GREENE KING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEKS ENDED 29 DECEMBER 2024

REGISTERED NUMBER: 00024511

COMPANY INFORMATION

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GREENE KING LIMITED

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STRATEGIC REPORT

A YEAR OF TRANSITION FROM TRANSFORMATION TO DELIVERY ROBUST UNDERLYING FINANCIAL PERFORMANCE

Delivered revenue growth across all four Greene King divisions – Group revenues increased 3.2% in 2024 driven by record Christmas bookings and strong demand from events such as the 2024 Men's Euros. Greene King has grown ahead of the market and achieved its best-ever online review ratings of 4.5 (out of 5) for the year.

Robust underlying profit performance – The group delivered a 6.4% increase in adjusted operating profit to £198.0m (prior period: £186.1m) driven by tight control of costs to mitigate industry headwinds, with profitability as in prior years positively impacted by exceptional investment levels. The group's reported numbers were negatively impacted by the uncertain outlook for the hospitality industry compounded by the government's Autumn Budget, which contributed to non-cash goodwill and property accounting impairments of £208.5m, which resulted in a statutory operating loss of £16.4m and a statutory loss before tax of £147.1m (prior period: £45.2m profit). The group maintains a robust capital structure with a strong balance sheet.

Creating a business that's fit for the future – Against the challenging macroeconomic backdrop and following the delivery of four years of business and cultural transformation, including industry-leading levels of investment in the estate, Greene King is now sharply focused on delivery. Capex reduced in the year to £172.7m (prior period: £194.8m), reflecting the move to leverage prior years investments, but will remain higher in future periods than the historic run rate. The group also undertook a reorganisation including the introduction of a smaller Executive Board structure and a restructuring of central support functions, the benefits of which will be realised across future periods.

Invested in and evolved assets and brands – Greene King announced plans for a new £40m custom-built brewery in Bury St Edmunds, in a long-term commitment to British brewing, with planning permission granted in January 2025 and expected to be operational in 2027. Throughout 2024, the rollout of Hickory's BBQ smokehouse restaurants continued, and Pub Partners performed strongly, with franchised concepts Hive and Nest adding 14 and 10 sites respectively. The benefits of the multimillion-pound digital investment into booking systems, customer apps, website development and the Pub Network of the Future (WiFi) are coming to fruition, as reflected by a record Christmas bookings performance.

Established a compelling place to visit and work, driving improved customer experiences – Completed delivery of the Customer Engagement transformation programme, providing a single customer view database and integrated marketing automation platform. The engagement survey showed Sustainable Engagement of 85% and Business Pride of 84%, with team turnover improving 9ppts to 57%. Pubs are vital to communities across the UK, and Greene King supported over 18,000 apprenticeships since 2011, with an apprentice having worked in 97% of pubs. Two new prison training kitchens were opened in the year under the Releasing Potential programme which has a commitment to hire 400 prison leavers by the end of 2025. Raised £3.9m for Macmillan Cancer Support, our highest fundraising to date, and celebrated the incredible milestone of raising over £20m since 2012.

Confident in the future of the British pub – Greene King will continue to focus on what is within its control, creating a sustainable, well-invested and technology-first business focussed on customers, that is well-placed to mitigate the ongoing macroeconomic challenges the sector continues to face, to drive gain in both market share and customer spend.

Nick Mackenzie, Greene King Chief Executive Officer, said:

"2024 was a year of transition for Greene King as we shifted our focus from business transformation to delivery and began leveraging our industry-leading investment programme. Pleasingly, we delivered topline revenue growth and have grown ahead of the market. While our tight control of costs meant we also delivered an increase in adjusted operating profit, our statutory results were impacted by the outlook for the industry, which was compounded by decisions made in the government's Budget which have dramatically increased our costs.

"Whilst we maintain our focus on creating an agile business with a tight grip on what is within our control, the industry continues to face a layering of costs which is changing the fundamental economics of the pub. We would encourage the government to urgently introduce the promised business rates reform, reduce regulation and the cost of doing business to ensure that our critical sector is protected, and pubs remain at the heart of communities UK-wide.

"I want to thank our team members and pub partners who have remained tenacious and dedicated amidst what continues to be a very challenging time for our industry. As we move into a new phase, leveraging the investment of recent years, we will continue to invest with a focus on our people, being customer-first and brand-led and on further enhancing the digital experience. We remain confident in our brands, our people and our ability to deliver for our loyal customers."

PERFORMANCE SUMMARY

	FY24 52 weeks ended 29/12/24			FY23 52 weeks ended 31/12/23		
	Revenue £m	Adjusted operating profit/(loss)[1] £m	Statutory operating (loss)/profit £m	Revenue £m	Adjusted operating profit/(loss)[1] £m	Statutory operating profit/(loss) £m
Greene King pubs	966.5	135.7	120.2	938.4	121.7	132.5
Destination Brands	799.2	44.4	(111.5)	787.4	47.5	51.8
Partnerships & Ventures	447.0	83.2	47.1	420.9	78.3	45.3
Brewing & Brands	237.8	19.4	18.1	228.7	21.3	21.0
Corporate	-	(84.7)	(90.3)	-	(82.7)	(83.4)
Group Total	**2,450.5**	**198.0**	**(16.4)**	**2,375.4**	**186.1**	**167.2**

1. Adjusted measures exclude the impact of adjusting items, for details see APMs on page 104.

The presented performance covers the 52 weeks to 29 December 2024 and is compared to the previously reported and audited, 52 weeks ended 31 December 2023.

Greene King is one of the country's leading pub and brewing companies with c.2,600 pubs, restaurants and hotels across England, Wales and Scotland.

Group revenue was up 3.2% (prior period: 9.1%) to £2,450.5m, with revenues up in all four reporting segments - Greene King pubs, Destination Brands, Partnerships & Ventures and Brewing & Brands.

The group made an operating profit before adjusting items of £198.0m (prior period: £186.1m). This year-on-year increase in profit has been driven by sales growth and improvement in adjusted operating profit margin as we have continued to drive cost efficiency in the business to abate remaining cost headwinds, in particular team costs driven by significant National Living Wage and National Minimum Wage increases.

The statutory operating loss was £16.4m, down from a profit of £167.2m in the prior period. The reduction in statutory profit is primarily due to an increase in cost from adjusting items compared to the prior year, which was largely driven by an impairment charge of £219.9m of some of the group's assets including goodwill, property plant and equipment and right of use assets. Additionally, there are one-off costs from restructuring the organisation, as we move from the "build" to "run" phase, of £13.0m which is partially offset by increased profit on disposal of assets of £9.3m. The impairment of assets has been impacted by the uncertain outlook for the hospitality industry compounded by the government's Autumn Budget along with a significant increase in gilt yields reflecting the inflationary pressures in the economy. This has driven the group's discount rate from 8.6% to 9.1%.

Group adjusted net interest costs increased by 7.1% to £130.7m. Lease interest costs rose by £1.2m and debt interest costs rose by £7.5m reflecting the increase in interest rates during the year which have been driven by inflationary pressures in the UK economy.

The group made a statutory loss before tax of £147.1m (prior period: £45.2m profit).

Investment in the estate continued, although as we moved to leverage the investment in recent years our capex reduced, as reflected by total core capital expenditure for the group of £172.7m which is down on the prior year (prior period: £194.8m). The approach to investment was a balanced mix of spend on asset maintenance, EBITDA maintenance and EBITDA growth.

OUR BUSINESS MODEL

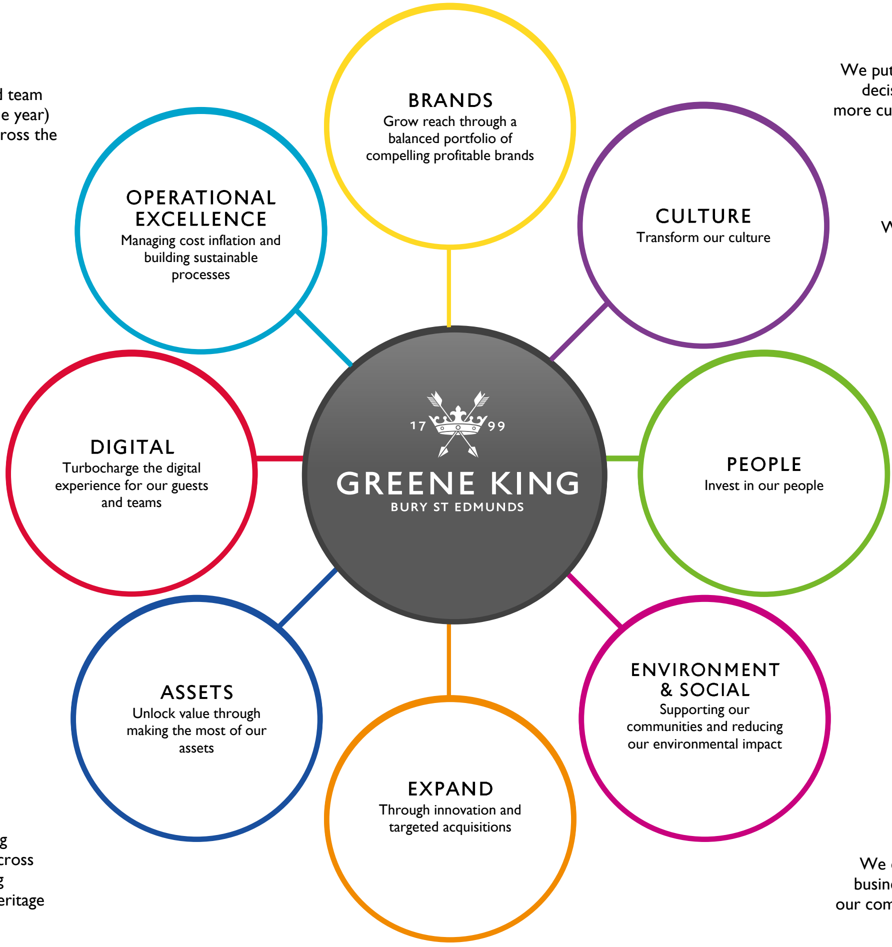
INPUTS	STRATEGY	VALUE
Resources and relationships we rely on to…	…operate the UK's largest integrated Pub Company and Brewer…	… in pursuit of our purpose to pour happiness into lives

PEOPLE & PARTNERSHIPS
An average of 40,500 talented team members (on average over the year) and over 900 pub partners across the UK

SUPPLIERS & RESOURCES
A network of trusted suppliers providing us with the resources and goods we need to run our pub and brewing businesses sustainably

COMMUNITIES & GOVERNMENT
The engaged communities which we operate in the UK and the support of government and trade bodies

QUALITY ASSETS
The estate of pub and brewing assets we own and operate across the UK and the sector leading brands that reflect our rich heritage



CUSTOMER
We put customers at the heart of our decision making and strive to serve more customers, delighting them every time

PEOPLE
We are a business for everyone, investing in our teams to grow skills or a fulfilling career in hospitality

OPERATIONAL EXCELLENCE
We make it easy for our teams to consistently deliver outstanding experiences for every customer through every interaction in an efficient way

FINANCIAL
Our business model delivers consistent returns through a balanced portfolio and cash generation to fund growth

PRIDE
We create a culture of pride in our business as a positive contributor to our communities and our environment

2024 saw the conclusion of a number of transformational initiatives that the business has been working on since we set out our strategy in 2021. We announced the development of our new custom-built brewery, and we continued to invest in digital, including updating our app, websites and Wi-Fi. From a brand perspective, three new brand trials launched in the year and further rollouts were completed in our Hickory's investment from our existing estate.

Brands – Establishing compelling brands for long-term sustainable growth

- We continued to grow our Franchise business, with a total of 74 sites at the end of the year, through our existing Hive pub model and also the launch of our new concept Nest pubs where we completed 10 sites which have a more wet-led offer and are predominantly located on busy high streets and in communities.
- We further rolled out our evolved existing brands with investment in Greene King pubs and Chef & Brewer.
- In addition, we rolled out another site in our premium brand Crafted Pubs, with the Crown Inn, Penn bringing this format up to seven sites in total.
- We continue to trial new concepts, as we look to learn from bringing new and different experiences to our customers.

Culture – Creating a culture and environment through development programmes, investment in tools and training and use of our balanced scorecard giving our teams the freedom to succeed

- Our commitment to inclusion and diversity is unwavering and is at the heart of our culture. Our journey towards 'Everyday Inclusion' continued, and this year we invested in upskilling our teams to enable their own inclusion journeys. We delivered additional reverse mentoring programmes, as well as our Leading Inclusively programme for managers within our business. We launched the Ethnic Future Leaders Programme, aimed at nurturing the career progression of high potential team members who self-identify as belonging to a diverse ethnic background. By the end of 2024, Black, Asian, and ethnic minorities made up 8.34% of our workforce, progressing towards our goal of 10% by 2030.

- We continued our commitment to sharing lived experiences of our minority populations. Supported by our annual Inclusion and Diversity calendar, we recognised and celebrated many inclusion topics with events, awareness campaigns and learning opportunities for our teams across International Women's Day, Menopause Cafés, the Windrush Exhibition in our pubs, and showcased our partnership with Dattie's Soul Food again in our Black History Month and South Asian Heritage Month events. Aligned to our wellbeing plan, we supported different causes highlighted by our ELIGs including mental health campaigns, Andy's Man Club, Burnt Chef Project, and the Switchboard helpline for whom we raised £50,000 enabling them to continue to offer needed and valuable support to the LGBTQIA+ community.
- We moved from Bronze to Silver accreditation with WiHTL on their Equity, Diversity & Inclusion (EDI) maturity curve.
- We launched our senior management team development programme, to retain and advance our future talent, including the aim of achieving 50% female representation in senior management roles by 2030. We partnered with external experts to drive innovation through collaborative efforts, ensuring that our teams explore new ideas and approaches, enhancing their skills and expertise. We maintained 31.5% female representation in our leadership group and increased board representation from 27% to 40%.
- We launched our partnership with MOBOLISE, the career development platform, born from the iconic MOBO organisation to champion opportunity and diversity in hospitality. The MOBOLISE platform showcases available positions from across Greene King to MOBOLISE users, and we have plans to expand on this in 2025 with further collaboration.
- Additionally in our efforts to remove bias in our hiring processes, we launched Hiring Inclusively training which is completed by Hiring Managers prior to recruiting; and now share interview questions in advance to internal candidates to help our teams be at their best and increase our internal mobility efforts.
- Investment in our culture and people resulted in our Engagement survey showing Sustainable Engagement of 85% and team turnover improved 9 ppts to 57%.
- We won a number of awards during the year, including Best Apprenticeship Strategy at Springboard Awards, CEO Nick Mackenzie being listed as No1 Advocate in Involve HERoes list, and the business being recognised in Britain's Most Admired Companies.

People – Transform our culture and our team's experience to enable them to deliver our goal

- We embedded SmartRecruiters, our new recruitment platform, and invested in our careers social media presence, which significantly enhanced our talent attraction. We celebrated industry recognition through awards for Best In-House Attraction Team at the Recruitment Marketing Awards and Best Peer Nominated Recruitment Online award at the National Online Recruitment Awards.
- We aligned our front-end attraction videos, recruitment processes, and tools to embed our Service Foundations initiative, ensuring we recruit teams to deliver great customer experiences. The launch of our Easy Apply functionality for pub roles also ensures candidates get the best application experience.
- We launched an in-pub career pathway programme, designed to provide clear progression opportunities for pub team members, fostering talent retention and motivation.
- We rolled out Attensi, a gamified learning experience platform, for our in-pub teams. This has introduced engaging, interactive training for pub-based teams to enhance skill development and knowledge retention.
- We established a new learning governance process, implementing robust frameworks for prioritising, monitoring and evaluating learning initiatives across the business including supporting roll out and design of new legislative policy i.e. sexual harassment training.
- We launched a new induction programme for our Pub Leadership Teams and improved the training undertaken by all team members in order to give a better induction experience.
- To further enhance our culture, we improved leadership accountability through in-pub management development programmes and bespoke leadership programmes using 360 feedback tools and launched a set of competencies expected of our leadership group.
- We launched a number of new policies for our team members during the year, including an enhanced Paternity Policy, Fertility and IVF Treatment Policy, Carers Leave for Dependents including Emergency Leave Policy and a Sabbatical Policy

Environment and Social – Supporting our communities, giving people better lives through our work with Macmillan and reducing our environmental impact

- We celebrated the incredible milestone of over £20 million raised for Macmillan Cancer Support since 2012, including £3.9 million raised in 2024 – our highest amount raised in one year. The achievements of this partnership were recognised by the Business Charity Awards award for Most Effective Long-Term Partnership.
- We also won the Sustainability Award at MCA Hospitality Awards and Best Sustainable Pub Company at the Publican Awards
- We continued to deliver on our commitment to reach net zero by 2040 by deepening our collaborative engagement with key food and drink suppliers and widening our supplier engagement programme to include property and goods not for resale suppliers. This included a specific focus on deforestation.
- We engaged communities by sponsoring the Eden Project Communities Big Lunch, hosted over 300 community events in our venues in June, and gave away 2,000 meals at Christmas as part of our Christmas Community tables programme.
- We celebrated our first prison leaver apprentice through our programme and launched two more Prison Training Academies.
- Supported over 18,000 apprenticeships since 2011, with an apprentice having worked in 97% of pubs.
- We made significant process in embedding our sustainability programme and enhancing our governance processes. We released a new sustainability policy, supporting our commitment to proactively assess and mitigate environmental, social, and governance risks to ensure long-term sustainability and resilience in our operations.

Expand – Building a balanced portfolio of sustainable brands through targeted acquisitions and innovation

- Having invested in Hickory's in 2022 we continued the expansion of this exciting portfolio enhancing brand by opening a further 6 sites in 2024 bringing the total number of sites to 30. This remains an area of future investment with planning of future sites well underway. The brand continues to perform extremely well, delivering a strong return on capital post conversion.

Assets – Making the most of our assets, maximising their potential

- We improved our customer experience by investing £147m into capital projects in our pub estate, enhancing the quality of our assets and our brands particularly across Greene King pubs and Chef & Brewer. This included the movement of 20 managed pubs to new trading formats to better serve the customers their communities and 21 pubs into our Franchise formats in our Pub Partners division. The 2024 openings delivered strong returns and there is a healthy pipeline of available assets moving forwards.
- Our EV charging rollout continued with charging points available at 20% of our managed sites covering 1,450 bays – enhancing our assets and providing vital infrastructure to our customers and team members.

Digital – Build meaningful relationships with customers through digital and make it easy for them to connect with us

- We launched the new Greene King app, providing an enhanced customer experience, a seamless order & pay journey, with 2.5m people having already downloaded it. This resulted in an improved operational experience around wait times for our customers. The new app provides the foundation to leverage our customer data, increasing our known customers and personalising their experience to complement their visit.
- We completed delivery of the Customer Engagement transformation programme, which oversaw development of a single customer view database and integrated marketing automation platform, leading to known customer data growth and increased frequency from targeted customer relationship management (CRM) activities to millions of customers.
- We undertook further development of our website and WiFi merchandising strategy following re-platforming in 2023 to drive authenticity, personalisation and optimisation, driving increased website engagement and conversion including an increase of 15% year on year for online bookings.

Operational Excellence – Drive innovation and cost efficiency creating sustainably lower costs and ways of operating

- We have recently restructured our Executive Board and Central Support teams to be more agile and efficient. To support our continued business desire to drive innovation and reduce costs for the start of 2025 we have established a new function called 'Efficiency and Innovation'. This team has a clear remit to establish the most effective operating models and cost to serve plans for Greene King and gives us a real advantage over prior years to be even more effective in our cost to serve delivery programmes.
- In sites where we have installed voltage optimisation equipment, we have seen a 6% reduction in electricity consumption. Alongside this we have also started to rollout intelligent dispensing solutions which improve quality and yield compliance. These will both continue into 2025.
- Our Operational Excellence forum has been expanded to align governance and with clear accountability for the plan and how this will be executed in future years. This ensures that all teams are invested in the plan and working towards efficiency for our operations teams.

DIVISIONAL PERFORMANCE

During the year, we announced changes to the structure of the group's internal organisation. The way the financial and management information was presented to the board and the executive board (which consists of the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Experience Officer and three divisional Managing Directors) remains unchanged until the end of FY24 and therefore the group's reporting segments remain consistent year on year with activities being reported under four segments: Greene King pubs, Destination Brands, Partnerships & Ventures and Brewing & Brands.

The composition of the group's reporting segments changed at the start of FY25 which will mean Partnerships & Ventures will no longer be a standalone division, and the group will move from four divisions to three: Greene King pubs; Destination Brands and Ventures; and Brewing and Brands. The new structure will simplify and strengthen the business and support the group's long-term plans.

GREENE KING PUBS

Greene King pubs is our mainstream pub brand, with a clear ambition to be the Nation's Most Loved Pub Brand. These pubs are located in the heart of communities, high streets and cities across the country, providing hospitality and a home away from home to tens of thousands of customers every day. The Greene King brand has a rich history and is a favourite among consumers. We want to build on this to create a more distinct Greene King pubs brand which heroes our great people, fantastic pubs, outstanding experiences and high-quality, own-brewed beers. Greene King pubs has a unique identity and a clear role to build lasting value over time. It will complement our existing portfolio of brands, each of which play an important role for us in key segments of the market. We will have a customer-led approach at the centre of our offering, making sure Greene King pubs are top of minds for all key occasions, so customers naturally choose to visit us more often.

Greene King pubs consists of 878 managed pubs which focus on making customers feel at home; bringing people together; creating a friendly and welcoming environment; and taking pride in everything we do.

Greene King pubs has four business units - Community Pubs, Proper Locals, Urban and Food Pubs.

	FY24 52 weeks ended 29/12/24	FY23 52 weeks ended 31/12/23	% change
No. of pubs	878	898	(2.2%)
Revenue	£966.5m	£938.4m	3.0%
Adjusted EBITDA[1]	£192.9m	£176.0m	9.6%
Adjusted operating profit[1]	£135.7m	£121.7m	11.5%
Statutory operating profit	£120.2m	£132.5m	(9.3%)

1. Adjusted measures exclude the impact of adjusting items, for details see APMs on page 104.

Greene King pubs produced strong financial results with adjusted operating profit increasing by 11.5% year-on-year due to strong like for like sales (LFL) in 2024 driven by price and effective cost control. Our performance was particularly positive in the year, consistently outperforming the market. Statutory operating profit decreased by 9.3% which has been driven by the increase in property, plant and equipment and right of use asset impairment.

As we seek to build a stronger and more consistent Greene King pubs brand, we are focusing on creating strong foundations to ensure we have better trained and engaged teams, a key part of our brand. We invested in a service foundations programme which has seen a shift in the positive reviews being left by customers and an improved financial performance. We measure customer satisfaction as 'Reputation' on our Dartboard – our balanced scorecard metric, see page 14 - and in 2024 this score increased by 15 points.

Our engagement survey (Rant and Rave) achieved a 76% response rate with both Sustainable Engagement (85%) and Business Pride (84%) remaining broadly stable. Our team turnover improved by a further 10 ppts through the year, and 18 ppts over the last two years. In addition, Management Stability improved by 6 ppts over the last 12 months.

We continued to invest in our estate and accelerated our investment in our Community Pubs and Urban business units. Core investment capital expenditure for the year was £31m and we were pleased with the sales and profit performance at these sites. In total 42 Greene King pub sites benefitted from core capital investment in the year. We also completed eight transfers in from other areas of the group which, in the most part, we invested in as part of the internal move, whilst we transferred out 12 sites to other parts of the group.

2025 will be an exciting year for Greene King pubs – we will continue to roll out our brand identity, accelerate our investment plan as well as exploit new digital tools, including the app, to drive customer reach and volume.

DESTINATION BRANDS

Destination Brands represents a portfolio of distinct brands that provide valuable and memorable experiences across various market typologies and occasions within the value and mainstream markets. Our pubs and restaurants serve as a place for friends, families and communities to come together, offering great service, quality, and affordability for both dining and drinking occasions.

Each brand within our portfolio serves a specific purpose and plays a crucial role in our overall strategy. The key brands include Hungry Horse, Chef & Brewer, Farmhouse Inns, and Flaming Grill. Additionally, the Wacky Warehouse play brand is part of our family, and many of our pubs offer accommodation, with over 1,500 rooms available across our total estate.

Our primary focus remains on prioritising the customer experience. We aim to deliver exceptional customer satisfaction through continuous brand development. By striving for operational excellence, we ensure our estate evolves through strategic investments in new brands while preserving the inherent value of our existing uninvested estate.

	FY24 52 weeks ended 29/12/24	FY23 52 weeks ended 31/12/23	% change
No. of pubs	580	600	(3.3%)
Revenue	£799.2m	£787.4m	1.5%
Adjusted EBITDA[1]	£88.1m	£90.3m	(2.4%)
Adjusted operating profit[1]	£44.4m	£47.5m	(6.5%)
Statutory operating (loss)/profit	(£111.5m)	£51.8m	(315.3%)

1. Adjusted measures exclude the impact of adjusting items, for details see APMs on page 104.

Total revenue of £799.2m was up £11.8m or 1.5% versus FY23, with like for like (LFL) sales strong, and all brands in growth. LFL food sales out-performed drink, with both food and drink sales in growth but led by price increases, with the underlying market remaining challenging throughout the year. Despite the challenging market, accommodation sales held up and were also in growth.

The most notable highlight of 2024 was our market performance as we remained ahead of the market all year with our Farmhouse Inns restaurant division leading the way.

Our statutory operating profit reflected the impact of goodwill impairment of £98.6m in the period. The impairment of assets has been impacted by the uncertain outlook for the hospitality industry compounded by the government's Autumn Budget along with a significant increase in gilt yields reflecting the inflationary pressures in the economy. This has driven the group's discount rate from 8.6% to 9.1%.

Cost headwinds persisted during the year, affecting team costs and utilities, while the inflationary impact on food costs of goods started to decline. The actions taken to improve efficiency and manage cost increases helped limit the erosion of the EBITDA margin.

Our emphasis on providing an exceptional customer experience, coupled with our investment in the service foundations programme, has resulted in significant improvements in our customer metrics for the year, including a 28-point increase in our Reputation score, reaching an all-time high.

Our customer experience and thus the performance of our business is dependent on over 15,000 people who work in Destination Brands. We were delighted with the continued improvement in our people metrics notably the improvement in our New Starter Retention metric, which was up over 4 ppts and contributed to the overall 9 ppt fall in total team turnover over the course of the year, whilst engagement scores continued to be maintained at the high levels seen in the previous year.

Our capital investment programme continued to deliver strong returns with £14.6m development initiatives in the year on 22 projects.

Through 2025, our focus will be on further enhancing our brand propositions. This strategy includes investing in both our value brands and our mainstream brand. The ongoing brand pilots (as referred to on page 4) will extend into 2025, guiding us in shaping the future of our portfolio. We will maintain an unwavering commitment to prioritising our customers and simplifying our operational models to reinvest in customer satisfaction. Furthermore, in 2025, we will advance our digital training initiatives to support our most valuable asset - our teams - in consistently delivering exceptional customer experiences.

PARTNERSHIPS & VENTURES

Our Partnerships & Ventures division brings together the Pub Partners business, comprising of our leased and tenanted and franchise pub operations, and our Venture businesses, that operate in growth segments in the market, outside of Greene King's core offer, but which continue to leverage the expertise and scale of the group. The division had over 1,100 pubs, restaurants and hotels at the year end with revenues of £447.0m and an adjusted EBITDA of £112.2m.

	FY24 52 weeks ended 29/12/24	FY23 52 weeks ended 31/12/23	% change
No. of pubs	1,114	1,125	(1.0%)
Revenue	£447.0m	£420.9m	6.2%
Adjusted EBITDA[1]	£112.2m	£106.0m	5.8%
Adjusted operating profit[1]	£83.2m	£78.3m	6.3%
Statutory operating profit	£47.1m	£45.3m	4.0%

1. Adjusted measures exclude the impact of adjusting items, for details see APMs on page 104.

The division made significant progress during the year increasing its contribution to the group:

- Our Pub Partners business continues to show robust performance and comprises of 974 quality leased and tenanted pubs that continue to generate significant and stable cashflows for the group. Our franchise pubs, which saw significant growth during the year, increased to 74 sites. This growth was driven by the continued rollout of our Hive pubs model and the introduction of Nest pubs; a franchise model focused on a more wet-led proposition. Both Hive and Nest pubs comprise of well invested assets converted from either our leased and tenanted or our fully managed pub estate. The 2024 openings delivered strong returns and there is a healthy pipeline of available assets moving forwards.
- Hickory's Smokehouse, a leading BBQ smokehouse restaurant operator, joined Greene King in October 2022 and now consists of 30 restaurants, having successfully converted a further 6 assets from former Greene King sites in 2024. The brand continues to perform extremely well, delivering a strong return on capital post conversion. The core business is performing in line with expectations, with conversions expected to grow by a further 10 sites during 2025.
- Venture Hotels consists of a collection of 39 quality hotels which brings together our accommodation led assets, led by a separate management team focused on maximising returns in this market segment. During 2024 we opened the renovated White Horse (Rottingdean), the first hotel trading as part of our new upscale brand Everly Hotels Collection.
- Metropolitan Pub Company has 64 high quality pubs with a large proportion of these assets located in London. The business operates a premium food and drink offer in urban and suburban locations. The business continues to focus on elevating the customer proposition, delivering outstanding service and driving efficiency in operating margins. In addition, there was targeted investment in the year to ensure assets remain of a high quality in line with customer expectations.
- Crafted Pubs, our premium destination dining concept connects two key parts of our strategy, being growth through compelling brands and asset optimisation, with assets in more premium demographic areas transferred in from other parts of the managed pub estate. Crafted Pubs grew to seven sites during 2024 with the latest opening, The Crown, Penn, opening in October 2024.

Partnerships & Ventures revenue grew by 6.2% to £447.0m in 2024, which was driven through investment in venture brands, asset optimisation and growth in our franchise pub models.

The division made an adjusted operating profit of £83.2m, which was 6.3% ahead of last year. The increase in profit versus the prior year primary reflects the continued investment in Hickory's and franchise pubs.

Our statutory operating profit reflected the impact of goodwill impairment of £23.5m in the period. The impairment of assets has been impacted by the uncertain outlook for the hospitality industry compounded by the government's Autumn Budget along with a significant increase in gilt yields reflecting the inflationary pressures in the economy. This has driven the group's discount rate from 8.6% to 9.1%.

Development capital expenditure for the division totalled £25.8m with investment focused on maintaining and improving the quality of assets in the core estate and optimising assets through conversions and brand building investments.

As noted on page 7 at the start of 2025 the Partnerships business moved into Greene King pubs and the Ventures division into Destination Brands and became Destination Venture Brands, as a result Partnerships & Ventures will not be a standalone division going forward. Both Partnerships and Ventures remain an important part of the strategic direction of the group, looking forward we expect to continue to invest in asset optimisation and expand our Venture Brands. This will include the continued rollout of the Hickory's brand and plans to build presence through our premium operations. We also will continue to grow our franchise estate and support our leased and tenanted partners with significant investment into the estate.

BREWING & BRANDS

Brewing & Brands brews, sells and distributes a diverse portfolio of beers manufactured from its two distinct breweries in Bury St Edmunds and Dunbar, in addition to wholesaling other brand owner products into various markets. The business supplies drinks into the entire Greene King estate, as well as trading with external customers through multiple different selling channels spanning the on trade, off trade and export markets.

	FY24 52 weeks ended 29/12/24	FY23 52 weeks ended 31/12/23	% change
Revenue[2]	£237.8m	£228.7m	4.0%
Adjusted EBITDA[1]	£31.2m	£32.2m	(3.1%)
Adjusted operating profit[1]	£19.4m	£21.3m	(8.9%)
Statutory operating profit	£18.1m	£21.0m	(13.8%)

1. Adjusted measures exclude the impact of adjusting items, for details see APMs on page 104.

2. Revenue disclosed is entirely in relation to third party customers.

Revenue of £237.8m was up 4.0% versus FY23 with adjusted operating profit at £19.4m, down 8.9%. Revenue growth was driven by price with overall volumes decreasing. Despite softer market-wide trading conditions, which have seen an overall decline in total beer volumes versus the prior year, the division achieved volume growth in two of its markets, the English free trade (+1%) and off trade (+2%).

Adjusted operating profit continues to be challenged by inflation, while beginning to stabilise and subside from levels seen in 2023, it remained above historical norms. A focus on operational efficiencies, cost control measures and a reduction in marketing investment, served to mitigate the majority of inflation absorbed, particularly in the cost of products supplied by other producers, raw materials, canning, utilities, labour and third-party distribution.

Across the year, the division maintained a close focus on its customer-first approach, demonstrated most notably in achieving the number one ranking for UK Beer and Cider Suppliers, as voted by Tesco, in the 2024 Advantage Survey. Many of our beers, old and new, also attained independent recognition, earning multiple awards across our portfolio. A key highlight included 2* Great Taste Award for Old Crafty Hen and 1* for Old Master Hen.

Strong growth in 'Premium Beers' remains a priority, to increase the presence of modern beer styles and branding to enhance our exposure to future profitable growth categories. Premium Beer volumes grew 21% in FY24 supported by a significant marketing investment programme. Greene King held its position in the craft market at number four and increased share from 5.5% to 5.7%, and was one of relatively few brewers to do so in the top 10, remaining behind only Heineken, Budweiser and BrewDog.

Protecting core brands in the declining traditional/cask ale categories also remains a focus and, in the off trade, our volume share of the traditional ale market grew from 18.0% to 19.0%, demonstrating the strength and resilience of Greene King brands. In the on trade, Greene King became the number one cask ale brewer in Great Britain in 2024.

Our annual team member engagement survey was completed with over 600 participants taking part in the survey, achieving a response rate of 84%. Our Sustainable Engagement and Business Pride results remained broadly in line with the prior year.

The division invested over £20m in capital projects during the year, up £6m year on year and included the purchase of land to develop the new £40 million custom-built brewery, which we announced in April 2024 and secured planning permission on in January 2025. We also invested in cellar services assets and into the new Bury St Edmunds warehouse and IT.

Looking ahead to 2025, the business remains committed to building on its strong foundations by driving further growth in premium beer volumes and growing market share in both the on and off trade markets. In addition, the new brewery project is now beginning to gather pace with the build phase to commence in 2025, which will set the foundations for the next chapter in our rich brewing heritage.

FINANCIAL REVIEW

Income Statement

	Statutory			Adjusted[1]		
	52 weeks 29 December 2024 £m	**52 weeks 31 December 2023 £m**	**YoY change**	**52 weeks 29 December 2024 £m**	**52 weeks 31 December 2023 £m**	**YoY change**
Revenue	2,450.5	2,375.4	3.2%	2,450.5	2,375.4	3.2%
Operating (loss)/profit	**(16.4)**	**167.2**	**(109.8%)**	**198.0**	**186.1**	**6.4%**
Net finance costs	(130.7)	(122.0)	7.1%	(130.7)	(122.3)	6.9%
(Loss)/profit before tax	**(147.1)**	**45.2**	**(425.4%)**	**67.3**	**63.8**	**5.5%**

1. Adjusted measures exclude the impact of adjusting items, for details see APMs on page 104 and note 5 for adjusting items.

Revenue was £2,450.5m, an increase of 3.2% compared to the 52 weeks ending 31 December 2023, with increases in all four revenue generating segments versus the prior period primarily driven by pricing

- Greene King pubs revenue was up 3.0% to £966.5m
- Destination Brands revenue was up 1.5% to £799.2m
- Partnerships & Ventures revenue was up 6.2% to £447.0m
- Brewing & Brands revenue was up 4.0% to £237.8m.

Adjusted corporate costs of £84.7m (prior period: £82.7m) are broadly flat year on year. Statutory corporate costs of £90.3m are up £6.9m on the prior period largely due to costs associated with restructuring the organisation of £13.0m and other corporate transaction and project costs of £1.8m, offset by profit on disposal of corporate unlicenced properties £9.6m.

The Group's Adjusted operating profit increased by 6.4% to £198.0m.

The group's statutory operating profit declined during 2024 compared to 2023 primarily due to impairment of some of the group's assets including goodwill, property plant and equipment and right of use assets, see further details below in the balance sheet section.

Net finance costs before adjusting items were up 7.1% to £130.7m, primarily due to the increase in interest rates seen during the year.

Tax – total taxes of £544m were paid in the year, up £26m on 2023

The effective rate of corporation tax (before adjusting items) for the group is 27.9% (prior period: 24.8%) compared with the UK corporation tax rate of 25%. Adjustments to the rate are driven by non-adjusting accounting movements on property, plant and equipment (+2.2%) and right of use assets (+0.7%). This resulted in a tax charge against operating profits (before adjusting items) of £18.8m (prior period: £15.8m). The adjusting tax credit of £12.4m (prior period: £10.7m) is discussed under adjusting items.

The group generates revenue, profits and employment that deliver substantial tax revenues for the UK government in the form of VAT, duties, employment taxes and corporation tax. In the year, total tax revenues paid by the group were c.£544m (prior period: c.£518m). The group's tax policy, which has been approved by the group's board committee, and which will be subject to regular review by the board of directors of the group, has the objective of ensuring that the group fulfils its obligations as a responsible UK taxpayer.

Adjusting Items

Adjusting items were a charge of £216.0m (prior period: £7.9m), consisting of a £214.4m (prior period: £18.9m) charge to operating profit, a £nil (prior period: £0.3m) credit to finance costs and a net adjusting tax credit of £9.6m (prior period: £10.7m). Items recognised in the year included the following:

1. A net impairment charge on property, plant and equipment and right-of-use assets of £86.4m (prior period: £16.7m).
2. £13.0m (prior period: £1.8m) of restructuring costs and other legal and professional fees.
3. £9.3m net profit (prior period: loss £4.2m) on disposal of property, plant and equipment, leases and investment property.
4. £1.8m charge (prior period: £2.2m) in respect of professional fees on corporate transactions and projects.
5. A gain of £0.3m (prior period: £1.6m) in respect of the revaluation of investment property.
6. £0.3m credit in respect of insurance proceeds relating to damaged assets (prior period: £4.1m).
7. A goodwill impairment charge of £121.1m (prior period: £nil) relating to Destination Brands and Partnerships & Ventures.
8. An exceptional depreciation charge of £1.0m (prior period: £nil) in respect of accelerated depreciation on brewery assets following the announcement of the group's plan to build a new custom-built brewery.
9. The adjusting tax credit of £12.4m (prior period: £10.7m) is made up of a tax credit of £21.5m on the above adjusting items, offset by an adjusting tax charge of £9.1m which predominately represents the impact of final capital allowances claims and an adjustment for right-of-use assets.

Cashflow

	52 weeks ended 29 December 2024 £m	52 weeks ended 31 December 2023 £m
Adjusted EBITDA[1]	353.0	329.2
Working capital (excluding adjusting cash items)	1.8	42.7
Net interest paid[2]	(110.0)	(102.1)
Tax paid	(5.1)	(13.9)
Adjusted cash generated from operations[2]	**239.7**	**255.9**
Core capital expenditure	(172.7)	(194.8)
Net repayment of trade loans	(0.7)	-
Repayment of lease liabilities	(53.7)	(51.5)
Free cash flow[2]	**12.6**	**9.6**
Investment property expenditure	(5.7)	(1.1)
Net disposal proceeds	25.2	4.4
New build capital expenditure and freehold purchases	(28.4)	(29.9)
Adjusting items	(11.5)	25.0
(Repayment)/advance of borrowings	(7.8)	24.6
Net (decrease)/increase in cash and cash equivalents	**(15.6)**	**32.6**

1. Adjusted EBITDA represents earnings before interest, tax, depreciation, amortisation and adjusting items, for details see APMs on page 104.
2. Adjusted measures excluding the impact of adjusting items, for details see APMs on page 104.

The full year adjusted cash inflow from operations was £239.7m (prior period: £255.9m) demonstrating the strength of the group's trading performance despite a challenging economic environment and a range of ongoing cost headwinds. The group generated a free cash flow of £12.6m (prior period: £9.6m). Overall, the cash outflow for the period was £15.6m (prior period: inflow £32.6m) after funding capital expenditure of £206.8m (prior period: £225.8m) and rent payments of £53.7m (prior period: £51.5m). A net cash outflow on adjusting items of £11.5m primarily related to payments made as part of the group restructure in Q4 2024 and deferred consideration payments in respect of the 2022 acquisition of Hickory's (prior period: £25.0m primarily relating to cash received from HMRC in relation to VAT on gaming machine income).

There was a net cash repayment (excluding arrangement fees) of borrowings during the year of £7.8m (prior period: advance of £24.6m).

The group delivered a full programme of core maintenance and development capital expenditure including investment in a range of transformation and asset optimisation projects. The group's non-core capital expenditure programme included investment to grow the Hickory's brand via conversions of existing assets, as well as the purchase of freehold land for the purpose of developing the group's new custom-built brewery site. Net disposal proceeds of £25.2m were generated from the disposal of various non-core assets.

In order to support its long-term strategic priorities, the group's objective is to maximise the strength and flexibility of its balance sheet, and to maintain a capital structure which meets the short, medium, and long-term funding requirements of the business. The principal elements of the group's capital structure are its £1,100m bank facilities, which were £955m drawn at the year end, a £1,500m revolving loan facility with CKA Holdings UK Limited, which was fully undrawn at the year end, a £311m loan advance from CKA Holdings UK Limited, and a long-term asset-backed financing vehicle which has bonds outstanding with a nominal value of £964.7m.

In April 2024 the group extended the maturity of its unsecured revolving loan facility with CKA Holdings UK Limited to November 2028. In December 2024 CKA Holdings UK Limited provided a £311m interest-free, repayable on demand loan advance to the group, which was used to repay in full the drawn balance under the revolving loan facility. The existing £1,500m revolving loan facility remains in place and is fully undrawn at the balance sheet date.

In October 2024 the group executed a new 5-year £100m term loan facility with The Hongkong and Shanghai Banking Corporation. The purpose of the facility was to restore bank facility headroom which had been depleted by scheduled principal repayments under the Greene King securitisation bonds, in the context of the majority of the group's cash generated from operations having been reinvested through capital expenditure during the year.

In December 2024 the group executed a new five-year £200m term loan facility with Industrial and Commercial Bank of China (Asia) Limited (ICBC). The purpose of the facility was to refinance a £200m revolving credit facility with Scotiabank which was repaid in full in December 2024 upon its maturity.

At the year end, the Greene King securitisation had secured bonds with a group carrying value of £957.8m (prior period: £1,019.5m) and an average life of six years (prior period: seven years), secured against 1,436 pubs (prior period: 1,460 pubs) with a group property, plant and equipment carrying value of £1,980.m (prior period: £2,019.2m).

The group maintained covenant compliance in the Greene King securitisation throughout 2024, with all financial covenants being passed in respect of each of the March 2024, June 2024, September 2024 and December 2024 test dates.

The group's liquidity position remains strong reflecting the resilience of the group's capital structure. The group's average cash cost of debt increased to 5.1% from 5.0% last period, and at the year end 59.9% of the group's net debt was at a fixed rate. The Greene King secured vehicle had a four-quarter lookback FCF DSCR of 1.5x at the year end, giving 73% headroom to the covenant limit of 1.1x.

Overall, the group's net debt excluding lease liabilities marginally increased by £8.6m to £2,117.7m.

Balance sheet

	29 December 2024 £m	31 December 2023 £m
Goodwill and other intangibles	816.4	940.0
Property, plant and equipment (inc. investment property and assets held for sale)	3,969.1	3,990.6
Post-employment assets	48.4	64.5
Net debt (excluding lease liabilities)	(2,117.7)	(2,109.1)
Derivative financial instruments	(13.9)	(30.7)
Trade and other payables	(450.1)	(459.6)
Net IFRS 16 liability	(62.1)	(54.8)
Other net assets	143.7	150.9
Net assets	2,333.8	2,491.8
Share capital and premium	1,223.4	1,223.4
Reserves	1,110.4	1,268.4
Total equity	2,333.8	2,491.8

Goodwill and other intangibles

Goodwill and other intangibles reduced by £123.6m year on year, with £122.2m of this movement as a result of impairment of goodwill in respect of the Destination Brands and Partnerships & Ventures divisions. The impairment of assets has been impacted by the uncertain outlook for the hospitality industry compounded by the government's Autumn Budget along with a significant increase in gilt yields reflecting the inflationary pressures in the economy. This has driven the group's discount rate from 8.6% to 9.1%.

Property plant and equipment

Property plant and equipment remained flat year on year despite an in-year impairment charge of £85.1m and depreciation of £115.6m. This is due to the group's continued investment in its estate, digital initiatives and brewery operations. In April 2024 the group announced its plans to build a new custom-built brewery, and planning permission for the new brewery was granted in January 2025 following the purchase of land and submission of the planning application during 2024.

Derivative financial instruments

The net liability position on the group's derivative financial instruments has reduced year on year due to an increase in market interest rates.

Pensions

The group has two defined benefit schemes, which are closed to new entrants and to future accrual.

At 29 December 2024, there was an IAS 19 net pension asset of £48.4m representing a decrease of £16.1m since 31 December 2023. The closing assets of the group's two pension schemes totalled £561.2m and closing liabilities were £512.8m compared to £629.0m and £564.5m respectively at the previous period end. Included in the remeasurement are key assumptions relating to the discount rate of 5.5% (prior period: 4.5%), RPI inflation of 3.2% (prior period: 3.1%) and CPI inflation of 2.7% (prior period: 2.5%). Following the funding valuation in 2022 it was agreed company contributions to the Greene King pension scheme would be made into escrow, and total cash contributions the period were £3.2m into escrow (prior period: £3.5m).

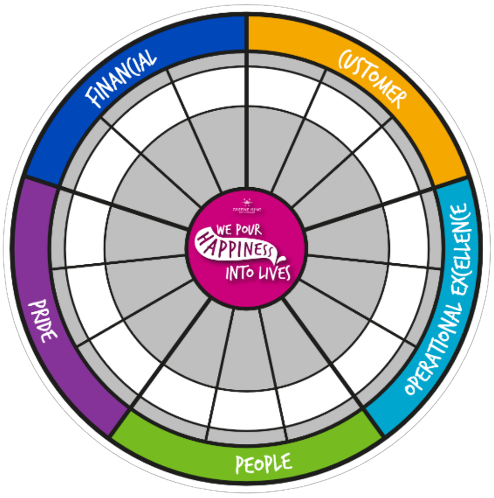
Dividend

No dividend was proposed by the board in the current or prior period.

KEY PERFORMANCE INDICATORS

The group uses a balanced scorecard, called the Dartboard to assess the performance of the group. There are a number of Dartboards used across the business; there is at least one per division and one for the group. The metrics disclosed in the tables below are based on the group Dartboard.

There are 15 key performance indicators (KPIs) reported in the Dartboard that are structured around five pillars which promote our strategic objectives around people, operations, customers and pride as ways to target sustainable financial outcomes. Each KPI is measured using a blue, red, amber, green (BRAG) system on a periodic and year to date basis. A large number of the KPIs are measured against budget or an internal or external metric, but to demonstrate how we measure the performance of the business, one KPI per pillar has been set out and commented on in the table below. The KPIs selected are those that have most relevance and meaning to an external reader based on how the KPI is measured.



FINANCIAL
Adjusted operating profit[1] (£m)

Adjusted operating profit is reconciled on page 51.

2024	**£198.0m**
2023	£186.1m
2022	£192.6m

Summary
The group's adjusted operating profit increased during 2024 compared to 2023 predominantly driven by sales growth and cost efficiencies in the business despite cost headwinds.

FINANCIAL
Free Cash Flow (£m)[1]

Free cash flow is reconciled on page 104.

2024	**£12.6m**
2023	£9.6m
2022	£13.1m

Summary
The group remained cash generative demonstrating the strength of the group's trading performance despite a range of ongoing cost headwinds.

CUSTOMER
Group sales (year on year) (%)

Sales growth or decline measured versus the prior year.

2024	**3.2%**
2023	9.1%
2022	(0.4%)

Summary
2024 group sales grew with sales up in all four reporting segments.

OPERATIONAL EXCELLENCE
Safety & Compliance

Measured as an average of each the component metrics for each operational division. Divisions with managed pubs are assessed on food hygiene scores, Pub Partners on SafeStart and Brewing & Brands on RIDDOR (The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) accidents.

2024	**100%**
2023	100%
2022	100%

Summary
All four divisions met their safety targets for the period.

PEOPLE
Sustainable Engagement (%)

Measured using a sustainable engagement model, which is 3 questions in the Willis Towers Watson engagement survey (Rant and Rave)

2024	**85%**
2023	87%
2022	84%

Summary
The survey indicated that 85% of our employees are engaged, enabled and energised, a broadly flat score year on year.

PRIDE
Business Pride Score (%)

Measured using the answer to "I am proud to be associated with Greene King" within the Willis Towers Watson engagement survey (Rant and Rave)

2024	**84%**
2023	85%
2022	85%

Summary
The survey indicated that 84% of our employees are proud to work at Greene King, a consistent score on the prior year.

1. Adjusted measures excluding the impact of adjusting items, for details see APMs on page 104

DIRECTORS DUTIES UNDER SECTION 172 COMPANIES ACT 2006

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 period (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 interests of the company's employees,
- 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.

Engaging with stakeholders. The success of our business is dependent on the support of all of our stakeholders. Building positive relationships with stakeholders that share our values is important to us and working together towards shared goals assists us in delivering long-term sustainable success. The group's key stakeholders are as follows:

Shareholders. The company is a wholly owned subsidiary of CK Asset Holdings Limited (CKA), a limited liability company incorporated in the Cayman Islands, registered in Hong Kong, and listed on the Main Board of the Hong Kong Stock Exchange. The board has continued to ensure that there is appropriate engagement by the company with CKA. Certain members of the board of CKA receive copies of the company's board meeting packs and are invited to attend and ask questions at the company's board meetings; this ensures that there is direct contact between the two boards and that the company's parent is fully informed of the company's activities. As well as an update from the company's CEO, the company's board receives and reviews reports on the company's financial performance, on matters relating to employees and on audit and risk related matters.

Team members. Our people are our greatest asset with an average of around 40,500 team members employed across the group during the year. Attracting and retaining the best people and developing and investing in them is critical to our continued success.

Key areas of focus for the business in relation to team members this year included a harmonisation of terms and conditions and a re-organisation of support centre structures, as well as recruitment, retention, health and wellbeing, development opportunities, pay and benefits.

Staff turnover fell during the year due to our culture change programme, which created a much-improved working environment, and the improvements in our employee proposition.

Inclusion and diversity across the business has continued its momentum, particularly within our four Employee-Led Inclusion Groups (ELIGs):

- Village Greene – our LGBTQ+ focused employee-led inclusion group
- Unity – our Black, Asian and minority ethnic focused employee-led inclusion group
- Greene Sky – our female focused employee-led inclusion group
- Ability – our disability focused employee-led inclusion group

Each ELIG has an executive board member sponsor, and, given the restructure, some new appointments will be made in 2025. The ELIGs provide an important forum for raising awareness of issues and concerns facing the community they represent. Examples from 2024 include hosting events in our support centres for South Asian Heritage Month, supporting the social history of the Windrush Generation into our pubs during Black History month by creating the 'Windrush Front Room' exhibit, the announcement of our inclusive Fertility & IVF Treatment policy as the latest addition to our suite of family-friendly policies, and collaborating to release the Moving Forwards podcast mini-series for mental health awareness week. We also continued our inclusion podcast series, 'Pint of Perspective,' to support diverse recruitment efforts and engage team members. This series, featuring members of our ELIGs, shared personal stories and motivations, demonstrating the power of storytelling in inspiring change. During the year, Greene King also achieved a bronze Inclusive Employers Standard Award, and we were praised for our organisational commitment to inclusion, as well as being a strong role model both within the hospitality industry and beyond.

Regular reports about what is important to our team members are made to the board ensuring consideration is given to their needs. There are many ways we engage with and listen to our people including forums, listening groups, face-to-face briefings, internal communications and Kingdom (our team member app), and a key performance indicator is our employee engagement survey. As part of our annual engagement plan, we carry out two listening surveys per year across the business, known as Rant and Rave, which measure amongst other criteria levels of engagement and business pride. The business consistently sees response levels above industry norms showing trust in our people to give true feedback and an acknowledgement of our commitment to take action and make improvements that support the development of our culture linked to longer term enhanced business performance levels.

The board receives an insights report following each engagement survey and all leaders and managers receive detailed reports for their areas. These reports form the basis of action plans addressing key areas identified in the engagement surveys at group and divisional levels. To ensure that team members have transparency and reassurance that we listen to feedback, the business has continued to work on providing increased opportunities for them to share their voices alongside continuing to improve internal communications channels. Throughout 2024 feedback from the engagement surveys demonstrated a desire for better tools for people to do their jobs, that people want to develop and grow careers within Greene King, and continued focus on authentic and open two-way communication across all levels of the business to further build on the positively evolving culture that truly aims to 'Pour Happiness Into Lives'. As a result, the business took steps to implement a new human capital management system which goes live in the first half of 2025, streamlining processes and reducing burden. 2024 was also a year for enabling clearer career pathways and internal mobility commitments, alongside the successful roll-out of a 'gamified' digital learning provision to pub-based team members to make learning a more enjoyable and accessible experience.

Customers. We place customers at the heart of everything we do and aim to Pour Happiness Into Lives. We regularly benchmark against the best in class in terms of brand positioning and customer service levels. In 2024, we were the first hospitality business to achieve a nationwide Best Bar None accreditation, delivering best practice in customer and team members' safety and welfare in all of our managed pubs, with a 100% pass rate. Notable achievements recognised by the board include the launch of the new customer app, the development of our loyalty strategy and the completion of the roll-out of the new booking platform which began in 2023.

The board is given details of relevant customer insights based on a number of inputs from customer surveys, market data and forward-looking horizon scanning exercises and also of any significant health and safety related issues relating to our customers. The board is also regularly updated on customer attitudes towards the economic environment, which this year have been particularly important given the uncertainty with high interest rates and cost of living pressures.

Tenants and franchisees. Greene King's Partnerships manage our tenanted, franchised and leased pubs. We engage with our tenants and franchisees on a regular basis, including through meetings with our business development managers and through tenant surveys, to ensure that we are aware of the key issues affecting them and their business and offer support and assistance where possible.

During 2024, Pub Partners continued with its roll out of the Hive and Nest pub franchises, each designed to give franchisees a ready to trade pub within a proven branded concept. In 2024, 14 sites were converted into Hive franchise pubs and 10 sites into Nest franchise pubs. The success of Greene King's Pub Partners team is dependent on the success of our licensees, so supporting our licensees is paramount to the success of Pub Partners. We have several different agreement types in place designed to best align the interests of Greene King with those of its licensees and support long and successful tenures.

Suppliers. Building strong relationships with our suppliers and developing lasting partnerships is one of the keys to our success and the launch of our supplier ESG engagement platform, Greene King Engage, in 2023 has been key to supporting this Greene King Engage has allowed us to interact with our suppliers in relation to a specific Science Based Targets initiative Deforestation Campaign to help us learn more about our suppliers in this area. We released a new supplier code of conduct which covers a range of basic requirements we expect our suppliers to meet, including that all employees in the supply chain shall be free from modern slavery, free to choose their employment and shall not be forced to work against their will. There shall also be no forced, bonded or involuntary prison labour or human trafficking.

With the general economic and inflationary pressures that continued to be felt throughout the year, our purchasing teams have worked hard to mitigate cost increases and to source alternative products and /or suppliers where appropriate.

We ensure our supplier payment performance as required by the Payment Practice Code is reported and throughout 2024, we continued to evaluate and improve our processes to pay as many suppliers as possible to agreed terms, further ensuring we maintain and build long-term collaborative relationships with our suppliers.

Debt holders. The group has a secured financing vehicle with bonds listed on the Irish Stock Exchange. Biannual reports on the financial performance of the vehicle are made available to bondholders on the group's website and regulatory information is published via the Regulatory Information Service provided by the stock exchange and disseminated to bondholders via the clearing systems. An annual investor presentation takes place following the publication of the group's annual report to update bondholders on the group's performance and strategy, as well as giving bondholders the opportunity to submit questions for response by senior management.

The group also receives funding from certain banks, principally in the form of term facilities and revolving credit facilities, and senior management engages proactively with the group's bank lenders on an ongoing basis.

Pension trustees. The group has two final salary pension schemes, both of which are closed to new members and future accrual. The company's Director of Group Finance engages proactively, including via meetings, with each pension scheme trustee board on a range of matters, including triennial valuations, funding levels, journey planning as well as future investment strategy. The most recent triennial valuations of both schemes (in respect of valuation dates in 2021) were completed in 2022, and the next triennial valuations (in respect of valuation dates in 2024) commenced in 2024 and are expected to be completed in 2025. In respect of the Greene King scheme, the group continues to pay company contributions into an escrow account as stipulated by the recovery plan agreed with the trustees of the scheme following the completion of the 2021 valuation.

Government and regulatory authorities. We engage with the government, politicians, and regulators through a range of methods providing insight and assistance on policies that impact the business. In particular, we have worked with the Ministry of Justice in relation to our support for programmes to encourage prison leavers back into the workplace and build a career in hospitality. Our Chief Executive Officer, Nick Mackenzie, also sits on the government's hospitality sector council which is a group of experts representing a cross-section of the industry and is chaired by the Department for Business and Trade minister responsible for hospitality. The council is a collaboration between government and the hospitality sector and aims to co-create solutions and to support the delivery of the government's hospitality strategy.

Nick Mackenzie (CEO) also continued as Chair of the British Beer and Pub Association, the trade body which represents the voice of the sector. The business also continues to be a member of UKHospitality which lobbies and liaises with the government and regulatory bodies on matters affecting the industry. During 2024, we launched our report 'Brewing Ambitions – The Role of Pubs in Breaking Down Barriers to Opportunity' in the Houses of Parliament to demonstrate the ongoing work to champion careers for all in hospitality, including our apprenticeships, supported internship programme and commitment to training and hiring prison leavers. The work of these trade bodies and wider efforts, including from Greene King, contributed to the decision by the government last year to announce a review of the business rates system in England. We are in regular contact with local authorities in relation to property, licensing and health and safety matters, working proactively with them where appropriate. We also continue to have ongoing contact with HMRC in relation to tax matters.

Community. Greene King is proud to engage extensively with the communities it serves. Predominantly this occurs at a local level in ways which are relevant to each location. Examples include engagement in residents' associations, community groups and Suffolk's Chambers of Commerce. We embarked on a two-year partnership with the Eden Project Communities and its new 'Closer Communities' programme to help reduce loneliness and social isolation by providing the opportunity to come together and connect; as part of this, in 2024 we hosted a Big Lunch in 350 of our pubs welcoming around 11,000 people. Other examples of community engagement are our activity with charity partners such as Macmillan Cancer Support, which reached a £20m fundraising milestone during the year and our grassroots sport support through our Proud to Pitch in programme.

Landlords of leasehold properties. Whilst the majority of our pubs and restaurants are freehold properties, we do operate a number of leasehold sites owned by a range of landlords. Engagement with such landlords primarily concerns rent, repairs and energy data.

Case studies

1. New brewery and distribution centre at Suffolk Business Park

In April 2024, supported by the board and the board committee, we announced our plans to invest £40m in a new state-of-the-art brewery in Bury St Edmunds due to open in 2027. It will be a custom-built, modern facility which provides a long-term future commitment to British brewing and the production of cask ale, alongside our newer premium craft beer brands. The board noted that the project aligns with our strategic driver of optimising our assets and delivering on our strategy to be a modern hospitality business. The new operation will be located next to our new distribution centre on Suffolk Park and will improve the sustainability of our brewing operations. Per pint, water usage in the brewing process will be reduced by more than 50%, alongside other improvements in energy efficiency. The board noted that our commitment to build the new brewery also enables us to continue being a leading local employer for many years to come.

We launched a new brewery consultation website where details of our plans were clearly set out. We held public consultations held via drop-in sessions and a live webinar which ensured that we engaged directly with our stakeholders, including the local community. Following feedback from our stakeholders during the consultation period, amendments were made to the planning application which facilitated positive changes to the scheme, including updated drainage and landscape design; changes to the building design to improve functionality and reduce quantities of materials used in construction; and details of how parking will be managed at the new brewery. The site layout has been designed to provide flexibility between the new brewery and new distribution centre.

Over the last two years, Greene King has invested in a new multi-million-pound distribution centre, adjacent to the proposed site for the new brewery in Bury St Edmunds, as well as over £9 million in our historic Belhaven Brewery in Dunbar, as further evidence of our commitment to brewing in the UK.

2. New franchise concept

In line with our growth strategy goal, we continued to invest in our new franchise model. Our Pub Partners division launched its Hive Pubs franchise offer in late 2021 and opened its 50th Hive Pub in 2024. A Hive Pubs franchise agreement offers licensees a ready-to-trade pub with a proven branded concept, a guaranteed income and a percentage of food and drinks sales. On top of this, franchisees also get a share of the profits in their pub and can earn a bonus, too. This enables us to work collaboratively with our franchisees towards an aligned goal. We enable our franchisees to succeed with business support, training and comprehensive guides whilst giving them the freedom to run their pub in their way.

Following the success of Hive Pubs, our Partnerships business unit unveiled its newest franchise pub concept during 2024, Nest Pubs. Hive Pubs will continue to expand and grow alongside Nest Pubs. In contrast to Hive Pubs, which focuses on food offerings, Nest Pubs focuses on wet-led establishments located on high streets and within community settings. The board noted that strategic investment into the right concept at each site would help to drive returns from our estate. Nest Pubs provide great value, an excellent experience, a calendar of entertainment and regular sport with the benefit of subscriptions to sports broadcasting, with the sporting offer being a key feature of the concept. We have focused on what our franchisees want and what our customers are asking for. Nest Pubs have their own unique identity, look and feel, and Greene King supports the refurbishment of each new Nest Pub, so it can deliver the franchise concept fully.

Across the Greene King estate we have seen an increased demand from our customers for plant-based options. The primary food offering in Nest Pubs is pizza and whilst still keeping the delivery and service of food simple and efficient, without the need for dedicated kitchen staff, Pub Partners expanded this in 2024 with a collaboration with Pieminister, including plant-based options. With the support of the board, Pub Partners opened 14 Hive Pubs and 10 Nest Pubs in 2024.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk management is critical to the safe and successful delivery of our operations and our strategic goals. The following statement in our Risk Policy makes it clear to all employees the importance of risk management.

Greene King recognises that the effective management of risk is critical to achieving its future strategy and current business objectives. Every part of the business has defined deliverables and is required to review their risk environment to:

- identify risks to the achievement of those deliverables
- assess the impact and likelihood of the risks materialising
- implement effective actions designed to:
    - facilitate safe, economic, effective and efficient operations
    - achieve defined deliverables
    - safeguard company assets from loss, inappropriate use or fraud
    - enable compliance with Greene King's internal controls
    - remain within the stated risk appetite
- take appropriate risk to realise opportunities

Greene King also requires every part of the business to monitor, communicate and report changes in the risk environment and the effectiveness of actions taken to manage identified risks on an ongoing basis. Clear accountability for risk ownership and risk treatment actions is expected at all levels.

How we manage our risks

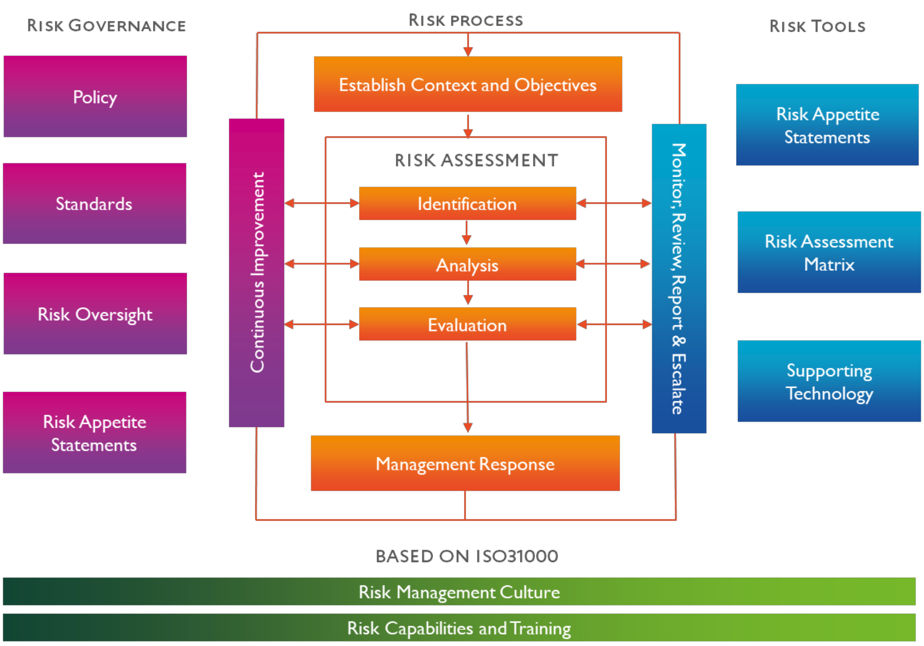
Greene King follows a standard methodology used in risk management based on ISO31000. The evaluation of risks considers impact and likelihood of the risk materialising. In 2023 we implemented an enhanced approach to risk management and over the course of the last two years we have seen both the approach, and the management of risks evolve and change in line with the needs of the business and the wider threat and opportunity landscape. Our group risks are a combination of operational and strategic risks that support delivery of our goals. The group risks are reviewed quarterly by the executive board providing improved collective oversight of the group's principal risks. The addition of group risks has also enabled better line of sight to divisional and functional risks. The risk framework provides a more joined up conversation on how risks are being managed, enabling us to take more risk where appropriate whilst ensuring threats are understood and appropriately managed.

Each divisional executive team and each functional head is responsible for identifying and mitigating risks within their sphere of responsibility. They are then responsible for evaluating current controls in place to manage their risks, drawing up plans to improve controls and manage new or emerging risks. All risks are aligned and evaluated against the group's stated risk tolerance parameters, with mitigating actions designed to bring all risks within these limits.

To ensure uniformity across the organisation together with continuous improvement of our risk profile and suitable governance, a structured enterprise risk management framework is followed, and compliance monitored. Through this process, progress of risk implementation plans is monitored by senior management on a regular basis.

In 2024 we commissioned the design, development and implementation of an in-house risk management application which will further enhance the effectiveness and insights to support the management of risk and assurance activities across the three lines of defence. Risk mitigation plans and management of risk are reviewed formally at the Risk Committee where all divisional and functional risks are presented and reviewed throughout the year via a rolling programme.

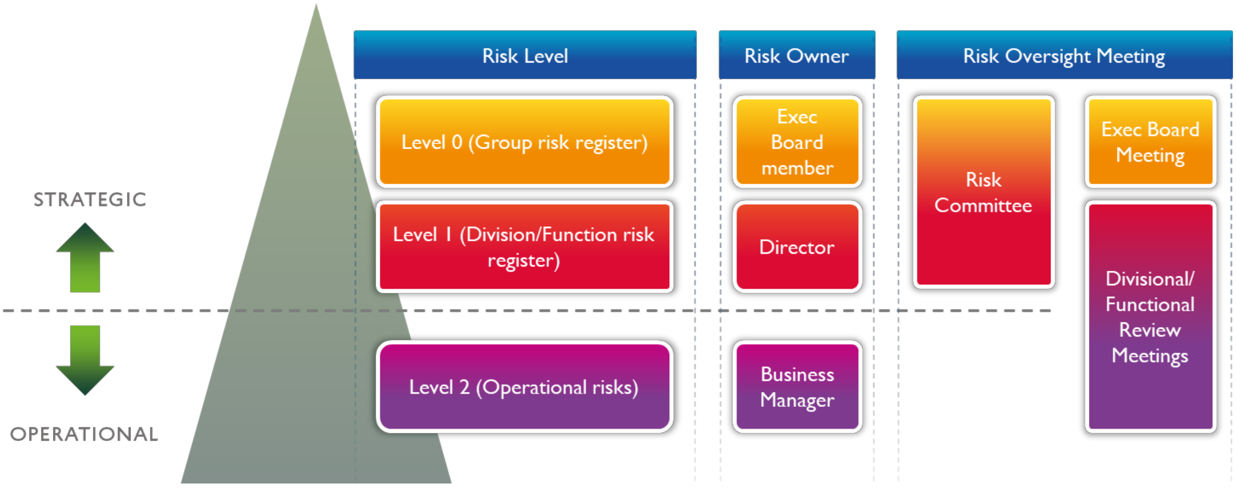
Figure 1 – Risk Framework



Risk Oversight

The Chief Executive Officer has overall accountability to the board for the oversight and management of risk at Greene King. However, the risk policy makes it clear that it is everybody's responsibility to manage risk. The below governance framework is in place to support line of sight and ensure risks and risk mitigations are systematically reviewed.

Figure 2 – Risk oversight



Emerging Risks

In our interconnected, changing world, it is getting harder to predict the future in time to make decisions and act early enough to deal with unexpected, disruptive events. We regularly review our risk profile to monitor the impact of external events. We also look to external expertise for insights on societal change and emerging risks that may impact our business and industry.

In February 2024, the executive board and some members of our senior leadership group undertook a horizon-scanning exercise to consider the effect on Greene King and the broader industry of two disruptive trends over the next three to five years: emerging technology and increasing geopolitical uncertainties. The output of the event provided us with a view of both opportunities and threats which we could feed into our strategic planning process. This is the second such event we have completed in the last two years covering five topics in total.

How we decide how much risk to take

We use company-wide risk appetite statements split into four levels: Averse, Cautious, Balanced and Open to outline how much risk the executive board is willing to take to achieve its strategic goals:

- Environment and Social – Balanced
- Safety – Cautious
- Finance – Balanced
- Legal – Cautious
- Reputation/Brand – Balanced
- Growth and Reach – Open
- Group (Principal) Risks - Open

A clearly defined set of group risks aligned to our strategic priorities helps us focus on the risks that matter the most. Our group level risks are defined as ones that meet one or more of the set criteria, including: the potential impact to whole/multiple areas of the business; severe impact on the delivery of strategy; requires cross-division/function control; or requires executive board team visibility and support.

In addition to the risks fully disclosed below the executive board also consider risks to information security and legal matters both of which have their own governance forums through which residual and emerging risks are discussed.

Risks by strategic priority

Strategic Driver – People; investing in our people	
Recruitment and Retention ↓	We are unable to attract and retain talent across all divisions to enable excellent customer service and achieve our ambition to be the pride of British hospitality through delivery of the transformation programme resulting in poor growth and declining reputation. **Some of the actions we're taking** We are undertaking a full review of pub team roles and responsibilities, to understand key issues. There is also a review of working practices to understand where automation could reduce reliance on team hours and improve processes. This is to enable pub teams to spend more time on customer-facing activity and will include multi-skilling potential and ways to reduce team segmentation and inability to provide cover. We have reviewed our remuneration packages to ensure we remain competitive and attractive while introducing clearer development and progression pathways. We are also looking at how we can deliver less complex food offers where appropriate while reviewing the

	skills and capability needed to support our strategic intent. As part of our cultural transformation programme, we are improving our HR systems (technology). We continue to drive our inclusion and diversity programme through our employee led inclusion groups and targeted training on inclusive leadership rolled out across the organisation. We continued our focus on improving leadership skills at all levels through our Unleashed programme of training. We are improving our induction training to ensure our new team members have the skills required to operate effectively.
Strategic Driver – Brands; grow through compelling profitable brands	
Strong, Relevant Brand Portfolio ⟷	Our brands and portfolio fail to resonate with consumers resulting in weak to no growth and declining footfall and revenue. **Some of the actions we're taking** We continue to trial new concepts, as we look to learn from bringing new and different experiences to our customers. We completed a piece of work looking at 'the future of socialising' with the outputs feeding into our strategic planning process for 2025 and beyond. We continue to gain market insights and test assumptions to ensure that our brand strategy remains relevant. We reviewed and revised our structures and processes to manage the planning and development of our brand portfolio including the governance, understanding and managing capacity when adding new brands. We have established a clear portfolio strategy and brand investment programme and embedded these into both the divisional and group strategic five-year plans. We continue to identify and assess risks to current brands to better manage transition and we ensure that our divisions work closely with the property teams.
NEW - Excellent Customer Service	There is a risk that we do not deliver the level of service our customers expect consistently across our portfolio due to poor strategy/investment, poor operational execution, a failure to safeguard either our customers or our team members resulting in poor reputation scores and loss of market share. **Some of the actions we're taking** Review of our customer facing deployment model. Revision of and development of new training modules to support front of house team members. Pub Leadership team brand specific training along with enhanced induction training. New measurement tool of Delight Score created and launched, to give a much broader understanding of experience being delivered in pubs. We have a host of additional actions in the pipeline for 2025 including building a new multi-year Service Excellence programme, with initial actions in FY25 including looking at in pub complaint handling and customer journeys, guest relations transformation, customer promise rollouts to name a few. Working across departments to ensure the delivery of customer experience and customer orientation is increasingly considered in key decisions. Continuing to track and report at senior level our review ratings in comparison to competitors, to track both our own progress but also this relative to competitors. We expect the work we are focusing on to act as a springboard to realise the opportunities associated with the risk.
Food Strategy Delivery ⟷	There is a risk that, without a suitable, sustainable and deliverable group wide food strategy, the business will not optimise sales or cost synergies, which will erode both market share and margins. **Some of the actions we're taking** We continue to inform our food strategy and menus with inputs from customer insights and ESG and with a commercial lens. We continue to improve menu creation looking to reduce salt and sugar and improve our inclusive menu-based offering. Our procurement team takes a long-term view on our supply chain and has

	actively looked at more sustainable options to support our environmental and carbon reduction commitments. This work is helping us to gain a better understanding of our current carbon footprint on menus and support our future strategy to reduce carbon (food origin, livestock management e.g. feed and transport). We are aligning our menu transformation strategy and long-term timelines to our brand strategy and ESG targets, which includes the impact on kitchen teams e.g. training. We looked at the fundamental set up of food across the business through a 'food optimisation journey'. This picks up improving food operations (planning through to execution), menu development process effectiveness and efficiency and health and wellness ranging and delivery. The 'food optimisation journey' work, along with our wider support office restructure, has enabled us to re-align roles and responsibilities to improve and streamline our ways of working.
Strategic Driver – Environmental and Social; supporting our communities giving people better lives and reduce our environmental impact	
Embedding & Integrating ESG strategies	There is a risk that we are unable to drive the opportunities presented through ESG and/or fail to embed adequate controls to manage legal/regulatory requirements leading to lost benefits, potential fines and reputational damage. **Some of the actions we're taking** We have set up our ESG governance structure, including clear accountabilities, terms of reference, meeting cadence and line of sight. Our Sustainability Steer Co, chaired by the Chief Experience Officer consists of executive board members and relevant SMEs to provide oversight of the ESG programme. We have Sustainability programme groups and will form a Sustainability Committee who have developed strategies and roadmaps to aid our transition in all key areas. We have agreed and published our near-term science-based targets and submitted our net-zero targets for review by the SBTi. We have developed our social strategy and have five-year strategic plans to deliver on it. We have developed our Climate-Related Financial Disclosures (CFD) reporting process including risk analysis and data capture. We have implemented Greene King Engage, our ESG supplier engagement platform which will enable us to support suppliers with knowledge building on ESG matters, understand supplier targets, collect data, collaborate on and track joint projects and run topic specific campaigns. To date 427 suppliers have contributed to the Greene King Engage platform. We are working with our suppliers to introduce carbon foot printing within our procurement activities.
Strategic Driver – Operational Excellence; managing cost inflation and building sustainable processes	
Financial Health	There is a risk that we are unable to control cash availability or maintain growth and investment to plan due to external economic factors causing financial stress within Greene King and loss of confidence of our stakeholders. **Some of the actions we're taking** We have continued to maintain prudent levels of headroom against our borrowing facilities. We undertake cash flow forecasting on a short, medium and long-term basis to ensure that any potential liquidity shortfalls can be identified and mitigated via the sourcing of additional funding and/or the reassessment of discretionary spend. Financial covenant forecasts continue to be reviewed by the Chief Financial Officer on an ongoing basis, and our long-term strategic plans are formulated to ensure that financial covenant headroom is maintained at a prudent level. Our annual financial planning cycle incorporates modelling of external economic factors (including scenario analysis and stress testing where appropriate), facilitating regular appraisals of the potential impact of changes in the economic environment. We continue to assess our exposure to key economic variables on an ongoing basis and undertake hedging activity in respect of energy price risk, interest rate risk and foreign exchange risk where necessary to keep exposure levels within our risk appetite. Our Operational Excellence function drives productivity and efficiency within the business, contributing to the mitigation of inflationary cost increases and hence improving cashflow. As the business moves from a 'build' to 'run' phase, and in line with an assessment of the market conditions we reviewed the overhead structure of the business and support functions with the aim of improving efficiencies, enabling more agile working, reducing overheads, and aligning the business to the next stage of our journey.

	This work focuses on non-pub areas, delivered significant change in the second half of 2024 and will complete by mid-2025.
Growing Retail Sales ⟷	There is a risk that we are unable to leverage opportunity to drive sales volumes in on trade and off trade and fail to optimise production to sale of own brewed volumes (OBV). **Some of the actions we're taking** We are planning to improve our data analysis to better inform product placement and volumes with a CRM system going live in 2026. We have developed a strategy and implemented a plan targeting increased free-trade sales in under-utilised regions. We have invested in pins (a small beer cask containing 4.5 gallons) to enable smaller volume customers to stock cask and maintain quality and have invested in cellar management training. We are working proactively to develop reciprocal agreements with wholesale partners to grow our reach and sales with specific focus on premium beers whilst also putting in place 'pull' (indirect sales teams) for both these brands and Estrella Galicia. Building on the introduction of two premium beers in 2023 we have expanded the range bringing in two further premium beers in 2024. Our new premium beers have had successful launches and continue to perform well in the market. We continue to focus on growing sales in premium outlets. In the off trade, we have continued to deliver sales share growth ahead of any other major brewer. This has been delivered through a combination of competitive pricing, excellent NPD, effective shopper marketing and strong customer relationships. Significant new cost impacts including the implementation of EPR (extended producer responsibility) and reforms to PRN (packaging recovery note) as well as ongoing COGS (cost of goods sold) inflation will require careful management throughout 2025.
Strategic Driver – Digital; turbocharge the digital experience for our guests and teams	
Digital Enablement ⟷	There is a risk that we are unable to fully leverage the opportunities provided through digital technology both to release capacity internally and to provide an excellent customer interface resulting in no increase in footfall or sales and no efficiency savings. **Some of the actions we're taking** A clear 2025 digital technology roadmap has been agreed covering all digital products, which will be tracked through a new monthly digital governance framework. The annual operating plan (AOP) supports the delivery of key build projects such as the loyalty project. A new digital technology team is in place to support the development of technology requirements linked to the new governance framework and 2025 roadmap. We have established a central Digital Technology function and new ways of working to develop our internal capability to continuously manage products through their lifecycle and maintain digital capability; to include vendor management, product management/roadmaps, internal capability and product development processes. We are investing in our Digital Product teams and setting up continuous improvement processes to drive the new platforms and continually enhance the customer experience. There are continuous improvement processes in place for websites, bookings, app and customer engagement programme linked to the monthly governance meeting. In the new COO structure, we have clear ownership to transfer digital change into operations to leverage the opportunities our new improved digital infrastructure provides, particularly bookings and app pub level usage and engagement. Additionally, app usage is now part one of our Dartboard metrics. The marketing structure has changed to enable end-to-end planning and management of campaigns to leverage digital technologies by divisional marketing teams. Monthly and quarterly performance tracking is in place to assess performance verses agreed KPIs for each digital product and projects. Divisional marketing teams will ensure their planning reflects required activity levels to achieve digital targets. Customer experience tracking is also in place to assess the usability and performance of our digital products and feed into our continuous improvement processes.

Information Security ↔	There is a risk that we do not adequately protect and govern our information assets resulting in ineffective and inefficient use of data assets and/or data loss or breach. **Some of the actions we're taking** We have a mature approach to information security using the National Institute of Standards and Technology (NIST) framework. We have an IT Security Manager and our cyber security controls are based on established security. We provide mandatory training for all staff and carry out routine monitoring of security controls including external pen testing and regular reporting through the security forum. Key controls include: firewalls in place between internet users and data servers and access controlled by industry leading Zero Trust infrastructure; an external security operation centre monitoring and alerting on security events 24/7 – preparatory work was undertaken in 2024 to allow migration to Extended Detection Response (XDR) in FY25; state-of-the-art enterprise detection and response on all devices; proactive vulnerability monitoring and patching; and regular external penetration testing. We also review third party suppliers to ensure all critical suppliers have the relevant levels of security controls. We have cyber insurance to mitigate the risk of a cyber event which includes forensic and specialist advice, should we need it. We have invested and improved our records management maturity, setting clear criteria and requirements for data classification, retention and deletion. We have also put in place a data governance framework and training for key personnel. We have continued to invest in technology with the rollout of SharePoint and the transition of data, access control and deletion after retention period. We have improved our management of customer data by moving legacy databases and legacy spreadsheets to a central platform / data lake with privacy by design supporting implementation of our integrated CRM tool.
Strategic Driver – Assets; unlock value by making the most of our assets	
Maintaining Asset Value ↔	There is a risk that we fail to invest appropriately in our property assets both in terms of use and prioritisation of funds, resulting in poor customer experience and depreciating value. **Some of the actions we're taking** We have reviewed and improved our process for assessing asset investment/acquisition including criteria and weighting on areas such as: environmental, accessibility, segmentation fit, and return on investment. This includes long-term future proofing where practically possible in terms of ESG, the Equality Act 2010 and awareness of any matters that could impact value in the future. We are moving some of our maintenance processes from reactive to proactive and improving our value assessment for repairs and maintenance. This includes improved forward planning with divisions to support reduced reactive maintenance. We are also supporting our pub teams through training on preventative cleaning and optimising our maintenance team through pooling of non-urgent jobs. We are improving our response to critical repairs by the introducing a triage process to reduce misuse of 24hr critical repair requests and therefore ensure prioritisation and better service levels for the most critical requests. We are also implementing Internet of Things to connect our most important pieces of equipment direct to the specialist repair teams.
Sustainable & Safe Brewing ↔	Loss or catastrophic failure of either a critical piece of equipment or asset, resulting in serious injury or the inability to produce either beer or package goods. **Some of the actions we're taking** We have continued to invest significantly in both the Dunbar and Bury St Edmunds breweries replacing ageing equipment and improving both our operational processes and ensuring the safety of all our operational teams is maintained. We have completed the transition to our new distribution centre in Bury St Edmunds which opened in September 2024 and have recently received planning approval for the development of a new state-of-the-art brewery next to our new distribution centre. The new brewery is planned to be operational in 2027. We continue to focus on maintaining safety, environmental and quality standards through our dedicated internal teams, significant site and equipment inspections and control testing. We also use third parties to provide independent advice and assurance including external certification to standards: ISO14001 and BRC. We continue to test our incident response and product recall processes to ensure that, in the case of an incident, we can respond as quickly and effectively as possible.

Strategic Driver – Expand; through innovation and targeted acquisition	
Delivering & Sustaining Change	There is a risk that the execution of our change portfolio is ineffective and fails to deliver the strategic outcomes required resulting in low growth and poor customer satisfaction. **Some of the actions we're taking** We have developed our transformation strategy including clear drivers and outcomes as well as clear benefits which can be cascaded. We have crucially engaged the senior leadership group to provide visibility and understanding of our transformation journey and how they are able to support. We have mobilised our leadership talent in the management of change to ensure change lands effectively. We have set up transformation programme governance including investing in experienced programme and change managers to build capability. This includes the development of clear roadmaps linked to strategic plans and divisional/functional plans and the development of our Annual Operating Plan (AOP) with clear priorities aligned to the change portfolio. To support implementation of our transformation programme deliverables into managed operations and to ensure business readiness we have invested in a new centre of operational excellence comprising of two distinct functions (central operations & efficiency and innovation). These functions will continue the great progress made within our operational teams to lead and land change effectively. We now have a robust and trusted change process starting with the through to in-pub delivery, this ensures we plan (through air traffic control (ATC) and communications), we do (through engaged operational teams), and we review (through support and compliance) all leading to better change adoption/sustainability. In 2024 we saw operational compliance increase by c.30% and we expect this to further increase in 2025 and beyond.
NEW - Identification & adoption of emerging technology & AI	There is a risk that we fail to identify and realise the opportunities of emerging technologies, digitisation and specifically Artificial Intelligence, leading to increased costs compared to our competitors, poorer service provision, reduced customer satisfaction, reduced revenues and a loss of market share. **Some of the actions we're taking** We have identified and prioritised four AI implementation use cases based on a 'high impact, low effort' categorisation, which we expect to realise the benefits of in 2025. In addition, we are reviewing the use cases for technology within our brands and have put in place policies, guidance and governance to support the successful integration of new technologies and AI into our business using industry standards and considering EU legislation in absence of a specific national law regulating AI. Additional funding has been ringfenced in 2025 to accelerate and prioritise more use cases. Work in 2025 will focus on ensuring our data architecture is positioned to best take advantage of AI. While we recognise that the use of AI creates opportunities, we are also taking steps to guide our employees, and example of this is our 'use case framework' which sets out how and when to use AI.
Strategic Driver – Culture; transform our culture	
Industry Perception	There is a risk that we fail to change the negative perception of hospitality as a work or socialising choice resulting in continued difficulties in recruitment, retention and impacting customer experience and repeat business. **Some of the actions we're taking** We believe that hospitality is a great career choice but also understand the current negative perception of hospitality among some of the general public. We need to understand what drives that perception. To that end, we have undertaken a number of surveys through experienced third parties to gain better insight. This information along with other activities will help us to tackle some of the causes and feeds into: • Our Inclusion and Diversity strategy, inclusive leadership training, employee led inclusion groups and targeted campaigns. • The development of 'our team segmentation' profiles to better inform our understanding of motivators, attitudes to work, employers etc which further enhance our approach. • Marketing of Greene King careers and communication of Greene King opportunities including our wide range of apprenticeship programmes. • Promoting the Greene King employer brand through PR and corporate social media. • Enhancing our social strategy work – engaging pub teams, supporting local charity fundraising as well as our national charity partner, Macmillan Cancer Support.

	• Working with our industry trade bodies, the British Beer and Pub Association (BBPA) and UKHospitality, to promote the sector. We have completed a piece of work looking at 'the future of socialising' with the outputs feeding into our strategic planning process.
Legal and Regulatory Compliance ⟷	There is a risk that we fail to adequately comply with regulation or legislation due to lack of early identification or appropriate implementation and monitoring of compliance controls resulting in fines, litigation and reputational damage. **Some of the actions we're taking** We have completed a high-level review of current legal/regulatory requirements, controls in place accountabilities/responsibilities and current compliance checks and reporting. We have developed a RACI (Responsible, Accountable, Consulted, and Informed) for each regulatory area including setting relevant criteria which is issued to all accountable owners including: identification of emerging requirements; policy development; control criteria and compliance monitoring criteria. We are introducing an annual internal control self-assessment process to include all relevant legal and regulatory requirements. We regularly horizon scan for changes in the regulatory environment including proposed regulation/white papers. We also require each policy owner to identify their approach to horizon scanning for changes within their area of policy. We have a Regulatory Governance Forum to oversee significant current and future regulatory and legal requirements, risk analysis and lobbying. We have developed a regulatory matrix to support risk analysis and prioritisation which is integrated as part of our regulatory and legal compliance activity and supports decisions on future activity.

↑ Increased ↓ Decreased ⟷ No change

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

At Greene King we recognise that we have a responsibility beyond legal and regulatory requirements and are committed to leaving a lasting and positive impact on communities, the environment, and people, now and for generations to come. We are guided by our environmental and social strategy and recognise the urgent need to address the challenges of climate change, resource depletion, and social inequality.

Our Strategy

Greene King's purpose is to pour happiness into lives and our sustainability programme, Greene King for Good, is key to delivering that purpose. We aim to be known for having a sustainable and high profile social and environmental purpose at our heart, for being an inclusive employer, and for being respected by stakeholders for putting customers, communities, colleagues and climate at the heart of what we do.

Our Commitments

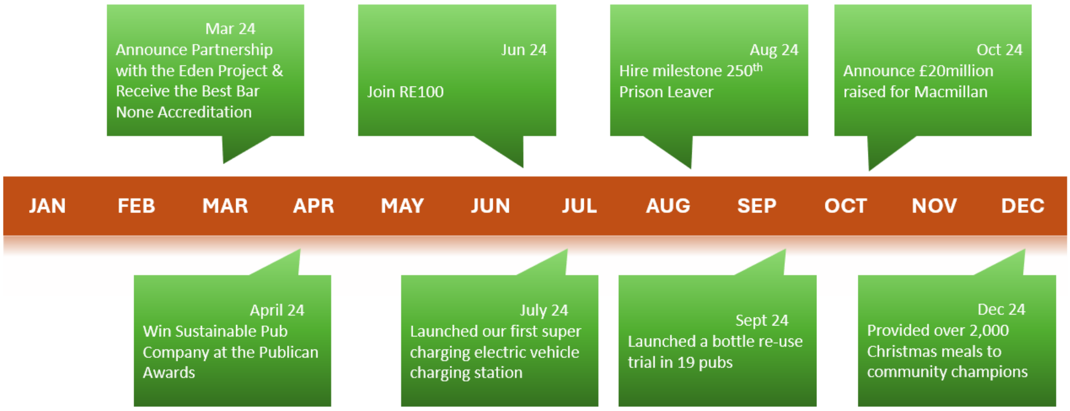
Environment	Social
Reduce absolute scope 1 and 2 GHG (greenhouse gas) emissions 50% by 2030 from a 2019 base year	Raise £18m for charity by 2025 from 2012
Reduce absolute scope 3 GHG emissions 50% by 2030 from a 2019 base year	Support 20,000 apprentices by 2025
Reduce food waste by 50% by 2030 from a 2019 base year	Recruit 400 prison leavers by 2025
Reach carbon net-zero year by 2040	Support 100 people with Special Educational Needs (SEN) and an Education and Health Care Plan (EHCP) through our Supported Internship Programme
	Increase Black, Asian and minority ethnic representation in the business by 10% by 2030, including leadership from 6% to 12%, senior managers from 3% to 10% and managers from 4% to 10% by 2030

Review of 2024

In 2024 we made progress in embedding our sustainability programme, moving further into the delivery phase of our strategy. We further developed our detailed roadmap to net-zero and enacted our scope 3 supplier strategy. We also developed our longer-term community strategy and enhanced our governance processes. During the year, we released our new sustainability policy and deforestation statement; completed a social impact review; achieved the milestone of £20 million raised for our corporate partner Macmillan Cancer Support; 427 of our suppliers joined our supplier engagement platform, Greene King Engage; and we launched our first bottle re-use programme.

While good progress was made on environmental targets, we recognise that we, along with the rest of our industry, have much more to do. Delivery of our long-term commitments will continue to require significant changes to our supply chain and some change in customer behaviour.

2024 highlights



Governance

Our governance aim is to:

- increase clarity, transparency and responsibility.

We evolved our governance structure for ESG during 2024 and closed the year with a new Sustainability Steer Co, chaired by our Chief Experience Officer. We launched a new Sustainability Committee to replace our separate Environment and Social leadership teams and reflect a more joined up approach to Environment and Social matters.

The Sustainability Steer Co duties include:

- Overseeing the development of the group's Environmental, Social and Governance strategy. This is managed top down, considering the group as a whole.
- Identifying and approving both short-term and long-term Environmental, Social and Governance objectives and KPIs required to deliver the strategy, as well as reviewing progress against these objectives at committee meetings.
- Reviewing our sustainability risk profile bi-annually to ensure that the risks to achieving the objectives are being appropriately managed.
- Overseeing the activities of the sustainability workstreams and acting as an escalation point for relevant cross functional working.
- Monitoring external developments in respect of Environmental, Social and Governance issues and considering any implications for the group.
- Reviewing and approving the group's policies and practices in relation to Environmental, Social and Governance matters to ensure they remain effective, compliant with legal and regulatory requirements and industry standards and recommending these to the executive board for approval.
- Reviewing and approving all Environmental, Social and Governance content to be published in the annual report.
- Making any recommendation to the executive board on any area within its remit.

Sustainability Steer Co.

The Sustainability Steer Co is chaired by our Chief Experience Officer, the members include:

- Chief Experience Officer (1)
- Chief Financial Officer (1)
- Director of Sustainability (2)
- Group Risk Assurance Director (2)
- Procurement Director (2)
- Efficiency and Innovation Director (2)
- Property Services Director (2)
- Insights Director (2)
- People & Culture Director (2)
- Legal Director (2)
- Sustainability Leadership Team Members

1. *Member of Greene King executive board*
2. *Member of Greene King leadership group*

The Sustainability Steer Co meets on a quarterly basis (as a minimum) to be informed of new initiatives, give guidance and approval, and discuss the progress made against our targets and commitments. This group reflects the material areas of focus in Greene King's sustainability and provides leadership and focus in their areas of expertise to enable integration of sustainability within the business.

In 2024, to support our Environment and Social lead positions we added a Governance led role to our Sustainability team to increase the focus and attention to our sustainability governance programme.

In 2024 we released a new Sustainability policy, supporting our commitment to proactively assess and mitigate environmental, social, and governance risks to ensure long-term sustainability and resilience in our operations. The policy reflects our dedication to minimising our environmental footprint, promotes responsible business practices, and explains how we contribute positively to the communities in which we operate.

We made the decision in early 2022 to put climate science at the heart of our environment strategy. We've committed to setting near term and net-zero targets through the Science Based Targets initiative (SBTi) and reporting our progress to reducing our Greenhouse Gas (GHG) emissions across scopes 1, 2 and 3 through our annual report (page 26). Our near-term targets to reduce GHG emissions across scopes 1, 2 and 3 by 50% by 2030 were approved by SBTi in February 2023. We have publicly stated our intention to reach carbon net-zero by 2040. In 2024 we completed the rebasing of our net-zero target for Forest, Land and Agriculture as required by SBTi and submitted this for approval in January 2025. Alongside this we remain committed to reducing our food waste in line with the Courtauld Agreement by 50% by 2030. In addition to committing to these targets and reporting against them, we also report ESG data via our parent company CK Asset Holdings Limited (listed on the Main Board of the Hong Kong Stock Exchange).

Environment

Our environmental strategy has two core aims:

- to offer sustainable solutions to our customers; and,
- improve our own operations and value chain through net-zero targets.

With a near-term science-based target and a long-term public commitment to our net-zero target, we are acting to drive our carbon footprint down, including the procurement of renewable electricity, introducing energy efficiency measures and solutions, working with our suppliers on their emission hotspots, introducing new and innovative circular business solutions.

Property Decarbonisation

In 2024 we made significant capital investments into decarbonising our properties, with £3m invested in the following areas:

- We installed voltage optimisation equipment to 477 sites in 2024, which is estimated to save approximately 1.27 gigawatt-hours of electricity on an annual basis.
- We installed heat pumps in two sites to continue to improve our understanding of the effectiveness of the technology. In the sites where we currently have heat pumps there has been no negative impact on customer experience.
- 40 sites have had investment in kitchens to make them 'electric-ready' in line with our net-zero ambitions. 18 of these sites have made the full switch to electric only kitchen equipment.

We invited our property suppliers to complete our sustainability questionnaire using our dedicated supplier sustainability platform: Greene King Engage and were pleased that 195 (88%) completed it. This information allows us to assess their respective maturities in developing sustainability strategies and will inform how we develop our supplier sustainability programme for property suppliers.

Renewable Energy & Infrastructure

The Guarantees of Origin (GoO) purchased in 2023 allow us to report 100% renewable electricity in 2024. In 2024, we also joined the RE100 and continued to explore innovative technology for the use of renewable energy sources. We continue to trial solar panels as a solution for our buildings.

Sustainable Procurement

In 2024 we sought deeper engagement with our largest food and drink suppliers, working with them to improve sustainability data and to develop joint strategies for emissions reduction. We aim to establish long term, collaborative relationships on sustainability with our key supply partners.

Following the launch of Greene King Engage, our supplier sustainability platform, in 2023, we asked property and Goods Not For Resale (GNFR) suppliers to complete the sustainability questionnaire to understand the maturity of their approaches to sustainability in 2024. In total across our food, drink, property, goods not for resale and IT suppliers, 427 of the included 490 suppliers completed the questionnaire. Additionally, we used our Greene King Engage platform to engage our food supply chains on the availability of information on the traceability and origins of any high-risk deforestation commodities, to support our commitment to zero deforestation.

In 2023 we made the following ambitious commitments as part of our responsible sourcing strategy. While we did not meet these goals in 2024, we made progress against them and they remain a focus of our responsible procurement strategy.

- *Zero Air freighted products or ingredients*
  During 2023 we introduced a new policy that no new air freighted fruit and vegetables would be allowed into our business by March 2024 extending to zero air freighted products or ingredients by September 2024. A review of all products was completed, and a due diligence process was put in place to make the appropriate changes within our strategy.

- *Palm Oil*
  Greene King committed to obtaining the relevant certification for all palm oil used in our supply chain by the end of September 2024, with all products containing palm oil to be certified by the Roundtable on Sustainable Palm Oil (RSPO). A review of all products was completed and all of our primary oil purchased is confirmed as RSPO Certified. We identified a small number of tier two suppliers that will be changed across 2025.

- *Free range eggs*
  Greene King has purchased 100% free range shell eggs since 2019. We achieved our goal to be 100% free range for all liquid egg purchased in March 2025.

Reducing the environmental impacts of brewing

In May 2024 we announced our plans for a new, purpose-built brewing facility on the outskirts of Bury St Edmunds and in January 2025 we were given planning approval. At the new facility, we hope to reduce the amount of water required to brew each pint of beer by up to 50% when compared to our current Westgate brewery. The new brewery will also be designed to be more efficient for electricity usage.

We also carried out the first product level carbon footprints of two of our beers in 2024. The outputs of this exercise will be valuable in assessing the different carbon emission contributions through the product lifecycle from growing barley and hops through to the finished product being ready to sell to our customers.

Food waste

In 2024, we established a method for measuring food waste at a site level. We expanded the trial of the artificial intelligence (AI) solution to more accurately measure food waste in five sites for a period of six months. Our internal food waste working group also identified a number of action areas to be tested in 2025 from the storage of ingredients to preparation of food and the design of dishes.

We measure our overall food waste in terms of kg waste / 100 covers, to normalise against any changes in trade. We finished 2024 -5% against our 2019 baseline but saw no material shift from our 2023 result. During 2025 we aim to integrate Hickory's into our reported figure as we improve our data collection methods.

We have established partners across our food journey to divert excess food from being wasted. At depot we are partnered with foodbanks including City Harvest, Bread & Butter Thing and Felix Project. During 2024, £431,684 worth of food, equating to 97,157kg, was donated directly from depots. To minimise food waste in our pubs we continued our partnership with Too Good To Go (a platform that connects customers to unsold surplus food) in 2024, with an estimated 208,688 meals saved. During the year, this partnership passed the 700,000 meals saved milestone.

Packaging

In 2024, we trialled a partnership with Again! to collect and reuse empty bottles in 19 pubs, expanding to 68 pubs by year end, collecting 350,000 bottles. We eliminated plastic takeaway boxes and replaced 3 million single-use plastic cups with recyclable versions. We also began refilling plastic chemical containers, removing 25,000 single-use containers in 2024. In our food supply chains, we switched to returnable packaging for salad items, removing over 250,000 boxes. Through the Tub2Pub recycling scheme, we collected 26,253kg of sweet and chocolate containers, diverting three tonnes of plastic from landfill and repurposing it into garden furniture.

Energy Efficiency

In Q1 2024, we performed 36 ESOS (Energy Savings Opportunity Scheme) audits across our estate, covering our two breweries, warehouses and distribution centres, pubs in our higher energy using brands and hotels. Following the government's addition to the legislation to submit an Energy Saving Action List, we have worked on quantifying the energy savings actions implemented in 2024 or planned for implementation in 2025.

Energy usage and greenhouse gas emissions

The table below has been produced in compliance with the requirements of the Companies Act 2006 (Strategic and Directors' Report) Regulations 2013. In line with the validation of our near-term Science Based Targets with the SBTi, we are committed to reporting a full greenhouse gas (GHG) inventory, including scope 3. Our baseline year has been set as 2019, and this has been compiled with assistance from the Carbon Trust, using the GHG protocol standards. Due to mandatory reporting guidelines, we have quoted scope 2 emissions using both the location-based and market-based approach; Greene King opted to use the market-based approach in its near-term target setting. The location-based approach uses the average emissions from power generation for the UK power grid as a whole. A market-based approach uses emissions data from the specific electricity tariff used in operations, or if not available, the emissions from the residual UK grid average after removing renewable electricity sources that have been claimed by retail consumers.

Scope 1 relates to the direct emissions from the fuels we use in our breweries, pubs, restaurants, hotels and offices, such as natural gas and liquid petroleum gas. It also includes emissions from owned vehicles (including company cars) but excludes logistics where we outsource this to third parties. Refrigerant gas and F-gas emissions in respect of our breweries, pubs and restaurants are also included. Scope 2 relates to the indirect emissions associated with the generation of electricity consumed in our sites. We have used the UK government's Greenhouse Gas (GHG) Conversion Factors for Company Reporting for all scope 1 emissions. GHG emissions from refrigeration and air conditioning units have been determined using the simplified material balance method as described in the Environmental Reporting Guidelines 2013.

Scope 1 and scope 2 emissions (with the exception of the brewing process) are calculated using emissions factors published by the Department for Energy Security and Net-Zero. Brewing process emissions factors are an estimate from the Carbon Trust, who assisted in producing our 2019 baseline emissions.

Scope 3 relates to all other upstream and downstream activities present in our operations, and these emissions have been estimated using a combination of two frameworks. Firstly, where available, verified volume data has been multiplied by a sector specific emissions factor to calculate the annual emissions. Secondly, where volume data is not available, spend data has been multiplied by Environmentally Extended Input/Output data (EEIO) factors. Efforts are being made to improve this data quality, by engaging with our supply chain to understand their product specific emissions factors and engaging with a third party to obtain product emissions reports.

Energy usage

We have improved the transparency of our energy usage by including a more detailed split of 'other fuels', as well as including scope 3 distribution and travel usage. Our calculation methodologies for energy usage are as follows:

- Natural gas and electricity consumption is captured via a mixture of smart meters and manual reads and collated by our third-party energy consultant, with all of the readings available in their data system. This system allows us to report group wide consumption in real time.
- An annual statement for propane, gas oil, and kerosene purchases is provided to us by our suppliers. This is converted from litres to kWh using fuel properties data published by the Department for Energy Security and Net-Zero.
- Fuel usage from distribution is collated from separate sources. We capture fuel usage in our own distribution depots and are provided with annual usage figures from our distribution partners. All of these amounts are converted from litres to kWh using fuel properties data published by the Department for Energy Security and Net-Zero.
- Business mileage data is collected using employee expense claims. These mileage figures are converted to kWh using estimates on fuel efficiency (split by fuel type and vehicle classification) and fuel properties data published by the Department for Energy Security and Net-Zero.

We have seen material shifts in our energy usage since our baseline year:

- Our total electricity consumption has dropped a further 3.5% from 2023, due to the continued investment in energy reduction technology, as well as energy efficiency remaining a target on our group Dartboard. Other fuels have dropped 2.6% YoY meaning a drop of 4.5% since 2019.
- 2024 marks the first year that energy usage from business travel has fallen below our 2019 baseline. This is due to our salary sacrifice scheme on electric vehicles, coupled with our continuous review of the emissions intensity of vehicles offered on our company car scheme. Discounted EV charging is available at both our support centres in Bury St Edmunds and Burton upon Trent. Our energy intensity (kWh / mile travelled) has dropped 20% in the past two years.
- Energy usage from distribution has dropped almost 8% YoY.

Greenhouse gas emissions

Our 2023 greenhouse gas emissions and 2024 location based greenhouse gas emissions have been verified by the Carbon Trust, in accordance with ISO14064-3.

- Our scope 1 and 2 emissions movements follow the changes in energy usage. For the first time, we are now reporting zero emissions in our scope 2, market-based calculation, due to 100% matching of electricity consumption with renewable certification. This is a key milestone in our journey to net-zero by 2040.
- We have made improvements in our scope 3 emissions reporting this year:
  - We have started to collect product specific emissions from suppliers for use in our calculations, namely in our drinks segment of category 1.
  - During the year we completed a product carbon footprint exercise on two of our beers, across four different packaging types. Using this data, we have extrapolated across the rest of our own beer brands, to give us a more accurate calculation of our brewing footprint.

Our targets for the year ahead remain the same. We will continue to work with our biggest suppliers to help us understand the footprint of their specific products, and more importantly, how we can collaborate to further reduce emissions in our supply chain.

Emissions Scope	**Energy Consumption (kWh)[1]**	**2024**	% change to Baseline	2023	Baseline Year 2019
Scope 1	Natural Gas	**289,038,270**	-14.0%	281,591,986	336,169,441
Scope 1	Propane	**15,215,218**	-0.2%	15,287,762	15,250,749
Scope 1	Gas Oil (Heating Oil)	**1,033,638**	-33.0%	1,056,896	1,543,254
Scope 1	Kerosene	**778,103**	-25.2%	1,143,246	1,040,668
Scope 1	Diesel – Owned Distribution [2]	**3,325,458**	-	2,742,350	n/a*
Scope 2	Electricity	**289,923,545**	-12.6%	300,273,318	331,621,314
Scope 3	Diesel – Leased Distribution [2]	**18,804,645**	5.7%[5]	16,030,547	20,941,892
Scope 3	Diesel – Distribution Partners [2]	**37,100,152**	-	45,453,700	n/a*
Scope 3	Diesel – Business Travel [3]	**3,432,380**	-	4,096,355	n/a*
Scope 3	Petrol – Business Travel [3]	**4,139,183**	-	5,320,454	n/a*
Scope 3	LPG – Business Travel [3]	**19,194**	-	45,224	n/a*
Scope 3	Electric – Business Travel [3]	**458,661**	-	243,480	n/a*
Scope 3	Unknown – Business Travel [3]	**5,342,022**	-1.1%[6]	5,734,662	13,546,350
	Total	**668,610,469**	**-5.7%**	679,019,981	720,113,669
	Like for like basis [4]	*631,510,316*	*-12.3%*	*633,566,280*	*720,113,669*

1 Due to the timing of our reporting, our energy usage may include a small number of estimated or disputed meter reads but represents the most accurate data we have at this time. Our prior year comparative has been amended to reflect updating of meter reads.

2 Based on fuel data collated from our distribution depots & distribution partners. Greene King depot usage split between scope 1 and scope 3 based on the vehicle ownership status.

3 Based on expense claims for business mileage, and fuel card usage. Unknown vehicle types cover personal car usage.

4 Excluding diesel usage by our distribution partners – this data is unavailable for our baseline year.

5 Comparison to baseline is the total owned + leased distribution energy as 2019 data cannot be split.

6 Comparison to baseline is the total business mileage energy as 2019 data cannot be split by type.

Emissions (tonnes CO2e)	**Source of emissions**	**2024**	% change to Baseline	2023	Baseline Year 2019
Scope 1	Natural gas	**52,865**	-14.5%	51,511	61,805
	Propane	**3,258**	-0.4%	3,273	3,271
	Gas Oil (Heating Oil)	**265**	-33.1%	271	396
	Kerosene	**192**	-25.2%	282	257
	Diesel - Owned Vehicles	**838**	-	691	n/a*
	Refrigerants	**4,259**	361.9%	6,322	922
	Brewing process	**3,163**	-24.0%	3,199	4,162

Total direct emissions scope 1		**64,840**	-8.4%	65,549	70,813
Scope 2	Electricity (location based)	**60,029**	-29.2%	62,179	84,762
Gross emissions (location based)		**124,869**	-19.7%	127,729	155,575
Scope 2	Electricity (market based)	**-**	-100.0%	115,111	125,026
Gross emissions (market based) [4, 5]		**64,840**	-66.9%	181,135	195,839
Group revenue (excluding Pub Partners) (£m)		**2,257**		2,192	1,761
Scope 1 & 2 tonnes CO2e per £m turnover (market based) [1]		**28.7**	-74.2%	82.4	111.2
Scope 3	Purchased goods & services:				
	Food	**283,498**	-15.7%	312,643	336,135
	Drink	**160,524**	-23.3%	169,865	209,360
	Other	**133,816**	9.4%	140,816	122,333
	Total purchased goods & services	**577,838**	-13.5%	623,324	667,828
	Fuel production & transportation	**29,177**	-1.3%	29,530	29,243
	Upstream transportation [4]	**72,353**	32.4%	79,126	54,654
	Waste generated in operations	**746**	-10.2%	1,511	831
	Business travel	**7,503**	191.8%	8,204	2,571
	Employee commuting	**15,719**	-31.7%	15,719	23,007
	Upstream leased assets	**455**	n/a*	416	-
	Downstream transportation	**6,649**	46.5%	6,538	4,539
	Disposal of sold product	**320**	-93.1%	631	4,628
	Downstream leased assets	**30,448**	-29.1%	32,848	42,946
Total indirect emissions scope 3[3, 4]		**741,208**	-10.8%	797,845	830,247
Total emissions (location based) [4]		**866,705**	-12.2%	925,574	985,822
Total emissions (market based) [4]		**806,046**	-21.5%	978,506	1,026,086
Group revenue (£m)		**2,451**		2,375	2,184
Total tonnes CO2e per £m turnover (market based) [2,4]		**328.9**	-30.0%	411.9	469.8

1 Using combined managed pubs and Brewing & Brands turnover. The vast majority of our scope 1 & 2 emissions are generated in these two divisions.

2 Using total group turnover.

3 Our total scope 3 emissions cover all categories with the exception of category 11b (indirect use phase emissions of sold products). This covers the usage of electricity to refrigerate our beers. As we have extremely limited data and influence here, we have chosen not to report on these emissions. If included, they would represent less than 1% of our total carbon footprint.

4 Our 2023 comparatives have been restated to include transportation emissions (2k tonnes) which had been omitted in error.

5 Greene King reports market-based emissions in accordance with the GHG Protocol standards and for 2024 applies the RE100 technical criteria, which reflects our purchase of renewable energy. As a member of RE100, our approach is informed by the RE100 quality criteria and GHG Protocol guidance. RE100 requires claims to use of renewable electricity to be based on generation occurring in the same market for renewable electricity that use is claimed in, this includes the single market in Europe. The revised RE guidance published in December 2022 provided an updated list of countries that make up the single market.

Although the UK has been excluded from the list, the RE guidance provided grandfathering provisions for allowing for the UK to continue to be recognised within the single market in Europe and therefore we have applied the grandfathering provisions when calculating our market based emissions

Water savings and waste

Water	**2024**	2023
Water saved (m^3)[1]	**207,320**	193,409
Average daily usage saving (m^3)[1]	**568.0**	528.9
Pints of water saved per day	**999,505**	930,736
Water audits	**490**	327
Reduction in billing (ongoing savings)	**£820,318**	£581,887
Refunds achieved	**£201,070**	£127,383

1 Water saved by identifying, detecting and fixing leaks

Recycling	52 weeks up to 29 December 2024 Tonnes	%	52 weeks up to 31 December 2023 Tonnes	%
Waste diverted on site	**38,646**	**68**	38,838	68
Waste sent to Energy from Waste (EFW)	**13,085**	**23**	14,984	26
Waste sent to Mixed Recycling Facility (MRF)	**5,161**	**9**	2,646	5
Waste sent to Landfill	**248**	**0**	318	1
	57,140	**100**	56,786	100

Social
Our vision has a powerful social purpose at its heart. Our social aims are to:

- give millions of people better lives;
- provide good work and opportunities for everyone; and
- lead the warmest welcome.

Community

Our pubs, breweries, depots, and support centres play a vital role in their communities, fostering a sense of belonging. In 2024, our pubs continued to be a hub for community connections through various group activities under our Closer Communities initiative, previously known as No One Alone. This initiative includes Closer Communities at Christmas, seeing 262 pubs offer over 2,000 Christmas meals to community champions. We further expanded our Closer Communities initiative in 2024 by collaborating with Eden Project Communities hosting a Big Lunch in 350 of our pubs welcoming around 11,000 people.

In October Greene King celebrated Black History Month with a Windrush Front Room living exhibition in three Urban pubs, hosted by historian and author Tony Fairweather giving people the opportunity to immerse themselves in the social history of the Windrush Generation. This raised over £1,000 for the African Caribbean Leukaemia Trust.

In 2023, we partnered with Carefree to offer free stays for carers in our hotel rooms and in 2024, this trial was extended to include 14 hotels providing 169 room nights.

Since its inception our grassroots sport community scheme, Proud To Pitch In has gone from strength to strength. The scheme provides grants to sports clubs and groups across Britain supporting them with up to £4,000 for equipment and the cost of running community sports groups. Established by our Brewing & Brands division, 10p is donated by Greene King from pints of Greene King IPA and 50p from 4 x 500ml can packs sold. In 2024, we distributed £349,844 in grants to 117 clubs ranging across 38 sports from boxing to wheelchair rugby and from Boccia to Shinty.

Charity partnership with Macmillan Cancer Support

In 2024, our customers and teams raised £3.9 million for Macmillan Cancer Support, our highest fundraising year to date and an increase of £0.1 million over 2023. For 2024 we continued to focus on the key fundraising periods of Macmillan May and 'We Love Macmillan Nurses' in September and October. 2024 fundraising showed fluctuation in line with pub sales figures so a focus on strengthening communications and awareness of the social impact of fundraising developed throughout the year. The team worked to reengage divisional reps and root the partnership in different areas of the business. In 2024 we celebrated the incredible milestone of having raised over £20 million for Macmillan since 2012. The achievements of this partnership were recognised with the Business Charity Awards award for Most Effective Long-Term Partnership.

Social Mobility

Brewing Ambitions Report: In 2024, Greene King continued its commitment to supporting individuals from diverse backgrounds through various initiatives, as outlined in our Brewing Ambitions report.

Supported Internships: We partnered with Landmarks Specialist College and MENCAP to deliver supported internships, aiding 116 young people with special educational needs or disabilities (SEND). With an 84% employment rate post-program, we plan to expand our reach across the UK, receiving the National Partnership Award from MENCAP for the programme. We also collaborated with Street League, Merton College, and Swiss Cottage College to provide industry insight days and engagement sessions.

Releasing Potential: The Releasing Potential Programme aimed to employ 400 prison leavers by the end of 2025. In 2024, we celebrated our first completed prison apprenticeship and launched two more Prison Training Academies. We supported the New Futures Network hospitality campaign, engaging with over 280 prisoners during visits to 30+ prisons over a two-week period. Additionally, we co-delivered three sessions with Iceland to upskill over 150 prison employment leads. Our partnerships with the Scottish Prison Service and Only A Pavement Away charity furthered our efforts. In 2024, we recruited 58 prison leavers which took Greene King to 70% of its 2025 target.

Apprenticeships: Our apprenticeship programme saw 372 completions and 931 new enrolments in 2024, with an 87% retention rate. We expanded our Apprentice Chef Academy and received recognition from Springboard Charity and the Department for Education. Since 2011, Greene King has supported over 18,000 apprentices, with a goal of 5,000 more by end 2025.

Modern Slavery

In 2024 we entered the second year of our Modern Slavery action plan. Our focus was to upskill our teams and formalise our policy for the business. Our Modern Slavery working group has followed a strategic action plan with three priorities: policy, training and supply chain. During 2024, the working group:

- Launched our Modern Slavery policy, which supports our commitment to act ethically and with integrity in all our business dealings and relationships and to implement and enforce effective systems and controls to ensure modern slavery does not exist in our business or in any of our supply chains.
- Launched our training programme following a training needs assessment undertaken in the first six months of the year, evaluating the high / medium risk cohorts and training opportunities within the business. In partnership with the Slave Free Alliance, we trained our working group leaders and representatives from across the business in high-risk teams such as Employee Relations, Procurement, HR and Legal, to understand and identify modern slavery, providing them with the tools to mitigate the risks and respond to concerns about modern slavery within the organisation and supply chain.
- Reviewed our value chain and identified high-risk suppliers following the launch of our supplier engagement platform, Greene King Engage. This included reviewing the due diligence procedures to identify and mitigate any identified risks.

Responsible Retailing

During 2024, Greene King continued its collaboration with Best Bar None, the Home Office-backed responsibility scheme for licensed businesses, to further develop a national accreditation scheme for multiple operators that could be expanded across the sector. Through our Enjoy Responsibly scheme, published on our website and available through point of sale in our pubs, we offer consumer advice on responsible drinking. The Enjoy Responsibly page shares government guidance, tips on responsible drinking, and the ways we are responsible retailers. We follow, as a minimum, the ‘Challenge 21’ or ‘Challenge 25’ schemes in our pubs, and our tills remind our team members behind the bar to check. Every new bar team member completes bespoke Greene King training before they can serve alcohol, ensuring they understand their legal responsibilities and obligations, as well as the impact of alcohol on children. We also operate the Ask for Angela scheme across our managed pub estate, supporting our teams with training to help customers if they find themselves in vulnerable situations.

Allergens and gluten
We provide full allergen information in all our pubs, restaurants and hotels, so that our customers can make informed meal choices according to diet and preferences; we’re proud of our non-gluten containing dish range and vegan range across all our brands. Our team members undertake thorough allergen training in order to support our customers.

Healthy eating
Our aim is to serve great tasting, quality food and give customers a wide range of menu options that support a healthy balanced diet. All our menus offer a variety of dishes alongside the calorie information to allow customers to make informed decisions. Our children’s menus offer a range of choices, in line with the five-a-day government recommendations. Across Hungry Horse’s children’s menus, we have worked alongside The Food Foundation to bring in more vegetable choices, ensuring an offer of two of your five-a-day with every main meal. In 2024 we also introduced our first Coeliac UK accredited gluten-free menu as part of our new HighTales pilot; and we are signatories of eight pledges within the Government’s Public Health Responsibility Deal.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

Climate-related financial disclosures (CFD)

Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, introduced in January 2022, mandates that companies with more than 500 employees and more than £500m turnover report on group climate-related risks, how it impacts their strategy, and the KPIs and mitigation processes in place to lessen those risks. As Greene King meets these thresholds, we have included these disclosures below.

Introduction

As we enter the second year of our Climate-related Financial Disclosures (CFD) initiative, we are proud to present the progress and insights gained over the past year. As there were no material changes to our business across 2024, we did not repeat our risk assessment work this year and instead focused on progress and risk mitigation. Building on the foundational work of our initial submission, we continued to embed our ESG requirements into our key control processes, improving data accuracy, and integrating climate-related financial risks into our overall risk management framework. Our commitment to transparency and proactive risk management has driven us to refine our strategies.

Over the past year, Greene King reached the following milestones, among others:

- Achieved Sustainable Pub Company of the Year at the Publican Awards
- Matched 100% of our electricity usage with renewable certification
- Completed our Net Zero Transition Roadmap
- Included a full GHG inventory (scopes 1, 2 & 3) in our annual report
- Launched our Supplier engagement strategy to address sour scope 3 emissions

Governance Overview

During 2024, we evolved our governance structure to increase the scope of engagement across the business by enhancing accountability and ownership through our sustainability programme. We formed a new Sustainability Steer Co to streamline the decision-making processes and define priorities. The Sustainability Steer Co is responsible for recommending the ESG strategy and sustainability initiatives for approval by the executive board. See page 27 for the evolution of our Sustainability Governance structure across 2024.

Risk Management

In 2022, the introduction of Environment and Social (E&S) as a strategy driver was complemented by adding an ESG focused risk onto our group risk register. This was to highlight the importance of delivering on our E&S strategy and the downside of failing to adapt to a world impacted more and more frequently by climate change. As part of this headline risk, a key mitigation action was the production of a robust CFD risk analysis to implement into our strategic planning cycle.

The following is the outline of the process followed in 2022. We will conduct our review of the process and identified risks again in 2025 in line with our commitment in 2023 to conduct this process bi-annually as there were no material changes to our business structure in 2024.

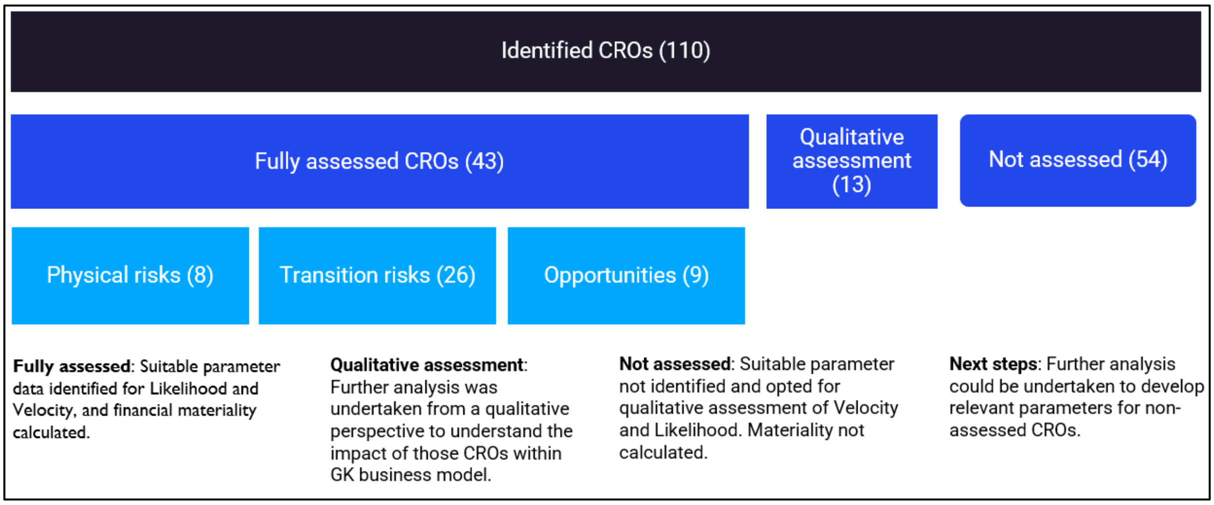
Climate-Related Risk Identification

In determining the most material climate-related risks and opportunities, Greene King enlisted the assistance of a sustainability consultancy, the Carbon Trust, to ensure that the outputs were formed using a scientific, data-led approach. This risk identification was carried out at group level, and the steps taken to focus in on our top climate-related risks and opportunities (CROs) were as follows:

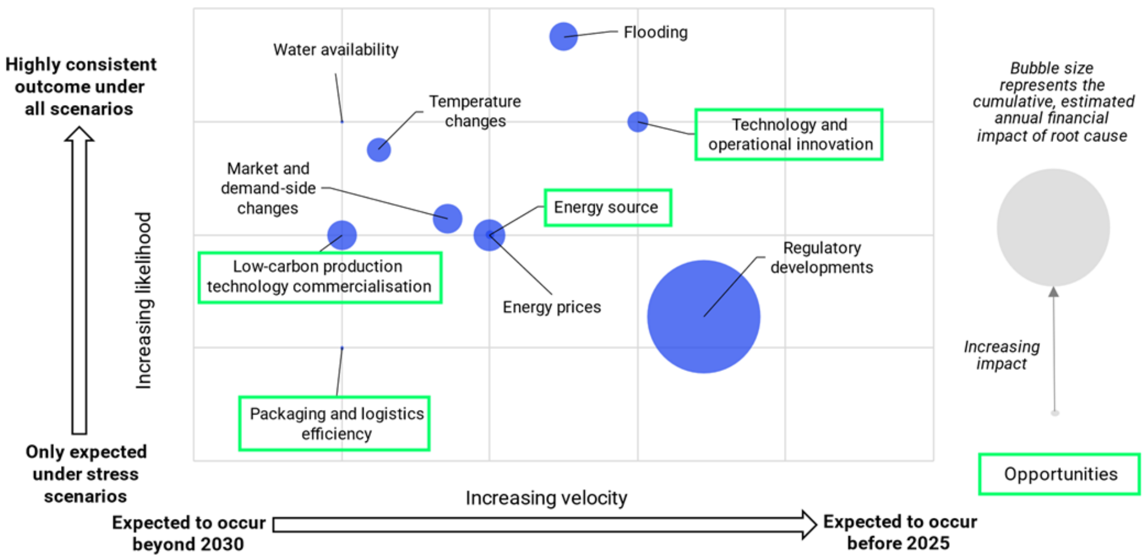
1. Interviews were conducted by the Carbon Trust and Greene King sustainability teams, with subject matter experts across the business. These experts were chosen across all areas of the Greene King value chain and aligned with our sustainability working groups.

2. For transitional risks, the data gathered from these interviews was overlaid against our carbon footprint data to identify hotspots in our scope 1 & 2 emissions, and scope 3 category 1 emissions (with food & drink procurement, and property services being the three main categories for higher scrutiny). We have used our 2022 data for scope 1 & 2, but scope 3 data is taken from 2019 due to 2022 data being unavailable at the time of analysis. 2021 and 2020 were not chosen due to the impact of Covid-19.

3. Using both data sets, a long list of CROs was established, and the Carbon Trust identified those that could be quantifiably modelled in order to assess their materiality. The table below analyses the split of quantitative, qualitative, and unassessed CROs. Any unassessed CROs will be reviewed periodically to understand whether a qualitative assessment can be made.



4. Using financial data from Greene King, and from external climate and financial models, the potential value of these risks was calculated. Overlaid with our risk-scoring matrix that considers financial impact, likelihood of occurrence, and velocity at which a CRO might evolve, a prioritised shortlist of CROs was produced.



5. This shortlist of risks was reviewed and approved by our ESG board, in 2023 (renamed Sustainability Steer Co in 2024).

It is our view that a full CRO assessment is unnecessary each year, unless there is a material change in the Greene King business structure or operating model. Our aim is that the CRO assessment will be completed every two years, albeit in the interim, materiality modelling can be updated using internal financial data. This will highlight any key changes in the risk profile of these identified risks, and any new or emerging risks will be highlighted by the business and working groups.

Management of climate-related risks, and integration into the organisation's overall risk management

The management of climate-related risks is consistent with the group's risk management processes, outlined previously in the annual report (page 18), but we have additional controls in place to ensure that climate-related risks are embedded.

- There is a group level principal risk for embedding and integrating our ESG strategies. This risk is aligned to our strategic driver 'Environment & Social (E&S)'.
- E&S has been added as a group risk impact area, and our risk assessment matrix has thresholds defined. All group risks are assessed against this impact area, as well as divisional / functional risks where applicable.
- A risk appetite level for E&S has been defined to give guidance to the business on making decisions that impact E&S.
- We have begun to embed E&S requirements into key control processes (for example, brand development) to ensure our risk exposure is considered when making business decisions.

In 2025, our focus will be to continue embedding these identified risks into divisional and functional risk registers.

Strategy Overview

Scenario Analysis

As per the climate risk identification process above (point 4), we used two specific climate scenarios to assess the financial materiality of the highlighted risks, compared against a separate baseline scenario. These are explained below:

1) RCP 2.6 (Representative Concentration Pathway), which is likely to keep global temperature rise below 2°C by the year 2100. Described as a 'very stringent' emissions reduction pathway, this scenario will likely require high intervention in the form of regulation and potential carbon levies. We have used this scenario to estimate the potential impacts of our transitional risks. This scenario was chosen after consulting with our advisers as it was representative of prevailing consensus on a likely scenario at the time of commencing the assessment.
2) RCP 8.5, generally taken as a 'worst-case' climate change scenario, with global temperature rise exceeding 3°C by the year 2100. We have used this scenario to estimate potential impacts of our physical risks. This scenario was chosen so that we may illustrate and assess the downside risk.

The baseline comparison scenario used was RCP 4.5, described as an intermediate scenario, with global temperature rise kept within 2-3°C. This scenario is estimated using current policies, and other scenarios have been compared to this to establish the likelihood of risks occurring.

Short, Medium and Long Term Climate-Related Risks & Opportunities

Our risk identification and prioritisation exercise has been reviewed against four timeframes: 1) present (< 3 years), in line with our current and next financial planning cycle; 2) short term (3-5 years), in line with our strategic planning cycle; 3) medium term (6-10 years), in line with our near-term SBTi commitments (2030); 4) and the long term (10 years+), in line with our net-zero commitment year (2040). The table below highlights our key transitional and physical risks, the mitigation plans we currently have in place, and the changes we intend to make to ensure that long-term risks are included in our strategic thinking.

Our transitional risks have been modelled against the RCP 2.6 pathway as it presents the most material impacts to our business model. The impacts of the RCP 8.5 pathway are deemed negligible (except for consumer expectations), because the potential costs (in the form of taxes & levies) are deemed to be in line with those seen in current policies.

TRANSITIONAL RISKS & OPPORTUNITIES				
Risk(s)	Description	Timeframe	Mitigation Strategy & Opportunities	FY2024 update
Carbon Pricing – Electricity (High Financial Impact) / Market demand for renewable electricity (Medium Financial Impact)	New regulatory developments on carbon pricing for utilities (electricity). / Renewables demand outweighs supply, increasing costs.	Short-term / Short to medium-term.	• Between 60-65% of our scope 1 & 2 emission are from the electricity we use in our pubs and offices. We have a commitment to procuring 80% of our electricity from renewable sources by 2025, and 100% by 2030. • **Opportunity**: Greene King is exploring opportunities to safeguard our renewable electricity procurement on a longer-term basis, as well as fixing costs to mitigate against an ever-changing market. This involves a review of power purchase agreements (PPAs) and exploring self-generation options. In FY23 we installed solar panel trials at both a pub and a support centre (office) We see a combination of PPA's and self-generation as key to removing our scope 2 emissions and securing our energy supply over the long-term. • Our energy efficiency strategy will continue to explore opportunities to reduce usage, through behavioural change and testing of new technology. Our balanced scorecard includes energy reduction targets to ensure the entire business is focused on lowering consumption.	• In 2024 Greene King joined the RE100 global initiative, an organisation that brings together the world's most influential companies leading the transition to 100% renewable energy. In 2024 we also matched 100% of energy consumption against specific certified renewable generation.
Carbon Pricing – Gas & Other Fuels	New regulatory developments on carbon	Short-term	• There are two significant areas that contribute to our scope 1 footprint: 1) Gas usage in our kitchens to deliver the	1) Work was completed at 40 more sites to ensure we are ready to change the kitchens from using

(High Financial Impact)	pricing for utilities (natural gas and fuels).		food that we sell to our customers. We have identified the electric equipment needed to continue to deliver our different branded menus at the same high quality, and as part of our 5-year strategic plan, we have agreed a significant investment in making our kitchens 'electric ready'. This involves the upgrading of infrastructure and power supplies to our pubs. Gas equipment will be swapped for the electric equivalent on an 'end-of-life' basis, so as to not discard current equipment quicker than necessary. Efficiency savings will be sought to ensure that running costs are at parity. 2) Gas usage in heating our pubs and offices. Technology in this space is evolving rapidly, and therefore we are taking a measured approach. In FY23 we installed our first trials of an air sourced heat pump, and we subsequently installed a further 2 in FY24. We are also in discussions to trial hydrogen as an alternative source of heating. Current technology is expensive, especially the infrastructural upgrades needed to retrofit existing properties, and the variety of our pubs is extensive in both age and layout. A multi-faceted approach will therefore be needed to decarbonise property heating. We will continue to monitor technological progress, and trial in our sites accordingly. • Our energy efficiency strategy will continue to explore opportunities to reduce usage, through behavioural change and testing of new technology. Our balanced scorecard includes energy reduction targets to ensure the entire business is focused on lowering consumption.	gas to electricity to cook as we continue to roll out our 5-year plan. 18 sites made the switch to electric only equipment. 2) We have continued our research into alternative technology for heating in our pubs. We've now completed heat pump trials in 4 sites over the past two financial years, with overwhelmingly positive feedback from team and customers on the pub environment Hydrogen is not currently a feasible solution due to our diverse pub location and structure. We continue to monitor technological progress and innovation in this space, and trial in our sites accordingly. In 2024 we began to study the opportunity to optimise biogas for our operations and will continue to research this and similar solutions.
Carbon Pricing – Supply Chain (High Financial Impact)	New regulatory developments on carbon pricing that will impact our supply chain cost base (meat, dairy, beer and other drinks).	Short-term	• This risk aligns to the hotspots in our scope 3 baseline footprint, namely the goods and services we sell in our pubs. It is assumed that cost increases in our supply chain will flow through into our business. • Our initial strategy on scope 3 reductions has been focused on supplier engagement, and data collection. In Q4 of FY23 we held a supplier conference with around 200 of our largest food, drink, property, and IT suppliers, and during this conference we launched our new supplier platform, Greene King Engage. Our first step to removing emissions from our value chain is to collect information on our supplier base, firstly to understand their current sustainability journey, and secondly to begin to understand where collaboration may be possible. • **Opportunity:** We are exploring investment opportunities with both existing and new suppliers to provide sustainable solutions. We believe that	The focus for sustainability in procurement in 2024 was beginning to hold conversations with nine of our key food suppliers and eight of our key drinks suppliers to understand their sustainability goals and strategies discuss in greater depth our goals, commitments and legal obligations, and begin to explore mutually beneficial actions on sustainability. The products that we purchase from these initial food and drink suppliers contribute approximately 27% of our total carbon footprint. Following the launch of GK Engage, our supplier sustainability engagement platform, in 2023, we asked property and GNFR suppliers to complete the sustainability questionnaire to understand the maturity of their approaches to sustainability in 2024. In total across our food,

			decarbonising our supply chain is a joint effort, and we are looking for opportunities to build partnerships that create long-term value. • The key to creating a low-carbon value chain is to ensure that sustainability is kept at the heart of business decisions, alongside financial and customer-led considerations. In FY23 we began to appraise investment decisions through the lens of emissions savings alongside financial returns. In FY24 we will expand on this to ensure that all environmental and social impacts are considered.	drink, property, GNFR & IT suppliers, 427 have completed the questionnaire. Additionally, we used the platform to engage our food supply chains on the availability of information of the traceability and origins of any high-risk deforestation commodities, as defined by SBTi, as the first step of our due diligence for meeting the SBTi FLAG no deforestation commitment.
Consumer Expectation (Low Financial Impact)	The evolution of customer expectations of business sustainability could impact group revenues.	Short, medium & long-term	• The customer base in our managed pubs divisions is broad and varies by brand. It's important that we understand their views from an environmental perspective and therefore we undertake an annual insights exercise. These results are overlaid with our brand customer segmentation, and guidance is provided for brands to consider in their strategic planning cycle. • **Opportunity**: These insights allow us to be market-leading in the issues that our customers are most concerned by. This data, paired with our detailed carbon footprint, ensures our investments are focused and gives us the agility needed to capitalise on opportunities to take market share. • We believe that changes in consumer expectation will be similar in the RCP 8.5 pathway albeit may evolve at a higher velocity compared to RCP 2.6. It is our view that our mitigation strategy would remain the same in this scenario, and the annual insights exercise would be sufficient to keep us agile in our decision making. • Our business-to-business (B2B) customers are equally concerned with decarbonising their own value chain and will expect Greene King to deliver on commitments. Customers are making it clear that tendering for business is no longer purely about product and price, but also about sustainability. We are transparent in any tender process about our progress, our future plans and investments, but also use it as an opportunity to educate customers on the differing claims of sustainability and carbon neutrality.	No material change. We continue to monitor our customer perception with an annual customer insights research project, which noted no material changes to our customers perception of sustainability and primary focuses for 2024 remained the cost of living for our customer base.

Our physical risks have been modelled against the RCP 8.5 pathway as it presents the greatest physical changes to our world. While there will still be changes in an RCP 2.6 pathway, the impacts to our properties will be far less severe, similar in nature and frequency to what we are seeing in the world today. We therefore believe those incremental changes to be negligible on our current business model.

PHYSICAL RISKS & OPPORTUNITIES				
Risk(s)	Description	Timeframe	Mitigation Strategy & Opportunities	2024
Flooding	Changing weather patterns and sea-level rises lead to increased flooding events.	Present	• Our asset database has been run through the Carbon Trust physical screening tool (WRI aqueduct – flood risk) to provide guidance on properties at increased risk from either coastal or riverine flooding, under a high emissions / RCP 8.5 scenario. We have identified the sites in our estate with some level of future risk, the majority being riverine risk. Aside from revenue risk from closures, and cost increases from repair works, our insurance premiums could also be affected if claims are more frequent. • Our current property compliance programme pro-actively manages properties with a current risk of flooding. These programmes include annual inspections, and remediation works needed to minimise these risks, including works to flood gates, car park gullies and sump pump maintenance. • The analysis of future flood risks will be used to monitor the necessity of future flood prevention programmes, as well as liaising with local authorities (environment agency) to identify further works. • **Opportunity:** The outputs from the flood risk analysis can be used as inputs for future divestment or acquisition decisions, to maximise the value created from such opportunities.	• No material changes to our mitigation processes.
Temperature Rise & Weather Variability	Long-term temperature rises and unpredictable weather events impact 1) pub operations, 2) supply chains and 3) consumer habits.	Medium to long-term	• Both short-term weather events, and longer-term climate change (including temperature change) are presenting risks to multiple areas of the business: 1. Heat stress may affect staff productivity, especially those working in our kitchens. This might necessitate the review of our cooling systems and potentially lead to additional capital investment. 2. Supply chains may be affected (for example, from droughts), disrupting the availability of product sold in our pubs and to our customers. 3. Increased changeability in weather patterns such as heatwaves followed by heavy rainfall can lead to localised flooding. • The mitigation of this risk by teams from across our business. 1. Our property teams are tasked with ensuring that the pub environments our team members are working in are fit for purpose, and fully compliant with legislation. They liaise regularly with our operations teams in a matrix working structure to	• No material changes or mitigation processes remain the same.

			ensure we have visibility of emerging issues and can react in an agile manner. 2. Our supply chain and procurement teams are responsible for continuous availability of product within our businesses, and any disruptions from climate related incidents will be managed pro-actively in a similar way. 3. The number of brands within our business ensure that we are diversified enough to mitigate changeable weather. We will continue to review our brand portfolio in line with changing consumer habits especially in the face of more volatile weather events. **Opportunity**: During the Covid pandemic, we invested heavily in the outdoor spaces of our pubs and will continue to do so. As temperature continues to rise in the long-term, the appetite for using these spaces will only increase.	
Water Scarcity	Prolonged periods of drought affect the availability of water.	Medium to long-term	• A drop in water availability would impact every area of our business, but our mitigation strategies are focused on areas that we can impact internally, being the management of water usage within our pubs and breweries. • Significant investments into our breweries since 2019, including new centrifuges in our Bury St Edmunds brewery and a new water treatment plant at our Dunbar brewery, have improved our water efficiency. • We are trialling the use of smart meters in fifty of our pub sites. These will give us additional information on water usage, and provide early indications of leaks, allowing our property maintenance team to action quick fixes. **Opportunity**: The output of our smart meter trials can be used as inputs for future divestment or acquisition decisions, to maximise the value created from such opportunities.	In 2024 we began to investigate partners to support our water strategy and looked into this risk in detail. In 2025 we will begin an optimisation study into our water footprint for our pub operations. In 2024 Greene King announced that it will be investing in a new brewery in Bury St Edmunds. The new brewery aims to reduce water usage in Greene King's brewing process by up to 50% per pint.

Organisational Resilience

Our 2023 strategic planning cycle included our first decarbonisation roadmap. This roadmap would allow us to achieve our SBTi-approved near-term commitments (2030). While our planning cycle is over five years, the decarbonisation roadmap is a longer-term plan to meet our previously published target of net-zero by 2040. The group capital allocation exercise in our strategic planning allowed for the infrastructural upgrades needed to push towards a key target of our net-zero journey, namely the decarbonisation of our own operations. However, this was prior to the risk mapping exercise that we undertook as part of our first CFD report and the assessed financial impacts. Therefore, while we believe our business to be resilient against the transitional risks in scenario RCP 2.6, and against the physical risks in scenario RCP 8.5, our FY24 strategic planning process was intended to include stress-testing using the risk outputs from our modelling. However, due to a lack of data, we rolled this target in to FY25 and focused our concentration on increasing our data availability in FY24 to support this programme.

Metrics and Targets

Our environmental strategy is laid out on page 26 of this report.

To this end, the following targets and commitments were made, which will help mitigate the transitional climate-related risks present in our operating model. As our understanding of our value chain improves, and technology improves in key areas, our metrics will adapt accordingly. We expect the metrics to be updated in 2025.

The calculation methodology for each metric listed is as follows:

- Fossil fuel consumption: In kWh, the total consumption of natural gas, propane, kerosene & gas oil (heating oil). These fuels are used for both heating (and hot water) and cooking in our properties.
- % of estate powered by renewable electricity: The consumption of electricity covered by the purchase of Guarantees of Origin (GoO), as a % of our total electricity consumption.
- Electricity consumption: In kWh, the total consumption of electricity to power our properties.
- % of suppliers signed up to our Greene King Engage platform: Of the first 85 suppliers invited onto our supplier engagement platform, the % that had completed our 'kickstart assessment'. This assessment has given us a view of our suppliers' sustainability ambitions and current status.
- % of suppliers that have set net-zero targets (SBTi or equivalent): Of the first 85 suppliers invited onto our supplier engagement platform, the % with net-zero targets, including those not yet ratified by the SBTi.
- Number of meals diverted from waste via 'Too Good to Go': The number of meals diverted from waste via the 'Too Good to Go' platform.
- Food waste (in kg) per 100 covers: The total weight of food waste (in kg) per 100 covers. This has been normalised to account for changes in trade and allow us to track on a LFL basis.
- Number of EV charging points bays installed in the estate: The total number of usable charging bays installed in our pubs and support centres. A portion of installed bays were awaiting connection to the grid at year end.
- % of managed estate with available charging points: The % of our managed pubs estate with at least one live usable charging bay at year end.

Metrics & Targets

Target	Associated Risk	Metric / KPI	2024 Progress	Baseline (2019 unless stated)	Challenges
Reduce absolute scope 1 & 2 GHG emissions by 50% by 2030	Carbon Pricing – Gas & Other Fuels	(Scope 1) Fossil fuel consumption usage in kWh	289,038,270	354,004,113	
	Carbon Pricing – Electricity	(Scope 2) % of estate powered by renewable electricity.	100%	0%	Volatile pricing on renewables market.
		(Scope 2) Electricity consumption in kWh	289,923,545	331,621,314	
Reduce absolute scope 3 GHG emissions by 50% by 2030	Carbon Pricing – Supply Chain	% of suppliers who have been invited and have completed our sustainability questionnaire on our Greene King Engage platform.	88%	0%	Footprinting and target setting can be cost / resource prohibitive for smaller suppliers.
		% of suppliers that have set net-zero targets (SBTi or equivalent).	36%	Unknown	
Reduce food waste by 50% by 2030	Consumer Expectations	Number of meals saved from waste via 'Too Good to Go'.	208,688	Launched in 2019	
		Food waste (in kg) per 100 covers	12.76	13.40	Measurement systems need to be identified to fully understand sources of waste.
Rollout EV charging points	Consumer Expectations	Number of EV charging points bays installed in the estate.	1,450	0	Connection delays to grid due to DNO capacity.
		% of managed estate with available charging points.	20%. A further 1.5% of the estate was on-site or awaiting electrification.	0%	

The statements below reflect our commitment to, and management of, people, communities, the environment, human rights, anti-bribery and anti-corruption in the last 12 months.

Communities and Environment

We have a history of supporting communities throughout England, Scotland and Wales with our pubs providing important spaces for communities to come together, connect and feel a sense of belonging. We have a number of community and charity programmes which are highlighted on page 32 of this report. In 2022 Environment & Social was added a strategy driver for our business and we committed to, and had validation of, our near-term science-based targets. Our environmental commitments are highlighted on page 28 of this report. Details of our greenhouse gas (GHG) emissions are on page 30.

Employees and statement on employee engagement

It is our policy to ensure that team members are selected, recruited, developed, remunerated and promoted on the basis of their skill and suitability for the work performed. The company is committed to treating all team members fairly and equally and will endeavour to provide workplace adaptions and training for team members or candidates who have a disability and team members who become disabled during their employment. Our Inclusion and Diversity policy ensures the equal treatment of all employees, and our disability agenda is further supported by an Employee Led Inclusion Group, Ability that raises awareness and support for all employees living with visible and non-visible disabilities. Further details can be found in our Environmental, Social & Governance section on page 26 and our Section 172 statement on page 15.

Our established internal communications channels push information across the organisation regularly and we facilitate an anonymous annual engagement survey and half year pulse survey to listen to employee feedback and facilitate actions plans to drive change where needed. In line with our Inclusion and Diversity policy we apply a diversity data reporting overlay to identify further the engagement levels of our marginalised communities and act where needed.

Our balanced scorecard tool, Dartboard, is updated and communicated periodically showing our employees performance levels overall for the organisation including people, financial and customer metrics. This is linked to managers bonus payments and is further communicated and embedded at conferences, townhalls and in regular cascades to our senior leadership group.

Human rights

In 2024 Greene King released our Human Rights policy and in early 2025 our Modern Slavery policy. The policies support our commitment to act ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure the abuse of human rights and modern slavery do not exist in our business or in any of our supply chains.

Our code of conduct provides that all team members are to be treated with respect, and their health, safety and basic human rights protected and promoted. It covers a range to topics including modern slavery, working conditions, child labour, discrimination and anti-corruption and anti-bribery measures, including a specific anti-bribery policy.

We expect our suppliers and sub-contractors to comply with the provisions of our code or meet the same standard through their own code.

Our whistleblowing policy for our team members encourages them to report any wrongdoing, including human rights violations such as modern slavery or human trafficking and any concerns with bribery. Our teams are able to report via a confidential external supplier email or hotline and no significant issues were raised during the year. Further details can be found in our Environmental, Social & Governance section on page 26 and see the full modern slavery statement on our website.

Data privacy – the company has paid particular attention to embedding data privacy into the company's ways of working through a governance committee, incident management, training and awareness, quality control and a change programme that focuses on privacy by design and default. For an explanation of how the company uses the personal data see the privacy notice at www.greeneking.co.uk/privacy.

Anti-corruption and bribery

All forms of bribery are prohibited across all Greene King operations, in all our locations and in all of our interactions with any third parties, and whether by Greene King team members or by third parties on our behalf. We do not make payments or give cash equivalents or anything else of value to secure an unfair business advantage, nor do we make payments or provide any benefit to government officials to obtain business, favourable treatment or to avoid a fine or penalty. We do not permit the payment of facilitation payments or such like to speed up the performance of government officials.

We have in place online anti-bribery training for our support centre staff and pub managers which explains the law and the responsibility each team member faces. Our gifts and hospitality policy requires that all gifts must be recorded on a central database. Gifts over £250 also require line manager's approval and anything more than £5,000 requires permission from the Chief Executive Officer.

The strategic report has been approved by the directors and signed on behalf of the directors by:

Richard Smothers
Director

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE REPORT

Background

The board has adopted a governance code appropriate to its status as a large private company incorporated in the UK and a member of a Hong Kong listed group.

The arrangements, which were adopted by the board in February 2020, are broadly based on the Wates Principles for large private companies but have been adapted to recognise the company's position as a member of the CK Asset Holdings Limited (CKA) group. The principles adopted by the board cover the following six pillars:

Purpose and leadership

This requires the board to ensure that the company has a clear sense of purpose, collective vision and strategy to generate long-term sustainable growth and to promote the success of the company.

The company has continued to focus on its eight strategy drivers, and strong progress has been achieved throughout 2024 with a view to becoming the Pride of British Hospitality. Projects focused on the evolution of our brands, building strong foundations via transformations initiatives and understanding and delivering for our customers, which continued to inform the company's strategic direction in 2024.

With the support of the board throughout 2024, the company;

- reduced the size of the executive board from 10 to seven which, following a period of business and transformational change, will enable the business to leverage the investments made and be more agile and efficient;
- invested in the Hickory's brand with the conversion and introduction of six new sites in 2024, helping to grow a balanced portfolio of sustainable brands;
- announced plans to invest £40m in a state-of-the-art brewery in Bury St Edmunds, next to our new distribution centre. The custom-built, modern facility will provide a long-term future commitment to British brewing. Operations will continue at the existing Westgate Brewery until completion of the new site in 2027.

The board committee, with the support of the board, devoted time to preparing clear identifiable plans and priorities for 2025, ensuring that the business has a clear sense of direction and collective vision for the year ahead.

Board composition

This focuses on the role of the chair and other board members, requiring them to provide constructive challenge to management to ensure effective decision making in the best interest of the company.

The chairman of the company, George Magnus, has considerable experience as a non-executive director and chairman. His role is key to ensuring that the board provides well considered and effective decision making and constructive challenge to management. The non-executive directors of the board, appointees of CKA, are experienced executives with a range of skills and experience, including in the retail sector. Throughout board meetings all directors are given the opportunity to ask questions of management and to offer their insight and experience where relevant.

Director responsibilities

This requires the board to establish and maintain corporate governance practices that provide clear lines of accountability and responsibility to support effective decision making.

The board has approved a schedule of responsibilities setting out matters requiring board approval. These include the following:

- approval of the long-term strategy of the company;
- extension of the group's activities into new businesses or geographic areas and approval of all significant corporate acquisitions or disposals by the group;
- approval of major changes to the group's corporate structure;
- approval of the annual statutory accounts;
- changes to the governance structure of the group; and
- approval of new board appointments.

The board continues to utilise its board committee whose members comprise representatives from CKA and the Chief Executive Officer, Chief Financial Officer and Chief Experience Officer of Greene King. The board committee has the delegated authority to make certain decisions relating to the management and operation of the company, as set out in the schedule of responsibilities approved the board. Matters for which the board committee has responsibility include:

- approval of the annual operating and capital expenditure budgets;
- approval of the funding strategy and debt structure;
- approval of any significant changes to the group's management and control structure;
- the declaration or recommendation of dividends;
- approval of any significant changes in accounting policies or practices;
- determining the remuneration policy of the company and;
- approval of executive pay.

Operational controls are managed via an authorities matrix, which is approved by the board and rolled out across the business. Amendments were made during 2024 to the authorities matrix with the approval of the board to reflect the changes in organisational structure as well as to improve operational efficiency and governance.

In April 2024 during a board meeting, the board approved the Greene King Limited 2023 annual report.

The board committee passed a number of resolutions including various banking related approvals.

The 2025 budget was approved by the board committee in a meeting held in December 2024. The board committee meeting was also attended by certain members of the board who are not board committee members and who were provided the opportunity to ask any questions and provide their views.

Opportunity and risk

This requires the company to create and preserve value and establish oversight for the identification and mitigation of risks to the business to ensure the promotion of long-term sustainability and success. During the year the board was kept fully informed of the actions taken by management to manage costs, deal with wage pressures, and actions to mitigate eroding consumer spending power in some areas of the business. Potential opportunities for the business were also discussed with the board throughout the year, including the development of brand concepts and new areas of business as well as other opportunities to improve the customer or employee offer.

Details of the risks facing the business are set out in the section on principal risks and uncertainties section within the strategic report.

In addition to the risk management processes outlined in the principal risks and uncertainties section of this report, the key elements of the group's internal control framework are:

- the governance arrangements outlined above;
- the group's defined management structure with suitable authority limits and responsibilities, staffed by appropriate personnel;
- regular updates for the board on strategy;
- a comprehensive planning and financial reporting procedure including annual budgets and a longer-term strategic plan, both of which will be reviewed and approved by the board;
- ongoing monitoring by both the board and senior management of performance against budgets, through the periodic reporting of detailed management accounts and key performance indicators;
- ongoing monitoring by the board of compliance with financial covenants;
- a centralised financial reporting system and close process, with controls and reconciliation procedures designed to facilitate the production of the consolidated accounts;
- clearly defined evaluation and approval processes for acquisitions and disposals, capital expenditure and project control, with escalating levels of authority (including board approval for major acquisitions and disposals), detailed appraisal and review procedures and post-completion reviews;
- review of retail operational compliance by the retail internal audit team and other analytical and control procedures facilitated by the EPOS till system;
- audits conducted by the group internal audit function of business and functional control environments; and
- documented policies to cover data protection, modern slavery, anti-bribery and whistle-blowing and regular updates on any incidents.

Remuneration

This requires the board to ensure that executive remuneration structures are aligned to the long-term sustainable success of the company and ensuring that remuneration for directors and senior managers is aligned with performance, behaviours and the achievement of the company's purpose, values and strategy.

The board committee approved executive pay, bonus and long-term incentive plan (LTIP) structures for 2024, with bonus arrangements which reflect achievement against the group's balanced scorecard but also recognise individual behaviours and the achievement of the company's strategic objectives.

Stakeholder relationships and engagement

This requires the board to ensure that the company conducts meaningful engagement with stakeholders, including the workforce, and has regard to their views when taking decisions.

Further details of how the company has managed relationships and engaged with its various stakeholders can be found in the section on Directors' duties under section 172 Companies Act 2006, in the strategic report.

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements for the 52-week period ended 29 December 2024. 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 directors' report.

The company

Greene King Limited is a private limited company with registered office at Westgate Brewery, Bury St. Edmunds, Suffolk, IP33 1QT.

Results and dividends

The adjusted profit before tax and adjusting items was £67.3m for the 52 weeks to 29 December 2024 (prior period: £63.8m) and statutory loss before tax was £147.1m (prior period: profit £45.2m). The directors do not recommend the payment of a dividend to its sole shareholder this period (prior period: nil).

Directors and their interests

The directors during the period and to the date of this report, except stated otherwise, were as follows:

N Mackenzie, Chief Executive Officer

R Smothers, Director (Chief Financial Officer to 24 February 2025 and non-executive director thereafter)

J Fearn, Chief Financial Officer (from 24 February 2025)

D Dyson, Non-executive Director

A Hunter, Non-executive Director

L C G Ma, Non-executive Director

P Macnab, Non-executive Director

G Magnus, Non-executive Chairman

Future developments

The group intends to continue to operate in the areas of management of public houses and the retailing of beers, wines, spirits and soft drinks for the foreseeable future, but the composition of the group's reporting segments will change for FY25, as disclosed on page 7.

Details of any events occurring after the year end are set out in note 30 in the financial statements.

Financial instruments

The group's policy on the use of financial instruments is set out in note 22 to the financial statements.

Charitable Donations

Charitable donations made during the year are disclosed on page 32.

Political Donations

The Greene King group makes no political donations (prior period: nil).

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the strategic review. The financial position of the group, its cash flows, liquidity position and borrowing facilities are described in the financial review. In addition, note 22 to the financial statements includes 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 and liquidity risk.

The directors have made enquiries into the adequacy of the group's financial resources through a thorough review of the financial commitments over the short and medium term and their impact on the group's cash flow.

The principal elements of the group's financing structure are:

- Unsecured bank facilities totalling £1,100m, comprising £700m of revolving credit facilities and £400m of term loan facilities, which are guaranteed by the group's ultimate parent and mature in the period between November 2025 and March 2030. The facility expiring in November 2025 totals £300m and included in the total facilities of £1,100m are facilities renewed post year end totalling £400m;
- Repayable on demand interest free loan of £311m from CKA Holdings UK Limited;
- Unsecured revolving loan facility with CKA Holdings UK Limited of £1,500m expiring in November 2028;
- Secured bonds issued out of the Greene King securitisation with a group carrying value of £957.8m (prior period: £1,019.5m) and an average life of six years (prior period: seven years), secured against 1,436 pubs (prior period: 1,460 pubs) with a group carrying value of £2.0bn (prior period: £2.0bn); and
- Liquidity facilities totalling £224.0m (prior period: £224.0m) which can only be used for the purpose of meeting the debt service obligations of the group's securitisation vehicles should there ever be insufficient funds available from operations to meet such payments. There were no drawdowns under these facilities during the year and the drawn down amount at the year end was £nil (prior period: £nil).

The undrawn facilities (excluding liquidity facilities) at the end of the financial year were £1,645m and at 30 March 2025 were £1,570m.

Based on the group's current strategic plan the directors expect to meet the covenants of the Greene King securitisation during the period of 12 months from the date of approval of the financial statements.

For the purpose of the group's going concern assessment, the directors have modelled a remote scenario whereby the group generates just over 60% of its budgeted revenue and variable costs with no reduction in fixed costs and budgeted capex continues 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 deterioration in performance would likely result in a breach of the two-quarter lookback FCF DSCR covenant in Q1 FY26 within its securitised borrowings without mitigating 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 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. Accordingly, the directors continue to adopt a going concern basis for the preparation of the financial statements.

Directors' and officers' indemnity insurance

Insurance to indemnify the directors of the company against third party proceedings whilst serving on the board of the company and of any subsidiary has been taken out by the group. This cover indemnifies all team members of the group who serve on the boards of all subsidiaries. These indemnity policies subsisted throughout the period and remain in place at the date of this report.

Statement as to disclosure of information to auditor

Directors of the board at the time of approving this report are listed above. Having made enquiries of the company's auditor, the directors confirm that:

- to the best of their knowledge and belief, there is no information relevant to the preparation of this report of which the company's auditor is unaware; and
- they have taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information.

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

Auditor

Deloitte LLP have audited these financial statements and have confirmed their willingness to continue as auditors going forwards. They will therefore be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with United Kingdom adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The directors have chosen to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 the parent company financial statements, the directors are required to:

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

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

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.
- The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

This report was approved by the board on 24 April 2025 and signed on its behalf.

Richard Smothers
Director

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREENE KING LIMITED

Opinion

In our opinion:

- the financial statements of Greene King Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 29 December 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the group income statement;
- the group statement of comprehensive income;
- the group and parent company balance sheets;
- the group and parent company statements of changes in equity;
- the group cash flow statement;
- the related notes 1 to 44.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, UK tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included data protection regulations, licensing regulations, the pub code, occupational health and safety regulations, employment regulation, responsible drinking regulations, planning and building legislation and environmental regulations.

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

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

- Assessment of impairment in pub Property, Plant and Equipment (PPE) and Right-of-Use-Assets (ROUA) carrying amounts. Critical estimates include assumptions underlying future cash flows in management's 5 Year Plan (The Plan) and the allocation of these to each pub, determining an appropriate discount rate and estimating the fair value less cost to sell of each pub. Our procedures included review and challenge of the assumptions in the Plan, engaging valuation specialists to assess the appropriate range for the discount rate, long-term growth rate, testing the mechanical accuracy of the value in use calculations, and engaging Real Estate specialists to assess the external valuers property valuations.

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

In addition to the above, our procedures to respond to the risks identified included the following:

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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

Timothy Steel (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK
24 April 2025

GROUP INCOME STATEMENT

FOR THE 52 WEEKS ENDED 29 DECEMBER 2024

	Note	**52 weeks ended 29 December 2024 £m**	52 weeks ended 31 December 2023 £m
Revenue	3	**2,450.5**	2,375.4
Operating costs	4	**(2,466.9)**	(2,208.2)
Operating (loss)/profit		**(16.4)**	167.2
Analysed as:			
Adjusted operating profit		**198.0**	186.1
Adjusting items	5	**(214.4)**	(18.9)
Finance income	7	**6.8**	5.0
Finance cost	7	**(137.5)**	(127.0)
Net finance cost		**(130.7)**	(122.0)
Analysed as:			
Adjusted net finance costs		**(130.7)**	(122.3)
Adjusting items	5	**-**	0.3
(Loss)/profit before tax		**(147.1)**	45.2
Tax	9	**(9.2)**	(5.1)
Analysed as:			
Adjusted tax		**(21.6)**	(15.8)
Adjusting items	5	**12.4**	10.7
(Loss)/profit attributable to equity holders of parent		**(156.3)**	40.1

The notes on pages 57 to 97 form part of these financial statements. All activities derive from continuing operations.

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE 52 WEEKS ENDED 29 DECEMBER 2024

	Note	**52 weeks ended 29 December 2024 £m**	52 weeks ended 31 December 2023 £m
(Loss)/profit for the period		**(156.3)**	40.1
Other comprehensive income to be reclassified to the income statement in subsequent periods			
Cash flow hedges:			
– Gains/(losses) on cash flow hedges taken to other comprehensive income	22	**17.3**	(6.9)
– Transfers to income statement on cash flow hedges	22	**(0.5)**	0.6
Deferred tax on cash flow hedges	9	**(4.2)**	1.6
		12.6	(4.7)
Items not to be reclassified to the income statement in subsequent periods			
Remeasurement (losses)/gains on defined benefit pension schemes	8	**(19.0)**	6.7
Deferred Tax on remeasurement gains/(losses)	9	**4.7**	(1.7)
		(14.3)	5.0
Other comprehensive (loss)/income for the period, net of tax		**(1.7)**	0.3
Total comprehensive (loss)/income for the period, net of tax		**(158.0)**	40.4

The notes on pages 57 to 97 form part of these financial statements.

GROUP BALANCE SHEET

AS AT 29 DECEMBER 2024

	Note	**29 December 2024 £m**	31 December 2023 £m
Fixed assets			
Property, plant and equipment	11	**3,953.4**	3,983.5
Investment property	12	**11.5**	6.0
Right-of-use assets	20	**428.6**	503.0
Intangibles	10	**13.8**	15.3
Goodwill	10	**802.6**	924.7
Other financial assets	13	**9.4**	8.9
Trade and other receivables	16	**30.6**	5.0
Post-employment assets	8	**48.4**	64.5
		5,298.3	5,510.9
Current assets			
Inventories	15	**56.2**	61.1
Other financial assets	13	**4.9**	5.0
Income tax receivable	9	**13.3**	14.0
Trade and other receivables	16	**90.5**	116.8
Prepayments		**27.9**	20.8
Cash and cash equivalents	17	**104.5**	120.1
		297.3	337.8
Property, plant and equipment held for sale	18	**4.2**	1.1
		301.5	338.9
Total assets		**5,599.8**	5,849.8
Current liabilities			
Borrowings	21	**(953.9)**	(572.4)
Lease liabilities	20	**(25.1)**	(26.8)
Derivative financial instruments	22	**(1.0)**	(0.3)
Trade and other payables	19	**(450.1)**	(459.6)
Income tax payable	9	**-**	-
Provisions	23	**(10.9)**	(5.9)
		(1,441.0)	(1,065.0)
Non-current liabilities			
Borrowings	21	**(1,268.3)**	(1,656.8)
Lease Liabilities	20	**(465.6)**	(531.0)
Derivative financial instruments	22	**(12.9)**	(30.4)
Deferred tax liabilities	9	**(76.7)**	(74.0)
Provisions	23	**(1.5)**	(0.8)
		(1,825.0)	(2,293.0)
Total liabilities		**(3,266.0)**	(3,358.0)
Net assets		**2,333.8**	2,491.8

	Note	29 December 2024 £m	31 December 2023 £m
Issued capital and reserves			
Share capital	24	**39.0**	39.0
Share premium	25	**1,184.4**	1,184.4
Merger reserve	25	**752.0**	752.0
Capital redemption reserve	25	**3.3**	3.3
Hedging reserve	22	**(10.4)**	(23.0)
Retained earnings		**365.5**	536.1
Total equity		**2,333.8**	2,491.8

The notes on pages 57 to 97 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 24 April 2025.

They were signed on its behalf by:

Richard Smothers
Director

GROUP CASH FLOW STATEMENT

FOR THE 52 WEEKS ENDED 29 DECEMBER 2024

	Note	**52 weeks ended 29 December 2024 £m**	52 weeks ended 31 December 2023 £m
Operating activities			
Operating (loss)/profit		**(16.4)**	167.2
Operating adjusting items	5	**214.4**	18.9
Depreciation	4	**153.5**	141.5
Amortisation	4	**1.5**	1.6
Operating cash flows before working capital and adjusting cash items		**353.0**	329.2
Working capital and adjusting items	26	**(8.3)**	67.7
Cash generated from operations		**344.7**	396.9
Interest received		**3.4**	2.3
Interest paid		**(136.2)**	(126.0)
Tax paid		**(5.1)**	(13.9)
Net cash flow from operating activities		**206.8**	259.3
Investing activities			
Freehold reversions	11	**(1.8)**	(9.4)
Purchase of property, plant and equipment	11	**(199.3)**	(215.3)
Purchase of Investment property	12	**(5.7)**	(1.1)
Advances of trade loans	13	**(6.9)**	(5.2)
Repayment of trade loans	13	**6.2**	5.2
Sales of property, plant and equipment		**25.2**	4.4
Net cash flow from investing activities		**(182.3)**	(221.4)
Financing activities			
Repayment of borrowings	27	**(387.8)**	(55.4)
Advance of borrowings	27	**380.0**	80.0
Arrangement fees paid		**(1.4)**	-
Repayments of lease liabilities	27	**(30.9)**	(29.9)
Net cash flow from financing activities		**(40.1)**	(5.3)
Net (decrease)/increase in cash and cash equivalents		**(15.6)**	32.6
Opening cash and cash equivalents	17	**120.1**	87.5
Closing cash and cash equivalents	17	**104.5**	120.1

The notes on pages 57 to 97 form part of these financial statements.

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE 52 WEEKS ENDED 29 DECEMBER 2024

	Note	Share capital £m	Share premium £m	Merger reserve £m	Capital redemption reserve £m	Hedging reserve £m	Retained earnings £m	Total equity £m
At 1 January 2023		**39.0**	**1,184.4**	**752.0**	**3.3**	**(18.3)**	**491.0**	**2,451.4**
Profit for the period	3	-	-	-	-	-	40.1	40.1
Other comprehensive income:								
Actuarial gain on defined benefit pension schemes (net of tax)	8,9	-	-	-	-	-	5.0	5.0
Net loss on cash flow hedges (net of tax)	22	-	-	-	-	(4.7)	-	(4.7)
Total comprehensive income/(expense)		**-**	**-**	**-**	**-**	**(4.7)**	**45.1**	**40.4**
At 31 December 2023		**39.0**	**1,184.4**	**752.0**	**3.3**	**(23.0)**	**536.1**	**2,491.8**
Loss for the period	3	-	-	-	-	-	(156.3)	(156.3)
Other comprehensive income/(loss):								
Actuarial loss on defined benefit pension schemes (net of tax)	8,9	-	-	-	-	-	(14.3)	(14.3)
Net gain on cash flow hedges (net of tax)	22	-	-	-	-	12.6	-	12.6
Total comprehensive (expense)/income		**-**	**-**	**-**	**-**	**12.6**	**(170.6)**	**(158.0)**
At 29 December 2024		**39.0**	**1,184.4**	**752.0**	**3.3**	**(10.4)**	**365.5**	**2,333.8**

The notes on pages 57 to 97 form part of these financial statements.

NOTES TO THE ACCOUNTS

FOR THE 52 WEEKS ENDED 29 DECEMBER 2024

1 BASIS OF PREPARATION

Corporate information

The consolidated financial statements of Greene King Limited for the period ended 29 December 2024 were authorised for issue by the board of directors on 24 April 2025. Greene King Limited is a private company limited by shares incorporated and domiciled in England and Wales.

Statement of compliance

The group's financial statements have been prepared in accordance with United Kingdom adopted International Financial Reporting Standards (IFRS) in conformity with the requirements of the Companies Act 2006 as they apply to the financial statements of the group for the 52 weeks ended 29 December 2024 (prior period: 52 weeks ended 31 December 2023). The financial statements have been prepared on the historical cost basis, except for financial instruments as explained in the accounting policies below.

Basis of preparation

The consolidated financial statements have been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS (UK). They are presented in millions of pounds sterling, with values rounded to the nearest hundred thousand, except where otherwise indicated.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Greene King Limited, its subsidiaries and Greene King Finance plc and Greene King Finance Parent Limited. Greene King Finance plc is a structured entity set up to raise bond finance for the group.

The Law Debenture Intermediary Corporation plc holds the shares of Greene King Finance Parent Limited under a declaration of trust for charitable purposes. The rights provided to the group through the securitisation give the group the power over this company and the ability to use that power to affect its exposure to variable returns from them. As Greene King Limited has full control over these entities, they are fully consolidated. The financial statements of subsidiaries are prepared for the same reporting period as the parent company with adjustments made to their financial statements to bring their accounting policies in line with those used by the group. As such, the directors of Greene King Limited consider that these companies are controlled by the group, as defined in IFRS 10 'Consolidated Financial Statements' and hence for the purpose of the consolidated financial statements they have been treated as subsidiary undertakings.

The results of subsidiaries are consolidated from the date of acquisition, being the date on which the group obtains control, and continue to be consolidated until the date that such control ceases. Intercompany transactions, balances, income and expenses are eliminated on consolidation.

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the strategic review. The financial position of the group, its cash flows, liquidity position and borrowing facilities are described in the financial review. In addition, note 22 to the financial statements includes 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 and liquidity risk.

The directors have made enquiries into the adequacy of the group's financial resources through a thorough review of the financial commitments over the short and medium term and their impact on the group's cash flow.

The principal elements of the group's financing structure are:

- Unsecured bank facilities totalling £1,100m, comprising £700m of revolving credit facilities and £400m of term loan facilities, which are guaranteed by the group's ultimate parent and mature in the period between November 2025 and March 2030. The facility expiring in November 2025 totals £300m and included in the total facilities of £1,100m are facilities renewed post year end totalling £400m;
- Repayable on demand interest free loan of £311m from CKA Holdings UK Limited;
- Unsecured revolving loan facility with CKA Holdings UK Limited of £1,500m expiring in November 2028;
- Secured bonds issued out of the Greene King securitisation with a group carrying value of £957.8m (prior period: £1,019.5m) and an average life of six years (prior period: seven years), secured against 1,436 pubs (prior period: 1,460 pubs) with a group carrying value of £2.0bn (prior period: £2.0bn); and
- Liquidity facilities totalling £224.0m (prior period: £224.0m) which can only be used for the purpose of meeting the debt service obligations of the group's securitisation vehicles should there ever be insufficient funds available from operations to meet such payments. There were no drawdowns under these facilities during the year and the drawn down amount at the year end was £nil (prior period: £nil).

The undrawn facilities (excluding liquidity facilities) at the end of the financial year were £1,645m and at 30 March 2025 were £1,570m.

Based on the group's current strategic plan the directors expect to meet the covenants of the Greene King securitisation during the period of 12 months from the date of approval of the financial statements.

For the purpose of the group's going concern assessment, the directors have modelled a remote scenario whereby the group generates just over 60% of its budgeted revenue and variable costs with no reduction in fixed costs and budgeted capex continues 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 deterioration in performance would likely result in a breach of the two-quarter lookback FCF DSCR covenant in Q1 FY26 within its securitised borrowings without mitigating 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 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. Accordingly, the directors continue to adopt a going concern basis for the preparation of the financial statements.

New accounting standards, amendments and interpretations adopted by the group

The following new standards, interpretations and amendments to standards are mandatory for the group for the first time for their annual reporting period commencing 1 January 2024.

Those standards and interpretations include:

- Amendments to IAS 16 – Lease liability in sale-and-leaseback
- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current
- Amendments to IFRS 7 and IAS 7 – Supplier Finance Arrangements

The group has considered the above new standards and has concluded that they do not have a material effect.

Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the group has not early adopted them in preparing these consolidated financial statements. The group is assessing the impact of the following new and amended standards, which have been issued or are awaiting endorsement by the UK Endorsement Board.

- Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates
- Amendments to IFRS 9 and IFRS 7 – Financial Instruments and Financial Instruments: Disclosures
- IFRS 18 Presentation and Disclosure in Financial Statements

Critical accounting judgments and key sources of estimation uncertainty

Critical accounting judgments

In the course of preparing the financial statements, the key judgments made in the process of applying the group's accounting policies are detailed below:

Adjusting items

Management uses a range of measures to monitor and assess the group's financial performance. These measures include a combination of statutory measures calculated in accordance with IFRS and alternative performance measures. The alternative performance measures represent the equivalent IFRS measures but are adjusted to exclude items that management considers would prevent comparison of the group's performance both from one reporting period to another and with other similar businesses. Management believes that these alternative performance measures provide useful additional information about the group's performance and are consistent with how the business performance is measured internally by the chief decision maker.

The classification of items excluded from profit before adjusting items requires judgment including consideration of the nature, circumstances, scale and impact of transaction. The group's definition of items excluded, together with further details of adjustments made, is provided within the accounting policy section, note 2.

Determining the lease term of contracts with renewal and termination options – Group as Lessee

The group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The group has several lease contracts that include extension and termination options. The group applied judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the group reassesses the lease term if there is a significant event or change in circumstances that is within its controls and affects its ability to exercise or not to exercise the option to renew or to terminate. The total potential effect of these clauses has been disclosed in note 20.

Key sources of estimation uncertainty

The areas of estimation that have a significant risk of resulting in material adjustments to carrying amounts of assets and liabilities are detailed below:

Impairment of property, plant and equipment, intangible assets and right-of-use assets

IFRS requires management to perform impairment tests annually for indefinite lived assets (Goodwill), and for finite lived assets (property, plant and equipment, right-of-use assets and other intangible assets), if events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Impairment testing requires management to judge whether the carrying value of assets can be supported by the net present value of future cash flows that they generate. Calculating the net present value of the future cash flows requires estimates to be made in respect of short-term and long-term growth rates, and the adoption of a suitable discount rate. Short-term growth rates are based on the board approved strategic plan. The long-term growth rate has been based on expected industry returns which is slightly below the forecast long-term UK inflation rate. The discount rate is based on the group's WACC and is applied across all reporting segments as risk factors are considered to be similar.

Changes to the growth rate or discount rate used, could significantly affect the group's impairment charge (and reversal) recognised in the income statement and the overall value of assets held at the balance sheet date. Management has provided analysis of the sensitivity to these assumptions in note 11.

The cashflows used in the impairment exercise have been aligned to the group's 5-year strategic plan. Further details are provided in notes 11 and 20.

Taxation

The group's tax charge is the sum of the total current and deferred tax charges. The calculation of the group's tax charge involves estimation and judgment in respect of following items:

Recognition of deferred tax asset and liabilities

The group has exercised significant accounting estimation and judgment in the recognition of deferred tax liabilities in respect of property, plant and equipment. Significant accounting estimates and judgements include those used to determine the amount of net book value of property, plant and equipment to which the initial recognition exemption applies, the calculation of the tax base on sale (which is subject to certain restrictions under tax law) and the offsetting of inherent losses against inherent gains where tax losses are expected to be utilised against future profits and gains.

Corporate Interest Restriction

The following significant judgements and estimates have been used to calculate the current and deferred tax balances relating to Corporate Interest Restriction:

- As statutory accounts are not prepared for the Greene King group subsidiaries at the time of the Greene King Limited group consolidated accounts being prepared, the Greene King Limited group accounts have been used to estimate Net Tax Interest Expense and Tax EBITDA on an entity basis;
- As Greene King is part of the wider CK group following the 2019 acquisition, the Corporate Interest Restriction is calculated across the CKA group. The Greene King accounts rely on estimates provided by CKA, CKA's assertions that the group should calculate the Corporate Interest Restriction using the Fixed Ratio methodology and that the group should not suffer restrictions that arise outside of the Greene King group, but in the CKA group.

Pension liabilities

Management uses estimates when determining the group's liabilities and expenses arising for defined benefit pension schemes.

The present values of pension liabilities are determined on an actuarial basis and depend on actuarial assumptions. Key assumptions have been identified as the discount rate adopted, implied inflation rate and assumed life expectancy. Any change in these assumptions will impact on the carrying amount of pension liabilities, with further details on assumptions adopted and related sensitivity disclosed in note 8.

The group has determined that when all members have left the scheme, any surplus remaining would be returned to the company in accordance with the trust deed. As such the full economic benefit of the surplus under IAS 19 is deemed available to the company and is recognised in the balance sheet.

2 ACCOUNTING POLICIES

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost on transition to IFRS, less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset.

Freehold land is not depreciated. Freehold and long leasehold buildings are depreciated to their estimated residual values over periods up to 50 years, and short leasehold improvements are depreciated to their estimated residual values over the shorter of the remaining term of the lease or useful life of the asset.

There is no depreciable amount if residual value is the same as, or exceeds, book value.

Plant and equipment assets are depreciated over their estimated lives which range from 3 to 20 years.

Residual values, useful lives and methods of depreciation are reviewed for all categories of property, plant and equipment and adjusted, if appropriate, at each financial year end.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Profit or loss on derecognition is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is included in the income statement in the year of derecognition.

Intangible assets

Brand intangibles

Brand intangible assets recognised on acquisition are amortised on a straight-line basis over their estimated useful lives (15 years) within operating costs. The carrying value is reviewed annually for impairment, with any impairment losses recognised in the income statement.

Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Rental income from investment property is recognised as "other services" (note 3) on a straight-line basis over the term of the lease.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. The choice of measurement of non-controlling interests, either at fair value or at the proportionate share of the acquiree's identifiable net assets, is determined on a transaction-by-transaction basis. Acquisition costs incurred are taken to the income statement.

The group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

When the group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Any contingent consideration to be transferred to the vendor is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which are deemed to be an asset or a liability are recognised in the income statement.

If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the acquisition date fair value of the consideration transferred and the amount recognised for the non-controlling interest over the net identifiable amounts of the assets acquired and liabilities assumed in exchange for the business combination. Assets acquired and liabilities assumed in transactions separate to the business combinations, such as the settlement of pre-existing relationships or post-acquisition remuneration arrangements, are accounted for separately from the business combination in accordance with their nature and applicable IFRS. Identifiable intangible assets, meeting either the contractual-legal or separability criteria, are recognised separately from goodwill. Contingent liabilities representing a present obligation are recognised if the acquisition date fair value can be measured reliably.

If the aggregate of the acquisition date fair value of the consideration transferred and the amount recognised for the non-controlling interest is lower than the fair value of the assets, liabilities and contingent liabilities and the fair value of any pre-existing interest held in the business acquired, the difference is recognised in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, any goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment

Property, plant and equipment and Right-of-use assets

Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash inflows independent of the cash inflows of other groups of assets. For this purpose, this has been identified as individual sites.

An assessment is made at each reporting date as to whether there is an indication of impairment. If an indication exists, the group makes an estimate of the recoverable amount of each cash-generating unit (CGU). An asset's or cash-generating unit's recoverable amount is the higher of its fair value less costs of disposal and value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

An impairment loss is recognised where the recoverable amount is lower than the carrying value of assets. If there is an indication that any previously recognised impairment losses may no longer exist or may have decreased, a reversal of the loss may be made only if there has been a change in the estimates used to determine the recoverable amounts since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount only up to the carrying amount that would have resulted, net of depreciation, had no impairment loss been recognised for the asset in prior periods.

Impairment losses and any subsequent reversals are recognised in the income statement as adjusting items within operating costs.

Details of the impairment losses recognised in respect of property, plant and equipment are provided in note 11 and right-of-use assets in note 20.

Goodwill

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units (or groups of cash-generating units) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which goodwill is allocated represents the lowest level within the group at which goodwill is monitored for internal management purposes and cannot be larger than an operating segment before aggregation.

Impairment is determined by the recoverable amount of an operating segment. Where this is less than the carrying value of the operating segment, an impairment loss is recognised immediately in the income statement. This loss cannot be reversed in future periods.

Financial instruments

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument and are derecognised when the group no longer controls the contractual rights that comprise the financial instrument, normally through sale or when all cash flows attributable to the instrument are passed to an independent third party.

Classification, measurement and impairment

Financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at transaction price determined under IFRS 15.

Subsequently, the group classifies its financial assets as measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss

The classification depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them.

The group's financial assets measured at amortised cost include trade loans, trade receivables and cash and cash equivalents.

Other financial assets are trade loans to publicans who purchase the group's beer and liquor. Trade loans that are held for the collection of contractual cash flows and the cash flows received from them are solely payments of principal, and interest on the principal amount outstanding is subsequently carried at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

Interest revenue on the trade loans is recognised in the income statement. Any gain or loss on derecognition is recognised in the income statement. There will be derecognition of trade loans when the group has no reasonable expectation of recovering the financial asset in its entirety or a portion thereof.

For financial assets held at amortised cost, an estimate of a 12-month expected credit losses (ECLs) are recognised as an impairment provision upon recognition of a new free trade loan; and at each reporting date, an assessment is made to determine if there has been a significant increase in credit risk since initial recognition. In cases where this is evident or is determined to be credit impaired, lifetime expected credit losses are used as the basis for the impairment provision, otherwise the group measures the loss allowance for the financial asset at an amount equal to a 12-month expected credit loss.

Lifetime expected credit loss represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In turn, 12-month expected credit loss represents the portion of lifetime expected credit losses that is expected to result from default events on a financial instrument that are possible within 12-months after the reporting date.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

For trade receivables, the group adopts a simplified approach in calculating expected credit losses. Therefore, the group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The group utilises a provision matrix that has been designed based on historically observed default rates adjusted by a forward-looking estimate that includes the probability of a worsening economic environment within the next year.

The group assesses a financial asset in default when contractual payments are 90 days past due. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Details about the group's calculation of the loss allowance are provided in note 22.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Financial liabilities

The group classifies all financial liabilities as subsequently measured at amortised cost, except for derivatives that are subsequently measured at fair value.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at fair value of the consideration received, net of issue costs. After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method.

Trade payables

Trade payables are non-interest bearing and are stated at their nominal value.

Derivative financial instruments and hedge accounting

The group uses interest rate swaps to hedge its exposure to interest rate fluctuations on its variable rate loans, notes and bonds.

Interest rate swaps are initially measured at fair value, if any, and carried on the balance sheet as an asset if a fair value is positive or liability if a fair value is negative. The carrying amount of a derivative is split between current and non-current portions. The present value of the net interest cash flows of a swap for the forthcoming twelve months after the reporting date is presented as current asset if fair value is positive or current liability if fair value is negative. The remainder portion of a carrying amount is presented as non-current asset or liability if the remaining maturity of the instrument is more than twelve months and it is not expected to be realised or settled within twelve months. Subsequent measurement is at fair value and the movement is recognised in the income statement unless hedge accounting is adopted. For interest rate swaps where hedge accounting is not applied, gains or losses arising from changes in the clean fair value are presented in the income statement in the period in which they arise.

Hedge accounting

To qualify for hedge accounting the hedge relationship must be designated and documented at inception. Documentation must include the group's risk management objective and strategy for undertaking the hedge and formal allocation to the item or transaction being hedged. The group also documents how it will assess the effectiveness of the hedge and carries out assessments through periodic prospective effectiveness testing to ensure that:

- there is an economic relationship between the hedged item and the hedging instrument;

- the effect of credit risk does not dominate the value changes that result from the economic relationship; and

- the hedge ratio is the same as that resulting from actual quantities of hedged items and hedging instruments used for risk management

Hedges can be classified as either fair value (hedging exposure to changes in fair value of an asset or liability), or cash flow (hedging the variability in cash flows attributable to an asset, liability or forecast transaction). The group uses certain of its interest rate swaps as cash flow hedges.

Cash flow hedge accounting

The effective portion of the gain or loss on an interest rate swap is recognised in Other comprehensive income (OCI), whilst any ineffective portion is recognised immediately in the income statement.

Amounts recognised in OCI are transferred to the income statement in the same period that the financial income or expense is recognised, unless the hedged transaction results in the recognition of a non-financial asset or liability whereby the amounts are transferred to the initial carrying amount of the asset or liability.

When a hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting, amounts previously recognised in OCI are held there until the previously hedged transaction affects the income statement. If the hedged transaction is no longer expected to occur, the cumulative gain or loss recognised in OCI is immediately transferred to the income statement.

Employee Benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Finance costs and income

Finance costs are expensed to the income statement using the effective interest method. Finance income is recognised in the income statement using the effective interest method.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

At the reporting date, inventories are assessed for impairment. If inventories are impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Property, plant and equipment held for sale

Property, plant and equipment is classified as held for sale only if it is available for sale in its current condition, management is committed to the sale and a sale is highly probable and expected to be completed within one year from the date of classification. Property, plant and equipment classified as held for sale is measured at the lower of carrying amount and fair value less costs of disposal and is no longer depreciated or amortised.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

Provisions are discounted to present value, where the effect of the time value of money is material, using a pre-tax discount rate that reflects current market estimates of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Pensions and other post-employment benefits

Defined benefit pension schemes

The group operates two defined benefit pension schemes which require contributions to be made into separately administered funds. The cost of providing benefits under the schemes is determined separately for each plan using the projected unit credit actuarial method on an annual basis. Remeasurement gains and losses are recognised in full in the group statement of comprehensive income in the period in which they occur.

When a settlement or curtailment occurs the obligation and related scheme assets are remeasured, and the resulting gain or loss is recognised in the income statement in the same period.

Net interest on the net defined benefit liability/(asset) is determined by multiplying the net defined benefit liability/(asset) by the discount rate both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments.

The defined benefit asset or liability recognised in the balance sheet comprises the present value of the schemes' obligations less the fair value of scheme assets. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the schemes.

Defined contribution pension schemes

Contributions to the group's defined contribution pension schemes are charged to the income statement as they become payable.

Revenue

Generally, revenue represents external sales (excluding taxes) of goods and services, net of discounts. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and is measured at the fair value of consideration receivable, excluding discounts, rebates, and other sales taxes or duty relating to brewing and packaging of certain products.

The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

Greene King pubs and Destination Brands

Food and drink

Revenue is recognised at the point at which food and drinks are provided based on till receipts taken in our licensed estate. Promotional discounts are recorded at point of sale. Revenue is reported on product sales net of VAT and discounts applied.

The performance obligation is satisfied upon the delivery of the food and drink, and payment of the transaction price is due immediately when the customer purchases the food and/or drink.

Other services

Accommodation revenue is recognised on a daily basis based on occupancy at the agreed price (net of discount and VAT). The performance obligation is satisfied at the point the service is provided, and payment is generally due at the end of the guest stay at the accommodation.

Gaming machine income is recognised, in the group's capacity as agent, where net takings are recognised as earned on the group's proportion of gaming machine proceeds in the period of sale.

Partnerships & Ventures

Food and drink

Revenue is recognised at the point at which food and drinks are provided based on till receipts taken in our licensed estate. Promotional discounts are recorded at point of sale. Revenue is reported on product sales net of VAT and discounts applied.

The performance obligation is satisfied upon the delivery of the food and drink, and payment of the transaction price is due immediately when the customer purchases the food and/or drink.

Other services

Accommodation revenue is recognised on a daily basis based on occupancy at the agreed price (net of discount and VAT). The performance obligation is satisfied at the point the service is provided, and payment is generally due at the end of the guest stay at the accommodation.

Gaming machine income is recognised, in the group's capacity as agent, where net takings are recognised as earned on the group's proportion of gaming machine proceeds in the period of sale.

Drink/product sales to leased and tenanted pubs

The group supplies tenants with a variety of products recognising the sale upon delivery to the pub. At this point the tenant is solely responsible for stock management and no refunds are given for out-of-date products, passing all risks and rewards of ownership to the tenant.

The tenancy agreement may also include volume incentives in the form of retros, which are deemed to be related transactions and therefore the cost of retro is recognised simultaneously, provided that the cost can be measured reliably. The net of the proceeds from sale and the expected retro is disclosed as revenue. The accrued value for rebates payable is included within other payables.

Rental income

The group recognises rental income on a straight-line basis over the term of the lease, as the performance obligation is satisfied over time, based on the contractual terms of the lease agreement.

Gaming machine income

Gaming machine income is recognised, in the group's capacity as agent, where net takings are recognised as earned on the group's proportion of gaming machine proceeds in the period of sale.

Franchise arrangements
The group has a number of franchise arrangements with its tenants, where the group controls the goods and services before they are transferred to the customer and accordingly revenue is recognised gross by the group.

Brewing & Brands

Brewing & Brands drink revenue is recognised upon delivery date, net of VAT and duty and discounts applied. Export revenue is recognised on export sales based on the invoice date. Products are shipped on a 'free on board' basis, with risk and rewards of ownership being transferred, and performance obligation satisfied, from the group upon shipment rather than the receipt by the customer. The export revenue is immaterial to the group therefore no information about geographical regions has been provided as the group's activities are predominantly domestic.

Supplier rebates

Supplier rebates are included within operating profit as they are earned as there is no significant uncertainty. The accrued value at the reporting date is included within other receivables. Other receivables are recognised at fair value.

Leases

Group as lessee

For any new contracts entered into, the group considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration'. To apply this definition, the group assesses whether the contract meets all of the following criteria:

- the contract contains an identified asset, which is either explicitly identified in the contact or implicitly specified by being identified at the time the asset is made available to the group

- the group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract

- the group has the right to direct the use of the identified asset throughout the period of use. The group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between repayment of the lease liability and finance cost. The finance cost is charged to the income statement over the lease term to produce a constant periodic rate of interest on the outstanding lease liability balance. The right-of-use asset is depreciated over the shorter of the asset's expected useful life and the lease term on a straight-line basis unless the lease is expected to transfer ownership of the underlying asset to the group in which case the asset is depreciated to the end of the useful life of the asset.

The lease liability is initially measured as the present value of future lease payments, discounted using the interest rate implicit in the lease. Where this rate is not determinable, the incremental borrowing rate is used, which is the interest rate the entity would have to pay to borrow the amount necessary to obtain an asset of similar value, in a similar economic environment with similar terms and conditions.

The right-of-use asset is initially measured at cost, comprising the initial value of the lease liability, any lease payments made (net of any incentives received from the lessor) before the commencement of the lease, any initial direct costs and any restoration costs.

For changes to existing contracts such as fair market rent reviews or other modifications, a remeasurement is recorded in both right-of-use asset and lease liability based upon the net present value of the incremental change of cashflows discounted at the IBR.

Right of use assets (ROUA) are measured at either:

- their carrying amount as if IFRS 16 had been applied since the lease commencement date, discounted by the group's incremental borrowing rate as at 29 April 2019. The group has applied this methodology to the majority of its property leases where sufficient historical information has been available to facilitate this.

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. This has been applied to a small number of property leases where it was not possible to ascertain sufficient historical data to enable a retrospective calculation. This method has also been applied to the group's other assets.

Each right-of-use asset is depreciated over the shorter of its useful life and the lease term on a straight-line basis unless the lease is expected to transfer ownership of the underlying asset to the group in which case the asset is depreciated to the end of the useful life of the asset.

Payments in respect of leases of either short-term, low-value or based on variable rental payments continue to be charged to the income statement on a straight-line basis over the lease term.

Group as lessor

Leases in which the group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases for which the group is a lessor are classified as operating leases.

Merger reserve

The merger reserve represents capital contributions received, and amounts recognised on the acquisition of Spirit Pub Company Limited being the difference between the value of the consideration and the nominal value of the shares issued as consideration.

Taxes

Income tax

The income tax charge comprises both the income tax payable based on profits for the period and the deferred income tax. It is calculated using taxation rates enacted or substantively enacted by the balance sheet date and is measured at the amount expected to be recovered from or paid to the taxation authorities.

Income tax relating to items recognised in OCI and equity are recognised in OCI and equity respectively.

Deferred tax

Deferred tax is provided for using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying values in the financial statements.

Deferred tax is recognised for all temporary differences except where the deferred tax arises from the initial recognition of goodwill (for taxable temporary differences) or of an asset or liability in a transaction that is not a business combination that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss or, in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured, on an undiscounted basis, at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to offset income tax assets and income tax liabilities, and they relate to the same taxable entity and same tax authority and when it is the intention to settle the balances on a net basis.

Deferred tax relating to items recognised in OCI and equity are recognised in OCI and equity respectively.

Uncertain tax positions

A current tax provision is recognised when the group has a present obligation as a result of a past event, and it is probable that the group will be required to settle that obligation. Tax benefits are not recognised unless it is probable that the benefit will be obtained, and tax provisions are made if it is probable that a liability will arise. The group reviews its uncertain tax positions each period in order to determine the appropriate accounting treatment.

Adjusting items and adjusted profitability measures

Management uses a range of measures to monitor and assess the group's financial performance. These measures include a combination of statutory measures calculated in accordance with IFRS and alternative performance measures (APMs). The income statement includes the following adjusted measures of profitability:

- Adjusted operating profit/loss;
- Adjusted finance costs and;
- Adjusted tax.

Management believes that APMs provide useful additional information about the group's performance, and these are used by management internally.

These measures represent the equivalent IFRS measures but are adjusted to exclude items that management considers would prevent comparison of the group's performance both from one reporting period to another and with other similar businesses. Adjusting items are not defined under IFRS. Adjusting items are classified as those which are separately identifiable by virtue of their size, nature or expected frequency and therefore warrant separate presentation or allow a better understanding of the underlying performance of the business. Presentation of these measures are not intended to be a substitute for or intended to promote them above statutory measures.

The group's income statement provides a reconciliation of the adjusted profitability measures, excluding adjusting items to the equivalent unadjusted IFRS measures. Adjusting items are then further detailed in note 5 to the financial statements.

Items that are considered to be adjusting and that are therefore separately identified in order to aid comparability may include the following:

- profits or losses resulting from the disposal of a business or investment;
- costs incurred in association with business combinations, such as legal and professional fees and stamp duty, that are excluded from the fair value of the consideration of the business combination;
- one-off restructuring and integration costs that are incurred either following a business combination or following a restructuring of the group's support functions. These costs can be significant and would prevent year-on-year comparability of the group's trading if not separately identified;
- impairment charges/(reversals) in respect of tangible and intangible assets;
- one-off past services charges in relation to guaranteed minimum pension benefits;
- revaluation (gain)/losses on investment property;
- accelerated depreciation on assets and dual running costs;
- finance costs or income resulting from gains or losses upon the settlement of interest rate swap and bond liabilities and from cumulative gains or losses recycled in full to the income statement where the swaps have been terminated. These amounts may be significant and are separately identified as the instruments they relate to would no longer form part of the group's ongoing capital structure;
- fair value gains and losses on the ineffective element of cash flow hedges and fair value movements in respect of derivatives not qualified for hedge accounting. Such items are separately presented as movements may be both significant and volatile.
- significant and/or one-off tax settlements in respect of prior periods (including any related interest), and the tax impact of the items identified above and movements on the licensed estate are included as adjusting items. These items are separately identified to allow management and investors to separately understand tax charges relating to in-year ongoing activity and what relates to prior periods;
- one-off costs relating to the outbreak of a pandemic, to include the costs of write off of obsolete stock, increase in the expected credit loss of trade debtors and free trade loans, and other costs or reversals directly attributable to either the closure of pubs during the outbreak period or preparing the sites for reopening;
- employee costs and other legal and professional fees incurred in relation to restructuring cost associated with changes to management, group refinancing activities and defending uncertain tax positions;
- profit or loss on the disposal of property, plant and equipment, where the group disposes of properties that it no longer considers meet the ongoing needs of the business. These profits or losses could be significant and volatile and are not reflective of the group's ongoing trading results;
- gains or losses resulting from the settlement of liabilities in respect of the group's pension schemes;
- insurance compensation received to meet the costs of restoring sites damaged by fire. Such compensation may be receivable over a lengthy time period and be of a large total amount;
- the impact of changes in the statutory tax rates;
- the impact of changes to the tax base cost of group's licensed estate and indexation; and
- other adjustments in respect of prior periods' tax arising from finalising the tax returns for earlier periods and rolled over gains on the licensed estate.

3 SEGMENT INFORMATION

The group has four reportable segments which are based on the information presented to the Chief Executive Officer, who is considered to be the chief operating decision maker. No aggregation of segments has been performed. The four segments are largely organised and managed separately according to the nature of products and services provided, distribution channels and profile of customers. The segments include the following businesses:

Greene King pubs: Wet and food-led managed pubs

Destination Brands: Food-led managed pubs

Partnerships & Ventures: Leased, tenanted, franchised pubs and venture businesses. Venture businesses include managed pubs, hotels and restaurants.

Brewing & Brands: Brewing, marketing and selling beer. Revenue disclosed is solely in relation to third parties.

52 weeks to 29 December 2024	**Greene King pubs £m**	**Destination Brands £m**	**Partnerships & Ventures £m**	**Brewing & Brands £m**	**Corporate £m**	**Total operations £m**
Revenue	966.5	799.2	447.0	237.8	-	2,450.5
Analysed as:						
Goods						
– Drink	656.8	330.3	249.2	237.8	-	1,474.1
– Food	277.0	428.9	123.7	-	-	829.6
	933.8	759.2	372.9	237.8	-	2,303.7
Services						
– Other services[1]	32.7	40.0	74.1	-	-	146.8
Adjusted EBITDA[2]	**192.9**	**88.1**	**112.2**	**31.2**	**(71.4)**	**353.0**
Adjusted operating profit/(loss)	**135.7**	**44.4**	**83.2**	**19.4**	**(84.7)**	**198.0**
Adjusting operating items	(15.5)	(155.9)	(36.1)	(1.3)	(5.6)	(214.4)
Lease interest	(11.9)	(5.4)	(2.0)	(1.4)	(2.1)	(22.8)
Net finance costs	-	-	-	-	-	(107.9)
Income tax charge	-	-	-	-	-	(9.2)
Segment (loss)/profit[3]	**108.3**	**(116.9)**	**45.1**	**16.7**	**(92.4)**	**(156.3)**

52 weeks to 31 December 2023	**Greene King pubs £m**	**Destination Brands £m**	**Partnerships & Ventures £m**	**Brewing & Brands £m**	**Corporate £m**	**Total operations £m**
Revenue	938.4	787.4	420.9	228.7	-	2,375.4
Analysed as:						
Goods						
– Drink	638.6	330.7	235.7	228.7	-	1,433.7
– Food	267.5	416.1	109.3	-	-	792.9
	906.1	746.8	345.0	228.7	-	2,226.6
Services						
– Other services[1]	32.3	40.6	75.9	-	-	148.8
Adjusted EBITDA[2]	**176.0**	**90.3**	**106.0**	**32.2**	**(75.3)**	**329.2**
Adjusted operating profit/(loss)	**121.7**	**47.5**	**78.3**	**21.3**	**(82.7)**	**186.1**
Adjusting operating items	10.8	4.3	(33.0)	(0.3)	(0.7)	(18.9)
Lease interest	(12.0)	(4.8)	(2.3)	(1.5)	(1.0)	(21.6)
Net finance costs	-	-	-	-	-	(100.4)
Income tax charge	-	-	-	-	-	(5.1)
Segment profit/(loss)[3]	**120.5**	**47.0**	**43.0**	**19.5**	**(84.4)**	**40.1**

1. Other services include accommodation, rental and gaming machine income.
2. Adjusted EBITDA represents earnings before interest, tax, depreciation, amortisation and adjusting items and is reconciled on page 106.
3. Segment profit/(loss) for the trading divisions represents operating profit after lease interest. For the corporate division segment loss represents operating loss after net finance costs and income tax charge.

Revenue from services includes rent receivable from licensed properties of £50.1m (prior period: £49.4m).

During the year management announced changes to the structure of the group's internal organisation, and as a result, the composition of the group's reporting segments changed from the start of FY25. Partnerships and Ventures will no longer be a standalone division and the group moved from four divisions to three: Greene King pubs; Destination Brands and Ventures; and Brewing and Brands.

Management reporting and controlling systems

Management monitors the operating results of its segments separately for the purpose of making decisions about allocating resources and assessing performance. Segment performance is measured based on segment adjusted operating profit or loss referred to as trading profit in the group's management and reporting systems. Inter-segment revenues and costs are eliminated upon consolidation and hence excluded from the segmental information above. Included within the corporate column in the table above are functions managed by a central division.

No information about geographical regions has been provided as the group's activities are predominantly domestic.

4 OPERATING COSTS

Operating profit is stated after charging/(crediting):

	52 weeks 29 December 2024			52 weeks 31 December 2023		
	Before adjusting items	**Adjusting items**	**Total**	Before adjusting items	Adjusting items	Total
	£m	**£m**	**£m**	£m	£m	£m
Cost of products sold recognised as an expense	**680.3**	**-**	**680.3**	682.7	-	682.7
Employment costs (note 6)	**801.1**	**11.7**	**812.8**	775.4	-	775.4
Depreciation of property, plant and equipment (note 11)	**114.6**	**1.0**	**115.6**	104.0	-	104.0
Revaluation of investment property (note 12)	**-**	**(0.3)**	**(0.3)**	-	(1.6)	(1.6)
Depreciation of right-of-use assets (note 20)	**38.9**	**-**	**38.9**	37.5	-	37.5
Amortisation (note 10)	**1.5**	**-**	**1.5**	1.6	-	1.6
Net impairment charge of property, plant, and equipment (note 11), right-of-use assets (note 20) and goodwill (note 10)	**-**	**208.5**	**208.5**	-	16.7	16.7
Other operating charges	**616.1**	**2.8**	**618.9**	588.1	(0.4)	587.7
Net (profit)/loss on disposal (note 5)	**-**	**(9.3)**	**(9.3)**	-	4.2	4.2
	2,252.5	**214.4**	**2,466.9**	2,189.3	18.9	2,208.2

Fees earned by the auditor during the period consisted of:	**52 weeks 29 December 2024**	52 weeks 31 December 2023
	£m	£m
Audit of the consolidated financial statements	**0.3**	0.3
Audit of subsidiaries	**1.0**	1.0
Included in other operating charges	**1.3**	1.3

The group's auditors provided audit-related assurances services of £4k in the period (prior period: £4k).

5 ADJUSTING ITEMS

	52 weeks 29 December 2024 £m	52 weeks 31 December 2023 £m
Included in operating (loss)/profit		
Employee costs, restructuring charges, and other legal and professional fees	**(13.0)**	(1.8)
Covid-related charges	**-**	(0.9)
Net impairment charge of property, plant and equipment (note 11) and right-of-use assets (note 20)	**(86.4)**	(16.7)
Net impairment charge on goodwill (note 10)	**(122.1)**	-
Income from Indirect Tax claims	**-**	1.2
Net profit/(loss) on disposal of property, plant and equipment, investment property and leases	**9.3**	(4.2)
Revaluation of investment property (note 12)	**0.3**	1.6
Corporate transaction and project costs	**(1.8)**	(2.2)
Insurance proceeds	**0.3**	4.1
Brewery accelerated depreciation	**(1.0)**	-
Total adjusting items included in operating (loss)/profit	**(214.4)**	(18.9)
Included in financing costs		
Interest income on Indirect Tax claims	**-**	0.3
Total adjusting financing costs	**-**	0.3
Total adjusting items before tax	**(214.4)**	(18.6)
Included in tax		
Tax effect of adjusting items	**21.5**	9.9
Tax charge in respect of rate change	**-**	(0.3)
Adjustment in respect of prior periods	**(9.1)**	1.1
Total adjusting tax	**12.4**	10.7
Total adjusting items after tax	**(202.0)**	(7.9)

Adjusting operating costs

During the period, the group incurred £13.0m (prior period: £1.8m) of restructuring costs and other legal and professional fees. The group underwent a restructuring in Q4 2024, for further details see note 23.

The impairment charge consists of a net impairment charge on properties (property, plant and equipment and right-of-use assets) of £86.4m and comprises a gross charge of £116.8m (prior period: £83.5m) offset by a reversal of previously recognised impairment losses of £30.4m (prior period: £66.8m).

In the current year the group recognised goodwill impairment charges of £122.1m (prior period: nil) in respect of the cash generating units Destination Brands and Partnerships & Ventures, see note 10 for further details.

The net profit on disposal of property, plant and equipment and leases of £9.3m (prior period loss: £4.2m) comprises a total profit on disposal of £15.2m (prior period: £2.5m) and a total loss on disposal of £5.9m (prior period: £6.7m).

During the period the group recognised a gain of £0.3m (prior period: £4.1m) in respect of insurance compensation to meet the costs of restoring sites damaged by events such as fires and floods.

During the period the group recognised a gain of £0.3m (prior period: £1.6m) in respect of the revaluation of investment property.

The group incurred £1.8m (prior period: £2.2m) of professional fees on corporate transactions and projects.

Following the group's announcement in April 2024 of its plan to build a new modern brewery, a number of assets were identified that would become surplus to requirement following transition to the new brewery and therefore the depreciation has been accelerated resulting in an exceptional depreciation charge of £1.0m (prior period: £nil).

Adjusting tax

The adjusting tax credit of £12.4m (prior period: £10.7m) is made up of a credit of £21.5m on the above adjusting items offset by an adjusting tax charge of £9.1m which predominately represents the impact of final capital allowances claims and an adjustment for right-of-use assets. The figure includes a current tax charge of £3.1m and a deferred tax adjustment charge in respect of right-of-use assets of £6.0m.

There are no exceptional movements in the Group's current and deferred tax on right-of-use assets (prior period: £0.5m charge), nor for rate change adjustments on deferred tax (prior period: £0.3m charge).

6 EMPLOYMENT COSTS

Employment costs (including directors) comprise:

	52 weeks 29 December 2024 Total £m	52 weeks 31 December 2023 Total £m
Wages and salaries	**728.4**	707.3
Social security costs	**56.3**	52.7
Pension costs (note 8)		
- Defined contribution	**16.4**	15.4
Termination benefits	**11.7**	-
	812.8	775.4

Key management personnel

Key management personnel are deemed to be those employees who are directors of Greene King Limited or its subsidiaries, and the senior leadership group.

Remuneration of key management personnel	**52 weeks 29 December 2024 £m**	52 weeks 31 December 2023 £m
Short term employment benefits and benefits under long-term incentive schemes	**9.5**	12.6
Post-employment pension, medical and other benefits	**1.1**	0.8
Termination benefits	**1.8**	-
Included in other operating charges	**12.4**	13.4

Included in the key management personnel table above are amounts receivable by directors of Greene King Limited, these amounts have been separately disclosed as directors' remuneration in the table below. The post-employment pension contributions disclosed below relate to 2 directors (prior period: 2).

Directors' Remuneration	**52 weeks 29 December 2024 £m**	52 weeks 31 December 2023 £m
Short term employment benefits and benefits under long-term incentive schemes	**2.1**	3.2
Post-employment pension, medical and other benefits	**0.2**	0.2
Included in other operating charges	**2.3**	3.4

Highest Paid Director

	52 weeks 29 December 2024	52 weeks 31 December 2023
	£m	£m
Aggregate remuneration and benefits under long-term incentive schemes	1.2	2.0

The monthly average number of team members during the period was as follows:

	52 weeks 29 December 2024	52 weeks 31 December 2023 Restated
Greene King pubs	16,705	14,570
Destination Brands	16,578	18,120
Partnerships & Ventures	5,407	6,187
Brewing & Brands	837	829
Corporate	1,061	989
	40,588	40,695

The figures above include 31,015 (prior period restated: 30,556) part-time team members.

The prior period comparatives have been restated as some employees had been incorrectly excluded from the disclosure.

7 FINANCE (COSTS) / INCOME

	52 weeks 29 December 2024	52 weeks 31 December 2023
	£m	£m
Bank loans and overdrafts	(52.8)	(41.8)
Secured bonds and associated interest rate swaps, liquidity facilities and fees	(53.4)	(54.9)
Loans from related parties	(8.7)	(8.4)
Interest and finance costs on lease liabilities (note 20)	(22.8)	(21.6)
Interest in respect of tax positions	(0.3)	-
Total finance expense for financial liabilities not classified as at fair value through profit or loss	(138.0)	(126.7)
Interest on indirect tax claims (note 5)	-	0.3
Interest rate swaps and other derivatives movements		
Gain/(loss) on cash flow hedges reclassified from equity to profit or loss	0.5	(0.6)
	0.5	(0.6)
Total finance costs	(137.5)	(127.0)
Bank interest	3.6	2.4
Total finance income for financial assets not classified as at fair value through profit or loss	3.6	2.4
Net finance income from pensions (note 8)	2.9	2.6
Interest in respect of tax positions and adjustments	0.3	-
Total finance income	6.8	5.0
Net finance costs	(130.7)	(122.0)

8 PENSIONS

Defined contribution pension schemes

The group maintains three defined contribution schemes, which are open to all new team members. One defined contribution scheme closed to new contributions at the end of 2023.

Member funds for the defined contribution schemes are held and administered by the Friends Life Group and Nest. The total cost recognised in operating profit for the period was £16.4m (prior period: £15.4m).

Defined benefit pension schemes and post-employment benefits

The group maintains two defined benefit schemes: the Greene King Pension Scheme and the Spirit (Legacy) Pension Scheme which are closed to new entrants and are closed to future accrual. Only administrative costs and deficit recovery contributions are incurred going forward. Member funds for the defined benefit schemes are held in separate funds independently of the group's finances and are administered by pension trustees. Pension benefits are related to members' final salary at the earlier of retirement or closure to future accrual and their length of service.

The group is aware of the 2023 High Court ruling relating to the validity of certain historical pension changes in the case of Virgin Media Limited, and the appeal to the Court of Appeal which was dismissed in 2024. The group, with assistance from an independent external advisor, has performed a review of readily available deeds executed during the period from 1997 to 2016 in respect of both its defined benefit pension schemes and has concluded that it is likely that an actuarial confirmation was obtained in each instance where one would have been required under Regulation 42 of the Occupational Pension Schemes (Contracting-out) Regulations 1996. While the group does not currently foresee any issues with its pension schemes, it is acknowledged that there remains some uncertainty regarding the potential need for a remeasurement of the defined benefit obligation, and possible financial impact of any consequential remeasurement, should it ever prove necessary. The group will continue to monitor developments related to this ruling.

Greene King Pension Scheme

The Trustees are required to carry out an actuarial valuation every three years. The result of this valuation determines the level of contributions payable by the group. The last triennial valuation of the Greene King Pension Scheme was performed by the Scheme actuary for the trustees as at 5 April 2021. The valuation as at 5 April 2021 revealed a funding shortfall of £13.3m. The recovery plan shows annual employer contributions of £3.5m per annum for a period of 3 years from 1 April 2021 to be paid into an escrow account due to the improvement in performance in the scheme from the previous valuation. The funds in the escrow account will not be treated as an asset of the scheme but will have access in specific circumstances. The next triennial actuarial valuation of the Greene King Pension Scheme will be as at 5 April 2024.

The scheme was closed to future accruals on 30 September 2012. The group's contributions directly into the scheme during the period were £nil (prior period: £nil). The group's contributions into escrow were £3.2m (prior period: £3.5m).

An actuarial valuation was carried out for IAS 19 purposes as at 29 December 2024 by a qualified independent actuary.

Spirit (Legacy) Pension Scheme

The Trustees are required to carry out an actuarial valuation every three years. The result of this valuation determines the level of contributions payable by the group. The last triennial valuation of the Spirit (Legacy) Pension Scheme was performed by the Scheme actuary for the trustees as at 30 June 2021. The valuation as at 30 June 2021 revealed a funding surplus of £22.5m and that no recovery plan is required. The next triennial actuarial valuation of the Spirit (Legacy) Pension Scheme will be as at 30 June 2024.

The scheme was closed to future accruals on 6 April 2005. The group's contributions during the period were £nil (prior period: £nil).

The Spirit Pension scheme has done two buy-ins which provides insurance for a proportion of its members; the total insured value is c.£160m. An actuarial valuation was carried out for IAS 19 purposes as at 29 December 2024 by a qualified independent actuary.

The pension schemes are exposed to inflation and interest rate risks, as well as changes in the life expectancy for pensioners. As the schemes' assets include investments in quoted equity shares, the group is also exposed to equity market risk. The majority of the bonds held by the schemes relate to UK government and corporate bonds in addition to liability driven investment (LDI) instruments and secured income funds.

Income Statement

	Pension schemes					
	29 December 2024			31 December 2023		
	Greene King	**Spirit**	**Total**	Greene King	Spirit	Total
	£m	**£m**	**£m**	£m	£m	£m
Interest on pension scheme assets	**12.8**	**14.8**	**27.6**	13.3	16.2	29.5
Interest on scheme liabilities	**(10.6)**	**(14.1)**	**(24.7)**	(11.6)	(15.3)	(26.9)
Net interest on net defined benefit asset	**2.2**	**0.7**	**2.9**	1.7	0.9	2.6

The values of the schemes' liabilities have been determined by a qualified actuary based on the results of the last actuarial valuation, updated to 29 December 2024 using the following principal actuarial assumptions:

	29 December 2024		31 December 2023	
	Greene King	**Spirit**	Greene King	Spirit
Discount rate	**5.5%**	**5.5%**	4.5%	4.5%
Expected pension payment increases	**3.0%**	**3.0%**	3.0%	3.0%
Rate of inflation (RPI)	**3.2%**	**3.2%**	3.1%	3.1%
Rate of inflation (CPI)	**2.7%**	**2.7%**	2.5%	2.5%
The mortality assumptions imply the following expectations of years of life from age 65:				
Man currently aged 40	**22.3**	**21.6**	22.3	21.6
Woman currently aged 40	**25.1**	**24.1**	25.0	24.0
Man currently aged 65	**20.7**	**19.3**	20.6	19.3
Woman currently aged 65	**23.3**	**22.0**	23.2	21.8

Mortality assumptions are based on standard tables adjusted for scheme experience and with an allowance for future improvement in life expectancy.

The table below shows the investment allocation of pension assets against the related liabilities of the pension schemes:

	29 December 2024			31 December 2023		
	Greene King £m	**Spirit £m**	**Total £m**	Greene King £m	Spirit £m	Total £m
Investment quoted in active markets						
Equities	**-**	**36.6**	**36.6**	-	40.1	40.1
Bonds	**257.5**	**174.4**	**431.9**	281.8	197.6	479.4
Unquoted investments						
Annuities insurance contracts	**2.3**	**79.4**	**81.7**	2.6	93.0	95.6
Cash	**6.9**	**4.1**	**11.0**	6.8	7.1	13.9
Total fair value of assets	**266.7**	**294.5**	**561.2**	291.2	337.8	629.0
Present value of scheme liabilities:						
Funded plans	**(224.6)**	**(288.2)**	**(512.8)**	(243.7)	(320.8)	(564.5)
Non-current asset recognised	**42.1**	**6.3**	**48.4**	47.5	17.0	64.5

£221.1m (prior period: £219.2m) of the bonds shown in the table above are liability-driven investments designed to broadly move in line with the changes in the value placed on the schemes' liabilities.

The movements in the pension schemes' assets/(liabilities) during the period are as follows:

	Pension assets		**Pension liabilities**		**Net Pension**
	Greene King	**Spirit**	**Greene King**	**Spirit**	**Asset**
	£m	**£m**	**£m**	**£m**	**£m**
Post-employment assets/(liabilities) at 1 January 2023	**287.8**	**345.2**	**(251.1)**	**(326.7)**	**55.2**
Pension interest income/(costs) recognised in the income statement	13.3	16.2	(11.6)	(15.3)	2.6
Benefits paid	(16.0)	(14.9)	16.0	14.9	-
Remeasurement gains/(losses) in other comprehensive income:					
Return on plan assets (excluding amounts included in net interest expenses)	6.1	(8.7)	-	-	(2.6)
Actuarial changes arising from changes in demographic assumptions	-	-	10.3	16.2	26.5
Actuarial changes arising from changes in financial assumptions	-	-	(4.1)	(5.5)	(9.6)
Experience adjustments	-	-	(3.2)	(4.4)	(7.6)
Post-employment assets/(liabilities) at 31 December 2023	**291.2**	**337.8**	**(243.7)**	**(320.8)**	**64.5**
Pension interest income/(costs) recognised in the income statement	12.8	14.8	(10.6)	(14.1)	2.9
Benefits paid	(14.2)	(15.6)	14.2	15.6	-
Remeasurement gains/(losses) in other comprehensive income:					
Return on plan assets (excluding amounts included in net interest expenses)	(23.1)	(42.5)	-	-	(65.6)
Actuarial changes arising from changes in demographic assumptions	-	-	(0.1)	-	(0.1)
Actuarial changes arising from changes in financial assumptions	-	-	22.2	30.8	53.0
Experience adjustments	-	-	(6.6)	0.3	(6.3)
Post-employment assets/(liabilities) at 29 December 2024	**266.7**	**294.5**	**(224.6)**	**(288.2)**	**48.4**

Presented in the balance sheet as follows:

	29 December 2024	31 December 2023
	£m	£m
Post-employment assets	**48.4**	64.5

The sensitivities regarding the principal assumptions assessed in isolation that have been used to measure the scheme liabilities are set out below:

	Decrease/(increase) in liability	
	29 December 2024 £m	31 December 2023 £m
0.5% points increase in discount rate	**25.2**	32.1
0.5% points increase in inflation assumption	**(16.3)**	(21.8)
Additional one-year increase to life expectancy	**(16.5)**	(21.2)

There are no expected contributions to the defined benefit plan in future years and there are also no minimum funding requirements.

The average duration of the defined benefit scheme's obligations at the end of the period is 11 years (prior period: 13 years).

9 TAXATION

Consolidated income statement	**29 December 2024 Total £m**	31 December 2023 Total £m
Income tax		
Corporation tax	**2.8**	2.1
Current income tax	**2.8**	2.1
Adjustment in respect of prior periods	**3.1**	(3.6)
	5.9	(1.5)
Deferred tax		
Origination and reversal of temporary differences	**(2.7)**	4.0
Adjustment in respect of prior periods	**6.0**	2.4
Tax charge in respect of rate change	**-**	0.2
	3.3	6.6
Tax charge in the income statement	**9.2**	5.1

Group statement of comprehensive income	**29 December 2024 £m**	31 December 2023 £m
Deferred tax		
Remeasurement gain/(loss) on defined benefit pension schemes	**(4.7)**	1.7
Net (loss)/gain on revaluation on cash flow hedges	**4.2**	(1.6)
Total deferred tax charge	**(0.5)**	0.1

Reconciliation of income tax charge for the period	**29 December 2024 £m**	31 December 2023 £m
The effective rate of taxation is lower (prior period: lower) than the main rate of corporation tax.		
The differences are explained below:		
(Loss)/profit before tax	**(147.1)**	45.2
(Loss)/profit before tax multiplied by the blended tax rate of 25% (prior period: 23.5%)	**(36.8)**	10.6
Adjusted for the effects of:		
Expenditure not allowable	**31.2**	1.7
Non-deductible interest	**-**	-
Capital allowances super deduction	**-**	(0.5)
Deferred tax in respect of PP&E	**5.3**	(6.0)
Deferred tax movements on IFRS16 balances	**0.4**	0.3
Change in tax rate on deferred tax balances	**-**	0.2
Adjustment in respect of prior periods – current tax	**3.1**	(3.6)
Adjustment in respect of prior periods – deferred tax	**6.0**	2.4
Income tax charge reported in the income statement	**9.2**	5.1

Note 5 discusses the adjusting tax items.

Income tax position

The group's current tax receivable of £13.3m (prior period: £14.0m) reflects the amount of tax due from HMRC in respect of the current period.

Deferred tax

The deferred tax included in the group's balance sheet is as follows:

Deferred tax assets	Capital losses £m	Derivatives £m	Corporate interest restriction £m	Other temporary differences £m	Trading losses £m	Total £m
At 1 January 2023	**38.9**	**6.1**	**85.3**	**4.5**	**0.2**	**135.0**
Credit to equity/comprehensive income	-	1.6	-	-	-	1.6
Credit/(charge) to the income statement	4.1	-	5.8	(1.3)	14.2	22.8
At 31 December 2023	**43.0**	**7.7**	**91.1**	**3.2**	**14.4**	**159.4**
Reallocation	-	-	-	3.8	-	3.8
Charge to equity/comprehensive income	-	(4.2)	-	-	-	(4.2)
Credit/(charge) to the income statement	(3.6)	-	6.1	2.0	(3.9)	0.6
At 29 December 2024	**39.4**	**3.5**	**97.2**	**9.0**	**10.5**	**159.6**

Deferred tax liabilities	Brand intangibles £m	Post-employment assets £m	Accelerated capital allowances £m	Unrealised gains £m	IFRS 16 £m	Total £m
At 1 January 2023	**-**	**(13.8)**	**(50.6)**	**(122.7)**	**(15.2)**	**(202.3)**
Charge to equity/comprehensive income	-	(1.7)	-	-	-	(1.7)
(Charge)/credit to the income statement	-	(0.7)	(33.4)	(1.7)	6.4	(29.4)
At 31 December 2023	**-**	**(16.2)**	**(84.0)**	**(124.4)**	**(8.8)**	**(233.4)**
Reallocation	(3.8)	-	-	-	-	(3.8)
Charge to equity/comprehensive income	-	4.7	-	-	-	4.7
(Charge)/credit to the income statement	0.4	(0.7)	(5.1)	5.1	(3.6)	(3.9)
At 29 December 2024	**(3.4)**	**(12.2)**	**(89.1)**	**(119.3)**	**(12.4)**	**(236.4)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset income tax assets and income tax liabilities and when it is the intention to settle the balances on a net basis. Deferred tax assets and liabilities have therefore been offset and disclosed on the balance sheet as follows.

	29 December 2024 £m	31 December 2023 £m
Net deferred tax liability	**(76.7)**	(74.0)

At 29 December 2024, the group had unused trading losses of £42.0m (prior period: £59.3m) and unused capital losses of £779.5m (prior period: £781.0m). A deferred tax asset of £10.539.m (prior period: £14.4m) has been recognised in respect of trading losses. A deferred tax asset of £39.4m (prior period: £43.0m) has been recognised in respect of capital losses. Current legislation allows the group's tax losses to be carried forward indefinitely.

Of the net deferred tax asset on corporate interest restriction, £41.9m (prior period: £37.2m) has been recognised against the future performance of the Group under IAS 12.29. Forecasts have been prepared showing that these tax losses are expected to be fully utilised in accordance with the corporate interest restriction rules within the forecast period. There is no expiry date on the corporate interest restrictions.

Factors that may affect future tax charges

The Group is subject to a rate of corporation tax of 25% for the period (prior period: 23.52%). The net deferred tax liability has been calculated using the rates at which each temporary difference is expected to reverse.

Under Finance (No. 2) Act 2023 enacted 20 June 2023, a global minimum effective tax rate of 15% is introduced for periods of account beginning on or after 31 December 2023. Top-up taxes payable under this legislation are known as Pillar Two income taxes.

The Group is part of the wider CK Asset Holdings Limited group, so will have to consider the Pillar Two implications from a groupwide perspective. As a number of jurisdictions are implementing Pillar Two legislation at different times, there is a degree of uncertainty as to the application of the rules to the Greene King group. Pillar Two legislation has been enacted in the UK, with effect from 1 January 2024, and as such, an assessment of the potential exposure to Pillar Two income taxes has been performed based on the Greene King group's performance. Based on this assessment, the Group does not anticipate a significant top-up tax to arise for the Greene King group. The Group will continue to monitor this assessment as additional rules and guidance are issued.

10 GOODWILL AND BRAND INTANGIBLES

	Brand intangibles £m	**Goodwill £m**
Cost		
At 1 January 2023 and 31 December 2023	26.4	1,119.0
Additions	-	-
At 29 December 2024	**26.4**	**1,119.0**
Impairment and amortisation		
At 1 January 2023	9.5	194.3
Amortisation	1.6	-
At 31 December 2023	11.1	**194.3**
Amortisation	1.5	-
Impairment	-	122.1
At 29 December 2024	**12.6**	**316.4**
Net book value		
At 29 December 2024	**13.8**	**802.6**
At 31 December 2023	15.3	924.7
At 1 January 2023	16.9	924.7

Brand intangibles were recognised as part of business combinations. Brand intangibles are amortised over the expected life of the asset and have an average remaining useful life of 9 years, and all relate to the Greene King pubs, Destination Brands and Partnerships & Ventures divisions.

All goodwill was recognised as part of business combinations. Goodwill has been allocated to reporting segments, the lowest group of cash-generating units in the group at which goodwill is monitored internally, based on the extent that the benefits of acquisitions flow to that segment.

During the period to 29 December 2024 the group has recognised an impairment charge of £122.1m (prior period: £nil) in the Destination Brands segment (£98.6m) and Partnerships & Ventures (£23.5m). The impairment of assets has been impacted by the uncertain outlook for the hospitality industry compounded by the government's Autumn Budget along with a significant increase in gilt yields reflecting the inflationary pressures in the economy. This has driven the group's discount rate from 8.6% to 9.1%.

The carrying amount of goodwill is allocated as follows:

	29 December 2024 £m	31 December 2023 £m
Greene King pubs	**494.8**	494.8
Destination Brands	**118.5**	217.1
Partnerships & Ventures	**148.7**	172.2
Brewing & Brands	**40.6**	40.6
	802.6	924.7

Goodwill impairment testing

The recoverable amount of each segment was determined on a value-in-use basis, using cash flow projections which are based on the latest strategic plan approved by the board, and in all cases exceeded the carrying amount.

The key assumption used in the value-in-use calculations are forecasted cash flows which are based on the group's latest board approved five-year strategic plan. Other assumptions used in the value-in-use calculation include the pre-tax discount rate and a long-term growth rate used to extrapolate cash flows beyond the forecasted period:

- The discount rate has been based on the group's WACC of 9.1% (prior period: 8.6%). As the risk factors are considered to be similar in each of the group's reporting segments the same discount rate is applied to all five divisions; and
- A long-term growth rate of 2.0% (prior period: 2.0%) in Greene King pubs and Destination Brands, 2.0% (prior period: 1.9%) in Partnerships & Ventures, and -1.5% (prior period: -1.5%) in Brewing & Brands has been used. These rates are all below the long-term UK inflation and reflect the anticipated trends in future trading performance.

Sensitivity to changes in assumptions

The goodwill valuation is most sensitive to changes in the assumptions used for forecasted cash flows, pre-tax discount rate, and long-term growth rate. Management considers that reasonably possible changes in assumptions would be an increase in pre-tax discount rate of 0.5%, a 10% reduction in the 5-year strategic plan net cash flows or a deterioration in the long-term growth rate by 25%.

The 10% reduction in the 5-year strategic plan net cash flows, the deterioration in the long-term growth rate by 25% and 0.5% increase in discount rate would result in additional impairment of goodwill in the Destination Brands and Partnerships & Ventures divisions only, see below. The remaining sensitivities would not result in an impairment of goodwill.

	Destination Brands £m	Partnerships & Ventures £m
10% reduction in the 5-year strategic plan net cash flows	217.1	146.2
25% reduction in long-term growth rate	197.7	102.9
0.5% increase in discount rate	190.5	100.6

11 PROPERTY, PLANT AND EQUIPMENT

	Licensed estate		Other		
	Land and buildings £m	Plant and equipment £m	Land and buildings £m	Plant and equipment £m	Total £m
Cost					
At 1 January 2023	**3,588.0**	**1,379.3**	**82.7**	**160.6**	**5,210.6**
Additions (see below)	56.1	124.9	0.9	33.2	215.1
Transfer to property, plant and equipment held for sale	(1.1)	(0.1)	-	-	(1.2)
Transfer to Investment property	(0.1)	-		-	(0.1)
Transfer to Licensed estate	1.9	-	(1.9)	-	-
Disposals	(5.7)	(14.3)	(1.2)	(1.6)	(22.8)
At 31 December 2023	**3,639.1**	**1,489.8**	**80.5**	**192.2**	**5,401.6**
Additions (see below)	48.3	113.2	6.0	25.3	192.8
Transfer to property, plant and equipment held for sale	(2.3)	(0.8)	(2.4)	(0.6)	(6.1)
Transfer from Licensed estate	(18.6)	(13.9)	18.6	13.9	-
Disposals	(13.9)	(17.0)	(9.4)	(8.2)	(48.5)
Reclassification (see below)	-	-	5.2	(5.2)	-
At 29 December 2024	**3,652.6**	**1,571.3**	**98.5**	**217.4**	**5,539.8**
Depreciation and impairment					
At 1 January 2023	276.4	910.6	20.9	114.3	1,322.2
Depreciation	16.8	77.5	1.0	8.7	104.0
Written back on disposals	(5.2)	(11.7)	-	(1.5)	(18.4)
Impairment (see below)	61.5	10.8	1.2	0.1	73.6
Impairment reversal (see below)	(56.0)	(6.8)	(0.3)	(0.1)	(63.2)
Transfer to property, plant and equipment held for sale	-	(0.1)	-	-	(0.1)
At 31 December 2023	**293.5**	**980.3**	**22.8**	**121.5**	**1,418.1**
Depreciation	18.1	83.0	1.0	13.5	115.6
Written back on disposals	(4.2)	(13.8)	(5.3)	(7.2)	(30.5)
Impairment (see below)	97.6	13.8	1.5	0.1	113.0
Impairment reversal (see below)	(24.1)	(2.8)	(0.6)	(0.4)	(27.9)
Transfer from Licensed estate	(9.0)	(11.4)	9.0	11.4	-
Transfer to property, plant and equipment held for sale	(0.7)	(0.6)	(0.1)	(0.5)	(1.9)
At 29 December 2024	**371.2**	**1,048.5**	**28.3**	**138.4**	**1,586.4**
Net book value					
At 29 December 2024	**3,281.4**	**522.8**	**70.2**	**79.0**	**3,953.4**
At 31 December 2023	3,345.6	509.5	57.7	70.7	3,983.5
At 1 January 2023	3,311.6	468.7	61.8	46.3	3,888.4

Additions in the period	**29 December 2024**	31 December 2023
	£m	£m
Consideration paid for Freehold reversion	**1.8**	9.4
Transfer of right-of-use assets (note 20)	**2.6**	8.9
Transfer of lease liabilities (note 20)	**(1.1)**	(4.8)
Total capitalised for freehold reversions	**3.3**	13.5
Other property, plant and equipment additions	**189.5**	201.5
Total additions	**192.8**	215.0

The licensed estate relates to properties, and assets held within those properties which are licensed to sell alcohol (i.e. managed, tenanted, and leased houses). Other assets relate to property, plant and equipment associated with unlicensed properties (i.e. brewing, distribution, and central assets).

Reclassification

Following a review, assets of £5.2m were reclassified to land and buildings from plant and equipment.

The net book value of land and buildings comprises:

	29 December 2024 £m	31 December 2023 £m
Freehold properties	**3,202.5**	3,246.6
Leasehold property improvements >50 years unexpired term	**92.8**	94.0
Leasehold property improvements <50 years unexpired term	**56.3**	62.7
	3,351.6	3,403.3

The disaggregation of land and buildings into assets leased to tenants under operating leases and those held by the group is as follows:

	29 December 2024			31 December 2023		
Licensed Estate	**Leased to tenants £m**	**Used by the group £m**	**Total £m**	Leased to tenants £m	Used by the group £m	Total £m
Cost	**800.4**	**2,852.2**	**3,652.6**	806.4	2,832.7	3,639.1
Depreciation and impairment	**(146.8)**	**(224.4)**	**(371.2)**	(133.6)	(159.9)	(293.5)
Net Book Value	**653.6**	**2,627.8**	**3,281.4**	672.8	2,672.8	3,345.6

Charges over assets

Included in property, plant and equipment are assets with a group net book value of £1,980.5m (prior period: £2,019.2m) over which there are first charges in favour of the securitised debt holders of the Greene King secured financing vehicle.

Future capital expenditure

	29 December 2024 £m	31 December 2023 £m
Contracted for	**15.8**	14.6

Impairment of property, plant and equipment

During the period to 29 December 2024 the group has recognised a net impairment charge of £85.1m (prior period: £10.4m charge). This is comprised of an impairment charge of £113.0m (prior period: £73.6m) and reversal of previously recognised impairment losses of £27.9m (prior period: £63.2m). The recoverable amounts for assets impaired were based on the higher of value in use or fair value less cost of disposal.

These are analysed between the group's principal reporting segments as shown below:

	29 December 2024			31 December 2023		
	Impairment £m	**Reversal of impairment £m**	**Net impairment £m**	Impairment £m	Reversal of impairment £m	Net impairment £m
Greene King pubs	**28.2**	**(10.2)**	**18.0**	19.6	(33.7)	(14.1)
Destination Brands	**62.2**	**(8.0)**	**54.2**	20.3	(23.8)	(3.5)
Partnerships & Ventures	**21.2**	**(8.9)**	**12.3**	32.5	(5.3)	27.2
Brewing & Brands	**-**	**-**	**-**	-	-	-
Corporate	**1.4**	**(0.8)**	**0.6**	1.2	(0.4)	0.8
	113.0	**(27.9)**	**85.1**	73.6	(63.2)	10.4

The group considers that each of its individual pubs is a cash-generating unit (CGU). Each CGU is reviewed annually for indicators of impairment or impairment reversal. When indicators of impairment or impairment reversal are identified the carrying value of the CGU is compared to its recoverable amount. The recoverable amount for assets impaired or with impairment reversal were based on the higher of value in use or fair value less cost of disposal. The impairment of assets has been impacted by the uncertain outlook for the hospitality industry compounded by the government's Autumn Budget along with a significant increase in gilt yields reflecting the inflationary pressures in the economy. This has driven the group's discount rate from 8.6% to 9.1%.

The group estimates value in use using a discounted cash flow model. The key assumption used in the value-in-use calculations are forecasted cash flow projections which are based on the latest strategic plan approved by the board. Other assumptions used in the value-in-use calculations are the discount rate applied to those cash flows of 9.1% (prior period: 8.6%) and the long-term growth rate of 2.0% (prior period: 2.0%) in Greene King pubs and Destination Brands and 2.0% (prior period: 1.8-2.0%) in Partnerships & Ventures which are in line with the long-term UK inflation rate and reflects anticipated trends in future trading performance. As risk factors are considered to be similar in each of the group's reporting segments the same level of discount rate is applied to all.

Estimates of fair value less costs of disposal are based on both internal and external valuations, with the latest external valuation being performed in December 2024. The valuation considers assumptions such as current and future projected income levels, which take account of the location and quality of the pub. In addition, recent market transactions in the sector and potential alternative use values have been considered.

The valuation techniques applied are consistent with the principles in IFRS 13 Fair Value Measurement. As they use significant unobservable inputs, this is a recurring fair value measurement falling within Level 3 of the fair value hierarchy, which is further explained in note 22.

Sensitivity to changes in assumptions

The level of impairment is predominantly dependent upon judgments used in arriving at fair values, future growth rates and the discount rate applied to cash flow projections. The net impact on the impairment charge of applying different assumptions to fair values, the growth rates used to calculate cash flow projections and in the pre-tax discount rates used to estimate value in use would be as follows:

Increased net impairment resulting from:	**A 10% reduction in fair value less cost of disposal**		**A 10% reduction in the 5-year strategic plan net cash flows**		**A 0.5% pts increase in discount rate**		**A 25% reduction in long-term growth rate**	
	29 December 2024	31 December 2023	**29 December 2024**	31 December 2023	**29 December 2024**	31 December 2023	**29 December 2024**	31 December 2023
	£m	£m	**£m**	£m	**£m**	£m	**£m**	£m
Greene King pubs	**3.8**	2.8	**8.2**	4.2	**7.2**	4.8	**5.3**	3.9
Destination Brands	**5.6**	7.7	**18.5**	5.7	**13.2**	6.5	**10.5**	4.8
Partnerships & Ventures	**8.9**	3.3	**1.2**	7.8	**5.1**	5.6	**4.2**	4.4
Corporate	**-**	0.3	**-**	-	**-**	-	**-**	-
	18.3	14.1	**27.9**	17.7	**25.5**	16.9	**20.0**	13.1

12 INVESTMENT PROPERTIES

	Investment properties	**Total**
	£m	**£m**
Fair Value		
At 1 January 2023	**3.3**	**3.3**
Additions	1.0	1.0
Transferred from property, plant and equipment	0.1	0.1
Increase in fair value	1.6	1.6
At 31 December 2023	**6.0**	**6.0**
Additions	5.6	5.6
Transferred from property, plant and equipment	-	-
Disposals	(0.4)	(0.4)
Increase in fair value	0.3	0.3
At 29 December 2024	**11.5**	**11.5**

Amounts recognised in profit and loss for investment properties:

	29 December 2024	31 December 2023
	£m	£m
Rental income	**8.9**	-
Direct operating expenses from property that did not generate rental income	**0.1**	0.2
Direct operating expenses from property that did generate rental income	**-**	-

Investment properties are properties held for returns on sales or rental and are not occupied by the group. They are carried at fair value and any changes in fair values are presented in the profit or loss as part of other operating expenses, see note 4. The current period valuations were performed in December 2024 by Colliers International, independent chartered surveyors, acting as external valuers, on an open market value. The valuation considers assumptions such as the location and quality of the asset and expected income yield. In addition, recent market transactions in the sector and potential alternative use values have been considered. The valuation techniques applied are consistent with the principles in IFRS 13 Fair Value Measurement. As they use significant unobservable inputs, this is a recurring fair value measurement falling within Level 3 of the fair value hierarchy, which is further explained in note 22.

Future capital expenditure	**29 December 2024** **£m**	31 December 2023 £m
Contracted for	**1.6**	1.1

13 OTHER FINANCIAL ASSETS

	29 December 2024 **£m**	31 December 2023 £m
Trade loans (net of provision)	**4.9**	5.0
Total current	**4.9**	5.0
Trade loans (net of provision)	**9.4**	8.9
Total non-current	**9.4**	8.9

Trade loans are net of provisions of £3.5m (prior period: £3.2m). During the period £nil (prior period: £nil) of the provision was utilised, £nil (prior period: £0.4m) of the provision was reversed and new provisions of £0.3m were made (prior period: £nil).

Information about the group's exposure to credit and market risks, and impairment losses for Trade Loans is included in note 22.

Trade loans are advanced to customers on terms linked to supply terms such that returns are greater than interest income. The gross fixed rate trade loans amounted to £11.3m (prior period: £10.1m) and gross variable rate trade loans amounted to £6.5m (prior period: £7.8m). Included in fixed rate loans are £10.5m of loans with settlement related to purchase levels (prior period: £8.1m). The write-down of these loans has been taken on a straight-line basis over the remaining term of the loan as an approximation of the settlement within revenue.

The fixed rate trade loans had a weighted average interest rate of 0.04% (prior period: 0.05%) and a weighted average period of 4.13 years (prior period: 4.06 years). Interest rates on variable rate trade loans are linked to base rates.

	29 December 2024 **£m**	31 December 2023 £m
Trade loans (net of provision)		
Balance at beginning of period	**13.9**	13.5
Advances	**6.9**	5.2
Repayments	**(6.2)**	(5.2)
Provisions (made)/reversed	**(0.3)**	0.4
Balance at end of period	**14.3**	13.9

14 SUBSIDIARY UNDERTAKINGS

Greene King Limited is the beneficial owner of all of the equity share capital, either itself or through subsidiary undertakings, of the following companies.

Subsidiary undertakings	Principal activity	Country of incorporation	Registration Number	Holding	Proportion of voting rights and ownership
Directly held by Greene King Limited					
Gie us Peece Limited[3]	In MVL	Scotland	SC472578	Ordinary shares	100%
Greene King CH Investments Limited[1,7]	Property	England & Wales	13598718	Ordinary shares	100%
Greene King Commercial Investments Limited[1]	Property	England & Wales	13598563	Ordinary shares	100%
Greene King Developments Limited[1]	Dormant	England & Wales	07425525	Ordinary shares	100%
Greene King GP Limited[5]	In MVL	England & Wales	01158678	Ordinary shares	100%
Greene King Investments Limited[1,7]	Holding company	England & Wales	07426985	Ordinary shares	100%
Greene King Pension Scheme Limited[1,8]	Pension trustee	England & Wales	00916075	Ordinary shares	100%
Greene King Properties Limited[1]	Property	England & Wales	07543698	Ordinary shares	100%
Greene King Property Development Limited[1,7]	Property	England & Wales	13598526	Ordinary shares	100%
Greene King Pubs Limited[1,7]	Holding company	England & Wales	07427021	Ordinary shares	100%
Greene King Residential Investments Limited[1,7]	Property	England & Wales	13588101	Ordinary shares	100%
Greene King Retailing Parent Limited[1]	Holding company	England & Wales	05265454	Ordinary shares	100%
Johoco 2029 Limited[6]	Holding company	England & Wales	09211866	Ordinary shares	100%
Norman Limited[2]	In MVL	Guernsey	48085	Ordinary shares	100%
Spirit Pub Company Limited[1,7]	Holding company	England & Wales	07662835	Ordinary shares	100%
The Capital Pub Company Limited[5,7]	In MVL	England & Wales	04119367	Ordinary shares	100%
Indirectly held by Greene King Limited					
Allied Kunick Entertainments Limited[5]	In MVL	England & Wales	02911600	Ordinary shares	100%
Bar Lounge Limited[6]	Retailing	England & Wales	04755626	Ordinary shares	100%
Belhaven Brewery Company Limited[3]	Non-trading	Scotland	SC022860	Ordinary shares	100%
Belhaven Pubs Limited[3]	In MVL	Scotland	SC146920	Ordinary shares	100%
Cleveland Place Holdings Limited[5,7]	In MVL	England & Wales	00057987	Ordinary shares	100%
CPH Palladium Limited[5]	In MVL	England & Wales	04661726	Ordinary shares	100%
Dearg Limited[5]	In MVL	England & Wales	04661724	Ordinary shares	100%
Freshwild Limited[5]	In MVL	England & Wales	04555609	Ordinary shares	100%
G.K. Holdings No.1 Limited[1,7]	Holding company	England & Wales	06996820	Ordinary shares	100%
Greene King Acquisitions No.2 Limited[5]	In MVL	England & Wales	05462825	Ordinary shares	100%
Greene King Brewing and Retailing Limited[1]	Brewing and retailing	England & Wales	03298903	Ordinary shares	100%
Greene King Leasing No.1 Limited[5]	In MVL	England & Wales	00025090	Ordinary shares	100%
Greene King Leasing No.2 Limited[5]	In MVL	England & Wales	02191112	Ordinary shares	100%
Greene King Neighbourhood Estate Pubs Limited[1]	Non-trading	England & Wales	05073303	Ordinary shares	100%
Greene King Retail Services Limited[1]	Employment	England & Wales	03324496	Ordinary shares	100%
Greene King Retailing Limited[1]	Pub retailing	England & Wales	05265451	Ordinary shares	100%
Greene King Services Limited[1]	Non-trading	England & Wales	03324493	Ordinary shares	100%
Hardys & Hansons Limited[5]	In MVL	England & Wales	00052412	Ordinary shares	100%
Hickory's (ROS) Ltd[6]	Retailing	England & Wales	08119161	Ordinary shares	100%
Hickory's Smokehouse Limited[6]	Dormant	England & Wales	07122366	Ordinary shares	100%
Hickory's (West Kirby) Limited[6]	Dormant	England & Wales	08118716	Ordinary shares	100%
Huggins and Company Limited[1]	Non-trading	England & Wales	00056674	Ordinary shares	100%
Jeely Peece Limited[3]	In MVL	Scotland	SC112027	Ordinary shares	100%
LFR Group Limited[3]	Dormant	Scotland	SC202775	Ordinary shares	100%
Mountloop Limited[3]	In MVL	England & Wales	04555610	Ordinary shares	100%
Narnain[5]	In MVL	England & Wales	04700766	Ordinary shares	100%
Old English Inns Limited[5]	In MVL	England & Wales	03864820	Ordinary shares	100%
Premium Dining Restaurants and Pubs Limited[3]	Non-trading	Scotland	SC181811	Ordinary shares	100%

Subsidiary undertakings	Principal activity	Country of incorporation	Registration Number	Holding	Proportion of voting rights and ownership
Indirectly held by Greene King Limited continued					
R.V. Goodhew Limited[5]	In MVL	England & Wales	00941642	Ordinary shares	100%
Realpubs Developments Limited[5]	In MVL	England & Wales	06435334	Ordinary shares	100%
Realpubs II Limited[5]	In MVL	England & Wales	06435335	Ordinary shares	100%
Sapphire Food South West No.2 Limited[5]	In MVL	England & Wales	04524261	Ordinary shares	100%
Serkin Limited[3]	In MVL	Scotland	SC064952	Ordinary shares	100%
Spirit (AKE Holdings) Limited[5]	In MVL	England & Wales	03982423	Ordinary shares	100%
Spirit (Faith) Limited[5]	In MVL	England & Wales	03724077	Ordinary shares	100%
Spirit (Legacy) Pension Trustee Limited[1,8]	Pension trustee	England & Wales	07729971	Ordinary shares	100%
Spirit (SGL) Limited[5]	In MVL	England & Wales	03982443	Ordinary shares	100%
Spirit Financial Holdings Limited[1,7]	Holding company	England & Wales	04320672	Ordinary shares	100%
Spirit Finco Limited[4]	In MVL	Cayman Islands	114500	Ordinary shares	100%
Spirit Funding Limited[4]	In MVL	Cayman Islands	114506	Ordinary shares	100%
Spirit Group Equity Limited[1,8]	Holding company	England & Wales	04271971	Ordinary shares	100%
Spirit Group Holdings Limited[1,8]	Holding company	England & Wales	04872028	Ordinary shares	100%
Spirit Group Parent Limited[1,8]	Holding company	England & Wales	04872039	Ordinary shares	100%
Spirit Group Retail (Northampton) Limited[5]	In MVL	England & Wales	04090163	Ordinary shares	100%
Spirit Group Retail Limited[1]	Holding company	England & Wales	03794854	Ordinary shares	100%
Spirit Intermediate Holdings Limited[1,8]	Holding company	England & Wales	04914762	Ordinary shares	100%
Spirit Managed Funding Limited[5]	In MVL	England & Wales	05266806	Ordinary shares	100%
Spirit Managed Holdings Limited[1,8]	Holding company	England & Wales	04271973	Ordinary shares	100%
Spirit Managed Inns Limited[1]	Non-trading	England & Wales	05266815	Ordinary shares	100%
Spirit Parent Limited[1,8]	Holding company	England & Wales	04271748	Ordinary shares	100%
Spirit Pub Company (Derwent) Limited[5]	In MVL	England & Wales	08822132	Ordinary shares	100%
Spirit Pub Company (Holdco) Limited[1,8]	Holding company	England & Wales	07662211	Ordinary shares	100%
Spirit Pub Company (Investments) Limited[5]	In MVL	England & Wales	07020781	Ordinary shares	100%
Spirit Pub Company (Leased) Limited[1]	Leasing of public houses	England & Wales	05699544	Ordinary shares	100%
Spirit Pub Company (Managed) Limited[1]	Pub retailing	England & Wales	05269240	Ordinary shares	100%
Spirit Pub Company (Services) Limited[1,7]	Non-trading	England & Wales	05266811	Ordinary shares	100%
Spirit Pub Company (SGE) Limited[1,7]	Holding company	England & Wales	07662502	Ordinary shares	100%
Spirit Pub Company (Supply) Limited[5]	In MVL	England & Wales	04341771	Ordinary shares	100%
Spirit Pub Company (Trent) Limited[1]	Pub retailing	England & Wales	05746068	Ordinary shares	100%
Spirit Pubs Debenture Holdings Limited[1,8]	Holding company	England & Wales	05266779	Ordinary shares	100%
Spirit Pubs Parent Limited[1,7]	Holding company	England & Wales	05267589	Ordinary shares	100%
Spirit Retail Bidco Limited[5]	In MVL	England & Wales	04872046	Ordinary shares	100%
The Chef & Brewer Group Limited[1]	Holding company	England & Wales	00455013	Ordinary shares	100%
Tom Cobleigh Limited[5]	In MVL	England & Wales	02673413	Ordinary shares	100%
Ubiquitous Chip Ltd[3]	In MVL	Scotland	SC111803	Ordinary shares	100%
Upstairs at the Grill Limited[6]	Dormant	England & Wales	04750556	Ordinary shares	100%

1. Registered office: Westgate Brewery, Bury St. Edmunds, Suffolk, IP33 1QT.
2. Registered office: c/o Kroll Guernsey Limited, 10 Lefebvre Street, St Peter Port, Guernsey, GY1 2PE.
3. Registered office: Belhaven Brewery, Brewery Lane, Dunbar, East Lothian, EH42 1PE.
4. Registered office: c/o Kroll (Cayman) Ltd., 3rd Floor, 90 North Church Street, George Town, Grand Cayman, Cayman Islands.
5. Registered office: c/o Kroll Advisory Ltd, The Shard 32 London Bridge Street, London, SE1 9SG
6. Registered office: Suites G & H Ground Floor Steam Mill, Steam Mill Street, Chester, Cheshire, CH3 5AN. Since the balance sheet date the registered office has changed to Lea Hall Farm, Lea Lane, Aldford, Cheshire, United Kingdom, CH3 6JQ.
7. These companies are exempt from the requirement to prepare individual audited financial statements in respect of the 52-week period ended 29 December 2024 by virtue of sections 479A and 479C of the Companies Act 2006.
8. These companies are exempt from the requirement to prepare and file individual dormant financial statements in respect of the 52-week period ended 29 December 2024 by virtue of sections 394A-C and 448A-C of the Companies Act 2006.

Member's voluntary liquidation "MVL"

15 INVENTORIES

	29 December 2024 **£m**	31 December 2023 £m
Raw materials and work in progress	**2.9**	3.5
Finished goods and goods for resale	**50.1**	54.6
Consumable stores	**3.2**	3.0
	56.2	61.1

Inventory provisions decreased by £0.4m (prior period: £1.2m) in the period.

16 TRADE AND OTHER RECEIVABLES

	29 December 2024 **£m**	31 December 2023 £m
Trade receivables	**63.9**	60.9
Other receivables	**26.6**	33.9
Amounts owed from related parties (note 29)	**-**	22.0
Total current	**90.5**	116.8
Pension escrow account	**8.6**	5.0
Amounts owed from related parties (note 29)	**22.0**	-
Total non-current	**30.6**	5.0

Trade and other receivables are non-interest bearing. Other receivables, recognised at fair value, primarily relate to amounts due from suppliers in respect of rebates and accrued income.

Trade receivables are shown net of a loss allowance of £6.1m (prior period: £7.2m). Information about the group's exposure to credit and market risks, and impairment losses for trade receivables is included in note 22.

In the current year amounts owed from related parties of £22.0m were reclassified from current to non-current as whilst it's an undocumented loan which bears no interest and is repayable on demand, there is no intention to call repayment of the balance for a period of 12 months from the balance sheet date.

17 CASH AND CASH EQUIVALENTS

	29 December 2024 **£m**	31 December 2023 £m
Cash at bank and in hand	**104.5**	120.1
Cash and cash equivalents for cash flow	**104.5**	120.1

Included in cash at bank and in hand and short-term deposits is £112.6m (prior period: £83.9m) held within securitised bank accounts which are only available for use by the Greene King secured financing vehicle.

The Greene King secured financing vehicle comprises Greene King Retailing Parent Limited and one of its subsidiaries.

The group operates two notional pools, between which the group's account bank has no right of offset. The group's accounting policy is to derecognise trade payables and cash on the date it initiates an electronic payment. On 27 December 2024 the group initiated a batch of supplier payments and accordingly the corresponding trade payable and cash balances were derecognised on this date. The payments settled on 31 December 2024. As a result of this accounting treatment, the carrying value of cash for one of the notional pools was negative as at the balance sheet date. As neither notional pool was overdrawn on a cash basis on the balance sheet date or the settlement date of the payments in question, this negative balance of £26.6m has been presented within cash at bank and in hand.

Interest receivable on cash and short-term deposits is linked to prevailing interest rates and is received either monthly or quarterly.

18 PROPERTY, PLANT AND EQUIPMENT HELD FOR SALE

	29 December 2024 **£m**	31 December 2023 £m
Property, plant and equipment held for sale	**4.2**	1.1

At the year end, property, plant and equipment held for sale of £4.2m (prior period: £1.1m) represents pubs that are being actively marketed for sale with expected completion dates within one year. The value of property, plant and equipment held for sale represents the expected net disposal proceeds; further details on the valuation of the property, plant and equipment less costs of disposal are held in note 11. The impairment charge on assets held for sale was £0.7m (prior period: £nil).

19 TRADE AND OTHER PAYABLES

	29 December 2024 £m	31 December 2023 £m
Trade payables	**114.8**	121.2
Other payables		
– Other taxation and social security costs	**89.7**	67.1
– Accruals and deferred income	**240.8**	265.7
– Interest payable	**4.8**	5.6
Total current	**450.1**	459.6

Trade payables and other payables are non-interest bearing. Interest payable is mainly settled monthly, quarterly, or semi-annually throughout the period, in accordance with the terms of the related financial instrument.

20 LEASES

Group as a lessee

The group has lease contracts for property and various items of plant, machinery, vehicles and other equipment used in its operations. Rental contracts are on average for a lease term of 30 years. The group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the group is restricted from assigning and subleasing the leased assets and some contracts require the group maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The group also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Information about leases for which the group is a lessee is presented below:

	Right-of-use assets		
	Property £m	**Plant and Equipment £m**	**Total £m**
Cost			
At 1 January 2023	**605.6**	**47.0**	**652.6**
Additions	13.7	10.2	23.9
Disposals	(10.3)	(5.1)	(15.4)
Transfer to property, plant and equipment (note 11)	(10.4)	-	(10.4)
Remeasurement	10.2	0.3	10.5
At 31 December 2023	**608.8**	**52.4**	**661.2**
Additions	21.5	13.6	35.1
Disposals	(13.6)	(5.5)	(19.1)
Transfer to property, plant and equipment (note 11)	(2.9)	-	(2.9)
Remeasurement	(63.2)	0.1	(63.1)
At 29 December 2024	**550.6**	**60.6**	**611.2**
Depreciation and impairment			
At 1 January 2023	**109.8**	**15.9**	**125.7**
Depreciation	29.0	8.5	37.5
Written back on disposals	(5.4)	(4.4)	(9.8)
Transfer to property, plant and equipment (note 11)	(1.5)	-	(1.5)
Impairment	6.3	-	6.3
At 31 December 2023	**138.2**	**20.0**	**158.2**
Depreciation	29.1	9.8	38.9
Written back on disposals	(9.7)	(5.8)	(15.5)
Transfer to property, plant and equipment (note 11)	(0.3)	-	(0.3)
Impairment	1.3	-	1.3
At 29 December 2024	**158.6**	**24.0**	**182.6**
Net book value			
At 29 December 2024	**392.0**	**36.6**	**428.6**
At 31 December 2023	470.6	32.4	503.0
At 1 January 2023	495.8	31.1	526.9

Impairment of Right-of-use assets

During the period to 29 December 2024 the group has recognised a net impairment of £1.3m (prior period: £6.3m). This is comprised of an impairment charge of £3.8m (prior period: £9.9m) and reversal of previously recognised impairment losses of £2.5m (prior period: £3.6m). The recoverable amounts for assets impaired were based on a combination of value in use or fair value less cost of disposal.

These are analysed between the group's principal reporting segments as shown below:

	29 December 2024			31 December 2023		
	Impairment	**Reversal of impairment**	**Net impairment**	Impairment	Reversal of impairment	Net Impairment
	£m	**£m**	**£m**	£m	£m	£m
Partnerships & Ventures	**0.4**	**(0.4)**	**-**	4.1	-	4.1
Greene King pubs	**1.3**	**(1.9)**	**(0.6)**	3.5	(0.8)	2.7
Destination Brands	**2.1**	**-**	**2.1**	1.4	(2.8)	(1.4)
Corporate	**-**	**(0.2)**	**(0.2)**	0.9	-	0.9
	3.8	**(2.5)**	**1.3**	9.9	(3.6)	6.3

The group considers that each of its individual pubs is a cash-generating unit (CGU), ROUA has been considered within the wider impairment process of property, plant and equipment. For details on the impairment process see note 11.

Sensitivity to changes in assumptions

The level of impairment is predominantly dependent upon judgments used in arriving at fair values, future growth rates and the discount rate applied to cash flow projections. The net impact on the impairment charge of applying different assumptions to fair values, the growth rates used to calculate cash flow projections and in the pre-tax discount rates used to estimate value in use would be as follows:

Increased net impairment resulting from:	**A 10% reduction in fair value less cost of disposal**		**A 10% reduction in the 5-year strategic plan net cash flows**		**A 0.5% pts increase in discount rate**		**A 25% reduction in long-term growth rate**	
	29 December 2024	31 December 2023	**29 December 2024**	31 December 2023	**29 December 2024**	31 December 2023	**29 December 2024**	31 December 2023
	£m	£m	**£m**	£m	**£m**	£m	**£m**	£m
Greene King pubs	**-**	0.1	**0.5**	0.1	**0.3**	-	**0.1**	-
Destination Brands	**0.1**	0.3	**0.1**	0.1	**-**	-	**-**	-
Partnerships & Ventures	**0.2**	-	**-**	0.3	**-**	0.1	**-**	0.1
Corporate	**-**	0.1	**-**	-	**-**	-	**-**	-
	0.3	0.5	**0.6**	0.5	**0.3**	0.1	**0.1**	0.1

Lease liabilities

Lease liabilities included in the statement of financial position	**£m**
As at 1 January 2023	**564.3**
Additions	23.1
Interest expense relating to lease liabilities	21.6
Disposals	(5.8)
Transfer to property, plant and equipment (note 11)	(4.8)
Remeasurements	10.5
Repayment of lease liabilities (including interest)	(51.5)
Rent concessions	0.4
As at 31 December 2023	**557.8**
Additions	35.1
Interest expense relating to lease liabilities	22.8
Disposals	(7.1)
Transfer to property, plant and equipment (note 11)	(1.1)
Remeasurements	(63.1)
Repayment of lease liabilities (including interest)	(53.7)
As at 29 December 2024	**490.7**

Maturity of lease liability

	29 December 2024 £m	31 December 2023 £m
Current	**25.1**	26.8
Non-current	**465.6**	531.0

Maturity analysis – contractual undiscounted cashflows:		
Less than one year	**51.2**	48.9
One to five years	**185.7**	174.3
More than five years	**540.4**	714.0
Total undiscounted lease liabilities	**777.3**	937.2

Amounts recognised in the statement of profit and loss

	29 December 2024 £m	31 December 2023 £m
Depreciation on right-of-use assets		
Property	**29.1**	29.0
Plant and equipment	**9.8**	8.5
Other lease expense and sublease income	**2.4**	0.9
Impairment of right-of-use assets	**1.3**	6.3
Charged to Operating Profit	**42.6**	44.7
Interest expense related to lease liabilities	**22.8**	21.6
Charge to Profit before Taxation for leases	**65.4**	66.3

The total cash outflow for leases was £53.7m (prior period: £51.5m).

Extension and termination options

Some property and machinery contain extension or termination options exercisable by group before the end of the non-cancellable period. Where practicable, the group seeks to include these options in new leases to provide operational flexibility. These extension and termination options held are exercisable only by the group and not by the lessors. The group assesses at lease commencement whether it is reasonably certain to exercise the extension or termination options. The group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control. During the period extension options of £79.5m were reversed following a reassessment of the likelihood of exercising these options.

The group has estimated that the potential future lease payments, should it exercise the extension options, would result in an increase in future cash outflows of £255.4m (prior period: £83.9m) and should it exercise the termination options, would result in a decrease in cash outflows of £2.3m (prior period: £9.7m).

21 BORROWINGS

		29 December 2024			31 December 2023		
	Repayment date	**Current £m**	**Non-current £m**	**Total £m**	Current £m	Non-current £m	Total £m
Bank overdrafts	On demand	**-**	**-**	**-**	-	-	-
Bank Loans:							
– Revolving loans	2025-2026	**494.7**	**79.8**	**574.5**	199.8	619.0	818.8
– Term Loans	2025-2029	**80.0**	**298.9**	**378.9**	-	79.9	79.9
Other Loans:							
– Revolving loans from related parties	2028	**-**	**-**	**-**	311.0	-	311.0
– Loan advance	On demand	**311.0**	**-**	**311.0**	-	-	-
Secured debt:							
– Issued by Greene King Finance plc	2031 to 2036	**68.2**	**889.6**	**957.8**	61.6	957.9	1,019.5
		953.9	**1,268.3**	**2,222.2**	572.4	1,656.8	2,229.2

Bank overdrafts

Overdrafts are utilised for the day-to-day management of cash. The group has facilities of £10.0m (prior period: £10.0m) available with interest linked to base rate.

Bank loans – unsecured

The group has available unsecured loan facilities totalling £1,100.0m, comprising £720.0m revolving loan facilities and £380.0m term loan facilities. This includes two new £100.0m and £200.0m term loan facilities which were executed in 2024. The loans are guaranteed by CK Asset Holdings Limited, the group's ultimate parent. The facilities are available to be used for general corporate purp oses.

Of the £720.0m (prior period: £920.0m) available under the revolving loan facilities, £575.0m (prior period: £740.0m) was drawn down at the period end with a carrying value of £574.5m (prior period: £818.8m) which included £0.5m (prior period: £1.2m) of fees. Of the £380.0m term loan facilities, £380.0m was fully drawn with a carrying value of £378.9m (prior period: £79.9m) which included £1.1m (prior period: £0.1m) of fees.

Under the revolving loan facilities, any amounts drawn down bear interest at a margin and (where applicable) credit adjustment spread above SONIA and commitment interest is charged on the undrawn portions. Interest is payable upon repayment of each drawdown, which vary in length. Although any individual drawdowns are repayable within 12 months of the balance sheet date, the group expects to renew this funding and immediate renewal is available until the maturity of the facilities which fall between February 2025 and December 2026. Under each facility, final repayment of the total drawn-down balance is due as one payment on the maturity date.

Under the term loan facilities, the drawn amount bears interest at a margin and (where applicable) credit adjustment spread above SONIA and interest is payable at the end of each interest period, which may vary in length. The drawn amount is repayable on maturity of the facilities which fall between February 2025 and December 2029.

Other loans - unsecured

The group has available an unsecured revolving loan facility with CKA Holdings UK Limited, an intermediate parent. The facility is available to be used for general corporate purposes.

Of the £1,500.0m (prior period: £1,500.0m) available under the facility, £nil (prior period: £311.0m) was drawn down at the year end with a carrying value of £nil (prior period: £311.0m).

Any amounts drawn down bear interest at a fixed rate of 7.0%. Interest is payable following the end of each interest period which are typically 3 months in length. Drawn amounts are repayable on maturity of the facility in November 2028.

The group has further received a loan advance of £311.0m (prior period: £nil) from CKA Holdings UK Limited. This is repayable on demand and bears a 0% interest rate.

Greene King secured financing vehicle

The group has issued various tranches of bonds in connection with the securitisation of pubs operated by Greene King Retailing Limited. The bonds are secured over the properties and their future income streams and were issued by Greene King Finance plc.

The group's securitised debt issued by Greene King Finance plc consists of the following tranches:

		Carrying value (£m)[1]					
Tranche	**Nominal value (£m)**	**29 December 2024**	31 December 2023	**Interest**	**Interest rate (%)[2]**	**Last repayment period**	**Weighted average life[3]**
A2	155.3	**154.2**	168.8	Fixed	5.32	2031	3.8 years
A4	204.4	**203.6**	220.7	Fixed	5.11	2034	5.0 years
A6	180.9	**179.0**	193.6	Fixed	4.06	2035	5.8 years
A7	203.3	**201.0**	216.6	Fixed	3.59	2035	5.2 years
B1	120.9	**120.5**	120.3	Floating	6.96	2034	8.4 years
B2	99.9	**99.5**	99.5	Floating	6.92	2036	10.5 years
	964.7	**957.8**	1,019.5				

1. Carrying value is net of related deferred finance fees.
2. Includes the effect of interest rate swap rates on the floating rate notes; the group's interest rate swap arrangements are discussed in note 22.
3. Assumes notes are held until final maturity.

The interest payable on each of the floating rate tranches is as follows:

Tranche	**Interest rate payable[1]**	**Interest rate swap**	**Total interest rate**
B1	S+1.80%	5.16%-S	6.96%
B2	S+2.08%	4.84%-S	6.92%

1. For the floating rate bonds the interest rate payable is the compounded SONIA plus 0.1193% (this sum being denoted by "S" above) plus the margin as shown.

Repayment of the principal is made by quarterly instalments, in accordance with the repayment schedule, over the period shown above. Payment of interest is made on quarterly dates for all classes of bond. All of the floating rate bonds are fully hedged using interest rate swaps.

The Class A2, A4, A6 and A7 bonds rank pari passu in point of security and as to payment of interest and principal and have preferential interest payment and repayment rights over the Class B bonds. The Class B1 and B2 bonds rank pari passu in point of security, principal repayment and interest payment.

The securitisation is governed by various covenants, warranties and events of default, many of which apply to Greene King Retailing Limited, a group company. These include covenants regarding the maintenance and disposal of securitised properties and restrictions on its ability to move cash to other group companies. The group has complied with these covenants in 2024 and 2023.

The group has available liquidity facilities totalling £224.0m (prior period: £224.0m) which can only be used for the purpose of meeting the securitisation's debt service obligations should there ever be insufficient funds available from operations to meet such payments. There were no drawdowns under these facilities during the period and the drawn down amount at the year end was £nil (prior period: £nil).

22 FINANCIAL INSTRUMENTS

The group holds the following financial instruments:

		29 December 2024			31 December 2023		
		Current	**Non-current**	**Total**	Current	Non-current	Total
	Note	**£m**	**£m**	**£m**	£m	£m	£m
Financial assets							
Financial assets at amortised cost							
Trade receivables	16	**63.9**	**-**	**63.9**	60.9	-	60.9
Pension escrow account	16	**-**	**8.6**	**8.6**	-	5.0	5.0
Other Financial assets	13	**4.9**	**9.4**	**14.3**	5.0	8.9	13.9
Cash and cash equivalents	17	**104.5**	**-**	**104.5**	120.1	-	120.1
Amounts owed from related parties	16	**-**	**22.0**	**22.0**	22.0	-	22.0
		173.3	**40.0**	**213.3**	208.0	13.9	221.9
Financial liabilities							
Liabilities at amortised cost							
Trade payables and accruals	19	**360.4**	**-**	**360.4**	392.5	-	392.5
Borrowings	21	**953.9**	**1,268.3**	**2,222.2**	572.4	1,656.8	2,229.2
Lease liabilities	20	**25.1**	**465.6**	**490.7**	26.8	531.0	557.8
Derivative financial instruments							
Designated as hedging instruments	22	**1.0**	**12.9**	**13.9**	0.3	30.4	30.7
		1,340.4	**1,746.8**	**3,087.2**	992.0	2,218.2	3,210.2

Financial risk management

The primary treasury objectives of the group are to identify and manage the financial risks that arise in relation to underlying business needs and provide secure and competitively priced funding for the activities of the group. If appropriate, the group uses financial instruments and derivatives to manage these risks.

The principal financial instruments held for the purpose of raising finance for operations are bank loans and overdrafts, secured bonds and cash. Other financial instruments arise directly from the operations of the group, such as trade receivables, trade payables, trade loans and lease liabilities.

Derivative financial instruments, interest rate swaps, are used to manage the interest rate risks related to the group's operations and financing sources. No speculative trading in derivative financial instruments is undertaken.

The main risks arising from the group's financial instruments are interest rate risk, liquidity risk and credit risk. The policy for managing each of these risks is set out below.

Derivatives

The group has the following derivative financial instruments:

Financial instruments qualifying for hedge accounting

At 29 December 2024 the group held two (prior period: two) interest rate swap contracts. The group uses interest rate swaps to fix the interest rate payable on the floating rate tranches of its securitised debt. These swaps are hedges of the B1 and B2 tranches, receiving a variable rate of interest based on SONIA and paying a fixed rate of 5.155% on the B1 tranche and 4.837% on the B2 tranche. The weighted average fixed rate of the swaps was 5.0% (prior period: 5.0%).

The interest rate swaps have the same critical terms as the associated securitised debts including payment dates, maturities and notional amounts (note 21). It is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in the opposite direction in response to movements in the underlying interest rates. The hedge ratio is 1:1. Sources of ineffectiveness that might affect the hedging relationship are the counterparty's credit risk, and changes in the timing and amount of the interest payments. Prospective hedge effectiveness testing is performed. The interest rate swaps have been assessed as highly effective during the period and are expected to remain highly effective over their remaining contract lives. The ineffectiveness during the period, which is recognised within finance costs, amounted to £nil (prior period: £nil).

Interest rate swaps designated as part of a hedging relationship

	29 December 2024 £m	31 December 2023 £m
Carrying amount of hedging instruments (included within derivative financial instruments)	**13.9**	30.7
Notional principal value of hedging instruments	**220.8**	220.8
Nominal amount of hedged items	**220.8**	220.8
Hedging reserve balance in respect of continuing hedges	**(10.4)**	(23.0)
Hedging gains/(losses) recognised in other comprehensive income	**17.3**	(6.9)
Amount reclassified from the hedging reserve to profit or loss in respect of continued hedges (included in finance cost) (see note 7)	**(0.5)**	0.6

Hedging reserve

	29 December 2024 £m	31 December 2023 £m
Balance at beginning of period	**(23.0)**	(18.3)
Hedging gains/(losses) recognised in other comprehensive income	**17.3**	(6.9)
Amount reclassified from the hedging reserve to profit or loss	**(0.5)**	0.6
Deferred tax on hedging reserve movements	**(4.2)**	1.6
Balance at end of period	**(10.4)**	(23.0)

Interest rate risk

Exposure to changes in interest rates on the group's borrowings is reviewed with regard to the maturity profile and cash flows of the underlying debt. The group uses a mixture of fixed and floating interest rate debt with exposure to market interest rate fluctuations primarily arising from the floating rate instruments. The group enters into interest rate swaps to manage the exposure. Both swaps are designated as cash flow hedges at the date of contract included within the accounts and tested for effectiveness at each reporting date.

In accordance with IFRS 7, the group has undertaken sensitivity analysis on its financial instruments which are affected by changes in interest rates. This analysis has been prepared on the basis of a constant amount of net debt, a constant ratio of fixed to floating interest rates, and on the basis of the hedging instruments in place at 29 December 2024 and 31 December 2023. The analysis relates only to balances at these dates and is not representative of the period as a whole. The following assumptions were made:

- Balance sheet sensitivity to interest rates applies only to derivative financial instruments, as the carrying value of debt and deposits does not change as interest rates move.
- Gains and losses are recognised within other comprehensive income or the income statement in line with the accounting policies of the group.
- Cash flow hedges were assumed to be effective or ineffective on the same basis as those as at the year end.

Based on the group's net position at the year end, a 1% increase/decrease in interest rates would change the group's profit before tax by approximately £8.5m (prior period: £7.8m) and the group's OCI by £16.3m/£17.9m (prior period: £19.2m/£21.3m). An increase in interest rates would decrease (prior period: decrease) the group's profit and increase (prior period: increase) OCI.

Whilst cash flow interest rate risk is largely eliminated, the use of fixed rate borrowings and derivative financial instruments exposes the group to fair value interest rate risk such that the group would not significantly benefit from falls in interest rates and would be exposed to unplanned costs, such as break costs, should debt or derivative financial instruments be restructured or repaid early.
The percentage of net debt that was fixed as at the year end was 59.9% (prior period: 63.1%).

Liquidity risk

The group mitigates liquidity risk by managing cash generated by its operations combined with bank borrowings and long-term debt. The group's objective is to maintain a balance between the continuity of funding and flexibility through the use of overdrafts and bank loans. The group also monitors the maturity of financial liabilities to avoid the risk of a shortage of funds.

The standard payment terms that the group has with its suppliers is 60 days following month end (prior period: 60 days following month end).

Excess cash used in managing liquidity is placed on interest-bearing deposit using instant-access money market deposit accounts. Short-term flexibility is achieved through the use of short-term borrowing under the group's revolving credit facilities.

The table below summarises the maturity profile of the group's financial liabilities at 29 December 2024 and 31 December 2023 based on contractual undiscounted payments including interest.

29 December 2024	Within 1 year £m	1–2 years £m	2–5 years £m	>5 years £m	Total £m
Interest bearing loans and borrowings:					
– Capital	955.3	152.5	538.8	584.2	2,230.8
– Interest	82.0	61.5	146.0	97.9	387.4
	1,037.3	214.0	684.8	682.1	2,618.2
Interest rate swaps settled net	1.0	1.8	6.6	7.6	17.0
	1,038.3	215.8	691.4	689.7	2,635.2
Trade payables and accruals	360.4	-	-	-	360.4
Lease liabilities	51.5	52.2	133.5	540.4	777.6
	1,450.2	**268.0**	**824.9**	**1,230.1**	**3,773.2**

31 December 2023	Within 1 year £m	1–2 years £m	2–5 years £m	>5 years £m	Total £m
Interest bearing loans and borrowings:					
– Capital	573.8	769.3	227.7	667.8	2,238.6
– Interest	108.7	64.2	112.3	119.5	404.7
	682.5	833.5	340.0	787.3	2,643.3
Interest rate swaps settled net	0.3	3.1	13.6	19.7	36.7
	682.8	836.6	353.6	807.0	2,680.0
Trade payables and accruals	392.5	-	-	-	392.5
Lease liabilities	48.9	47.6	126.7	714.0	937.2
	1,124.2	**884.2**	**480.3**	**1,521.0**	**4,009.7**

Credit risk

Financial assets include trade loans, cash and cash equivalents and trade receivables. Credit risk is the risk of default by the counterparty to discharge their obligation and the maximum exposure of the group is the carrying amount of these instruments. Other cash deposits and cash and cash equivalents are also subject to the impairment requirements of IFRS 9 however the impairment loss is immaterial.

The policy for third party trading is that all customers who wish to trade on credit terms are subject to regular credit verification procedures. Receivable balances are also monitored on an ongoing basis and provided against were deemed necessary to limit the exposure to bad debts to a non-significant level.

Security is held for certain free trade loan customers. No other significant collateral is held and there are no significant concentrations of credit risk within the group.

Impairment of financial assets
The group has three types of financial assets that are subject to the expected credit loss model:

- trade receivables
- amounts due from related parties
- other financial assets (trade loans with publicans) held at amortised cost

Impairment losses on amounts due from related parties are £nil (prior period: £nil). Impairment losses on other financial assets and trade receivables recognised in profit or loss were as follows:

	29 December 2024 £m	31 December 2023 £m
Non-adjusting:		
Impairment reversal on trade receivables	-	(0.6)
Impairment loss/(reversal) on other financial assets (trade loans with publicans)	0.3	(0.4)
	0.3	(1.0)
Adjusting:		
Impairment reversal on trade receivables	-	(0.1)
	-	(0.1)
	0.3	(1.1)

For more detail on adjusting items refer to note 5.

Trade receivables
An impairment analysis is performed at each reporting date using a provision matrix to measure the expected credit losses for trade receivables. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The group writes off a trade receivable when there is objective evidence that the debtor is in significant financial difficulty and there is no realistic prospect of recovery.

Set out below is the information about the credit risk exposure on the group's trade receivables using a provision matrix:

	29 December 2024			31 December 2023		
	Gross £m	**Provision £m**	**Net £m**	Gross £m	Provision £m	Net £m
Not past due	**63.5**	**(2.3)**	**61.2**	58.7	(2.4)	56.3
Past due						
– Less than 30 days	**1.3**	**(0.3)**	**1.0**	2.3	(0.2)	2.1
– 30-60 days	**0.9**	**(0.5)**	**0.4**	0.9	(0.3)	0.6
– Greater than 60 days	**4.3**	**(3.0)**	**1.3**	6.2	(4.3)	1.9
	70.0	**(6.1)**	**63.9**	68.1	(7.2)	60.9

Financial assets

The group measures expected credit losses for financial assets held at amortised cost by keeping a system that identifies debts that are at a high risk of non-recovery. Once the debts are moved into this system, the risk related to the debt is considered to have significantly increased. The criteria considered by the system are customers who have both sales and debt unpaid, and customers that have stopped trading with the group but have an outstanding balance. For the loans considered to be at high risk of non-recovery a lifetime expected loss is calculated.

Set out below is the movement in the allowance for expected credit losses of trade receivables and other financial assets held at amortised cost:

	Trade receivables		Other financial assets	
	29 December 2024 £m	31 December 2023 £m	**29 December 2024 £m**	31 December 2023 £m
As at beginning of period	**(7.2)**	(7.5)	**(3.2)**	(3.6)
Unused amounts reversed	**0.4**	0.3	**-**	0.4
Provision for expected credit losses recognised during the year	**(0.4)**	(1.0)	**(0.3)**	-
Provision utilised	**1.1**	1.0	**-**	-
As at end of period	**(6.1)**	(7.2)	**(3.5)**	(3.2)

Further information on the group's expected credit loss methodology can be found in note 2.

Fair values

Set out in the table below is a comparison of carrying amounts and fair values of certain of the group's financial instruments in accordance with the requirements of IFRS 7 and IFRS 13. The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced liquidation or sale. IFRS 13 requires that the classification of financial instruments at fair value be determined by reference to the source of inputs used to derive fair value.

The classification uses the following three-level hierarchy:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 - techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

		Fair value	**Carrying value**	Fair value	Carrying value
	Hierarchical classification	**29 December 2024 £m**	**29 December 2024 £m**	31 December 2023 £m	31 December 2023 £m
Financial liabilities					
Interest-bearing loans and borrowings					
Secured debt Issued by Greene King Finance plc	Level 1	**(884.9)**	**(957.8)**	(926.6)	(1,019.5)
Bank loans	Level 2	**(955.0)**	**(953.4)**	(900.0)	(898.7)
Loans from related parties	Level 2	**(311.0)**	**(311.0)**	(297.1)	(311.0)
Interest rate swaps	Level 2	**(13.9)**	**(13.9)**	(30.7)	(30.7)
Financial assets					
Other financial assets	Level 3	**14.3**	**14.3**	13.9	13.9

Carrying values of the secured debt issued by Greene King Finance plc are stated net of deferred finance fees of £7.0m (prior period: £8.0m).

Carrying values of bank loans are stated net of deferred finance fees of £1.6m (prior period: £1.3m).

Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis

The only financial liabilities measured subsequently at fair value are interest rate swaps. The fair value of the instruments classified as Level 2 was calculated by discounting all future cash flows by the market yield curve at the balance sheet date and adjusting for, where appropriate, the group's and counterparty credit risk. Changes in credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships. During the periods ending 29 December 2024 and 31 December 2023 there were no transfers between fair value levels 1, 2 or 3.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The following methods were used to estimate the fair values:

- Interest-bearing loans and borrowings - based on quoted market prices in the case of the secured debt; approximates to the carrying amount (adjusted to exclude capitalised fees) in the case of bank loans.
- Non-interest-bearing borrowings – fair value is equal to carrying value
- Financial assets - these are carried at amortised cost using the effective interest method and fair value is deemed to be the same as this.

Capital risk management

The group aims to maintain strong credit ratings and a core level of debt which optimise the weighted average cost of capital (WACC).

A number of mechanisms are used to manage net debt and equity levels (together referred to as capital) as disclosed on the balance sheet, as appropriate in light of economic and trading conditions. To maintain or adjust the capital structure, the group may adjust distributions to its immediate parent or issue new share capital to its immediate parent.

The group monitors capital using several measures including fixed charge cover, the ratio of net debt to EBITDA and free cash flow debt service coverage. All financial covenants in relation the securitisation vehicles have been fully complied with.

23 PROVISIONS

	Property leases	**Restructuring**
	£m	**£m**
At 1 January 2023	**8.1**	**-**
Provided for	1.5	-
Released	(1.8)	-
Utilised	(1.1)	-
At 31 December 2023	**6.7**	**-**
Provided for	1.8	11.0
Released	(2.4)	-
Utilised	(0.4)	(4.3)
At 29 December 2024	**5.7**	**6.7**

Provisions have been analysed between current and non-current as follows:

	29 December 2024	31 December 2023
	£m	£m
Current	**10.9**	5.9
Non-current	**1.5**	0.8
	12.4	6.7

Property leases

The provision for property leases has been set up to cover dilapidation requirements and potential liabilities on assigned leases.

The provision represents management best estimate of the properties expected to be exited within the next 2 years and the expected cost to repair the site based on either the contractual dilapidation amount or an estimate based on historical actual dilapidation costs and external surveyor reports.

Restructuring

The restructuring provision relates to costs incurred as a result of the restructure announced in Q4 2024; phase 1 of the restructuring completed pre-year end and phase 2 is expected to conclude during H1 2025. The provision for restructuring has been recognised as an adjusting item in the income statement.

24 SHARE CAPITAL

	29 December 2024		31 December 2023	
	Number of issued shares m	**Share capital £m**	Number of issued shares m	Share capital £m
Ordinary shares of 12.5p each – called up, allotted and fully paid				
At beginning of period	**312.1**	**39.0**	312.1	39.0
At end of period	**312.1**	**39.0**	312.1	39.0

25 RESERVES

Share premium account

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

Merger reserve

The merger reserve represents capital contributions received, and amounts recognised on the acquisition of Spirit Pub Company Limited being the difference between the value of the consideration and the nominal value of the shares issued as consideration.

Capital redemption reserve

The capital redemption reserve arose from the purchase and cancellation of own share capital and represents the nominal amount of the share capital cancelled.

Hedging reserve

Hedging reserve adjustments arise from the movement in fair value of the group's derivative instruments used as an effective hedge, in line with the accounting policy disclosed in note 2. Amounts recycled to income are included within finance costs in the income statement.

Goodwill

The cumulative amount of goodwill written off to retained earnings in respect of acquisitions made prior to May 1998 amounts to £89.7m.

26 WORKING CAPITAL AND ADJUSTING CASH ITEMS

	29 December 2024 £m	31 December 2023 £m
Decrease/(increase) in inventories	**5.0**	(7.2)
Increase in trade and other receivables	**(2.8)**	(6.5)
Increase in trade and other payables	**3.5**	61.7
Decrease in property provisions	**(0.4)**	(1.4)
Other non-cash movement	**(0.3)**	(0.4)
Defined benefit pension contributions paid	**(3.2)**	(3.5)
Adjusting items	**(10.1)**	25.0
Working capital and adjusting cash items	**(8.3)**	67.7

27 ANALYSIS AND MOVEMENTS IN NET DEBT

	As at 31 December 2023 £m	Cash flow movements in the period[2] £m	Changes in fair value[3] £m	Other non-cash changes £m	As at 29 December 2024 £m
Cash and cash equivalents					
Cash at bank and in hand[1]	120.1	**(15.6)**	-	-	**104.5**
Cash and cash equivalents for balance sheet	120.1	**(15.6)**	-	-	**104.5**
Overdrafts	-	-	-	-	-
Cash and cash equivalents for cash flow	120.1	**(15.6)**	-	-	**104.5**
Liabilities from financing activities					
Included in net debt:					
– Bank loans:					
- Revolving loans	(818.8)	**245.3**	-	**(1.0)**	**(574.5)**
- Term loans	(79.9)	**(298.9)**	-	**(0.1)**	**(378.9)**
– Other loans:					
- Loans from related parties	(311.0)	-	-	-	**(311.0)**
– Securitised borrowing	(1,019.5)	**62.8**	-	**(1.1)**	**(957.8)**
	(2,229.2)	**9.2**	-	**(2.2)**	**(2,222.2)**
Not included in net debt:					
– Derivative financial instruments	(30.7)	-	**16.8**	-	**(13.9)**
– Lease liabilities[4]	(557.8)	**30.9**	-	**36.2**	**(490.7)**
Liabilities from financing activities	(2,817.7)	**40.1**	**16.8**	**34.0**	**(2,726.8)**
Net debt including derivatives and lease liabilities	(2,697.6)	**24.5**	**16.8**	**34.0**	**(2,622.3)**
Net debt excluding derivatives and lease liabilities	(2,109.1)	**(6.4)**	-	**(2.2)**	**(2,117.7)**

1. Includes short-term deposits.
2. Excludes interest payments on borrowings, which are recognised within 'cash flows from operating activities' in the group cash flow statement.
3. Includes the impact on the fair value of derivatives of scheduled interest payments which are recognised within 'cash flows from operating activities' in the group cash flow statement.
4. Other non-cash changes on Lease Liabilities incorporates £35.1m additions, £(63.1)m remeasurements, £(7.1)m disposals and £(1.1)m transfer to property.

	As at 1 January 2023 £m	Cash flow movements in the period[2] £m	Changes in fair value[3] £m	Other non-cash changes £m	As at 31 December 2023 £m
Cash and cash equivalents					
Cash at bank and in hand[1]	87.5	32.6	-	-	120.1
Cash and cash equivalents for balance sheet	87.5	32.6	-	-	120.1
Overdrafts	-	-	-	-	-
Cash and cash equivalents for cash flow	87.5	32.6	-	-	120.1
Liabilities from financing activities					
Included in net debt:					
– Bank loans:					
- Revolving loans	(738.0)	(80.0)	-	(0.8)	(818.8)
- Term loans	(79.8)	-	-	(0.1)	(79.9)
– Other loans:					
- Revolving loans from related parties	(311.0)	-	-	-	(311.0)
– Securitised borrowing	(1,073.7)	55.4	-	(1.2)	(1,019.5)
	(2,202.5)	(24.6)	-	(2.1)	(2,229.2)
Not included in net debt:					
– Derivative financial instruments	(24.4)	-	(6.3)	-	(30.7)
– Lease liabilities[4]	(564.3)	29.9	-	(23.4)	(557.8)
Liabilities from financing activities	(2,791.2)	5.3	(6.3)	(25.5)	(2,817.7)
Net debt including derivatives and lease liabilities	(2,703.7)	37.9	(6.3)	(25.5)	(2,697.6)
Net debt excluding derivatives and lease liabilities	(2,115.0)	8.0	-	(2.1)	(2,109.1)

1. Includes short-term deposits.
2. Excludes interest payments on borrowings, which are recognised within 'cash flows from operating activities' in the group cash flow statement.
3. Includes the impact on the fair value of derivatives of scheduled interest payments which are recognised within 'cash flows from operating activities' in the group cash flow statement.
4. Other non-cash changes on Lease Liabilities incorporates £23.1m additions, £10.5m remeasurements, £(5.8)m disposals, £(4.8)m transfer to property, plant and equipment and £0.4m lease concessions. concessions.

28 OPERATING LEASE ARRANGEMENTS

The group leases part of its licensed estate and other non-licensed properties to tenants. The majority of lease agreements have terms of between six months and 25 years and are classified for accounting purposes as operating leases. Most of the leases with terms of over three years include provision for rent reviews on either a three year or five-year basis.

Future minimum cash rentals receivable under non-cancellable operating leases are as follows:

	29 December 2024	31 December 2023
	£m	£m
Within one year	**37.3**	36.7
Between one and two years	**33.7**	31.0
Between two and three years	**27.2**	27.7
Between three and four years	**21.8**	21.3
Between four and five years	**17.2**	15.9
After five years	**97.9**	100.3
	235.1	232.9

29 RELATED PARTY TRANSACTIONS

Since the acquisition, the group has entered into transactions with companies connected to CK Asset Holdings Limited, its ultimate parent undertaking in the period. These have been disclosed below:

	Transaction values		**Balances outstanding**	
	29 December 2024	31 December 2023	**29 December 2024**	31 December 2023
	£m	£m	**£m**	£m
CKA Holdings UK Limited				
Revolving Loan Facility	**-**	-	**-**	(311.0)
Interest expense and accrued interest	**(8.7)**	(8.4)	**-**	(2.1)
Loan advance	**-**	-	**(311.0)**	-

The unsecured Revolving Credit Facility has a fixed interest rate of 7.0% and matures in November 2028, with any amounts outstanding on maturity payable in November 2028.

The loan advance of £311.0m (prior period: £nil) is repayable on demand and bears a 0% interest rate.

CK Noble (UK) Limited				
Amounts owed to Greene King Limited	**-**	-	**22.0**	22.0
Social Healthcare Group Limited				
Amounts owed to Greene King Limited	**-**	-	**-**	-
Group relief	**-**	(0.4)	**-**	-
Hutchison 3G UK Limited				
Rental income of base stations	**0.1**	0.1	**-**	-
Provision of internet and telecommunication services	**(0.3)**	(0.2)	**-**	-
UK Power Network				
Provision of utilities	**(0.2)**	(0.3)	**-**	-
Northumbrian Water Limited				
Supply of water	**(0.5)**	(0.4)	**-**	-
Total	**(0.9)**	(1.2)	**22.0**	22.0

Greene King Finance plc is a structured entity set up to raise bond finance for the group, and as such is deemed to be a related party. The results and financial position of the entity has been consolidated in the group's results.

Details of the remuneration for the key management personnel services are given in note 6.

30 POST BALANCE SHEET EVENTS

Post year end the group refinanced £80m of their term loans and £120m of its revolving credit facility, the total facility remains at £200m and now consists of a £100m term loan and £100m revolving credit facility. The group further renewed one of its revolving credit facilities, the facility size remains at £200m.

31 ULTIMATE PARENT COMPANY

At 29 December 2024 the directors consider the immediate parent undertaking and immediate controlling party of Greene King Limited to be CK Noble (UK) Limited, a company incorporated in the UK. Registered at 3 More London Riverside, London, United Kingdom.

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.

The smallest group financial statements produced which include the results of the company are for Greene King Limited, which are these financial statements. 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.

COMPANY BALANCE SHEET

AS AT 29 DECEMBER 2024

Registered number: 00024511

	Note	**29 December 2024 £m**	31 December 2023 £m
Fixed assets			
Investments	35	**4,197.1**	4,068.7
Current assets			
Debtors	36	**115.8**	110.9
Cash and cash equivalents		**-**	-
Creditors: amounts falling due within one year	37	**(1,042.7)**	(556.3)
Net current liabilities		**(926.9)**	(445.4)
Total assets less current liabilities		**3,270.2**	3,623.3
Creditors: amounts falling due after more than one year	38	**(378.7)**	(698.9)
Net assets		**2,891.5**	2,924.4
Capital and reserves			
Called up share capital	40	**39.0**	39.0
Share premium account	41	**1,184.4**	1,184.4
Merger reserve	41	**752.0**	752.0
Revaluation reserve	41	**2.5**	2.5
Other reserve	41	**93.9**	93.9
Retained earnings[1]		**819.7**	852.6
Equity attributable to owners of the parent		**2,891.5**	2,924.4

1 The profit and loss account of the parent company is omitted from the company's accounts by virtue of the exemption granted by section 408 of the Companies Act 2006. The loss generated in the period for ordinary shareholders and included in the financial statements of the parent company, amounted to £32.9m (prior period: profit £514.8m).

Signed on behalf of the board and authorised for issue on 24 April 2025

Richard Smothers

Director

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE 52 WEEKS ENDED 29 DECEMBER 2024

	Called up share capital	Share premium account	Merger reserve	Revaluation reserve	Other reserve	Retained earnings	Total
	£m	£m	£m	£m	£m	£m	£m
At 1 January 2023	**39.0**	**1,184.4**	**752.0**	**2.5**	**93.9**	**337.8**	**2,409.6**
Profit for the period	-	-	-	-	-	514.8	514.8
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**514.8**	**514.8**
At 31 December 2023	**39.0**	**1,184.4**	**752.0**	**2.5**	**93.9**	**852.6**	**2,924.4**
Loss for the period	-	-	-	-	-	(32.9)	(32.9)
Total comprehensive loss	**-**	**-**	**-**	**-**	**-**	**(32.9)**	**(32.9)**
At 29 December 2024	**39.0**	**1,184.4**	**752.0**	**2.5**	**93.9**	**819.7**	**819.7**

NOTES TO THE COMPANY ACCOUNTS

FOR THE 52 WEEKS ENDED 29 DECEMBER 2024

32 ACCOUNTING POLICIES

Basis of accounting and presentation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

The company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements as issued by the Financial Reporting Council (FRC). The financial statements have therefore been prepared in accordance with FRS 101 Reduced Disclosure Framework.

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

- the requirements of IAS 7: Statement of Cash Flows;
- the requirements of IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors; to disclose IFRSs issued but not effective;
- the requirements of IFRS 2: Share-based payments (paragraphs 45(b) and 46 to 52);
- the requirements of IFRS 7: Financial Instruments: Disclosures;
- the requirements of IFRS 13: Fair Value Measurements;
- the requirements of IAS 24: Related Party Disclosures (to present key management personnel compensation and intragroup transactions including wholly owned subsidiaries); and
- the requirements of IAS 1: Presentation of Financial Statements, to present certain comparative information and capital management disclosures.

Where required, equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

Greene King Limited is a private company limited by shares incorporated and domiciled in England and Wales. The address of its registered office is Westgate Brewery, Bury St. Edmunds, Suffolk, IP33 1QT.

The Company's principal activities are as a holding company and in the provision of financing, via intercompany loans to fellow group undertakings.

Investments

Investments in subsidiaries are recorded at cost less impairment and held as fixed assets on the balance sheet. The carrying value of investments is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. On transition to FRS 101, the previous GAAP carrying amount at the date of transition was regarded as deemed cost.

Taxation

Corporation tax payable is provided on taxable profits using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Financial instruments

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and are derecognised when the company no longer controls the contractual rights that comprise the financial instrument, normally through sale or when all cash flows attributable to the instrument are passed to an independent third party.

Financial assets

The company classifies its amounts due from subsidiaries at amortised cost where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest rate method less provision for impairment.

The company recognises a loss allowance for expected credit losses on amounts due from subsidiaries. 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 where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those where the credit risk has increased significantly or determined to be credit impaired, lifetime expected credit losses along with the gross interest income or net interest income, respectively, are recognised.

Borrowings

All loans and borrowings are initially recognised at fair value of the consideration received, net of issue costs. After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method.

Critical accounting judgments 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. The company had no significant judgements in the period.

Critical accounting estimates

Impairment of loans to subsidiaries

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

A review was carried out on amounts owed by group undertakings for an indication of a significant increase in credit risk. The main criteria used was to compare the risk of default occurring over the expected life of the instrument at the reporting date with the risk of default at the date of initial recognition. This review concluded that given the Greene King Limited group liquidity remained strong a 12-month ECL remained applicable for all unsecured balances whilst secured balances have been provided on remaining length of the loan.

Impairment of investments in subsidiaries

Determining whether the company's investments in subsidiaries have been impaired requires estimations of the investments' value in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present values. The carrying amount of investments in subsidiaries at the balance sheet date was £2,449.3m (prior period: £2,543.9m) with net impairment charge in the year of £94.6m (prior period: £221.5m).

33 AUDITOR'S REMUNERATION

Auditor's remuneration for the audit of the financial statements was £39,500 (prior period: £39,500). The figures for auditor's remuneration for the company required by regulation 5(1)(b) of the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 are not presented here as the group accounts comply with this regulation on a consolidated basis.

34 DIRECTORS' REMUNERATION AND EMPLOYEE COSTS

The company has no employees other than directors and the directors are not remunerated through this company. Details of employee costs are given in note 6.

35 INVESTMENTS

	Investments in subsidiaries	Loans to subsidiaries	Total
	£m	£m	£m
Cost at 31 December 2023	**2,755.3**	**1,528.4**	**4,283.7**
Additions	-	222.2	222.2
Cost at 29 December 2024	**2,755.3**	**1,750.6**	**4,505.9**
Impairment at 31 December 2023	**(211.4)**	**(3.6)**	**(215.0)**
Impairment of non-trading subsidiaries	(94.6)	-	(94.6)
Expected credit losses reversed	-	0.8	0.8
Impairment at 29 December 2024	**(306.0)**	**(2.8)**	**(308.8)**
NBV at 29 December 2024	**2,449.3**	**1,747.8**	**4,197.1**
NBV at 31 December 2023	2,543.9	1,524.8	4,068.7

The net impairment charge of £94.6m (prior period: £221.5m) is made up of an impairment charge of £94.6m (prior period: £221.5m) and an impairment reversal of £nil (prior period: £nil).

Interest on amounts owed from subsidiaries accrued at a rate equal to SONIA plus a credit adjustment spread during the period. Interest accrues half yearly and amounts owed from subsidiaries are repayable on demand.

Principal subsidiaries

For a full list of all subsidiaries see note 14.

36 DEBTORS

	29 December 2024 £m	31 December 2023 £m
Amounts owed from subsidiaries	**93.8**	88.9
Amounts owed from parent undertaking	**21.9**	21.9
Interest receivable	**0.1**	0.1
	115.8	110.9

Interest on amounts owed from subsidiaries accrues at a rate of SONIA plus a credit adjustment spread. Interest accrues half yearly and amounts owed from subsidiaries are repayable on demand. Amounts owed from parent undertaking are non-interest bearing. Expected credit losses of £3.0m (prior period: £3.8m) have been recognised against the carrying value of amounts owed from subsidiaries. Information about the group's exposure to credit and market risks, and impairment losses for trade receivables is included in note 22.

37 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	29 December 2024 £m	31 December 2023 £m
Accruals	**8.5**	12.1
Amounts owed to subsidiaries	**121.7**	-
Bank and other loans (note 39)	**885.7**	510.8
Bank overdraft	**26.8**	33.4
	1,042.7	556.3

38 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	29 December 2024 £m	31 December 2023 £m
Bank and other loans (note 39)	**378.7**	698.9
	378.7	698.9

39 LOANS AND OTHER BORROWINGS

	29 December 2024			31 December 2023		
	Within one year £m	**After one year £m**	**Total £m**	Within one year £m	After one year £m	Total £m
Bank overdraft	**26.8**	**-**	**26.8**	33.4	-	33.4
Bank loans:						
– Revolving loans	**494.7**	**79.8**	**574.5**	199.8	619.0	818.8
– Term loans	**80.0**	**298.9**	**378.9**	-	79.9	79.9
Other loans						
– Revolving loans from related parties	**-**	**-**	**-**	311.0	-	311.0
– Loan advance	**311.0**	**-**	**311.0**			
	912.5	**378.7**	**1,291.2**	544.2	698.9	1,243.1

As explained in note 21, the company has available revolving bank credit facilities and term facilities totalling £1,100m of which, £955m was drawn down at the year end with a carrying value of £953.4m which included £1.6m of fees.

Bank loans due after one year are repayable as follows:

	29 December 2024 £m	31 December 2023 £m
Due within one year	**574.5**	199.8
Due between two and five years	**378.9**	698.9
	953.4	898.7

Although any individual drawdowns under the bank revolving loans are repayable within 12 months of the balance sheet date, immediate renewal is available until the maturity of the facilities which fall between March 2025 and December 2026. The drawn amount under the term loans are repayable on maturity of the facilities between February 2025 and December 2029. Other loans are repayable as follows:

	29 December 2024 £m	31 December 2023 £m
Due within one year	**311.0**	311.0
Due between two and five years	**-**	-
	311.0	311.0

The group has available an unsecured revolving loan facility with CKA Holdings UK Limited, an intermediate parent. The facility is available to be used for general corporate purposes. Of the £1,500.0m (prior period: £1,500.0m) available under the facility, £nil (prior period: £311.0m) was drawn down at the year end with a carrying value of £nil (prior period: £311.0m). Any amounts drawn down bear interest at a fixed rate of 7.0%. Interest is payable following the end of each interest period which are typically 3 months in length. Drawn amounts are repayable on maturity of the facility in November 2028. The group has further received a loan advance of £311.0m (prior period: £nil) from CKA Holdings UK Limited. This is repayable on demand and bears a 0% interest rate.

40 ALLOTTED AND ISSUED SHARE CAPITAL

Allotted, called up and fully paid	**29 December 2024 £m**	31 December 2023 £m
Ordinary shares of 12.5p each		
312.1m shares (prior period: 312.1m)	**39.0**	39.0

Further information on share capital is given in note 24.

41 RESERVES

Share premium account

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

Merger reserve

The merger reserve represents capital contributions received, and amounts recognised on the acquisition of Spirit Pub Company Limited being the difference between the value of the consideration and the nominal value of the shares issued as consideration.

Other reserve

The other reserve consists of £3.3m (prior period: £3.3m) capital redemption reserve arising from the purchase of own share capital and £90.6m (prior period: £90.6m) arising from transfer of revalued assets to other group companies and will only be realised when the related assets are disposed of by the group.

42 CONTINGENT LIABILITIES

The company has provided a guarantee to the Greene King Pension Scheme in respect of the payment obligations to the scheme of its subsidiary Greene King Services Limited. In the event that these obligations are not met the company will become liable for amounts due to the pension scheme; such an event is not considered probable.

Details of the group's pension schemes are included in note 8.

43 POST BALANCE SHEET EVENTS

Post year end the company refinanced £80m of their term loans and £120m of its revolving credit facility, the total facility remains at £200m and now consists of a £100m term loan and £100m revolving credit facility. The company further renewed one of its revolving credit facilities, the facility size remains at £200m.

44 ULTIMATE PARENT COMPANY

At 29 December 2024, the directors consider the immediate parent undertaking and immediate controlling party of Greene King Limited to be CK Noble (UK) Limited, a company incorporated in the UK.

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

The smallest group financial statements produced which include the results of the company are for Greene King Limited, which are these financial statements. 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.

ALTERNATIVE PERFORMANCE MEASURES

The performance of the group is assessed using a number of alternative performance measures (APMs).

The group's results are presented both before and after adjusting items. Adjusted profitability measures are presented excluding adjusting items as management believe this provides useful additional information about the group's performance and aids a more effective comparison of the group's trading performance from one period to the next and with similar businesses. Adjusted profitability measures are reconciled to unadjusted IFRS results on the face of the income statement with details of adjusting items provided in note 5.

In addition, the group's results are described using certain other measures that are not defined under IFRS and are therefore considered to be APMs. These measures are used by management to monitor ongoing business performance against both shorter-term budgets and forecasts but also against the group's longer-term strategic plans.

APMs used to explain and monitor group performance are found below, including a reconciliation to the nearest measure prepared in accordance with IFRS:

APM	Definition	Purpose	Source
Adjusted cash from operations	Cash from operations before adjusting cash items	Cash from operations before adjusting cash items as set out in note F below. Adjusting cash items are those which are separately identified by virtue of their size or incidence. Excluding these items allows an understanding of the cash generated from operations of the Group.	See below
Adjusted operating profit	Operating profit before adjusting items	Operating profit before separately disclosed items as set out in the Group Income Statement. Separately disclosed items are those which are separately identified by virtue of their size or incidence. Excluding these items allows an understanding of the trading of the Group.	Group income statement
Adjusted tax	Tax (charge)/credit before adjusting items	Tax before separately disclosed items as set out in the Group Income Statement. Separately disclosed items are those which are separately identified by virtue of their size or incidence. Excluding these items allows an understanding of the trading of the Group.	Group income statement
Adjusted net finance costs	Net finance costs before adjusting items	Net Finance costs before separately disclosed items as set out in the Group Income Statement. Separately disclosed items are those which are separately identified by virtue of their size or incidence. Excluding these items allows an understanding of the trading of the Group.	Group income statement
Adjusted EBITDA	Earnings before interest, tax, depreciation, amortisation and adjusting items	EBITDA before separately disclosed items. Separately disclosed items are those which are separately identified by virtue of their size or incidence. Excluding these items allows an understanding of the trading of the Group.	See below
Capital investment	The purchase of property, plant and equipment split between core capex and brand swap and new site investment	Capital investment provides clarity of the split between what is deemed to be core capital expenditure to allow an understanding of the capital investments made.	Group cash flow statement

Core Capex	Capital expenditure including asset optimisation but excluding freehold reversions, investment property, new site acquisitions and investment on acquisitions.	Core Capex provides a greater understanding of the investments into long-term assets which will facilitate growth into the future.	See below
Like for like (LFL) sales	LFL sales include revenue from the sale of drink, food and accommodation but exclude fruit machine income. LFL sales performance is calculated against a comparable period.	LFL sales provides better insight into the trading performance than total revenue which is impacted by in year activities.	Non-GAAP
Free cash flow (FCF)	FCF represents the net cash inflow from operating activities, adjusted for cash movements on working capital, adjusting items, tax, interest, core Capex and repayment of loans and lease liabilities	The calculation of free cash flow is based on the net cash generated by business activities and available for investment, after funding working capital, adjusting items, corporation tax, interest, lease liabilities and trade loans.	See below
Net debt	Net debt is the sum of cash and cash equivalents and other cash deposits, less total borrowings net of related accrued interest at the balance sheet date.	Net debt excluding derivative financial instruments and lease liabilities provides a useful measure of the financing position of the group.	Note 27
Net interest paid	Net interest costs before adjusting items	Net interest costs before separately disclosed items as set out in the Group Income Statement. Separately disclosed items are those which are separately identified by virtue of their size or incidence. Excluding these items allows an understanding of the trading of the Group.	See below

A FREE CASH FLOW

	Source	**2024 £m**	2023 £m
Adjusted EBITDA	See C below	**353.0**	329.2
Working capital and adjusting items	Note 26	**(8.3)**	67.7
Add back: adjusting cash items	Note 26	**10.1**	(25.0)
		354.8	371.9
Tax payments	Cash flow statement	**(5.1)**	(13.9)
		(5.1)	(13.9)
Interest received	Cash flow statement	**3.4**	2.3
Interest paid excluding interest on lease liabilities	Note E below	**(113.4)**	(104.4)
		(110.0)	(102.1)
Core capex	Note D below	**(172.7)**	(194.8)
Repayment of lease liabilities	Note 20	**(53.7)**	(51.5)
Net repayment of trade loans	Cash flow statement	**(0.7)**	-
Free cash flow		**12.6**	9.6

B EBITDA

	Source	**2024 £m**	2023 £m
Operating profit	Group Income statement	**(16.4)**	167.2
Add back: depreciation	Note 4	**153.5**	141.5
Add back: amortisation	Note 4	**1.5**	1.6
		138.6	310.3

C ADJUSTED EBITDA

	Source	2024 £m	2023 £m
EBITDA	See B above	**138.6**	310.3
Add back: adjusting items	Note 5	**214.4**	18.9
		353.0	329.2

D CAPITAL INVESTMENT

	Source	2024 £m	2023 £m
Core capex	Non-GAAP	**172.7**	194.8
Brand swap and new site investment	Non-GAAP	**26.6**	20.5
Purchase of property, plant and equipment	Cash flow statement	**199.3**	215.3

E NET INTEREST PAID

	Source	2024 £m	2023 £m
Interest received	Cash flow statement	**3.4**	2.3
Interest paid	Cash flow statement	**(136.2)**	(126.0)
Less: interest paid on lease liabilities	Note 20	**22.8**	21.6
Interest paid excluding lease liabilities		**(113.4)**	(104.4)
Net interest paid		**(110.0)**	(102.1)

F ADJUSTED CASH GENERATED FROM OPERATIONS

	Source	2024 £m	2023 £m
Cash generated from operations	Cash flow statement	**344.7**	396.9
Add: adjusting cash items	Note 26	**10.1**	(25.0)
Less: net interest	See E above	**(110.0)**	(102.1)
Less: tax paid	Cash flow statement	**(5.1)**	(13.9)
Adjusted cash generated from operations		**239.7**	255.9