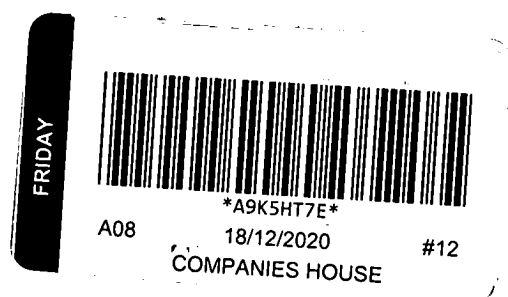


COMPANY REGISTRATION NUMBER 04317044

**KELLOGG MANCHESTER
FINANCIAL STATEMENTS
28 DECEMBER 2019**



KELLOGG MANCHESTER

STRATEGIC REPORT

YEAR ENDED 28 DECEMBER 2019

The Directors present their strategic report of the Company for the year 30 December 2018 to 28 December 2019 (the "year ended 28 December 2019").

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company acts as an investment holding company.

The profit and loss account for the year ended 28 December 2019 is set out on page 7. The results for the Company for the year show a loss before taxation of £13,000 (2018: profit of £24,003,000).

No dividends were paid or received during 2019. In 2018, the Company received dividends from Kelf of £94,500,000 and paid dividends of £72,000,000 to Kellogg U.K. Holding Company Limited.

The Company continued to hold its investment in Kelf.

At the year end the Company had net assets of £2,796,000 (2018: £2,809,000).

PRINCIPAL RISKS AND UNCERTAINTIES

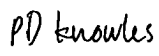
The Company is largely dependent on fellow group undertakings for its business. A significant change in the business of its subsidiary, Kelf, would impact the carrying value of the investment in the Company's balance sheet. The Directors monitor the performance and financial position of the subsidiary to ensure that the carrying value of the investment on the Company's balance sheet is supported.

The Company is monitoring closely the risk posed by Coronavirus (COVID-19) and has implemented effective measures to safeguard operations. The Company continues to monitor closely the situation and has a response team actively and continually reviewing and implementing appropriate safeguards across its facilities to effectively address the risks posed if the virus were to cause disruption to its operations in the UK. There is no impact from COVID-19 on the financial statements of 2019. The severity, magnitude and duration of the COVID-19 pandemic is uncertain and rapidly changing, however, there is no impact expected on the going concern of the Company.

KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Signed on behalf of the Board of Directors

DocuSigned by:

1515E55D3525406...
P Knowles
Director

Approved by the Directors on 10 December 2020

Registered office: Orange Tower, Media City UK, Salford, Greater Manchester, M50 2HF

KELLOGG MANCHESTER

THE DIRECTORS' REPORT

YEAR ENDED 28 DECEMBER 2019

The Directors have pleasure in presenting their report and the audited financial statements of the Company for the year 30 December 2018 to 28 December 2019 (the "year ended 28 December 2019").

RESULTS AND DIVIDENDS

The Company made a loss in the financial year of £13,000 (2018: profit of £24,003,000).

The Directors do not recommend that a final dividend be paid (2018: £72,000,000).

FUTURE OUTLOOK

The Directors expect the current level of business to be sustainable for the foreseeable future.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's operations expose it to a variety of financial risks that include the direct and indirect effects of changes in debt, liquidity and interest rate risk. The Company has in place risk management programmes that seek to manage the financial exposures of the Company by monitoring levels of debt finance and the related finance costs.

Interest rate risk

In order to ensure the stability of cash outflows and hence manage interest rate risk, the Company keeps under constant review its levels of debt, the maturity and currency of the debt, and the interest expense being incurred. Hedging would be considered should circumstances warrant it.

Liquidity risk

The Company maintains a suitable mix of debt finance that is designed to ensure the Company always has sufficient available liquid funds for its operations. A cash pooling arrangement and overdraft facility is in place, detailed in note 7.

Credit risk

The Company is exposed to credit risk on amounts receivable from group undertakings. The balances due from group undertakings are reviewed regularly to ensure they are supported by the assets of the group company in question.

DIRECTORS

The Directors who served the Company during the year and up to the date of signing the financial statements were as follows, except where noted:

P Knowles

R O'Sullivan (resigned 31 January 2019)

J Akehurst (appointed 4 February 2019, resigned 28 June 2019)

C Silcock (appointed 28 June 2019)

B Lamont (appointed 8 December 2020)

DIRECTORS' INDEMNITIES

The Company's ultimate holding company maintains liability insurance for the Directors and officers of the group. This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

KELLOGG MANCHESTER
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 28 DECEMBER 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are 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 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.

Directors' confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and

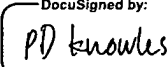
they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP are deemed to be re-appointed under section 487 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

Signed on behalf of the Board of Directors

DocuSigned by:

1515E55D3525406...
P Knowles

Director

Approved by the Directors on 10 December 2020

KELLOGG MANCHESTER

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KELLOGG MANCHESTER

YEAR ENDED 28 DECEMBER 2019

Report on the audit of the financial statements

Opinion

In our opinion, Kellogg Manchester's financial statements:

- give a true and fair view of the state of the company's affairs as at 28 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 28 December 2019; the profit and loss account and the statement of changes in equity for the year then ended; the Statement of accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

KELLOGG MANCHESTER

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KELLOGG MANCHESTER (continued)

YEAR ENDED 28 DECEMBER 2019

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 28 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

KELLOGG MANCHESTER

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KELLOGG MANCHESTER *(continued)*

YEAR ENDED 28 DECEMBER 2019

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Edward Moss (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

11 December 2020

KELLOGG MANCHESTER
PROFIT AND LOSS ACCOUNT
YEAR ENDED 28 DECEMBER 2019

		Year ended 28 December 2019 £000	Year ended 29 December 2018 £000
	Note		
Administrative expenses	2	(13)	(69,735)
OPERATING LOSS	2	(13)	(69,735)
Income from shares in group undertakings	3	-	94,500
Interest payable and similar expenses	4	-	(762)
(LOSS)/PROFIT BEFORE TAXATION		(13)	24,003
Tax on (loss)/profit	5	-	-
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(13)	24,003

All of the activities of the Company are classed as continuing.

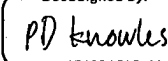
The Company has no comprehensive income other than the loss for the year as set out above and therefore no separate statement of comprehensive income has been presented.

The statement of accounting policies and notes on pages 10 to 17 form part of these financial statements.

KELLOGG MANCHESTER**BALANCE SHEET****AS AT 28 DECEMBER 2019**

		28 December 2019 £000	29 December 2018 £000
	Note		
FIXED ASSETS			
Investments	6	<u>1,900</u>	<u>1,900</u>
CURRENT ASSETS			
Debtors	7	880	882
Cash and cash equivalents		<u>16</u>	<u>27</u>
NET CURRENT ASSETS		<u>896</u>	<u>909</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,796</u>	<u>2,809</u>
NET ASSETS		<u>2,796</u>	<u>2,809</u>
CAPITAL AND RESERVES			
Called up share capital	8	1	1
Retained earnings		<u>2,795</u>	<u>2,808</u>
TOTAL EQUITY		<u>2,796</u>	<u>2,809</u>

These financial statements on pages 7 to 17 were approved by the Directors and authorised for issue on 10 December 2020 and are signed on their behalf by:

DocuSigned by:

 1515E55D3525406...
 P Knowles
 Director

Company Registration Number: 04317044

The statement of accounting policies and notes on pages 10 to 17 form part of these financial statements.

KELLOGG MANCHESTER
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 28 DECEMBER 2019

	Called up equity share capital £000	Profit and loss account £000	Total equity £000
Balance at 31 December 2017	1	50,805	50,806
Profit for the financial year	-	24,003	24,003
Total comprehensive income for the financial year	-	24,003	24,003
Dividends paid	-	(72,000)	(72,000)
Total transactions with owners, recognised directly in equity	-	(72,000)	(72,000)
Balance at 29 December 2018	1	2,808	2,809
Balance at 30 December 2018	1	2,808	2,809
Loss for the financial year	-	(13)	(13)
Total comprehensive expense for the financial year	-	(13)	(13)
Balance at 28 December 2019	1	2,795	2,796

The statement of accounting policies and notes on pages 10 to 17 form part of these financial statements.

KELLOGG MANCHESTER
STATEMENT OF ACCOUNTING POLICIES
YEAR ENDED 28 DECEMBER 2019

General Information

Kellogg Manchester is a company incorporated in the United Kingdom and registered in England and Wales, with the registration number 04317044.

The Company is a private company limited by shares and the registered office is: Orange Tower, Media City UK, Salford, Greater Manchester, M50 2HF

Period of account

The financial statements are prepared for the year from 30 December 2018 to 28 December 2019 (the "year ended 28 December 2019") (financial year ended 29 December 2018: from 31 December 2017 to 29 December 2018).

Statements of compliance

The individual financial statements of Kellogg Manchester have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting 102, "The Financial Reporting Standards application in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Basis of Preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 required the use of certain critical accounting estimates. It also required management to exercise its judgement in the process of applying the company's accounting policies.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

The Directors believe that it is appropriate for the financial statements to be prepared on the going concern basis having considered cash flow projections and having received a letter of support from the ultimate parent undertaking, Kellogg Company, which indicates that it will continue to provide sufficient funds to enable the Company to meet all of its financial obligations as they fall due for the foreseeable future, a period of at least 12 months from the date of signing the financial statements.

KELLOGG MANCHESTER

STATEMENT OF ACCOUNTING POLICIES *(continued)*

YEAR ENDED 28 DECEMBER 2019

Exemptions for qualifying entities under FRS 102

FRS 102 allows Kellogg Manchester certain disclosure exemptions as a wholly owned subsidiary undertaking of Kellogg Company which prepares consolidated financial statements that are publicly available and can be obtained from the address detailed in note 10. As a result the Company has taken advantage of the following exemptions:

- Certain disclosures surrounding financial instruments;
- The requirement to prepare a statement of cash flows; and
- Disclosure of key management personnel compensation in total.

Cash flow statement

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Kellogg Company, includes the Company's cash flows in its own consolidated financial statements.

Related parties transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned. Consolidated financial statements of Kellogg Company, which incorporate the financial statements of the Company, are publicly available (note 10). The Company was not involved in any other related party transactions during the financial year.

Fixed asset investments

Investments in shares in group undertakings are recorded at cost less any provision for subsequent diminution in value, by reference to the higher of net realisable value and value in use. Impairment reviews are performed by the Directors when there has been an indication of potential permanent impairment in the carrying value of the investment. Any impairment is written off in the year in which it arises.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of income and retained earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior year. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

KELLOGG MANCHESTER
STATEMENT OF ACCOUNTING POLICIES *(continued)*
YEAR ENDED 28 DECEMBER 2019

Interest receivable and payable

Interest is recognised in the accounting period to which it relates.

Finance costs are charged to the statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

Dividends

Dividends payable are recognised in the accounting period in which they are paid or approved by the Company shareholders. These amounts are recognised in the statement of changes in equity.

Dividend income is recognised in the accounting period in which the right to receive payment is established.

Consolidated financial statements

Consolidated financial statements have not been prepared as the Company is a wholly-owned subsidiary undertaking of Kellogg Company, (which is incorporated in the United States of America), and which itself prepares consolidated financial statements, that are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006.

These financial statements are the Company's separate financial statements.

Financial instruments

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at the market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

KELLOGG MANCHESTER

STATEMENT OF ACCOUNTING POLICIES *(continued)*

YEAR ENDED 28 DECEMBER 2019

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Critical estimations and accounting judgements

Fixed asset investments

The Company considers whether fixed asset investments are impaired by reviewing objective evidence and data. Where an indication of impairment is identified it is necessary to use estimation techniques to determine the amount that the entity would receive for the asset if it were to be sold at the reporting date.

KELLOGG MANCHESTER
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 28 DECEMBER 2019

1. FINANCIAL YEAR

The financial statements cover the financial year from 30 December 2018 to 28 December 2019 (financial year ended 29 December 2018: from 31 December 2017 to 29 December 2018).

2. OPERATING LOSS

The Company has no employees of its own (year ended 29 December 2018: none) and relies on affiliated companies to provide administrative support. The emoluments of four Directors (year ended 29 December 2018: one), and salaries of the employees who provide administrative support, are paid by fellow subsidiary undertakings that make no recharge to the Company. They are a Director of a number of fellow subsidiary undertakings and it is not possible to make an apportionment of their emoluments in respect of this Company. Accordingly, these financial statements include no emoluments in respect of these Directors. No Directors (year ended 29 December 2018: two) received no emoluments in respect of their services to the Company.

The audit fees for the year ended 28 December 2019 amount to £2,500 (year ended 29 December 2018: £2,500) and are borne by fellow group subsidiaries.

3. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	Year ended 28 December 2019 £000	Year ended 29 December 2018 £000
Income from group undertakings	-	94,500

During the year ended 29 December 2018, the Company received dividends from Kelf of £94,500,000.

4. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 28 December 2019 £000	Year ended 29 December 2018 £000
Intercompany interest expense	-	761
Bank interest	-	1
	-	762

KELLOGG MANCHESTER**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 28 DECEMBER 2019****5. TAX ON (LOSS)/PROFIT****(a) Tax charge included in profit and loss account**

	Year ended 28 December 2019 £000	Year ended 29 December 2018 £000
Current tax:		
UK Corporation tax based on the results for the year ended 28 December 2019 at 19.00% (year ended 29 December 2018: 19.00%)	-	-
Total tax charge	-	-

(b) Reconciliation of tax charge

The tax assessed on the loss for the year ended 28 December 2019 is higher than (year ended 29 December 2018: on profit, lower than) the standard effective rate of corporation tax in the UK of 19.00% (year ended 29 December 2018: 19.00%) for the following reasons:

	Year ended 28 December 2019 £000	Year ended 29 December 2018 £000
(Loss)/profit before taxation	(13)	24,003
(Loss)/profit multiplied by the standard rate of tax	(2)	4,561
Income not taxable for tax purposes	-	(17,955)
Expenses not deductible for tax purposes	-	13,247
Group relief surrendered	2	147
Total tax charge	-	-

(c) Factors that may affect future tax charges or credits

The standard rate of corporation tax in the UK has been 19% with effect from 1 April 2017. Accordingly, the Company's results for this accounting period are taxed at 19%.

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced was to reduce the main rate to 17% from 1 April 2020 and this was substantively enacted in September 2016.

As this change had been substantively enacted at the balance sheet date, its effect is included in these financial statements. In the Chancellor's Budget on 11 March 2020 it was confirmed that the rate of corporation tax will remain at 19% from 1 April 2020.

KELLOGG MANCHESTER**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 28 DECEMBER 2019****5. TAX ON (LOSS)/PROFIT (continued)****(c) Factors that may affect future tax charges or credits (continued)**

This measure (cancelling the enacted cut to 17%) will be made under a Budget resolution which has statutory effect under the provisions of the Provisional Collection of Taxes Act 1968. As such, it is substantively enacted on the passing of the resolution. The rate will also stay at 19% for the following year. As this change was not substantively enacted at the balance sheet date, its effect is not included in these financial statements. However, there would be no impact if it was included.

6. INVESTMENTS

	£000
COST	
At 30 December 2018 and as at 28 December 2019	<u>71,621</u>
PROVISION FOR IMPAIRMENT	
At 30 December 2018 and as at 28 December 2019	<u>69,721</u>
NET BOOK VALUE	
At 29 December 2018 and as at 28 December 2019	<u>1,900</u>

Kelf is an investment holding company, incorporated in the UK and 100% owned (direct holding) with its registered office at Orange Tower, Media City UK, Salford, Greater Manchester, M50 2HF.

No impairment was made in the year (year ended 29 December 2018: £69,721,000).

Kellogg Talbot LLC, which is a provider of administration and related services, is incorporated in the USA and is 100% owned (indirect holding via Kelf) with its registered office at The Corporation Trust Centre, 1209 Orange Street, Wilmington New Castle County, Delaware, USA.

	28 December 2019 £000	29 December 2018 £000
Aggregate capital and reserves		
Kelf	1,912	1,926
Kellogg Talbot LLC	1,535	1,463
	Year ended 28 December 2019 £000	Year ended 29 December 2018 £000
(Loss)/profit for the financial year		
Kelf	(14)	54,873
Kellogg Talbot LLC	105	452

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

KELLOGG MANCHESTER**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 28 DECEMBER 2019****7. DEBTORS**

	28 December 2019 £000	29 December 2018 £000
Amounts owed by group undertakings	<u>880</u>	<u>882</u>

As at 28 December 2019 and 29 December 2018 amounts owed by group undertakings are unsecured, interest free and repayable on demand.

The Company is party to a cash pooling agreement with Bank Mendes Gans (BMG) in conjunction with other group companies. Under the terms of this arrangement cross company guarantees exist. Positive and negative cash balances can be offset by the arranger. Guarantees for the cash pooling arrangement are held by the ultimate parent company Kellogg Company (note 10). The Company is also party to a group wide temporary overdraft facility of \$30m.

8. CALLED UP SHARE CAPITAL**Allotted and fully paid:**

	28 December 2019		29 December 2018	
	Number	\$	Number	\$
Ordinary shares of \$1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

Share capital has been translated at a rate of 2.065 \$/£. (29 December 2018: 2.065 \$:£)

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

9. DIVIDENDS

	Year ended 28 December 2019 £000	Year ended 29 December 2018 £000
Ordinary shares		
£nil (2018: £72 per \$1 share)	<u>-</u>	<u>72,000</u>

10. ULTIMATE PARENT COMPANY

The Company's immediate parent undertaking is Kellogg U.K. Holding Company Limited which is registered in England and Wales. The ultimate parent company and controlling party is Kellogg Company, which is incorporated in the United States of America and is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the financial statements of Kellogg Company can be obtained from One Kellogg Square, P.O. Box 3599, Battle Creek, Michigan, USA.