Indus Capital (UK) Ltd

Company registration number 05213315

Financial Statements

For the year ended 31 December 2021

Indus Capital (UK) Ltd

Contents

Directors	James Shannon James Weiner
Company secretary	Vistra Company Secretaries Limited
Company registration number	05213315
Registered office	Suite 1, 3rd Floor 11-12 St. James's Square London SW1Y 4LB

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The directors present their report together with the financial statements for Indus Capital (UK) Ltd (the "Company") for the year ended 31 December 2021.

Principal activity and review of the business

The Company was incorporated on 24 August 2004 and acted as an administrative services company to its subsidiary entity, Indus Capital Advisors (UK) LLP ("the Partnership"), which was dissolved on 5 April 2022.

On 1 October 2021, the Company took over the services previously provided by the Partnership. From then on, it provides investment research services to Indus Capital Partners, LLC, a Limited Liability Corporation registered in Delaware.

The share capital of the Company is fully owned by Indus Capital Partners, LLC (the "Parent").

Results and dividends

The comprehensive income is set out on page 4 and shows the profit or loss for the year. The directors are satisfied with the reported results for the year.

In 2021, during the Company's eighteenth year of operations, the directors continued to be optimistic regarding the Company's prospects.

Directors

The directors of the Company during the year were:

Mr James Shannon
Mr James Weiner

The directors have no beneficial interest in the share capital of the Company.

Post balance sheet events

No matters or circumstances have arisen since the end of the year which significantly affected, or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in financial years subsequent to the financial year ended 31 December 2021.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and Company 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 estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to 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. The directors confirm that the above requirements have been met in preparing the financial statements.

On behalf of the board

James Shannon
Director

23 September 2022

Indus Capital (UK) Ltd

Statement of comprehensive income for the year ended 31 December 2021

	Notes	2021 £	2020 £
Turnover	**4**	128,050	4,704
Administrative expenses		(113,569)	(474)
Operating profit	**5**	14,481	4,230
Loss on financial assets at fair value through profit and loss account	**8**	(1,402,932)	-
Profit on ordinary activities before tax		(1,388,451)	4,230
Tax on profit on ordinary activities	**7**	(2,732)	(815)
Profit for the financial year		(1,391,183)	3,415

All of the activities of the Company are classified as continuing.

The Company has no recognised gains or losses other than the results for the year as set out above and therefore no separate statement of other comprehensive income has been presented.

The notes on pages 5 to 10 form part of these financial statements.

Indus Capital (UK) Ltd

Statement of financial position as at 31 December 2021

	Notes	2021 £	2020 £
Fixed assets			
Investment	8	-	1,541,239
Current assets			
Debtors	9	128,450	142,370
Cash and cash equivalents	10	70,767	-
Creditors: amounts falling due within one year	11	(11,280)	(104,489)
Net current assets		187,937	37,881
Net assets		187,937	1,579,120
Capital and reserves			
Called up share capital	12	1	1
Capital contribution reserve	13	1,122,646	1,122,646
Profit and loss account		(934,710)	456,473
Equity shareholder's funds		187,937	1,579,120

- For the year ending 31 December 2021, the directors consider that the Company was entitled to an exemption from audit under the provisions of section 477 of the Companies Act 2006 ("the Act") relating to small companies, and the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records.
- The directors also acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts which give a true and fair view of the state of affairs of the Company as at 31 December 2021 and of its profit for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the Company.
- These accounts have been prepared in accordance with the provision applicable to companies subject to the small companies' regime.

The financial statements were approved by the board on 23 September 2022 and were signed on its behalf by:

James Shannon
Director
Company registration number 05213315

The notes on pages 5 to 10 form part of these financial statements.

1. General information

Indus Capital (UK) Limited (the "Company") is a private company limited by shares and is incorporated and domiciled in England. The registered office is Suite 1, 3rd Floor, 11-12 St. James's Square, London, SW1Y 4LB.

2. Accounting policies

Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with FRS 102 and the Companies Act 2006. The Company has prepared the financial statements on a standalone basis, taking advantage of an exemption from preparing a group consolidated accounts. The principal accounting policies are set out below:

Going concern

The Company derives its income through the provision of services to the parent Indus Capital Partners, LLC ("Indus NY"); accordingly, the Company is dependent on the Indus NY's support for its continuing existence. The directors have received confirmation that Indus NY has the ability and intention to support the Company for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Foreign currency transactions

The Company's functional and presentational currency is the pound sterling. 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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

Turnover

The turnover shown in the income statement represents amounts due for research services recognised on an accruals basis during the year and profit allocation from the Partnership, exclusive of Value Added Tax.

Fixed asset investments

Fixed asset investments are recorded at cost, less any provision for impairment in value that is considered to be permanent.

Financial instruments

The Company has implemented Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets
Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities
Basic financial liabilities, including trade and other payables, bank loans and loans from fellow companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, and are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3. Critical accounting judgements and accounting uncertainty

a) Critical judgments in applying the Company's accounting policies

The Company makes a number of assessments which require judgement in preparing the financial statements and can have a significant effect upon the financial statements. However due to the straight forward nature of the Company's business, management does not believe that there are any judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

b) Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates may by definition, differ from actual results. However due to the straight forward nature of the Company's business, management does not believe that there are any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Turnover

An analysis of the Company's turnover is as follows:

Turnover analysed by class of business	**2021**	**2020**
	£	**£**
Research services	124,963	-
Profit allocation	3,087	4,704

Turnover analysed by geographical market	**2021**	**2020**
	£	**£**
United States	124,963	-
United Kingdom	3,087	4,704

5. Operating (loss)/profit

Operating loss is stated after charging:

	2021	**2020**
	£	**£**
Other services - tax & accounting	8,842	474

6. Employees and remuneration

The average monthly number of staff employed during the financial year amounted to:

	2021	2020
Number of staff	1	-

The aggregate payroll costs of staff were:	2021	2020
	£	£
Wages and salaries	37,750	-
Social security costs	1,510	-
	39,260	-

There were no emoluments paid to the directors during the year in respect of their services to the Company.

7. Tax on profit on ordinary activities

	2021	2020
	£	£
Current tax:		
Profit on ordinary activities before tax and before losses on financial assets at FVTPL	14,481	4,230
Tax at the UK lower rate of Corporation tax 19% (2020: 19%)	2,751	804
Effects of:		
Other items (allowable) / not allowable for tax purposes	(19)	11
Total tax charge	2,732	815

Factors that may affect future tax charges

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. No deferred tax had arisen in the Group as at the end of the year.

8. Investments

	2021	2020
	£	£
Unlisted – subsidiary undertaking	-	1,541,239
Total loss on investments	1,402,932	-

The Company had a subsidiary undertaking, Indus Capital Advisors (UK) LLP, a Limited Liability Partnership registered in England and Wales in which the Company possesses 1% ownership with a controlling interest. At end of November 2021, the investment in the Partnership was written off as part of the process of striking off the Partnership. The loss has been recognised on the Profit and Loss account of the Company. As at the balance sheet date, the value of the investment is £Nil (2020: £1,541,239).

9. Debtors: amounts falling due within one year

	2021	2020
	£	£
Due from the Partnership	-	142,370
Due from the Parent	114,001	-
Prepayments	275	-
Other debtors	14,174	-
	128,450	142,370

Amounts due from the Partnership and from the Parent are unsecured, interest free and are repayable on demand.

10. Cash and cash equivalents

As at 31 December 2021, the balance in bank was £70,767 (2020: £Nil).

11. Creditors: amounts falling due within one year

	2021	2020
	£	£
Due to group companies	-	103,674
Other creditors	2,732	815
Accruals	8,548	-
	11,280	104,489

12. Called up share capital

	2021 £	2020 £
Allotted and fully paid		
Ordinary shares of £1 each	1	1

On 24 August 2004 the Company issued one ordinary share for a consideration of £1.

13. Capital contribution reserve

Capital contribution reserve represents amounts due to the parent company and ultimate controller party, Indus Capital Partners, LLC.

14. Financial instruments

	2021 £	2020 £
Financial assets that are debt instruments measured at amortised cost:		
Cash	70,767	-
Amounts owed by the Partnership	-	142,370
Other debtors	128,175	-
Financial assets measured at FVTPL:		
Investments	-	1,541,239
Financial liabilities measured at amortised cost:		
Amounts owed to group undertakings	-	103,674
Other creditors	2,732	815

15. Related party transactions

During the year, the Company has earned a total of £124,963 (2020: £Nil) from the Parent for provision of investment research services, of which £10,962 was received. As at the Balance Sheet date, a total of £114,001 was owed by the Parent (2020: £Nil).

16. Controlling party

The parent company and ultimate controller party is Indus Capital Partners, LLC, a Limited Liability Corporation registered in Delaware.