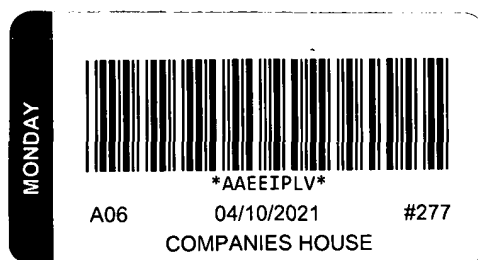


**COMPANY REGISTRATION NUMBER 04317044**

**KELLOGG MANCHESTER  
FINANCIAL STATEMENTS  
2 JANUARY 2021**



# **KELLOGG MANCHESTER**

## **STRATEGIC REPORT**

### **PERIOD ENDED 2 JANUARY 2021**

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The Directors present their strategic report of the Company for the period 29 December 2019 to 2 January 2021 (the "period ended 2 January 2021").

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The Company acts as an investment holding company.

The profit and loss account for the period ended 2 January 2021 is set out on page 7. The results for the Company for the period show a loss before taxation of £14,000 (2019: loss of £13,000).

The Company continued to hold its investment in KELF.

At the period end the Company had net assets of £2,782,000 (2019: £2,796,000).

#### **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.

As a group wide response, the Company is monitoring closely the risk posed by Coronavirus (COVID-19) and has implemented effective measures to safeguard employees and 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. There is no adverse impact from COVID-19 on the financial statements for the period ended 2 January 2021. The duration and ongoing impact of the COVID-19 pandemic is uncertain, 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:  
  
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B Lamont  
**Director**

Approved by the Directors on 29 September 2021

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

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# **KELLOGG MANCHESTER**

## **THE DIRECTORS' REPORT**

### **PERIOD ENDED 2 JANUARY 2021**

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The Directors have pleasure in presenting their report and the audited financial statements of the Company for the period 29 December 2019 to 2 January 2021 (the "period ended 2 January 2021").

#### **RESULTS AND DIVIDENDS**

The Company made a loss in the financial period of £14,000 (2019: loss of £13,000).

The Directors do not recommend that a final dividend be paid (2019: none).

#### **FUTURE OUTLOOK**

The Directors expect the outlook for 2021 to be challenging given the tough economic climate in which they operate. It will also be challenging for its underlying subsidiaries given the tough economic climate in which they operate. The Directors will continue to monitor the performance and results of its investments and implement strategy as appropriate.

#### **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.

##### **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 by the wider Kellogg group should circumstances warrant it.

##### **Liquidity risk**

A Group-wide cash pooling arrangement and overdraft facility is in place, detailed in note 5.

##### **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 period and up to the date of signing the financial statements were as follows, except where noted:

P Knowles (resigned 30 June 2021)  
C Silcock  
B Lamont (appointed 8 December 2020)  
C Samimi (appointed 1 July 2021)

#### **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 period and is currently in force.

**KELLOGG MANCHESTER**  
**THE DIRECTORS' REPORT** *(continued)*  
**PERIOD ENDED 2 JANUARY 2021**

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**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 period. 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; and
- make judgements and accounting estimates that are reasonable and prudent.

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:

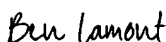
- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**INDEPENDENT AUDITORS**

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

Signed on behalf of the Board of Directors

DocuSigned by:



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B Lamont

**Director**

Approved by the Directors on 29 September 2021

# KELLOGG MANCHESTER

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

PERIOD ENDED 2 JANUARY 2021

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### 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 2 January 2021 and of its loss for the period from 29 December 2019 to 2 January 2021;
- 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 2 January 2021; the profit and loss account and the statement of changes in equity for the period 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### 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

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

**PERIOD ENDED 2 JANUARY 2021**

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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.

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 period ended 2 January 2021 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and environmental related legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of

# KELLOGG MANCHESTER

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

PERIOD ENDED 2 JANUARY 2021

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override of controls), and determined that the principal risks were related to fraudulent financial reporting and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- inquiry of management and the Company's in-house legal and compliance team around actual and potential non-compliance with laws and regulations;
- review of legal expense accounts, assessing whether the nature of costs were indicative of non-compliance with laws and regulations;
- review of meeting minutes of those charged with governance;
- testing journal entries meeting specific risk criteria, testing accounting estimates for indication of management bias, and evaluating the business rationale of any significant transactions outside the normal course of business; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

## 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 obtained 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.



Daniel Wilbourn (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
30 September 2021

**KELLOGG MANCHESTER**  
**PROFIT AND LOSS ACCOUNT**  
**PERIOD ENDED 2 JANUARY 2021**

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		Period ended 2 January 2021 £000	Period ended 28 December 2019 £000
	Note		
Administrative expenses		(14)	(13)
<b>OPERATING LOSS</b>	<b>2</b>	<b>(14)</b>	<b>(13)</b>
<b>LOSS BEFORE TAXATION</b>		<b>(14)</b>	<b>(13)</b>
Tax on loss	<b>3</b>	-	-
<b>LOSS FOR THE FINANCIAL PERIOD</b>		<b>(14)</b>	<b>(13)</b>

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

The Company has no comprehensive income other than the loss for the period 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.

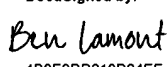
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**KELLOGG MANCHESTER****BALANCE SHEET****AS AT 2 JANUARY 2021**

		<b>2 January</b>	<b>28 December</b>
		<b>2021</b>	<b>2019</b>
	<b>Note</b>	<b>£000</b>	<b>£000</b>
<b>FIXED ASSETS</b>			
Investments	<b>4</b>	<b>1,900</b>	<b>1,900</b>
<b>CURRENT ASSETS</b>			
Debtors	<b>5</b>	<b>881</b>	<b>880</b>
Cash and cash equivalents		<b>1</b>	<b>16</b>
<b>NET CURRENT ASSETS</b>		<b>882</b>	<b>896</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>2,782</b>	<b>2,796</b>
<b>NET ASSETS</b>		<b>2,782</b>	<b>2,796</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	<b>6</b>	<b>1</b>	<b>1</b>
Retained earnings		<b>2,781</b>	<b>2,795</b>
<b>TOTAL EQUITY</b>		<b>2,782</b>	<b>2,796</b>

These financial statements on pages 7 to 17 were approved by the Directors and authorised for issue on 29 September 2021 and are signed on their behalf by:

DocuSigned by:  
  
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B Lamont  
**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**  
**PERIOD ENDED 2 JANUARY 2021**

	<b>Called up share capital</b>	<b>Retained Earnings</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 30 December 2018	1	2,808	2,809
Loss for the financial period	-	(13)	(13)
Total comprehensive expense for the financial period	-	(13)	(13)
Balance at 28 December 2019	1	2,795	2,796
Balance at 29 December 2019	1	2,795	2,796
Loss for the financial period	-	(14)	(14)
Total comprehensive expense for the financial period	-	(14)	(14)
<b>Balance at 2 January 2021</b>	<b>1</b>	<b>2,781</b>	<b>2,782</b>

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

**KELLOGG MANCHESTER**  
**STATEMENT OF ACCOUNTING POLICIES**  
**PERIOD ENDED 2 JANUARY 2021**

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**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.

**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 (page 13). 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 periods 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 financial statements have been 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 confirms 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)*  
**PERIOD ENDED 2 JANUARY 2021**

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**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 7. As a result, the Company has taken advantage of the following exemptions:

- Certain disclosures surrounding financial instruments; and
- 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.; and
- Disclosure of key management personnel compensation in total.

**Related party 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 7). The Company was not involved in any other related party transactions during the financial period.

**Fixed asset investments**

Investments in shares in group undertakings are recorded at cost less any provision for subsequent diminution in value. Impairment reviews are performed by the Company when there has been an indication of impairment in the carrying value of the investment. Any impairment is recognised in the profit and loss account in the period it is identified. The Company also consider reversals of historic impairments where the original indicators have ceased to apply in the current period.

**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 period or prior period. 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)*

**PERIOD ENDED 2 JANUARY 2021**

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**Interest receivable and payable**

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

**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 under section 11 and 12 of FRS 102. 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 under section 11 and 12 of FRS 102.

**Share capital**

Ordinary shares are classified as equity.

**KELLOGG MANCHESTER**  
**STATEMENT OF ACCOUNTING POLICIES** *(continued)*  
**PERIOD ENDED 2 JANUARY 2021**

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**Cash and cash equivalents**

Cash and cash equivalents include 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.

**Foreign currencies**

The functional and presentational currency is the pound sterling.

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet or at the agreed contractual rate.

**Critical estimations and accounting judgements**

The Directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period is addressed below.

***Fixed asset investments***

The Company considers whether fixed asset investments are impaired by reviewing for indicators of impairment. Where an indication of impairment is identified, the Company makes an assessment of the recoverable amount based on performance projections and assumptions. This requires estimation of the future cash flows from the assets and a selection of appropriate discount rates in order to calculate the net present value of those cash flows. Any impairment is recognised in the profit and loss account in the period it is identified. The Company also consider reversals of historic impairments where the original indicators have ceased to apply in the current period.

# KELLOGG MANCHESTER

## NOTES TO THE FINANCIAL STATEMENTS

### PERIOD ENDED 2 JANUARY 2021

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#### 1. FINANCIAL PERIOD

The financial statements cover the financial period from 29 December 2019 to 2 January 2021 (financial period ended 28 December 2019: from 30 December 2018 to 28 December 2019).

#### 2. OPERATING LOSS

The Company has no employees of its own (period ended 28 December 2019: none) and relies on affiliated companies to provide administrative support. The emoluments of one Director (period ended 28 December 2019: four), 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. Two Directors (period ended 28 December 2019: none) received no emoluments in respect of their services to the Company.

The audit fees for the period ended 2 January 2021 amount to £3,000 (period ended 28 December 2019: £3,000) and are borne by fellow group subsidiaries.

#### 3. TAX ON LOSS

##### (a) Tax charge included in profit and loss account

	Period ended 2 January 2021 £000	Period ended 28 December 2019 £000
<b>Current tax:</b>		
UK Corporation tax based on the results for the period ended 2 January 2021 at 19.00% (period ended 28 December 2019: 19.00%)	-	-
Total tax charge (note 3(b))	-	-

**KELLOGG MANCHESTER****NOTES TO THE FINANCIAL STATEMENTS (continued)****PERIOD ENDED 2 JANUARY 2021****3. TAX ON LOSS (continued)****(b) Reconciliation of tax charge**

The tax assessed on the loss for the period ended 2 January 2021 is higher than (period ended 28 December 2019: higher than) the standard rate of corporation tax in the UK of 19.00% (period ended 28 December 2019: 19.00%) for the following reasons:

	Period ended 2 January 2021 £000	Period ended 28 December 2019 £000
Loss before taxation	(14)	(13)
Loss multiplied by the standard rate of tax	(3)	(2)
Transfer pricing adjustments	7	-
Group relief (claimed)/surrendered	(4)	2
Total tax charge (note 3(a))	-	-

**(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.

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. As this change (cancelling the enacted cut to 17%) had been substantively enacted at the balance sheet date, its effect is included in these financial statements.

The Finance Bill 2021 was published on 11 March 2021. With effect from 1 April 2023, the bill sets the main rate of corporation tax at 25%. 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.



**KELLOGG MANCHESTER**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**PERIOD ENDED 2 JANUARY 2021**

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**4. INVESTMENTS**

	<b>£000</b>
<b>COST</b>	
At 29 December 2019 and as at 2 January 2021	<u><b>71,621</b></u>
<b>PROVISION FOR IMPAIRMENT</b>	
At 29 December 2019 and as at 2 January 2021	<u><b>69,721</b></u>
<b>NET BOOK VALUE</b>	
At 28 December 2019 and as at 2 January 2021	<u><b>1,900</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.

The Company reviews the carrying value of the investments for impairments and historic impairment reversals to ensure the value is upheld. No impact has been recognised for the period ended 2 January 2021 (period ended 28 December 2019: nil).

	<b>2 January 2021 £000</b>	<b>28 December 2019 £000</b>
<b>Aggregate capital and reserves</b>		
Kelf	<b>1,898</b>	1,912
Kellogg Talbot LLC	<b>1,761</b>	1,535
	<b>Period ended 2 January 2021 £000</b>	<b>Period ended 28 December 2019 £000</b>
<b>(Loss)/profit for the financial period</b>		
Kelf	<b>(14)</b>	(14)
Kellogg Talbot LLC	<b>137</b>	105

**KELLOGG MANCHESTER**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**PERIOD ENDED 2 JANUARY 2021**

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**5. DEBTORS**

	<b>2 January</b>	28 December
	<b>2021</b>	2019
	<b>£000</b>	£000
Amounts owed by group undertakings	<u><b>881</b></u>	<u><b>880</b></u>

As at 2 January 2021 and 28 December 2019 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 7). The Company is also party to a group wide temporary overdraft facility of \$30,000,000.

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

	<b>2 January 2021</b>		<b>28 December 2019</b>	
	<b>Number</b>	<b>\$</b>	<b>Number</b>	<b>\$</b>
Ordinary shares of \$1 each	<u><b>1,000</b></u>	<u><b>1,000</b></u>	<u><b>1,000</b></u>	<u><b>1,000</b></u>

Share capital has been translated at a rate of 2.065 \$/£ (28 December 2019: 2.065 \$/£).

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

**7. 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.