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

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

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

Financial highlights

- Revenue £75.0m (year ended 31 March 2014: £64.1m).
- Operating profit £5.8m (year ended 31 March 2014: £4.9m).
- Operating profit from Media Services activities before exceptional items £11.0m (year ended 31 March 2014: £9.2m).
- Basic earnings per share 16.4p (year ended 31 March 2014: 10.8p).
- Basic earnings per share adjusted for exceptional items 13.5p (year ended 31 March 2014: 11.5p).
- Final dividend of 2.8p per share declared (year ended 31 March 2014: 1.9p).
- Cash generated from operations of £18.4m (year ended 31 March 2014: £14.0m).
- Net debt of £71.9m (31 March 2014: £40.2m) with increase principally from the Shepperton Studios Property Partnership ("SSPP") acquisition.
- Media Services return on capital employed of 10.1% (31 March 2014: 9.6%).

Strategic progress

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

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

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

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

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

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

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

Key developments since year end

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

A copy of this announcement will shortly be available for inspection on the Company's website at www.pinewoodgroup.com. The annual report will be posted to shareholders and made available on the Company's website on or around 7 July 2015.

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Notes to editors

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

Forward looking statements

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

For more information

www.pinewoodgroup.com

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

Chairman's Statement

Pinewood Group plc has again delivered record revenues with strong margin growth. Consolidated revenues of £75.0m for the year ended 31 March 2015 (year ended 31 March 2014 £64.1m) were up 17% on the previous year. These results are despite being capacity constrained. Phase One of the Pinewood Studios Development Framework ("PSDF") is now underway and is scheduled for completion in the first half of 2016. This additional capacity will significantly increase Pinewood's offer to the global screen-based industries.

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

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

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

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

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

The Board has decided to recommend a final dividend of 2.8p per share recognising the strong performance in the year. We look forward to continuing to see further benefits from the strategy which has delivered these results.

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

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

Lord Grade of Yarmouth, CBE
Chairman

29 June 2015

Strategic Report

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

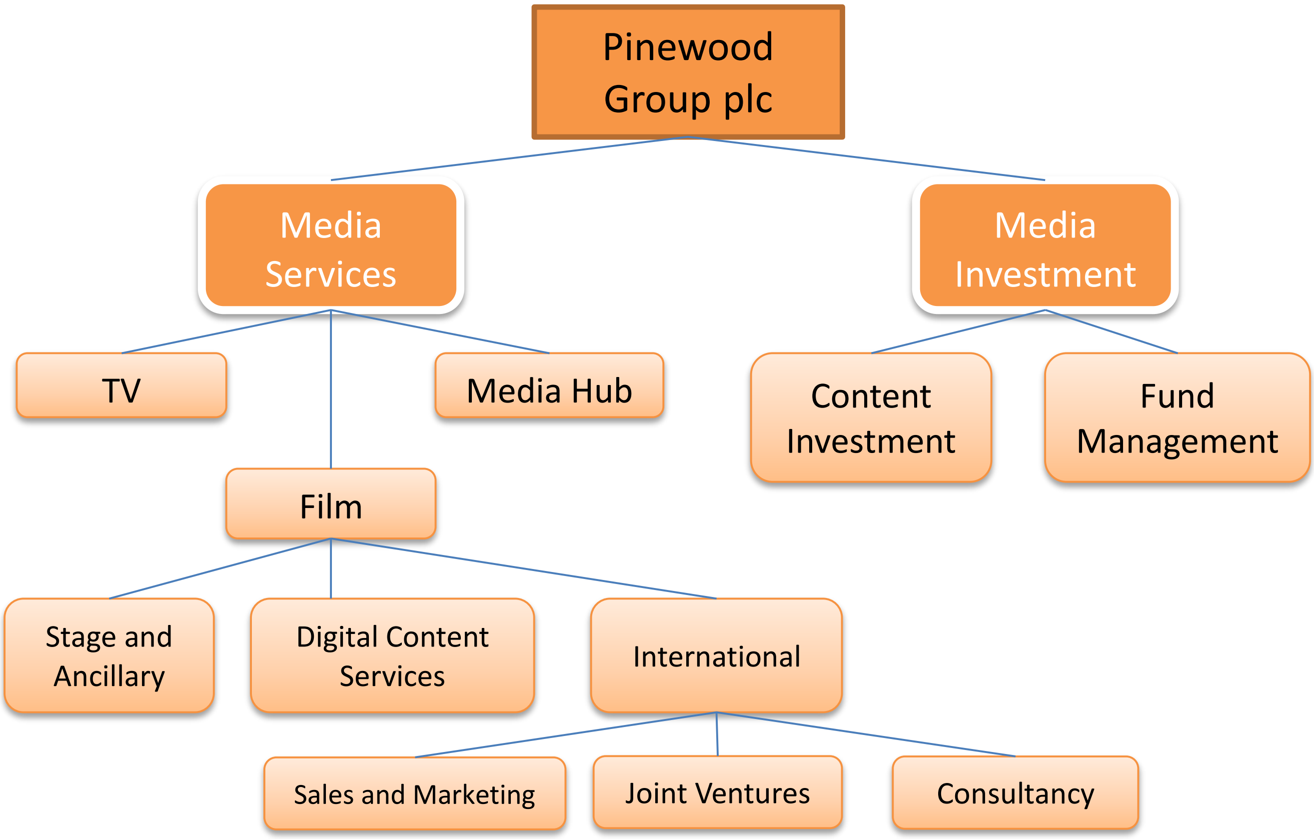
The Strategic Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including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

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

Business model

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

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



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

The Media Services segment has principally three complementary operating streams – Film; Television; and Media Hub.

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

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

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

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

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

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

Objectives and Strategy

The Group's mission is to:

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

Targeted strategic plans to achieve this mission include:

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

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

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

Key Performance Indicators

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

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

	Year ended 31 March 2015	Year ended 31 March 2014
Media Services		
Revenue (including inter-segment)	**£57.2m**	£50.4m
Operating profit before exceptional items	**£11.0m**	£9.2m
Return on capital employed	**10.1%**	9.6%
Stage occupancy	**80%**	81%
Media Hub occupancy (as a % of net lettable area)	**97%**	96%
Media Investment		
Number of active Film Production Companies during the year	**7**	8
Loss after tax	**(£0.1m)**	(£0.2m)
Film finance funding invested by the Group	**£1.0m**	£1.9m
Film finance funding from third party funds	**£6.4m**	£11.3m
Group performance		
Profit after tax	**£8.1m**	£5.4m
Earnings per share adjusted for exceptional items	**13.5p**	11.5p
Cash generated from operations	**£18.4m**	£14.0m
Net debt	**£71.9m**	£40.2m

Media Services review

Total revenues within this segment were £57.2m for the year (year ended 31 March 2014: £50.4m), including £1.3m of intersegment revenue (year ended 31 March 2014: £1.2m). Inter-segment revenues relate to revenue generated from the utilisation of the Company's core services by the Group's wholly-owned Film Production Companies ("FPCs").

Film

Film revenues for the year ended 31 March 2015 were £43.9m (year ended 31 March 2014: £37.4m), a year on year increase of 17.5%. The increase is due to greater utilisation of ancillary studio space, expansion of the Group's offering in complementary activities, growth in DCS revenues and a higher level of international activity.

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

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

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

DCS revenues included within the total film revenue for the year ended 31 March 2015 were £7.2m (year ended 31 March 2014: £6.5m).

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

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

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

International

International revenues for the year included within film were £3.1m (year ended 31 March 2014: £1.1m) and relate to sales and marketing agreements in Toronto, Malaysia and Dominican Republic, with the increase driven by the newly operational Pinewood Atlanta Studios plus consultancy services provided in China, as further discussed below.

Pinewood Atlanta Studios

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

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

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

China

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

Television

TV revenues for the year were £5.8m (year ended 31 March 2014: £6.2m).

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

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

Pinewood Studio Wales

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

Media Hub

Media Hub revenues inclusive of service, utility and facility charges for the year were £6.2m (year ending 31 March 2014: £5.6m) with the increase principally due to the Shepperton Studios Property Partnership transaction as discussed below.

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

Gross and operating margins

The Media Services segment gross margin, including intersegment revenues, for the year ended 31 March 2015 was 37.2% (year ended 31 March 2014: 37.7%). The year on year variance is principally driven by an increase in depreciation costs due to progression of a number of development projects.

The Media Services operating margin before exceptional items is 19.3% (year ended 31 March 2014: 18.3%), reflecting a Selling, Distribution and Administrative cost base capable of servicing the expanded revenue generated.

Exceptional items

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

The Company earned exceptional income of £2.0m (year ended 31 March 2014: £nil income, £0.5m charge) as detailed below.

Shepperton Studios Property Partnership ("SSPP") acquisition

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

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

Return on capital employed

The Company measures return on capital employed ("ROCE") for the Media Services segment by reference to annualised operating profit before exceptional items, including intersegment profit and share of results of joint ventures, as a percentage of average capital employed, being total equity plus interest bearing loans and borrowings. ROCE for the twelve months ended 31 March 2015 was 10.1% (twelve months ended 31 March 2014 restated: 9.6%). The prior period has been restated to include the results of joint ventures.

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

The PSDF is a capital intensive project with significant long-term infrastructure spend front-loaded. Capital employed at 31 March 2015 includes £6.1m of assets in the course of construction and land of £5.3m relating to this project, totalling £11.4m (31 March 2014:

£8.8m) which are non-revenue generating, and are not expected to be so until the year ending 31 March 2017. Excluding these assets from average capital employed gives a ROCE of 11.2% for the year ended 31 March 2015 and 10.0% for the prior period.

Media Investment review

Media Investment revenue for the year was £19.0m (year ended 31 March 2014: £14.9m).

Investment advisory

The combined investment funds advised by the Company total £55m (Wales - £30m; Isle of Man - £25m), making them a significant investment portal for British film, television and video games content. During the year the funds co-invested £6.4m in *Take Down* following advice from Pinewood Pictures.

Investment advisory revenue for the year was £0.8m (year ended 31 March 2014: £0.4m), with the year on year increase due to the commencement of the Welsh investment advisory agreement in March 2014.

In addition to the investment made by third party funds in *Take Down*, the Group also provided film finance totalling £1.0m to its wholly-owned subsidiary FPCs (year ended 31 March 2014: £1.9m).

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

Film production companies

Revenue from FPCs for the year totalled £17.8m (year ended 31 March 2014: £14.0m). An FPC is considered active from the close of film financing until the production is completed and delivered.

The operating loss from FPC activity of £4.3m (year ended 31 March 2014: £3.5m) is largely offset by UK film tax relief of £4.1m (year ended 31 March 2014: £3.1m) as expected.

Included in the Group cash balance of £6.4m is £0.6m (year ended 31 March 2014: £1.4m) restricted solely for use in the production of specific FPC operations. The Group trade receivables balance of £5.7m includes £0.7m (31 March 2014: £7.0m) consolidated from FPC activities whilst the Group trade and other payables balance of £30.3m includes £5.1m (31 March 2014: £9.5m) from FPCs. The year on year variance is driven by the stage of completion of active FPCs.

Result after tax

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

The loss after tax for the segment is £0.1m (year ended 31 March 2014: £0.2m loss).

Group performance

Total consolidated revenue for the year is £75.0m (year ended 31 March 2014: £64.1m). Profit after tax for the year ended 31 March 2015 was £8.1m (year ended 31 March 2014: £5.4m). This includes exceptional income of £2.0m and an associated tax charge of £0.4m (year ended 31 March 2014: £0.5m exceptional expense, £0.1m tax credit).

Basic and diluted earnings per share for the period were 16.4p (year ended 31 March 2014: 10.8p). Normalised basic and diluted earnings per share for the year (after adjusting for exceptional items) were 13.5p (year ended 31 March 2014: 11.5p).

EBITDA (earnings before exceptional items, interest, tax, depreciation and amortisation) for the year was £12.2m (year ended 31 March 2014: £9.9m), including £5.3m of Media Investment loss (year ended 31 March 2014: £3.8m loss) but excluding the EBITDA attributable to the Group's share of joint ventures. After adding back the FPC loss which is largely offset by the UK Film Tax Relief, adjusted EBITDA is £16.5m (year ended 31 March 2014: £13.4m).

Taxation

The total corporation tax credit for the period, based on profit before tax of £5.0m, was £3.1m (year ended 31 March 2014: £1.8m credit).

The Group qualified for an aggregate film tax credit of £4.1m (year ended 31 March 2014: £3.1m) on the expenditure from the film production companies that are group subsidiaries.

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

Liquidity management

The Company's cash balance increased by £5.6m over the year to 31 March 2015. Excluding restricted cash reserved solely for the use by specific film production companies, the Company's general cash balance increased by £6.5m.

The main drivers of this cash inflow is an increase in underlying profitability as demonstrated by the £2.4m improvement in cash from operating activities, coupled with a favourable working capital movement of £6.6m, including a £2.1m Media Services deferred income movement and a £2.6m Media Services trade payables movement, alongside a reduction in capital expenditure (as explained below).

Capital expenditure (excluding acquisition activity) has decreased from £18.4m in the comparative period to £7.1m as a number of large scale investment projects have been completed. The Company has invested a further £2.6m (year ended 31 March 2014: £1.0m) in its Pinewood Atlanta Studios joint venture.

The Company's acquisition of the 50% of SSPP previously owned by clients of Aviva Investors resulted in a cash outflow totalling £36.8m, which was funded by an extension to the existing bank facility of £35m plus internal resources.

Net debt at 31 March 2015 was £71.9m including restricted FPC cash and £72.5m excluding FPC cash (31 March 2015: £40.2m including FPC cash; £41.6m excluding FPC cash). The increase in net debt year on year is driven by the SSPP acquisition on 3 December 2014. This has led to an increase in gearing to 78.6% compared to 48.3% at 31 March 2014, excluding fair value and loan issue costs.

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

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

These facilities are secured on certain of the Company's assets. The new revolving credit facility has no scheduled repayments and matures on 30 April 2019. The new term facility contains scheduled repayments of £2.5m on both 30 June 2017 and 31 December 2017, and of £5m on both 30 June 2018 and 31 December 2018 and matures on 30 April 2019.

The Company has retained its £5m overdraft facility.

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

Dividend

The Board is committed to paying dividends in line with its dividend policy of not less than three times cover and as a result the Board has recommended a final dividend of 2.8p (year ended 31 March 2014: 1.9p) for approval at the Annual General Meeting, making a total dividend for the year of 3.5p (year ended 31 March 2014: 2.5p). This represents a 40% increase year on year.

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

Going concern

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

The Group has primary banking facilities in place until 30 April 2019. Although the Group is in a net current liability position of £11.3m, principally driven by the deferred income balance which arises as a result of the Group's billing profile on major contracts, the Group has £71.4m of undrawn committed loan facilities in place following the refinancing drawn upon in April 2015. The Group also has £8.7m of asset financing available to be drawn upon including £1.6m of a pre-approved facility. The Directors are confident these undrawn debt facilities provide sufficient headroom to support continued trading.

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

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

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

Future developments

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

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

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

The carrying value of all PSDF related assets totals £11.1m which includes costs incurred during the planning process and initial construction of £6.1m and land of £5.0m.

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

Outlook

Pinewood has once again delivered strong growth.

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

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

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

The Board are encouraged that the current financial year has got off to a strong start with good visibility into the coming year.

Principal risks and uncertainties

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

1. General risks

Risk	Description	Mitigation
Importance of key customers and big budget films	The Group's largest customers account for a high percentage of revenues. If 'big budget' filmmakers cease to choose the Group's facilities, or if Pinewood's key customer base experiences financial difficulties, this could reduce revenues.	The Group maintains strong, long-standing relationships through consistent levels of service and retention of employees to offer continuity. The Group continues to diversify its revenues through the development of its strategy and demand for the Group's facilities continues to exceed supply. In addition, strong relationships are maintained with key industry decision makers at government level to continue to highlight the importance of the tax credit regime.

Risk	Description	Mitigation
Competition	The Group competes in an international marketplace and film producers are able to choose from a number of studios worldwide. Were other existing studios to invest significantly or new studios to be successfully established either in the UK or elsewhere, this may have a material adverse effect on the Group's market share, reduce its bargaining power in commercial negotiations, and threaten profitability due to ongoing operational costs being largely fixed in nature.	The Directors believe that the Group has significant competitive advantage in its market. The Group continues to invest both in the UK and overseas to ensure that the expectations and demand from the industry are met. This includes investment in the PSDF and also foreign studio operations such Pinewood Atlanta Studios via a joint venture with River's Rock LLC (see Note 5 for further details).
Industrial action	Members of the various trade guilds/unions work on a high proportion of UK inward investment films. Industrial action could impact on the production of films and television programmes at the Group's studio facilities and, consequently, could have a material impact on the Group's business.	The Group maintains strong, long-standing relationships with members of guilds and unions.
Loss of reputation	The Group provides services to the worldwide film and television industries which requires a strong reputation. Damage to that reputation could have an adverse effect on the Group.	The Directors and Executive Management team maintain strong relationships and open lines of communication with customers and international partners, and consider the risks pertaining to such partners before entering into any significant commercial arrangements. The Group invests in and adapts all key sites to maintain high levels of security, and continues to focus closely on safeguarding confidentiality.
Exit from the European Union ("EU")	If the UK was to exit from the EU, a number of industry specific risks could arise which could have an impact on demand for Pinewood's facilities. Such risks include the inability of the UK to influence changes to regulations governing broadcasting and communication services in the EU.	The Group's exposure to a UK exit from the EU is partly mitigated as its largest customers are US based. The Group also has a significant presence in a number of overseas markets.
Risk of pandemics, acts of terrorism and natural disasters	Diseases, terrorist threats and natural disasters may reduce the appeal to customers of travel and may impact local operational capability.	With UK-based studios and operational partners in a number of international locations the Group consider that the availability of location options would reduce the risk in this area.

2. Financial risks

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

3. Operational Risks

Risk	Description	Mitigation
Pinewood Strategic Development Framework ("PSDF")	The construction of phase one of the PSDF is dependent on the performance of third party contractors and may suffer delays, may not be completed or may fail to achieve expected results.	A leading construction company has been appointed on a fixed price contract, with the necessary scale and credentials to undertake this project. The Group has engaged experienced project managers within the business to monitor the progress of the construction.
Business continuity and disaster recovery	A major incident such as a fire or an explosion could put people and/or the sites of operation at risk, result in a loss of revenue and damage the Group's reputation. In addition, given the profile of the business and its operations, there is a risk that its sites of operation or information technology systems could be subject to cyber-attack or acts of terrorism. If these occur, there is no guarantee that trading will not suffer in the short or medium term.	A dedicated health, safety and fire team carries out regular risk evaluation. Further details can be found in the Corporate Responsibility section of the Annual Report. A Business Continuity Team is also in place to ensure that the operational business continues as far as possible in the event of a major incident. The Group has an insurance portfolio. It also invests in information technology and monitors the adequacy of its applications in use on an ongoing basis.

Risk	Description	Mitigation
Environmental	While the Directors believe that the Group currently complies with applicable environmental laws and regulations, any future changes or developments in environmental regulation may adversely affect its operations, results or financial condition. A number of buildings at Pinewood Studios and Shepperton Studios are many decades old and contain asbestos. If an accident or other unanticipated event were to result in any asbestos becoming exposed at either studio, there is a risk that filming could be interrupted or otherwise affected.	Details of the Group's environmental policy are included on pages 18-19 of the consolidated Group financial statements. The Group has a health and safety process for dealing with any asbestos that becomes exposed and, in accordance with health and safety legislation, engages the services of a specialist asbestos remover if required. All productions on site are required to have public liability insurance in place prior to accessing any facilities.
Ability to attract and retain key personnel	The Group relies on the continued services and performance of the Executive Directors. The Directors place considerable importance on attracting and retaining top quality personnel and acknowledge that competition for such personnel in the industry and wider market is intense.	The Executive Directors are subject to service agreements with notice periods commensurate to their level of seniority. The Group has a Remuneration Committee which reviews compensation packages against market comparable data to ensure a competitive offering.
Rising energy prices	There is a general climate of increasing prices for all forms of energy.	The Group engages energy consultants who monitor, and provide advice on the energy markets. The Group has also invested in an energy efficient replacement equipment programme and an Automated Meter Reading system to measure and monitor energy consumption.

Employees

The Company actively considers the position of its employees' rights through comprehensive and regularly reviewed employment practices in the areas of recruitment, training, welfare, remuneration and employee relations. The Director of Strategy and Communications has Board responsibility for these areas and regularly updates the Board on relevant issues.

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

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

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

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

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

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

Executive Management Team

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

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

Corporate Responsibility

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

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

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

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

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

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

Health and Safety issues

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

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

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

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

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

Environmental issues

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

Recycling

In line with Pinewood's ongoing commitment to provide further recycling opportunities for domestic waste, the Company is now able to recycle the majority of domestic waste generated across its UK sites. The new process has been embraced by all customers and over the past year has seen the elimination of all landfill waste realising further cost savings and creating recyclable rebates.

Travel Plan

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

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

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

Energy

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

The Group's absolute (or total) CO_2 emissions for 2014/15 were 8.5% below those from the baseline year of 2010/11 but approximately 1% higher than those in 2013/14. This small annual increase is a reflection of the increased level of Group activity. However, the 'benchmark' CO_2 figure which shows a company's 'carbon intensity' by allowing a comparison to be made between the annual emissions figures and the associated levels of revenue shows a 7% reduction in 2014/15 over 2013/14 and a 23% reduction from the benchmark year of 2010/11. The significant reductions in CO_2 benchmark figures are achieved by the continuing investment and focus on the Group's energy saving measures and procedures.

Initiatives to reduce CO_2 emissions and energy consumption include:

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

By order of the Board

Ivan Dunleavy
Chief Executive

29 June 2015

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

	Notes	**Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000
Revenue – continuing operations	3	**75,002**	64,058
Cost of sales		**(58,027)**	(48,129)
Gross profit		**16,975**	15,929
Selling and distribution expenses		**(2,036)**	(1,791)
Administrative expenses:			
- Recurring activities in the ordinary course of business		**(9,222)**	(8,630)
- Exceptional expenses	7	**-**	(548)
Total administrative expenses		**(9,222)**	(9,178)
Profit/(loss) on disposal of property, plant and equipment		**41**	(76)
Operating profit		**5,758**	4,884
Comprising:			
- Operating profit from Media Services activities, before exceptional items		**11,043**	9,220
- Operating loss from Media Investment in respect of Film Production Companies		**(4,328)**	(3,463)
- Operating loss from Media Investment activities, excluding Film Production Companies		**(957)**	(325)
- Exceptional expenses		**-**	(548)
		5,758	4,884
Exceptional income	4	**1,952**	-
Share of results of joint ventures	5	**1,149**	1,144
Finance costs	6	**(3,890)**	(2,436)

Profit before tax		**4,969**	3,592
Current corporation tax expense		**(1,814)**	(1,292)
UK Film Tax Relief from Film Production Companies		**4,062**	3,085
Deferred tax credit/(charge)		**879**	(33)
Total tax credit	7	**3,127**	1,760
Profit for the year		**8,096**	5,352
Attributable to:			
Equity holders of the parent		**8,096**	5,352
Earnings per share			
Basic and diluted for result for the year	8	**16.4p**	10.8p

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

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

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

	Notes	**31 March 2015 £000**	31 March 2014 £000
Assets			
Non-current assets			
Property, plant and equipment	9	**165,398**	118,227
Investment property	10	**5,796**	5,929
Intangible assets		**5,604**	5,604
Long-term assets		**510**	871
Investment in joint ventures	5	**4,026**	7,394
Deferred tax asset	7	**119**	-
		181,453	138,025
Current assets			
Inventories		**50**	312
Trade receivables		**5,690**	11,794
Prepayments and other receivables		**6,912**	4,660
Cash and cash equivalents		**6,357**	775
		19,009	17,541
Total assets		**200,462**	155,566
Equity and liabilities			
Equity attributable to equity holders of parent			
Share capital		**4,941**	4,941
Share premium		**48,718**	48,718

Capital redemption reserve		**135**	135
Merger reserve		**348**	348
Retained earnings		**37,381**	30,570
Total equity		**91,523**	84,712
Non-current liabilities			
Interest-bearing loans and borrowings	11	**78,275**	40,939
Derivative financial instruments		**310**	175
Deferred tax liabilities		**-**	760
		78,585	41,874
Current liabilities			
Derivative financial instruments		**13**	15
Trade and other payables		**30,341**	28,466
Provisions	12	**-**	499
		30,354	28,980
Total liabilities		**108,939**	70,854
Total equity and liabilities		**200,462**	155,566

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

Christopher Naisby, FCCA
Finance Director

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

	Notes	**Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000
Cash flow from operating activities:			
Profit before tax		**4,969**	3,592
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortization		**6,455**	4,458
(Gain)/loss on disposal of property, plant and equipment		**(41)**	76
Exceptional income		**(2,318)**	-
Share of results of joint ventures	5	**(1,149)**	(1,144)
Finance costs	6	**3,890**	2,436
Cash flow from operating activities before changes in working capital		**11,806**	9,418
Decrease/(increase) in trade and other receivables		**5,909**	(6,843)
Decrease in inventories		**262**	147
Increase in trade and other payables		**899**	12,353
Decrease in provisions	12	**(499)**	(1,039)
Cash generated from operations		**18,377**	14,036
Finance costs paid		**(2,463)**	(2,102)
Corporation tax received in respect of FPC activity		**1,402**	2,584
Corporation tax paid		**(1,211)**	(2,787)
Net cash flow from operating activities		**16,105**	11,731
Cash flow from / (used in) investing activities:			
Proceeds from disposal of property, plant and equipment		**56**	-
Purchase of property, plant and equipment		**(7,074)**	(18,389)
Investment acquisitions		**(36,800)**	-
Additions to long-term assets		**-**	(591)
Investment in joint ventures	5	**(2,588)**	(1,038)
Distributions from joint ventures	5	**820**	1,931

Net cash flow used in investing activities		**(45,586)**	(18,087)
Cash flow (used in) / from financing activities:			
Dividends paid	8	**(1,285)**	(1,037)
Repayment of asset financing obligations		**(1,542)**	(1,160)
Proceeds from asset financing		**1,152**	2,233
Repayment of bank borrowings	11	**(4,500)**	(5,000)
Proceeds from bank borrowings	11	**41,500**	13,000
Payment of loan issue fees		**(262)**	-
Net cash flow from financing activities		**35,063**	8,036
Net increase in cash and cash equivalents		**5,582**	1,680
Cash and cash equivalents/(overdraft) at the start of the year		**775**	(905)
Cash and cash equivalents at the end of the year		**6,357**	775

Included within the cash and cash equivalents balance is a total of £550,000 (year ended 31 March 2014: £1,426,000) which is unavailable for general use. See Note 20 of the consolidated Group financial statements.

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

	Notes	**Year ended 31 March 2015 £000**	Year ended 31 March 2014 £000
Reconciliation of net cash flow to movement in net debt:			
Increase in cash and cash equivalents		**5,582**	1,680
Repayments of bank borrowings		**4,500**	5,000
Proceeds from bank borrowings		**(41,500)**	(13,000)
Repayments of asset financing obligations		**1,542**	1,160
Proceeds from asset financing		**(1,152)**	(2,233)
Loan issue costs		**262**	-
Amortisation of loan issue costs		**(988)**	(286)
Movement in fair value of cash flow hedge		**-**	631
Movement in net debt		**(31,754)**	(7,048)
Net debt at the start of the year		**(40,164)**	(33,116)
Net debt at the end of the year		**(71,918)**	(40,164)
Attributable to:			
Cash and cash equivalents		**6,357**	775
Non-current liabilities			
Term and revolving credit facilities	11	**(75,000)**	(38,000)
Asset financing	11	**(3,275)**	(3,665)
Unamortised loan issue costs	11	**-**	726
Interest-bearing loans and borrowings		**(78,275)**	(40,939)
Net debt at end of year		**(71,918)**	(40,164)
Net debt at end of year excluding restricted cash		**(72,468)**	(41,590)

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

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

From 1 April 2013 to 31 March 2014

	Share capital £000	Share premium £000	Capital redemption reserve £000	Merger reserve £000	Fair value of cash flow hedge reserve £000	Retained earnings £000	Total equity £000
At 1 April 2013	4,941	48,718	135	348	(328)	26,255	80,069
Profit for the year	-	-	-	-	-	5,352	5,352
Other comprehensive income, net of tax	-	-	-	-	328	-	328
Total comprehensive income, net of tax	-	-	-	-	328	5,352	5,680
Equity dividends (Note 8)	-	-	-	-	-	(1,037)	(1,037)
At 31 March 2014	4,941	48,718	135	348	-	30,570	84,712

Publication of non-statutory accounts
The financial information set out in these condensed financial statements does not constitute the Company's statutory accounts for the years ended 31 March 2015 or 31 March 2014, but is derived from those accounts. Statutory accounts for 2014 have been delivered to the Registrar of Companies and those for 2015 will be delivered following the Company's Annual General Meeting. The auditors have reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under Sections 498(2) or (3) Companies Act 2006.

Extract of notes to the consolidated financial statements for the year ended 31 March 2015

1. Basis of preparation and statement of compliance
The statutory accounts have been prepared in accordance with International Financial Reporting Standards ("IFRS") adopted for use in the European Union and therefore comply with Article 4 of the EU IAS Regulation and with those parts of the Companies Act 2006 that are applicable to companies reporting under IFRS. The Group has applied all accounting standards and interpretations issued by the International Accounting Standards Board and International Financial Reporting Interpretations Committee as endorsed by the EU relevant to its operations and effective for accounting periods beginning on 1 April 2014.

These financial statements are presented in Pounds Sterling, and rounded to the nearest thousand pounds (£000) except when otherwise stated, because that is the currency of the primary economic environment in which the Company operates.

Subject to changes of accounting policy noted below, the accounts are prepared on the basis of the accounting policies as set out in the previous annual financial statements.

Going concern

In assessing the going concern basis, the Directors considered the Group's business activities, the financial position of the Group and the Group's financial risk management objectives and policies. The Group meets its day-to-day working capital requirements through its bank facilities. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance and economic uncertainty, show that the Group should be able to operate within the level of its current facilities. Although the Group is in a net current liability position of £11.3m, the Group has £71.4m of undrawn committed loan facilities in place following the refinancing in April 2015. The Group also has £8.7m of asset financing available to be drawn upon including £1.6m of a pre-approved facility. The Directors are confident these undrawn debt facilities provide sufficient headroom to support continued trading.

The Directors have specifically considered the level of capital commitment at 31 March 2015 and the projected spend on the PSDF compared with the existing financing and the additional financing completed in April 2015 (see Note 11).

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

Basis of consolidation

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

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

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

2. Changes in accounting policy and disclosures

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

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

IFRIC 21	*Levies*
IAS 32 (amendments)	*Offsetting financial assets and financial liabilities*

IAS 36 (amendments)	*Recoverable Amount Disclosures for Non-Financial Assets*
IAS 39 (amendments)	*Novation of Derivatives and Continuation of Hedge Accounting*

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

IFRS 9	*Financial Instruments*
IFRS 15	*Revenue from Contracts with Customers*
IAS 16 and IAS 38 (amendments)	*Clarification of Acceptable Methods of Depreciation and Amortisation*
IAS 16 and IAS 41 (amendments)	*Agriculture: Bearer Plants*
IAS 19 (amendments)	*Defined Benefit Plans: Employee Contributions*
IAS 27 (amendments)	*Equity Method in Separate Financial Statements*
IFRS 10 and IAS 28 (amendments)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
Annual Improvements to IFRSs: 2010-2012 cycle (amendments)	IFRS 2 *Share-based Payments*, IFRS 3 *Business Combinations,* IFRS 8 *Operating Segments,* IFRS 13 *Fair Value Measurement,* IAS 16 *Property, Plant and Equipment,* IAS 24 *Related Party Disclosures* and IAS 38 *Intangible Assets*
2011-2013 cycle (amendments)	IFRS 1 *First-time Adoption of International Financial Reporting Standards,* IFRS 3 *Business Combinations,* IFRS 13 *Fair Value Measurement* and IAS 40 *Investment Property*
2012-2014 cycle (amendments)	IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations,* IFRS 7 *Financial Instruments: Disclosures,* IAS 19 *Employee Benefits* and IAS 34 *Interim Financial Reporting*

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

3. Segment information and revenue analysis

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

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

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

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

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

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

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

Total corporation tax (expense)/credit	**(2,044)**	**5,171**	**3,127**		(2,023)	3,783	1,760
Profit / (loss) after tax	**8,210**	**(114)**	**8,096**		5,590	(238)	5,352

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

Geographical information

Although revenues continue to arise predominantly in the United Kingdom, being the Group's country of domicile, the Group's international activity continues to increase. For the year ended 31 March 2015, £3.1m of revenue was generated from the Group's overseas activities, representing 4% of total revenue (year ended 31 March 2014: £1.1m, 2%).

Information about major customers

Revenue from one Media Services customer, operating through several separate subsidiaries, of £22.6m (year ended 31 March 2014: one customer £17.5m) was recognised in the year. No other single customer contributed 10% or more of the Group's revenue in either 2014 or 2015.

4. Exceptional income

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

There were no such amounts recognised in the prior year.

5. Interests in joint ventures

As at 31 March 2015, the Group has interests in the following joint ventures:

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

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

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

Shepperton Studios Property Partnership

Up until 3 December 2014, the Group had a 50% interest in SSPP, an entity controlled jointly with a third party, Aviva Investors. SSPP is strategic to the Group's business, as it holds a 995 year lease on the Shepperton Studios property. On 3 December 2014, the Group acquired the

50% interest in SSPP previously held by clients of Aviva Investors for a total cash consideration of £36.8m, including the full termination of a £24m loan facility provided by Aviva. As a result of the transaction, the Group now owns 100% of SSPP and has given the Group full control over the Shepperton site and future investment in the facilities there, which was the primary reason for the transaction. The acquisition price relative to the value of the assets acquired did not generate any goodwill.

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

Details of assets acquired and liabilities assumed:

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

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

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

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

Shepperton Studios (General Partner) Limited

The Group also had a 50% interest in Shepperton Studios (General Partner) Limited until 3 December 2014. On that date, the Group acquired a 100% interest as part of the SSPP transaction outlined above. There are no material amounts consolidated for this joint venture in either period.

Pinewood Studio Berlin Film Services GmbH

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

Pinewood Atlanta LLC / PAS Holdings Fayette LLC (collectively 'Pinewood Atlanta Studios')

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

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

Pinewood Atlanta

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

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

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

**For the period to 3 December 2014 only*

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

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

Reconciliation of movement in investment in joint ventures:

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

6. Finance costs

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

7. Taxation

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

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Consolidated income statement:		
Current corporation tax:		
UK corporation tax charge	**1,646**	1,180
Foreign Tax suffered	**49**	259
UK Film Tax Relief	**(4,062)**	(3,085)
Tax adjustments in respect of disposals	**413**	-
Amounts over provided in previous years	**(294)**	(147)
Total current corporation tax credit	**(2,248)**	(1,793)
Deferred tax:		
Relating to origination and reversal of temporary differences	**(313)**	48
Amounts over provided in previous years	**(566)**	(15)
Total deferred tax (credit)/ charge	**(879)**	33
Tax credit in the income statement	**(3,127)**	(1,760)
The tax credit in the income statement comprises:		
Tax on profit before exceptional items	**1,417**	1,612
UK Film Tax Relief	**(4,062)**	(3,085)
Tax over provided in previous years	**(860)**	(162)
Tax provision adjustments relating to exceptional items and swap termination costs	**378**	(125)
Tax credit in the income statement	**(3,127)**	(1,760)

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

(b) Reconciliation of the total tax credit

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

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

(c) Deferred tax

Deferred tax relates to the following:

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

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

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

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

(d) Potential unrecognised deferred tax assets

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

8. Earnings per ordinary share and dividend

Earnings per ordinary share

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

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

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

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

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

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

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

	Year ended 31 March 2015	Year ended 31 March 2014
Earnings per share:		
Basic and diluted for result for the year	**16.4p**	10.8p
Basic and diluted for result for the year adjusted for exceptional items	**13.5p**	11.5p

Dividend paid

	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Final dividend for year ending 31 March 2013 paid at 1.5p per share	**-**	741
Interim dividend for year ending 31 March 2014 paid at 0.6p per share	**-**	296
Final dividend for year ending 31 March 2014 paid at 1.9p per share	**939**	-
Interim dividend for year ending 31 March 2015 paid at 0.7p per share	**346**	-
	1,285	1,037

The Board is recommending a final dividend of 2.8p per share for approval at the Annual General Meeting to be paid on 5 October 2015 to shareholders on the register on 4 September 2015 (ex-dividend date of 3 September 2015). Based on the shares in issue at the date the Board approved the Group financial statements, this would amount to a final dividend payment of £1,607,000 (year ended 31 March 2014: £939,000).

9. Property, plant and equipment

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

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

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

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

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

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

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

10. Investment property

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

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

No independent valuation has been undertaken at the year end. A Directors' valuation was carried out in accordance with the 'Red Book' to determine the fair value of the investment property. A yield based valuation has been used which provided a fair value of £8,182,000 at 31 March 2015 using a 7.00% yield on annual rental income of £606,000 and allowing for purchasers costs of 5.76%. The previous Directors' valuation was performed at 31 March 2014 and also used the yield based valuation method which provided a fair value of £7,900,000, assuming a 7.25% yield and allowing for purchaser's costs of 5.76%.

11. Interest-bearing loans and borrowings

	Effective interest rate %	**Maturity**	**31 March 2015 £000**	31 March 2014 £000
Current borrowings				

Bank overdraft	Base rate + 2.5% margin	Annual renewal	**-**	-

Non-current borrowings				
Revolving credit facility	LIBOR + variable margin	28 November 2016	**75,000**	38,000
Asset financing	1.63%	31 March 2018	**3,275**	3,665
Non-current drawn loan facilities			**78,275**	41,665
Secured bank loan arrangement costs			**-**	(726)
			78,275	40,939

Total current and non-current interest-bearing loans and borrowings			**78,275**	40,939

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

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

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

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

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

The term facility contains scheduled repayments of £2.5m on 30 June 2017 and 31 December 2017, increasing to £5.0m on each of 30 June 2018 and 31 December 2018. The revolving credit facility has no scheduled repayments.

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

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

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

Borrowing facilities

The available but undrawn committed facilities are as follows:

31 March 2015:

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

31 March 2014

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

12. Provisions

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

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

13. Related party disclosures

The Group consists of a parent company, Pinewood Group plc, incorporated in the UK and a number of subsidiaries and joint ventures held directly and indirectly by Pinewood Group plc. Listed below are details of the material interests in subsidiaries, including the country of incorporation which is also equivalent to each entity's operating territory. Details of joint ventures are included in Note 5.

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

Company Name	Country of incorporation	% equity interest 31 March 2015	31 March 2014
Pinewood Christmas Candle Limited (previously Pinewood Films No.5 Limited)	United Kingdom	**100**	100
Pinewood Robot Overlords Limited (previously Pinewood Films No.6 Limited)	United Kingdom	**100**	100
Pinewood Riot Club Limited (previously Pinewood Films No.7 Limited)	United Kingdom	**100**	100
Pinewood Pressure Limited (previously Pinewood Films No.8 Limited)	United Kingdom	**100**	100
Pinewood KYF Limited (previously Pinewood Films No.9 Limited)	United Kingdom	**100**	100
Pinewood Films No.10 Limited	United Kingdom	**100**	100
Pinewood Films No.11 Limited	United Kingdom	**100**	100
Pinewood Films No.12 Limited	United Kingdom	**100**	-
Pinewood Films No.13 Limited	United Kingdom	**100**	-
Pinewood Films No.14 Limited	United Kingdom	**100**	-
Pinewood Films No.15 Limited	United Kingdom	**100**	-
Pinewood Films No.16 Limited	United Kingdom	**100**	-
Shepperton Studios Property Partnership	United Kingdom	**100**	50
Shepperton Studios (General Partner) Limited	United Kingdom	**100**	50
The Studios Unit Trust	Jersey	**100**	-
Pinewood Shepperton Limited	United Kingdom	**100**	-

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

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

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

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

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

Peel Management fee

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

Transaction with Director

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

Audit exemption

Pinewood Group plc has given statutory guarantees against all the outstanding liabilities of the below listed wholly-owned subsidiaries at 31 March 2015 under Section 479A of the Companies Act 2006, thereby allowing these subsidiaries to be exempt from the annual audit requirement for the year ended 31 March 2015.

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

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

14. Subsequent Events

Bank refinancing

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

Equity raise

On 17 April 2015, 8,000,000 new ordinary shares of par value 10p were issued for cash and admitted to trading on AIM, giving rise to gross proceeds of £30.0m. The proceeds of this share issue were used to reduce drawn bank debt.

15. Date of approval of the preliminary announcement

The preliminary announcement was approved by the Board of Directors on 29 June 2015.

16. Responsibility statement

We confirm that to the best of our knowledge:

(a) the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the issue and the undertakings included in the consolidation taken as a whole; and
(b) the management report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board on 29 June 2015:

Ivan Dunleavy
Chief Executive

Christopher Naisby
Finance Director

Company Secretary
A. M. Smith

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