

**Strategic Report, Report of the Directors and  
Audited Financial Statements  
for the Year Ended 31 March 2021  
for  
Atul Europe Limited**

**Atul Europe Limited**

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for the year ended 31 March 2021**

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**Atul Europe Limited**

**Company Information  
for the year ended 31 March 2021**

**DIRECTORS:**

Dr E Sharkey  
J Collonge  
V Koppaka

**REGISTERED OFFICE:**

1st Floor, Office Suite 1B, Dean Row Ct.  
Summerfields Village Centre  
Dean Row Road  
Wilmslow  
Cheshire  
SK9 2TB

**REGISTERED NUMBER:**

03151975 (England and Wales)

**AUDITORS:**

Bennett Brooks & Co Ltd  
Chartered Accountants  
& Statutory Auditors  
2 Maple Court  
Davenport Street  
Macclesfield  
Cheshire  
SK10 1JE

## Atul Europe Limited

### Strategic Report for the year ended 31 March 2021

The directors present their strategic report for the year ended 31 March 2021.

#### REVIEW OF BUSINESS

During the current year, the business of the Company is adversely impacted by Covid 19 pandemic and hence the business is down by around 29%. All the businesses are affected, as the demand in all the specialty chemicals sectors were down due to lock downs in Europe, where we sell and India, mainly from where we receive the material to be sold in Europe.

Due to the Covid-19 pandemic, the demand with respect to Textile sectors, where our Colours are used in the Health & care sectors, was maintained during Apr-June'20. A number of our customers in Italy and the UK are manufacturing face masks and other PPE (Personal Protective Equipment) including gowns and hand gloves. However, sales stopped during the rest of the 2020. Demand improved again during Jan-March'21, due to surge in demand in other textile sectors due to easing in lockdowns.

New trading business in the Polymer division has shown an increase due to stable demand in the paints' additives sector.

The gross profit over the period (2020-21) has decreased due to drop in sales by 29% on account of Covid 19 impact.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The Covid-19 status and its impact during the year in the short term and medium term will determine the turnover and profitability during 2021-22 too. However, we expect an improvement due to vaccination across Europe and elsewhere, which should help to minimise the impact during 2021-22. Post- Covid-19, uncertainty in foreign exchange currency rates, also due to post-BREXIT scenarios, and anticipated global / EU recession resulting into low GDP growth rates in the EURO zone are the main factors, which will affect the growth and profitability of the operations. However, we expect a better demand of our products as the markets will bounce back during 2021-22, to regain the pre-Covid levels.

#### Liquidity risk and going concern

The Company finances its operations through retained profits and intercompany borrowings.

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The Company have positive cash reserves, working capital and net current assets. However, in view of the uncertainties noted to both the general chemicals sector and the Company around the impact of Covid-19, forecast downside scenarios have been performed to consider the impact on cash reserves. These forecasts show that over the following 12 months from the date of signature of these financial statements there will be adequate cash headroom. The funding of the Company is principally through customer receipts payable as they fall due and intercompany balances from the Company's parent. The Company's ultimate parent has confirmed that the Company may flex repayments of the intercompany balances as required in order to meet its financial liabilities as they fall due and has confirmed that it will provide financial support to enable the Company to meet their financial commitments for a period of at least 12 months from the date of approval of the financial statements.

#### Interest rate risk

Interest bearing assets comprise cash and bank deposits, all of which earn interest at market rates. The directors monitor the overall level of borrowings and interest costs to limit any adverse effects on the financial performance of the Company..

#### Credit risk

The Company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from its trade debtors.

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third-party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history. Company has a credit insurance policy with Euler Hermes for all its customers and follows the credit limits approved by them.

#### Price risk

Competitive pressures within the industry is a continuing risk for the Company which could result in losing sales to competitors. The Company manages the risk by maintaining strong relationships with customers and being an industry leader.

**Atul Europe Limited**

**Strategic Report  
for the year ended 31 March 2021**

**FUTURE PLANS**

We will make changes as necessary in our market focus and development during 2021-22, in post Covid-19 scenario. However, we are expecting during 2021-22, new products' developments in Specialty Chemicals sector in Europe, and we expect to see commercial sales during 2021-22.

We are continuing to explore strategic partnerships in related sectors for our businesses.

Our efforts to develop sales of new products in existing markets and sales of existing products into the new markets will help us grow our market share further in Europe. We are continuing to look to grow our business in Nordic countries and Eastern Europe during 2021-22.

**KEY PERFORMANCE INDICATORS**

The Company's key performance indicators are turnover and gross profit margin. Turnover & Gross margins are significantly adversely affected by Covid 19 during 2020-21.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink that reads "Edward Sharkey". The signature is written in a cursive style and is underlined with a single horizontal line.

Dr E Sharkey - Director

22 April 2021

**Atul Europe Limited**

**Report of the Directors  
for the year ended 31 March 2021**

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2021.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

Dr E Sharkey  
J Collonge

Other changes in directors holding office are as follows:

V Koppaka - appointed 1 April 2020

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Strategic Report, 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 the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102). 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements, 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Bennett Brooks & Co Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



Dr E Sharkey - Director

22 April 2021

## **Report of the Independent Auditors to the Members of Atul Europe Limited**

### **Opinion**

We have audited the financial statements of Atul Europe Limited (the 'company') for the year ended 31 March 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' 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.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

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 Report of the Directors.

We have nothing to report in respect of the following matters where 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.

## **Report of the Independent Auditors to the Members of Atul Europe Limited**

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and regulations which govern the preparation of financial statements, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue, through management bias in manipulation of accounting estimates or accounting for significant transactions outside the normal course of business. Audit procedures performed included:

- Enquiry of management around actual and potential litigation and claims and instances of non-compliance with laws and regulations;
- Auditing the risk of management override of controls, through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations;

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.



**Report of the Independent Auditors to the Members of  
Atul Europe Limited**

**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 a Report of the Auditors 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.



Jason Leach (Senior Statutory Auditor)  
for and on behalf of Bennett Brooks & Co Ltd  
Chartered Accountants  
& Statutory Auditors  
2 Maple Court  
Davenport Street  
Macclesfield  
Cheshire  
SK10 1JE

22 April 2021

**Atul Europe Limited**

**Income Statement  
for the year ended 31 March 2021**

		31.3.21	31.3.20
	Notes	£	£
<b>TURNOVER</b>	3	16,405,588	23,309,885
Cost of sales		(15,702,152)	(22,181,567)
<b>GROSS PROFIT</b>		703,436	1,128,318
Administrative expenses		(700,335)	(561,284)
		3,101	567,034
Other operating income		10,000	-
<b>OPERATING PROFIT and PROFIT BEFORE TAXATION</b>		13,101	567,034
Tax on profit	6	(4,497)	(104,182)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		8,604	462,852

The notes form part of these financial statements

**Atul Europe Limited**

**Other Comprehensive Income  
for the year ended 31 March 2021**

	31.3.21	31.3.20
Notes	£	£
<b>PROFIT FOR THE YEAR</b>	8,604	462,852
<b>OTHER COMPREHENSIVE INCOME</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>8,604</u>	<u>462,852</u>

The notes form part of these financial statements

Atul Europe Limited (Registered number: 03151975)

Balance Sheet  
31 March 2021

	Notes	31.3.21 £	31.3.20 £
<b>FIXED ASSETS</b>			
Tangible assets	7	31,310	44,972
Investments	8	925,086	925,086
		<u>956,396</u>	<u>970,058</u>
<b>CURRENT ASSETS</b>			
Stocks	9	2,311,933	2,722,500
Debtors	10	4,192,718	6,546,366
Cash at bank and in hand		1,262,004	145,388
		<u>7,766,655</u>	<u>9,414,254</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	(4,601,971)	(6,271,836)
<b>NET CURRENT ASSETS</b>			
		<u>3,164,684</u>	<u>3,142,418</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>4,121,080</u>	<u>4,112,476</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	3,288,911	3,288,911
Retained earnings	14	832,169	823,565
<b>SHAREHOLDERS' FUNDS</b>			
		<u>4,121,080</u>	<u>4,112,476</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22 April 2021 and were signed on its behalf by:



Dr E Sharkey - Director

Atul Europe Limited

Statement of Changes in Equity  
for the year ended 31 March 2021

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2019</b>	3,288,911	360,713	3,649,624
<b>Changes in equity</b>			
Total comprehensive income	-	462,852	462,852
<b>Balance at 31 March 2020</b>	<u>3,288,911</u>	<u>823,565</u>	<u>4,112,476</u>
<b>Changes in equity</b>			
Total comprehensive income	-	8,604	8,604
<b>Balance at 31 March 2021</b>	<u><u>3,288,911</u></u>	<u><u>832,169</u></u>	<u><u>4,121,080</u></u>

The notes form part of these financial statements

**Atul Europe Limited**

**Cash Flow Statement  
for the year ended 31 March 2021**

	Notes	31.3.21 £	31.3.20 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,197,261	(661,438)
Tax paid		(80,471)	(89,118)
Net cash from operating activities		<u>1,116,790</u>	<u>(750,556)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(174)	(17,910)
Sale of tangible fixed assets		-	29
Net cash from investing activities		<u>(174)</u>	<u>(17,881)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>1,116,616</u>	<u>(768,437)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	145,388	913,825
<b>Cash and cash equivalents at end of year</b>	2	<u><u>1,262,004</u></u>	<u><u>145,388</u></u>

The notes form part of these financial statements

**Atul Europe Limited**

**Notes to the Cash Flow Statement  
for the year ended 31 March 2021**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.3.21	31.3.20
	£	£
Profit before taxation	13,101	567,034
Depreciation charges	13,836	17,587
Loss on disposal of fixed assets	-	642
	26,937	585,263
Decrease/(increase) in stocks	410,567	(94,944)
Decrease/(increase) in trade and other debtors	2,369,151	(699,990)
Decrease in trade and other creditors	(1,609,394)	(451,767)
	1,197,261	(661,438)

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 March 2021**

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	1,262,004	145,388
	1,262,004	145,388

**Year ended 31 March 2020**

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	145,388	913,825
	145,388	913,825

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.20	Cash flow	At 31.3.21
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	145,388	1,116,616	1,262,004
	145,388	1,116,616	1,262,004
<b>Total</b>	145,388	1,116,616	1,262,004

## Atul Europe Limited

### Notes to the Financial Statements for the year ended 31 March 2021

#### 1. STATUTORY INFORMATION

Atul Europe Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

#### 2. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (March 2018) and the Companies Act 2006.

The company has adopted the FRS 102 accounting policies and principles on a consistent basis from the date of transition. The principal policies are set out below:

The financial statements have been prepared on a going concern basis under the historical cost convention in accordance with the Companies Act 2006. The financial statements are presented in Sterling.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement are:

Carrying value of stocks - the condition of stock held is reviewed by the directors and provisions made where the expected selling price is lower than the purchase cost of the stock. This involves the use of judgement.

##### **Going concern**

The Company finances its operations through retained profits and intercompany borrowings.

The Company have positive cash reserves, working capital and net current assets. However, in view of the uncertainties noted to both the general chemicals sector and the Company around the impact of Covid-19, forecast downside scenarios have been performed to consider the impact on cash reserves. These forecasts show that over the following 12 months from the date of signature of these financial statements there will be adequate cash headroom. The funding of the Company is principally through customer receipts payable as they fall due and intercompany balances from the Company's parent. The Company's ultimate parent has confirmed that the Company may flex repayments of the intercompany balances as required in order to meet its financial liabilities as they fall due and has confirmed that it will provide financial support to enable the Company to meet their financial commitments for a period of at least 12 months from the date of approval of the financial statements.

##### **Preparation of consolidated financial statements**

The financial statements contain information about Atul Europe Limited as an individual company and do not contain consolidated financial information as the parent of a group.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales and is recognised when the significant risks and rewards of the ownership have been transferred. This tends to be as follows:

I) For sales from the UK - on despatch from the warehouse.

II) For direct sales from India - on delivery to the destination port.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Equipment	- 25% on cost
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.



Notes to the Financial Statements - continued  
for the year ended 31 March 2021

2. ACCOUNTING POLICIES - continued

**Government grants**

Grants received from the government in relation to the Coronavirus Small Business Grant Fund are recognised in the Income Statement in the period in which the benefit is received, and included within other operating income.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Distributions to equity holders**

Dividends to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

**Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

**Investments**

Investments in subsidiary companies are held at cost less accumulated impairment losses.

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds. Any differences between the nominal value of shares cancelled as part of a capital reduction and cash proceeds, is credited to retained earnings

**Atul Europe Limited**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2021**

**3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31.3.21	31.3.20
	£	£
United Kingdom	1,803,298	2,013,726
Europe	14,487,664	21,199,133
Rest of the world	114,626	97,026
	16,405,588	23,309,885
	16,405,588	23,309,885

**4. EMPLOYEES AND DIRECTORS**

	31.3.21	31.3.20
	£	£
Wages and salaries	277,017	281,033
Social security costs	39,016	49,144
Other pension costs	4,466	4,815
	320,499	334,992
	320,499	334,992

The average number of employees during the year was as follows:

	31.3.21	31.3.20
Sales	3	3
Office	3	3
	6	6
	6	6

	31.3.21	31.3.20
	£	£
Directors' remuneration	-	-
	-	-
	-	-

**5. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	13,836	17,587
Loss on disposal of fixed assets	-	-
Auditors' remuneration	13,000	12,275
Auditors' remuneration for other assurance work	5,500	11,410
Auditors' remuneration for non-audit work	-	6,622
Foreign exchange differences	(199,671)	(74,666)
Operating lease rentals	12,800	12,800
	12,800	12,800
	12,800	12,800

Notes to the Financial Statements - continued  
for the year ended 31 March 2021

6. TAXATION

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.3.21	31.3.20
	£	£
Current tax:		
UK corporation tax	4,497	107,471
Overprovision in prior year	-	(3,289)
	<u>4,497</u>	<u>104,182</u>
Tax on profit	<u>4,497</u>	<u>104,182</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.21	31.3.20
	£	£
Profit before tax	<u>13,101</u>	<u>567,034</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	2,489	107,736
Effects of:		
Expenses not deductible for tax purposes	-	501
Deferred tax not recognised	2,008	(766)
Overprovision of tax charge	-	(3,289)
Total tax charge	<u>4,497</u>	<u>104,182</u>

**Tax rate changes**

In the Spring Budget 2020, the Government announced that the previously enacted decrease in the corporate tax rate from 19% to 17% from 1 April 2020 would no longer happen and that rates would remain at 19% for the foreseeable future. The new law was substantively enacted by a resolution under the Provisional Collection of Taxes Act 1968 on 17 March 2020. In the Spring Budget 2021, the Government announced an increase in the corporation tax rate from 19% to 25% from 1 April 2023. As the new law had not been substantively enacted by the balance sheet date, its impact has not been reflected in the financial statements and the unprovided deferred tax balances have been presented at the previously enacted rate of 17%.

7. TANGIBLE FIXED ASSETS

	Equipment £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 April 2020	41,921	29,446	32,064	103,431
Additions	174	-	-	174
At 31 March 2021	<u>42,095</u>	<u>29,446</u>	<u>32,064</u>	<u>103,605</u>
<b>DEPRECIATION</b>				
At 1 April 2020	22,423	18,291	17,745	58,459
Charge for year	8,583	1,673	3,580	13,836
At 31 March 2021	<u>31,006</u>	<u>19,964</u>	<u>21,325</u>	<u>72,295</u>
<b>NET BOOK VALUE</b>				
At 31 March 2021	<u>11,089</u>	<u>9,482</u>	<u>10,739</u>	<u>31,310</u>
At 31 March 2020	<u>19,498</u>	<u>11,155</u>	<u>14,319</u>	<u>44,972</u>

**Atul Europe Limited**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2021**

**8. FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>COST</b>	
At 1 April 2020 and 31 March 2021	925,086
<b>NET BOOK VALUE</b>	
At 31 March 2021	925,086
At 31 March 2020	925,086

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**D.P.D. Limited**

Registered office: Ham Street, Baltonsborough, Glastonbury, Somerset, BA6 8QG

Nature of business: Horticulture and cultivation

	%		
Class of shares:	holding		
Ordinary	98.00	31.3.21	31.3.20
		£	£
Aggregate capital and reserves		3,498,876	2,532,648
Profit for the year		966,228	563,193
		966,228	563,193

**9. STOCKS**

	31.3.21	31.3.20
	£	£
Stocks	2,311,933	2,722,500
	2,311,933	2,722,500

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.21	31.3.20
	£	£
Trade debtors	4,079,521	6,275,555
Amounts due from group undertakings	43,420	126,299
Tax	15,503	-
VAT	-	15,902
Prepayments & accrued income	13,254	11,236
Amounts due from parent undertaking	41,020	117,374
	4,192,718	6,546,366

Amounts due from group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**Atul Europe Limited**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2021**

<b>11.</b>	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
		31.3.21	31.3.20
		£	£
	Trade creditors	127,228	209,566
	Corporation tax payable	-	60,471
	Social security & other taxes	6,985	10,949
	VAT	96,725	-
	Other creditors	10,587	10,589
	Amounts due to parent undertaking	4,169,095	5,392,361
	Amount due to group undertakings	-	88,802
	Accruals & deferred income	191,351	499,098
		<u>4,601,971</u>	<u>6,271,836</u>

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**12. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.21	31.3.20
	£	£
Within one year	<u>3,166</u>	<u>14,900</u>

**13. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:						
		Nominal	31.3.21	31.3.20			
		value:	£	£			
3,288,911	Ordinary	£1	<u>3,288,911</u>	<u>3,288,911</u>			

**14. RESERVES**

	Retained earnings
	£
At 1 April 2020	823,565
Profit for the year	8,604
	<u>832,169</u>
At 31 March 2021	<u>832,169</u>

**15. ULTIMATE PARENT COMPANY**

The ultimate parent company is Atul Limited which is based in India. For both periods the parent company held all of the issued share capital of Atul Europe Limited. They prepare group accounts every year. Copies can be obtained from the registered office: Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India.

**16. CONTINGENT LIABILITIES**

The company has guaranteed up to a maximum of £75,000 of the overdraft facility of its subsidiary D.P.D. Limited.

Notes to the Financial Statements - continued  
for the year ended 31 March 2021

17. RELATED PARTY DISCLOSURES

**Entities with control, joint control or significant influence over the entity:**

**Atul Limited:**

Parent company, registered in India

During the year, purchases were made from Atul Ltd totalling £14,015,598 (2020: £21,103,247), and commissions totalling £194,516 (2020: £384,174) were charged. At the year end, a balance of £4,128,075 (2020: £5,274,987) was due to Atul Ltd, no dividends were included in this amount (2020: £nil).

**Entities over which the entity has control, joint control or significant influence:**

**DPD Limited:**

Subsidiary company

During the year, a management fee of £93,080 (2020: £88,647) was invoiced to DPD Limited for services provided during the year. No balance was owed from DPD Limited as at the balance sheet date (2020: £103,377).

At the year end, no balance of was outstanding in respect to dividends (2020: £nil). No dividend was declared in 2021 (2020: £nil).

**Other related parties:**

During the year, the company paid invoices on behalf of Atul Deutschland GmbH totalling £4,392 (2020: £5,595) and Atul Ireland totalling £19,410 (2020: £3,170). The balances outstanding in respect of these invoices at year end were £20,473 (2020: £16,752) and £22,743 (2020: £3,170) respectively.

A balance of £203 was owed from Atul Flora Division at year end (2020: £203).

During the year, purchases of £27,301 (2020: £28,311) were made from Atul USA Inc. At the year end there was no balance outstanding in respect of these invoices (2020: £nil).

The Directors consider key management to be the company directors.

18. ULTIMATE CONTROLLING PARTY

The directors consider there to be no ultimate controlling party, given the listed nature of the ultimate parent.

**Atul Europe Limited**

**Trading and Profit and Loss Account  
for the year ended 31 March 2021**

		31.3.21		31.3.20
	£	£	£	£
<b>Turnover</b>				
Sales	16,312,508		23,221,238	
Management services	93,080		88,647	
	<u>16,405,588</u>		<u>23,309,885</u>	
<b>Cost of sales</b>				
Opening stock	2,722,500		2,627,556	
Purchases	14,997,798		21,860,262	
Carriage & duty	293,787		416,249	
	<u>18,014,085</u>		<u>24,904,067</u>	
Closing stock	(2,311,933)		(2,722,500)	
	<u>15,702,152</u>		<u>22,181,567</u>	
<b>GROSS PROFIT</b>		703,436		1,128,318
<b>Other income</b>				
Government grants		10,000		-
		<u>713,436</u>		<u>1,128,318</u>
<b>Expenditure</b>				
Rent, rates & service charges	14,740		14,906	
Insurance	13,919		34,742	
Light & heat	778		854	
Wages	277,017		281,033	
Social security	39,016		49,144	
Pensions	4,466		4,815	
Telephone & postage	8,179		10,546	
Printing, stationery & adverts	2,456		1,608	
Travelling	1,376		54,145	
Motor expenses	2,352		2,939	
Sundries & cleaning	10,824		35,024	
Computer consumables	9,625		14,614	
Commission paid	66,579		59,746	
Legal & professional	2,368		7,775	
Auditors' remuneration for other assurance work	5,500		11,410	
Auditors' remuneration	13,000		12,275	
Auditors' remuneration for non audit work	-		6,622	
Donations	-		374	
Foreign exchange loss/(gain)	199,671		(74,666)	
Entertainment	-		1,995	
Bad debts	6,629		-	
	<u>678,495</u>		<u>529,901</u>	
		34,941		598,417
<b>Finance costs</b>				
Bank charges & interest		8,004		13,153
		<u>26,937</u>		<u>585,264</u>
<b>Depreciation</b>				
Plant and machinery	8,583		10,846	
Fixtures and fittings	1,673		1,969	
Motor vehicles	3,580		4,773	
	<u>13,836</u>		<u>17,588</u>	
Carried forward		13,101		567,676

This page does not form part of the statutory financial statements

Atul Europe Limited

Trading and Profit and Loss Account  
for the year ended 31 March 2021

	31.3.21		31.3.20
	£	£	£
Brought forward	13,101		567,676
<b>Loss on disposal of fixed assets</b>			
Plant and machinery	-		642
<b>NET PROFIT</b>	<u>13,101</u>		<u>567,034</u>