

**Strategic Report, Report of the Directors and  
Audited Financial Statements  
for the Year Ended 31 March 2024  
for  
Atul Europe Limited**

**Atul Europe Limited**

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for the year ended 31 March 2024**

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**Atul Europe Limited**  
**Company Information**  
**for the year ended 31 March 2024**

**DIRECTORS:** Dr E Sharkey  
J Collonge

**REGISTERED OFFICE:** Atul House  
10 Oak Green  
Earl Road  
Cheadle  
Cheshire  
SK8 6QL

**REGISTERED NUMBER:** 03151975 (England and Wales)

**AUDITORS:** TWP Accounting LLP  
The Old Rectory  
Church Street  
Weybridge  
Surrey  
KT13 8DE

**Atul Europe Limited**  
**Strategic Report**  
**for the year ended 31 March 2024**

The directors present their strategic report for the year ended 31 March 2024.

**REVIEW OF BUSINESS**

The performance of the business has been adversely affected significantly by very low demand in Vat Dyes, Para Cresol, Epoxy Resins due to low demand in their downstream products. This has resulted in 36% drop in sales. However, we can see the demand to be improving for 2024-25 financial year.

Polymer business has sustained demand from the market in MFRs, due to better demand in Aero Space sector.

The demand with respect to non-textile sector, where our Pigments are used, showing some improvement.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The main challenge remains in the supply chain issues, due to red Sea route of sea freight. Due to this the transit time for the material from India has significantly gone up, creating problems for the customers in Europe. This has also increased the sea freight costs. Due to the ongoing wars in Ukraine and middle east the markets are impacted in terms of demand of various products and impact of financial viability of few customers. There are still uncertainties with respect to foreign exchange currency rate. However, we are expecting some stability in the market in terms of reduction in inflation rates and reduced volatility in the exchange market. We are expecting a better and constant demand as the market stabilises.

**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, 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 receivables 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 Allianz 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 in its key products.

**FUTURE PLANS**

We will make changes as necessary in our market focus and development during 2024-25. There is significant extension in key products specific in Polymer business. The increased production capacity will improve the availability for the demand in sales and also the opportunities to acquire new business in Europe.

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 explore sourcing new markets will help us grow our market share further in Europe during 2024-25.

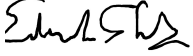
**Atul Europe Limited**

**Strategic Report  
for the year ended 31 March 2024**

**KEY PERFORMANCE INDICATORS**

The Company's key performance indicators are turnover and gross profit margin. Although there is a decrease compared to 2022-23, however a healthy cash flow was maintained by customer receipts.

**ON BEHALF OF THE BOARD:**



Edward Sharkey (Apr 19, 2024, 5:31pm)

.....  
Dr E Sharkey - Director

Date: 19 Apr 2024.....

**Atul Europe Limited**

**Report of the Directors  
for the year ended 31 March 2024**

The directors present their report with the financial statements of the company for the year ended 31 March 2024.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 March 2024 will be £411,114.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2023 to the date of this report.

Dr E Sharkey  
J Collonge

Other changes in directors holding office are as follows:

V Koppaka - resigned 20 November 2023

**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.

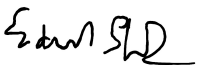
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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, TWP Accounting LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



Edward Sharkey (Apr 19, 2024, 5:31pm)  
.....  
Dr E Sharkey - Director

Date: 19 Apr 2024 .....

## **Independent Auditor's Report to the Members of Atul Europe Limited**

### **Opinion**

We have audited the financial statements of Atul Europe Limited (the 'Company') for the year ended 31st March 2024 which comprise the Statement of Comprehensive Income, the Balance Sheet, Statement of Changes in Equity and related notes, 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 31st March 2024 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 United Kingdom, including the Financial Reporting Council'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 other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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.

### **Opinion 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.

### **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 Directors' Report.

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

## **Independent Auditor's Report to the Members of Atul Europe Limited**

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities Statement set out on page three, 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 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.

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:

- Obtain an understanding of the policies and procedures management has in place to detect and prevent fraud and non-compliance with laws and regulations.
- Enquire of management any cases of actual or suspected fraud and non-compliance with laws and regulations.
- Enquire of management and those charged with governance around actual and potential litigation and claims.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Assess key risk areas within the financial statements which are susceptible to fraud or error and design our audit approach thereon.
- Perform substantive tests on a sample of transactions throughout the financial statements to ensure that no material errors have been identified.
- Perform cut off tests on a sample of transactions to ensure income has been accounted for in the correct period.
- Review of after year end information to ensure expenditure have been accounted for in the correct period.
- Perform analytical review procedures to identify any irregularities and investigation thereon.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' 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.

*TWP Accounting LLP*

**Paul Hawksley** (FCA, ACA, AT, CTA) (Senior Statutory Auditor)

for and on behalf of

**TWP Accounting LLP**

Chartered Accountants & Statutory Auditors

The Old Rectory

Church Street

Weybridge

Surrey

KT13 8DE

Date: ..19.Apr.2024.....



**Atul Europe Limited**

**Income Statement  
for the year ended 31 March 2024**

	Notes	2024 £	2023 £
<b>TURNOVER</b>	3	11,384,681	16,519,433
Cost of sales		<u>(10,635,627)</u>	<u>(15,670,127)</u>
<b>GROSS PROFIT</b>		749,054	849,306
Administrative expenses		<u>(684,439)</u>	<u>(587,150)</u>
<b>OPERATING PROFIT and PROFIT BEFORE TAXATION</b>		64,615	262,156
Tax on profit	6	<u>(19,460)</u>	<u>(52,914)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>45,155</u></u>	<u><u>209,242</u></u>

The notes form part of these financial statements

**Atul Europe Limited**

**Other Comprehensive Income  
for the year ended 31 March 2024**

	2024	2023
Notes	£	£
<b>PROFIT FOR THE YEAR</b>	45,155	209,242
<b>OTHER COMPREHENSIVE INCOME</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>45,155</u>	<u>209,242</u>

The notes form part of these financial statements

**Atul Europe Limited (Registered number: 03151975)**

**Balance Sheet  
31 March 2024**

	Notes	2024 £	2023 £
<b>FIXED ASSETS</b>			
Intangible assets	8	10,993	-
Tangible assets	9	614,893	629,668
Investments	10	1,012,043	1,012,043
		<u>1,637,929</u>	<u>1,641,711</u>
<b>CURRENT ASSETS</b>			
Stocks	11	2,377,030	2,389,696
Debtors	12	2,220,054	2,551,920
Cash at bank and in hand		408,225	886,079
		<u>5,005,309</u>	<u>5,827,695</u>
<b>CREDITORS</b>			
Amounts falling due within one year	13	(2,611,527)	(3,071,736)
<b>NET CURRENT ASSETS</b>			
		<u>2,393,782</u>	<u>2,755,959</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u><u>4,031,711</u></u>	<u><u>4,397,670</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	3,288,911	3,288,911
Retained earnings	16	742,800	1,108,759
<b>SHAREHOLDERS' FUNDS</b>			
		<u><u>4,031,711</u></u>	<u><u>4,397,670</u></u>

The financial statements were approved by the Board of Directors and authorised for issue ~~19 Apr 2024~~ and were signed on its behalf by:



Edward Sharkey (Apr 18, 2024, 5:31pm)  
Dr E Sharkey - Director

**Atul Europe Limited**

**Statement of Changes in Equity  
for the year ended 31 March 2024**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2022</b>	3,288,911	2,603,173	5,892,084
<b>Changes in equity</b>			
Dividends	-	(1,703,656)	(1,703,656)
Total comprehensive income	-	209,242	209,242
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2023</b>	3,288,911	1,108,759	4,397,670
	<hr/>	<hr/>	<hr/>
<b>Changes in equity</b>			
Dividends	-	(411,114)	(411,114)
Total comprehensive income	-	45,155	45,155
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2024</b>	<u>3,288,911</u>	<u>742,800</u>	<u>4,031,711</u>

The notes form part of these financial statements

**Atul Europe Limited**

**Cash Flow Statement  
for the year ended 31 March 2024**

	Notes	2024 £	2023 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(7,536)	1,851,217
Tax paid		(42,000)	(170,772)
Net cash from operating activities		(49,536)	1,680,445
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(16,490)	-
Purchase of tangible fixed assets		(714)	(27,854)
Purchase of fixed asset investments		-	(86,957)
Net cash from investing activities		(17,204)	(114,811)
<b>Cash flows from financing activities</b>			
Equity dividends paid		(411,114)	(1,703,656)
Net cash from financing activities		(411,114)	(1,703,656)
<b>Decrease in cash and cash equivalents</b>		(477,854)	(138,022)
<b>Cash and cash equivalents at beginning of year</b>	2	886,079	1,024,101
<b>Cash and cash equivalents at end of year</b>	2	408,225	886,079

The notes form part of these financial statements

**Atul Europe Limited**

**Notes to the Cash Flow Statement  
for the year ended 31 March 2024**

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

	2024	2023
	£	£
Profit before taxation	64,615	262,156
Depreciation charges	20,986	18,666
	85,601	280,822
Decrease in stocks	12,666	1,444,455
Decrease in trade and other debtors	354,406	4,862,971
Decrease in trade and other creditors	(460,209)	(4,737,031)
	(7,536)	1,851,217

**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 2024**

	31.3.24	1.4.23
	£	£
Cash and cash equivalents	408,225	886,079
	408,225	886,079

**Year ended 31 March 2023**

	31.3.23	1.4.22
	£	£
Cash and cash equivalents	886,079	1,024,101
	886,079	1,024,101

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

	At 1.4.23	Cash flow	At 31.3.24
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	886,079	(477,854)	408,225
	886,079	(477,854)	408,225
<b>Total</b>	886,079	(477,854)	408,225

## Atul Europe Limited

### Notes to the Financial Statements for the year ended 31 March 2024

#### 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 returned better cash flow and paid interim dividend to parent during 2023-24. However financial performance was not considered to be upto the mark, but this will improve further during 2024-25 which 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 the Directors 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.

##### **Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of three years.

## Atul Europe Limited

### Notes to the Financial Statements - continued for the year ended 31 March 2024

#### 2. ACCOUNTING POLICIES - continued

##### 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.

##### 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.

##### 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:

	2024	2023
	£	£
United Kingdom	610,000	1,596,589
Europe	10,684,681	14,833,024
Rest of the world	90,000	89,820
	<u>11,384,681</u>	<u>16,519,433</u>



**Atul Europe Limited**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2024**

**4. EMPLOYEES AND DIRECTORS**

	2024	2023
	£	£
Wages and salaries	282,072	251,360
Social security costs	32,087	30,982
Other pension costs	6,022	5,550
	<u>320,181</u>	<u>287,892</u>

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

	2024	2023
Sales	3	3
Office	3	3
	<u>6</u>	<u>6</u>

	2024	2023
	£	£
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

**5. OPERATING PROFIT**

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

	2024	2023
	£	£
Depreciation - owned assets	20,986	18,666
Loss on disposal of fixed assets	-	-
Auditors' remuneration	14,900	10,949
Auditors' remuneration for other assurance work	3,900	11,250
Auditors' remuneration for non-audit work	-	4,310
Foreign exchange differences	84,718	(171,185)
Operating lease rentals	-	-
	<u>124,504</u>	<u>10,940</u>

**6. TAXATION**

**Analysis of the tax charge**

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

	2024	2023
	£	£
Current tax:		
UK corporation tax	19,460	43,188
Overprovision in prior year	-	9,726
	<u>19,460</u>	<u>52,914</u>

**Atul Europe Limited**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2024**

**6. TAXATION - continued**

**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:

	2024	2023
	£	£
Profit before tax	64,615	262,156
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2023 - 19%)	16,154	49,810
Effects of:		
Expenses not deductible for tax purposes	101	-
Depreciation in excess of capital allowances	3,205	-
Deferred tax not recognised	-	(6,622)
Overprovision of tax charge	-	9,726
Total tax charge	19,460	52,914

**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. DIVIDENDS**

	2024	2023
	£	£
Interim	411,114	1,703,656

**8. INTANGIBLE FIXED ASSETS**

		Computer software £
<b>COST</b>		
Additions		16,490
At 31 March 2024		16,490
<b>AMORTISATION</b>		
Amortisation for year		5,497
At 31 March 2024		5,497
<b>NET BOOK VALUE</b>		
At 31 March 2024		10,993

**Atul Europe Limited**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2024**

**9. TANGIBLE FIXED ASSETS**

	Freehold property £	Equipment £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 April 2023	635,324	42,912	29,446	32,064	739,746
Additions	-	714	-	-	714
At 31 March 2024	<u>635,324</u>	<u>43,626</u>	<u>29,446</u>	<u>32,064</u>	<u>740,460</u>
<b>DEPRECIATION</b>					
At 1 April 2023	18,662	42,254	23,139	26,023	110,078
Charge for year	12,707	326	946	1,510	15,489
At 31 March 2024	<u>31,369</u>	<u>42,580</u>	<u>24,085</u>	<u>27,533</u>	<u>125,567</u>
<b>NET BOOK VALUE</b>					
At 31 March 2024	<u>603,955</u>	<u>1,046</u>	<u>5,361</u>	<u>4,531</u>	<u>614,893</u>
At 31 March 2023	<u>616,662</u>	<u>658</u>	<u>6,307</u>	<u>6,041</u>	<u>629,668</u>

**10. FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>COST</b>	
At 1 April 2023 and 31 March 2024	1,012,043
<b>NET BOOK VALUE</b>	
At 31 March 2024	<u>1,012,043</u>
At 31 March 2023	<u>1,012,043</u>

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

	%		
	holding		
Class of shares:			
Ordinary	98.00		
		2024	2023
		£	£
Aggregate capital and reserves		6,644,868	5,297,090
Profit for the year		<u>1,347,778</u>	<u>1,326,640</u>

**Atul Ireland Ltd**

Registered office: Suite 24 Anglesea House 63 Caryfort Avenue Blackrock Co Dublin A94X209  
Nature of business: Trading sales

	%		
	holding		
Class of shares:			
Ordinary	100.00		
		2024	2023
		€	€
Aggregate capital and reserves		37,504	64,527
Loss for the year		<u>(27,022)</u>	<u>(8,452)</u>

Atul Europe Limited

Notes to the Financial Statements - continued  
for the year ended 31 March 2024

11.	<b>STOCKS</b>		2024	2023
			£	£
	Stocks		2,377,030	2,389,696
			<u>          </u>	<u>          </u>

12.	<b>DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		2024	2023
			£	£
	Trade debtors		1,852,162	2,190,544
	Amounts due from group undertakings		81,936	88,767
	Tax		59,361	36,821
	Prepayments & accrued income		33,815	5,816
	Amounts due from parent undertaking		192,780	229,972
			<u>          </u>	<u>          </u>
			2,220,054	2,551,920
			<u>          </u>	<u>          </u>

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

13.	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		2024	2023
			£	£
	Trade creditors		236,745	122,573
	Social security & other taxes		7,333	6,842
	VAT		50,965	90,821
	Other creditors		1,490,157	209,423
	Amounts due to parent undertaking		673,844	2,211,319
	Amount due to group undertakings		-	141,550
	Accruals & deferred income		152,483	289,208
			<u>          </u>	<u>          </u>
			2,611,527	3,071,736
			<u>          </u>	<u>          </u>

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

14.	<b>LEASING AGREEMENTS</b>			
	Minimum lease payments under non-cancellable operating leases fall due as follows:		2024	2023
			£	£
	Within one year		-	2,100
			<u>          </u>	<u>          </u>

15.	<b>CALLED UP SHARE CAPITAL</b>			
	Allotted, issued and fully paid:			
	Number:	Class:	Nominal value:	2024
				£
	3,288,911	Ordinary	£1	3,288,911
				<u>          </u>
				3,288,911
				<u>          </u>

**Atul Europe Limited**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2024**

16. **RESERVES**

	Retained earnings £
At 1 April 2023	1,108,759
Profit for the year	45,155
Dividends	(411,114)
	742,800
At 31 March 2024	742,800

17. **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.

18. **CONTINGENT LIABILITIES**

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

19. **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 £9,545,572 (2023: £12,765,067), and commissions totalling £262,970 (2023: £202,533) were charged. At the year end, a balance of £2,177,544 (2023: £1,981,347) was due to Atul Ltd. No dividends were included in this amount (2023: £ nil).

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

**DPD Limited:**

Subsidiary company

During the year, a management fee of £107,751 (2023: £102,620) was invoiced to DPD Ltd for services provided during the year. No balance was owed from DPD Ltd as at the balance sheet date (2023: £ nil).

At the year end, a balance of £ nil was outstanding in respect of dividends (2023: £ nil).

**Atul Ireland Ltd:**

Subsidiary company

During the year, the company paid invoices on behalf of Atul Ireland totalling £302 (2023: £ nil). The balances outstanding in respect of these invoices at year end were £44,237 (2023: £43,935).

During the year, sales of £3,128 (2023: £8,775) were made to Atul Ireland Ltd. At the year end there was £nil outstanding in respect of these invoices.

**Other related parties:**

During the year, the company paid invoices on behalf of Atul Deutschland GmbH totalling £1,642 (2023: £10,637). The balances outstanding in respect of these invoices at year end were £37,699 (2023: £36,057).

During the year, purchases of £nil (2023: £330,725) were made from Atul USA Inc. At the year end there was £nil outstanding in respect of these invoices (2023: £141,586).

The Directors consider key management to be the company directors.

20. **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 2024**

		2024		2023
	£	£	£	£
<b>Turnover</b>				
Sales	11,276,930		16,416,813	
Management services	107,751		102,620	
		11,384,681		16,519,433
<b>Cost of sales</b>				
Opening stock	2,389,696		3,834,151	
Purchases	9,845,238		13,731,799	
Carriage & duty	777,723		493,873	
		13,012,657		18,059,823
Closing stock	(2,377,030)		(2,389,696)	
		10,635,627		15,670,127
<b>GROSS PROFIT</b>		749,054		849,306
<b>Expenditure</b>				
Rent, rates & service charges	31,825		5,642	
Insurance	41,767		35,527	
Light & heat	9,889		7,161	
Wages	282,072		251,360	
Social security	32,087		30,982	
Pensions	6,022		5,550	
Telephone & postage	12,354		8,865	
Printing, stationery & adverts	1,312		6,217	
Travelling	21,594		34,290	
Motor expenses	2,442		2,678	
Sundries & cleaning	8,115		89,371	
Computer consumables	13,921		14,614	
Accountancy	22,187		-	
Commission paid	(5,268)		11,408	
Consultancy charges	15,533		-	
Legal & professional	37,484		14,230	
Auditors' remuneration for other assurance work	3,900		11,250	
Auditors' remuneration	14,900		10,949	
Auditors' remuneration for non audit work	-		4,310	
Foreign exchange loss/(gain)	84,718		(171,185)	
Entertainment	406		-	
Bad debts	14,312		181,057	
		651,572		554,276
		97,482		295,030
<b>Finance costs</b>				
Bank charges & interest		11,883		14,208
		85,599		280,822
<b>Depreciation</b>				
Computer software	5,497		-	
Freehold property	12,706		12,585	
Plant and machinery	325		2,314	
Fixtures and fittings	946		1,753	
Motor vehicles	1,510		2,014	
		20,984		18,666
<b>NET PROFIT</b>		64,615		262,156

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