

**Report of the Directors and
Financial Statements for the Year Ended 31 March 2023
for
GRANULES EUROPE LIMITED**

GRANULES EUROPE LIMITED

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for the year ended 31 March 2023**

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GRANULES EUROPE LIMITED

**Company Information
for the year ended 31 March 2023**

DIRECTORS: Mr M Frude
Dr K P Chigurupati

REGISTERED OFFICE: 11 Laura Place
Bath
BA2 4BL

REGISTERED NUMBER: 10509374 (England and Wales)

AUDITORS: Richardson Swift Audit Ltd
Chartered Accountants
Statutory Auditor
11 Laura Place
Bath
BA2 4BL

GRANULES EUROPE LIMITED

Report of the Directors for the year ended 31 March 2023

The directors present their report with the financial statements of the company for the year ended 31 March 2023.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

Mr M Frude
Dr K P Chigurupati

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

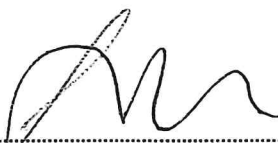
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:


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Mr M Frude - Director

Date: 13/7/23

Report of the Independent Auditors to the Members of Granules Europe Limited

Opinion

We have audited the financial statements of Granules Europe Limited (the 'company') for the year ended 31 March 2023 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 2023 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 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

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

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

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

Report of the Independent Auditors to the Members of Granules Europe Limited

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:

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the entity by discussion with a director and consideration of our experience of clients in similar sectors and group arrangements.

We determined that the most significant laws and regulations which have a direct impact on the form and content of the financial statements of the entity are the Companies Act and UK GAAP, specifically FRS102.

We determined that the most significant operational laws and regulations for the entity are those governing the sales of pharmaceutical products, however at this stage the impact is reduced as sales have not yet commenced.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above.

We gained an understanding of the entity's policy and procedures by discussion with a director and substantive audit work.

We assessed the risk of material misstatement in respect of fraud through our planning processes, and no significant risks were identified.

We considered the risk of fraud through management override and, in response, we incorporated testing of manual journal entries into our audit approach.

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud.

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

**Report of the Independent Auditors to the Members of
Granules 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.



Catherine Edwards BSc ACA (Senior Statutory Auditor)
for and on behalf of Richardson Swift Audit Ltd
Chartered Accountants
Statutory Auditor
11 Laura Place
Bath
BA2 4BL

Date: 13/7/23

GRANULES EUROPE LIMITED

**Income Statement
for the year ended 31 March 2023**

	Notes	2023 £	2022 £
TURNOVER		1,543,503	-
Administrative expenses		407,894	263,732
		<u>1,135,609</u>	<u>(263,732)</u>
Other operating income		224,645	107,638
OPERATING PROFIT/(LOSS)		<u>1,360,254</u>	<u>(156,094)</u>
Interest payable and similar expenses		60,589	64,573
PROFIT/(LOSS) BEFORE TAXATION		<u>1,299,665</u>	<u>(220,667)</u>
Tax on profit/(loss)	4	155,417	(6,487)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u><u>1,144,248</u></u>	<u><u>(214,180)</u></u>

The notes form part of these financial statements

GRANULES EUROPE LIMITED (REGISTERED NUMBER: 10509374)

**Balance Sheet
31 March 2023**

	Notes	2023	2022
		£	£
FIXED ASSETS			
Tangible assets	5	336	504
CURRENT ASSETS			
Debtors	6	1,212,450	99,611
Cash at bank		28,029	46,430
		<u>1,240,479</u>	<u>146,041</u>
CREDITORS			
Amounts falling due within one year	7	1,261,263	6,145
		<u>(20,784)</u>	<u>139,896</u>
NET CURRENT (LIABILITIES)/ASSETS			
		<u>(20,448)</u>	<u>140,400</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>(20,448)</u>	<u>140,400</u>
CREDITORS			
Amounts falling due after more than one year	8	-	1,305,096
		<u>(20,448)</u>	<u>1,305,096</u>
NET LIABILITIES			
		<u>(20,448)</u>	<u>(1,164,696)</u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Retained earnings		(20,548)	(1,164,796)
		<u>(20,448)</u>	<u>(1,164,696)</u>
SHAREHOLDERS' FUNDS			
		<u>(20,448)</u>	<u>(1,164,696)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 13/7/23 and were signed on its behalf by:


.....
Mr M Frude - Director

GRANULES EUROPE LIMITED

**Statement of Changes in Equity
for the year ended 31 March 2023**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	100	(886,716)	(886,616)
Prior year adjustment	-	(63,900)	(63,900)
As restated	<u>100</u>	<u>(950,616)</u>	<u>(950,516)</u>
Changes in equity			
Total comprehensive income	-	(214,180)	(214,180)
Balance at 31 March 2022	<u>100</u>	<u>(1,164,796)</u>	<u>(1,164,696)</u>
Changes in equity			
Total comprehensive income	-	1,144,248	1,144,248
Balance at 31 March 2023	<u><u>100</u></u>	<u><u>(20,548)</u></u>	<u><u>(20,448)</u></u>

The notes form part of these financial statements

GRANULES EUROPE LIMITED

Notes to the Financial Statements for the year ended 31 March 2023

1. STATUTORY INFORMATION

Granules 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.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The balance sheet at 31 March 2023 shows that the company had net liabilities. The financial statements have been prepared on the going concern basis, on the understanding that the parent company will continue to financially support the company.

Critical accounting judgements and key sources of estimation uncertainty

The directors have used judgement in estimating the discount rate applied to the deferred tax asset. No other significant judgements or key assumptions have had to be made by the directors in preparing these financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

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

Computer equipment - 25% on cost

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors, loans from banks and other third parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

GRANULES EUROPE LIMITED

Notes to the Financial Statements - continued for the year ended 31 March 2023

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.

The deferred tax asset has been discounted to take account of the expecting timing of the recovery of the asset.

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 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.

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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 2 (2022 - 2).

4. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2023	2022
	£	£
Current tax:		
UK corporation tax	55,860	-
Deferred tax	99,557	(6,487)
Tax on profit/(loss)	<u>155,417</u>	<u>(6,487)</u>

GRANULES EUROPE LIMITED

**Notes to the Financial Statements - continued
for the year ended 31 March 2023**

5. TANGIBLE FIXED ASSETS

		Computer equipment £
COST		
At 1 April 2022 and 31 March 2023		672
DEPRECIATION		
At 1 April 2022		168
Charge for year		168
At 31 March 2023		336
NET BOOK VALUE		
At 31 March 2023		336
At 31 March 2022		504

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Other debtors	1,212,450	54
Deferred tax asset	-	99,557
	1,212,450	99,611

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Taxation and social security	55,860	319
Other creditors	1,205,403	5,826
	1,261,263	6,145

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £	2022 £
Other creditors	-	1,305,096

9. DEFERRED TAX

	£
Balance at 1 April 2022	(99,557)
Charge to Income Statement during year	99,557
Balance at 31 March 2023	-

GRANULES EUROPE LIMITED

Notes to the Financial Statements - continued for the year ended 31 March 2023

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
100	Ordinary	100	<u>100</u>	<u>100</u>

11. RELATED PARTY DISCLOSURES

Included within creditors is £1,195,913 (2022 - £1,305,096) owed to the parent company.

12. PARENT COMPANY

The Parent Company is Granules India Limited.

The registered office and the principle place of business is: 2nd Floor, 3rd block, My home hub, Madhapur, Hyderabad-500 081, India.

GRANULES EUROPE LIMITED

**Detailed Profit and Loss Account
for the year ended 31 March 2023**

	2023		2022	
	£	£	£	£
Sales		1,543,503		-
Other income				
Other income		224,645		107,638
		<u>1,768,148</u>		<u>107,638</u>
Expenditure				
Rent	312		312	
Directors' salaries	151,000		133,474	
Directors' social security	21,373		17,199	
Directors' pension contributions	-		3,041	
Directors' pensions paid	5,196		-	
Salaries	194,731		94,010	
Social security	21,376		7,898	
Telephone	1,075		1,232	
Post and stationery	327		620	
Travelling	5,245		625	
Accountancy and audit	5,708		4,692	
Foreign exchange losses	460		-	
Depreciation of tangible fixed assets				
Computer equipment	168		168	
Entertainment	863		378	
		<u>407,834</u>		<u>263,649</u>
		1,360,314		(156,011)
Finance costs				
Bank charges	60		83	
Loan interest	60,589		64,573	
		<u>60,649</u>		<u>64,656</u>
NET PROFIT/(LOSS)		<u><u>1,299,665</u></u>		<u><u>(220,667)</u></u>