

**Strategic Report, Report of the Directors and  
Audited Financial Statements  
for the Year Ended 31 March 2022  
for  
Atul Europe Limited**

**Atul Europe Limited**

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for the year ended 31 March 2022**

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**Atul Europe Limited**  
**Company Information**  
**for the year ended 31 March 2022**

**DIRECTORS:**

Dr E Sharkey  
J Collonge  
V Koppaka

**REGISTERED OFFICE:**

10 Oak Green  
Earl Road  
Cheadle  
Cheshire  
SK8 6QL

**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 2022**

The directors present their strategic report for the year ended 31 March 2022.

**REVIEW OF BUSINESS**

During the current year, the business of the Company has improved significantly post- Covid 19 pandemic. The business has grown by 56%. All our businesses have improved, as the demand in all the specialty chemicals sectors have improved significantly in Europe, where we sell. Availability from India, has also improved at the same time due to ending of lockdowns etc.

The demand with respect to Textile sectors, where our Colours are used in the Health & care sectors, is maintained. Demand improved in other textile sectors due to easing in lockdowns.

Aromatics and Polymers business have also significantly improved due to significant increase in the demand in their end use sectors.

New trading businesses of the company have started due to new opportunities.

The gross profit over the period (2021-22) has also increased, due to the increase in sales by 56%

**PRINCIPAL RISKS AND UNCERTAINTIES**

Due to increased demand post- Covid 19, the shortages of vessels for sea freight have posed new challenges to the businesses. Due to sudden increases in demand in various sectors, there are shortages of raw materials and utilities to run the manufacturing activities. Significant increase in the crude oil price has fuelled the inflation globally. Due to increase in inflation, there are uncertainties with respect to foreign exchange currency rates. However due to better demand the GDP growth will be on the higher side helping the business growth. We expect a better demand of our products as the markets will further bounce back during 2022-23, to regain and even grow further to 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 that 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. The Company has better cash flow and financial performance during 2021-22 and this will further strengthen the financial stability of the company. Hence, 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. On that basis we consider the going concern basis of preparation to be appropriate.

**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 2022**

**FUTURE PLANS**

We will make changes as necessary in our market focus and development during 2022-23, in post Covid-19 scenario. However, we are expecting during 2022-23, new products' developments in Specialty Chemicals sector in Europe, and we expect to see commercial sales during 2022-23.

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 2022-23 and beyond.

**KEY PERFORMANCE INDICATORS**

The Company's key performance indicators are turnover and gross profit margin. Turnover & Gross margins are significantly improved during 2021-22.

**ON BEHALF OF THE BOARD:**



Dr E Sharkey - Director

22 April 2022

**Atul Europe Limited**  
**Report of the Directors**  
**for the year ended 31 March 2022**

The directors present their report with the financial statements of the company for the year ended 31 March 2022.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2022.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

Dr E Sharkey  
J Collonge  
V Koppaka

**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 2022

## **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 2022 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 2022 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.

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.

### **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 2022



**Atul Europe Limited**

**Income Statement  
for the year ended 31 March 2022**

	Notes	2022 £	2021 £
<b>TURNOVER</b>	3	24,824,079	16,405,588
Cost of sales		23,473,103	15,702,152
<b>GROSS PROFIT</b>		1,350,976	703,436
Administrative expenses		485,832	700,335
		865,144	3,101
Other operating income		-	10,000
<b>OPERATING PROFIT</b>	5	865,144	13,101
Income from shares in group undertakings		1,078,000	-
<b>PROFIT BEFORE TAXATION</b>		1,943,144	13,101
Tax on profit	6	172,141	4,497
<b>PROFIT FOR THE FINANCIAL YEAR</b>		1,771,003	8,604

The notes form part of these financial statements

**Atul Europe Limited**

**Other Comprehensive Income  
for the year ended 31 March 2022**

	Notes	2022 £	2021 £
<b>PROFIT FOR THE YEAR</b>		1,771,003	8,604
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>1,771,003</u></u>	<u><u>8,604</u></u>


The notes form part of these financial statements

Atul Europe Limited (Registered number: 03151975)

Balance Sheet  
31 March 2022

	Notes	2022		2021	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7		620,479		31,310
Investments	8		925,086		925,086
			<u>1,545,565</u>		<u>956,396</u>
<b>CURRENT ASSETS</b>					
Stocks	9	3,834,151		2,311,933	
Debtors	10	7,378,070		4,192,718	
Cash at bank and in hand		1,024,101		1,262,004	
		<u>12,236,322</u>		<u>7,766,655</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	11	7,889,804		4,601,971	
			<u>4,346,518</u>		<u>3,164,684</u>
<b>NET CURRENT ASSETS</b>					
			<u>5,892,083</u>		<u>4,121,080</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>5,892,083</u>		<u>4,121,080</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		3,288,911		3,288,911
Retained earnings	14		2,603,172		832,169
<b>SHAREHOLDERS' FUNDS</b>					
			<u>5,892,083</u>		<u>4,121,080</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22 April 2022 and were signed on its behalf by:



Dr E Sharkey - Director

The notes form part of these financial statements

**Atul Europe Limited**

**Statement of Changes in Equity  
for the year ended 31 March 2022**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2020</b>	3,288,911	823,565	4,112,476
<b>Changes in equity</b>			
Total comprehensive income	-	8,604	8,604
<b>Balance at 31 March 2021</b>	<u>3,288,911</u>	<u>832,169</u>	<u>4,121,080</u>
<b>Changes in equity</b>			
Total comprehensive income	-	1,771,003	1,771,003
<b>Balance at 31 March 2022</b>	<u><u>3,288,911</u></u>	<u><u>2,603,172</u></u>	<u><u>5,892,083</u></u>

The notes form part of these financial statements

**Atul Europe Limited**

**Cash Flow Statement  
for the year ended 31 March 2022**

	Notes	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	445,985	1,197,261
Tax paid		(75,601)	(80,471)
Net cash from operating activities		370,384	1,116,790
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(608,287)	(174)
Net cash from investing activities		(608,287)	(174)
<b>(Decrease)/increase in cash and cash equivalents</b>		(237,903)	1,116,616
<b>Cash and cash equivalents at beginning of year</b>	2	1,262,004	145,388
<b>Cash and cash equivalents at end of year</b>	2	1,024,101	1,262,004

The notes form part of these financial statements

**Atul Europe Limited**

**Notes to the Cash Flow Statement  
for the year ended 31 March 2022**

1.	<b>RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS</b>	2022	2021
		£	£
	Profit before taxation	1,943,144	13,101
	Depreciation charges	19,118	13,836
	Finance income	(1,078,000)	-
		<u>884,262</u>	<u>26,937</u>
	(Increase)/decrease in stocks	(1,522,218)	410,567
	(Increase)/decrease in trade and other debtors	(2,122,855)	2,369,151
	Increase/(decrease) in trade and other creditors	3,206,796	(1,609,394)
	<b>Cash generated from operations</b>	<u><u>445,985</u></u>	<u><u>1,197,261</u></u>

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 2022**

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	<u>1,024,101</u>	<u>1,262,004</u>

**Year ended 31 March 2021**

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	<u>1,262,004</u>	<u>145,388</u>

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

	At 1.4.21	Cash flow	At 31.3.22
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>1,262,004</u>	<u>(237,903)</u>	<u>1,024,101</u>
	<u>1,262,004</u>	<u>(237,903)</u>	<u>1,024,101</u>
<b>Total</b>	<u><u>1,262,004</u></u>	<u><u>(237,903)</u></u>	<u><u>1,024,101</u></u>

The notes form part of these financial statements

## Atul Europe Limited

### Notes to the Financial Statements for the year ended 31 March 2022

#### 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" and the Companies Act 2006.

The company has adopted the FRS 102 accounting policies and principles on a consistent basis. 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. The Company has better cash flow and financial performance during 2021-22 and this will further strengthen the financial stability of the company. Hence, 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. On that basis we consider the going concern basis of preparation to be appropriate.

##### **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.

Freehold property	- 2% on cost
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.

##### **Stocks**

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

## Atul Europe Limited

### Notes to the Financial Statements - continued for the year ended 31 March 2022

#### 2. ACCOUNTING POLICIES - continued

##### 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

#### 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:

	2022	2021
	£	£
United Kingdom	2,908,310	1,803,298
Europe	21,343,062	14,487,664
Rest of the world	572,707	114,626
	<u>24,824,079</u>	<u>16,405,588</u>



**Atul Europe Limited**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2022**

**4. EMPLOYEES AND DIRECTORS**

	2022	2021
	£	£
Wages and salaries	245,978	277,017
Social security costs	28,073	39,016
Other pension costs	4,994	4,466
	<u>279,045</u>	<u>320,499</u>

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

	2022	2021
Sales	2	3
Office	3	3
	<u>5</u>	<u>6</u>

	2022	2021
	£	£
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

**5. OPERATING PROFIT**

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

	2022	2021
	£	£
Depreciation - owned assets	19,118	13,836
Loss on disposal of fixed assets	-	-
Auditors' remuneration	18,500	13,000
Auditors' remuneration for other assurance work	10,500	5,500
Auditors' remuneration for non-audit work	9,959	-
Foreign exchange differences	28,780	(199,671)
Operating lease rentals	3,166	12,800
	<u>3,166</u>	<u>12,800</u>

**6. TAXATION**

**Analysis of the tax charge**

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

	2022	2021
	£	£
Current tax:		
UK corporation tax	171,632	4,497
Overprovision in prior year	509	-
	<u>172,141</u>	<u>4,497</u>
Tax on profit	<u>172,141</u>	<u>4,497</u>

**Atul Europe Limited**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2022**

**6. TAXATION - continued**

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

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

	2022 £	2021 £
Profit before tax	1,943,144	13,101
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	369,197	2,489
Effects of:		
Expenses not deductible for tax purposes	7,255	-
Income not taxable for tax purposes	(204,820)	-
Deferred tax not recognised	-	2,008
Overprovision of tax charge	509	-
Total tax charge	<u>172,141</u>	<u>4,497</u>

**Tax rate changes**

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining reducing at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

**7. TANGIBLE FIXED ASSETS**

	Freehold property £	Equipment £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 April 2021	-	42,095	29,446	32,064	103,605
Additions	<u>608,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>608,287</u>
At 31 March 2022	<u>608,287</u>	<u>42,095</u>	<u>29,446</u>	<u>32,064</u>	<u>711,892</u>
<b>DEPRECIATION</b>					
At 1 April 2021	-	31,006	19,964	21,325	72,295
Charge for year	<u>6,077</u>	<u>8,934</u>	<u>1,422</u>	<u>2,685</u>	<u>19,118</u>
At 31 March 2022	<u>6,077</u>	<u>39,940</u>	<u>21,386</u>	<u>24,010</u>	<u>91,413</u>
<b>NET BOOK VALUE</b>					
At 31 March 2022	<u>602,210</u>	<u>2,155</u>	<u>8,060</u>	<u>8,054</u>	<u>620,479</u>
At 31 March 2021	<u>-</u>	<u>11,089</u>	<u>9,482</u>	<u>10,739</u>	<u>31,310</u>

**8. FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>COST</b>	
At 1 April 2021 and 31 March 2022	<u>925,086</u>
<b>NET BOOK VALUE</b>	
At 31 March 2022	<u>925,086</u>
At 31 March 2021	<u>925,086</u>

**Atul Europe Limited**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2022**

**8. FIXED ASSET INVESTMENTS - continued**

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	2022	2021
Ordinary	98.00	£	£
Aggregate capital and reserves		3,970,450	3,498,876
Profit for the year		1,571,574	966,228
		<u>                    </u>	<u>                    </u>

**9. STOCKS**

	2022	2021
	£	£
Stocks	3,834,151	2,311,933
	<u>                    </u>	<u>                    </u>

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

	2022	2021
	£	£
Trade debtors	5,862,922	4,079,521
Amounts due from group undertakings	1,149,377	43,420
Tax	-	15,503
Prepayments & accrued income	8,905	13,254
Amounts due from parent undertaking	356,866	41,020
	<u>                    </u>	<u>                    </u>
	<u>7,378,070</u>	<u>4,192,718</u>

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

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Trade creditors	55,938	127,228
Corporation tax payable	81,037	-
Social security & other taxes	5,072	6,985
VAT	170,552	96,725
Other creditors	10,589	10,587
Amounts due to parent undertaking	6,779,820	4,169,095
Amount due to group undertakings	155,976	-
Accruals & deferred income	630,820	191,351
	<u>                    </u>	<u>                    </u>
	<u>7,889,804</u>	<u>4,601,971</u>

Amounts due to 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 2022**

**12. LEASING AGREEMENTS**

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

	2022	2021
	£	£
Within one year	<u>2,100</u>	<u>3,166</u>

**13. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
3,288,911	Ordinary	£1	<u>3,288,911</u>	<u>3,288,911</u>

**14. RESERVES**

		Retained earnings
		£
At 1 April 2021		832,169
Profit for the year		<u>1,771,003</u>
At 31 March 2022		<u>2,603,172</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.

**Atul Europe Limited**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2022**

**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 £24,846,770 (2021: £14,015,598), and commissions totalling £276,233 (2021: £194,516) were charged. At the year end, a balance of £6,422,955 (2021: £4,128,075) was due to Atul Ltd, no dividends were included in this amount (2021: £nil).

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

**DPD Limited:**

Subsidiary company

During the year, a management fee of £97,734 (2021: £93,080) was invoiced to DPD Limited for services provided during the year. No balance was owed from DPD Limited as at the balance sheet date (2021: £nil).

At the year end, a balance of £1,078,000 was outstanding in respect to dividends (2021: £nil).

**Other related parties:**

During the year, the company paid invoices on behalf of Atul Deutschland GmbH totalling £4,213 (2021: £4,392) and Atul Ireland totalling £25,000 (2021: £19,140). The balances outstanding in respect of these invoices at year end were £24,201 (2021: £20,473) and £47,174 (2021: £22,743) respectively.

During the year, purchases of £299,291 (2021: £27,301) were made from Atul USA Inc. At the year end there was £155,976 outstanding in respect of these invoices (2021: £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 2022**

	2022		2021	
	£	£	£	£
<b>Turnover</b>				
Sales	24,726,345		16,312,508	
Management services	97,734		93,080	
		24,824,079		16,405,588
<b>Cost of sales</b>				
Opening stock	2,311,933		2,722,500	
Purchases	24,594,270		14,997,798	
Carriage & duty	401,051		293,787	
Closing stock	27,307,254 (3,834,151)	23,473,103	18,014,085 (2,311,933)	15,702,152
<b>GROSS PROFIT</b>		1,350,976		703,436
<b>Other income</b>				
Government grants	-		10,000	
Shares in group undertakings	1,078,000		-	
		1,078,000		10,000
		2,428,976		713,436
<b>Expenditure</b>				
Rent, rates & service charges	26,214		14,740	
Insurance	34,437		13,919	
Light & heat	1,961		778	
Wages	245,978		277,017	
Social security	28,073		39,016	
Pensions	4,994		4,466	
Telephone & postage	7,679		8,179	
Printing, stationery & adverts	2,996		2,456	
Travelling	474		1,376	
Motor expenses	2,690		2,352	
Sundries & cleaning	16,330		10,824	
Computer consumables	8,713		9,625	
Commission paid	69,832		66,579	
Legal & professional	333		2,368	
Auditors' remuneration for other assurance work	10,500		5,500	
Auditors' remuneration	18,500		13,000	
Auditors' remuneration for non audit work	9,959		-	
Foreign exchange loss/(gain)	(28,780)		199,671	
Bad debts	6,707		6,629	
		467,590		678,495
		1,961,386		34,941
<b>Finance costs</b>				
Bank charges & interest		(876)		8,004
Carried forward		1,962,262		26,937

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 2022**

	2022		2021	
	£	£	£	£
Brought forward		1,962,262		26,937
<b>Depreciation</b>				
Freehold property	6,077		-	
Plant and machinery	8,934		8,583	
Fixtures and fittings	1,422		1,673	
Motor vehicles	2,685		3,580	
		<u>19,118</u>	<u>13,836</u>	
<b>NET PROFIT</b>		<u><u>1,943,144</u></u>	<u><u>13,101</u></u>	

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