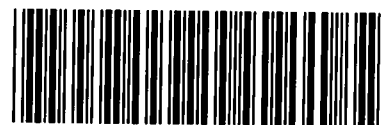


**COMPANY REGISTRATION NUMBER 04317044**

**KELLOGG MANCHESTER  
FINANCIAL STATEMENTS  
30 DECEMBER 2017**

THURSDAY



\*A7DX9NSW\*

A18

06/09/2018

#193

COMPANIES HOUSE

**KELLOGG MANCHESTER**  
**STRATEGIC REPORT**  
**YEAR ENDED 30 DECEMBER 2017**

---

The Directors present their strategic report of the Company for the year 1 January 2017 to 30 December 2017 (the "year ended 30 December 2017").

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The Company acts as an investment holding company.

The statement of income and retained earnings for the year ended 30 December 2017 is set out on page 7. The Company paid interest on its intercompany loans during the year, and continued to hold its investment in Kelf.

At the year end the Company had net assets of £50,806,000 (2016: £51,642,000).

**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.

**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



P Knowles  
**Director**

Approved by the Directors on 30 August 2018

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

**KELLOGG MANCHESTER**  
**THE DIRECTORS' REPORT**  
**YEAR ENDED 30 DECEMBER 2017**

---

The Directors have pleasure in presenting their report and the audited financial statements of the Company for the year 1 January 2017 to 30 December 2017 (the "year ended 30 December 2017").

**RESULTS AND DIVIDENDS**

The Company made a loss in the financial year of £836,000 (2016: £836,000 loss).

The Directors do not recommend the payment of a dividend (2016: £nil).

**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.

**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

B Boosi (resigned 29 May 2018)

R O'Sullivan (appointed 29 May 2018)

**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 30 DECEMBER 2017**

---

**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.

**DISCLOSURE OF INFORMATION TO AUDITORS**

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**INDEPENDENT AUDITORS**

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

Signed on behalf of the Board of Directors

P Knowles  
Director



Approved by the Directors on 30 August 2018

# KELLOGG MANCHESTER

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KELLOGG MANCHESTER

YEAR ENDED 30 DECEMBER 2017

---

### 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 30 December 2017 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 30 December 2017; the Statement of Income and Retained Earnings 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 when:

- 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 30 DECEMBER 2017

---

With respect to the Strategic Report and the 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 the Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and The Directors' Report for the year ended 30 December 2017 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 The 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 to 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](http://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 30 DECEMBER 2017

---

### 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  
03 September 2018

**KELLOGG MANCHESTER**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**YEAR ENDED 30 DECEMBER 2017**

---

		Year ended 30 December 2017 £000	Year ended 31 December 2016 £000
	Note		
Administrative expenses	2	(14)	(14)
<b>OPERATING LOSS</b>		<u>(14)</u>	<u>(14)</u>
Interest payable and similar expenses	3	(822)	(822)
<b>LOSS BEFORE TAXATION</b>		<u>(836)</u>	<u>(836)</u>
Tax on loss	4	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	11	<u>(836)</u>	<u>(836)</u>
<b>RETAINED EARNINGS AT THE BEGINNING OF THE YEAR</b>		<u>51,641</u>	<u>52,477</u>
<b>RETAINED EARNINGS AT THE END OF THE YEAR</b>		<u>50,805</u>	<u>51,641</u>

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

The Company has no other comprehensive income other than the losses for the years as set out above.

The statement of accounting policies and notes on pages 9 to 16 form part of these financial statements.

---



# KELLOGG MANCHESTER

## BALANCE SHEET

AS AT 30 DECEMBER 2017

		30 December 2017 £000	31 December 2016 £000
	Note		
<b>FIXED ASSETS</b>			
Investments	5	<u>71,621</u>	<u>71,621</u>
<b>CURRENT ASSETS</b>			
Debtors	6	<u>872</u>	<u>876</u>
		872	876
<b>CREDITORS: Amounts falling due within one year</b>	7	<u>(2,579)</u>	<u>(1,747)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,707)</u>	<u>(871)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>69,914</u>	<u>70,750</u>
<b>CREDITORS: Amounts falling after more than one year</b>	8	<u>(19,108)</u>	<u>(19,108)</u>
<b>NET ASSETS</b>		<u>50,806</u>	<u>51,642</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1	1
Retained earnings	11	<u>50,805</u>	<u>51,641</u>
<b>TOTAL EQUITY</b>	12	<u>50,806</u>	<u>51,642</u>

These financial statements on pages 7 to 16 were approved by the Directors and authorised for issue on 30 August 2018 and are signed on their behalf by:



P Knowles  
Director

Company Registration Number: 04317044

The statement of accounting policies and notes on pages 9 to 16 form part of these financial statements.

**KELLOGG MANCHESTER**  
**STATEMENT OF ACCOUNTING POLICIES**  
**YEAR ENDED 30 DECEMBER 2017**

---

**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 1 January 2017 to 30 December 2017 (the "year ended 30 December 2017") (financial year ended 31 December 2016: from 3 January 2016 to 31 December 2016).

**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**

The financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Directors believe that it is appropriate for the financial statements to be prepared on the going concern basis 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.

**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.

**KELLOGG MANCHESTER**  
**STATEMENT OF ACCOUNTING POLICIES (*continued*)**  
**YEAR ENDED 30 DECEMBER 2017**

---

**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.

**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.

**KELLOGG MANCHESTER**  
**STATEMENT OF ACCOUNTING POLICIES (*continued*)**  
**YEAR ENDED 30 DECEMBER 2017**

---

**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.

**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 30 DECEMBER 2017**

---

**1. FINANCIAL YEAR**

The financial statements cover the financial year from 1 January 2017 to 30 December 2017 (financial year ended 31 December 2016: from 3 January 2016 to 31 December 2016).

**2. OPERATING LOSS**

The Company has no employees of its own (2016: none) and relies on affiliated companies to provide administrative support. The emoluments of one Director (2016: one) are paid by fellow subsidiary undertakings that make no recharge to the Company. The individual is 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 this Director. One Director (2016: two) received no emoluments in respect of their services to the Company.

The audit fees for the year amount to £3,000 (2016: £3,400) and are borne by fellow group subsidiaries.

**3. INTEREST PAYABLE AND SIMILAR EXPENSES**

	Year ended 30 December 2017 £000	Year ended 31 December 2016 £000
Intercompany interest expense	821	821
Bank interest	<u>1</u>	<u>1</u>
	<u>822</u>	<u>822</u>

**4. TAX ON LOSS**

**(a) Tax charge included in statement of income and retained earnings**

	Year ended 30 December 2017 £000	Year ended 31 December 2016 £000
<b>Current tax:</b>		
UK Corporation tax based on the results for the year at 19.25% (2016: 20.00%)	<u>-</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>-</u>

**KELLOGG MANCHESTER**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 30 DECEMBER 2017**

**4. TAX ON LOSS (continued)**

**(b) Reconciliation of tax charge**

The tax assessed on the loss for the year is higher than (2016: higher than) the standard effective rate of corporation tax in the UK of 19.25% (2016: 20.00%) for the following reasons:

	Year ended 30 December 2017 £000	Year ended 31 December 2016 £000
Loss before taxation	<u>(836)</u>	<u>(836)</u>
Loss multiplied by the standard rate of tax	(161)	(167)
Group relief surrendered	<u>161</u>	<u>167</u>
Total tax charge	<u>-</u>	<u>-</u>

**(c) Factors that may affect future tax credits**

Changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and 18% from 1 April 2020.

At Budget 2016, the government announced a further reduction to the Corporation Tax main rate for the year starting 1 April 2020, setting the rate at 17%. This change was substantively enacted on 6 September 2016.

Accordingly, the effect of this change was reflected in these financial statements.

**5. INVESTMENTS**

	<b>£000</b>
<b>COST AND NET BOOK VALUE</b>	
At 30 December 2017 and as at 31 December 2016	<u><b>71,621</b></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.

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.

**KELLOGG MANCHESTER**  
**NOTES TO THE FINANCIAL STATEMENTS (*continued*)**  
**YEAR ENDED 30 DECEMBER 2017**

**5. INVESTMENTS (*continued*)**

	30 December 2017 £000	31 December 2016 £000
<b>Aggregate capital and reserves</b>		
Kelf	41,553	41,567
Kellogg Talbot LLC	95,484	95,103
<b>(Loss)/profit for the financial year</b>		
Kelf	(14)	(14)
Kellogg Talbot LLC	198	338

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

**6. DEBTORS**

	30 December 2017 £000	31 December 2016 £000
Amounts owed by group undertakings	<u>872</u>	<u>876</u>

As at 30 December 2017 amounts owed by group undertakings are unsecured, interest free and repayable on demand.

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30 December 2017 £000	31 December 2016 £000
Bank loans and overdrafts	269	258
Amounts owed to group undertakings	<u>2,310</u>	<u>1,489</u>
	<u>2,579</u>	<u>1,747</u>

As at 30 December 2017 the amounts owed to group undertakings are interest free, unsecured and repayable on demand.

**KELLOGG MANCHESTER**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 30 DECEMBER 2017**

**8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Year ended 30 December 2017 £000	Year ended 31 December 2016 £000
Amounts owed to group undertakings	19,108	19,108
	<u>19,108</u>	<u>19,108</u>

A loan of £19,108,000 payable to group undertakings, which bears interest at 4.25%, is repayable on 28 November 2019.

**9. CALLED UP SHARE CAPITAL**

**Allotted and fully paid:**

	30 December 2017		31 December 2016	
	Number	\$	Number	\$
Ordinary shares of \$1 each	1,000	<u>1,000</u>	1,000	<u>1,000</u>

Share capital has been translated at a rate of 2.065 \$/£. (2016: 2.065 \$ :£)

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

**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.

**11. RETAINED EARNINGS**

	<b>£000</b>
At 1 January 2017	51,641
Loss for the financial year	(836)
At 30 December 2017	<u>50,805</u>



**KELLOGG MANCHESTER**  
**NOTES TO THE FINANCIAL STATEMENTS (*continued*)**  
**YEAR ENDED 30 DECEMBER 2017**

---

**12. RECONCILIATION OF MOVEMENTS IN EQUITY**

	<b>30 December</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Loss for the financial year	<b>(836)</b>	<b>(836)</b>
Opening equity	<b>51,642</b>	<b>52,478</b>
Closing equity	<b><u>50,806</u></b>	<b><u>51,642</u></b>