

COMPANY REGISTRATION NUMBER: 05735916

Restaurant Holdings Limited

Financial Statements

Period ended 24 December 2017

Restaurant Holdings Limited
Financial Statements
Period from 5 December 2016 to 24 December 2017

Contents

Strategic Report	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Independent Auditor's Report to the Member of Restaurant Holdings Limited	4
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10

Restaurant Holdings Limited
Strategic Report
Period from 5 December 2016 to 24 December 2017

The directors present their strategic report for the period from 5 December 2016 to 24 December 2017.

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. In 2017, the company changed the accounting reference date from 30 November to 27 December to align with Yum! Brands, Inc., resulting in a 55 week accounting period relative to 2016, which had a 53 week accounting period.

Results and review

The profit for the period amounted to £619,205,000 (2016: loss of £74,780,000). The profit for the period was principally due to the receipt of a dividend from the company's subsidiary, Yum! Restaurant Holdings, prior to the subsidiary being sold as detailed in note 9 and to the decision taken by the directors to impair the company's investment in Kentucky Fried Chicken (Great Britain) Limited.

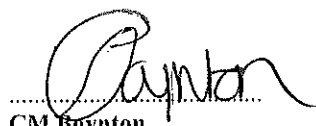
At the end of the period, the company had net assets of £591,239,000 (2016: £45,067,000). The directors are reasonably certain that the company will be able to meet its obligations for the foreseeable future.

Amounts due to group undertakings are principally loans due to fellow subsidiaries and the accrued interest thereon. At the period end, 94% 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.

This report was approved by the Board on 20 September 2018 and signed on its behalf by:



CM Boynton

Director

Registered office:

Orion Gate

Guildford Road

Woking

Surrey

GU22 7NJ

United Kingdom

Restaurant Holdings Limited

Directors' Report

Period from 5 December 2016 to 24 December 2017

The directors present their report and the financial statements for the period from 5 December 2016 to 24 December 2017.

Directors of the company

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

MRF Shuker (resigned 21 April 2017)

PJ MacKenzie

CA Drew (appointed 24 March 2017)

CM Boynton

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

A dividend of £73,033,000 was paid during the period.

Going concern

The accounts have been prepared on the going concern basis.

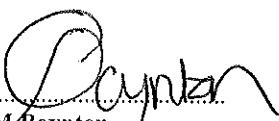
Disclosure of information to the auditors

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.

Approved by the Board on 20 September 2018 and signed on its behalf by:



CM Boynton

Director

Registered office:

Orion Gate

Guildford Road

Woking

Surrey

GU22 7NJ

United Kingdom

Restaurant Holdings Limited
Statement of Directors' Responsibilities

Period from 5 December 2016 to 24 December 2017

The directors are responsible for preparing the Directors' Report, the Strategic 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 the 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

Period from 5 December 2016 to 24 December 2017

1 Our opinion is unmodified

We have audited the financial statements of Restaurant Holdings Limited (the 'company') for the period from 5 December 2016 to 24 December 2017, 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 24 December 2017 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 as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was:

Company risk: Recoverability of parent company's investment in subsidiaries (£1,095m; 2016: £556m)
Refer to page 11 (accounting policy) and page 14 (financial disclosures)

The risk:

Forecast-based valuation

The carrying amount of the parent company's investments in subsidiaries are significant and at risk of irrecoverability due to a decline in performance of the company underpinning the investment. The estimated recoverable amount of these balances is subjective due to the inherent uncertainty in forecasting trading conditions and cash flows used in the budgets.

Our response:

Benchmarking assumptions: Challenging the assumptions used in the cash flows included in the budgets based on our knowledge of the Group and the markets in which the subsidiaries operate.

Assessing transparency: Assessing the adequacy of the parent company's disclosures in respect of the investment in subsidiaries.

Historical comparisons: Assessing the reasonableness of the budgets by considering the historical accuracy of the previous forecasts.

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

Period from 5 December 2016 to 24 December 2017

3 Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set as £5,500,000 (2016: £5,570,000) determined with reference to the benchmark of the company's total assets, of which it represents 0.5% (2016: 1%).

We agreed to report to management any corrected or uncorrected identified misstatements exceeding £275,000 (2016: £278,500), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the company was undertaken to the materiality level specified above and was all performed at the company's head office in Woking.

4 We have nothing to report on going concern

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

5 We have nothing to report on the other information in the financial statements

The directors are responsible for the other information presented in the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

Strategic report and directors' report

Based solely on our work on the other information:

- 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.

6 We have nothing to report on the other 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.

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

Period from 5 December 2016 to 24 December 2017

7 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements including 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.

8 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 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.



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

20 September 2018

Restaurant Holdings Limited
Statement of Comprehensive Income

Period from 5 December 2016 to 24 December 2017

	Note	Period from 5 Dec 16 to 24 Dec 17 £ 000	Period from 30 Nov 15 to 4 Dec 16 £ 000
Administrative expenses		<u>(140)</u>	<u>(342)</u>
Operating loss		(140)	(342)
Income from shares in group undertakings		1,353,025	-
Other interest receivable and similar income		1	26
Amounts written off investments		(741,647)	-
Interest payable and similar expenses	6	<u>9,989</u>	<u>(91,783)</u>
Profit/(loss) before taxation		621,228	(92,099)
Taxation	7	<u>(2,023)</u>	<u>17,319</u>
Profit/(loss) after taxation		<u>619,205</u>	<u>(74,780)</u>
Total comprehensive income for the period		<u>619,205</u>	<u>(74,780)</u>

All the activities of the company are from continuing operations.

The notes on pages 10 to 20 form part of these financial statements.

Restaurant Holdings Limited
Statement of Financial Position
24 December 2017

	Note	24 Dec 17 £ 000	4 Dec 16 £ 000
Fixed assets			
Investments	9	1,094,683	556,338
Current assets			
Debtors	10	16,816	18,838
Cash at bank and in hand		<u>200</u>	<u>1,328</u>
		17,016	20,166
Creditors: Amounts falling due within one year	11	<u>(1,492)</u>	<u>(664)</u>
Net current assets		<u>15,524</u>	<u>19,502</u>
Total assets less current liabilities		1,110,207	575,840
Creditors: Amounts falling due after more than one year	12	<u>(518,968)</u>	<u>(530,773)</u>
Net assets		<u>591,239</u>	<u>45,067</u>
Capital and reserves			
Called up share capital	13	94,763	94,763
Profit and loss account	14	<u>496,476</u>	<u>(49,696)</u>
Member funds		<u>591,239</u>	<u>45,067</u>

These financial statements were approved by the Board and authorised for issue on 20 September 2018 and are signed on its behalf by:



CM Boynton
Director

Company registration number: 05735916

The notes on pages 10 to 20 form part of these financial statements.

Restaurant Holdings Limited

Statement of Changes in Equity for the Period from 5 December 2016 to 24 December 2017

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
At 30 November 2015	<u>94,763</u>	<u>25,084</u>	<u>119,847</u>
Loss for the period	<u>-</u>	<u>(74,780)</u>	<u>(74,780)</u>
At 4 December 2016	<u>94,763</u>	<u>(49,696)</u>	<u>45,067</u>
Profit for the period	<u>-</u>	<u>619,205</u>	<u>619,205</u>
Total comprehensive income for the period	<u>-</u>	<u>619,205</u>	<u>619,205</u>
Dividends paid and payable	<u>-</u>	<u>(73,033)</u>	<u>(73,033)</u>
Bonus issue of shares	<u>750,000</u>	<u>-</u>	<u>750,000</u>
Capital reduction	<u>(750,000)</u>	<u>-</u>	<u>(750,000)</u>
Total investments by and distributions to owners	<u>-</u>	<u>(73,033)</u>	<u>(73,033)</u>
At 24 December 2017	<u>94,763</u>	<u>496,476</u>	<u>591,239</u>

The notes on pages 10 to 20 form part of these financial statements.

Restaurant Holdings Limited
Notes to the Financial Statements
Period from 5 December 2016 to 24 December 2017

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 of long period

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

In 2017, the company changed the accounting reference date from 30 November to 27 December to align with Yum! Brands Inc. resulting in a 55 week accounting period relative to 2016, which had a 53 week accounting period.

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 15. 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; and
- Related Party Transactions with entities which form part of the group.

Restaurant Holdings Limited
Notes to the Financial Statements (continued)
Period from 5 December 2016 to 24 December 2017

3 Accounting policies (continued)

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue its operational existence for the foreseeable future. The company has net assets of £591,239,000, with debts being owed to group undertakings, and predominantly due more than five years after the balance sheet date. Thus the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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.

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

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss 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.

Restaurant Holdings Limited
Notes to the Financial Statements (continued)
Period from 5 December 2016 to 24 December 2017

4 Auditors' remuneration

	Period from 5 Dec 16 to 24 Dec 17 £ 000	Period from 30 Nov 15 to 4 Dec 16 £ 000
Fees payable for the audit of the financial statements	<u>13</u>	<u>8</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	7	8
Taxation advisory services	<u>6</u>	<u>-</u>
	<u>13</u>	<u>8</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.

6 Interest payable and similar expenses

	Period from 5 Dec 16 to 24 Dec 17 £ 000	Period from 30 Nov 15 to 4 Dec 16 £ 000
Foreign exchange (gains)/losses	(25,819)	67,468
Interest payable to group undertakings	<u>15,830</u>	<u>24,315</u>
	<u>(9,989)</u>	<u>91,783</u>

7 Tax on profit

Tax charged/(credited) in the income statement

	Period from 5 Dec 16 to 24 Dec 17 £ 000	Period from 30 Nov 15 to 4 Dec 16 £ 000
Current tax:		
UK current tax expense/(credit)	<u>2,023</u>	<u>(17,319)</u>

Restaurant Holdings Limited
Notes to the Financial Statements (continued)
Period from 5 December 2016 to 24 December 2017

7 Tax on profit (continued)

Reconciliation of tax expense

The tax on the profit for the period is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 19.31% (2016 - 20%).

The differences are reconciled below:

	Period from 5 Dec 16 to 24 Dec 17 £ 000	Period from 30 Nov 15 to 4 Dec 16 £ 000
Profit/(loss) before taxation	<u>621,228</u>	<u>(92,099)</u>
Profit/(loss) by rate of tax	119,959	(18,420)
Effect of expense not deductible in determining taxable profit/(loss)	143,333	1,101
Tax decrease from effect of dividends from UK companies	<u>(261,269)</u>	<u>-</u>
Tax on profit/(loss)	<u><u>2,023</u></u>	<u><u>(17,319)</u></u>

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

8 Dividends

	24 Dec 17 £ 000	4 Dec 16 £ 000
Dividends on equity shares	<u>73,033</u>	<u>-</u>

The dividend was paid by means of the distribution of the company's subsidiary, YRH HoldCo Limited to the company's parent company, Yum! Restaurants International Management LLC.

Restaurant Holdings Limited
Notes to the Financial Statements (continued)
Period from 5 December 2016 to 24 December 2017

9 Investments in subsidiaries, joint ventures and associates

	Shares in group undertakings £ 000
Cost or valuation	
At 5 December 2016	556,338
Additions	1,426,048
Disposals	<u>(629,361)</u>
At 24 December 2017	<u>1,353,025</u>
Provision	
Provision	741,647
Eliminated on disposals	<u>(483,305)</u>
At 24 December 2017	<u>258,342</u>
Carrying amount	
At 24 December 2017	<u>1,094,683</u>
At 4 December 2016	<u>556,338</u>

During the period, Restaurant Holdings Limited acquired Kentucky Fried Chicken (Great Britain) Limited from its subsidiary Yum! Restaurant Holdings. As a result of this transaction, the company wrote down the value of its investment in Yum! Restaurant Holdings to properly reflect its value following the sale of Kentucky Fried Chicken (Great Britain) Limited.

The company then sold Yum! Restaurant Holdings to its subsidiary YRH HoldCo Limited, in exchange for new shares issued by YRH HoldCo Limited. Following this, the company distributed YRH HoldCo Limited to its parent company Yum! Restaurants International Management LLC, a company registered in the United States of America.

These transactions were undertaken as part of a major reorganisation project in the wider group to which the company belongs.

Restaurant Holdings Limited

Notes to the Financial Statements (continued) **Period from 5 December 2016 to 24 December 2017**

9 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:

	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 Limited	England	100% ordinary shares	Non-trading	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	Wanheimer Straße 49, 40472 Dusseldorf

Restaurant Holdings Limited

Notes to the Financial Statements (continued) **Period from 5 December 2016 to 24 December 2017**

9 Investments in subsidiaries, joint ventures and associates (continued)

	Country of incorporation	Holding	Principal activity	Address
Kentucky Fried Chicken (Great Britain) Services Limited	England	100% ordinary shares	Service company	Orion Gate, Guildford Road, Woking, GU22 7NJ
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
KZ Catering Limited	England	100% ordinary shares	Non-trading	Orion Gate, Guildford Road, Woking, GU22 7NJ
Splendid Restaurants (Harland) Limited	England	100% ordinary shares	Non-trading	Orion Gate, Guildford Road, Woking, GU22 7NJ
SASA Foods Limited	England	100% ordinary shares	Non-trading	Orion Gate, Guildford Road, Woking, GU22 7NJ
MFIT Foods Limited	England	100% ordinary shares	Non-trading	Orion Gate, Guildford Road, Woking, GU22 7NJ
Scotco Trowbridge Limited	England	100% ordinary shares	Non-trading	Orion Gate, Guildford Road, Woking, GU22 7NJ
Demipower Eastern 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 5 December 2016 to 24 December 2017**

9 Investments in subsidiaries, joint ventures and associates (continued)				
	Country of incorporation	Holding	Principal activity	Address
Scotco One Five Five Limited	England	100% ordinary shares	Non-trading	Orion Gate, Guildford Road, Woking, GU22 7NJ
Parc Pensarn Management Company Limited	England	1 ordinary share	Trading	Cresswell House, Field Way, Cardiff, CF14 4UH
Yum! Restaurants International Limited & Co. KG	Germany	100% ordinary shares	Trading	Wanheimer Straße 49, 40472 Dusseldorf
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 5 December 2016 to 24 December 2017

9 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.

After period end, the company's direct subsidiary, Kentucky Fried Chicken (Great Britain) Limited ceased control of its following direct subsidiaries:

	Date KFC GB ceased control	New registered address
Scotco Trowbridge Limited	10 January 2018	Marina Buildings, Harleyford Estate, Henley Road, SL7 2DX
KZ Catering Limited	15 January 2018	291 Green Lanes, London, N13 4XS
SASA Foods Limited	29 January 2018	64 Worsley Road, Northwood, HA6 2EH
Scotco One Five Five Limited	10 April 2018	Marina Buildings, Harleyford Estate, Henley Road, SL7 2DX
Demipower Eastern Limited	4 June 2018	Jubilee House, 7-9 The Oaks. HA4 7LF
MFIT Foods Limited	13 August 2018	590 Lea Bridge Road, London E10 7DN
Splendid Restaurants Limited	2 July 2018	Haydon House, 296 Joel Street, HA5 2PY

Restaurant Holdings Limited
Notes to the Financial Statements (continued)
Period from 5 December 2016 to 24 December 2017

9 Investments in subsidiaries, joint ventures and associates (continued)

In addition to the above, the company's direct subsidiary, Kentucky Fried Chicken (Great Britain) Limited had a direct interest in the following subsidiaries during the year which were sold prior to period end:

	Country of incorporation	Incorporation date	Date KFC GB ceased control
Chelcol Limited	England	27 March 2017	2 October 2017
K&Z Crawley Limited	England	11 July 2017	2 October 2017
K&Z South London Limited	England	28 March 2017	30 October 2017
Gastronomy Restaurants Limited	England	28 March 2017	20 November 2017
Demipower (2017) Limited	England	27 March 2017	4 December 2017
Harland South Limited	England	27 March 2017	11 December 2017

10 Debtors

	24 Dec 17	4 Dec 16
	£ 000	£ 000
Amounts owed by group undertakings	16,815	18,838
Other debtors	1	-
	<u>16,816</u>	<u>18,838</u>

11 Creditors: amounts falling due within one year

	24 Dec 17	4 Dec 16
	£ 000	£ 000
Amounts owed to group undertakings	1,365	328
Accruals and deferred income	127	336
	<u>1,492</u>	<u>664</u>

12 Creditors: amounts falling due after more than one year

	24 Dec 17	4 Dec 16
	£ 000	£ 000
Amounts due to group undertakings:		
US Dollar denominated loans	489,818	515,973
Sterling denominated loans	29,150	14,800
	<u>518,968</u>	<u>530,773</u>

Restaurant Holdings Limited
Notes to the Financial Statements (continued)
Period from 5 December 2016 to 24 December 2017

12 Creditors: amounts falling due after more than one year (continued)

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 0.68% per annum, payable annually	November 2019

13 Called up share capital

Issued, called up and fully paid shares

	24 Dec 17		4 Dec 16	
	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>

During the period, the company issued bonus shares followed by a capital reduction to create distributable reserves.

14 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.

15 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