ASR Group Europe Limited

Consolidated Annual Report and Consolidated Financial Statements

At and for the period ended 27 September 2020

Company no. 09571301

ASR Group Europe Limited

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ASR Group Europe Limited

Strategic Report
at and for the period ended 27 September 2020
(Amounts in thousands of Euros)

Principal activities

The principal activities of ASR Group Europe Limited and its subsidiaries ("ASRGE" or "the Group") during the period were the refining, marketing and distribution of sugar and related products.

ASRGE's sole shareholder and ultimate parent company is ASR Group International, Inc., a company domiciled in the United States of America (referred to as "ASR Group").

Business review

Earnings before interest, tax, depreciation and amortisation (EBIDTA) for the year was a profit of €23,902 (2019 profit €16,366). ASRGE also generated cash from operations of €38,417 (2019: €2,553). The result for the period was a net loss of €3,246 (2019: €23,620), which includes a non-cash tax charge of €347 (2019: €9,118). No dividends were paid or proposed during the period.

Both 2020 and 2019 were based on a 52 week period.

ASRGE manages its product mix, operating procedures, raw sugar supply, sales and marketing strategies and overhead expenses to enhance operating profits. The Group has the full support of ASR Group from a knowledge sharing and financial perspective. ASR Group is one of the largest refined sugar producers in the world. It has extensive experience in managing some of the best-known sugar brands in the world, providing excellent customer service, and efficiently operating cane sugar refineries and raw sugar mills.

Business environment

ASRGE continued to operate in an inequitable European regulatory environment during the year. European Union ("EU") policies artificially inflate the cost of imported raw cane sugar used in ASRGE's European factories. EU policies prevent the purchase of raw cane sugar from suppliers with the very highest ethical and environmental standards, a vitally important issue for the Group and our customers.

Raw cane sugar is the primary raw material purchased by ASRGE. This inflation of costs occurs through limiting the number of suppliers the Group can source from to approximately 5% of the overall sugar available in the market by charging certain import duties on some of those sugars. At the same time, the EU pays direct financial subsidies (through a Common Agricultural Policy) to sugar beet producers in many EU countries. In October 2017, beet sugar and isoglucose production became de-regulated allowing unlimited production and sale of beet sugar. These unfavourable EU policies impact ASRGE's cost base forcing it to pay inflated prices for raw cane sugar in the form of tariffs and premiums added to the base raw sugar cost. These policies will continue to have a negative impact on our Portuguese and Italian businesses and, to a lesser extent under the new UK Global Tariff (UKGT), on our UK operations.

Key Performance Indicators ("KPI's")

The KPI's that best reflect ASRGE's strategy are as follows:

		2020		2019
Investment in property, plant and equipment	€	**20,878**	€	27,571
Net liquid assets [1]	€	**83,604**	€	82,218
Third party debt	€	**15,835**	€	16,864
Operating cash flow	€	**38,417**	€	2,553

[1] Defined as cash, trade receivables, prepayments, inventories (excluding manufacturing supplies), trade payables and accrued expenses. The above KPIs include amounts for discontinued German operations.

Principal risks and uncertainties

Refined sugar selling prices in the UK and in the EU in general are not directly related to the cost of ASRGE's primary raw material – raw cane sugar. This creates risk in that the spread between selling prices and the cost of raw sugar must be closely managed. ASRGE generally uses sugar futures to manage this risk.

Additionally, raw cane sugar is generally purchased in USD currency, while sales are generally denominated in GBP and EUR currencies. ASRGE manages this risk through the use of currency derivatives.

The Directors are continuously monitoring and responding to the COVID-19 pandemic in order to minimise the potential impact on the business. A number of measures have been introduced to keep our staff safe, protect customers and consumers whilst enabling ASRGE to continue to produce products to meet our customers' requirements and feed the nation. The business continued to trade safely during the pandemic and the Directors do not consider COVID-19 to have had a material impact on the results as reported in these financial statements.

Section 172 Statement

This section describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) Companies Act 2006 in exercising their duty to promote the success of the Group for the benefit of its members as a whole.

The Directors seek to understand the respective interests of ASRGE's stakeholders so that these may be properly considered when making decisions. This is done through various methods, including: direct engagement by the Directors; receiving communication and updates from members of management who engage directly with stakeholders; and coverage in reports and presentations issued to the Directors.

Having regard to the likely consequences of any decision in the long term

ASRGE's strategy is to achieve a steady level of profitability by improving its product mix and increasing its operating efficiency whilst ensuring continued improvements in the sustainability of its products and supply chain. ASRGE also remains committed to achieving a competitive and non-discriminatory sugar policy through discussions with policy makers in both the UK and the EU.

ASRGE will continue to focus its investments in Europe to develop an innovative range of products to meet its customers' requirements whilst supporting its portfolio of highly recognisable brands through both organic growth and strategic acquisitions and partnerships.

ASR Group, as the owner of ASRGE, is committed to its customers in Europe, many of whom it also does business with in North America and globally.

The impact of COVID-19 seen in the second half of the financial year influenced the strategic decisions made. The Directors responded swiftly to the emerging threat and engaged a range of stakeholders, including employees, customers, suppliers and national governments, to ensure that all factories could continue to operate safely and supply products to feed our nations.

Having regard to the interests of the company's employees

ASRGE operates within a comprehensive framework of employment and human resource policies, practices and regulations.

Policies and procedures for recruitment, training and career development promote equality of opportunity regardless of gender, age, marital status, disability, sexual orientation, race, religion and ethnic or national origin. The aim is to encourage a culture in which all employees have the opportunity to develop as fully as possible in accordance with their individual abilities and the needs of ASRGE.

The Directors engage with employees through a variety of channels, including: People surveys, regular email communication around business performance and critical issues such as COVID-19, Town Hall meetings which all employees are invited to attend; and reports and advice from various employee-focussed committees.

(Amounts in thousands of Euros)

As a direct result of a people survey and other feedback received, ASRGE recently launched the Employer of Choice Commitment initiative. This includes a number of new policies, such as agile working and increased paternity leave, as well as improved communication tools and development opportunities for all employees.

Having regard to the need to foster the company's business relationships with suppliers, customers and others

The national lockdowns imposed in both the UK and Portugal had a significant impact on consumer behaviour, resulting in substantial increases in demand for retail products and a reduction in products sold to Industrial customers. The interests of customers were critical when considering how ASRGE could best adapt its operations to keep sugar and syrup on supermarket shelves and keep the nations fed. The Directors engaged with customers directly during negotiations and indirectly through briefings from the Sales team and attendance at regular operational meetings.

Critical to keeping our nations fed during the COVID-19 crisis was engaging with ASRGE's third party logistics providers who deliver our products where they're needed. Throughout the year the Directors were either directly involved in communication and negotiations with key suppliers or were kept regularly updated by the relevant management team. The Directors seek to balance the benefits of maintaining strong relationships with key suppliers alongside the need for excellent levels of customer service.

Having regard to the impact of the company's operations on the community and the environment

ASRGE is committed to being a good steward of the environment and the local communities where it operates.

The Directors receive regular reports from relevant management teams around investments and interactions with the local community. One example of a decision reached by the Directors relates to the annual Lyle's Local Fund, one part of our wider community programme, which is a small grants fund underwritten by TLS and open to organisations in Newham, London. It was doubled in 2020 to €58 in recognition of the challenges facing the local community as a result of the COVID-19 pandemic.

Efficiency and Sustainability is one of the four strategic pillars which underpins the wider business strategy. Efficiency metrics are reported to the Directors on a regular basis and business decisions are made with consideration for the sustainability both of ASRGE's business and for the environment.

ASRGE continues to focus on improving its energy efficiency whilst reducing its carbon footprint and improving the sustainability of our business model. The Directors recognise the importance of integrating climate related risks and opportunities into their business decisions to help with the transition to a low carbon economy.

A summary of emissions from the consumption of gas and electricity are disclosed below:

UK Greenhouse gas emissions and energy use data for the period October 2019 to September 2020		**2019/2020**
Energy consumption used to calculate emissions (kWh)		445,798,102
Energy consumption breakdown (kWh)		
Gas	440,375,143	
Electricity	5,422,959	
Scope 1 emissions (metric tonnes C02e)		
Gas consumption		89,780
Scope 2 emissions (metric tonnes C02e)		
Purchased electricity		1,298
Total gross emissions (metric tonnes C02e)		91,078
Intensity ratio metric tonnes CO2e against total sales revenue €000		0.299

The calculations are based on EU ETS procedures, which are verified by ASRGE's External Verifier (SGS). The UK business's emission level was 0.299 metric tonnes Co2e per €1,000 of revenue during the 52 week period ended 27 Sept 2020.

In line with the ASRGE's commitment to reduce its carbon footprint below are some of the initiatives that were instigated during the year:

- Completed a site wide assessment of energy usage which has generated a range of CO_2 and energy reduction opportunities which will be acted upon over the next financial year;
- Reduced the refinery's recycle by close to 20% (from c. 15.5% to c. 12.5%), with a proportionate reduction in CO_2 emissions and energy usage;
- Leveraged the business's Continuous Improvement program to complete several Lean Six Sigma projects, including one to reduce the energy required to start the refinery each week and another to cut damages to packed product which will reduce reprocessing; and
- Secured investment for high efficiency process pumps which will generate electrical savings of 318,000kWh from summer 2021.

Having regard to the desirability of the company maintaining a reputation for high standards of business conduct

ASRGE's brands are well-known and trusted by consumers and business partners alike. The reputation of our business and its brands has taken decades to build and protecting these by acting responsibly and fairly in all our interactions is a priority for the Directors and all employees. The Directors communicate the business's values through the implementation of Code of Ethics and Business Conduct policies, training sessions and regular communication via email, in person and through Town Hall meetings.

Having regard to the need to act fairly as between members of the company

ASRGE has one shareholder, ASR Group International, Inc. There are, therefore, no competing interests and the Directors are targeted with achieving certain financial and non-financial metrics approved by ASR Group International, Inc.

Approved by the Board on 19 February 2021 and signed on its behalf by:

Tarun Arora

Tarun Arora

Director

ASR Group Europe Limited
10 Bedford Street, Fourth Floor
London
WC2E 9HE

ASR Group Europe Limited

Directors' Report
at and for the period ended 27 September 2020
(Amounts in thousands of Euros)

The Directors present their report and the consolidated financial statements of ASRGE for the 52 week period ended 27 September 2020.

Financial risk management and financial instruments
ASRGE financial risk management objectives and policies including the policy for hedging each major type of forecasted transaction are outlined in Note 18.

Directors
The Directors who held office during the period and up to the date of signing of the financial statements are listed below.

Mr. Armando A. Tabernilla

Mr. Gabriel Buenaventura

Mr. Andrew Jones (Appointed 30 September 2019)

Mr. Tarun Arora (Appointed 30 September 2019)

Price risk management
No futures market exists in the EU to hedge price changes for preferential sugar. As such, ASRGE purchases and sales are made at fixed and variable prices, sometimes one or more years ahead. This creates business risk in the case of non-delivery of the raw sugar required for sales. ASRGE is closely managing these risks and operates a supply forecasting system for raw sugar supplies.

Charitable donations
During the year, the Group made €140 (2019: €99) of charitable donations to good causes local to our factories, as well as causes that our employees supported.

Disclosure of information to the auditor
The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware:
- there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to assure that the Company's auditor is aware of that information.

Auditor
Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Grant Thornton UK LLP will therefore continue in office.

On behalf of the Board of Directors

Tarun Arora
Tarun Arora

Director

ASR Group Europe Limited
10 Bedford Street, Fourth Floor
London
WC2E 9HE

19 February 2021

ASR Group Europe Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; 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 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of ASR Group Europe Limited

Opinion

We have audited the financial statements of ASR Group Europe Limited (the 'parent company') and its subsidiaries (the 'group') for the 52 week period ending 27 September 2020, which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flow, the Company Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 27 September 2020 and of the group's loss and the parent company's result for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macroeconomic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the 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 group's or the parent 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.

In our evaluation of the directors' conclusions, we considered the risks associated with the group's business, including effects arising from COVID-19 and Brexit, and analysed how those risks might affect the group's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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 financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement on page 6 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Philip Sayers
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
19 February 2021

ASR Group Europe Limited

Consolidated Income Statement
for the 52 week period ended 27 September 2020
(Amounts in thousands of Euros)

	Note		2020		2019
Revenue	*2*	€	**420,709**	€	376,232
Expenses					
Cost of sales			**(365,233)**		(322,096)
Selling, general, and administrative expenses			**(31,562)**		(35,870)
Net other income			**(12)**		(1,899)
Depreciation and amortisation	*6/7*		**(23,587)**		(20,606)
Net finance expenses	*8*		**(1,476)**		(4,255)
Loss from equity accounted investees, net of tax	23		**(1,260)**		(7,175)
Net loss before tax			**(2,421)**		(15,669)
Tax charge	*9*		**(821)**		(9,217)
Loss for the period from continuing operations			**(3,242)**		(24,886)
Discontinued operations:					
(Loss)/profit for the period from discontinued operations	*19*		**(4)**		1,266
Net loss		€	**(3,246)**	€	(23,620)
Attributable to:					
Ordinary shareholders		€	**(1,752)**	€	(23,344)
Non-controlling interest			**(1,494)**		(276)
Net loss		€	**(3,246)**	€	(23,620)

The accompanying notes are an integral part of these financial statements

ASR Group Europe Limited

Consolidated Statement of Comprehensive Income
for the 52 week period ended 27 September 2020
(Amounts in thousands of Euros)

	Note		**2020**		**2019**
Net loss for the period		€	**(3,246)**	€	(23,620)
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Actuarial losses on defined benefit pension plans	*16*		**(1,144)**		(2,278)
Income tax on defined benefit pension plans	*10*		**(135)**		359
			(1,279)		(1,919)
Items that are, or may be reclassified subsequently to profit or loss:					
Fair value of cash flow hedges			**(277)**		181
Fair value of interest rate swaps			**140**		(389)
Currency translation differences			**(4,778)**		5,479
Tax expense	*10*		**39**		35
			(4,876)		5,306
Total comprehensive loss		€	**(9,401)**	€	(20,233)
Attributable to:					
Ordinary shareholders		€	**(6,612)**	€	(21,006)
Non-controlling interest			**(2,789)**		773
Total comprehensive loss		€	**(9,401)**		(20,233)

The accompanying notes are an integral part of these financial statements

ASR Group Europe Limited

Consolidated Statement of Financial Position
as at 27 September 2020
(Amounts in thousands of Euros)

	Note	2020	2019
Non-current assets:			
Property, plant and equipment	6	€ **213,359**	€ 218,527
Intangible assets	7	**14,484**	15,121
Investment in equity-accounted investees	23	**52,941**	50,785
Deferred tax assets	10	**6,572**	7,015
Other assets		**4,625**	2,057
Total non-current assets		**291,981**	293,505
Current assets:			
Inventories	12	**103,147**	96,127
Trade and other receivables	13	**81,320**	82,986
Other financial assets	11	**82,617**	96,945
Income tax receivable		**150**	375
Cash and cash equivalents		**9,777**	6,657
		277,011	283,090
Assets of disposal group held for sale	19	**37**	41
Total current assets		**277,048**	283,131
Total assets		€ **569,029**	€ 576,636
Current liabilities:			
Trade and other payables	14	**69,143**	65,236
Loans and borrowings	15	**645**	10,000
Income tax payable		**223**	225
Other financial liabilities	11	**43,161**	36,091
Lease liabilities	1	**1,003**	—
Total current liabilities		**114,175**	111,552
Non-current liabilities:			
Loans and borrowings	15	**30,644**	77,286
Provision for equity investee deferred tax		**10,453**	10,453
Retirement benefit obligations	16	**9,965**	9,355
Other financial liabilities	11	**22,629**	23,416
Lease liabilities	1	**1,124**	—
Total non-current liabilities		**74,815**	120,510
Total liabilities		**188,990**	232,062
Equity:			
Share capital	17	**330,000**	330,000
Share premium and similar contributions		**44,866**	—
Reserves		**6,024**	9,920
Retained earnings		**(13,796)**	(11,080)
Shareholder's Equity		**367,094**	328,840
Non-controlling interest		**12,945**	15,734
Total equity		**380,039**	344,574
Total equity and liabilities		€ **569,029**	€ 576,636

On Behalf of the Board of Directors

Tarun Arora
Director
19 February 2021

Tarun Arora

The accompanying notes are an integral part of these financial statements

ASR Group Europe Limited

Consolidated Statement of Changes in Equity
at and for the period ended 27 September 2020
(Amounts in thousands of Euros)

		Share capital	Share premium and similar contributions	Hedging reserve	Translation reserve	Retained earnings	Equity shareholders' funds	Non-controlling interest	Total
Operating balance after restructuring		€ —	€ —	€ (2,520)	€ 6,162	€ 12,328	€ 15,970	€ 14,960	€ 30,930
Adjustment for restructuring		—		2,157	—	1,719	3,876	—	3,876
Net loss		—	—	—	—	(23,344)	(23,344)	(276)	(23,620)
Fair value of:									
Cash flow hedges transferred to OCI		—	—	181	—	—	181	—	181
Interest rate swaps transferred to OCI		—	—	(389)	—	—	(389)	—	(389)
Currency translation differences		—	—	—	4,294	—	4,294	1,185	5,479
Tax on items taken directly to OCI	*9*	—	—	35	—	359	394	—	394
Actuarial losses on defined benefit pension plans	*16*	—	—	—	—	(2,143)	(2,143)	(135)	(2,278)
Total other comprehensive income		—	—	(173)	4,294	(25,128)	(21,007)	774	(20,233)
Issue of new shares	17	330,000	—	—	—	—	330,000	—	330,000
Balance at 29 September 2019		€ 330,000	€ —	€ (536)	€ 10,456	€ (11,080)	€ 328,840	€ 15,734	€ 344,574
Comprehensive income:									
Net loss		—	—	—	—	(1,752)	(1,752)	(1,494)	(3,246)
Fair value of:									
Cash flow hedges transferred to OCI		—	—	(277)	—	—	(277)	—	(277)
Interest rate swaps transferred to OCI		—	—	140	—	—	140	—	140
Currency translation differences		—	—	—	(3,798)	—	(3,798)	(980)	(4,778)
Tax on items taken directly to OCI	*9*	—	—	39	—	(135)	(96)	—	(96)
Actuarial losses on defined benefit pension plans	*16*	—	—	—	—	(829)	(829)	(315)	(1,144)
Total other comprehensive income		—	—	(98)	(3,798)	(2,716)	(6,612)	(2,789)	(9,401)
Capital injection	*17*	—	44,866	—	—	—	44,866	—	44,866
Balance at 27 September 2020		€ 330,000	€ 44,866	€ (634)	€ 6,658	€ (13,796)	€ 367,094	€ 12,945	€ 380,039

Share premium and similar capital contribution:
Share premium and similar capital contribution represent the additional capital paid by the shareholder above the par value of the shares.

Foreign currency translation reserve:
The translation reserve comprises all foreign currency differences arising from the translation of foreign currency operations.

Hedging reserve:
The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

ASR Group Europe Limited

Consolidated Statement of Cash Flows
for the 52 week period ended 27 September 2020
(Amounts in thousands of Euros)

		2020		2019
Cash from operations:				
Net loss	€	**(3,246)**	€	(23,620)
Adjustments:				
Depreciation, amortisation and impairment		**23,587**		20,651
Loss on disposals of fixed assets		**68**		—
Net finance costs		**1,476**		4,255
Change in current tax and deferred tax balances		**569**		9,160
Change in derivatives		**20,476**		(17,941)
Loss from equity accounted investees, net of tax		**2,094**		6,278
(Increase)/decrease in inventories		**(7,957)**		7,737
Decrease/(increase) in trade and other receivables		**2,435**		(12,068)
(Increase)/decrease in other assets		**(2,688)**		2,139
Increase in trade and other payables		**4,744**		10,046
Interest and finance costs paid		**(3,145)**		(4,084)
Change in net assets of discontinued operations		**4**		—
Cash generated from operations		**38,417**		2,553
Cash from investing activities:				
Interest received		**1,490**		—
Investment in equity accounted investees		**(4,250)**		(4,500)
Investment in property, plant and equipment		**(20,878)**		(27,569)
Disposal of assets from discontinuing operations		**—**		2,750
Effect of exchange rate fluctuations		**101**		1,361
Cash used in investing activities		**(23,537)**		(27,958)
Cash from financing activities:				
Capital injection		**44,866**		—
(Repayment)/proceeds from loans and borrowings		**(56,626)**		21,997
Cash (used in)/generated from financing activities		**(11,760)**		21,997
Net increase/(decrease) in cash and cash equivalents		**3,120**		(3,408)
Cash and cash equivalents at beginning of period		**6,657**		10,065
Cash and cash equivalents at end of period	€	**9,777**	€	6,657

On 27th September 2019, the group completed an internal reorganisation in order to simplify the group structure. The reorganisation involved the transfer of all shareholdings in subsidiary companies from the immediate parent company, ESH, to ASRGE. ESH subsequently transferred its investment in ASRGE to its parent company, ASR Group International, Inc. As part of the restructuring during the year, ASRGE issued 330,000,000 €1 shares against the value of the investments received.

1 Accounting policies

ASR Group Europe Limited (the "Company" or "ASRGE") is incorporated and domiciled in the UK. The Company's registered office is 10 Bedford Street, Fourth Floor, London, England, WC2E 9HE.

(a) Basis of accounting

ASRGE's consolidated financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("adopted IFRSs"). The consolidated financial statements of ASRGE were authorised for issuance by the Board of Directors.

(b) Functional and presentation currency

The consolidated financial statements are presented in Euros, which is ASRGE's functional currency. Transactions in foreign currencies are translated to ASRGE's functional currency at the monthly average of daily foreign exchange rates during each month. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate at that date. Foreign exchange differences arising on retranslation are recognised in the consolidated income statement, except for differences arising on the retranslation of net investments in foreign operations and qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates at the dates the fair value was determined.

(c) Use of judgements and estimates

In order to prepare these consolidated financial statements in accordance with the Company's accounting policies, management used estimates and judgments to establish the amounts for recording certain items. The critical accounting estimates and judgments are set out below.

Deferred tax assets

The assessment of the probability of future taxable income against which deferred tax assets can be utilised is based on ASRGE's latest approved budgets and forecasts, which are adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which ASRGE operates are also taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is recognised in full.

Impairment

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset or cash-generating unit and determines a suitable discount rate to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future sales volumes and profit margins. These assumptions relate to future events and circumstances. The actual results may vary and may cause significant adjustments to ASRGE's assets within the next financial period. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and to asset-specific risk factors. ASRGE has considered the impact of Covid-19 when performing impairment assessments.

Credit risk

IFRS 9 requires ASRGE to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

(c) Use of judgements and estimates (continued)

In particular, IFRS 9 requires ASRGE to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset (stage 2 or stage 3 level of assets). However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), ASRGE is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL (stage 1). Accordingly, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition.

IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, ASRGE takes into account reasonable and supportable qualitative and quantitative forward looking information. ASRGE has considered the impact of Covid-19 when performing its year end assessment of credit risk.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that a knowledgeable market participant would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Retirement benefits

Defined benefit schemes are re-appraised annually by independent actuaries based upon actuarial assumptions. Significant judgment is required in determining these actuarial assumptions. Refer to note 16 for the principal assumptions used for the pension schemes.

Leases

The Company has leases which were classified as operating leases. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

When calculating the impacts on its accounts on adoption of IFRS 16, management is required to make judgements and estimates around the identification of lease arrangements which are required to be capitalised, assessment of the lease term, and determining an appropriate discount rate to apply to the gross lease obligations.

(d) Significant accounting policies

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that ASRGE has adequate resources to continue in operational existence for the foreseeable future after forecasting cash flows and considering risks and uncertainties, including the impact of Covid-19. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that are currently exercisable.

(d) Significant accounting policies (continued)

The acquisition date of a subsidiary is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Company's equity. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholders' share of changes in equity since the date of the combination.

Equity accounted investees

Equity accounted investees are those entities which meet either of the following criteria:

- Entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity.
- Entities over whose activities the Company has joint control, established by contractual agreement and requiring the partners' unanimous consent for strategic financial and operating decisions.

The initial investment in Equity accounted investees is recognised at cost.

Subsequent to initial recognition, the consolidated financial statements include the Company's share of the profit or loss and other comprehensive income of Equity accounted investees, until the date on which significant influence or joint control ceases.

The Company's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Company's share of the total comprehensive income and equity movements of Equity accounted investees from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Company's share of losses exceeds its interest in an Equity accounted investee, the Company's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of an investee.

Financial instruments

Financial assets and liabilities are recognised on ASRGE's consolidated statement of financial position when ASRGE becomes a party to the contractual provisions of the relevant financial instrument.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for derivative financial instruments which are measured at fair value.

Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire or when the financial asset and all substantial risks and rewards are transferred.

All financial assets except for those valued at fair value through profit and loss ('FVTPL') are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

All income and expenses relating to financial assets measured at FVTPL are recognised in the consolidated income statement. Any provision for impairment in relation to trade receivables is presented within 'selling, general and administrative expenses'.

A financial liability is de-recognised when it is extinguished, discharged, cancelled or expires. Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities designated at fair value through the consolidated income statement, that are carried subsequently at fair value with gains or losses recognised in the consolidated income statement.

All interest-related charges are included within 'finance income/expenses'.

Financial assets and financial liabilities are measured subsequently as described below.

(d) Significant accounting policies (continued)

Non–derivative financial instruments

For the purpose of subsequent measurement, financial assets are classified within the following categories upon initial recognition:

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. For the purposes of the cash flow statement only, bank overdrafts are considered to be borrowings in nature.

Trade receivables

Trade receivables are initially recognised at fair value. Subsequently, trade receivables are regularly reviewed to determine whether a provision for impairment is necessary. Trade receivables are measured at amortised cost at the reporting date in accordance with IFRS 9. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty is likely to default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry, region and other available features of shared credit risk characteristics.

Trade payables

Non-current and current trade payables are recognised initially and at the reporting date at fair value.

Derivative financial instruments and hedging

Derivatives are financial assets or financial liabilities classified and recorded at FVTPL, except for those designated in a hedge relationship.

All derivative financial instruments that are not designated and effective as hedging instruments are accounted for at FVTPL.

Cash flow hedging instruments

Hedges of firm commitments and highly probable forecasted transactions, including forecasted intra-group transactions that are expected to affect the income statement are designated as cash flow hedges. To the extent that movements in the fair values (based on market valuation of these instruments) effectively offset the underlying risk being hedged they are recognised in the hedging reserve in equity until the period during which the hedged firm commitment or forecast transaction affects the consolidated income statement. At that point, the cumulative gain or loss is recognised in the consolidated income statement, offsetting the value of the hedged transaction.

ASRGE uses interest rate swaps and foreign currency forward contracts to hedge the interest rate risk associated with its floating rate borrowings and foreign currency risk in relation to highly probable forecasted sales and purchases, respectively.

Fair value hedges

Where a derivative financial instrument is designated as a fair value hedge, changes in the fair value of the underlying asset or liability attributable to the hedged risk are recognised as gains and losses on the derivative instrument in the consolidated income statement for the period. ASRGE uses foreign exchange forwards to hedge foreign currency risk associated with committed transactions.

Commodity futures

ASRGE trades in commodity futures to economically hedge the price risk associated with its forecasted sales and purchases of sugar. These futures contracts are measured at fair value with any movement in fair value recorded in the consolidated income statement.

(d) Significant accounting policies (continued)

Purchase contracts

Some purchase contracts do not qualify for the own use exemption under IFRS 9. All such contracts are measured at FVTPL on the date of initial recognition and at the reporting date.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost represents the fair value of the fixed assets when acquired.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the consolidated income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Freehold Land	No depreciation
Freehold Buildings	15 - 30 years
Plant and machinery	3 - 15 years
Right of Use assets	2 - 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Business combinations

All business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to ASRGE. ASRGE measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- The fair value of the existing equity interest in the acquiree; less
- The net recognised amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the consolidated income statement.

Costs related to the acquisition, other than those associated with the issuance of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is recorded within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the consolidated income statement.

Intangible assets and goodwill

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses where applicable. The main categories of intangible assets are as follows:

Intangible assets – indefinite useful lives

Goodwill, trademarks and licences are not amortised but are tested annually for impairment at the reporting date.

Acquired intangible assets are held on the consolidated statement of financial position at cost. Where these assets are regarded as having indefinite useful economic lives, they are not amortised. Assessment of the useful economic life of an asset, or that an asset has an indefinite life, requires management judgement.

Impairment reviews are carried out to ensure that intangible assets with an indefinite life are not carried at above their recoverable amounts. In particular, ASRGE performs a discounted cash flow analysis at least annually to compare discounted estimated future operating cash flows to the net carrying value of each acquired intangible asset.

(d) Significant accounting policies (continued)

Intangible assets – finite useful lives
Customer relationships and proprietary technology assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the consolidated income statement on a straight-line basis over the estimated useful life of the asset from the date they are available for use.

The estimated useful economic lives of these intangible assets are as follows:

Customer relationships:	5 – 18 years
Proprietary technology:	10 years

Research and development
Expenditure on research and development activities is recognised in the consolidated income statement as an expense when incurred or capitalised if capitalisation requirements are met.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditures incurred in acquiring the inventories, production or conversion costs, and other costs in bringing them to their existing location and condition as of the reporting date. In the case of manufactured inventories and work in progress, cost includes an appropriate share of labour and overheads based on normal operating capacity. Some raw sugar inventories are held at cost per the purchase contract plus the fair value of the derivative on the settlement date.

Impairment excluding inventories and deferred tax assets
Financial assets
In relation to the impairment of financial assets, IFRS 9 requires ASRGE to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires ASRGE to recognise a loss allowance for expected credit losses on:

- Debt investments measured subsequently at amortised cost or at fair value through other comprehensive income,
- Lease receivables,
- Trade receivables and contract assets, and
- Financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

A financial asset not adjusted to FVTPL is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be reliably estimated.

An impairment loss in respect of a financial asset recorded at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the consolidated income statement. ASRGE has assessed Trade receivables at life time ECL basis and all other stage 1 financial assets at 12 months ECL basis.

Non-financial assets
The carrying amounts of ASRGE's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

(d) Significant accounting policies (continued)

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from their continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (or group of units) on a pro rata basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Employee benefits
ASRGE has both defined contribution and defined benefit plans.

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which ASRGE pays annual contributions as defined by the plan into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the consolidated income statement in the periods during which services are rendered by employees.

Defined benefit plans
A defined benefit plan is a post-employment benefit plan that provides an employee with a retirement benefit as defined by the plan. ASRGE's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any plan assets are deducted. ASRGE determines the interest on the defined benefit net liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the defined benefit net liability/asset.

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA, that have maturity dates approximating the terms of ASRGE's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Re-measurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). ASRGE recognises these re-measurements immediately in other comprehensive income. All other expenses related to defined benefit plans are recognized in the consolidated income statement.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in the consolidated income statement when the plan amendment or curtailment occurs.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to ASRGE, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

Provisions
A provision is recognised in both the consolidated statement of financial position and the consolidated income statement when ASRGE has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation.

(d) Significant accounting policies (continued)

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Revenue recognition
Revenue comprises revenue from the sale of goods. Revenue is measured at the fair value of consideration received or receivable and represents amounts obtained through trading activities, net of value added tax. ASRGE applies the revenue recognition criteria set out below to each separately identifiable component of the sales or service transaction in order to reflect the substance of the transaction.

The consideration received from these transactions is allocated to the separately identifiable component by taking into account the relative fair value of each component.

Sale of goods
Revenue is recognised when performance obligations are satisfied, goods are delivered to customers and control of goods is transferred to the buyer and recognised at a point in time.

ASRGE also procures raw sugar for other group companies. ASRGE records these sales on a net basis as it is not primarily responsible for the quality of the raw sugar, does not bear the inventory risk and does not control the establishment of pricing.

Revenue from the sale of electricity to Belize Electricity Limited (BEL) is recorded when energy is delivered. The determination of sales to BEL is based on the reading of their meter, which is performed on a systematic basis throughout the month.

Interest income
Interest income and expenses are recorded on an accruals basis using the effective interest method.

Taxation
The current tax is based on taxable profit for the period. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. ASRGE's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the consolidated statement of financial position liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that the taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, provided that they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when ASRGE has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax benefit or expense in the consolidated income statement, except where they relate to items that are recognised in the consolidated statement of comprehensive income or directly in equity, in which case the related deferred tax is also recognised in the consolidated statements of comprehensive income or equity, respectively.

(d) Significant accounting policies (continued)

Share Capital

Share capital represents the nominal value of shares that have been issued. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Share premium and similar capital contributions represent the additional capital paid by the shareholder above the par value of the shares.

Dividend distributions payable to equity shareholders are included in 'other liabilities' when the dividends have been approved in a general meeting prior to the reporting date.

Discontinued Operations

A discontinued operation is a component of ASRGE's business, the operations and cash flows of which can be clearly distinguished from the rest of the group and which:

- Represents a separate major line of business or geographical area;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Classification occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

Assets Held For Sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are measured at the lower of their carrying value and fair value less costs to sell. Once classified as held-for-sale, intangible assets and property plant and equipment are no longer amortised or depreciated, and any equity-accounted for investee is no longer equity accounted.

Adoption of new accounting standards

The following accounting standards, interpretations and amendments, were adopted during the year and, other than IFRS 16, had no significant impact on ASRGE's financial statements:

- IFRIC 23 Uncertainty over Income Tax Treatments
- Amendments to IFRS 9 Prepayment features with Negative Compensation
- Amendments to IAS 19 Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures
- Annual Improvements to IFRS 2015 – 2017

ASRGE is assessing the impact of following standards, interpretations and amendments that are not yet effective. ASRGE will adopt those changes on the effective dates where already endorsed by the EU. For changes not endorsed by the EU, the effective dates are uncertain:

- IFRS 17 Insurance Contracts effective 2022-2023 financial year (not yet endorsed by the EU)
- Amendments to IFRS 3 Definition of a Business effective 2021-2022 financial year
- Amendments to IAS 1 and IAS 8 Definition of Material effective 2021-2022 financial year
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current effective 2023-2024 financial year (not yet endorsed by the EU)
- Amendments to References to the Conceptual Framework in IFRS Standards effective 2021-2022 financial year.

The impact of the other standards effective in 2021 and beyond have not yet been fully assessed.

(d) Significant accounting policies (continued)

IFRS 16 Leases

IFRS 16 introduces a new model for the identification of leases and accounting for lessors and lessees. It replaces IAS 17 Leases and other related requirements. ASRGE adopted IFRS 16 on 30 September 2019 and applies it in financial year ended 27 September 2020 for the first time.

IFRS 16 removes the previous accounting distinction between operating leases (off balance sheet) and finance leases (on-balance sheet). IFRS 16 requires ASRGE to recognise a lease liability and corresponding right-of-use asset for all leases except for short-term leases and leases of low-value assets.

IFRS 16 permits a choice between two transition methods:

i) a fully retrospective approach with an adjustment made to the opening retained earnings of the comparative period; or

ii) a modified retrospective approach with the cumulative effect of initial application recognised at the date of initial application without restating prior periods.

ASRGE has adopted the modified retrospective approach. Lease liabilities are measured initially at the present value of lease payments yet to be paid, and have been adjusted for interest and lease payments. Lease liabilities are included in other payables. The lease liability at 30 September 2019 has been measured at the present value of unpaid lease payments applying ASRGE's overall borrowing rate as applicable for leases.

Right-of-use assets are reported as noncurrent assets and are initially measured at an amount equal to the lease liability. Right-of-use assets are subsequently measured at cost less accumulated depreciation and any impairment losses, adjusted for any re-measurement of the lease liability. There is no change to overall cash flows.

Operating lease payments were included previously in operating cash flows and finance lease payments were allocated between payments of principal and interest within financing cash flows. Under IFRS 16, lease payments are split between payments of principal and interest, presented as financing cash flows. Operating lease expenses previously charged to operating profit have been replaced by depreciation of right-of-use assets (within operating profit) and interest cost (within finance expense). Although the aggregate income statement impact of each lease over its life does not change, the generally straight-line profile of operating lease expense is now more front-loaded under IFRS 16 because of the interest charge on the lease.

ASRGE has applied the practical expedient that permits the exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application. ASRGE has also applied the practical expedient not to recognise short-term leases (with a term of less than twelve months) and low-value leases (where the value of lease on inception is less than €5,000). These leases will continue to be classed as operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense. Lease incentives are also recognised over the life of the lease on a straight-line basis.

IFRS 16 requires that right-of-use assets be presented separately from other assets or together with the same line item as that within which the corresponding underlying assets would be presented (e.g. property, plant and equipment). In the layout below. ASRGE has elected to combine the right of use assets together with the same line item as that within which the corresponding underlying assets have been presented.

(Amounts in thousands of Euros)

(d) Significant accounting policies (continued)

The following tables summarise the adjustments made at the transition date to assets and liabilities as a result of applying IFRS 16:

Right of use assets

		Land and Buildings		Plant and machinery		Total
IFRS 16 opening balance adjustment at 30 September 2019	€	1,779	€	1,303	€	**3,081**
Additions		—		65		**65**
Total right of use assets		**1,779**		**1,368**		**3,146**
Depreciation for the year		(445)		(644)		**(1,088)**
Net Book Value	€	**1,334**	€	**724**	€	**2,058**

Lease liabilities

		Land and Buildings		Plant and machinery		Total
IFRS 16 opening balance adjustment at 30 September 2019	€	1,779	€	1,303	€	**3,081**
Additions		—		65		**65**
Interest Expense		55		40		**96**
Repayments		(459)		(656)		**(1,115)**
Total lease liabilities	€	**1,375**	€	**752**	€	**2,127**

Lease liabilities included in the statement of financial

		2020
Current	€	1,003
Non-current		1,124
Total lease liabilities	€	**2,127**

The following table shows the reconciliation between the lease commitments disclosed under IAS 17 and the lease liabilities disclosed under IFRS 16:

Total lease commitments disclosed at 29 September 2019	€	**3,633**
Recognition exemptions:		
Leases of low value assets		(232)
Leases with remaining lease term of less than 12 months		(103)
		3,298
Impact of discounting using incremental borrowing rate		(217)
Total lease liabilities recognised under IFRS 16 at 30 September 2019	€	**3,081**

(Amounts in thousands of Euros)

(2) Revenue

Revenue recognised is summarized as follows by business activity and geography:

		2020		2019
Business activity:				
Sale of goods	€	**416,078**	€	369,145
Rendering of electricity		**4,631**		7,087
Total revenues	€	**420,709**	€	376,232
Revenues by geography:				
UK	€	**246,930**	€	234,959
Rest of Europe		**104,081**		102,458
Rest of the world		**69,698**		38,815
Total revenues	€	**420,709**	€	376,232

(3) Auditor's remuneration

		2020		2019
Audit of ASRGE Group and subsidiary financial statements	€	**287**	€	304
Total auditor's remuneration	€	**287**	€	304

(4) Employee headcount, cost and benefits

Average employee headcount, costs and benefits during the period were as follows:

		2020		2019
Average employee headcount:				
Operations		**971**		979
Sales, general and administration		**276**		273
Total average employee headcount		**1,247**		1,252
Employee cost and benefits:				
Wages and salaries	€	**52,688**	€	52,141
Social security costs		**6,578**		5,830
Pension costs		**3,113**		3,232
Other		**1,129**		1,239
Total employees' cost and benefits	€	**63,508**	€	62,442

Employee cost and benefits includes amounts for discontinued operations for 2019.

ASR Group Europe Limited

Notes to the Financial Statements
for the 52 week period ended 27 September 2020
(Amounts in thousands of Euros)

(5) Directors' remuneration

		2020
Salaries and bonuses	€	**966**
Total directors' remuneration	€	**966**

The total remuneration of the highest paid director included in the above amounts was €497. In 2019 no directors received any remuneration in respect of qualifying services to the group, all remuneration was paid by other group companies.

(6) Property, plant and equipment

		land and buildings		Plant and machinery		Assets under construction		Total
Gross carrying amount:								
At 29 September 2019	€	**91,832**	€	**237,394**	€	**21,830**	€	**351,056**
Additions		5,425		4,052		14,547		24,024
Transfers		4,931		3,298		(8,229)		—
Asset writeoff		(6,494)		(427)		—		(6,921)
Effect of movements in foreign exchange		(1,952)		(3,623)		(791)		(6,366)
At 27 September 2020	€	**93,742**	€	**240,694**	€	**27,357**	€	**361,793**
Depreciation:								
At 29 September 2019	€	**(12,061)**	€	**(120,468)**	€	**—**	€	**(132,529)**
Transfer of provision		—		(1,250)		—		(1,250)
Charge for the year		(1,915)		(21,036)		—		(22,951)
Asset writeoff		—		6,853		—		6,853
Effect of movements in foreign exchange		—		1,443		—		1,443
At 27 September 2020	€	**(13,976)**	€	**(134,458)**	€	**—**	€	**(148,434)**
Net book value								
At 29 September 2019		79,771		116,926		21,830		218,527
At 27 September 2020	€	**79,766**	€	**106,236**	€	**27,357**	€	**213,359**

(Amounts in thousands of Euros)

(7) Intangible assets

		Goodwill		Customer relationships		Proprietary technology		Trademarks and licenses		Total
At 29 September 2019	€	3,124	€	2,987	€	93	€	8,917	€	15,121
Amortisation charge		—		(543)		(93)		—		(636)
At 27 September 2020	€	3,124	€	2,444	€	—	€	8,917	€	14,484
Gross carrying amounts:										
At 27 September 2020	€	14,479	€	7,567	€	942	€	9,804	€	32,792
Accumulated impairment:										
At 27 September 2020		(11,355)		—		—		(888)		(12,243)
Accumulated amortisation:										
At 27 September 2020		—		(5,123)		(942)		—		(6,065)
Net book value:										
At 27 September 2020	€	3,124	€	2,444	€	—	€	8,916	€	14,484

Research costs of €505 (2019: 855) were charged to the income statement in the period.

(8) Net finance expenses

Finance income and expense consist of the following during 2020 and 2019:

		2020		2019
Interest income on cash deposits	€	2,608	€	432
Interest payable on borrowings		(3,878)		(4,328)
Bank charges		(206)		(359)
Net finance expense	€	(1,476)	€	(4,255)

(9) Taxation

Income tax included in the consolidated income statement for 2020 and 2019 is as follows:

		2020		2019
Current tax charge	€	(474)	€	(106)
Current tax credit in respect of prior years		—		3
Deferred tax charge		(347)		(9,118)
Total tax charge recognised in the period	€	(821)	€	(9,221)

Tax recognised directly in equity:				
Deferred tax (charge)/credit recognised in the period in equity	€	(96)	€	394

(Amounts in thousands of Euros)

(9) Taxation (continued)

The relationship between the actual tax charge and the expected tax charge based on the standard corporation tax rate is explained as follows:

		2020		2019
Loss before taxes	€	(2,421)	€	(14,403)
Tax credit using the standard UK corporation tax rate of 19%	€	460	€	2,736
Change in future tax rates		831		(101)
Difference in overseas tax rates		(1,955)		(1,692)
Non-deductible expenses		51		(710)
Losses not recognised		4		(9,469)
Other		(212)		15
Total tax charge	€	(821)	€	(9,221)

A change to the main UK corporation tax rate announced on 11 March 2020 was substantively enacted on 17 March 2020. As a result, the rate applicable from 1 April 2020 now remains at 19% rather than the previously enacted reduction to 17%. The deferred tax asset at 27 September 2020 has been calculated based on the rate of 19% substantively enacted at the balance sheet date, being the rate at which the asset is expected to be realised.

(10) Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities at 27 September 2020 are attributable to the following:

		Assets		Liabilities		Net
Property, plant and equipment	€	5,376	€	—	€	5,376
Intangible assets		—		(1,734)		(1,734)
Pensions		1,009		—		1,009
Financial assets and liabilities		296		—		296
Tax value of loss carry forward		996		—		996
Other short term timing differences		629		—		629
Total deferred tax assets and liabilities	€	8,306	€	(1,734)	€	6,572

Movement in deferred tax during the period:

		2019		Recognised in Income Statement		Recognised directly in OCI		2020
Property, plant and equipment	€	**6,999**	€	(1,623)	€	—	€	**5,376**
Intangible assets		**(1,857)**		123		—		**(1,734)**
Pension		**1,180**		(36)		(135)		**1,009**
Financial assets and liabilities		**(2,370)**		2,627		39		**296**
Tax value of loss carry-forward		**2,002**		(1,006)		—		**996**
Other short-term timing differences		**1,061**		(432)		—		**629**
	€	**7,015**	€	**(347)**	€	**(96)**	€	**6,572**

(Amounts in thousands of Euros)

(10) Deferred tax assets and liabilities (continued)

A deferred tax asset of €15,659 relating to tax losses has not been recognised due to uncertainty regarding the timing of expected recovery of the asset.

These losses have a gross value of €83,523. Of this amount, €51,640 of gross losses have no expiry date. The remaining losses have various expiry dates between September 2025 and September 2027 depending on the period in which they were incurred.

(11) Financial instruments

The classification of derivative financial instruments is as follows:

	2020		2019	
	Assets	Liabilities	Assets	Liabilities
Current derivative financial instruments:				
Forward foreign exchange contracts				
– priced contracts	€ **188**	€ **(465)**	€ 3,470	€ —
Foreign exchange contracts				
– not in hedge accounting relationship	**8,733**	**(10,390)**	25,385	(8,905)
Foreign exchange on priced contracts	**2,446**	**(193)**	—	(3,470)
Commodity derivatives	**71,250**	**(32,113)**	68,090	(23,716)
	82,617	**(43,161)**	96,945	(36,091)
Other non-current derivative financial instruments:				
Commodity derivatives	—	**(22,124)**	—	(22,770)
Interest rate swaps – cash flow hedge	—	**(505)**	—	(646)
Total financial instruments	€ **82,617**	€ **(65,790)**	€ 96,945	€ (59,507)

27 September 2020	Loans and receivables at amortised cost	Fair value through P&L	Derivatives in effective hedge relationships	Financial liabilities at amortised cost	Total carrying value
Trade and other receivables	€ 81,320	€ —	€ —	€ —	€ **81,320**
Cash and cash equivalents	9,777	—	—	—	**9,777**
Interest rate swap, net (1)	—	—	(505)	—	**(505)**
Foreign exchange contracts – cash flow hedges, net (2)	—	—	(277)	—	**(277)**
Foreign exchange contracts – not in hedge relationship, net (2)	—	(1,657)	—	—	**(1,657)**
Foreign exchange on priced – contracts, net (2)	—	2,253	—	—	**2,253**
Commodity derivatives, net	—	17,013	—	—	**17,013**
Borrowings	—	—	—	(31,289)	**(31,289)**
Trade and other payables	—	—	—	(69,143)	**(69,143)**
Total	€ **91,097**	€ **17,609**	€ **(782)**	€ **(100,432)**	€ **7,492**

(1) The notional value of the interest rate swap is €10,000.
(2) The notional value of the forward contracts is €1,946.

(Amounts in thousands of Euros)

(11) Financial instruments (continued)

29 September 2019	Loans and receivables at amortised cost	Fair value through P&L	Derivatives in effective hedge relationships	Financial liabilities at amortised cost	Total carrying value
Trade and other receivables	€ 82,986	€ —	€ —	€ —	€ **82,986**
Cash and cash equivalents	6,657	—	—	—	**6,657**
Interest rate swap, net [(1)]	—	—	(646)	—	**(646)**
Foreign exchange contracts					
– not in hedge relationship, net [(2)]	—	16,480	—	—	**16,480**
Commodity derivatives, net	—	21,604	—	—	**21,604**
Borrowings	—	—	—	(87,286)	**(87,286)**
Trade and other payables	—	—	—	(65,236)	**(65,236)**
Total	€ **89,643**	€ **38,084**	€ **(646)**	€ **(152,522)**	€ **(25,441)**

(1) The notional value of the interest rate swap is €10,000.
(2) The notional value of the forward contracts is €17,767.

Analysis of fair value by valuation method

Level 1 fair value is determined using observable inputs that reflect unadjusted quoted market prices for identical assets and liabilities.

Level 2 fair value is determined using significant inputs that may be either observable inputs or unobservable inputs that are corroborated by market data.

Level 3 fair value is determined using significant inputs that are unobservable and reflect management's assumptions about market data. The Company does not have any level 3 investments.

There were no movements between the levels during the year.

Derivative financial instruments are segregated by valuation level as follows:

27 September 2020	Level 1	Level 2	Total
Derivative financial assets:			
Forward foreign exchange - on priced contracts	€ —	€ 188	€ **188**
Forward foreign exchange - not in hedge relationship	—	8,733	**8,733**
Foreign exchange on priced contracts	—	2,446	**2,446**
Commodity derivatives	71,250	—	**71,250**
Derivative financial assets at fair value	**71,250**	**11,367**	**82,617**
Derivative financial liabilities:			
Foreign exchange on priced contracts	—	(193)	**(193)**
Forward foreign exchange - cash flow hedges	—	(465)	**(465)**
Forward foreign exchange contracts - not in - hedge relationship	—	(10,390)	**(10,390)**
Commodity derivatives	(54,237)	—	**(54,237)**
Interest rate swaps - cash flow hedge	—	(505)	**(505)**
Derivative financial liabilities at fair value	€ **(54,237)**	€ **(11,553)**	€ **(65,790)**

(Amounts in thousands of Euros)

(11) Financial instruments (continued)

29 September 2019	Level 1	Level 2	Total
Derivative financial assets:			
Foreign exchange on priced contracts	€ —	€ 3,470	€ **3,470**
Foreign exchange - not in hedge relationship	—	25,385	**25,385**
Commodity derivatives	68,090	—	**68,090**
Derivative financial assets at fair value	**68,090**	**28,855**	**96,945**
Derivative financial liabilities:			
Foreign exchange on priced contracts	€ —	€ (3,470)	€ **(3,470)**
Foreign exchange contracts - not in hedge relationship	—	(8,905)	**(8,905)**
Commodity derivatives	(46,486)	—	**(46,486)**
Interest rate swaps - cash flow hedge	—	(646)	**(646)**
Derivative financial liabilities at fair value	€ **(46,486)**	€ **(13,021)**	€ **(59,507)**

Netting

The Company has ISDA Master Agreements in place with two counterparties that permit the netting of balances. The net positions in respect of these counterparties at 27 September 2020 were as follows:

27 September 2020	Gross	Net-off	Net amount
Financial assets offset	€ 8,307	(10,175)	€ **(1,868)**
Financial liabilities offset	(10,175)	10,175	—
Total	**(1,868)**	—	**(1,868)**

29 September 2019	Gross	Net-off	Net amount
Financial assets offset	€ 25,959	(8,192)	€ 17,767
Financial liabilities offset	(8,192)	8,192	—
Total	**17,767**	—	**17,767**

Cash flow hedge

The Group uses forward foreign exchange contracts, swaps, options and interest rate swaps to hedge cash flow risk associated with highly probable forecast transactions, firm commitments and monetary items denominated in foreign currencies. The economic relationship of each hedge is assessed based on the critical terms of the hedging instrument (amount, currency, maturity date) compared to the hedged item. Consistent with Group's risk management policy, the hedge ratio can be up to 100% of the hedged item. Sources of hedge ineffectiveness include changes in the timing of payment or receipt of foreign currencies and changes in the amount paid or received.

The cash flows associated with foreign currency forwards are expected to impact the income statement within the next 36 months and the cash flows associated with the interest rate swaps are expected to impact the consolidated income statement between the balance sheet date and 30 September 2024.

(Amounts in thousands of Euros)

(12) Inventories

		2020		2019
Raw sugar and consumables	€	**46,382**	€	45,650
Work in progress		**6,378**		5,691
Finished goods		**25,814**		21,914
Manufacturing supplies		**24,573**		22,872
Total inventories	€	**103,147**	€	96,127

An inventory provision of €5,010 is included within the inventory value on the balance sheet (2019: €4,926). The value of inventory charged to the income statement for the year was €243,463 (2019: €218,578).

(13) Trade and other receivables

Trade and other receivables consist of the following at the end of 2020 and 2019:

		2020		2019
Trade receivables	€	**50,688**	€	56,294
Amounts due from related parties		**16,283**		3,910
Prepayments		**4,917**		7,367
VAT recoverable		**3,396**		4,515
Other		**6,036**		10,900
Total trade and other receivables	€	**81,320**	€	82,986

All trade and other receivables are expected to be recovered within 12 months. €10,000 of trade receivables have been securitised as disclosed in note 15, under the accounts receivable securitization loan.

(14) Trade and other payables

		2020		2019
Trade payables	€	**32,555**	€	35,441
Amounts due to related parties		**1,217**		1,265
Accrued expenses		**27,797**		24,040
Provisions		**1,970**		1,873
Other payables		**5,604**		2,617
Total trade and other payables	€	**69,143**	€	65,236

All trade and other payables are expected to be paid within 12 months.

(Amounts in thousands of Euros)

(15) Loans and borrowings

Loans and borrowings included in current and non-current liabilities in 2020 and 2019 are as follows:

		2020		2019
Included in current liabilities:				
Current portion of senior long term debt	€	**645**	€	—
Accounts receivable securitization loan		—		10,000
Subtotal		**645**		10,000
Included in non-current liabilities:				
Senior long term debt		**5,190**		6,864
Accounts receivable securitization loan		**10,000**		—
Loans from related parties		**15,454**		70,422
Subtotal		**30,644**		77,286
Total loans and borrowings	€	**31,289**	€	87,286

Reconciliation of movements in liabilities to cash flows arising from financing activities:

		Loans from related parties		Lease liabilities		Senior long term debt		Non-Controlling Interest
Opening balance after restructuring	€	**48,425**	€	—	€	—	€	**14,960**
Drawdown of loans		21,997		—		—		—
Net (loss)		—		—		—		(276)
Currency translation differences		—		—		—		1,185
Actuarial losses on defined benefit pension plans		—		—		—		(135)
Balance as at 29 September 2019		**70,422**		—		**6,864**		**15,734**
Lease liabilities under IFRS 16		—		3,146		—		—
Repayment of loans		(54,968)		(1,019)		(1,029)		—
Net (loss)		—		—		—		(1,494)
Currency translation differences		—		—		—		(980)
Actuarial losses on defined benefit pension plans		—		—		—		(315)
Balance as at 27 September 2020	€	**15,454**	€	**2,127**	€	**5,835**	€	**12,945**

Repayment of loans excludes FX impact of €390.

Credit facilities and arrangements (amounts in €'000)

Senior long term debt
In February 2019, Belize received a long term loan of $7,500 from the Inter-American Development Bank. The term loan has a maturity date of February 2025 with one year's grace. The term loan is subject to a fixed interest rate plus 3 month Libor.

Loans from related parties
ASRGE has been provided with a revolving credit facility of $100,000 by a group company, expiring on 30 September 2022. As at 27 September 2020, the amount drawn down in respect of these facilities was $17,980 (2019: $77,040). The facility is provided at a rate of Libor plus a spread in line with third party debt pricing and availability.

Multi-currency facility
ASRGE currently has access to a multicurrency bank facility of $250,000, which matures on 24 April 2025. This facility is shared with ASR Group and some of its other subsidiaries. This facility is at a floating interest rate based on Libor plus a negotiated spread.

(Amounts in thousands of Euros)

(15) Loans and borrowings (continued)

Accounts receivable securitization loan
The accounts receivable securitization loan is provided based on the lender's first lien on T&L Sugars Ltd accounts receivable. Up to €50,000 may be borrowed at a fluctuating interest rate per annum based on Euribor plus an agreed upon spread. As at 27 September 2020, the outstanding balance on the accounts receivable securitization facility was €10,000 (2019: €10,000).

Carrying value of loans and borrowings
The fair value of loans and borrowings, except ASRGE's interest rate swaps as discussed in Note 11, approximates the carrying amount.

Off balance sheet commitments
ASRGE, along with its 50% joint venture partner, has entered into an agreement to provide support in the event of non-performance by SRB S.p.A regarding its obligations in respect of its €84,294 term loan and revolving credit facility arrangement. This commitment includes a pledge over shares in the investment and other financial instruments.

(16) Employee benefits

ASRGE maintains pension plans for its operations in UK, Portugal and Belize. In Portugal and Belize some of these arrangements are defined benefit pension schemes with retirement, medical, disability, death and termination income benefits. The retirement income benefits are generally a function of the years of employment and final salary.

The retirement scheme is funded and the assets are held by a third party pension fund provider. It is funded in line with local practice and contributions are assessed in accordance with local independent actuarial advice. The schemes operated by ASRGE are subject to independent actuarial valuations at regular intervals.

The information disclosed below is in respect of all of the plans for which ASRGE is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the period presented below.

		2020		2019
Present value of funded defined benefit obligations	€	**(11,509)**	€	(12,531)
Present value of unfunded defined benefit obligations		**(16,465)**		(16,685)
Fair value of plan assets		**18,010**		19,861
Retirement benefit obligations	€	**(9,965)**	€	(9,355)

The movements in the value of defined benefit obligations are as follows:

		2020		2019
Defined benefit at beginning of period	€	**(29,216)**	€	(26,504)
Included in profit or loss:				
Current service cost		**(223)**		(222)
Interest cost		**(788)**		(937)
Curtailment		**—**		63
		(1,011)		(1,096)
Included in OCI:				
Actuarial (losses) arising from a change in assumptions		**(397)**		(2,658)
Effect of movement in exchange rate		**1,040**		(936)
		643		(3,594)
Other:				
Plan participants contributions		**(158)**		(150)
Benefits paid		**1,815**		1,663
Settlement		**(47)**		465
		1,610		1,978
Defined benefit at end of period	€	**(27,974)**	€	(29,216)

(Amounts in thousands of Euros)

(16) Employee Benefits (continued)

The movements in fair value of plan assets are as follows:

		2020		2019
Fair value of plan assets brought forward	€	**19,861**	€	19,216
Included in profit or loss:				
Interest income	€	**590**	€	710
	€	**590**	€	710
Included in OCI				
Actuarial (losses)/gains from return on plan assets	€	**(747)**	€	380
Effect of movement in exchange rate		**(726)**		710
	€	**(1,473)**	€	1,090
Other:				
Benefits paid	€	**(1,815)**	€	(1,663)
Plan participants contributions		**158**		150
Employer contribution		**690**		776
Settlement		—		(418)
	€	**(968)**	€	(1,155)
Fair value of plan assets carried forward	€	**18,010**	€	19,861

ASRGE expects to contribute approximately €422 to plan assets and make direct benefit payments of approximately €1,469 in 2021.

The weighted average duration of the defined benefit obligation at the end of the reporting period was 14 years.

The expense recognised in 2020 and 2019 were as follows:

		2020		2019
Current service cost	€	**(223)**	€	(222)
Interest expense		**(788)**		(937)
Interest income		**590**		710
	€	**(422)**	€	(449)

The expense is recognised in the "Selling, general and administrative expenses" line item in the consolidated income statement.

Actuarial gains and losses recognised directly in equity in the consolidated statement of comprehensive income since incorporation are as follows:

		2020		2019
Cumulative loss at beginning of period	€	**4,720**	€	2,443
Recognised in the period		**1,144**		2,277
Cumulative loss at end of period	€	**5,864**	€	4,720

(Amounts in thousands of Euros)

(16) Employee Benefits (continued)

The fair value of the plan assets are as follows:

		2020		2019
Equity instruments	€	**2,108**	€	2,185
Government bonds		**12,935**		12,164
Corporate & other bonds		**63**		50
Cash		**2,904**		5,462
	€	**18,010**	€	19,861

The principal actuarial assumptions (expressed as weighted averages) for the Portugal and Belize defined benefit pension schemes are as follows:

	2020	2019
Discount rate	**4.0%**	3.7%
Future salary increases	**3.0%**	3.0%
Future pension increases	**2.0%**	2.0%
Medical plan	**0.9%**	1.8%

The expected return on asset assumption is derived by taking the weighted average of the long term expected rate of return on each of the asset classes in which the plans invested.

The assumptions relating to longevity underlying the pension liabilities at the reporting date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity.

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

2020 Defined benefit obligation

		Increase		Decrease
Discount rate movement 1%	€	**(2,295)**	€	**2,729**

2019 Defined benefit obligation

		Increase		Decrease
Discount rate movement 1%	€	(2,376)	€	2,815

(17) Share capital, share premium and similar contributions

Share capital consists of the following at the end of 2020 and 2019:

		2020		2019
Allotted, called up and fully paid share capital				
2020: 330,000,100 ordinary shares of €1 (one Euro) each and 200 shares of £1 each	€	**330,000**		
2019: 330,000,000 ordinary shares of €1 (one Euro) each and 200 shares of £1 each			€	330,000

In March 2020, ASRGE issued 100 shares for €44,866 to its parent company, ASR Group Inc.

(Amounts in thousands of Euros)

(18) Management of financial risk

The key financial risks faced by ASRGE are credit risks, liquidity risks and market risks, which include interest rate, foreign exchange and certain commodity price risks. ASRGE regularly monitors these risks.

The majority of ASRGE's financing, interest rate and foreign exchange risks are managed through the treasury function and through ASRGE's Global Sugars Group division. The Directors approve policies and procedures setting out permissible funding and a system of authorities is in place for the approval of transactions and exposures within the limits approved by the Directors. Interest rate and currency exposures are concentrated in the treasury function. These positions are managed by treasury within its authorised limits.

Commodity market price risks are managed through ASRGE's Global Sugars Group division.

The derivative financial instruments approved by the Directors of ASRGE to manage financial risks include; interest rate swaps, forward rate agreements, commodity forward contracts and commodity futures.

Credit risk management
Counterparty credit risk arises from the placing of deposits and entering into derivative financial instrument contracts with banks and financial institutions, as well as credit exposures inherent within ASRGE's outstanding receivables. ASRGE manages credit risk in relation to these deposits and derivatives by entering into financial instrument contracts only with highly credit-worthy counterparties which are reviewed and approved by the Directors.

ASRGE runs a credit control department to manage credit risk by assessing the financial strength of new customers using credit agencies and extends credit accordingly. The credit extended to customers is evaluated on a regular basis. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of customers the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on customers and recent trends in the economy.

The maximum exposure to credit risk at the reporting date is as follows:

		2020		2019
Trade receivables	€	**50,688**	€	56,294
Bank balances		**9,777**		6,657
Amounts due from related parties		**16,283**		3,910
Forward foreign exchange contracts - cash flow hedges		**188**		—
Forward foreign exchange contracts - in priced contracts		**2,446**		3,470
Foreign exchange contracts - not in hedge accounting relationship		**8,733**		25,385
Commodity derivatives		**71,250**		68,090
Total exposure to credit risk	€	**159,365**	€	163,806

(Amounts in thousands of Euros)

(18) Management of financial risk (continued)

The ageing of trade receivables (net of allowances) at the reporting date is as follows:

		2020		2019
Current	€	**44,715**	€	49,219
Past due 0-28 days		**4,000**		4,029
More than 28 days		**1,973**		3,046
Total trade receivables	€	**50,688**	€	56,294

The movement in the allowance for impairment in the respect of trade receivables is as follows:

		2020		2019
Opening balance after restructuring	€	**899**	€	906
Movement		**(33)**		(7)
Balance at the end of period	€	**866**	€	899

Liquidity risk management
ASRGE manages its exposure to liquidity risk and ensures maximum flexibility in meeting changing business needs by maintaining access to a wide range of funding sources, including borrowings from affiliated companies and bank borrowings. ASRGE ensures that it has sufficient undrawn committed bank facilities to provide liquidity to cover its funding requirements for the foreseeable future.

Compliance with agreed covenants with financial institutions is monitored by ASR Group on behalf of ASRGE. It is ASR Group's policy to manage its financial position so as to operate within restrictions agreed to in its loan covenants. In both the current and comparative reporting period, ASR Group complied with its financial covenants at all measurement points.

The following are undiscounted contractual maturities of financial liabilities, including estimated interest payments, based on the earliest possible maturity date, excluding the effect of netting agreements.

ASR Group Europe Limited

Notes to the Financial Statements
for the 52 week period ended 27 September 2020
(Amounts in thousands of Euros)

(18) Management of financial risk (continued)

Undiscounted contractual maturities

27 September 2020	Total	1 year or less	1 to 2 years	2 to 5 years	5 years or greater
Non-derivative financial liabilities:					
Trade payables	€ (32,555)	€ (32,555)	€ —	€ —	€ —
Amounts due to related parties	(1,217)	(1,217)	—	—	—
Loan from related parties	(15,454)	—	—	(15,454)	—
Senior long term debt	(5,835)	(645)	—	(5,190)	—
Accrued expenses	(27,797)	(27,797)	—	—	—
Provisions	(1,970)	(1,970)	—	—	—
Other payables	(5,604)	(5,604)	—	—	—
A/R securitization loan	(10,000)	—	(10,000)	—	—
Lease liabilities non current	(2,127)	(1,003)	—	—	(1,124)
	(102,559)	(70,791)	(10,000)	(20,644)	(1,124)
Derivative financial liabilities:					
Interest rate swaps	(505)	—	—	(505)	—
Commodity derivatives	(54,237)	(32,113)	(5,917)	(16,207)	—
Foreign exchange contracts:					
- Outflow	(10,252)	(3,546)	(5,352)	(1,354)	—
- Inflow	8,306	5,133	2,779	394	—
	(56,688)	(30,526)	(8,490)	(17,672)	—
Total financial Liabilities	€ (159,247)	€ (101,317)	€ (18,490)	€ (38,316)	€ (1,124)

29 September 2019	Total	1 year or less	1 to 2 years	2 to 5 years	5 years or greater
Non-derivative financial liabilities:					
Trade payables	€ (35,441)	€ (35,441)	€ —	€ —	€ —
Amounts due to related parties	(1,265)	(1,265)	—	—	—
Loan from parent	(70,422)	—	(70,422)	—	—
Senior long term debt	(6,864)	—	—	(6,864)	—
Accrued expenses	(25,913)	(25,913)	—	—	—
Other payables	(2,617)	(2,617)	—	—	—
A/R securitization loan	(10,000)	(10,000)	—	—	—
	(152,522)	(75,236)	(70,422)	(6,864)	—
Derivative financial liabilities:					
Interest rate swaps	(646)	—	—	(646)	—
Commodity futures	(46,486)	(23,716)	(20,272)	(1,737)	(761)
Forward foreign exchange contracts:					
- Outflow	(8,192)	(8,091)	(101)	—	—
- Inflow	25,959	20,551	5,408	—	—
	(29,365)	(11,256)	(14,965)	(2,383)	(761)
Total financial liabilities	€ (181,887)	€ (86,492)	€ (85,387)	€ (9,247)	€ (761)

Market Risks

Foreign currency risk
ASRGE operates in a multicurrency environment and is exposed to foreign exchange risks arising from commercial transactions (transaction exposure). The foreign currency exposure primarily arises from USD, GBP and NOK denominated trade receivables and trade payables, foreign currency forward contracts, commodity futures and commodity purchase contracts.

(18) Management of financial risk (continued)

Transaction exposure
ASRGE's policy is to manage its transactional currency exposures against the functional currency once the transaction is committed or highly probable, mainly through the use of forward foreign exchange contracts.

The amounts deferred in equity from derivative financial instruments designated as cash flow hedges are released to the income statement and offset against the movement in underlying transactions only when the forecast transactions affect the income statement.

Sensitivity analysis

A 5% strengthening of USD against the Euro at the end of 2020 would have resulted in a credit to the cash flow hedge reserve of approximately €917 (2019: €nil) and a gain of €17,918 in the consolidated income statement (2019: €15,859 loss). The consolidated income statement impact would be offset by equal and opposite gains on the underlying transactions. A 5% weakening in the respective currencies against the Euro would have had an equal but opposite effect to the amounts, on the basis that all other variables remain constant.

Interest rate risk management
ASRGE is exposed to interest rate risk arising principally from changes in USD interest rates. This risk is managed by fixing portions of debt using interest rate derivatives to achieve a target level of fixed/floating rate net debt, which aims to optimise net finance expense and reduce volatility in reported earnings. At 27 September 2020, the percentage of interest-bearing debt with a fixed rate yield was 39% and the percentage of interest-bearing debt with a variable yield was 61%.

ASRGE considers a 100 basis point change in interest rates a reasonably possible change except where rates are less than 100 basis points. In these instances it is assumed that the interest rates increase by 100 basis points and decrease to zero for the purpose of performing the sensitivity analysis. The impact is calculated with reference to the gross debt and cash balances at the end of 2020 assuming that other variables remain unchanged.

If interest rates increase by 100 basis points, ASRGE's 2020 income before tax would have decreased by approximately €155 (2019: €554). The impact on the cash flow hedge reserve relating to interest rate swap would be a credit of approximately €100 (2019: €100).

Price risk management
ASRGE participates in the sugar market and is exposed to movements in the prices of commodities in those domestic and international markets where ASRGE buys and sells sugar. Commodity futures and forwards are used where available to manage the costs of raw materials for priced contracts. In most cases, these contracts mature within one year and are either traded on recognised exchanges or over the counter.

Changes in the fair value of commodity futures and forwards are taken directly to the consolidated income statement.

If the price of sugar was to increase by 10% it would have resulted in a fair value gain of approximately €23,573 (2019: €26,881). A decrease of 10% would result in approximately an equal but opposite impact to the consolidated income statement.

Capital risk management
The key purpose of ASRGE's capital risk management process is to ensure the capital structure supports the on-going operations of the business such that ASRGE continues as a going concern. To achieve this, ASRGE adopts a flexible capital structure to ensure a low and ultimately sustainable cost of capital.

This ensures ASRGE can continue to make careful risk appraised investments to support the long term viability of the business.

ASRGE's capital structure is continually monitored and adapted to align with a fast changing macro-economic and business environment. Refer to note 15 for further details on loans and borrowings.

(Amounts in thousands of Euros)

(19) Discontinued operations

On 30 September 2018, the Company's subsidiary ASR Germany GmbH & Co. KG ("ASRG") ceased all its production and operations. ASRG produced liquid sugar, invert syrups and fondants for the Germany market. Accordingly, results of operations of ASRG and all the assets and liabilities of ASRG have been presented as disposal group held for sale. The sale of the remaining assets was completed during 2019.

a) Assets and liabilities of ASRG

		2020		2019
Trade and other receivable	€	22	€	—
Cash and cash equivalents		15		41
Total	€	37	€	41

b) ASRG income statement

Analysis of the result of discontinued operations:

		2020		2019
Cost of sales	€	—	€	(112)
Selling, general and administrative expenses		—		4
Net finance income		—		395
Depreciation and amortization		—		(0)
Other income		—		983
Taxation charge		(4)		(4)
Net profit	€	(4)	€	1,266

c) Cash flow from ASRG

		2020		2019
Operating cash flow	€	(23)	€	254
Total cash flow	€	(23)	€	254

(20) Leases

The total future value of minimum lease payments not covered under IFRS 16 for 2020 are as follows:

		2020		2019
Not later than one year	€	**133**	€	1,330
Later than one year and no later than 5 years		**65**		2,303
Total small value and short term lease rentals	€	**198**	€	3,633

ASRGE leases vehicles, plant and equipment under non-cancellable small value and short term lease agreements. The amount of non-cancellable lease expense recognised during the period was €227 (2019: €1,326), within selling, general and administrative expenses.

(Amounts in thousands of Euros)

(21) Capital commitments

At the end of 2020 and 2019, the Company was committed to property, plant and equipment purchases of €12,998 and €10,502, respectively.

(22) Related party disclosures

ASRGE has related party relationships with its subsidiaries, its parent, its parent's subsidiaries and with its Directors. Other than Directors' remuneration, no related party transactions were entered into with the Directors or their close family members in the current and prior period.

The following transactions were entered into with related parties during the period and all such transactions were made on an arm's length basis:

Other related party transactions At and for the period ended 27 September 2020	Sales of goods	Purchase of goods	Recharges to	Recharges from
Related parties	€ 38,715	€ (122)	€ 7,767	€ (3,918)

Other related party transactions At and for the period ended 29 September 2019	Sales of goods	Purchase of goods	Recharges to	Recharges from
Related parties	€ 3,231	€ (580)	€ 6,267	€ (3,317)

Other related party transactions At and for the period ended 27 September 2020	Interest expense	Other income	Other expense
Related parties	€ (1,133)	€ —	€ (17)

Other related party transactions At and for the period ended 29 September 2019	Interest expense	Other income	Other expense
Related parties	€ (286)	€ 11	€ —

(Amounts in thousands of Euros)

(22) Related party disclosures (continued)

Related party balances at and for the period ended 27 September 2020		Receivables outstanding		(Payables) outstanding		Loan (payable) / receivable
Equity accounted investee	€	3,007	€	—	€	19,250
Other related parties		16,283		(1,217)		(15,454)
Total	€	**19,290**	€	**(1,217)**	€	**3,796**

Related party balances at and for the period ended 29 September 2019		Receivables outstanding		(Payables) outstanding		Loan (payable) / receivable
Equity accounted investee	€	8,624	€	—	€	15,000
Other related parties		3,910		(1,266)		(70,422)
Total	€	**12,534**	€	**(1,266)**	€	**(55,422)**

(23) ASRGE Group entities

The subsidiaries and joint venture of ASRGE are as follows:

Company	Incorporation Country of	Company's registered office	Class of shares held	Ownership '27 September 2020
T&L Sugars Ltd	UK	Thames Refinery, Factory Road, Silvertown, London, E16 2EW	Ordinary	100.00%
ASR Group Commodities Ltd	UK	10 Bedford Street, Fourth Floor, London, WC2E 9HE	Ordinary	100.00%
ASR Group Ltd	UK	10 Bedford Street, Fourth Floor, London, WC2E 9HE	Ordinary	100.00%
Tate & Lyle Sugars Ltd	UK	10 Bedford Street, Fourth Floor, London, WC2E 9HE	Ordinary	100.00%
T&L Sugars Death Benefits Scheme Trustees Ltd	UK	10 Bedford Street, Fourth Floor, London, WC2E 9HE	Ordinary	100.00%
Sidul II Lda	Portugal	Quinta do Ferral, 2690-364 Santa Iria de Azóia	Ordinary	100.00%
Sidul Participações, SGPS, Lda	Portugal	Quinta do Ferral, 2690-364 Santa Iria de Azóia	Ordinary	100.00%
Sidul Açucares Unipessoal, Lda	Portugal	Quinta do Ferral, 2690-364 Santa Iria de Azóia	Ordinary	100.00%
ESH (Barbados), SRL	Barbados	Trident Corporate Services (Barbados) Ltd, The Phoenix Centre, George Street, Belleville, St Michael, Barbados	Ordinary	100.00%
WSP Comércio de Alimentos e Participações Ltda	Brazil	Rua Bandeira Paulista, 726, Conjuntos 203/204/205/206, Itaim Bibi, São Paulo/SP, CEP 04532-002, Brazil	Ordinary	100.00%
Italian Sugar Holdings S.r.l.	Italy	Via dei Piatti 11, Milan, Italy	Ordinary	100.00%
Belize Sugar Industries Ltd	Belize	Tower Hill, Orange Walk Town, Belize	Ordinary	81.21%
Belize Cogeneration Energy Ltd	Belize	Tower Hill, Orange Walk Town, Belize	Ordinary	81.21%
Storage Ltd	Belize	9 Craig Street, Belize City, Belize	Ordinary	81.21%
ASR Germany GmbH & Co. Kg.	Germany	Langendorfer Strasse 21 06667 Weissenfels, Germany	Ordinary	100.00%
ASR Germany Beteiligungs GmbH	Germany	Langendorfer Strasse 21 06667 Weissenfels, Germany	Ordinary	100.00%
S.F.I.R. Raffineria di Brindisi S.p.A.	Italy	10, Strada per Fiume Piccolo, Brindisi - 72100 - Italy	Ordinary	50.00%

T&L Norge AS has been liquidated during 2020.

(Amounts in thousands of Euros)

(23) ASRGE Group entities (continued)

		2020		2019
SRB S.p.A.	€	52,941	€	50,785
Total carrying amount for equity accounted investees	€	52,941	€	50,785

The following tables summarise the financial information of SRB as included in its own financial statements as at 27 September 2020, adjusted for fair value adjustments at acquisition and differences in accounting policies.

		2020		2019
Percentage ownership interest		**50%**		50%
Non-current assets	€	**96,968**	€	104,006
Current assets (including cash and cash equivalents, 2020: €3,567, 2019: €5,648)		**104,983**		111,971
Non-current liabilities (including non-current financial liabilities other than trade and other payables and provisions, 2020: €28,871, 2019: €37,918)		**(70,687)**		(70,130)
Current liabilities (including current financial liabilities other than trade and other payables and provisions, 2020: €14,838, 2019: €27,777)		**(67,326)**		(79,390)
Net assets (100%)	€	**63,938**	€	66,457
ASRGE Group's share of net assets	€	**31,969**	€	33,229
Capitalised acquisition costs and other		**1,632**		1,632
Loan to SRB		**19,250**		15,000
Elimination of unrealised profit on downstream sales		**90**		924
Carrying amount of interest in joint venture	€	**52,941**	€	50,785

		2020		2019
Revenue	€	**77,700**	€	67,876
Depreciation and amortisation		**(8,265)**		(8,974)
Interest expense		**(3,921)**		(3,578)
Income tax (expense)/credit		**(626)**		—
Loss from continuing operations		**(2,519)**		(14,351)
ASRGE Group's share of loss	€	**(1,260)**	€	(7,175)

	2020	2019
Average employee headcount:		
Operations	**86**	83
Sales, general and administration	**17**	15
Total average employee headcount	**103**	98

(Amounts in thousands of Euros)

(23) ASRGE Group entities (continued)

Non-controlling interests

The following table summarises the financial information of Belize Sugar Industries Ltd, ASRGE's only subsidiary with a material non-controlling interest, before intra-group eliminations:

		2020		2019
NCI percentage		**18.79%**		18.79%
Non-current assets	€	**79,455**	€	81,859
Current assets		**10,720**		23,205
Non-current liabilities		**(10,824)**		(11,222)
Current liabilities		**(7,832)**		(7,792)
Net assets (100%)	€	**71,519**	€	86,050
Net assets attributable to NCI	€	**13,438**	€	16,169
Revenue		**40,291**		64,314
Profit		**(7,951)**		(1,469)
OCI		**(6,889)**		5,586
Total comprehensive income	€	**(14,840)**	€	4,116
Profit allocated to NCI	€	**(1,494)**	€	(276)
OCI allocated to NCI		**(1,295)**		1,050
Cash flows from operating activities	€	**9,218**	€	6,174
Cash flows from investment activities		**(8,805)**		(15,493)
Cash flows from financing activities		**(638)**		6,655
Net decrease in cash and cash equivalents	€	**(226)**	€	(2,664)

(24) Post Balance sheet event

The UK-EU trade agreement came into effect from 31 December 2020. There is estimated to be no financial impact on the 2020 results.

(25) Ultimate Parent

ASRGE is a wholly owned subsidiary of ASR Group International, Inc. registered in the United States of America (company number 2177261). ASR Group Inc. is a private company that reports under US GAAP whose registered office is 3411 Silverside Road, Suite 104, Wilmington, DE 19810, United States.

ASR Group Europe Limited

Statement of Comprehensive Income
for the 52 week period ended 27 September 2020
(Amounts in thousands of Euros)

	2020	2019
Net finance income	€ 150	€ —
Other expenses	(128)	—
Net profit	€ **22**	€ —

ASR Group Europe Limited

Statement of Financial Position
as at 27 September 2020
(Amounts in thousands of Euros)

	Note		2020		2019
Non-current assets:					
Equity investments and advances to joint ventures		€	**337,991**	€	337,958
Current assets:					
Other receivables	*4*		**36,896**		—
Total assets		€	**374,887**	€	337,958
Current liabilities:					
Other payables			—		7,958
Equity					
Share capital	*6*		**330,000**		330,000
Share premium and similar contributions			**44,865**		—
Retained earnings			**22**		—
Total equity and liabilities		€	**374,887**	€	337,958

The notes on pages 50 to 52 form part of these financial statements

Directors' responsibilities
The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Small companies' regime
These accounts have been prepared in accordance with the provisions applicable to companies subject to small companies' regime.

Tarun Arora

Tarun Arora
Director

ASR Group Europe Limited
10 Bedford Street, Fourth Floor
London
WC2E 9HE

19 February 2021

ASR Group Europe Limited

Statement of Changes in Equity
for the 52 week period ended 27 September 2020
(Amounts in thousands of Euros)

	Share capital	Share premium and similar contributions	Retained earnings	Equity shareholders' funds
Balance at 29 September 2019	€ 330,000	€ —	€ —	€ 330,000
Comprehensive income:				
Net income	—	—	22	22
Capital Injection	—	44,865	—	44,865
Balance at 27 September 2020	€ 330,000	€ 44,865	€ 22	€ 374,887

1. Accounting policies

ASR Group Europe Limited (the "Company") is incorporated and domiciled in the UK. The Company's registered office and principal place of business is 10 Bedford Street, 4th Floor, London WC2E 9HE.

a) Basis of accounting

These financial statements have been prepared in accordance with IFRS. They were authorised for issue by the Company's board of Directors.

b) Going concern

The Directors, having assessed the Company's financial position and future business prospects, believe that the Company will continue as a going concern and be able to meet its financial and trade obligations for the twelve months period from the date of approval of the financial statements.

c) Functional and presentation currency

The financial statements are presented in Euros, which is the Company's functional currency. Transactions in foreign currencies are translated to the Company's functional currency at the monthly average of daily foreign exchange rates during each month. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate at that date. Foreign exchange differences arising on retranslation are recognised in the income statement, except for differences arising on the retranslation of net investments in foreign operations and qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates at the dates the fair value was determined.

d) Financial instruments

Financial assets and liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the relevant financial instrument.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the financial asset and all substantial risks and rewards are transferred.

All financial assets except for those adjusted to fair value through consolidated income statement are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities designated at fair value through the consolidated income statement, that are carried subsequently at fair value with gains or losses recognised in the consolidated income statement.

All interest-related charges are included within 'finance expenses' or 'finance income'.

(Amounts in thousands of Euros)

1. Accounting policies (continued)

e) Share Capital

Share capital represents the nominal value of shares that have been issued. Ordinary shares are classified as equity.

f) New standards, interpretations and amendments not yet effective and Improvements and other amendments to IFRS/IAS

The following accounting standards, interpretations and amendments, were adopted during the year and had no significant impact on the Company's financial statements:

• IFRS 16 Leases

• IFRIC 23 Uncertainty over Income Tax Treatments

• Amendments to IFRS 9 Prepayment features with Negative Compensation

• Amendments to IAS 19 Plan Amendment, Curtailment or Settlement

• Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures

• Annual Improvements to IFRS 2015 – 2017

The Company is assessing the impact of following standards, interpretations and amendments that are not yet effective. The Company will adopt those changes on the effective dates where already endorsed by the EU. For changes not endorsed by the EU, the effective dates are uncertain:

• IFRS 17 Insurance Contracts effective 2022-2023 financial year (not yet endorsed by the EU)

• Amendments to IFRS 3 Definition of a Business effective 2021-2022 financial year

• Amendments to IAS 1 and IAS 8 Definition of Material effective 2021-2022 financial year

• Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current effective 2023-2024 financial year (not yet endorsed by the EU)

• Amendments to References to the Conceptual Framework in IFRS Standards effective 2021-2022 financial year.

The impact of the other standards effective in 2021 and beyond have not yet been fully assessed.

2. Employee headcount, costs and benefits

The average number of persons employed by the Company (including directors) during the period was nil (2019: nil).

3. Directors' remuneration

The Directors received no remuneration for their services as directors of the Company.

4. Total trade and other receivables

		2020		2019
Amount due from related party	€	**36,896**	€	-
Total trade and other receivables	€	**36,896**	€	-

(Amounts in thousands of Euros)

5. Balances with related parties

		2020		2019
Intercompany loan outstanding	€	36,896	€	(7,958)
Total	€	**36,896**	€	(7,958)

6. Share capital

		2020		2019
Allotted and called up share capital				
2020: 330,000,100 ordinary share of Nominal value €1 each and 200 ordinary shares of £1 each	€	**330,000**		
2019: 330,000,000 ordinary share of Nominal value €1 each and 200 ordinary shares of £1 each			€	330,000
Total Share Capital	€	**330,000**	€	330,000

The holders of ordinary shares are entitled to one vote per share at meetings of the Company.

In March 2020, ASRGE issued 100 shares for €44,865 to its parent company, ASR Group International, Inc.

No dividends were recognised during the current or prior periods.

7. Ultimate Parent

ASRGE is a wholly owned subsidiary of ASR Group International, Inc. registered in the United States of America with a company number of 2177261. ASR Group International Inc. is a private company that reports under US GAAP whose registered office is 3411 Silverside Road, Suite 104, Wilmington, DE 19810, United States.