

T&L Sugars Limited

Annual Report and Financial Statements

At and for the period ended 27 September 2020



Table of Contents

	Page
Strategic Report	1
Directors' Report	4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6
Financial Statements:	
Income Statement	9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Statement of Cash Flow	13
Notes to the Financial Statements	14-38

T&L Sugars Limited

Strategic Report

At and for the period ended 27 September 2020

(Amounts in thousands of Euros)

Principal activities

The principal activities of T&L Sugars Ltd (“The Company” or “T&L Sugars”) during the period were the refining, marketing and distribution of sugar and related products.

The Company’s 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 €17,662 (2019 profit €9,781). The result for the period was a net profit of €2,824 compared to a loss of €13,424 in 2019. No dividends were paid or proposed during the period.

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

The Company manages its product mix, operating procedures, raw sugar supply, sales and marketing strategies and overhead expenses to enhance operating profits. The Company 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

Whilst the UK exited the EU on 31 January 2020, it remained subject to European Union (“EU”) trade and agricultural policies during the transition period which ended on 31 December 2020. As a result, the Company continued to operate in an inequitable European regulatory environment during the year. EU policies artificially inflated the cost of imported raw cane sugar used in the Company’s UK based factories. EU policies also prevented the purchase of raw cane sugar from suppliers with the very highest ethical and environmental standards, a vitally important issue for the Company and our customers.

Key Performance Indicators (“KPI’s”)

The KPIs that best reflect the Company’s strategy to improve its product mix are as follows:

	2020 € 000	2019 € 000
Investment in property, plant and equipment	13,630	8,762
Net liquid assets*	51,448	51,810
Third party debt	10,000	10,000
Operating cash flow	31,177	(13,258)

* Defined as cash, trade receivables, inventories (excluding manufacturing supplies), trade payables and accrued expenses

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 the Company’s primary raw material - raw cane sugar. This creates risk and the spread between selling prices and the cost of raw sugar must be closely managed. The Company 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. The Company 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 the Company 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.

T&L Sugars Limited

Strategic Report

At and for the period ended 27 September 2020

(Amounts in thousands of Euros)

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 Company for the benefit of its members as a whole.

The Directors seek to understand the respective interests of the Company'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

The Company'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. The Company also remains committed to achieving a competitive and non-discriminatory sugar policy through discussions with policy makers in both the UK and the EU.

The Company will continue to focus its investments in the UK 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 ultimate owner of the Company, is committed to its customers in the UK and 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

The Company 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 the Company.

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.

As a direct result of a people survey and other feedback received, the Company 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 lockdown imposed in the UK 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 the Company could best adapt its operations to keep sugar and syrup on supermarket shelves and keep the nation 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 the nation fed during the COVID-19 crisis was engaging with the Company'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.

T&L Sugars Limited

Strategic Report

At and for the period ended 27 September 2020

(Amounts in thousands of Euros)

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

The Company is committed to being a good steward of the environment and the local community 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 the Company 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 the Company's business and for the environment.

The Company 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.

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

The Company'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

The Company has one shareholder, ASR Group Europe Ltd ("ASRGE"). There are, therefore, no competing interests and the Directors are targeted with achieving certain financial and non-financial metrics approved by ASRGE.

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



Tarun Arora

Director

T&L Sugars Limited
Thames Refinery
Factory Road, Silvertown
London E16 2EW

T&L Sugars Limited

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

The Directors present the Directors' report and financial statements of the Company for the 52 week period ended 27 September 2020.

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 Tabernilla

Mr. Andrew Jones

Mr. Gabriel Buenaventura

Mr. Tarun Arora

Mr. Gerald Mason

Price risk management

No futures market exists in the UK and EU to hedge price changes for preferential sugar. As such, the Company's 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. The Company is closely managing these risks and operates a supply forecasting system for raw sugar supplies.

Financial risk management and financial instruments

The Company's financial risk management objectives and policies are outlined in note 19.

Charitable donations

During the year, the Company 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

T&L Sugars Limited
Thames Refinery
Factory Road, Silvertown
London E16 2EW

19 February 2021

T&L Sugars 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 T&L Sugars Limited

Opinion

We have audited the financial statements of T&L Sugars Limited (the 'company') for the 52 week period ended 27 September 2020, which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flow 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.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 27 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- 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 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 macro-economic 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 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 company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company'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 company will continue in operation.

Independent Auditor's Report to the Members of T&L Sugars Limited

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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 set out on page 5, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of T&L Sugars Limited

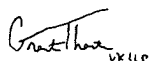
Auditor's responsibilities for the audit of the financial statements

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.



Christopher Raab, ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London, UK
19 February 2021

T&L Sugars Limited
Income Statement
for the 52 Week Period ended 27 September 2020

		<u>2020</u>	<u>2019</u>
		<u>€000</u>	<u>€000</u>
Revenue	<i>Note</i> 6	304,753	268,022
Expenses			
Cost of sales		(262,905)	(231,715)
Selling, general and administrative expenses		(24,186)	(26,526)
Depreciation and amortisation	8,9	(13,506)	(10,992)
Net finance expenses	5	(794)	(1,661)
Impairment charge from discontinued operations	10	-	(2,166)
Profit/(loss) before tax		<u>3,362</u>	<u>(5,038)</u>
Taxation charge	7	<u>(538)</u>	<u>(8,386)</u>
Profit/(loss)		<u><u>2,824</u></u>	<u><u>(13,424)</u></u>

The accompanying notes are an integral part of these financial statements

T&L Sugars Limited

Statement of Comprehensive Income for the 52 Week Period ended 27 September 2020

	<i>Note</i>	2020 €000	2019 €000
Net profit/(loss) for the period		<u>2,824</u>	<u>(13,424)</u>
Other comprehensive income:			
<i>Items that are, or may be reclassified subsequently to profit or loss:</i>			
Fair value of cash flow hedges		(277)	(389)
Fair value of interest rate swaps		140	181
Tax credit	7	<u>39</u>	<u>35</u>
Total of items taken directly to OCI		<u>(98)</u>	<u>(173)</u>
Total comprehensive income/(expense)		<u><u>2,726</u></u>	<u><u>(13,597)</u></u>

The accompanying notes are an integral part of these financial statements

T&L Sugars Limited
Statement of Financial Position
as at 27 September 2020

		2020	2019
		€000	€000
	<i>Note</i>		
Non-current assets			
Property, plant and equipment	8	115,559	116,591
Intangible assets	9	7,335	7,429
Deferred tax assets	7	6,537	7,036
Other assets		1,370	906
Total non-current assets		130,801	131,962
Current assets			
Inventories	11	71,614	73,182
Trade and other receivables	12	93,719	84,403
Other financial assets	18	82,617	96,945
Cash and cash equivalents		4,448	782
Total current assets		252,398	255,312
Total assets		383,199	387,274
Current liabilities:			
Trade and other payables	16	52,033	50,606
Loans and borrowings	14	16,823	25,219
Other financial liabilities	18	43,161	36,091
Lease liabilities	1	887	—
Total current liabilities		112,904	111,916
Non-current liabilities:			
Loans and borrowings	14	62,350	70,422
Other financial liabilities	18	22,630	23,416
Lease liabilities	1	1,069	—
Total non-current liabilities		86,049	93,838
Total liabilities		198,953	205,754
Equity			
Share capital	13	—	—
Share premium		310,884	310,884
Reserves		(634)	(536)
Retained earnings		(126,004)	(128,828)
Total equity		184,246	181,520
Total liabilities and equity		383,199	387,274

These financial statements were approved by the Board of Directors on 19 February 2021 and were signed on its behalf by:

Tarun Arora

Tarun Arora
Director

The accompanying notes are an integral part of these financial statements

T&L Sugars Limited

Statement of Changes in Equity for the 52 Week Period ended 27 September 2020

	Share capital €000	Share premium account €000	Hedging reserve €000	Retained earnings €000	Total equity €000
Balance at 30 September 2018	<u>—</u>	<u>310,884</u>	<u>(363)</u>	<u>(115,404)</u>	<u>195,117</u>
Comprehensive income:					
Net loss	—	—	—	(13,424)	(13,424)
Fair value of cash flow hedges transferred to OCI	—	—	181	—	181
Fair value of interest rate swaps transferred to OCI	—	—	(389)	—	(389)
Tax on items taken directly to OCI	—	—	35	—	35
Total comprehensive income	<u>—</u>	<u>—</u>	<u>(173)</u>	<u>(13,424)</u>	<u>(13,597)</u>
Balance at 29 September 2019	<u>—</u>	<u>310,884</u>	<u>(536)</u>	<u>(128,828)</u>	<u>181,520</u>
Comprehensive income:					
Net Profit	—	—	—	2,824	2,824
Fair value of cash flow hedges transferred to OCI	—	—	(277)	—	(277)
Fair value of interest rate swaps transferred to OCI	—	—	140	—	140
Tax on items taken directly to OCI	—	—	39	—	39
Total comprehensive income	<u>—</u>	<u>—</u>	<u>(98)</u>	<u>2,824</u>	<u>2,726</u>
Balance at 27 September 2020	<u>—</u>	<u>310,884</u>	<u>(634)</u>	<u>(126,004)</u>	<u>184,246</u>

The accompanying notes are an integral part of these financial statements

T&L Sugars Limited
Statement of Cash Flow
for the 52 Week Period ended 27 September 2020

	<u>2020</u> €000	<u>2019</u> €000
Cash from operations:		
Net profit/(loss)	2,824	(13,424)
Adjustments:		
Depreciation & amortisation	13,506	10,992
Net finance costs	794	1,661
Tax charge	538	8,386
Change in derivatives	20,475	(18,044)
Decrease in inventories	1,568	8,954
Increase in trade and other receivables	(9,363)	(19,871)
Increase in trade and other payables	2,780	8,005
Impairment charge from discontinued operations	—	2,166
Interest & finance cost paid	(1,945)	(2,083)
Cash generated from/(used in) operations	<u>31,177</u>	<u>(13,258)</u>
Cash from investing activities:		
Interest income	630	532
Investment in property, plant and equipment and intangibles	(10,804)	(13,499)
Cash used in investing activities	<u>(10,174)</u>	<u>(12,967)</u>
Cash from financing activities:		
(Repayments)/proceeds from loans	(17,337)	26,730
Cash (used in)/generated from financing activities	<u>(17,337)</u>	<u>26,730</u>
Net increase in cash and cash equivalents	<u>3,666</u>	<u>505</u>
Cash and cash equivalents at beginning of period	782	277
Cash and cash equivalents at end of period	<u><u>4,448</u></u>	<u><u>782</u></u>

The accompanying notes are an integral part of these financial statements

T&L Sugars Limited

Notes to the Financial Statements for the 52 Week Period ended 27 September 2020

1. Accounting policies

T&L Sugars Limited (“the Company”) is incorporated and domiciled in the UK. The Company’s registered office and principal place of business is Thames Refinery, Factory Road, Silvertown, London, E16 2EW.

a) Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (“adopted IFRSs”). They were authorised for issuance by the Company’s Board of Directors.

The Company is exempt under Companies Act 2006 s400 from preparing consolidated group accounts. The Company and its subsidiaries are included in the consolidated accounts of its parent company, ASR Group Europe Limited, incorporated in the UK.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

b) 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 translated to the functional currency at the foreign exchange rate at that date. Foreign exchange differences arising on translation are recognised in the income statement, except for differences arising on the translation 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 financial statements in accordance with the Company’s accounting policies, management used estimates and judgments to establish the amounts at which certain items are recorded. 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 the Company’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 jurisdiction in which the Company 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 in order 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 the Company’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. The Company has considered the impact of Covid-19 when performing impairment assessments.

T&L Sugars Limited**Notes to the Financial Statements
for the 52 Week Period ended 27 September 2020****1. Accounting policies (continued)*****Credit risk***

IFRS 9 requires the Company 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.

In particular, IFRS 9 requires the Company 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), the Company 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, the Company takes into account reasonable and supportable qualitative and quantitative forward looking information. The Company 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 a knowledgeable market participant would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

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.

T&L Sugars LimitedNotes to the Financial Statements
for the 52 Week Period ended 27 September 2020**1. Accounting policies (continued)****d) Significant accounting policies*****Going concern***

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company 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.

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 instrument. Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for derivative financial instruments 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 classified as fair value through profit and loss ('FVTPL') are subject to review for impairment 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 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 income statement, that are carried subsequently at fair value with gains or losses recognised in the income statement.

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

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

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.

T&L Sugars Limited

Notes to the Financial Statements for the 52 Week Period ended 27 September 2020

1. Accounting policies (continued)

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 income statement. At that point, the cumulative gain or loss is recognised in the income statement, offsetting the value of the hedged transaction.

The Company 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 income statement for the period. The Company uses foreign exchange forwards to hedge foreign currency risk associated with committed transactions.

Commodity futures

The Company 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 income statement.

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 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 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.

T&L Sugars Limited

Notes to the Financial Statements for the 52 Week Period ended 27 September 2020

1. Accounting policies (continued)

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 and trademarks are stated at cost less any accumulated impairment losses. Goodwill and trademarks are not amortised but tested annually for impairment at the reporting date.

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 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 years
Proprietary technology	10 years

Research and development

Expenditure on research and development activities is recognised in the 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 expenditure 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 the Company 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 the Company 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.

T&L Sugars Limited**Notes to the Financial Statements
for the 52 Week Period ended 27 September 2020****1. Accounting policies (continued)**

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 income statement. The Company 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 the Company'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.

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 the income statement. 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.

An impairment loss in respect of goodwill is not subsequently reversed. 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.

Defined contribution pension obligation

A defined contribution plan is a post-employment benefit plan under which the Company pays annual contributions 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 income statement in the periods during which services are rendered by employees.

Provisions

A provision is recognised in both the statement of financial position and the income statement when the Company 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.

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. The Company 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.

T&L Sugars Limited

Notes to the Financial Statements
for the 52 Week Period ended 27 September 2020

1. Accounting policies (continued)

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.

The Company also procures raw sugar for other group companies. The Company 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.

Interest income

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

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax is based on taxable profit. Taxable profit differs from net profit as reported in the 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. The Company'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 financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the 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 the Company 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 income statement, except where they relate to items that are recognised in the statement of comprehensive income or directly in equity, in which case the related deferred tax is also recognised in the statements of comprehensive income or equity, respectively.

T&L Sugars Limited

Notes to the Financial Statements for the 52 Week Period ended 27 September 2020

1. 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, net of tax, from the proceeds.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

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 the Company'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

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.

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. The Company 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 the Company 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.

The Company 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 the Company's overall borrowing rate as applicable for leases.

T&L Sugars Limited

Notes to the Financial Statements for the 52 Week Period ended 27 September 2020

1. Accounting policies (continued)

Right-of-use assets are reported as non-current 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.

The Company 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. The Company 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 under IAS 17. 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 the Company 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.

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 €000	Plant and machinery €000	Total €000
IFRS 16 opening balance adjustment at 30 September 2019	€ 1,779	€ 1,046	€ 2,825
Depreciation for the year	<u>(445)</u>	<u>(483)</u>	<u>(928)</u>
Net Book Value	€ <u>1,334</u>	€ <u>563</u>	€ <u>1,897</u>

Lease liabilities

	Land and Buildings €000	Plant and machinery €000	Total €000
IFRS 16 opening balance adjustment at 30 September 2019	€ 1,779	€ 1,046	€ 2,825
Interest Expense	55	33	88
Repayments	<u>(459)</u>	<u>(498)</u>	<u>(957)</u>
Total lease liabilities	€ <u>1,375</u>	€ <u>581</u>	€ <u>1,956</u>

Lease liabilities included in the statement of financial position

	2020 €000
Current	€ 887
Non-current	<u>1,069</u>
Total lease liabilities	€ <u>1,956</u>

T&L Sugars Limited

Notes to the Financial Statements for the 52 Week Period ended 27 September 2020

2. Auditor's remuneration

	2020 €000	2019 €000
Audit of financial statements	197	201
Total auditor's remuneration	197	201

3. Employee headcount, cost and benefits

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 €000	2019 €000
Wages and salaries	37,305	37,354
Social security costs	4,699	4,153
Pension	2,540	2,673
Total employees' cost and benefits	44,544	44,180

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	2020	2019
Average employee headcount:		
Operations	445	447
Sales, general and administration	176	177
Total average employee headcount	621	624

4. Directors' remuneration

	2020 €000	2019 €000
Salaries and bonuses	1,269	827
Other benefits	—	49
Total directors' remuneration	1,269	876

The total remuneration of the highest paid director included in the above amounts was €497 (2019: €405).

T&L Sugars LimitedNotes to the Financial Statements
for the 52 Week Period ended 27 September 2020**5. Net finance expense**

	2020	2019
	€000	€000
Interest income on cash deposits	1,047	885
Interest payable on borrowings	(1,783)	(2,495)
Bank charges	(58)	(51)
Total net finance expense	(794)	(1,661)

6. Revenue

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

	2020	2019
	€000	€000
Business activity:		
Sale of goods	304,753	268,022
Total revenue	304,753	268,022
Revenue by geography:		
UK	246,973	234,626
Rest of Europe	11,787	18,830
Rest of the world	45,993	14,566
Total revenue	304,753	268,022

7. Income Taxation

Tax charged to the income statement

	2020	2019
	€000	€000
Current taxation		
Deferred tax charge	(538)	(8,386)

The tax on profits for the period is the same as the standard rate of corporation tax in the UK of 19% (2019: 19%), adjusted for the reconciling items shown below:

T&L Sugars Limited

Notes to the Financial Statements for the 52 Week Period ended 27 September 2020

7. Income Taxation (continued)

	2020 €000	2019 €000
Tax recognised directly in equity:		
Deferred tax credit recognised in equity	39	35
	2020 €000	2019 €000
Profit/(loss) before taxes	3,362	(5,038)
Income tax (charge)/credit using the UK corporation tax rate	(639)	957
Change in future tax rates	815	988
Non-deductible expenses	38	(479)
Losses not recognised	(723)	(9,865)
Other	(29)	13
Total tax charge	(538)	(8,386)

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.

Deferred tax

	Assets €000	Liabilities €000	Net deferred tax €000
Property, plant and equipment	6,241	—	6,241
Financial assets and liabilities	296	—	296
Total deferred tax assets and liabilities	6,537	—	6,537

Deferred tax movement during the period:

	2019 €000	Recognised in Income Statement €000	Recognised directly in OCI €000	2020 €000
Property, plant and equipment	7,965	(1,724)	—	6,241
Tax value of loss carry-forward	1,456	(1,456)	—	—
Financial assets and liabilities	(2,369)	2,626	39	296
Other short-term timing differences	(16)	16	—	—
Total	7,036	(538)	39	6,537

T&L Sugars Limited

Notes to the Financial Statements for the 52 Week Period ended 27 September 2020

8. Property, plant and equipment

	Land and buildings €000	Plant and machinery €000	Assets under construction €000	Total €000
Cost or valuation				
At 29 September 2019	45,359	137,802	8,975	192,136
Additions	2,103	2,905	8,622	13,630
Transfers	620	3,268	(3,888)	—
At 27 September 2020	<u>48,082</u>	<u>143,975</u>	<u>13,709</u>	<u>205,766</u>
Depreciation				
At 29 September 2019	5,420	70,125	—	75,545
Transfer from provisions	—	1,250	—	1,250
Charge for the period	1,242	12,170	—	13,412
At 27 September 2020	<u>6,662</u>	<u>83,545</u>	<u>—</u>	<u>90,207</u>
Net book value				
At 29 September 2019	<u>39,939</u>	<u>67,677</u>	<u>8,975</u>	<u>116,591</u>
At 27 September 2020	<u>41,420</u>	<u>60,430</u>	<u>13,709</u>	<u>115,559</u>

9. Intangible assets

	Goodwill €000	Customer relationships €000	Proprietary technology €000	Trademark €000	Total €000
Cost or valuation					
At 29 September 2019	2,598	542	623	4,737	8,500
At 27 September 2020	<u>2,598</u>	<u>542</u>	<u>623</u>	<u>4,737</u>	<u>8,500</u>
Amortisation					
Balance at 2019	—	542	529	—	1,071
Amortisation charge	—	—	94	—	94
Balance at 2020	<u>—</u>	<u>542</u>	<u>623</u>	<u>—</u>	<u>1,165</u>
Gross carrying amounts					
At 29 September 2019	<u>2,598</u>	<u>—</u>	<u>94</u>	<u>4,737</u>	<u>7,429</u>
At 27 September 2020	<u>2,598</u>	<u>—</u>	<u>—</u>	<u>4,737</u>	<u>7,335</u>

Research costs of €462 (2019: €812) were charged to the income statement in the period.

10. Investment in subsidiaries

The Company has the following investments in subsidiaries:

	Country of Incorporation	Class of shares held	Ownership	
			2020	2019
ASR Germany GmbH & Co. KG.	Germany	Ordinary	100%	100%
ASR Germany Beteiligungs GmbH	Germany	Ordinary	100%	100%

T&L Sugars Limited

Notes to the Financial Statements for the 52 Week Period ended 27 September 2020

10. Investment in subsidiaries (continued)

ASR Germany GmbH & Co. KG.'s and ASR Germany Beteiligungs GmbH's address is Langendorfer Strasse 21, Weissenfels, 06667 Germany. 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 German market.

The Company carried out an impairment review of its investments in subsidiaries. No impairment charge was recorded in 2020:

	2020 €000	2019 €000
Fair value of ASRG assets	—	6,696
Loan repayments	—	(3,694)
Net after repayment	—	3,002
Transfer of assets from ASRG	—	(836)
Balance of loans	—	2,166
Impairment of loans	—	(2,166)
Fair value of ASRG assets	—	—

	2020 €000	2019 €000
Equity Investments in ASRG	—	(16,780)
Loan to ASRG	—	(13,791)
Total investments in ASRG	—	(30,571)
Accrued disposal costs	—	(425)
	—	(30,996)
Fair value of assets of subsidiary	—	6,696
Impairment Charge	—	(24,300)

11. Inventories

	2020 €000	2019 €000
Raw sugar and consumables	32,881	37,963
Work in progress	6,203	5,547
Finished goods	20,191	17,500
Manufacturing supplies	12,339	12,172
Total inventories	71,614	73,182

An inventory provision of €3,940 is included within the inventory value on the balance sheet (2019: €3,845). The value of inventory charged to the income statement for the year was €178,682 (2019: €162,945).

T&L Sugars Limited

Notes to the Financial Statements for the 52 Week Period ended 27 September 2020

12. Trade and other receivables

	2020 €000	2019 €000
Trade receivables	34,517	37,690
Amounts due from related parties	49,539	38,092
Prepayments	2,511	4,365
VAT recoverable	3,254	3,026
Other	3,898	1,230
Total trade and other receivables	93,719	84,403

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 14, under the accounts receivable securitization loan.

13. Share capital

There are 300 ordinary shares outstanding at the end of 2020 and 300 in 2019 with a value of €1.00 each. The holders of ordinary shares are entitled to one vote per share at meetings of the Company. No dividends were declared during 2020 or 2019.

14. Loans and borrowings

	2020 €000	2019 €000
Included within current liabilities:		
Other intercompany loans	16,823	15,219
A/R securitization loan	—	10,000
Total current loans and borrowings	16,823	25,219
Included within non-current liabilities:		
Loan from parent company	36,896	—
Other intercompany loans	15,454	70,422
A/R securitization loan	10,000	—
Total non-current loans and borrowings	62,350	70,422

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

	Lease liabilities €000	Loans from related parties €000
Balance as at 30 September 2018	—	58,911
Proceeds of loans	—	26,730
Balance as at 30 September 2019	—	85,641
Lease liabilities under IFRS 16	2,825	—
Repayment of loans	(869)	(16,468)
Balance as at 29 September 2020	1,956	69,173

T&L Sugars Limited

Notes to the Financial Statements for the 52 Week Period ended 27 September 2020

14. Loans and borrowings (continued)

Credit facilities and arrangements (all figures in €000)

Loans from group companies

The Company has been provided with 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

The Company has access to a multicurrency bank facility of \$250,000 which matures on 24 April 2025. This facility is shared with ASR Group Inc. and some of its other subsidiaries. This facility is at a floating rate based on Euribor plus a negotiated spread.

Accounts receivable securitization

The accounts receivable securitization loan is provided based on the lender's first lien on the Company's 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 was €10,000 (2019: €10,000).

Carrying value of loans and borrowings

The fair value of loans and borrowings, except the Company's interest rate swaps as discussed in note 18 "Financial instruments", approximates the carrying amount.

15. Obligations under leases and hire purchase contracts

Leases

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

	2020 €000	2019 €000
Within one year	133	1,145
In two to five years	65	2,140
Total non-cancellable lease rentals	198	3,285

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

The following is a reconciliation of total lease commitments at 29 September 2019 to the lease liabilities recognised at 30 September 2019:

	€'000
Total lease commitments disclosed at 29 September 2019	3,285
Recognition exemptions:	
Leases of low value assets	(157)
Leases with remaining lease term of less than 12 months	(103)
	3,025
Impact of discounting using incremental borrowing rate	(200)
Total lease liabilities recognised under IFRS 16 at 30 September 2019	2,825

T&L Sugars Limited

Notes to the Financial Statements for the 52 Week Period ended 27 September 2020

16. Trade and other payables

	2020 €000	2019 €000
Trade payables	23,960	25,034
Amounts due to related parties	72	1,924
Accrued expenses	22,830	20,765
Provisions	1,971	1,873
Other payables	3,200	1,010
Total trade and other payables	52,033	50,606

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

17. Capital commitments

The total amount contracted for but not provided in the financial statements was €8,970 (2019: €3,081).

18. Financial instruments

	2020		2019	
	Assets €000	Liabilities €000	Assets €000	Liabilities €000
Current derivative financial instruments:				
Forward foreign exchange contracts				
– cash flow hedges	188	(465)	—	—
Foreign exchange contracts				
– not in hedge relationship	8,733	(10,390)	25,385	(8,905)
Foreign exchange on priced contracts	2,446	(193)	3,470	(3,470)
Commodity derivatives, net	71,250	(32,113)	68,090	(23,716)
	82,617	(43,161)	96,945	(36,091)
Non-current derivative				
– financial instruments:				
Commodity derivatives	—	(22,124)	—	(22,770)
Interest rate swaps – cash flow hedges	—	(506)	—	(646)
Total financial instruments	82,617	(65,791)	96,945	(59,507)

T&L Sugars Limited

Notes to the Financial Statements for the 52 Week Period ended 27 September 2020

18. Financial instruments (continued)

	Loans and receivables at amortised cost €000	Fair value through P&L €000	Derivatives in effective hedge relationships €000	Financial liabilities at amortised cost €000	Total carrying value €000
27 September 2020					
Trade and other receivables	93,719	—	—	—	93,719
Cash and cash equivalents	4,448	—	—	—	4,448
Interest rate swap, net ⁽¹⁾	—	—	(506)	—	(506)
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	—	—	—	(79,173)	(79,173)
Trade and other payables	—	—	—	(52,033)	(52,033)
Total	98,167	17,609	(783)	(131,206)	(16,213)

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

(2) The notional value of the forward contracts is €1,946.

	Loans and receivables at amortised cost €000	Fair value through P&L €000	Derivatives in effective hedge relationships €000	Financial liabilities at amortised cost €000	Total carrying value €000
29 September 2019					
Trade and other receivables	84,403	—	—	—	84,403
Cash and cash equivalents	782	—	—	—	782
Interest rate swap, net ⁽¹⁾	—	—	(646)	—	(646)
Foreign exchange contracts – not in hedge relationship, net ⁽²⁾	—	16,480	—	—	16,480
Foreign exchange on – priced contracts, net ⁽²⁾	—	—	—	—	—
Commodity derivatives, net	—	21,604	—	—	21,604
Borrowings	—	—	—	(95,641)	(95,641)
Trade and other payables	—	—	—	(50,606)	(50,606)
Total	85,185	38,084	(646)	(146,247)	(23,624)

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

(2) The notional value of the forward contracts is €17,767.

T&L Sugars Limited

Notes to the Financial Statements for the 52 Week Period ended 27 September 2020

18. Financial instruments (continued)

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 €000	Level 2 €000	Total €000
Derivative financial assets:			
Forward foreign exchange - contra of priced contracts	—	188	188
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)
Foreign exchange contracts - not in – hedge relationship	—	(10,390)	(10,390)
Commodity derivatives	(54,237)	—	(54,237)
Interest rate swaps - cash flow hedge	—	(506)	(506)
Derivative financial liabilities at fair value	(54,237)	(11,554)	(65,791)

29 September 2019

	Level 1 €000	Level 2 €000	Total €000
Derivative financial assets:			
Foreign exchange - not in hedge relationship	—	25,385	25,385
Foreign exchange on priced contracts	—	3,470	3,470
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)

T&L Sugars Limited

Notes to the Financial Statements for the 52 Week Period ended 27 September 2020

18. Financial instruments (continued)

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 and 29 September 2019 were as follows:

	Gross €000	Gross €000	Net €000
27 September 2020			
Assets	8,307	(10,175)	(1,868)
Liabilities	(10,175)	10,175	—
Total	(1,868)	—	(1,868)
	Gross €000	Gross €000	Net €000
29 September 2019			
Assets	25,959	(8,192)	17,767
Liabilities	(8,192)	8,192	—
Total	17,767	—	17,767

Cash flow hedge

The Company 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 Company'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 swap are expected to impact the income statement between the balance sheet date and 30 September 2024.

19. Management of financial risk

The key financial risks faced by the Company are credit risk, liquidity risk, and market risk, which include interest rate, foreign exchange, and certain commodity price risks. The Board regularly reviews these risks.

The majority of the Company's financing, interest rate and foreign exchange risks are managed through the treasury function. The Board approves policies and procedures setting out permissible funding and hedging instruments and a system of authorities for the approval of transactions and exposures within the limits approved by the Board.

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

The derivative financial instruments approved by the Board of the Company to manage financial risks include interest rate swaps, forward foreign exchange contracts, commodity forward contracts and commodity futures.

Credit risk and impairment

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 the Company's outstanding receivables. The Company 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 Board.

The Company runs a credit control department to manage credit risk by assessing the financial strength of customers using credit agencies and extending credit accordingly whilst carefully managing exposure. The credit policy is evaluated on a regular basis.

T&L Sugars Limited

Notes to the Financial Statements for the 52 Week Period ended 27 September 2020

19. Management of financial risk (continued)

	2020 €000	2019 €000
Trade receivables	34,517	37,690
Bank balances	4,448	782
Amounts due from related parties	49,539	38,092
Forward foreign exchange contracts - cash flow hedges	188	—
Forward foreign exchange contracts - in priced contracts	2,446	3,470
Forward foreign exchange contracts - not in hedge relationship	8,733	25,385
Commodity futures - not in hedge relationship	71,250	68,090
Total exposure to credit risk	171,121	173,509

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

	2020 €000	2019 €000
Current	31,031	34,387
Past due 0-28 days	2,772	2,505
More than 28 days	714	798
Total trade receivables	34,517	37,690

The movement in the provision against trade receivables during the period was as follows:

	2020 €000	2019 €000
Balance at the beginning of period	510	566
Bad debt provision movement	(7)	(56)
Balance at the end of period	503	510

Liquidity risk

The Company manages its exposure to liquidity risk and ensures maximum flexibility in meeting changing business demands by maintaining access to a wide range of funding sources, including borrowings from affiliated companies and banks. The Company 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 Inc. on behalf of the Company. It is ASR Group Inc.'s policy to manage its financial position so as to operate within agreed covenanted restrictions.

T&L Sugars Limited

Notes to the Financial Statements for the 52 Week Period ended 27 September 2020

19. Management of financial risk (continued)

The following tables set out the remaining contractual maturities of the Company's financial liabilities by type.

Maturity analysis

	Total €000	1 year or less €000	1 to 2 years €000	2 to 5 years €000	5 years or greater €000
27 September 2020					
Non-derivative financial liabilities:					
Loan from parent company	(36,896)	—	—	—	(36,896)
Other intercompany loans	(32,277)	(16,823)	—	(15,454)	—
Trade payables	(23,960)	(23,960)	—	—	—
Amounts due to related parties	(72)	(72)	—	—	—
Accrued expenses	(22,830)	(22,830)	—	—	—
A/R securitization loan	(10,000)	—	(10,000)	—	—
Other payables	(3,200)	(3,200)	—	—	—
Lease liabilities current	(1,956)	(887)	—	(1,069)	—
	<u>(131,191)</u>	<u>(67,772)</u>	<u>(10,000)</u>	<u>(16,523)</u>	<u>(36,896)</u>
Derivative financial liabilities:					
Interest rate swaps	(505)	—	—	(505)	—
Commodity futures	(54,237)	(32,113)	(5,916)	(16,208)	—
Forward foreign exchange contracts:					
- Outflow	(10,252)	(3,546)	(5,352)	(1,354)	—
- Inflow	8,306	5,133	2,779	394	—
	<u>(56,688)</u>	<u>(30,526)</u>	<u>(8,489)</u>	<u>(17,673)</u>	<u>—</u>
Total financial liabilities	<u>(187,879)</u>	<u>(98,298)</u>	<u>(18,489)</u>	<u>(34,195)</u>	<u>(36,896)</u>

	Total €000	1 year or less €000	1 to 2 years €000	2 to 5 years €000	5 years or greater €000
29 September 2019					
Non-derivative financial liabilities:					
Other intercompany loans	(85,641)	(15,219)	(70,422)	—	—
Trade payables	(25,034)	(25,034)	—	—	—
Amounts due to related parties	(1,924)	(1,924)	—	—	—
Accrued expenses	(22,638)	(22,638)	—	—	—
A/R securitization loan	(10,000)	(10,000)	—	—	—
Other payables	(1,010)	(1,010)	—	—	—
	<u>(146,247)</u>	<u>(75,825)</u>	<u>(70,422)</u>	<u>—</u>	<u>—</u>
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	—	—
	<u>(29,365)</u>	<u>(11,256)</u>	<u>(14,965)</u>	<u>(2,383)</u>	<u>(761)</u>
Total financial liabilities	<u>(175,612)</u>	<u>(87,081)</u>	<u>(85,387)</u>	<u>(2,383)</u>	<u>(761)</u>

Market risk

Foreign exchange risk

The Company operates in a multi-currency 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.

T&L Sugars LimitedNotes to the Financial Statements
for the 52 Week Period ended 27 September 2020**19. Management of financial risk (continued)****Sensitivity analysis**

A 5% strengthening of USD and GBP 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 income statement (2019: €15,859 loss). The 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.

Transaction exposure

The Company's policy is to manage 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.

Interest rate risk

The Company 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%.

The Company 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 held as at 27 September 2020 assuming that other variables remain unchanged.

If interest rates increase by 100 basis points, the Company'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

The Company participates in the sugar market and is exposed to movements in the prices of commodities in those domestic and international markets where the Company 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 traded either on recognised exchanges or over the counter. Changes in the fair value of the commodity futures and forwards are taken directly to the 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 an approximately equal but opposite impact to the income statement.

Capital risk management

The key purpose of the Company's capital risk management process is to ensure the capital structure supports the ongoing operations of the business such that the Company continues as a going concern. To achieve this, the Company adopts a flexible capital structure to ensure a low and ultimately sustainable cost of capital. This ensures the Company can continue to make careful risk appraised investments to support the long term viability of the business.

The Company's capital structure is continually monitored and adapted to align with a fast changing macro-economic and business environment. Refer to note 14 for further details on loans and borrowings.

T&L Sugars Limited

Notes to the Financial Statements for the 52 Week Period ended 27 September 2020

20. Related party disclosures

The Company has related party relationships with its subsidiaries, parent company and other group companies and with its Directors, who are considered to be key management personnel. No related party transactions with close family members of the Company's key management personnel existed in the current or comparative period.

The following table shows the value of transactions with group companies during the period. All transactions were made on an arm's length basis.

27 September 2020	Sales to € 000	Purchases from € 000	Service income € 000	Service expenses € 000
Other group companies	39,486	(18,109)	5,089	(16)

29 September 2019	Sales to € 000	Purchases from € 000	Service income € 000	Service expenses € 000
Other group companies	3,854	(43,762)	4,306	(146)

27 September 2020	Interest income € 000	Interest expense € 000	Other income € 000	Other expense € 000
Other group companies	430	(287)	—	(17)

29 September 2019	Interest income € 000	Interest expense € 000	Other income € 000	Other expense € 000
Other group companies	885	(286)	11	(252)

27 September 2020	Receivables outstanding € 000	Payables outstanding € 000	Loan receivable € 000	Loan payable € 000
Parent	—	—	—	(36,896)
Other group companies	29,920	(72)	19,618	(32,277)
	<u>29,920</u>	<u>(72)</u>	<u>19,618</u>	<u>(69,173)</u>

29 September 2019	Receivables outstanding € 000	Payables outstanding € 000	Loan receivable € 000	Loan payable € 000
Other group companies	14,174	(1,925)	23,918	(85,641)

T&L Sugars Limited

Notes to the Financial Statements for the 52 Week Period ended 27 September 2020

21. Parent company guarantee – exemption from audit for subsidiary companies

In accordance with s479a of the UK Companies Act 2006, the Company has given a guarantee to the following subsidiary company in respect of the accounting period ended 27 September 2020, which means it is exempt from the requirements of the Companies Act 2006 relating to the audit of individual company accounts.

The Company has irrevocably guaranteed the debt and liabilities that the subsidiary company has entered into during the period ended 27 September 2020 and it effectively means that the Company will discharge all outstanding liabilities of the subsidiary company as at 27 September 2020 should the subsidiary be unable to satisfy them.

Company	Registered number
T&L Sugars Death Benefits Scheme Trustees Ltd	07358348

22. 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.

23. Parent and ultimate parent

On 27th September 2019, as a part of a restructuring of the group's European operations, the immediate parent company, European Sugar Holdings S.a.r.l ("ESH"), incorporated in Luxembourg, transferred its investments in subsidiaries, including the Company, to ASRGE, a company incorporated in the UK.

The Company is a subsidiary of ASR Group Europe Limited, incorporated and domiciled in the UK, and its parent company is ASR Group International, Inc. ("ASR Group Inc.") incorporated in the United States of America.

Relationship between entity and parents

The results of the Company are consolidated by ASR Group Inc. and ASRGE. The consolidated financial statements of ASR Group Inc. are not available to the public. The consolidated financial statements of ASRGE are available to the public and can be obtained from Companies House, UK.