190)**
Exceptional items	**9**	**(3,170)**	**416**
		18,911	**13,046**
Income from participating interests	10	**1,082**	1,102
Interest receivable and similar income	11	**344**	-
Interest payable and similar charges	12	**(5,294)**	(6,880)
Profit on ordinary activities before taxation		**15,043**	7,268
Tax on profit on ordinary activities	13	**(1,436)**	293
Profit on ordinary activities after taxation		**13,607**	7,561

Other comprehensive income

Items that may be reclassified to comprehensive income			
Exchange differences on translation of foreign operations on consolidation		**1,340**	-
Total comprehensive income for the year		**14,947**	7,561

The notes on pages 15 to 38 form part of these financial statements.

Pinewood Group Limited (formerly Pinewood Group plc)

Group Statement of Financial Position
as at 31 March 2017

	Notes	2017 £'000	2016 £'000
Assets			
Non current assets			
Property, plant and equipment	15	**236,020**	214,449
Intangible assets	16	**4,484**	5,044
Long-term assets	17	**-**	166
Interests in joint ventures	10	**7,780**	6,552
Other investments	18	**1,220**	-
		249,504	226,211
Current assets			
Inventories		**53**	47
Trade and other receivables	20	**19,749**	18,566
Cash and cash equivalents	21	**28,464**	1,383
		48,266	19,996
Total assets		**297,770**	246,207
Equity and liabilities			
Share capital	22	**5,741**	5,741
Share premium		**76,696**	76,696
Capital contribution reserve		**135**	135
Merger reserve		**348**	348
Translation reserve		**1,340**	-
Retained earnings		**52,869**	42,876
Total equity		**137,129**	125,796
Non-current liabilities			
Interest-bearing loans and borrowings	23	**101,066**	74,164
Derivative financial instruments	24	**3,687**	3,122
Deferred tax liabilities	13	**2,227**	384
		106,980	77,670
Current liabilities			
Derivative financial instruments	24	**-**	70
Trade and other payables	25	**53,661**	42,671
		53,661	42,741
Total liabilities		**160,641**	120,411
Total equity and liabilities		**297,770**	246,207

The financial statements of Pinewood Group Limited (formerly Pinewood Group plc) (registered number: 3889552) were approved and authorised for issue by the Board of Directors on 18 September 2017. They were signed on its behalf by:

C J Naisby
Director

The notes on pages 15 to 38 form part of these financial statements.

Pinewood Group Limited (formerly Pinewood Group plc)

Group Statement of Cash Flows
for the year ended 31 March 2017

	Notes	2017 £'000	2016 £'000
Cash flow from operating activities:			
Profit on ordinary activities before taxation		**15,043**	7,268
Adjustments to reconcile profit on ordinary activities before taxation to net cash flows:			
Depreciation, impairment and amortisation	5	**8,885**	8,241
Loss/(gain) on disposal of property, plant and equipment	5	**-**	122
Exceptional income		**-**	249
Fair value adjustment		**(3,486)**	-
Income from participating interests	10	**(1,082)**	(1,102)
Interest receivable and similar income	11	**(344)**	-
Interest payable and similar charges	12	**5,294**	6,880
Cash flow from operating activities before changes in working capital		**24,310**	21,658
Decrease/(increase) in trade and other receivables	20	**981**	(7,361)
(Increase)/decrease in inventories		**(6)**	3
Increase in trade and other payables	25	**9,686**	7,373
Cash generated from operations		**34,971**	21,673
Interest paid		**(4,298)**	(3,444)
Corporation tax received in respect of FPC activity		**4,473**	3,344
Corporation tax paid		**(2,243)**	(1,151)
Net cash flow from operating activities		**32,903**	20,422
Cash flow from/(used in) investing activities:			
Proceeds from disposal of property, plant and equipment		**-**	487
Purchase of property, plant and equipment		**(30,348)**	(46,283)
Movement in long term liability		**765**	-
Investment in joint ventures		**(1,906)**	(1,845)
Joint venture land sale proceeds		**1,187**	-
Repayment from joint ventures		**1,841**	421
Net cash flow used in investing activities		**(28,461)**	(47,220)
Cash flow (used in)/from financing activities:			
Dividends paid	14	**(3,614)**	(2,066)
Proceeds from issue of shares		**-**	28,779
Repayment of asset financing obligations		**(747)**	(1,024)
Repayment of bank borrowings	23	**-**	(75,000)
Proceeds from bank borrowings	23	**27,000**	73,000
Payment of loan issue fees		**-**	(1,865)
Net cash flow from financing activities		**22,639**	21,824
Net increase/(decrease) in cash and cash equivalents		**27,081**	(4,974)
Cash and cash equivalents at the start of the year		**1,383**	6,357
Cash and cash equivalents at the end of the year	21	**28,464**	1,383

Included within the cash and cash equivalents balance is a total of £1,465,000 (2016: £2,040,000) which is unavailable for general use. See Note 21.

The notes on pages 15 to 38 form part of these financial statements.

Pinewood Group Limited (formerly Pinewood Group plc)

Reconciliation of Movement in Net Debt
for the year ended 31 March 2017

	2017 £'000	2016 £'000
Increase/(decrease) in cash and cash equivalents	27,081	(4,974)
Repayments of bank borrowings	-	75,000
Proceeds from bank borrowings	(27,000)	(73,000)
Repayments of asset financing obligations	747	1,024
Loan issue costs	-	1,865
Amortisation of loan issue costs	(649)	(778)
Movement in net debt	179	(863)
Net debt at the start of the year	(72,781)	(71,918)
Net debt at the end of the year	(72,602)	(72,781)
Net debt at end of year excluding restricted cash	(74,067)	(74,821)

Group Statement of Changes in Equity
for the year ended 31 March 2017

	Share Capital £'000	Share premium £'000	Translation reserve £'000	Other reserves £'000	Retained earnings £'000	Total Equity £'000
At 01 April 2016	5,741	76,696	-	483	42,876	125,796
Profit for the year	-	-		-	13,607	13,607
Translation reserve movement			1,340			1,340
Total comprehensive income for the year	-	-	1,340	-	13,607	14,947
Equity dividends (Note 14)	-	-	-	-	(3,614)	(3,614)
At 31 March 2017	5,741	76,696	1,340	483	52,869	137,129
At 01 April 2015	4,941	48,718	-	483	37,381	91,523
Total comprehensive income for the year as previously stated	-	-	-	-	8,121	8,121
Transitional adjustment (Note 2)					(560)	(560)
Total comprehensive income for the year including transitional adjustment	-	-	-	-	7,561	7,561
Equity issue	800	29,200	-	-	-	30,000
Cost of equity placing	-	(1,222)	-	-	-	(1,222)
Equity dividends (Note 14)	-	-	-	-	(2,066)	(2,066)
At 31 March 2016	5,741	76,696	-	483	42,876	125,796

Other reserves represent Capital redemption reserve £135,000 and Merger reserve £348,000.

The notes on pages 15 to 38 form part of these financial statements.

Notes to the Consolidated Financial Statements
for the year ended 31 March 2017

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

1 Accounting policies

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

Accounting convention
These consolidated financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS102) and are presented as required by the Companies Act 2006. FRS102 was adopted by the Group in the year ended 31 March 2017 to be consistent with the Group's new parent company Picture Holdco Limited. The transition from IFRS, used previously, is not considered to have had a material effect on the financial statements. The only adjustment to prior period comparatives as a result of transition is the amortisation of goodwill.

As permitted by FRS102, the Group has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, standards not yet effective, disclosure of key management personnel compensation and certain related party transactions.

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, economic uncertainty and Brexit, show that the Group will be able to operate within the level of its current facilities. On 6 September 2017, the Group agreed that its loan facilities would remain in place until 30 September 2018.

Although the Group is in a net current liability position of £5.4m, the Group currently has £35.0m of undrawn committed loan facilities in place. 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 2017 (see Note 27) compared with the existing financing (see Note 23).

Basis of consolidation
The consolidated financial statements comprise the financial statements of the Group and its subsidiaries up to 31 March 2017. All intragroup transactions, balances, income and expenses are eliminated in full on consolidation. All subsidiaries are consolidated for the financial year ending 31 March 2017 regardless of the individual entities' statutory reporting date.

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2017

1 Accounting policies (continued)

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured at the fair value of the consideration receivable, net of discounts, rebates, VAT and other sales taxes or duty. The Group has assessed its turnover arrangements and has concluded that it is acting as a principal in all of its turnover arrangements. Where a contract spans an accounting cut-off date, the value of the turnover recognised is the 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. Turnover is recognised as the Group earns the right to consideration for the service provided and this is time apportioned and earned as time elapses.
- Film turnover is also derived from international agreements to provide sales and marketing services.
- Television turnover is derived from the provision of services and is recognised on a time apportioned basis in relation to the television production process.
- Media Hub turnover is derived from customers contracting to use the Group's facilities for a period of time. Turnover is recognised on a straight line basis over the term of the agreement.

Media Investment:

- External investment advisory turnover is derived from the provision of services on a per film investment basis, with turnover from an annual management fee recognised on a straight line basis over the course of the year.
- Film Production Companies' turnover relates to the funding provided from the various financiers (excluding loans against tax credit, which are recognised as a liability on the Group statement of financial position). Turnover recognised is the proportion of completion of the relevant project.

Interests in joint ventures

The Group has interests in joint ventures. 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 Group statement of financial position at cost and adjusted thereafter to recognise the Group's income from participating interests 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.

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2017

1 Accounting policies (continued)

Foreign currency
The functional currency of the Group 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 are recognised in the income statement. Exchange differences resulting 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 translation reserve.

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

Corporation tax
Corporation tax expense represents the sum of the tax currently payable. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Statement of financial position date.

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.

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.

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.

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.

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 Group statement of financial position.

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 scheme.

1 Accounting policies (continued)

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

Intangible assets
Intangible assets, when identified, are capitalised at cost and subsequently amortised over their useful economic 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 amortisation or accumulated impairment loss. Goodwill is expected to have a useful life of 10 years and is amortised over that period. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill is allocated to the related cash-generating unit monitored by management. Where the recoverable amount of the cash-generating unit is less than the carrying amount, including goodwill, an impairment loss is recognised in the income statement.

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.

1 Accounting policies (continued)

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 Group income statement.

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.

Financial instruments
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

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

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

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

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

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

In the Company Statement of financial position, for investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value only of the shares issued. Any premium is ignored.

1 **Accounting policies (continued)**

Financial instruments (continued)

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

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

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 re-measured to their fair value at each statement of financial position date. The Group reports the movement in fair value through profit or loss.

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

1 Accounting policies (continued)

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 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 turnover in the income statement on a straight line basis over the lease term.

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

There are no critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date are:

Impairment of goodwill
The carrying amount of goodwill at 31 March 2017 was £4,484,000 (2016: £5,044,000) and wholly relates to the Media Services cash generating unit. The Group determines whether there are indicators of impairment at least on an annual basis.

Fair value of investment in PMBS Holdings Limited
The Group's investment in the equity and loan notes of PMBS Holdings Limited is at fair value. In determining fair value of the equity, recent transactional information was considered to provide the most appropriate point of reference. In determining fair value of the loan notes, a value in use calculation was performed. Details of the assumptions used are included in Note 19.

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2017

1 Accounting policies (continued)

Significant accounting judgements, estimates and assumptions (continued)

S106 liability
In order to facilitate the construction of Pinewood East, the Group entered into a Section 106 agreement with Buckinghamshire County Council. Under this agreement the Group must pay for traffic improvements at the Iver Heath Five Points roundabout. These improvements, the implementation of which the Group is currently in discussion with Buckinghamshire County Council, have been estimated and capitalised at cost.

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

2 Transitional adjustment

Under IFRS , the Group held goodwill at cost. Under FRS102, the Group has elected to amortise goodwill over 10 years. As at 1 April 2015, the date of transition, this change in accounting treatment has resulted in adjustments to equity as outlined below.

Reconciliation of equity	**31 March 2016 £'000**
Equity previously reported under IFRS	**126,356**
Adjustment to equity on transition to FRS102	
Goodwill amortisation	(560)
Equity reported under FRS102	125,796

Reconciliation of total comprehensive income	**2016 £'000**
Total comprehensive income previously reported under IFRS	**8,121**
Adjustment to total comprehensive income on transition to FRS102	
Goodwill amortisation	(560)
Total comprehensive income under FRS102	7,561

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2017

3 Segment information and turnover 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.

Segment data for the year ended 31 March 2017 and 2016 is presented below:

	2017	2016
	£'000	£'000
Turnover:		
Media services	**76,709**	66,597
Media investment	**22,266**	17,441
Total segmental turnover	**98,975**	84,038
Intersegment elimination	**(627)**	(856)
Group turnover	**98,348**	83,182

Pinewood Group Limited (formerly Pinewood Group plc)

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2017

3 Segment information and turnover analysis (continued)

	Year ended 31 March 2017			Year ended 31 March 2016		
	Media Services £'000	Media Investment £'000	Total £'000	Media Services £'000	Media Investment £'000	Total £'000
Income statement:						
Segment turnover	76,709	22,266	98,975	66,597	17,441	84,038
Cost of sales	(41,470)	(22,384)	(63,854)	(39,018)	(19,339)	(58,357)
Intersegment elimination	(627)	-	(627)	(856)	-	(856)
Gross profit/(loss)	34,612	(118)	34,494	26,723	(1,898)	24,825
Selling and distribution	(2,258)	-	(2,258)	(2,155)	-	(2,155)
Administration expenses						
Recurring	(8,259)	(1,896)	(10,155)	(8,151)	(1,767)	(9,918)
Exceptional items	(3,170)	-	(3,170)	416	-	416
	(11,429)	(1,896)	(13,325)	(7,735)	(1,767)	(9,502)
Loss on disposal of property, plant and equipment	-	-	-	(122)	-	(122)
Operating profit/(loss)	20,925	(2,014)	18,911	16,711	(3,665)	13,046
Operating profit/(loss) before exceptional items	24,095	(2,014)	22,081	16,295	(3,665)	12,630
Income from participating interests	1,082	-	1,082	1,102	-	1,102
Interest receivable and similar income	344	-	344	-	-	-
Interest payable and similar charges	(5,294)	-	(5,294)	(6,880)	-	(6,880)
Profit/(loss) on ordinary activities before taxation	17,057	(2,014)	15,043	10,933	(3,665)	7,268
Corporation tax	(2,306)	921	(1,385)	(3,574)	1,030	(2,544)
UK Film tax relief	-	1,792	1,792		3,340	3,340
Deferred taxation	(1,325)	(518)	(1,843)	(206)	(297)	(503)
	(3,631)	2,195	(1,436)	(3,780)	4,073	293
Profit/(loss) on ordinary activities after taxation	13,426	181	13,607	7,153	408	7,561

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2017

4 Turnover

Although turnover continues 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 2017, £3.7m of turnover was generated from the Group's overseas activities, representing 4% of total turnover (2016: £3.5m, 4%).

5 Operating profit

	2017	2016
Operating profit is stated after charging	£'000	£'000
Depreciation of property, plant and equipment	8,111	7,238
Depreciation of investment property	-	99
Loss on disposal of property, plant and equipment	-	122
Operating lease payments	1,259	60
Impairment of long-term assets	-	168
Amortisation of goodwill	560	560
Amortisation of long-term assets	166	176
Net foreign exchange (gains)/losses	(10)	233

6 Auditor's remuneration

	2017	2016
The analysis of auditor's remuneration is as follows:	£'000	£'000
Fees payable to Group's auditor for the audit of Parent Company and Group financial statements	48	40
Fees payable to the Company's auditor and its associates for the audit of the Company's subsidiaries	105	95
Total audit fees	153	135
Fees payable to the Group's auditor and its associates for other services:		
Audit-related assurance services	-	29
Other assurance services	10	8
Taxation advisory services	14	23
Total fees for other services	24	60
Total fees	177	195

7 Staff Costs and numbers

Staff costs including Directors	2017 £'000	2016 £'000
Salaries	12,233	11,627
Social Security costs	1,265	1,249
Pension costs	888	1,005
Long term incentive plan	752	1,673
Compensation for loss of office	2,034	-
Other employee benefits	303	279
	17,475	15,833

Average monthly number of employees, including Executive Directors:	2017 numbers	2016 numbers
Management	26	24
Operational	86	82
Administration	37	32
Executive	5	4
Technical	95	82
Sales	29	30
	278	254

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2017

8 Directors' emoluments

	2017 £'000	2016 £'000
Salaries	**1,341**	1,459
Pension costs	**55**	129
Long term incentive plan	**225**	1,343
Compensation for loss of office	**2,028**	-
Other employee benefits	**24**	47
	3,673	2,978

The emoluments of the highest paid director were £1,619,000, which includes £1,183,000 in respect of compensation for loss of office (2016: £1,136,000 total emoluments); pension contributions were £nil (2016: £46,000).

9 Exceptional items

	2017 £'000	2016 £'000
Strategic review	**4,045**	322
Restructuring and management consultancy	**2,774**	-
PMBS Holdings Limited	**(3,486)**	-
Technicolour lease surrender	**(163)**	(738)
	3,170	(416)

Strategic review
On 10 February 2016 the company announced that it had appointed Rothschild & Co to advise on a strategic review of the Company. Expenses incurred to 31 March 2017 relate to professional fees and were £4.0m (year ended 31 March 2016: £0.3m).

Restructuring and management consultancy
Restructuring reorganisation costs of £2.8m (year ended 31 March 2016: £nil) relate to a performance improvement review and streamlining and changes to the management structure.

PMBS Holdings Limited
The Company has a 15% interest in PMBS Holdings Limited. The Company reviewed the carrying value of its interest in the equity and loan notes at the Statement of financial position date. The net income from the current year additions to the investment value and the recognition of the fair value is £3.5m (year ending 31 March 2016: £nil).

Technicolor lease surrender
During the year ending 31 March 2016 the company accepted a surrender of the lease to Technicolor. The net income from the lease surrender, after related expenses, was £0.2m (year ending 31 March 2016: £0.7m).

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2017

10 Interests in joint ventures

As at 31 March 2017 and at 31 March 2016, the Group had interests in the following joint ventures:

Joint Venture Name	Principal place of business	% equity interest	% voting rights
Pinewood Atlanta LLC	USA	40	50
PAS Holdings Fayette LLC	USA	40	50
Pinewood Television Limited	United Kingdom	50	50

Registered office address details are included in Note 3 to the Parent Company financial statements.

2017	PAS £'000	PTV £'000	Total £'000
Equity	5,661	-	5,661
Loan note	2,092	622	2,714
Total investment	7,753	622	8,375
Less: share of losses		(595)	(595)
Net investment	7,753	27	7,780
Non-current assets	102,270	-	102,270
Current assets	4,850	394	5,244
Non-current liabilities (non-recourse)	(65,260)	(1,127)	(66,387)
Current liabilities	(12,970)	(127)	(13,097)
Net assets/liabilities	28,890	(860)	28,030
Turnover	18,120	60	18,180
Expenses	(14,170)	(725)	(14,895)
Profit/loss after tax	3,950	(665)	3,285
Group share of profit/loss after tax	**1,580**	**(498)**	**1,082**

2016	PAS £'000	PTV £'000	Total £'000
Equity	6,400	-	6,400
Loan note	-	250	250
Total investment	6,400	250	6,650
Less: share of losses	-	(98)	(98)
Net investment	6,400	152	6,552
Non-current assets	69,241	-	69,241
Current assets	1,114	305	1,419
Non-current liabilities	(41,017)	(500)	(41,517)
Current liabilities	(5,969)	(1)	(5,970)
Net assets/liabilities	23,369	(196)	23,173
Turnover	11,203	-	11,203
Profit/loss after tax	2,987	(196)	2,791
Group share of profit/loss after tax	1,200	(98)	1,102

"PAS" - collectively, Pinewood Atlanta LLC and PAS Holdings Fayette
"PTV" - Pinewood Television Limited

The loan note from Pinewood Television Limited is repayable in October 2017 with interest charged at 3.0% over LIBOR.

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2017

11 Interest receivable and similar income

	2017 £'000	2016 £'000
Interest received from joint ventures	13	-
Loan interest receivable	316	-
Bank interest received	15	-
	344	-

12 Interest payable and similar charges

	2017 £'000	2016 £'000
Bank loan and overdraft interest	3,234	2,733
Interest rate hedging	767	362
Finance fee amortisation	649	778
Finance lease interest	122	137
Other interest paid	28	-
Fair value movements of derivative financial instruments	494	2,870
	5,294	6,880

13 Tax on profit on ordinary activities

	2017	2016
(a) Analysis of credit for the year:	£'000	£'000
Current tax:		
UK corporation tax charge	1,637	2,212
Amounts payable for Group tax loss relief	1,184	-
Foreign corporation tax	(329)	224
Foreign tax suffered	115	-
UK film tax relief	(1,792)	(3,340)
Double taxation credit	(85)	-
Amounts (under) / overprovided in previous years	(1,137)	108
	(407)	(796)
Deferred tax:		
Relating to origination and reversal of temporary differences	918	45
Effect of change in deferred tax rates	(61)	2
Amounts over / (under) provided in previous years	986	456
	1,843	503
Tax charge / (credit) in the Group comprehensive income statement	1,436	(293)

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2017

13 Tax on profit on ordinary activities (continued)

(b) Factors affecting current taxation for the year:	2017 £'000	2016 £'000
Profit on ordinary activities before tax	15,043	7,268
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2016: 20%)	3,009	1,454
Adjustments in respect of:		
UK Film tax relief	(1,792)	(3,340)
Corporation tax overprovided in previous years	(1,137)	108
Deferred tax overprovided in previous years	985	546
Non-allowable depreciation on buildings	404	355
Profit from joint venture	(263)	(420)
Other non-allowable expenses	328	400
Unrelieved tax losses	82	-
Double taxation relief	(85)	-
Overseas tax at different rates	156	483
Land remediation relief	(13)	-
Transitional adjustments	-	112
Deferred tax - effect of taxation rate change	(238)	9
	1,436	(293)

(c) *Deferred tax*	2017 £'000	2016 £'000
Deferred tax relates to the following:		
Group comprehensive statement of income:		
Deferred tax credit arising on:		
Accelerated capital allowances	1,167	292
Short term temporary differences	178	(127)
Tax losses	518	373
Fair value adjustment in respect of SSPP acquisition	(20)	(35)
Net deferred tax charge/(credit)	1,843	503

Statement of financial position:	At 31 March 2016 £'000	Charged to income statement £'000	At 31 March 2017 £'000
Accelerated capital allowances	980	1,167	2,147
Short term temporary differences	(389)	178	(211)
Tax losses	(562)	518	(44)
Fair value adjustment in respect of SSPP acquisition	355	(20)	335
Net deferred tax liability	384	1,843	2,227

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 remained the same at 20% through out the financial year. Further reductions to the main rate of UK corporation tax have been enacted - on 1 April 2017 there will be a reduction to 19%, with a further reduction to 17% from 1 April 2020. Deferred tax balances have been calculated at 17%.

A potential deferred tax asset of £2,000 (31 March 2016: £6,000) in respect of £9,000 (31 March 2016: £9,000) of non-trading losses in Sauls Farm Limited and £Nil (31 March 2016: £27,000) of trading losses in Teddington Studios Limited have not been recognised. Subsequent to the year end, Sauls Farm Limited and Teddington Studios Limited have been dissolved.

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2017

14 Dividends

	2017 £'000	2016 £'000
2016 Final dividend paid at 3.2p per share (2015: 2.8p)	1,837	1,607
2017 Interim dividend paid at 3.1p per share (2016: 0.8p)	1,777	459
	3,614	2,066

15 Property, plant and equipment

	Freehold land and buildings £'000	Leasehold improvements £'000	Fixtures, fittings and equipment £'000	Assets under construction £'000	Total £'000
Cost					
At 31 March 2016	182,897	227	36,561	53,710	273,395
Additions	8,616	-	2,468	18,642	29,726
Reclassification	59,876	-	3,689	(63,565)	-
Disposals	-	(48)	-	-	(48)
At 31 March 2017	251,389	179	42,718	8,787	303,073
Depreciation					
At 31 March 2016	33,103	14	25,829	-	58,946
Provided during year	5,494	10	2,607	-	8,111
Disposals	-	(4)	-	-	(4)
At 31 March 2017	38,597	20	28,436	-	67,053
Net book value					
At 31 March 2017	212,792	159	14,282	8,787	236,020
At 31 March 2016	149,794	213	10,732	53,710	214,449

Freehold land and buildings cost includes £56,715,000 of land.

Assets under construction at 31 March 2017 and 2016 relate to costs capitalised in respect of Pinewood East. These are not depreciated. Phase One of the development became operational on 30 June 2016.

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

Included within Fixtures, fittings and equipment are assets held under finance leases with a net book value of £3,214,000 (2016: £3,784,000) and depreciation charged in the year of £570,000 (2016: £590,000).

16 Intangible assets

	Goodwill £'000
Cost	
At 31 March 2017, 31 March 2016 and 31 March 2015	5,604
Amortisation	
At 31 March 2015	-
Provided during year	560
At 31 March 2016	560
Provided during year	560
At 31 March 2017	1,120
Net book value	
At 31 March 2017	4,484
At 31 March 2016	5,044
At 31 March 2015	5,604

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

Following a review for indicators of impairment at the Statement of financial position date, it was determined that there were no indicators that the carrying value exceeded the recoverable amount. Other than goodwill there are no intangible assets with indefinite lives.

17 Long term assets

	Atlanta long term agreement £'000
Cost	
At 31 March 2017 and at 31 March 2016	**498**
Impairment	
At 31 March 2016	332
Provided during the year	166
At 31 March 2017	**498**
Carrying value:	
At 31 March 2017	**-**
At 31 March 2016	166

Transaction costs of £498,000 in relation to the Pinewood Atlanta Studios joint venture were recognised as a long-term asset and have been amortised over the first three years of the Studio's operations, commencing April 2014. Details of the Group's interests in the joint venture are included in Note 10 of the Group consolidated financial statements.

18 Other investments

	£'000
Fair value	
At 31 March 2017	**1,220**
At 31 March 2016	-

Company name	Principal Activity	Country of incorporation	% equity interest
PMBS Holdings Limited	Holding company	United Kingdom	15.0%
POP Global Limited	Film IT services	United Kingdom	12.5%

PMBS Holdings Limited owns 100% of Pinewood MBS Lighting Limited, a company that has an exclusive agreement to provide Lighting facilities at the Group's UK facilities.

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2017

19 Financial instruments held at fair value

In addition to derivative financial instruments detailed in Note 24, the financial statements include the following balances measured at fair value in respect of the Group's investment in PMBS Holdings Limited:

	£'000
Other investments (Note 18)	1,220
Loan notes receivable (Note 20)	2,531
Fair value at 31 March 2017	3,751

Other investments (Equity)
The fair value of the equity has been calculated by reference to recent transactional information.

Loan notes receivable
The fair value calculations for the loan use eight year income projections and assume an 8% coupon on the loan is rolled into the loan balance. The par value of the loan notes is £2.5m and the fair value exercise with the assumptions noted below results in a fair value that is in line with this par value. 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 financial instrument. The discount rate was calculated using the Group's cost of debt. The pre-tax discount rate used for the year ended 31 March 2017 is 9.3% (2016: nil).

Income from operations
Income projections are fixed using an interest coupon of 8% on the loan notes.

20 Trade and other receivables

	2017 £'000	2016 £'000
Trade receivables - Media services	**6,521**	5,006
Trade receivables - Film production companies	**4,125**	6,385
Prepayments and other receivables	**5,026**	3,766
Loan notes receivable	**2,531**	-
Value added tax	**-**	1,197
Corporation tax receivable	**1,546**	2,212
	19,749	18,566

Trade receivable balances fall due within one year.

Loan notes receivable are due for repayment by 1 January 2025. Interest, which is rolled up, is charged at 8% and is payable in June and December each year.

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2017

21 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 Film production company operations.

	2017 £'000	2016 £'000
Cash available for general use/(overdraft)	**26,999**	(657)
Restricted cash and cash equivalents	**1,465**	2,040
Net cash and cash equivalents	**28,464**	1,383

22 Share capital

Issued, called up and fully paid	2017 £'000	2016 £'000
57,409,926 Ordinary shares of 10p each	**5,741**	5,741

23 Interest bearing loans and borrowings

		Maturity	2017 £'000	2016 £'000
Current Borrowings				
Bank overdraft	(i)	Annual renewal	-	-
Non-Current Borrowings				
Term loan facility	(ii)	29 May 2019	**100,000**	73,000
Revolving credit facility	(ii)	20 November 2019	-	-
Asset financing	(iii)	5 November 2019	**1,504**	2,251
Non-current drawn loan facilities			**101,504**	75,251
Secured bank loan arrangement costs			**(438)**	(1,087)
			101,066	74,164
Total current and non-current interest-bearing loans and borrowings			**101,066**	74,164

The effective interest rates of the above loans and borrowings are: (i) Bank overdraft - base rate plus 2.5% margin; (ii) Term loan facility and Revolving credit facility - LIBOR plus variable margin; (iii) Asset financing - 6.2%.

In March 2015, the Group 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, which comprised:

- a £100 million term loan facility, £45.0 million of which was utilised to refinance the Group's existing committed debt facilities and the remaining £55 million (the "Development Tranche") available to draw down prior to 30 September 2016 to fund phase 1 of Pinewood East, with scheduled repayments commencing in June 2017; and
- a £35 million multicurrency revolving credit facility.

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

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

The term facility contains scheduled repayments. A payment of £2.5m was made on 30 June 2017 and a further £2.5m is due on 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.

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2017

23 *Interest bearing loans and borrowings (continued)*

In 6 September 2017, the Group agreed with the banks that the facilities would be committed to 30 September 2018 .

The facility has a range of covenants and events of default together with variable margins between 175 and 375 basis points over LIBOR. The Group was covenant compliant at 31 March 2017.

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:

At 31 March 2017:	Within 1 year £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	Total £'000
Facilities:					
Bank overdraft	5,000	-	-	-	5,000
Term and revolving credit facility	-	80,000	-	-	80,000
Development facility	-	55,000	-	-	55,000
Asset financing facility	780	559	165	-	1,504
Total facilities	5,780	135,559	165	-	141,504
Drawn loans:					
Bank overdraft		-	-	-	-
Term and revolving credit facility	-	(45,000)	-	-	(45,000)
Development facility	-	(55,000)	-	-	(55,000)
Asset financing facility	(780)	(559)	(165)	-	(1,504)
Total drawn loans	(780)	(100,559)	(165)	-	(101,504)
Undrawn facilities:					
Bank overdraft	5,000	-	-	-	5,000
Term and revolving credit facility	-	35,000	-	-	35,000
Development facility	-	-	-	-	-
Undrawn committed facilities	5,000	35,000	-	-	40,000

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2017

24 Derivative financial instruments

The Group's interest rate swaps are recognised as derivative financial instruments. Fair value movements are recognised in the income statement within interest payable and similar charges.

	2017 £'000	2016 £'000
Financial liabilities carried at fair value:		
Non-current derivative financial instrument liabilities	**3,687**	3,122
Current derivative financial instrument liabilities	**-**	70
	3,687	3,192

Interest rate swaps

To minimise the volatility in cash flows from a change in LIBOR, the Group held interest rate swaps designated as hedges against drawn debt obligations as detailed below.

Effective interest rate %	Maturity	2017 £'000	2016 £'000
1.33% + variable margin	1 July 2016	-	7,500
1.66% + variable margin	28 November 2016	-	7,500
2.00% + variable margin	30 April 2025	25,000	25,000
2.08% + variable margin	30 April 2022	25,000	25,000
		50,000	65,000

The Group's economic hedges of interest rate risk 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 the swap is payable. The swaps are payable on a quarterly basis.

25 Trade and other payables

	2017 £'000	2016 £'000
Trade payables - Media services	**4,218**	2,447
Trade payables - Film production companies	**4,909**	6,144
Value added tax	**3,823**	-
Other payables	**1,545**	1,865
Accruals	**10,652**	8,837
Amount due to parent company	**2,043**	-
Capital expenditure related payables	**5,986**	6,455
Deferred royalty	**835**	-
Deferred income - Media services	**18,637**	10,135
Deferred income - Film production companies	**1,013**	6,788
	53,661	42,671

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

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2017

26 *Obligations under leases*

Future minimum rentals payable on the Group's non-cancellable operating leases as at 31 March 2017 and 31 March 2016 are as follows:

	2017 £'000	2016 £'000
Within one year	**1,109**	426
After one year but not more than five years	**4,009**	4,068
After five years but not more than 20 years	**4,258**	5,002
	9,376	9,496

The lease of the Welsh Studios includes break clauses in favour of the Group effective in January 2020 and January 2023.

27 *Commitments and contingent liability*

Capital commitments
At 31 March 2017, the Group had total capital commitments contracted for, but not provided in the accounts, of £nil (2016: £25,500,000) in respect of development expenses arising from Pinewood East.

Contingent liabilities and Guarantees
In order to facilitate the construction of Pinewood East, the Group entered into a Section 106 agreement with Buckinghamshire County Council. Under this agreement and dependent on occupation of more than 54,842 sq.m. of floor space (currently 31,500 sq.m.) and increases in traffic in the local area, the Group may have to pay £1.75 million for additional road improvements. This contingent liability expires 12 months after the construction of the last building covered by the outline planning permission for Pinewood East.

Also under the Section 106 agreement with Buckinghamshire County Council and dependent on occupation of more than 45,000 sq.m. of floor space the Group may have to pay £500,000 for a footway/cycleway between Pinewood Studios and Five Points roundabout. The Group has guarantees in place since 22 February 2017, in the form of documentary credits, that were not provided for in the financial statements of £212,450 for this work.

Notes to the Consolidated Financial Statements (continued)
for the year ended 31 March 2017

28 Related party transactions

The Group has taken the exemption available to it under FRS102 Reduced Disclosure Framework not to disclose its related party transactions with fellow group undertakings.

The Group's subsidiary undertakings are listed in Note 3 to the Parent Company financial statements.

A number of the Group's subsidiary undertakings have claimed exemption from audit, these are listed in Note 3 to the Parent Company financial statements.

Peel Acquisitons (Pegasus) Limited
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 £nil (year ended 31 March 2016 £50,000) of which £nil remains outstanding for payment by the Group at 31 March 2017 (31 March 2016: £nil).

29 Ultimate parent undertaking and controlling party

On 4 October 2016, Pinewood Group plc was acquired by Picture Holdco Limited, whose ultimate parent undertaking and controlling party is PW Real Estate Fund III GP Limited, in its capacity as General Partner of PW Real Estate Fund III LP.

On 5 October 2016, Pinewood Group plc re-registered from a public company to a private limited company and became Pinewood Group Limited.

The registered office address of Picture Holdco Limited is 4th floor, 18 St. Swithin's Lane, London, EC4N 8AD, England. Picture Holdco Limited is the only parent of Pinewood Group Limited which prepares consolidated financial statements, and these will be publicly available at Companies House.

Pinewood Group Limited (formerly Pinewood Group plc)

Parent Company Statement of Financial Position
as at 31 March 2017

	Note	2017 £'000	2016 £'000
Assets			
Non current assets			
Investments	3	**32,956**	32,705
Long term assets	4	**-**	166
Deferred tax asset		**128**	388
		33,084	33,259
Current assets			
Trade and other receivables	5	**278,470**	226,062
Cash and cash equivalents		**4,503**	1,107
		282,973	227,169
Total assets		**316,057**	260,428
Equity and liabilities			
Share capital	6	**5,741**	5,741
Share premium		**76,696**	76,696
Capital redemption reserve		**135**	135
Merger reserve		**348**	348
Translation reserve		**1,340**	-
Retained earnings		**17,891**	18,367
Total equity		**102,151**	101,287
Non-current liabilities			
Interest bearing loans and borrowings	7	**101,066**	74,164
Derivative financial instruments	8	**3,687**	3,122
		104,753	77,286
Current liabilities			
Derivative financial instruments	8	**-**	70
Trade and other payables	9	**109,153**	81,785
		109,153	81,855
Total liabilities		**213,906**	159,141
Total equity and liabilities		**316,057**	260,428

As permitted by section 408(4) of the Companies Act 2006, the Company has elected not to present its own income statement for the year. The profit of the Company for the year was £3,138,000 (year ended 31 March 2016: £2,854,000 loss for the year).

The financial statements of Pinewood Group Limited (formerly Pinewood Group plc) (registered number: 3889552) were approved and authorised for issue by the Board of Directors on 18 September 2017. They were signed on its behalf by:

C J Naisby
Director

The notes on pages 41 to 47 form part of these financial statements.

Pinewood Group Limited (formerly Pinewood Group plc)

Parent Company Statement of Changes in Equity
for the year ended 31 March 2017

	Share Capital £'000	Share premium £'000	Translation reserve £'000	Other reserves £'000	Retained earnings £'000	Total Equity £'000
At 01 April 2016	5,741	76,696	-	483	18,367	101,287
Profit for the year	-	-	-	-	3,138	3,138
Translation reserve movement	-	-	1,340	-	-	1,340
Total comprehensive income for the year	-	-	1,340	-	3,138	4,478
Equity dividends	-	-	-	-	(3,614)	(3,614)
At 31 March 2017	5,741	76,696	1,340	483	17,891	102,151
At 01 April 2015	4,941	48,718	-	483	23,287	77,429
Total comprehensive loss for the year	-	-	-	-	(2,854)	(2,854)
Equity issue	800	29,200	-	-	-	30,000
Cost of equity placing	-	(1,222)	-	-	-	(1,222)
Equity dividends	-	-	-	-	(2,066)	(2,066)
At 31 March 2016	5,741	76,696	-	483	18,367	101,287

Other reserves represent Capital redemption reserve £135,000 and Merger reserve £348,000.

The transition from FRS101 to FRS102 did not result in any transitional adjustments.

The notes on pages 41 to 47 form part of these financial statements.

Pinewood Group Limited (formerly Pinewood Group plc)

Notes to the Parent Company Financial Statements
for the year ended 31 March 2017

Pinewood Group Limited (formerly Pinewood Group plc) is a limited company incorporated and domiciled in the UK.

1 Accounting policies

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

Accounting convention
These financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS102) and are presented as required by the Companies Act 2006 under the historical cost convention. FRS102 was adopted by the Company in the year ended 31 March 2017 to be consistent with the Company's new parent company Picture Holdco Limited. The transition from FRS101, used previously, is not considered to have had a material effect on the financial statements. No adjustments to prior period comparatives have resulted on transition.

As permitted by FRS102, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, disclosure of key management personnel compensation and certain related party transactions.

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

Significant accounting judgements, estimates and assumptions
The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect reported amounts at the end of the year.

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

2 Profit and loss

As permitted by section 408(4) of the Companies Act 2006, the Company has elected not to present its own income statement for the year. The profit of the Company for the year was £3,138,000 (year ended 31 March 2016: £2,854,000 loss for the year).

3 Investments

	£'000
Cost and net book value	
At 31 March 2016	32,705
Additions	251
At 31 March 2017	**32,956**

Notes to the Parent Company Financial Statements (continued)
for the year ended 31 March 2017

3 Investments (continued)

Subsidiaries

Details of investments in which the Company holds 20% or more of the nominal value of ordinary share capital (or other class of share capital where marked [2], see below) are as follows:

Company name	Principal Activity	Country of incorporation	% equity interest
Pinewood-Shepperton Studios Limited[1,2]	Holding company	United Kingdom	100%
Teddington Studios Limited[1,3]	Dormant	United Kingdom	100%
Pinewood PSB Limited[1]	Property development	United Kingdom	100%
Pinewood Film Advisors Limited[1]	Film investment advice	United Kingdom	100%
Pinewood Film Advisors (W) Limited[1]	Film investment advice	United Kingdom	100%
Pinewood Studios Limited	Film studio services	United Kingdom	100%
Shepperton Studios Limited	Film studio services	United Kingdom	100%
Shepperton Studios (General Partner) Limited	Property investment	United Kingdom	100%
Saul's Farm Limited[3]	Dormant	United Kingdom	100%
Pinewood Shepperton Limited	Dormant	United Kingdom	100%
Baltray No.1 Limited	Property investment	United Kingdom	100%
Baltray No.2 Limited	Property investment	United Kingdom	100%
Shepperton Management Limited	Property support	United Kingdom	100%
Pinewood-Shepperton Facilities Limited	Property support	United Kingdom	100%
PSL Consulting Limited	Film services	United Kingdom	100%
Pinewood Studio Wales Limited	Film services	United Kingdom	100%
Pinewood Germany Limited	Dormant	United Kingdom	100%
Pinewood Film Services GmbH	Dormant	Germany	100%
Pinewood Dominican Republic Limited	Film services	United Kingdom	100%
Pinewood Malaysia Limited	Film services	United Kingdom	100%
Pinewood China Limited	Dormant	United Kingdom	100%
Pinewood Atlanta Limited	Dormant	United Kingdom	100%
Pinewood USA Inc.	Film services	USA	100%
Pinewood Media Guarantors Insurance Services LLC[3]	Insurance	USA	100%
Pinewood Film Production Studios Canada Inc.	Film services	Canada	100%
Pinewood Production Services Canada Inc.	Film services	Canada	100%
Pinewood Films Limited	Film investment	United Kingdom	100%
Pinewood Media Development Limited	Film services	United Kingdom	100%
Pinewood Productions Ireland Limited	Film services	Ireland	100%
Space Bear IR Designated Activity Company	Film services	Ireland	100%
Pinewood Last Passenger Limited	Film production	United Kingdom	100%
Pinewood Belle Limited	Film production	United Kingdom	100%
Pinewood Camera Trap Limited	Film production	United Kingdom	100%
Pinewood Christmas Candle Limited	Film production	United Kingdom	100%
Pinewood Robot Overlords Limited	Film production	United Kingdom	100%
Pinewood Riot Club Limited	Film production	United Kingdom	100%
Pinewood Pressure Limited	Film production	United Kingdom	100%
Pinewood KYF Limited	Film production	United Kingdom	100%
Pinewood Films No. 10 Limited	Film production	United Kingdom	100%
Pinewood Films No. 11 Limited	Film production	United Kingdom	100%
Pinewood Films No. 12 Limited	Film production	United Kingdom	100%
Pinewood Films No. 13 Limited	Film production	United Kingdom	100%
Pinewood Films No. 14 Limited	Film production	United Kingdom	100%
Where Hands Touch (FPC) Limited	Film production	United Kingdom	100%
Pinewood Films No. 16 Limited	Film production	United Kingdom	100%
The Studios Unit Trust[2]	Property investment	Jersey	100%
Shepperton Studios Property Partnership[2]	Property investment	United Kingdom	100%

Notes to the Parent Company Financial Statements (continued)
for the year ended 31 March 2017

3 Investments (continued)

Subsidiaries (continued)

[1]Directly held.
[2]Investment held as follows:

- o Pinewood Shepperton Studios Limited - 17,830 ordinary shares of 5p each with a nominal value of £892, and 942,700 redeemable shares of 10p each with a nominal value of £94,270. Further details included in the subsidiary financial statements of Pinewood Shepperton Studios Limited.
- o The Studios Unit Trust - units held in Jersey Property Unit Trust by Baltray No 1 Limited and Baltray No 2 Limited.
- o Shepperton Studios Property Partnership - Limited Partnership in which Baltray No 1 Limited and the Studios Unit Trust are Limited Partners.

[3]Subsequent to the year end, these companies have been dissolved.

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

- o All United Kingdom subsidiaries - Pinewood Studios, Pinewood Road, Iver Heath, SL0 0NH, England, except Pinewood Film Advisors (W) Limited - Pinewood Studio Wales, Wentloog, Cardiff, CF3 2GH, Wales
- o The Studios Unit Trust - 47 Esplanade, St. Helier, Jersey JE1 0BD
- o All Irish subsidiaries - Second Floor, 10 South Anne Street, Dublin 2, Ireland
- o Pinewood Film Services GmbH – c/o Greenfort Partnerschaft von Rechtsanwälten, Arndtstraße 28 e 28, 60325 Frankfurt am Main, Germany
- o Pinewood USA Inc. and Pinewood Media Guarantors Insurance Services LLC – c/o Katten Munchin Rosenman LLP, 2029 Century Park East, Suite 2600, Los Angeles, CA 90067, USA
- o Pinewood Production Services Canada Inc. - 225 Commissioners Street, Toronto, ON M4M 0A1, Canada
- o Pinewood Film Production Studios Canada Inc. Suite 2600, Three Bentall Centre, PO Box 49314, 595 Burrard Street, Vancouver BC, V7X 1L3, Canada

Joint ventures

As at 31 March 2017, the Company had interests in the following joint ventures:

Company name	Principal place of business	% equity interest	% voting rights
Pinewood Atlanta LLC	USA	40%	50%
PAS Holdings Fayette LLC	USA	40%	50%
Pinewood Television Limited	United Kingdom	50%	50%

None of the investments in joint ventures is directly held. The accounting reference date for the three joint ventures is 31 December.

All joint venture interests are indirectly held. The registered office of the joint ventures (or local equivalent) are as follows:

- o Pinewood Atlanta LLC and PAS Holdings Fayette LLC - 461 Sandy Creek Road, Fayetteville, Georgia 30214, USA
- o Pinewood Television Limited - Acre House, 11-15 William Road, London, NW1 3ER, England

Other investments

The Group owns 15% of the share capital of PMBS Holdings Ltd. PMBS Holdings Ltd owns 100% of Pinewood MBS Lighting Limited.

Notes to the Parent Company Financial Statements (continued)
for the year ended 31 March 2017

3 Investments (continued)

Audit exemption

Pinewood Group Limited has given statutory guarantees against all the outstanding liabilities of the below listed wholly-owned subsidiaries at 31 March 2017 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 2017.

Although the Company does not anticipate the guarantees to be called upon, the book values of the guaranteed liabilities, excluding intragroup balances, for each relevant subsidiary at 31 March 2017 are set out below:

Company name	Company registration number	Liabilities to non-group entities £'000
Baltray No.1 Limited	5776674	94
Baltray No.2 Limited	5778635	-
Pinewood Dominican Republic Limited	7096246	638
Pinewood Films Limited	7660856	-
Pinewood Riot Club Limited	8446929	8
Pinewood Films No. 10 Limited	8818148	59
Pinewood Films No. 13 Limited	9006529	119
Pinewood Malaysia Limited	7074446	73
Pinewood Media Development Limited	9592018	-
Pinewood PSB Limited	6300755	15,605
Pinewood Studio Wales Limited	8863162	1,011
PSL Consulting Limited	8655214	808
Shepperton Management Limited	5907027	-
Shepperton Studios (General Partner) Limited	5913009	-

4 Long-term assets

	Atlanta long term agreement £'000
Cost	
At 31 March 2017 and at 31 March 2016	**498**
Impairment	
At 31 March 2016	332
Provided during the year	166
At 31 March 2017	**498**
Carrying value:	
At 31 March 2017	**-**
At 31 March 2016	166

Transaction costs of £498,000 in relation to the Pinewood Atlanta Studios joint venture were previously recognised as a long-term asset and have been amortised over the first three years of the Studio's operations, commencing April 2014. Details of the Group's investment in the joint venture are included in Note 10 of the consolidated Group financial statements.

Notes to the Parent Company Financial Statements (continued)
for the year ended 31 March 2017

5 Trade and other receivables

	2017 £'000	2016 £'000
Prepayments and accrued income	47	90
Corporate tax receivable	-	1,060
Loans due from subsidiary undertakings	36,414	36,414
Amounts due from subsidiary undertakings	242,009	188,498
	278,470	226,062

Intragroup balances are repayable on demand and interest is charged at 3.1% (2016: 3.2%). The loans due from subsidiary undertakings are repayable on demand and interest is charged at 4.5% (2016: 4.5%).

6 Share capital

Issued, called up and fully paid	2017 £'000	2016 £'000
57,409,926 Ordinary shares of 10p each	5,741	5,741

7 Interest bearing loans and borrowings

	Maturity	2017 £'000	2016 £'000
Current Borrowings			
Bank overdraft	Annual renewal	-	-
Non-Current Borrowings		-	
Term loan facility	29 May 2019	100,000	73,000
Revolving credit facility	20 November 2019	-	-
Asset financing	5 November 2019	1,504	2,251
Non-current drawn loan facilities		101,504	75,251
Secured bank loan arrangement costs		(438)	(1,087)
		101,066	74,164
Total current and non-current interest-bearing loans and borrowings		101,066	74,164

Details of effective interest rates, total facilities, security, repayment, covenants are listed in Note 23 of the consolidated Group financial statements accounts above.

Notes to the Parent Company Financial Statements (continued)
for the year ended 31 March 2017

8 Derivative financial instruments

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

Further details can be found in Note 24 to the consolidated Group financial statements.

	2017 £'000	2016 £'000
Financial liabilities carried at fair value:		
Non-current derivative financial instrument liabilities	3,687	3,122
Current derivative financial instrument liabilities	-	70
	3,687	3,192

9 Trade and other payables

	2017 £'000	2016 £'000
Other creditors	4,992	5,978
Amounts due to parent undertakings	150	-
Amounts due to subsidiary undertakings	104,011	75,807
	109,153	81,785

Intragroup balances are repayable on demand and interest is charged at 3.1% (2016: 3.2%).

10 Related party transactions

The Company has taken the exemption available to it under FRS102 not to disclose its related party transactions with wholly owned subsidiary undertakings.

Notes to the Parent Company Financial Statements (continued)
for the year ended 31 March 2017

11 Contingent liability

The Company has committed to provide financial support to several of its wholly owned subsidiary undertakings 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. Where it is required, Pinewood Group Limited 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
Baltray No.1 Limited	21 December 2017
Baltray No.2 Limited	21 December 2017
Pinewood Films Limited	16 December 2017
Pinewood Film Advisors (W) Limited	21 December 2017
Pinewood Germany Limited	19 December 2017
Pinewood Media Development Limited	16 December 2017
Pinewood PSB Limited	16 December 2017
Pinewood-Shepperton Studios Limited	14 December 2017
Pinewood Studios Limited	14 December 2017
Pinewood Studio Wales Limited	19 December 2017
Shepperton Studios Limited	14 December 2017
Pinewood Film Advisors Limited	27 July 2018

The Company, together with certain subsidiary undertakings had at the financial statement date granted a cross guarantee in favour of its bankers in respect of the bank borrowings of the Group.

The guarantee was secured by a floating charge which as at 31 March 2017 was £105,390,000 (2016: £79,101,000).

12 Ultimate parent undertaking and controlling party

On 4 October 2016, Pinewood Group plc was acquired by Picture Holdco Limited, whose ultimate parent *undertaking and controlling party is PW Real Estate Fund III GP Limited, in its capacity as General* Partner of PW Real Estate Fund III LP.

On 5 October 2016, Pinewood Group plc re-registered from a public limited company and became Pinewood Group Limited.

The registered office address of Picture Holdco Limited is 4th floor, 18 St. Swithin's Lane, London, EC4N 8AD, England. Picture Holdco Limited is the only parent of Pinewood Group Limited which prepares consolidated financial statements, and these will be publicly available at Companies House.