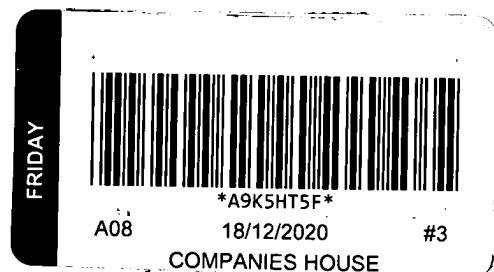


**COMPANY REGISTRATION NUMBER 04317046**

**KELF  
FINANCIAL STATEMENTS  
28 DECEMBER 2019**



**KELF**  
**STRATEGIC REPORT**  
**YEAR ENDED 28 DECEMBER 2019**

---

The Directors present their strategic report of the Company for the year from 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 £14,000 (2018: profit of £54,873,000).

No dividends were paid or received during 2019. In 2018, the Company received dividends from Kellogg Talbot, LLC of £94,500,000, and paid dividends of £94,500,000 to Kellogg Manchester.

The Company continued to hold its investment in Kellogg Talbot, LLC.

At the year end the Company had net assets of £1,912,000 (2018: £1,926,000).

**PRINCIPAL RISKS AND UNCERTAINTIES**

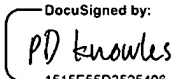
The Company is largely dependent on fellow group undertakings for its business. A significant change in the business of its subsidiary, Kellogg Talbot, LLC would impact the carrying value of the investment in the Company's balance sheet. The Directors monitor the performance and financial position of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

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

**KELF**  
**THE DIRECTORS' REPORT**  
**YEAR ENDED 28 DECEMBER 2019**

---

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

**RESULTS AND DIVIDENDS**

The Company made a loss for the financial year of £14,000 (2018: profit of £54,873,000).

The Directors do not recommend that a final dividend be paid (2018: £94,500,000).

**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 6.

**Price risk**

The Company has no direct exposure to equity securities price risk as it holds no listed investments.

**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

N Jaynes (resigned 12 December 2019)

P Jones (appointed 10 December 2019)

B Lamont (appointed 10 December 2019)

**DIRECTORS' INDEMNITIES**

The ultimate holding company maintains liability insurance for the Directors and officers of the group. This was in place during the year and also at the date of approval of the financial statements and is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

**KELF****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:

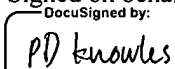
- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's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

DocuSigned by:  
  
 P. Knowles

**Director**

Approved by the Directors on 10 December 2020

## KELF

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KELF

YEAR ENDED 28 DECEMBER 2019

---

## Report on the audit of the financial statements

---

### Opinion

In our opinion, KELF'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.

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.

---

## KELF

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

YEAR ENDED 28 DECEMBER 2019

---

#### *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](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.

## KELF

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

YEAR ENDED 28 DECEMBER 2019

---

---

#### Other required reporting

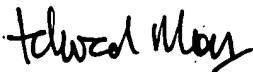
---

##### 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

**KELF**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 28 DECEMBER 2019**

		Year ended 28 December 2019 £000	Year ended 29 December 2018 £000
	Note		
Administrative expenses		(14)	(39,627)
<b>OPERATING LOSS</b>		<b>(14)</b>	<b>(39,627)</b>
Income from shares in group undertakings	2	-	94,500
<b>(LOSS)/PROFIT BEFORE TAXATION</b>	3	<b>(14)</b>	<b>54,873</b>
Tax on (loss)/profit	4	-	-
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(14)</b>	<b>54,873</b>

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.

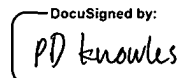
The statement of accounting policies and notes on pages 10 to 16 form part of these financial statements.



**KELF**  
**BALANCE SHEET**  
**AS AT 28 DECEMBER 2019**

		28 December 2019 £000	29 December 2018 £000
	Note		
<b>FIXED ASSETS</b>			
Investments	5	1,380	1,380
<b>CURRENT ASSETS</b>			
Debtors	6	529	530
Cash and cash equivalents		3	16
<b>NET CURRENT ASSETS</b>		532	546
<b>TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS</b>		1,912	1,926
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	317	317
Share premium account		-	-
Profit and loss account		1,595	1,609
<b>TOTAL EQUITY</b>		1,912	1,926

These financial statements on pages 7 to 16 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: 04317046

The statement of accounting policies and notes on pages 10 to 16 form part of these financial statements.

**KELF**

**STATEMENT OF CHANGES IN EQUITY**

**YEAR ENDED 28 DECEMBER 2019**

	<b>Called up equity share capital £000</b>	<b>Share premium account £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
Balance at 31 December 2017	317	71,303	(30,067)	41,553
Profit for the financial year	-	-	54,873	54,873
Total comprehensive income for the financial year	-	-	54,873	54,873
Reduction of share premium account	-	(71,303)	71,303	-
Dividends paid		-	(94,500)	(94,500)
Total transactions with owners, recognised directly in equity	-	-	(94,500)	(94,500)
Balance at 29 December 2018	317	-	1,609	1,926
Balance at 30 December 2018	317	-	1,609	1,926
Loss for the financial year	-	-	(14)	(14)
Total comprehensive expense for the financial year	-	-	(14)	(14)
<b>Balance at 28 December 2019</b>	<b>317</b>	<b>-</b>	<b>1,595</b>	<b>1,912</b>

The statement of accounting policies and notes on pages 10 to 16 form part of these financial statements.

**KELF**  
**STATEMENT OF ACCOUNTING POLICIES**  
**YEAR ENDED 28 DECEMBER 2019**

---

**General Information**

Kelf is a company incorporated in the United Kingdom and registered and domiciled in England and Wales, with the registration number 04317046.

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 Kelf 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 the 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.

## **KELF**

### **STATEMENT OF ACCOUNTING POLICIES *(continued)***

#### **YEAR ENDED 28 DECEMBER 2019**

---

##### **Exemptions for qualifying entities under FRS 102**

FRS 102 allows Kelf 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 9. 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 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 9). The Company was not involved in any other related party transactions during the financial year

##### **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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account within administrative expenses except when deferred in other comprehensive income as qualifying cash flow hedges.

##### **Dividends**

Dividends payable are recognised in the accounting period in which they are paid or approved. Dividend income is recognised in the accounting period in which the right to receive payment is established.

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

---

**Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, 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.

**Fixed asset investments**

Investments in shares in group undertakings are stated at cost; provision is made for any subsequent permanent diminution in value, by reference to the higher of net realisable value and value in use. Any impairment is written off in the year it arises.

**Consolidated financial statements**

The Company is a wholly-owned subsidiary of Kellogg Manchester and is included in the consolidated financial statements of the ultimate holding company, Kellogg Company; which is incorporated in the United States of America, and which are publicly available (note 9). 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.

**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.

**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.

**KELF****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 28 DECEMBER 2019****1. FINANCIAL YEAR**

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).

**2. INCOME FROM SHARES IN GROUP UNDERTAKINGS**

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

In 2018, the Company received dividends from Kellogg Talbot, LLC of £94,500,000.

**3. (LOSS)/PROFIT BEFORE TAXATION**

The Company has no employees (2018: none) and relies on affiliated companies to provide administrative support. The emoluments of two Directors (2018: two), and salaries of the employees who provide administrative support, are paid by fellow subsidiary undertakings that make no recharge to the Company. They are Directors of a number of fellow subsidiary undertakings and it is not possible to make an apportionment of their emoluments in respect of this Company. Two Directors (2018: none) received no emoluments in respect of their services to the company. Compensation for loss of office of one director was borne by a fellow group undertaking.

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

**4. 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
<b>Current tax:</b>		
UK Corporation tax based on the (loss)/profit for the year at 19.00% (2018: 19.00%)	-	-
Total current tax	-	-
<b>Deferred tax:</b>		
Total deferred tax	-	-
Total tax (note 4(b))	-	-

**KELF****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 28 DECEMBER 2019****4. TAX ON (LOSS)/PROFIT (continued)****(b) Reconciliation of tax charge**

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

	<b>Year ended 28 December 2019 £000</b>	<b>Year ended 29 December 2018 £000</b>
(Loss)/profit before taxation	<b>(14)</b>	<b>54,873</b>
(Loss)/profit before taxation multiplied by the standard rate of tax	<b>(3)</b>	<b>10,426</b>
Expenses not deductible for tax purposes	-	<b>7,526</b>
Income not taxable for tax purposes	-	<b>(17,955)</b>
Group relief surrendered	<b>3</b>	<b>3</b>
Total tax for the year (note 4(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.

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.

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.

**KELF****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 28 DECEMBER 2019****5. INVESTMENTS****£000****COST**

At 30 December 2018 and as at 28 December 2019

**40,993****PROVISION FOR IMPAIRMENT**

At 30 December 2018 and as at 28 December 2019

**39,613****NET BOOK VALUE**

At 29 December 2018 and as at 28 December 2019

**1,380**

As at 29 December 2018 and 28 December 2019, the Company directly holds 100% of Kellogg Talbot, LLC's ordinary share capital of 4,373 shares, amounting to £40,993,000. The aggregate capital and reserves of Kellogg Talbot, LLC are £1,535,000 (2018: £1,463,000); and the profit for the year is £105,000 (2018: £452,000).

Kellogg Talbot, LLC, is incorporated under the laws of the state of Delaware, and its registered address is The Corporation Trust Centre, 1209 Orange Street, Wilmington New Castle County, Delaware, USA. The principle activity of Kellogg Talbot, LLC is the provision of administration and related services to the European operating units of its ultimate parent undertaking, Kellogg Company.

**6. DEBTORS**

	<b>28 December 2019</b>	<b>29 December 2018</b>
	<b>£000</b>	<b>£000</b>
Amounts owed by group undertakings	<b>529</b>	<b>530</b>

All debtors are unsecured, interest free and repayable within one year of the balance sheet date.

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 9). The Company is also party to a group wide temporary overdraft facility of \$30m.



**KELF****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 28 DECEMBER 2019****7. CALLED UP SHARE CAPITAL****Allotted and fully paid:**

	<b>28 December 2019</b>		<b>29 December 2018</b>	
	<b>Number</b>	<b>\$</b>	<b>Number</b>	<b>\$</b>
Ordinary shares of \$10 each	<u><b>65,500</b></u>	<u><b>655,000</b></u>	<u><b>65,500</b></u>	<u><b>655,000</b></u>

The share capital has been translated at a rate of 2.065 \$/£ (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.

**8. DIVIDENDS**

	<b>28 December 2019 £000</b>	<b>29 December 2018 £000</b>
<b>Ordinary shares</b>		
£nil (2018: £1,442.75 per \$10 share)	<u>-</u>	<u>94,500</u>

**9. ULTIMATE PARENT COMPANY**

The Company's immediate parent undertaking is Kellogg Manchester, which is itself a subsidiary of Kellogg U.K. Holding Company Limited, both of which are 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.