

Registered number: 07427021

GREENE KING PUBS LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the 52 weeks ended 1 January 2023



GREENE KING PUBS LIMITED

COMPANY INFORMATION

Director	S D'Cruz (appointed 31 March 2023)
Company secretary	Mrs L A Keswick
Registered number	07427021
Registered office	Westgate Brewery Bury St Edmunds Suffolk IP33 1QT United Kingdom

GREENE KING PUBS LIMITED

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GREENE KING PUBS LIMITED

STRATEGIC REPORT **For the 52 weeks ended 1 January 2023**

Introduction

The directors presents their strategic report for the 52 weeks ended 1 January 2023.

Business review

The company's principal activity is that of an investment holding company.

The company's performance in the period has met the directors' expectations and with net assets remaining largely unchanged at £1,500,650,000 (prior period: £1,498,743,000) and no significant change to the operations of the business is expected in future periods.

Principal risks and uncertainties

As a 100% owned subsidiary of the Greene King Limited group, the principal risks and uncertainties faced by the company are consistent with those disclosed within the Greene King Limited financial statements for the 52 weeks ended 1 January 2023.

The economic, financial, liquidity and interest rate risks are considered to be minimal on this entity due to the simple nature of its trade.

Financial key performance indicators

The operations of Greene King Pubs Limited are managed at a Greene King Limited group level and as such no key performance indicators are monitored for the company as the director believes they would not add any understanding to the performance or position of the business. The performance of Greene King Limited is discussed in the Greene King Limited annual report and financial statements which are publicly available.

Directors' statement of compliance with duty to promote the success of the company

Under section 172 of the Companies Act 2006 the directors of the company are required to act in a way which promotes the long-term success of the company and in doing so to consider the interests of the company's stakeholders. This section of the report is designed to set out how the directors have complied with their obligations in this regard.

The directors of the company have at all times during the year under review (and at all other times) acted in the way that they considered, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so had regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly between members of the company.

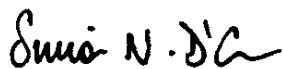
GREENE KING PUBS LIMITED

STRATEGIC REPORT (CONTINUED)
For the 52 weeks ended 1 January 2023

Engaging with stakeholders

The company's principal activity is the provision of financing, via intercompany loans, to other group companies. The company is a wholly owned subsidiary of the Greene King Limited group which has control of the entity and therefore all decisions affecting the company are filtered down from group, based on the group-wide strategy. The directors of the company work closely with the directors of the Greene King Limited group and therefore are aware of all decisions made at group-level that will affect the company.

This report was approved by the board and signed on its behalf.



S D'Cruz
Director
Date: 3 August 2023

GREENE KING PUBS LIMITED

DIRECTORS' REPORT For the 52 weeks ended 1 January 2023

The directors present their report and the financial statements for the 52 weeks ended 1 January 2023.

Results and dividends

The profit for the 52 weeks, after taxation, amounted to £1,907,000 (prior period: £644,000).

No dividends were paid or proposed during the period (52 weeks ended 1 January 2023: £nil).

Going concern

Greene King Limited has agreed to provide continuing financial support to enable the company to meet its obligations as and when they fall due for a period of at least 12 months from the date of approval of the financial statements.

The directors of Greene King Limited have performed a going concern assessment of the Greene King Limited group. In doing so, they have modelled a remote scenario whereby the group generates just over half of its budgeted EBITDA but continues with budgeted capex for a 12 month period. Under this scenario the group has access to adequate funding to support the business through a period of at least 12 months from the date of the approval of the financial statements. However, in the absence of any support this reduction in trade would likely result in breaches of both the two-quarter and four-quarter lookback FCF DSCR covenants within its securitised borrowings without mitigation actions. In this scenario the directors could elect to prevent the breach by providing financial support to the Greene King securitisation through lower operating cost re-charges from other group companies. The directors of Greene King Limited have a reasonable expectation that the group has sufficient resources to continue in operational existence for the period of at least 12 months from the date of approval of these financial statements.

The directors of the company have made enquiries of the directors of Greene King Limited to confirm that they are satisfied the financial support will be available and accordingly continue to prepare the financial statements on a going concern basis.

Directors

The directors who served during the 52 weeks and to the date of this report were:

M Lee (resigned 31 March 2023)
S D'Cruz (appointed 31 March 2023)

The directors did not hold any interest in the share capital of the company during the period.

Future developments

No significant changes are anticipated to the activities of the company in the foreseeable future.

Directors' and officers' indemnity insurance

Greene King Limited group ("the group") has taken out insurance to indemnify the director of the company against third party proceedings whilst serving on the board of the company and of any subsidiary. This cover indemnifies all employees of the group who serve on the boards of all subsidiaries. These indemnity policies subsisted throughout the year and remain in place at the date of this report.

Greenhouse gas emissions, energy consumption and energy efficiency action

As a subsidiary company within the Greene King Limited Group, the company has taken the disclosure exemption in relation to Streamlined Energy and Carbon Reporting ("SECR") where disclosure is made within a parent company's group accounts. These SECR disclosures can be seen in the consolidated financial statements of Greene King Limited.

GREENE KING PUBS LIMITED

DIRECTORS' REPORT (CONTINUED)
For the 52 weeks ended 1 January 2023

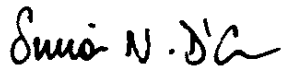
Matters covered in the Strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 to include matters of strategic importance in the strategic report which otherwise would be required to be disclosed in the director's report: Section 172 statement, principal risks and financial risk management.

Post balance sheet events

There are no post balance sheet events requiring disclosure in the financial statements.

This report was approved by the board and signed on its behalf.



S D'Cruz
Director
Date: 3 August 2023

GREENE KING PUBS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT **For the 52 weeks ended 1 January 2023**

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

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

GREENE KING PUBS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the 52 weeks ended 1 January 2023

		52 weeks ended 1 January 2023 £000	52 weeks ended 2 January 2022 £000
	Note		
Net impairment (losses)/reversals on financial assets		(56)	82
Interest receivable and similar income	5	1,966	785
Interest payable and similar expenses	6	(135)	(91)
Profit before tax		1,775	776
Taxation	7	132	(132)
Profit for the period		1,907	644

There was no other comprehensive income for the current period (prior period: £nil).

The notes on pages 9 to 17 form part of these financial statements.

GREENE KING PUBS LIMITED
Registered number: 07427021

BALANCE SHEET
As at 1 January 2023

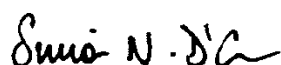
	Note	1 January 2023 £000	2 January 2022 £000
Fixed assets			
Investments	8	1,430,000	1,430,000
Current assets			
Debtors	9	75,863	73,953
Current liabilities			
Creditors: amounts falling due within one year	10	(5,213)	(5,210)
Net current assets		<u>70,650</u>	<u>68,743</u>
Total assets less current liabilities		<u>1,500,650</u>	<u>1,498,743</u>
Net assets		<u>1,500,650</u>	<u>1,498,743</u>
Capital and reserves			
Called up share capital	11	117	117
Share premium account	12	714,955	714,955
Profit and loss account	12	785,578	783,671
Equity		<u>1,500,650</u>	<u>1,498,743</u>

The members have not required the company to obtain an audit for the 52 weeks in question in accordance with section 476 of the Companies Act 2006.

The company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



S D'Cruz
Director
Date: 3 August 2023

The notes on pages 9 to 17 form part of these financial statements.

GREENE KING PUBS LIMITED

STATEMENT OF CHANGES IN EQUITY
For the 52 weeks ended 1 January 2023

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 4 January 2021	117	714,955	783,027	1,498,099
Profit for the period	-	-	644	644
At 3 January 2022	117	714,955	783,671	1,498,743
Profit for the period	-	-	1,907	1,907
At 1 January 2023	117	714,955	785,578	1,500,650

The notes on pages 9 to 17 form part of these financial statements.

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 1 January 2023

1. GENERAL INFORMATION

Greene King Pubs Limited is a private company limited by shares incorporated and domiciled in England & Wales.

The company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except where indicated.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 *Presentation of Financial Statements*
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of Greene King Limited as at 1 January 2023 and these financial statements may be obtained from Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT.

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the 52 weeks ended 1 January 2023**

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Impact of new International Reporting Standards, amendments and interpretations

The following new standards, interpretations and amendments to standards are mandatory for the company for the first time for their annual reporting period commencing 3 January 2022:

Those standards and interpretations include:

- Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before intended use;
- Amendments to IFRS 3 - Reference to the conceptual framework;
- Amendments to IAS 37 - Onerous contracts - cost of fulfilling a contract
- Annual improvements to IFRS Standards 2018-2020

The company has considered the above new standards and has concluded that they do not have a material impact on the company's financial statements.

2.4 Going concern

Greene King Limited has agreed to provide continuing financial support to enable the company to meet its obligations as and when they fall due for a period of at least 12 months from the date of approval of the financial statements.

The directors of Greene King Limited have performed a going concern assessment of the Greene King Limited group. In doing so, they have modelled a remote scenario whereby the group generates just over half of its budgeted EBITDA but continues with budgeted capex for a 12 month period. Under this scenario the group has access to adequate funding to support the business through a period of at least 12 months from the date of the approval of the financial statements. However, in the absence of any support this reduction in trade would likely result in breaches of both the two-quarter and four-quarter lookback FCF DSCR covenants within its securitised borrowings without mitigation actions. In this scenario the directors could elect to prevent the breach by providing financial support to the Greene King securitisation through lower operating cost re-charges from other group companies. The directors of Greene King Limited have a reasonable expectation that the group has sufficient resources to continue in operational existence for the period of at least 12 months from the date of approval of these financial statements.

The directors of the company have made enquiries of the directors of Greene King Limited to confirm that they are satisfied the financial support will be available and accordingly continue to prepare the financial statements on a going concern basis.

2.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the 52 weeks ended 1 January 2023**

2. ACCOUNTING POLICIES (CONTINUED)

2.6 Intercompany balances

Amounts owed by or to group undertakings are classified as short term assets or liabilities unless there is a formal loan arrangement in place that specifies repayment over a period longer than one year at the balance sheet date or they are intended for long-term funding purposes in which case they are held as fixed asset investments.

The company recognises a loss allowance for expected credit losses on amounts due from group undertakings. The methodology used to determine the amount of the expected credit loss is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset.

For those financial assets where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses are recognised. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. For those financial assets where the credit risk has increased significantly (or determined to be credit impaired), lifetime expected credit losses are recognised. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset (or for credit impaired assets, to the net carrying amount of the financial asset).

2.7 Interest

Interest costs are expensed to the income statement using the effective interest method. Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect reported amounts of assets and liabilities, income and expense. The company bases its estimates and judgments on historical experience and other factors deemed reasonable under the circumstances, including any expectations of future events. Actual results may differ from these estimates.

There are no estimates and judgments made in the company that are considered to be significant.

4. STAFF COSTS

The company has no employees (prior period: none) and did not incur any staff costs during the period (prior period: £nil).

The directors did not receive any remuneration during the current or previous period in respect of their services provided to the company.

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 1 January 2023

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	52 weeks ended 1 January 2023 £000	52 weeks ended 2 January 2022 £000
<i>Interest receivable from group undertakings</i>	<u>1,966</u>	<u>785</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 1 January 2023 £000	52 weeks ended 2 January 2022 £000
<i>Interest payable to group undertakings</i>	<u>135</u>	<u>91</u>

7. TAXATION

	52 weeks ended 1 January 2023 £000	52 weeks ended 2 January 2022 £000
<i>Current tax on profits for the year</i>	-	132
<i>Adjustments in respect of previous periods</i>	(132)	-
Total current tax	<u>(132)</u>	<u>132</u>

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 1 January 2023

7. TAXATION (CONTINUED)

FACTORS AFFECTING TAXATION FOR THE PERIOD

The tax assessed for the period is lower than (2022:lower than) the standard rate of corporation tax in the UK of 19.0% (2022:19.0%). The differences are explained below:

	52 weeks ended 1 January 2023 £000	52 weeks ended 2 January 2022 £000
Profit on ordinary activities before tax	1,775	776
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2022:19.0%)	337	147
Effects of:		
Expenses not deductible/(income not taxable) for tax purposes	11	(15)
Adjustments to tax charge in respect of prior periods	(132)	-
Group relief for nil consideration	(348)	-
Total taxation for the period	(132)	132

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 1 January 2023

7. TAXATION (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Under Finance Act 2021 enacted on 10 June 2021, the Corporation Tax rate for the 12 months from 3 January 2021 remains at 19%, but will increase to 25% as the main rate of corporation tax from 1 April 2023.

There was no unrecognised deferred tax assets as at the balance sheet date (prior period: £3,966,535).

8. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
Cost or valuation	
At 3 January 2022	1,430,000
At 1 January 2023	1,430,000
Net book value	
At 1 January 2023	1,430,000
At 2 January 2022	1,430,000

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 1 January 2023

8. FIXED ASSET INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Greene King Brewing and Retailing Limited (1)	Brewing & retailing	Ordinary	100%
Greene King Leasing No.1 Limited (1)	Holding company	Ordinary	100%
Greene King Leasing No.2 Limited (1)	Financing company	Ordinary	100%
Greene King Acquisitions No.2 Limited (1)	Holding company	Ordinary	100%
Belhaven Pubs Limited (2)	Holding company	Ordinary	100%
Belhaven Brewery Company Limited (2)	Financing company	Ordinary	100%
Hardys & Hansons Limited (1)	Non-trading	Ordinary	100%
LFR Group Limited (2)	Dormant	Ordinary	100%
G.K. Holdings No.1 Limited (1)	Holding company	Ordinary	100%
Premium Dining Restaurants and Pubs Limited (2)	Retailing	Ordinary	100%
Greene King Neighbourhood Estate Pubs Limited (1)	Financing company	Ordinary	100%
Old English Inns Limited (1)	Financing company	Ordinary	100%

The director believes that the carrying value of the investments is supported by their underlying net assets.

(1) Incorporated in England and Wales. Registered office: Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT.

(2) Incorporated in Scotland. Registered office: Belhaven Brewery, Brewery Lane, Dunbar, East Lothain, EH42 1PE.

9. DEBTORS: Amounts falling due within one year

	1 January 2023 £000	2 January 2022 £000
Amounts owed by group undertakings	75,863	73,953

Amounts owed by group undertakings are unsecured, interest bearing at a rate of SONIA + a Credit Adjustment Spread (CAS) in the period, have no fixed date of repayment and are repayable on demand. In the prior period interest accrued at LIBOR +1% which was replaced by SONIA + CAS with effect from the first interest period commencing on or after 1 January 2022. Expected credit losses of £265,000 (prior period: £209,000) have been recognised against the carrying value.

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 1 January 2023

10. CREDITORS: Amounts falling due within one year

	1 January 2023 £000	2 January 2022 £000
Amounts owed to group undertakings	5,213	5,078
Corporation tax payable	-	132
	<u>5,213</u>	<u>5,210</u>

Amounts owed to group undertakings are unsecured, interest bearing at a rate of SONIA + a Credit Adjustment Spread (CAS) in the period, have no fixed date of repayment and are repayable on demand. In the prior period interest accrued at LIBOR +1% which was replaced by SONIA + CAS with effect from the first interest period commencing on or after 1 January 2022.

11. SHARE CAPITAL

	1 January 2023 £000	2 January 2022 £000
Allotted, called up and fully paid		
1,165,006,769 (prior period: 1,165,006,769) Ordinary shares of £0.0001 each	<u>117</u>	<u>117</u>

12. RESERVES

Share premium account

Share premium represents the excess of proceeds received over the nominal value of new shares issued.

Profit & loss account

Profit and loss account reserve represents accumulated retained earnings.

13. RELATED PARTY TRANSACTIONS

During the period the company entered into transactions, in the ordinary course of business, with other related parties. The company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with related parties that are wholly owned subsidiaries of the CK Asset Holdings Limited group. Amounts shown as owed to and by group subsidiaries are all held with other group undertakings. There were no transactions entered into during the financial year or trading balances outstanding at the balance sheet date with other related parties.

GREENE KING PUBS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the 52 weeks ended 1 January 2023

14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At the balance sheet date, the director considers the immediate parent undertaking and immediate controlling party of *Greene King Pubs Limited* to be *Greene King Limited*, a company incorporated in England and Wales.

The ultimate parent undertaking and ultimate controlling party is *CK Asset Holdings Limited*, a company registered in the Cayman Islands and registered in Hong Kong, with its shares listed on the Main Board of the Hong Kong Stock Exchange.

Greene King Limited is the smallest group which includes the results of the company and for which group financial statements are prepared. Copies of its group financial statements are available from *Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT*.

CK Asset Holdings Limited is the largest group which includes the results of the company and for which group financial statements are prepared. Copies of its group financial statements are available from *7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong*.