

**KELCONE LIMITED**

**Registered number 272030**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**1 JANUARY 2005**



## KELCONE LIMITED

### REPORT OF THE DIRECTORS

The Directors present their report together with the financial statements for the financial year from 28 December 2003 to 1 January 2005 (2003: 29 December 2002 to 27 December 2003).

#### PRINCIPAL ACTIVITY, DIVIDENDS AND MOVEMENTS ON RESERVES

The Company did not trade during the financial year and made neither profit nor loss; trading is not expected to resume in the foreseeable future. No dividends have been paid or are recommended for payment (2003: none).

#### DIRECTORS

The current Directors of the Company, who served throughout the period except where noted, are:

JN Ainley

M Thompson (Appointed 21 September 2004)

TP Mobsby, who was a Director at 27 December 2003, resigned on 21 September 2004. No Director had any interest in the shares of the Company or in any material contract with the Company.

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year that 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. The Directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the financial year ended 1 January 2005 and that applicable accounting standards have been followed.

The Directors are responsible for keeping proper accounting records that 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 1985. 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.


#### STATE OF AFFAIRS

There are no other matters material for an appreciation of the state of the Company's affairs by its members.

#### AUDITORS

Given that the Company is dormant and has had no significant accounting transaction in the financial year, it has taken advantage of section 249, Companies Act, 1985 and the financial statements have not been audited.

#### BY ORDER OF THE BOARD

  
JN AINLEY  
Secretary

Registered number 272030  
Manchester, England

19 October 2005

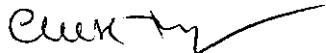
**KELCONE LIMITED**

**BALANCE SHEET – 1 JANUARY 2005**

	<u>2004</u> (note 1) £000	<u>2003</u>  £000
AMOUNT OWED BY PARENT UNDERTAKING (note3)	<u>288</u>	<u>288</u>
CAPITAL AND RESERVES		
Called up share capital (note 4)	5	5
Profit and loss account (note 5)	<u>283</u>	<u>283</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS (note 5)	<u>288</u>	<u>288</u>

For the financial year ended 1 January 2005, the Company was entitled to the exemption from audit under section 249AA(1) of the Companies Act 1985. Members have not required the Company to obtain an audit in accordance with section 249(B) of the Companies Act 1985. The Directors acknowledge their responsibility for: (i) ensuring the Company keeps accounting records which comply with section 221; and (ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

The financial statements on pages 2 and 3 were approved by the Board of Directors on 19 October 2005 and were signed on its behalf by:



M THOMPSON  
Director

## KELLOGG LIMITED

### STATEMENT OF ACCOUNTING POLICIES FOR THE PERIOD ENDED 1 JANUARY 2005

#### Accounting convention:

The financial statements have been prepared under the historical cost convention and in accordance with accounting standards applicable in the United Kingdom.

#### Amounts owed by group undertakings:

Provision is made should the Directors consider that amounts owed by group undertakings are not fully recoverable.

#### Related party transactions:

As a 100% owned subsidiary, the Company is exempt under Financial Reporting Standard number 8 from disclosing separately transactions with other entities in the Group. Consolidated financial statements of Kellogg U.K. Holding Company Limited, which incorporate the accounts of the Company, are publicly available (see note 6). The Company was not involved in any other related party transactions during the financial year.

### NOTES TO THE ACCOUNTS

1 The financial statements cover the financial year from 28 December 2003 to 1 January 2005 (2003: the financial year was from 29 December 2002 to 27 December 2003).

2 During the financial year, the Company did not trade, did not incur any liabilities, and consequently made neither profit nor loss. None of the Directors received any emoluments in respect of their services to the Company.

3 The amount owed by the parent undertaking is due after more than one year.

4 The called up share capital comprises 5,000 ordinary shares of £1 each, authorised, allotted and fully paid.

5 There were no movements in reserves nor in equity shareholders' funds during the current or prior period.

6 The Company's immediate parent company is Kellogg Company of Great Britain Limited, which is itself a subsidiary of Kellogg U.K. Holding Company Limited, both of which are registered in England and Wales. The Company's results for the financial year are included in the consolidated financial statements of Kellogg U.K. Holding Company Limited, copies of which can be obtained from Companies House, Crown Way, Maindy, Cardiff. The ultimate parent company and controlling party is Kellogg Company, which is incorporated in the United States of America; copies of the financial statements of Kellogg Company can be obtained from One Kellogg Square, P.O. Box 3599, Battle Creek, Michigan, USA.