COMPANY REGISTRATION NUMBER 09708194

K EUROPE HOLDING COMPANY LIMITED

FINANCIAL STATEMENTS

02 JANUARY 2021

K EUROPE HOLDING COMPANY LIMITED

STRATEGIC REPORT

PERIOD ENDED 02 JANUARY 2021

The Directors present their strategic report of K Europe Holding Company Limited (the "Company") for the 2020 financial period from 29 December 2019 to 02 January 2021 (the "period ended 02 January 2021").

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company during the period was that of an investment holding company.

During the period, the Company also paid interest on its intercompany loans.

The results for the Company for the period show a loss before taxation of $10,940,000 (2019: profit before taxation of $552,000). At the period end the Company showed net assets of $504,798,000 (2019: $515,738,000).

SECTION 172 STATEMENT

The Directors work to promote the success of the Company, by considering the impact that their decisions may have on the Company, along with the Company's stakeholders, having regard to the requirements of section 172 (1) (a) – (f).

The Company is a UK subsidiary of the Kellogg Group. The Company holds loan notes which are listed on The International Stock Exchange. As the principal activity of the Company is to act as a holding company for other entities in the Kellogg Group, the Company has had no commercial business, employees, customers or suppliers other than transactions with other Kellogg Group companies during the period and, as such, the breadth of stakeholder and other considerations that would often apply in operating or commercial trading companies have generally not applied to the decisions made by the Directors.

While section 172(1) requires consideration of all stakeholders, including employees and suppliers, due to the nature of the Company's operations within the wider Kellogg Group, it does not have any direct employee or supplier engagement. Engagement with these stakeholders is undertaken at Group level.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is largely dependent on fellow group undertakings for its business. A significant change in the business of its investments would impact the carrying value of the investment in the Company's balance sheet.

As part of the wider Kellogg group 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

DocuSigned by:
Ben Lamont
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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

The Directors have pleasure in presenting their report and the audited financial statements of the Company for the period 29 December 2019 to 02 January 2021 (the "period ended 02 January 2021").

RESULTS AND DIVIDENDS
The Company has presented its results under Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS102").

A reclassification has been done on the Balance Sheet for the financial period ended 28 December 2019 detailed in note 8.

The Company made a loss of $10,940,000 for the financial period (2019: profit of $552,000).

The Directors do not recommend the payment of a dividend (2019: $nil).

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. Hedging would be considered by the wider Kellogg group should circumstances warrant it.

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.

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

Liquidity risk
A Group-wide cash pooling arrangement is in place, detailed in note 8.

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)
R Kollepara

P Jones

B Lamont

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.

POLITICAL DONATIONS

The Company made no political donations throughout the financial period.

STREAMLINED ENERGY AND CARBON REPORTING DISCLOSURE (SECR)

The Company has taken advantage of the 'low energy user' exemption, from preparing a streamlined energy and carbon reporting disclosure, on the basis that it is a qualifying entity.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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, 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 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 also 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

DocuSigned by:
Ben Lamont
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B Lamont
Director
Approved by the Directors on 29 September 2021

Report on the audit of the financial statements

Opinion

In our opinion, K Europe Holding Company Limited'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.

Our audit approach

Overview

Audit scope

- The entity is a holding company and is managed by one finance team, with all work being performed by one audit engagement team.

Key audit matters

- Carrying value of investments
- COVID-19

Materiality

- Overall materiality: US$8,300,000.00 (28 December 2019: US$8,299,000.00) based on 1% of Total Assets.
- Performance materiality: US$6,225,000.00.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Going concern and the impact of COVID-19, which was a key audit matter last year, is no longer included because of the increased understanding around the impact of COVID-19 on the performance of the wider Kellogg group, and therefore its impact on the Company's ability to continue as a going concern. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Carrying value of investments	
See note 7 to the financial statements. The company holds fixed asset investments at a net book value of $798 million as at 2 January 2021, which is required to be tested for impairment where impairment indicators are noted. The directors determined impairment indicators did not exist and therefore there was no full impairment review performed.	We have obtained management's investment impairment review to identify whether any impairment indicators exist. The review primarily focused on the financial position and trading performance of both direct & indirect subsidiaries, but also considered non-financial factors that could indicate impairment. No matters were identified which would indicate that an impairment indicator existed, and therefore we agreed with the directors that a full impairment review was not required.
COVID-19	
Refer to the strategic report for the impact of COVID-19 on the company's financial performance during the year. The directors have considered the implications of COVID–19 across its business, with specific focus on its going concern assessment and the recoverability of investments in subsidiaries. The Directors' view is that the impact of COVID-19 is limited due to the principal activity of the entity being a holding company. The company will, however, continue to monitor the situation and potential impact to the business. As a result of the impact of COVID - 19 on the wider economy, we have determined that the directors' considerations of the impact of COVID–19 to be a key audit matter.	We consider the impact of COVID-19 in our audit risk assessment, including the going concern risk of the company. Based on the directors' assessment and our audit procedures described below, we consider going concern to be a normal risk for the company. In assessing management's consideration of the impact of COVID-19, we have undertaken the following audit procedures:
	Obtained from the directors their latest assessment that support their conclusions with respect to the going concern basis of preparation of the financial statements;
	Reviewed the directors' disclosures in the financial statements in relation to COVID–19 to ensure they are consistent with the risks affecting the company, their impact assessment and the process that we have performed; and
	Our conclusion in respect of going concern is included in the 'Going concern' section below. Procedures performed in relation to the recoverability of investments have been covered in a specific key audit matter.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates. The Company consists of one component, with all audit work performed by one engagement team.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	US$8,300,000.00 (28 December 2019: US$8,299,000.00).
How we determined it	1% of Total Assets
Rationale for benchmark applied	We believe that total assets is an appropriate benchmark given that the Company is a holding company and does not trade.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to US$6,225,000.00 for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above US$ 415,000 (28 December 2019: US$ 415,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- We checked the mathematical accuracy of management's forecasts for the period to the end of December 2022.
- We obtained the intercompany loan agreements and verified the cash outflows are aligned.
- We challenged any unexpected changes in cash flows to ensure they are complete and accurate.
- We challenged the company's ability to pay the intercompany loan if it was recalled.
- We obtained a copy of the letter of support provided from the ultimate parent to the company, which extends for a period of 12 months from the signing date of the financial statements.
- We made inquires with the auditor of the ultimate parent company to assess their ability to support the company.

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 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 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

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

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

K EUROPE HOLDING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

PERIOD ENDED 02 JANUARY 2021

	Note	**Period ended 02 January 2021 $000**	Period ended 28 December 2019 $000
Administrative expenses		**(4)**	(3)
OPERATING LOSS	2	**(4)**	(3)
Income from shares in group undertakings	3	**-**	10,810
Other interest receivable and similar income	4	**166**	637
Interest payable and similar expenses	5	**(11,102)**	(10,892)
(LOSS)/PROFIT BEFORE TAXATION		**(10,940)**	552
Tax on (loss)/profit	6	**-**	-
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD		**(10,940)**	552

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

The Company has no comprehensive income other than the (loss)/profit 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 15 to 26 form part of these financial statements.

K EUROPE HOLDING COMPANY LIMITED

BALANCE SHEET

AS AT 02 JANUARY 2021

	Note	**As at 02 January 2021 $000**	As at 28 December 2019 (restated) $000
FIXED ASSETS			
Investments	**7**	**797,797**	797,797
CURRENT ASSETS			
Cash and cash equivalents		**32,249**	32,087
TOTAL ASSETS		**830,046**	829,884
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE PERIOD	**8**	**(57,207)**	(46,105)
NET CURRENT LIABILITIES		**(24,958)**	(14,018)
TOTAL ASSETS LESS CURRENT LIABILITIES		**772,839**	783,779
CREDITORS: Amounts falling due after more than one period	**9**	**(268,041)**	(268,041)
NET ASSETS		**504,798**	515,738
CAPITAL AND RESERVES			
Called up share capital	**10**	**-**	-
Share premium account		**550,000**	550,000
Profit and loss account		**(45,202)**	(34,262)
TOTAL EQUITY		**504,798**	515,738

These financial statements on pages 12 to 26 were approved by the Directors and authorised for issue on 29 September 2021 and are signed on their behalf by:

DocuSigned by:
Ben Lamont
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B Lamont
Director

Company Registration Number: 09708194

The statement of accounting policies and notes on pages 15 to 26 form part of these financial statements.

K EUROPE HOLDING COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 02 JANUARY 2021

	Called up share capital $000	Share premium account $000	Profit and loss account $000	Total equity $000
Balance at 30 December 2018	-	550,000	(34,814)	515,186
Profit for the financial period	-	-	552	552
Total comprehensive income for the period	-	-	552	552
Balance at 28 December 2019	-	550,000	(34,262)	515,738
Balance at 29 December 2019	-	550,000	(34,262)	515,738
Loss for the financial period	-	-	(10,940)	(10,940)
Total comprehensive expense for the period	-	-	(10,940)	(10,940)
Balance at 02 January 2021	**-**	**550,000**	**(45,202)**	**504,798**

The statement of accounting policies and notes on pages 15 to 26 form part of these financial statements.

K EUROPE HOLDING COMPANY LIMITED

STATEMENT OF ACCOUNTING POLICIES

FOR THE PERIOD ENDED 02 JANUARY 2021

General Information

K Europe Holding Company Limited is a company incorporated in the United Kingdom, and registered and domiciled in England and Wales, with the registration number 09708194.

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 K Europe Holding Company Limited 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.

A reclassification has been done on the Balance Sheet for the financial period ended 28 December 2019 detailed in note 8.

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.

Exemptions for qualifying entities under FRS 102

FRS 102 allows K Europe Holding Company Limited 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 11. 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.

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 11). 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 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 financial period in which it arises. The Directors 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 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 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.

Foreign currencies

The Company's functional and presentation currency is the US Dollar.

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.

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. Non-basic financial assets are recognised initially at transaction price. At the end of each reporting period, all financial instruments are re-measured at fair value and any change in fair value is recognised through profit or loss. If a reliable measure of fair value is no longer available for an equity instrument (or a contract linked to such an instrument) that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date the instrument was reliably measurable is treated as the cost of the instrument. Financial instruments are measured at this cost amount less impairment until a reliable measure of fair value becomes available. Policies are applied in accordance with section 11 and 12 of FRS 102.

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. Policies are applied in accordance with section 11 and 12 of FRS 102.

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.

Share capital

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

Distributions to equity holders

Dividends and other distributions to the Company’s shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company’s shareholders. These amounts are recognised in the statement of changes in equity.

Joint Ventures

Investments in Joint Ventures are initially recognised at cost and subsequently reviewed for impairment on an annual basis.

Critical accounting judgements and estimation

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, an assessment is necessary to determine the recoverable amount based on estimation techniques, making assumptions and performance projections. Any impairments are written off in the financial period in which it arises. The Directors also consider reversals of historic impairments where the original indicators have ceased to apply in the current period.

K EUROPE HOLDING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 02 JANUARY 2021

1. FINANCIAL PERIOD

The financial statements cover the financial period from 29 December 2019 to 02 January 2021 (2019: the financial period from 30 December 2018 to 28 December 2019).

2. OPERATING LOSS

The Company has no employees of its own (2019: nil) and relies on affiliated companies to provide administrative support. The emoluments of the Directors, 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 (2019: the same).

The audit fees for the period amount to $23,000 (2019: $22,000) and are borne by fellow group subsidiaries.

3. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	Period ended 02 January 2021 $000	Period ended 28 December 2019 $000
Income from group undertakings	**-**	10,810

4. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	Period ended 02 January 2021 $000	Period ended 28 December 2019 $000
Bank interest receivable	**166**	637

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period ended 02 January 2021 $000	Period ended 28 December 2019 $000
Intercompany interest expense	**11,102**	10,892

6. TAX ON (LOSS)/PROFIT

(a) Tax charge included in profit and loss

	Period ended 02 January 2021 $000	Period ended 28 December 2019 $000
Current tax:		
UK Corporation tax based on the (loss)/profit for the period at 19.00% (2019: 19.00%)	**-**	-
Total tax charge (Note 6(b))	**-**	-

(b) Reconciliation of tax charge

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

	Period ended 02 January 2021 $000	Period ended 28 December 2019 $000
(Loss)/Profit before taxation	**(10,940)**	552
(Loss)/Profit before taxation multiplied by the standard rate of tax	**(2,079)**	105
Income not taxable	**-**	(2,054)
Group relief surrendered	**2,079**	1,949
Total tax charge (Note 6(a))	**-**	-

6. TAX ON (LOSS)/PROFIT *(continued)*

(c) Factors that may affect future tax charges

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.

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%.

7. INVESTMENTS

	$000
COST	
As at 29 December 2019	**842,891**
Additions	**-**
At 02 January 2021	**842,891**
PROVISION FOR IMPAIRMENT	
At 29 December 2019	45,094
Impairment	-
At 02 January 2021	**45,094**
NET BOOK VALUE	
At 02 January 2021	**797,797**
At 28 December 2019	797,797

Analysed as:

	02 January 2021 $000	28 December 2019 $000
51% shareholding in Multipro Singapore Pte Limited	**378,082**	378,082
50% shareholding in Kellogg Tolaram Noodles Singapore Pte. Ltd	**5,300**	5,300
50% shareholding in Tolaram Africa Foods Pte Ltd	**414,415**	414,415
	797,797	797,797

The Company purchased ordinary shares in its investments.

7. INVESTMENTS *(continued)*

Multipro Singapore Pte Limited
Multipro Singapore Pte Limited (Multipro) was incorporated in June 2015 in Singapore by Tolaram Africa Pte Limited. In July 2015, Multipro Singapore Pte Limited acquired 100% shareholding of Multipro Private Limited, a sales and distribution company incorporated in Ghana. In the same month, Multipro Singapore Pte Limited also acquired 100% shareholding Multipro Consumer Products Limited, a company registered in Nigeria.

In August 2015, Multipro Consumer Products Limited acquired the assets and liabilities of two business divisions of Multipro Enterprises Limited, which is registered in Nigeria and a subsidiary of Tolaram Africa Pte Limited. This acquisition enabled Multipro Consumer Products Limited to carry on the business of selling, distribution, transport and logistics.

In September 2015, the Company acquired, for $368,800,000 million, a 50% shareholding in Multipro Singapore Pte. Limited; establishing a joint venture with Tolaram Africa Pte Limited. The amount paid was subject to purchase price adjustments, including the finalisation of Multipro's 2015 earnings as defined in the agreement. During the acquisition, transaction costs of $76,000 were incurred by the Company. In May 2016, a purchase price adjustment reduced the investment value in Multipro Singapore Pte Limited of $28,294,000 was received from Tolaram Africa Pte Limited.

In May 2018, the Company invested $37,500,000 for an additional 1% in Multipro Singapore Pte Ltd increasing its investment to a 51% holding.

Tolaram Africa Pte Limited is incorporated in Singapore and its immediate and ultimate holding company is Tolaram Group Inc (formerly Wishart Investments Inc), incorporated in the British Virgin Islands.

Profit for the financial period: Multipro Singapore Pte Limited and its subsidiaries:

	Period ended 31 December 2019 $000
Profit for the financial period	43,588

Capital and Reserves: Multipro Singapore Pte Limited and its subsidiaries:

	As at 31 December 2019 $000
Share capital	815,000
Merger reserve	(816,867)
Other reserves	(19,679)
Profit and loss account	73,294
Total equity	51,748

7. INVESTMENTS *(continued)*

The registered address of Multipro Singapore Pte Limited is 1A International Business Park, #13-01 Singapore 609933. The most recent audited consolidated financial statements for Multipro Singapore Pte Limited cover the financial period from 1 January 2019 to 31 December 2019.

Tolaram Africa Foods Pte Ltd
In September 2015 the Company obtained an option to acquire 24.5% of an affiliated food manufacturing entity under common ownership based on a fixed multiple of future earnings as defined in the purchase agreement (Dufil Prima Foods Plc).

In 2015, the Company also purchased a call option to buy a 24.5% shareholding in Dufil Prima Foods Plc from Tolaram Africa Pte Limited for $76,500,000.

In July 2017, the Company received notification that Dufil Prima Foods Plc, as at June 2017, had achieved the level of earnings as defined in the agreement for the purchase option to become exercisable for a one period. During the exercise period, the Company validated the information provided in the notification and evaluated whether to exercise its right to acquire the 24.5% interest.

In May 2018, the Company exercised the option for a consideration of $382,216,000 acquiring a 50% stake in Tolaram Africa Foods Pte Limited, a holding company with a 49% equity interest in Dufil Prima Foods Plc and therefore an indirect investment of 24.5% in Dufil Prima Foods Plc. During the exercise of the option, transaction costs of $793,000 were incurred by the Company. Dufil Prima Foods Plc is a company incorporated in Nigeria.

In May 2018, the Company exercised the call option to buy a 24.5% shareholding in Dufil Prima Foods Plc from Tolaram Africa Pte Limited for $76,500,000. In conjunction with the exercise, the Company recognised a loss of $45,094,000, representing an excess of cost over fair value of the investment in Dufil Prima Foods Plc. This amount has been recorded in 2017 within exceptional items in the profit and loss account.

Loss for the financial period: Tolaram Africa Foods Pte Limited

	Period ended 31 December 2019 $000
Loss for the financial period	(86,170)

Capital and Reserves: Tolaram Africa Foods Pte Limited

	As at 31 December 2019 $000
Share capital	784,000
Other reserves	(1,340)
Translation reserve	(19,254)
Profit and loss account	(52,508)
Total equity	710,898

7. INVESTMENTS *(continued)*

The most recent audited consolidated financial statements for Tolaram Africa Foods Pte Limited cover the financial period from on 1 January 2019 to 31 December 2019.

The registered address of Tolaram Africa Foods Pte Limited is 1A International Business Park, #13-01 Singapore 609933.

Kellogg Tolaram Noodles Singapore Pte. Limited
In September 2017, the Company acquired for $50, a 50% shareholding in Kellogg Tolaram Noodles Singapore Pte. Limited; establishing a further joint venture with Tolaram Africa Pte Limited. The joint venture will carry on the development, marketing, manufacturing, distribution and sale of noodle products in African territories.

In January 2018, the Company invested in a 1% shareholding in Kellogg Tolaram Noodles Egypt LLC which is 98% owned by Kellogg Tolaram Noodles Singapore Pte. Limited and 1% owned by Tolaram Africa Pte Limited.

In June 2018, the Company invested $5,300,000 into the Kellogg Tolaram Noodles Singapore Pte. Limited joint venture in return for 5,300,000 shares of $1 each.

Kellogg Tolaram Noodles Singapore Pte. Limited is a private company limited by shares and is incorporated in Singapore.

Loss for the financial period: Kellogg Tolaram Noodles Singapore Pte. Limited and its subsidiary:

	Period ended 31 December 2019 $000
Loss for the financial period	(10,816)

Capital and Reserves: Kellogg Tolaram Noodles Singapore Pte. Limited and its subsidiary:

	As at 31 December 2019 $000
Share capital	10,600
Other reserves	1,146
Profit and loss account	(22,167)
Total equity	(10,421)

The most recent audited consolidated financial statements for Kellogg Tolaram Noodles Singapore Pte. Limited cover the financial period from 1 January 2019 to 31 December 2019.

The registered address of Kellogg Tolaram Noodles Singapore Pte. Limited is 1A International Business Park, #13-01 Singapore 609933.

7. INVESTMENTS *(continued)*

KT ROA Pte. Limited
In November 2020, the Company acquired for 1 ZAR, a 100% shareholding in KT ROA Pte. Limited; No activities were performed by the subsidiary during the period.

The registered address of KT ROA Pte. Limited is 80 Robinson Road, #02-00 Singapore 068898.

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE PERIOD

	02 January 2021	28 December 2019 *(Restated)*
	$000	$000
Amounts owed to group undertakings	**57,207**	46,105

All amounts owed to group undertakings are interest free, unsecured and repayable on demand. A reclassification of interest accrued on the loan payable has been reflected in amounts falling due within one period from amounts falling due after more than one period. Amounts falling due within one period for the prior period was $3,000 and has been restated to $46,102,000 to reflect this.

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.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE PERIOD

	02 January 2021	28 December 2019 *(Restated)*
	$000	$000
Amounts owed to group undertakings	**268,041**	268,041

Amounts owed to group undertakings repayable in over one period relate to unsecured loans. A loan of $225,000,000 (2019: $225,000,000) payable to group undertakings, which bears interest at 4% (2019: 4%), is repayable on 15 September 2025. A loan of $22,741,000 (2019: $22,741,000) payable to group undertakings, which bears interest at 4% (2019: 4%), is repayable on 15 September 2025. A loan of $20,300,000 (2019: $20,300,000), which bears interest at 4.25% (2019: 4.25%), is repayable on 15 September 2025. No instalments were due before the dates of repayment (2019: nil). Loan notes are listed on The International Stock Exchange.

10. CALLED UP SHARE CAPITAL

Allotted and fully paid:

	02 January 2021		28 December 2019	
	Number	**$**	Number	$
Ordinary shares of $1 each	**2**	**2**	2	2

On 29 July 2015, 1 share was issued for $1. On 9 September 2015, 1 share was issued for $150,000,000. There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

11. ULTIMATE PARENT COMPANY

The Company's immediate parent undertaking is Kellogg International Holding Company Limited which is registered in the United States of America. 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,

12. EVENTS AFTER THE REPORTING PERIOD

In July 2021, the Company acquired an additional 1% shareholding in Kellogg Tolaram Noodles Singapore Pte, taking the Company's shareholding in this entity to 51%. Kellogg Tolaram Noodles Singapore Pte is a joint venture between Kellogg's and the Tolaram Group. The joint venture is responsible for the supply and sale of Kellogg's branded noodles on the continent of Africa and has plans to expand this business to the Middle East, Turkey and Asia. This joint venture is also responsible for the supply and sale of certain Kellogg's branded cereals and snacks in West Africa, Central and East Sub-Sahara Africa and Turkey. The Company also provided an equity contribution in the amount of $43,000,000 to its subsidiary KT ROA Pte Limited in July 2021 to enable KT ROA Pte Limited to acquire certain assets.