

COMPANY REGISTRATION NUMBER: 05735916

# Restaurant Holdings Limited

Financial Statements

Period ended 29 December 2019



## **Restaurant Holdings Limited**

### **Financial Statements**

**Period from 24 December 2018 to 29 December 2019**

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## **Restaurant Holdings Limited**

### **Strategic Report**

**Period from 24 December 2018 to 29 December 2019**

The directors present their strategic report for the period from 24 December 2018 to 29 December 2019.

#### **Principal activities**

The principal activity of the company is to act as an intermediate holding company.

The directors do not foresee any change in the company's activities.

The company has an accounting reference date of 27 December and makes up its accounts to a Sunday near that date.

#### **Results and review**

The profit for the period amounted to £103,053,000 (2018: £14,882,000). The profit for the period was principally due to the write back of a prior year impairment charge on the company's investment in its subsidiary, Kentucky Fried Chicken (Great Britain) Limited, the receipt of a dividend from the company's subsidiary, Kentucky Fried Chicken (Great Britain) Limited and a favourable move in foreign exchange rates affecting the US dollar-denominated loans that the company holds.

At the end of the period, the company had net assets of £633,174,000 (2018: £606,121,000). The directors are reasonably certain that the company will be able to meet its obligations for the foreseeable future.

Amounts due to group undertakings are principally loans due to fellow subsidiaries and the accrued interest thereon. At the period end, 92% of the loans payable were US dollar denominated.

#### **Principal risks and uncertainties**

The principal risk to the company is the movement in foreign exchange on the US dollar-denominated loans. Foreign exchange movements that affect the annual interest payments are partially mitigated by the use of forward currency contracts, however the company is also required to report the foreign exchange movement on the principal value of the loans and this may have a significant impact on the results from period to period.

During 2020, the COVID-19 pandemic has resulted in significant and on-going disruption to the economy. While the company itself is a holding company, it depends on cash receivable from its subsidiary in order to service its debt obligations. The directors have assessed the impact of the pandemic on both the company and its subsidiary and they are reasonably confident that the company will not be significantly adversely affected. In the short term, if there is any difficulty in drawing the cash that the company needs to service its debt, the directors are reasonably certain that the company can draw on funds from elsewhere in the wider group if this should be required.

On 31 January 2020, the United Kingdom left the European Union. The directors do not consider that this will have a major impact on the company.

**Restaurant Holdings Limited**

**Strategic Report**

**Period from 24 December 2018 to 29 December 2019 (continued)**

This report was approved by the Board on 17 December 2020 and signed on its behalf by:

.....  
**TM Colborn**  
**Company secretary and director**  
Registered office:  
Orion Gate  
Guildford Road  
Woking  
Surrey  
GU22 7NJ  
United Kingdom

## **Restaurant Holdings Limited**

### **Directors' Report**

#### **Period from 24 December 2018 to 29 December 2019**

The directors present their report and the financial statements for the period from 24 December 2018 to 29 December 2019.

#### **Directors of the company**

The directors who held office during the period were as follows:

PJ MacKenzie

CA Drew

CM Boynton (resigned 23 August 2019)

MRC Williams (appointed 23 August 2019)

TM Colborn - Company secretary and director

None of the directors who held office at the end of the period had any disclosable interest in the shares of the company.

#### **Dividends**

Dividends totalling £76,000,000 were paid during the period (2018: nil).

#### **Going concern**

The accounts have been prepared on the going concern basis. Further details of the directors' assessment of going concern may be found in Note 3 Accounting policies.

#### **Important non adjusting events after the financial period**

During 2020, the COVID-19 pandemic has resulted in significant and on-going disruption to the economy. While the company itself is a holding company, it depends on cash receivable from its subsidiary in order to service its debt obligations. The directors have assessed the impact of the pandemic on both the company and its subsidiary and they are reasonably confident that the company will not be significantly adversely affected. In the short term, if there is any difficulty in drawing the cash that the company needs to service its debt, the directors are reasonably certain that the company can draw on funds from elsewhere in the wider group if this should be required.

On 31 January 2020, the United Kingdom left the European Union. The directors do not consider that this will have a major impact on the company.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

#### **Reappointment of auditors**

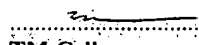
Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

**Restaurant Holdings Limited**

**Directors' Report**

**Period from 24 December 2018 to 29 December 2019 (continued)**

Approved by the Board on 17 December 2020 and signed on its behalf by:

  
.....  
**TM Colborn**  
**Company secretary and director**  
Registered office:  
Orion Gate  
Guildford Road  
Woking  
Surrey  
GU22 7NJ  
United Kingdom

## **Restaurant Holdings Limited**

### **Statement of Directors' Responsibilities in respect of the Strategic Report, Directors' Report and Financial Statements**

**Period from 24 December 2018 to 29 December 2019**

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

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent Auditor's Report to the Member of Restaurant Holdings Limited**

### **Opinion**

We have audited the financial statements of Restaurant Holdings Limited (the 'company') for the period from 24 December 2018 to 29 December 2019, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 December 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.



## **Independent Auditor's Report to the Member of Restaurant Holdings Limited (continued)**

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial period is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

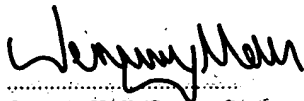
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **Independent Auditor's Report to the Member of Restaurant Holdings Limited (continued)**

### **The purpose of our audit work and to whom we owe our responsibilities**

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 member 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.



**Jeremy Hall (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL  
United Kingdom

17 December 2020

# **Restaurant Holdings Limited**

## **Statement of Comprehensive Income**

**Period from 24 December 2018 to 29 December 2019**

	Note	Period from 24 Dec 18 to 29 Dec 19 £ 000	Period from 25 Dec 17 to 23 Dec 18 £ 000
Administrative expenses		(58)	(89)
<b>Operating loss</b>		<b>(58)</b>	<b>(89)</b>
Income from shares in group undertakings	6	35,000	207,000
Other interest receivable and similar income	7	52	31
Amounts written back to/(written off) investments	11	71,861	(160,935)
Interest payable and similar expenses	8	(4,695)	(39,976)
<b>Profit before taxation</b>		<b>102,160</b>	<b>6,031</b>
Taxation	9	893	8,851
<b>Profit after taxation</b>		<b>103,053</b>	<b>14,882</b>
<b>Total comprehensive income for the period</b>		<b>103,053</b>	<b>14,882</b>

All the activities of the company are from continuing operations.

The notes on pages 12 to 22 form part of these financial statements.

**Restaurant Holdings Limited**  
**Statement of Financial Position**  
**29 December 2019**

	Note	29 Dec 19 £ 000	23 Dec 18 £ 000
<b>Fixed assets</b>			
Investments	11	1,005,609	933,748
<b>Current assets</b>			
Debtors	12	7,731	23,247
Cash at bank and in hand		1,249	41,890
		8,980	65,137
<b>Creditors: Amounts falling due within one year</b>	13	(1,295)	(30,558)
<b>Net current assets</b>		7,685	34,579
<b>Total assets less current liabilities</b>		1,013,294	968,327
<b>Creditors: Amounts falling due after more than one year</b>	14	(380,120)	(362,206)
<b>Net assets</b>		633,174	606,121
<b>Capital and reserves</b>			
Called up share capital	15	94,763	94,763
Profit and loss account	16	538,411	511,358
<b>Member funds</b>		633,174	606,121

These financial statements were approved by the Board and authorised for issue on 17 December 2020 and are signed on its behalf by:

.....  
**TM Colborn**  
**Company secretary and director**

Company registration number: 05735916

The notes on pages 12 to 22 form part of these financial statements.

# **Restaurant Holdings Limited**

## **Statement of Changes in Equity for the Period from 24 December 2018 to 29 December 2019**

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
<b>At 25 December 2017</b>	<b>94,763</b>	<b>496,476</b>	<b>591,239</b>
<b>Profit for the period</b>	<b>-</b>	<b>14,882</b>	<b>14,882</b>
<b>At 23 December 2018</b>	<b>94,763</b>	<b>511,358</b>	<b>606,121</b>
<b>Profit for the period</b>	<b>-</b>	<b>103,053</b>	<b>103,053</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>103,053</b>	<b>103,053</b>
<b>Dividends paid and payable</b>	<b>-</b>	<b>(76,000)</b>	<b>(76,000)</b>
<b>At 29 December 2019</b>	<b>94,763</b>	<b>538,411</b>	<b>633,174</b>

The notes on pages 12 to 22 form part of these financial statements.

**Restaurant Holdings Limited**  
**Notes to the Financial Statements**  
**Period from 24 December 2018 to 29 December 2019**

**1 General information**

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Orion Gate  
Guildford Road  
Woking  
Surrey  
GU22 7NJ  
United Kingdom

**2 Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

**3 Accounting policies**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis, and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Disclosure exemptions**

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 401 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is not established under the law of an EEA State.

The company's ultimate parent undertaking, Yum! Brands, Inc. includes the company in its consolidated financial statements. The consolidated financial statements of Yum! Brands, Inc., are available to the public and may be obtained from the address as detailed in note 18. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes
- Key Management Personnel compensation
- Related party transactions with entities which form part of the group.

## **Restaurant Holdings Limited**

### **Notes to the Financial Statements (continued) Period from 24 December 2018 to 29 December 2019**

#### **3 Accounting policies (continued)**

##### **Going concern**

The financial statements have been prepared on a going concern basis, which assumes the company will be able to meet its liabilities as they fall due, for the foreseeable future. The directors have concluded that it is appropriate to adopt the going concern basis, having undertaken an assessment of the financial forecasts for the 12 month period after the approval of these financial statements, with specific consideration to the trading position of the company in the context of the Coronavirus pandemic.

As at 29 December 2019, the company had total assets less current liabilities of £1,013,294,000 and net assets of £633,174,000 with debts being owed to group undertakings, and predominantly due more than five years after the balance sheet date. The company has not seen a significant impact from the COVID-19 pandemic. Its subsidiary, Kentucky Fried Chicken (Great Britain) Limited, has seen some disruption to its trading, however no significant decline in sales or cashflows has occurred or is expected to occur in the foreseeable future that would impact the directors' conclusion that it is appropriate to adopt the going concern basis.

The directors recognise that, at the date of approving these financial statements, given the lockdown measures taking place in the UK and globally as a result of the current Coronavirus pandemic, the full impact of the outbreak is unknown at this time and is unpredictable. The directors have considered the severe but plausible downsides resulting from the pandemic. These include a complete shutdown of all sales channels for its subsidiary, Kentucky Fried Chicken (Great Britain) Limited, including delivery and takeaway, which are generally allowed to remain open at times of lockdown. The directors consider such scenarios unlikely however in the event of such circumstances they would not impact the ability of the company to be able to meet its liabilities as they fall due for the foreseeable future.

##### **Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

##### **Income tax**

The charge or credit for taxation is based on the profit or loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of timing differences between the treatment of certain items of taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.

## **Restaurant Holdings Limited**

### **Notes to the Financial Statements (continued)** **Period from 24 December 2018 to 29 December 2019**

#### **3 Accounting policies (continued)**

##### **Investments**

The carrying amount of the company's investments are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable value is estimated. The recoverable value of an investment is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment charge is recognised if the carrying value of an investment exceeds its estimated recoverable amounts. Impairment charges are recognised in profit and loss.

Impairment charges recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment charge is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

##### **Creditors**

Creditors comprise accrued expenses and amounts due to group undertakings. The amounts due to group undertakings are made up of loans payable to fellow group undertakings and include the principal amounts of the loans and interest accrued from the date of the last annual interest payment to the last day of the reporting period. Loans are recorded at the cash value of the amounts due to be repaid.

#### **4 Auditors' remuneration**

	<b>Period from 24 Dec 18 to 29 Dec 19 £ 000</b>	<b>Period from 25 Dec 17 to 23 Dec 18 £ 000</b>
Fees payable for the audit of the financial statements	<u>10</u>	<u>13</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	<u>5</u>	<u>7</u>

#### **5 Remuneration of directors and employees**

The directors did not receive any remuneration for their services to the company during the period.

The company has no employees.



# **Restaurant Holdings Limited**

## **Notes to the Financial Statements (continued)** **Period from 24 December 2018 to 29 December 2019**

### **6 Income from shares in group undertakings**

	Period from 24 Dec 18 to 29 Dec 19 £ 000	Period from 25 Dec 17 to 23 Dec 18 £ 000
Dividends receivable from group undertakings	<u>35,000</u>	<u>207,000</u>

### **7 Interest receivable and similar income**

	Period from 24 Dec 18 to 29 Dec 19 £ 000	Period from 25 Dec 17 to 23 Dec 18 £ 000
Bank interest receivable	<u>52</u>	<u>31</u>

### **8 Interest payable and similar expenses**

	Period from 24 Dec 18 to 29 Dec 19 £ 000	Period from 25 Dec 17 to 23 Dec 18 £ 000
Foreign exchange (gains)/losses	(11,692)	24,055
Interest payable to group undertakings	<u>16,387</u>	<u>15,921</u>
	<u>4,695</u>	<u>39,976</u>

### **9 Tax on profit**

Tax (credited) in the income statement

	Period from 24 Dec 18 to 29 Dec 19 £ 000	Period from 25 Dec 17 to 23 Dec 18 £ 000
<b>Current tax:</b>		
UK current tax (credit)	(893)	(7,606)
Adjustments in respect of prior periods	<u>-</u>	<u>(1,245)</u>
Total current tax	<u>(893)</u>	<u>(8,851)</u>

# **Restaurant Holdings Limited**

## **Notes to the Financial Statements (continued)** **Period from 24 December 2018 to 29 December 2019**

### **9 Tax on profit (continued)**

#### **Reconciliation of tax expense**

The tax on the profit for the period is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%).

The differences are reconciled below:

	Period from 24 Dec 18 to 29 Dec 19 £ 000	Period from 25 Dec 17 to 23 Dec 18 £ 000
Profit before taxation	<u>102,160</u>	<u>6,031</u>
Profit by rate of tax	19,410	1,146
Effect of (income not chargeable)/expense not deductible in determining taxable profit	(13,653)	30,578
Decrease in UK and foreign current tax from adjustment for prior periods	-	(1,245)
Tax decrease from effect of dividends from UK companies	<u>(6,650)</u>	<u>(39,330)</u>
Tax on profit	<u>(893)</u>	<u>(8,851)</u>

### **10 Dividends paid**

	29 Dec 19 £ 000	23 Dec 18 £ 000
Dividends paid on equity shares	<u>76,000</u>	<u>-</u>

# **Restaurant Holdings Limited**

## **Notes to the Financial Statements (continued)** **Period from 24 December 2018 to 29 December 2019**

### **11 Investments in subsidiaries, joint ventures and associates**

	<b>Shares in group undertakings £ 000</b>
<b>Cost or valuation</b>	
At 23 December 2018	<u>1,353,025</u>
At 29 December 2019	<u>1,353,025</u>
<b>Provision</b>	
At 23 December 2018	419,277
Impairment written back	<u>(71,861)</u>
At 29 December 2019	<u>347,416</u>
<b>Carrying amount</b>	
At 29 December 2019	<u>1,005,609</u>
At 23 December 2018	<u>933,748</u>

Following the annual impairment analysis, the estimated recoverable amount of the investment exceeded the carrying amount of the investment. As such, the impairment loss was reversed to the extent that the carrying amount will equal the recoverable amount.

**Restaurant Holdings Limited**  
**Notes to the Financial Statements (continued)**  
**Period from 24 December 2018 to 29 December 2019**

**11. Investments in subsidiaries, joint ventures and associates (continued)**

**Group investments**

The undertaking in which the company has a direct interest at the period end is as follows:

Name	Country of incorporation	Holding	Principal activity	Address
Kentucky Fried Chicken (Great Britain) Limited	England	100% ordinary shares	Trading	Orion Gate Guildford Road, Woking GU22 7NJ

The undertakings in which the company has an indirect interest at the period end are as follows:

	Country of incorporation	Holding	Principal activity	Address
KFC Advertising Limited	England	100% ordinary shares	Advertising Co-operative	Orion Gate, Guildford Road, Woking, GU22 7NJ
Yum! Restaurants International Limited	England	100% ordinary shares	Investment holding	Orion Gate, Guildford Road, Woking, GU22 7NJ
Kentucky Fried Chicken (Germany) Restaurant Holdings GmbH	Germany	100% ordinary shares	Investment holding	Homburger Strasse 25, 40882 Ratingen, Germany
Kentucky Fried Chicken (Great Britain) Services Limited	England	100% ordinary shares	Service company	Orion Gate, Guildford Road, Woking, GU22 7NJ

**Restaurant Holdings Limited**  
**Notes to the Financial Statements (continued)**  
**Period from 24 December 2018 to 29 December 2019**

**11 Investments in subsidiaries, joint ventures and associates (continued)**

	<b>Country of incorporation</b>	<b>Holding</b>	<b>Principal activity</b>	<b>Address</b>
Southern Fast Foods Limited	England	100% ordinary shares	Non-trading	Orion Gate, Guildford Road, Woking, GU22 7NJ
Finger Lickin' Chicken Limited	England	100% ordinary shares	Non-trading	Orion Gate, Guildford Road, Woking, GU22 7NJ
Yum! Restaurants International Limited & Co. KG	Germany	100% ordinary shares	Trading	Homerberger Strasse 25, 40882 Ratingen, Germany
Suffolk Fast Foods Limited	England	100% ordinary shares	Non-trading	Orion Gate, Guildford Road, Woking, GU22 7NJ
Kentucky Fried Chicken Limited	England	100% ordinary shares	Non-trading	Orion Gate, Guildford Road, Woking, GU22 7NJ

## Restaurant Holdings Limited

### Notes to the Financial Statements (continued) Period from 24 December 2018 to 29 December 2019

#### 11 Investments in subsidiaries, joint ventures and associates (continued)

Yum! Restaurants International Limited and Kentucky Fried Chicken (Germany) Restaurant Holdings GmbH are partners in Yum! Restaurants International Limited & Co KG, a company registered in Germany. Kentucky Fried Chicken (Germany) Restaurant Holdings GmbH has an interest of 100% of the partnership capital of Yum! Restaurants International Limited & Co KG. Yum! Restaurants International Limited acts as a general partner and has no interest in the partnership capital.

In the opinion of the directors, the investment in the company's subsidiary undertaking is worth at least the amount at which it is stated in the financial statements.

#### 12 Debtors

	29 Dec 19 £ 000	23 Dec 18 £ 000
Amounts owed by group undertakings	7,731	23,233
Other debtors	-	14
	<u>7,731</u>	<u>23,247</u>

#### 13 Creditors: amounts falling due within one year

	29 Dec 19 £ 000	23 Dec 18 £ 000
Amounts owed to group undertakings	1,107	30,386
Accruals and deferred income	188	172
	<u>1,295</u>	<u>30,558</u>

#### 14 Creditors: amounts falling due after more than one year

	29 Dec 19 £ 000	23 Dec 18 £ 000
Amounts due to group undertakings:		
US Dollar denominated loans	350,970	362,206
Sterling denominated loans	29,150	-
	<u>380,120</u>	<u>362,206</u>

The terms of the loans due to group undertakings are as follows:

	Interest rates	Repayment date
US Dollar denominated loans	USD LIBOR plus 1.25% per annum, payable annually	November 2031
Sterling denominated loans	GBP LIBOR plus 0.475% per annum, payable annually	November 2022

## Restaurant Holdings Limited

### Notes to the Financial Statements (continued) Period from 24 December 2018 to 29 December 2019

#### 15 Called up share capital

##### Issued, called up and fully paid shares

	29 Dec 19		23 Dec 18	
	No.	£ 000	No.	£ 000
Ordinary shares of £1 each	<u>94,762,992</u>	<u>94,763</u>	<u>94,762,992</u>	<u>94,763</u>

#### 16 Reserves

The called up share capital account records the shares held by the company's parent company at cost.

The profit and loss account records retained earnings and accumulated losses.

#### 17 Events after the end of the reporting period

During 2020, the COVID-19 pandemic has resulted in significant and on-going disruption to the economy. While the company itself is a holding company, it depends on cash receivable from its subsidiary in order to service its debt obligations. The directors have assessed the impact of the pandemic on both the company and its subsidiary and they are reasonably confident that the company will not be significantly adversely affected. In the short term, if there is any difficulty in drawing the cash that the company needs to service its debt, the directors are reasonably certain that the company can draw on funds from elsewhere in the wider group if this should be required.

On 31 January 2020, the United Kingdom left the European Union. The directors do not consider that this will have a major impact on the company.

## **Restaurant Holdings Limited**

### **Notes to the Financial Statements (continued)**

**Period from 24 December 2018 to 29 December 2019**

#### **18 Controlling party**

The company is a subsidiary undertaking of Yum! Restaurants International Management LLC, a company registered in the United States of America.

The smallest and largest group in which the results of the company are consolidated is that headed by Yum! Brands, Inc., a company registered in the United States of America. The consolidated accounts of this group are available to the public and may be obtained from:

Yum! Brands, Inc.  
1441 Gardiner Lane  
Louisville  
Kentucky  
40213  
United States of America