Growth comes from nurturing successful partnerships
Contents

04 Our business at a glance
06 About us
08 Our structure
10 Share analysis
12 Our investment strategy
14 Our executive team
16 Our board and investment committee

20 Leadership review
22 Message from the chairman
25 Chief executive officer’s report
30 Our investments

42 Corporate governance
44 How we are governed
47 Our board
52 Board committees
54 Managing risk
56 Directors’ share interests
57 Directors’ remuneration
58 Sustainability report
59 Other relevant information

60 Annual financial statements
62 Commentary of the directors
63 Statement of compliance
64 Certificate from the secretary
65 Independent auditors’ report
68 Statement of financial position
69 Statement of profit or loss and other comprehensive income
70 Statement of changes in equity
71 Statement of cash flows
72 Notes to the financial statements

94 Shareholder information
96 Corporate diary
97 Corporate information
About this report

This is the third integrated annual report of Universal Partners Limited ("Universal Partners" or "the Company").

It provides investors with an overview of our investment strategy, performance over the reporting period and our governance framework. This report seeks to demonstrate that Universal Partners has the capacity to deliver on its investment strategy and in doing so, create and deliver value over the medium- and long-term for our shareholders.

FRAMEWORK AND ASSURANCE

The company has a primary listing on the Stock Exchange of Mauritius (SEM) and a secondary listing on the alternative board of the Johannesburg Stock Exchange (JSE AltX). The information included in this integrated report has been provided in accordance with International Financial Reporting Standards (IFRS), the Mauritian Companies Act, 2001, the Mauritian Securities Act, 2005, SEM Listing Rules, JSE Listings Requirements, Integrated Reporting Framework and the Code of Corporate Governance for Mauritius.

FORWARD-LOOKING STATEMENTS

This integrated report contains certain forward-looking statements with respect to Universal Partners’ financial performance and position. These statements and forecasts involve risk and uncertainty as they relate to events and circumstances that occur in the future. There could be various factors, including but not limited to, global and local economic conditions, industry as well as regulatory factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Universal Partners is not under any obligation to update or alter its forward-looking statements, whether as a result of new information, future information or otherwise. This forward-looking information has not been reviewed or reported on by the external auditors.

APPROVAL OF THE INTEGRATED REPORT

The board of directors of Universal Partners acknowledges its responsibility for ensuring the integrity of this integrated report. The board believes that this report presents a balanced and fair account of Universal Partners’ performance for the year ending 30 June 2019. On the recommendation of the Audit and Risk committee, the board approved the 2019 integrated report for publication on 11 October 2019.

Larry Nestadt
Chairman

Pierre Joubert
Chief executive officer
Our business at a glance

06 About us
08 Our structure
10 Share analysis
12 Our investment strategy
14 Our executive team
16 Our board and investment committee
Universal Partners Limited is a permanent capital investment holding company.

We seek investments in high-potential, growth businesses, with a focus on the United Kingdom and Europe. Twenty percent of the company’s funds may be allocated to other regions. Our experienced leadership team is recognised for its strong track record of managing and growing successful businesses. We provide growth capital to high quality businesses that meet our investment criteria. We add value by drawing on our extensive experience to offer strategic direction to the companies we partner with.

We are patient investors with a permanent capital structure and are committed to achieving the best long-term outcomes for both the businesses we invest in and for our investors.
Our structure

Universal Partners was established in Mauritius on 25 April 2016 as a public company limited by shares, holding a Category 1 global business license issued by the Mauritian Financial Services Commission.

Universal Partners is listed on the Stock Exchange of Mauritius (SEM) with a secondary listing on the Johannesburg Stock Exchange Limited’s Alternative Exchange (JSE AltX). Universal Partners raised over £72 million for investment in its initial public offering in August 2016.

Universal Partners appointed Argo Investment Managers (Argo) under the leadership of executive directors Pierre Joubert, David Vinokur and Andrew Birrell as its investment manager. Argo is responsible for sourcing the investment opportunities, executing the transactions, and managing the investments until such time as they are realised. Argo earns a management fee for its services as well as a carry fee on exit, should the investment beat the hurdle rate, calculated from when the investment is made by the Company. A total of 80% of this carry fee is payable in cash and 20% is payable in Universal Partners equity.
Share analysis

Our shareholder base is maturing and consolidating, with 99% of shares being held by shareholders who hold more than 100,000 shares each. Over the period our shareholder base has consolidated, down from over 200 in 2018 to 114 in 2019. The directors and their associates directly and indirectly own 20.8% of the total issued share capital of the company as at 30 June 2019. This has increased from 15.4% as at 30 June 2018, given their expectation that the portfolio is delivering value in accordance with our vision and purpose.
Our investment strategy

Our investment strategy is to invest in high-potential, growth businesses in our primary markets, the United Kingdom and Europe. We also assess opportunities outside of the United Kingdom and Europe. The mandate allows the Company to invest up to 20% of its funds (at the time of the investment) in other regions. We have identified numerous viable opportunities outside of the United Kingdom and Europe and are considering obtaining shareholder approval to widen the mandate so that we are able to capitalise on these opportunities.

We are focused on acquiring and building successful businesses in diverse industries where we are able to add value. The types of businesses we seek are typically those that demonstrate an advantage over competitors, such as an enhanced customer experience, a consolidation platform, a lower cost base and technological and innovation leadership (demonstrated by registered and protected IP).

We take an active shareholding in the businesses we invest in, in order to enable meaningful participation in the formulation and monitoring of the business strategy. We offer permanent capital and target investments of up to 49%, with a board seat. We will also invest where we are part of a consortium on the condition that we have adequate minority protections and have a board seat. As a broad guideline, we look for investments that require an initial equity contribution of between £8 million and £20 million.

We seek to invest in companies that demonstrate the following important attributes:

- A robust, easily understood business model
- Clear competitive advantages
- A clear path to strong and sustainable profitability, combined with a high cash conversion ratio
- Experienced management, who demonstrate a strong cultural fit with Universal Partners and our investment manager
- Long-term growth potential

We seek to invest in high-potential, growth businesses in our primary markets, the United Kingdom and Europe.
Our Executive Team

We are seasoned investment specialists, with a track record of successfully growing businesses and delivering shareholder value. As entrepreneurs, senior executives and business owners, we are adept at helping the businesses we partner with deliver sustainable growth. Our strong global investor network enables us to successfully invest in high-growth businesses, and our ethos means that we only seek to partner with organisations where we believe we can add strategic value.

PIERRE JOUBERT (54)
CHIEF EXECUTIVE OFFICER
Nationality: South African
(Permanently resides in Mauritius)

Pierre is the CEO of Universal Partners. Prior to joining Universal Partners, he was the chief investment officer of the Richmark Group of companies, which he joined in November 2015. Previously he spent 13 years at Rand Merchant Bank (“RMB”) fulfilling various roles including senior transaction in the Corporate Finance division, head of the Equities and co-head of the Global Markets divisions. Pierre is a member of the RMB investment committee, a position he has held for 17 years. He is also a member of the Ashburton Private Equity Fund 1 investment committee and a non-executive director of Homechoice International PLC. Previously, Pierre held various executive positions at Connection Group Holdings Ltd including that of CEO of Connection Group for four years, leading the successful turnaround of the business that culminated in the group being bought by JD Group Ltd. In his early career, Pierre worked for various companies in the Reunert Ltd group after completing his articles with Deloitte.

Pierre holds a Bachelor of Commerce degree from the University of Cape Town, and is a Chartered Accountant (South Africa).

DAVID VINOKUR (40)
CHIEF FINANCIAL OFFICER
Nationality: South African

David is the CFO of Universal Partners Limited. He is also the CEO of the Global Capital Group. David has more than 15 years of private equity experience. During his career, he has been instrumental in originating, structuring, concluding and exiting private equity transactions in a variety of industries and countries. He represents Universal Partners and Global Capital on the board of the underlying companies both locally and offshore, and assists with the strategic management of the investments. After completing his articles at PricewaterhouseCoopers, David was certified as a chartered accountant and became a member of South African Institute of Chartered Accountants. Following this David joined Global Capital in February 2004; his portfolio consists of a diverse range of private companies in a variety of industries.

David holds a Bachelor of Commerce degree and Bachelor of Accounting degree from the University of the Witwatersrand (South Africa), and is a Chartered Accountant (South Africa).

ANDREW BIRRELL (50)
EXECUTIVE DIRECTOR
Nationality: British/South African

Andrew has 30 years’ experience in various executive and non-executive roles, across the life insurance, general insurance, health insurance, stock broking, asset management, and retail online banking industries, in South Africa, the UK, Scandinavia, Canada, Ireland and Australia. His previous executive role was as CFO of Guardian Financial Services, a successful UK life insurance consolidator that was sold to Swiss Re in early January 2016. Prior roles include Group Chief Actuary and Group CRO of Old Mutual plc, CRO of Old Mutual South Africa Ltd, COO and CFO of Investec Securities Ltd and CFO of Capital Alliance Holdings Ltd and Capital Alliance Life Ltd. He serves as an independent non-executive director on the Boards of Sanlam Limited, Sanlam Life Limited and Sun Life of Canada UK. He has been appointed by the company as a non-executive director on the Boards of Sanlam Limited, Sanlam Life Limited and Sun Life of Canada UK. He has been appointed by the company as a non-executive director on the Boards of YASA Limited and JSA Services Limited, and as an alternate director of SC Lowy Partners.

Andrew is a Fellow of the Institute and Faculty of Actuaries, United Kingdom and Actuarial Society of South Africa and is also a Chartered Enterprise Risk Actuary (CERA).

Andrew holds a Bachelor of Business Science (Hons) (Actuarial) from the University of Cape Town, South Africa.
Our board and investment committee

Our board of directors is responsible for ensuring that Universal Partners adheres to sound corporate governance principles and determines our strategic positioning. The board and investment committee offers a wide range of experience, competencies and perspectives.

LARRY NESTADT (69)
NON-EXECUTIVE DIRECTOR AND CHAIRMAN OF THE BOARD
Nationality: South African

Larry Nestadt has a long and successful global corporate career. He is a co-founder and former executive director of Investec Bank Ltd. Larry has been instrumental in the creation and strategic development of a number of listed companies including Capital Alliance Holdings Ltd (Capital Alliance Life – acquired by Liberty Life; Capital Alliance Bank – now Brait), Super Group Ltd, HCI Ltd, SIB Holdings Ltd, CorpGro Ltd and Global Capital Ltd. He also served as past chairman on the boards of these companies. Previously, Larry sat on the boards of Softline Ltd, JCI Ltd and Abacus Technologies Holdings Ltd. Further he has been a former chairman on a number of non-listed company boards both in South Africa and abroad including Stenham Ltd (UK) and Prefasure Life Ltd (Aus). Larry is the current executive chairman of Global Capital (Pty) Ltd and non-executive chairman of Blue Label Telecoms Ltd, Dis-Chem Pharmacies Ltd, National Airways Corporation (Pty) Ltd, Morecorp Group (Pty) Ltd, Molrose Motor Investments (Pty) Ltd and SellDirect Marketing (Pty) Ltd. He also serves as deputy chairman of Cell C Ltd.

Larry is a life member of the Young Presidents Organisation, Lloyds of London (since 1983) and is an honorary colonel in the South African Air Force.

MARC OOMS (68)
INDEPENDENT NON-EXECUTIVE DIRECTOR
Chairman of the investment committee
Nationality: Belgian

Marc Ooms was general partner of the Petercam Group, a Benelux investment bank. He was also the managing director of Petercam Belgium N.V. and chairman of Petercam Bank Nederland. He retired from Petercam in 2011. Today, Marc is a private equity investor and independent board member. He is also involved in real estate mainly in Germany and Poland. He serves, between others, as a board member of the following companies: Sea-Invest Corporation, Luxemburg (the largest European stevedoring group in bulk and fruit which is also active in Africa); BMT International NV (gears, transmissions, aeronautics, moulds for the glass industry); Greenyard Foods NV (world leader in distribution of fresh, frozen and canned food, listed on Euronext); Baltrisse and Straco, both important Belgian family controlled groups in private equity and real estate.

Marc is a graduate of the VLEKHO Business School, Brussels.

NEIL PAGE (64)
INDEPENDENT NON-EXECUTIVE DIRECTOR
Member of the investment committee
Nationality: South African

Neil started his career with Ford Motor Company prior to entering the banking industry in 1978. He has extensive commercial banking experience including retail, corporate and international banking. He specialised in private equity in 1985, when he joined the MBO division of Barclays Merchant Bank (which subsequently became Firstcorp Capital, the forerunner of Ethos Private Equity (Pty) Ltd). In 1989 Neil co-founded what is today RMB Convest, a leading private equity investor in South Africa. Neil was the managing director until his retirement in 2018 and sat on the boards of various RMB Convest investee companies, and the boards of the subsidiary companies making up the RMB Convest Group of Companies. Neil remains on the board of RMB Convest as a non-executive director. Neil was a member of the RMB investment committee for a number of years up until his retirement from RMB Convest.

Neil holds a Bachelor of Commerce and CAIB (SA), Dip SAIM from Port Elizabeth Technikon, South Africa.
KESAVEN MOOTHOOSAMY (36)  
NON-EXECUTIVE DIRECTOR  
Nationality: Mauritian  
Kesaven is an executive director of Perigeum Capital. He was, until June 2016, a senior manager in the Capital Market Advisory team of a leading management company in Mauritius. For the past 14 years, in the Mauritius financial services industry, he has acquired experience ranging from fund formation and administration, accounting, Mauritius regulatory matters, investment structuring, transaction advisory to valuation, capital raising and listing on securities exchanges. He is actively involved on various initiatives to enhance the attractiveness of the SEM. He is also a board member of SEM listed companies and a number of funds established in Mauritius. He graduated from the University of Mauritius with a B.Sc. (Hons) in Accounting with Information Systems and holds a MBA in Leadership and Innovation. He is also a fellow member of the Association Of Chartered Certified Accountants UK (FCCA), a member of the Mauritius Institute of Professional Accountants (MIPA) and Member of the Mauritius Institute of Directors (MiOD).

ANDREW DUNN (48)  
NON-EXECUTIVE DIRECTOR  
Member of the investment committee  
Nationality: South African  
Andrew has over 25 years’ experience in all areas of business development and Private Equity, from establishing and scaling companies to structuring and managing business investments. Andrew’s career has featured highlights such as founding Mitrans, a Logistics and Supply Chain business which was later sold to Super Group, the successful MBO of Premier Foods which was sold to Brait, the Manline Group which was merged into Barloworld Logistics and several other Private Equity interests spanning Property, Aviation (National Airways Corporation), Dealershhips (Melrose Motor Investments) and Security (SSG Holdings), and was the CEO of the Richmark Group from 2012-2018.  
Andrew cofounded DNI in 2006 where he currently serves as the CEO.  
Andrew holds a Bachelor of Commerce degree from the University of Cape Town, South Africa.

PETER GAIN (44)  
INDEPENDENT NON-EXECUTIVE DIRECTOR  
Member of the investment committee  
Nationality: United Kingdom resident  
Peter is a seasoned entrepreneur who over the past twenty years has built numerous successful businesses. During his career he has led a number of significant corporate transactions including fund raisings, listings, asset sales, mergers and group restructurings in various sectors. These include mining and resources, agriculture and food processing, warehousing and logistics, telecoms and media, dental and medical services, financial services and funds management. Peter is the chairman of Draper Gain Investments Ltd, and a director of various privately held investment companies around the world.  
Peter holds a Bachelor of Business Science from the University of Cape Town, South Africa.

FRANÇOISE CHAN (51)  
NON-EXECUTIVE DIRECTOR  
Nationality: Mauritian  
Françoise is an executive director of Intercontinental Trust Ltd.  
With many years of practical experience, Françoise is a seasoned professional and has a deep understanding of the intricacies of the Global Business industry. She has assisted a number of multinational, fund managers and high net worth individuals in the structuring and the implementation of their affairs in Mauritius. Françoise previously held senior positions at the representative of Arthur Andersen in Mauritius as well as in the International Banking Division of Barclays Bank Plc. Françoise is a member of both the International Fiscal Association (IFA) and the Society of Trust and Estate Practitioners (STEP), and serves as a director on the board of several Global Business companies including Mainland Real Estate Limited. Françoise holds a DEA in banking and finance and she holds a Master Degree in Econometrics from the University of Paris 1 Sorbonne, France. She also holds a Magistere d’Économie from the University of Paris 1 Sorbonne in conjunction with ULM et l’École des Hautes Études en Sciences Sociales de Paris, France.
MESSAGE FROM THE CHAIRMAN

Delivering value for our shareholders

Dear Stakeholders,

As Universal Partners Limited, “UPL” or the “Company”, enters into its third year, I believe that we are well on track to deliver the attractive growth in net asset value over the medium to long-term that we proposed to prospective shareholders at the time of our listing in August 2016.

To date, we have made five investments in businesses that meet our investment criteria and we continue to build a pipeline of new investments. No new investments were made during the reporting year, but we did deploy additional capital into existing investments to enable them to deliver on their growth objectives.

DEDELIVERING ON OUR INVESTMENT STRATEGY

Our strategy remains unchanged. We seek to hold investments in high-quality growth businesses across Europe, with a particular focus on the United Kingdom. Our mandate also allows for up to twenty per cent of total funds at the time to be invested outside of this region.

Despite Brexit uncertainty, the United Kingdom remains a very attractive market given its substantial economy, low unemployment rates and highly skilled workforce. Furthermore, we have a permanent capital structure which means we are not bound by exit timeframes, allowing us to exit investments when the time is right, for both the business and our shareholders.

Over the medium to long-term, the outlook for the UK economy remains positive, particularly for the sectors that we are invested in.

We play an active strategic role with board representation in the businesses we invest in. We ensure that we have a cultural fit and are aligned with management who either have a vested interest in the business or are adequately incentivised. The companies we have invested in acknowledge our partnership approach and attest to the value we bring, recognising us as supportive and constructive shareholders.

OUR INVESTMENTS

During the reporting year we continued to focus on the five investments we have made since founding UPL in 2016. Our four largest investments, Dentex, JSA, YASA and SC Lowy are all at, or ahead of, where we expected them to be at this point.

Our investment in Dentex, which has grown to be the second largest private UK dental practice group, continues to perform beyond expectations. As at the date of this report, the number of dental practices owned by Dentex has grown from 3 practices when we first invested to 62 and its acquisition pipeline looks strong. This is proof of the attractiveness of its offering, which is characterised by a unique co-ownership model. During the year, Dentex undertook a further capital raise in order to fund its continued expansion which UPL participated in, investing a further £4.98 million.

Our decision last year to invest in JSA, a professional employment organisation that provides limited company umbrella and payroll services to contractors and temporary workers in the UK, has proven to be well founded. The trend towards flexible working in the UK continues to drive demand for JSA’s services and new regulation of this sector has made JSA’s offering increasingly attractive, given JSA’s compliance with the UK’s flexible working regulatory and tax regime. As a result of increasing regulation, the sector is ripe for consolidation and during the year JSA acquired three smaller companies that offer the same services. UPL supported JSA in this endeavour by providing bridging finance and assisted the company to secure a debt facility to fund acquisitions.

Electric motor manufacturer, YASA, in which we have a significant minority shareholding, continues to build its reputation in the market. A YASA motor provides the majority of hybrid power in the Ferrari SF90 Stradale, launched in June 2019, which has been an excellent validation for the product.

Subsequent to the year end, UPL has invested a further £3 million in YASA, as part of an additional £18.5 million capital raise led by a new shareholder, Oxford Scientific Investments (OSI), a reputable private equity company with a high profile shareholder base that backs technology investments.

Over the medium to long-term, the outlook for the UK economy remains positive, particularly for the sectors that we are invested in.

SC Lowy, the high-yield bond and distressed debt specialist, where we invested as part of a consortium that we led together with Investec Bank, is a leading market maker in this space. SC Lowy owns Choaun Savings Bank in South Korea and Solution Bank in Italy (previously Credito di Romagna). While it has been a difficult period for credit-based funds like SC Lowy, given that interest rates are at a cyclical low, it has performed ahead of its peers.

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SC Lowy has created a sound platform from which to grow its share of the substantial market, which we believe is underserved.

Our smallest investment, in water efficient toilet manufacturer Propelair, has proved to be the one challenging investment. The decision was taken in the prior year to replace the founder with a more experienced CEO in order to scale the business, which resulted in the founder being obstructive and the new CEO not working out. However, the founder is no longer working in the business and we now believe that we have found an excellent CEO, who formerly worked in the industry for Dyson, and have the right management team in place to take the business forward. The sales pipeline is looking promising and Propelair have implemented a new reseller partner model which appears to be working. We believe in the unique product, which is being well received and for which there is a demand, but are taking a conservative approach as to how we value this business for now.

LOOKING AHEAD

We have now invested £55 of the £72 million we raised in our initial public offering on the Stock Exchange of Mauritius (SEM) and the Alternative Exchange of the Johannesburg Stock Exchange (AltX) in August 2016.

With our pipeline of new opportunities and follow on investments required in our existing portfolio we require additional capital and or facilities. After considering various options we determined that at this point in time a debt facility is the best option to maximise value for our shareholders.

We have secured a £15 million debt facility, at favourable rates, that will allow us to support growth in our current investments and to fund new potential investments that have been identified. We are currently actively considering two investments that have been presented by our investment managers, Argo, and continue to seek out other opportunities that meet our investment criteria.

CONCLUSION

I would like to thank our executive team, board and investment committee for their on-going commitment and dedication to pursuing our vision of creating and managing a portfolio of investments that delivers value for our shareholders.

I am pleased with the performance of the investments we have made, which, for the most part, are on track or exceeding our expectations to date and remain confident in the team’s ability to secure additional investments that will enhance the value of our portfolio.

Larry Nestadt
Chairman
10 September 2019

Good progress in growing our investments

The year ended 30 June 2019 was marked by a focus on fostering growth in the five companies we have invested in to date, in order to deliver the full potential of these businesses.

Four of these investments, Dentex, YASA, SC Lowy and JSA are performing well and we are excited about the opportunities ahead as we continue to work with their management teams to execute on their business plans. Propelair, our smallest investment, has had a challenging year and changes have been made to the management team, which we believe will result in positive outcomes in the year ahead.

During the period we invested further capital in Dentex (£4.9 million) and Propelair (£400,000). We also assisted JSA in securing a debt facility to fund its acquisition strategy and will invest further equity in YASA and Dentex as part of their next funding rounds (approximately £3 million and £6.2 million respectively).

Although no new investments were made during the period, we have a pipeline of new investment opportunities and are actively pursuing two of these.

Subsequent to the year end, the Company has an approved £15 million debt facility which will be utilised for funding future investments and improve the portfolio returns for our shareholders.

OPERATING ENVIRONMENT

Overall the macro economic environment in the UK has held up well considering the uncertainty created by the Brexit process, which has dragged on for far longer than expected. Unemployment in the UK is low and economic growth is positive, although this is tempering.

Given that all of UPL’s investments were made post the announcement of Brexit, its potential implications were factored into our investment decisions. While the Brexit process has been turbulent to date, the businesses we are invested in are resilient and are unlikely to be unduly affected in the long term by the eventual outcome. Furthermore, our permanent capital structure allows us to be flexible in relation to the exit horizon of our investments.

OUR INVESTMENTS

During the reporting period we made no new investments but were actively involved in enhancing value in our existing investments.

DENTEX

Our thesis of growth and consolidation in the UK dentistry market continues to play out as expected with private UK dental group Dentex. Dentex, which now owns a total of 62 practices and has a strong acquisition pipeline, is the second largest private dental group in the UK, second only to Portman, which sold a substantial stake in the company last year to Core Equity Holdings for around £300 million.

Dentex’s co-ownership model, where dentists become equity shareholders in the group, has proven to be very attractive and sets Dentex apart in a market that is attracting increasing investor interest. Although earnings multiples on dental practices acquisitions have increased as a result of this growing interest, the returns...
“DENTEX, YASA, SC LOWY AND JSA ARE ALL PERFORMING WELL AND WE ARE EXCITED ABOUT THE OPPORTUNITIES AHEAD AS WE CONTINUE TO WORK WITH THEIR MANAGEMENT TEAMS TO EXECUTE ON THEIR THE BUSINESS PLANS.”

in this market remain very attractive and we anticipate a substantial multiple uplift on exit if we continue on the same path and remain disciplined in acquisitions. During the year Dentex raised a further £10 million of equity capital in order to fund its continued expansion, with UPL investing a further £4.98 million.

Dentex is in the process of restructuring and increasing its debt facilities and is simultaneously raising another £11.5 million equity to fund its pipeline of acquisitions. We expect to invest a further £6.2 million as part of this capital raise.

JSA SERVICES LIMITED

UPL has a significant minority shareholding in JSA, a leading provider of professional advisory and outsourcing services to the UK’s growing flexible workforce. JSA’s services cover the two major methods for how contract workers are paid in the UK – via personal services companies or umbrella payroll services. Imminent legislative changes around who can be categorised as a flexible worker (referred to as “IR35”) mean that it is important for both options to be offered seamlessly and for service providers to be accredited with the FCSA, the industry regulatory body. JSA is an accredited member of the FCSA, which is an onerous accreditation, out of reach for many of the smaller industry operators, presenting a significant consolidation opportunity.

During the year JSA acquired three smaller competitors, being Credit Plus Operations; K&M Accounting Group and Cloud9 Umbrella. This brings to nine the number of acquisitions that JSA has completed since 2013, resulting in the consolidation of over ten brands into its scalable and highly efficient platform, with the group now servicing more than 15,000 customers via its online, tech-enabled, subscription revenue model.

JSA has an exceptionally competent and experienced management team and we are confident of their ongoing ability to grow and take advantage of further consolidation opportunities. To enable further acquisitions UPL assisted JSA in securing a £13.5 million debt facility.

YASA

YASA, the world’s leading manufacturer of axial-flux electric motors, is building a global reputation for its high power, lightweight, efficient and small footprint solutions. A YASA motor sits at the heart of the hybrid powertrain in the Ferrari SF90 Stradale, launched in May 2019, the first ever Ferrari hybrid series production sports car, with a higher combined power output than any previous Ferrari road car. YASA is working on a number of further opportunities to deepen the relationship with Ferrari off the back of this successful collaboration. Development projects with a number of other well-known and highly regarded automotive manufacturers are in progress, across the high performance and luxury segments. The pressure on the automotive sector to introduce more efficient and lightweight hybrid and electric solutions continues to increase, and YASA is well placed to assist its clients with meeting these challenges using its world leading technology.

Subsequent to the year end, YASA raised an additional £18 million of equity capital, with UPL contributing £3 million in a round that was led by a new investor; Oxford Sciences Innovation, a highly experienced and respected investor in high technology companies utilising IP developed at Oxford University. YASA’s strong capital position, reinforced by the strength of the shareholders, provides the necessary confidence to large industrial clients to rely on the company for critical electrification solutions.

In April 2019 YASA launched its inverter/ controller solutions which, similar to its motors, offer superior performance in a more compact package. This new business line is receiving encouraging support from industry, and allows YASA to offer standalone motors and controllers, or to offer unique integrated motor/ controller packages.

YASA also holds great potential for electrification in the aerospace industry and has been selected to power the Rolls Royce ACCEL (“Accelerating the Electrification of Flight”) electric flight project, which aims to capture the electric aircraft world speed record in 2020. Given that a YASA powered car holds the electric land speed record, and a YASA powered boat holds the electric water speed record, the company looks forward to the YASA powered Rolls Royce ACCEL holding the electric air speed record.

During the year, YASA was one of 32 companies which received grants totalling £33 million from the UK government’s Advanced Propulsion Centre, which is focused on developing the next generation of low-carbon vehicles. This grant will be used to fund the development of an integrated electric drive unit, which consists of a YASA Motor and YASA controller integrated with a two-speed gearbox. This new technology will offer a compelling lightweight and efficient off the shelf solution to automotive producers looking to fast track Battery Electric Vehicle development, as opposed to having to run costly inhouse development programmes.

“WE REMAIN POSITIVE ABOUT THE INVESTMENT OPPORTUNITIES IN OUR PRIMARY MARKETS AND ARE CONTINUING TO ACTIVELY PURSUE INVESTMENTS IN GOOD COMPANIES WITH RESILIENT MANAGEMENT.”

SC LOWY

SC Lowy is a leading market maker in distressed and high yield debt, particularly in Asian loans and bonds, and is on track to increase its market share in European loans. SC Lowy secures access to these markets through the banking platforms it owns in two strategic markets, South Korea and Italy. It’s wholly-owned South Korean bank continues to perform well and Credito di Romagna, the Italian bank acquired by SC Lowy in 2018, was re-branded as Solution Bank in May 2019 as part of the strategy to return the bank to profitability. Solution Bank has now stabilised its performance and is profitable at the operational level. As a result of strong capitalisation and improved operational performance, Solution Bank has received a passport to raise deposits across the EU, which enjoy deposit protection on the first €100,000 per account. This will support Solution Bank’s ability to capitalise on spread widening opportunities between low cost deposits and high yielding assets. SC Lowy continues to build on its strong presence in India, which is the second largest market for Non Performing Loans after Italy.

Although absolute returns over the period have been lower than in prior years due to a range of challenges (primarily driven by the thirst for yield overcoming the need for caution), SC Lowy’s Primary Investment (“PI”) and Special Situations (“SI”) funds benefited from good investment performance relative to peers, resulting in a strong pipeline of potential new investors. Third party funds under management in the PI and SI funds have grown as a consequence of new money being received and positive investment performance. This demonstrates its ability to attract new funds and investors even in adverse market conditions.
We expect that credit market conditions, characterised by a substantial increase in "covariant lira" loans and a reduction in spreads, will revert to more normal conditions in the next 18 to 24 months. As in previous reversions, the precise time of transition is difficult to predict, but it is likely to happen rapidly and lead to a substantial re-appraisal of credit markets. SC Lowy is well placed to take advantage of a deterioration in credit markets and is building liquidity in all of its operations in anticipation of such a change.

PROPELAIR

We remain confident that the water efficient, enhanced hygiene toilets manufactured by Propelair provide an excellent solution to the growing water stresses in many regions of the globe. In addition to the substantial water savings the product offers, it is proven to reduce bacteria in washrooms, resulting in lower transmission of pathogens in workplaces, particularly during the winter flu periods. In addition, the Propelair toilet's powerful flush minimises blockages, reducing maintenance costs and thus total cost of ownership, which makes the unit ideally suited to offices, retail properties and other areas with high volumes of traffic.

With a new management team in place, the focus is now on converting the sales pipeline in its two focus markets, the UK and South Africa, following the official accreditation received in South Africa in July 2019. A number of trials are underway at large corporates in these two markets, which have all met or exceeded expectations in respect of water saving, hygiene improvement and ease of maintenance.

Propelair's new CEO has put in place a channel model, outsourcing installation, maintenance and marketing to local partner companies, an approach which we support.

During the period we invested a further £3,000,023 in the business to fund the growth of Propelair in line with its strategy bringing our shareholding to 14.4%, although overall this remains by far our smallest investment. Unfortunately, given the legal process which the company had to go through with the founder CEO (which included a UK Employment Tribunal hearing brought by the founder, where Propelair prevailed), and other complications which stretched the management's bandwidth over the year, Propelair has to date failed to meet the sales targets set at the time that Universal Partners invested. As a consequence we are taking a prudent approach regarding the valuation of this investment, which we will reconsider should the company return to acceptable sales and financial outcomes. The investment in Propelair has been written down to £1.00 in the interim, which means the fund manager earns no fees on the asset until the performance of the investment improves and the valuation can be reconsidered.

FURTHER INVESTMENT OPPORTUNITIES

We remain positive about the investment opportunities in our primary markets and are continuing to actively pursue investments in good companies with strong management. Argo Investment Managers has presented two investment opportunities to UPL which it is currently considering.

FINANCIAL PERFORMANCE

For the year under review, we earned revenue in the form of interest from providing short-term bridging loans to investee companies as well as interest earned from investing excess cash in interest bearing fixed deposits for periods of up to six months. The deposited funds will remain in short-term fixed deposits, money market and NCD instruments until such time as they are required for investments in accordance with the Company’s investment policy.

The interest earned amounted to £289,110 (£123,984 from cash balances and £165,126 from short-term bridging loans). All loans were repaid in full during the year except for the loan to YASA that was repaid on 19 August 2019, subsequent to the Company’s year-end.

The valuations of the Company’s investments have been assessed at 30 June 2019 and the Company has recorded a net unrealised gain on revaluation of its investments of £10,241,580 for the year under review.

During the year under review, the Company revalued its investment in Dentex as a result of a successful capital raise from existing and new third party investors by Dentex in February 2019 at a price of GBP 1.70 per share. The revaluation, together with the additional investment made of GBP 4,981,733, has brought the total value of the Company’s investment in Dentex to £30,060,988.

The investment in YASA was revalued by £7,663,471 to reflect a total investment of £18,949,329. The revaluation equates to a price of £86.95 per share at which YASA concluded a further capital raise subsequent to the end of the reporting period and is the price at which the Company invested a further £386.95 per share. Firm commitments to support this capital raise were received from current and new investors subsequent to the Company’s year-end and all amounts committed were received by YASA in August 2019.

The performance of Propelair and its ability to generate future profits is of concern to the Company. Accordingly, the investment in Propelair has been impaired by £1,404,983, which was not recoverable. As a consequence the valuation of this investment, which we are taking a prudent approach regarding, will reconsider should the company return to acceptable sales and financial outcomes.

The revaluation, together with the additional investment made of GBP 4,981,733, has brought the total value of the Company’s investment in Dentex to £30,060,988.

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The accrual for performance fees calculated on the revaluation of the Company’s investments amounted to £1,499,046 for the year. These fees, which are recalculated quarterly, may become payable to Argo in the event that the Company realises the expected profit on disposal of the investments, and does not become payable, to Argo prior to the Company exiting the underlying investments on which it is calculated.

The NAV per share as at 30 June 2019 was £1.143 (30 June 2018: £1.032).

WITH THANKS TO ALL OUR STAKEHOLDERS

I would like to thank our board and investment committee for their ongoing support and insight as we continue to grow our investments and seek out further opportunities that will enable us to deliver on our vision.

Pierre Joubert
Chief Executive Officer
10 September 2019
Our investments

Universal Partners has concluded five investments to date.

Dentex: April 2017
Propelair: July 2017
YASA Limited: August 2017
SC Lowy: December 2017
JSA Services: May 2018

The company’s mandate states that each investment should be less than 20% of the total assets at the time of making the investment. However, due to different growth rates in assets over time, it is quite possible that any one investment can account for more than 20% of the asset base thereafter. The case studies that follow provide insight into how Universal Partners is delivering on its investment strategy through these investments.
Over sixty practices and growing

The private dental industry in the United Kingdom continues to grow as consumers increasingly seek higher quality treatment and more aesthetic dental interventions, which are not readily available through the National Health Services (NHS).

The NHS typically covers the basic treatments necessary to maintain oral health and while private dentistry also offers basic treatments, it plays an increasingly important role for customers seeking more aesthetic dental procedures. By 2020 it is expected that the UK dental care services market will reach £7.5 billion, with most of the increase driven by private dentistry due to NHS cost-savings and related restriction of access to non-essential services. At present, many NHS dentists are not taking on new patients, meaning that people who have not yet registered or unable to register with an NHS dentist are obliged to seek private dental care.

Dentex had 3 practices when the initial investment was made and has since grown to 62 practices across the United Kingdom, with a strong acquisition pipeline. While there are a number of dental corporates in the UK, corporates are not taking on new patients, meaning that people who have not yet registered or unable to register with an NHS dentist are obliged to seek private dental care.

Universal Partners made a £15 million investment in Dentex Healthcare Group Limited in April 2017 having recognised the sector’s strong growth potential and defensive characteristics over the economic cycle. The dental sector tends to remain robust whether the economy is strong or weak, since in many instances the requirement for non-discretionary dental work is unaffected by the state of the economy.

Dentex’s investment into further practices. The transaction valued Portman at around £300m on an estimated multiple of 18 times forward EBITDA. This demonstrates the thesis that there is greater value in vehicles that consolidate dental practices, versus single dental practices, and also confirms the view that the private dental sector has attractive features and further growth opportunities.

To facilitate further growth via its pipeline of acquisitions, Dentex is in the process of restructuring and increasing its debt facilities and simultaneously raising further equity of £11.5 million. The Board and Investment Committee have provided approval for the company to follow its rights in the capital raise, resulting in a further investment of £6.2 million during the financial year starting on 1 July 2019.

Due to its defensive nature and the low level of corporate consolidation, the UK dental sector continues to attract substantial interest from financial sponsors. An example of this is the acquisition in 2018 of a controlling stake in Portman Dental Care, the largest private dental group in the UK, by Core Equity Holdings, an European Private Equity firm. The transaction valued Portman at around £300m on an estimated multiple of 18 times forward EBITDA. This demonstrates the thesis that there is greater value in vehicles that consolidate dental practices, versus single dental practices, and also confirms the view that the private dental sector has attractive features and further growth opportunities.

Universal Partners has invested equity alongside management and strategic partners to fund Dentex’s investment into further practices. The investment in Dentex is in line with our strategy to invest in high potential growth businesses in the United Kingdom.
The power behind leading brands

Since 2017, European countries have announced a ban on the sale of cars and vans with internal combustion engines over a range of dates, from 2025 in Norway, 2030 in Germany and 2040 in France and the United Kingdom.

Most of these countries have set challenging intermediate goals, for instance the UK has pledged that by 2030 half of new car sales will be hybrid or electric as part of its strategy to reduce vehicle emissions. Other regions, such as China, have even more ambitious plans to ban the sale of petrol and diesel vehicles. In many instances drivers have been incentivised to move to electric propulsion, and drivers of internal combustion vehicles are being penalised via increases in various taxes such as toll fees, emissions charges and license fees.

YASA has developed and commercialised a patented axial flux technology enabling it to manufacture a range of electric motors, generators and controllers with superior performance characteristics. These motors and controllers are well suited to battery electric and hybrid applications, particularly where packaging in limited space is desirable. In comparison to other electric motor technologies, the YASA motors are smaller, lighter, more customisable and have far higher power density and efficiency. All of YASA’s performance claims have been independently validated by a leading European automotive engineering consultancy.

YASA was spun out from research undertaken at Oxford University by YASA founder and chief technology officer, Dr Tim Woolmer, and has commercialised its patented technology across a range of product areas over the last decade.

YASA has signed long-term develop and supply agreements with customers in the premium automotive sector, which are subject to strict confidentiality terms, and where the YASA motor is expected to be used in many of their future hybrid and battery electric vehicles. As an example of this, Ferrari launched the SP90 Stradale in June 2019, the first production Ferrari hybrid road car, which also has the highest power output of any Ferrari road car delivered to date. A YASA motor linked to the Ferrari V8 engine provides the majority of hybrid power to the SP90.

YASA has also attracted significant interest from tier 1 vehicle manufacturers and is focusing on securing deals in this high-volume market.

YASA is engaged in a number of other advanced engineering projects in the automotive, aviation and industrial sectors. A YASA motor will power the Rolls Royce ACCEL (“Accelerating the Electrification of Flight”) electric flight project, which aims to capture the world speed record for electric aircraft in 2020. Currently a YASA powered boat holds the electric water speed record and a YASA powered car holds the electric land speed record, and hence it is possible that YASA’s technology will hold the electric speed records on land, air and water by the end of 2020.

In April 2019 YASA launched inverter/controllers which, similarly to its motors, offer more power per kilogram of weight in a more compact package. This new product line has unique features which provide substantial benefits over competitor products, and this has been developed in house, giving YASA the opportunity to sell motors and inverter/controllers separately, or in uniquely packaged solutions.

YASA is one of 32 companies which qualified for grants of £13m in aggregate from the Advanced Propulsion Centre, the UK government’s vehicle for supporting the development and commercialisation of the next generation of low-carbon vehicles. This grant will be used to fund the development of an electric drive unit (“EDU”), which is an integrated package combining an electric motor, inverter/controller and gearbox, as an off the shelf solution to automotive manufacturers. This will substantially reduce their risk in developing advanced powertrain solutions to meet the future demand for hybrid and battery electric vehicles. YASA is in discussions with a number of leading gearbox manufacturers in order to source appropriate gearbox technology for the EDUs.

Universal Partners’ investment in YASA is in line with our investment strategy to hold investments in innovative, high quality growth businesses. Post the balance sheet date of 30 June 2019 the Company invested a further £3 million in YASA, as part of an £18.5 million equity capital raise led by a new shareholder, Oxford Sciences Innovation (“OSI”) maintaining our overall shareholding in line with our investment strategy to hold investments in innovative, high quality growth businesses. Post the balance sheet date of 30 June 2019 the Company invested a further £3 million in YASA, as part of an £18.5 million equity capital raise led by a new shareholder, Oxford Sciences Innovation (“OSI”) maintaining our overall shareholding in line with our investment strategy to hold investments in innovative, high quality growth businesses.
SC Lowy Partners (SC Lowy) is a specialist fixed income and banking group recognised as a leader in the distressed and high yield debt markets in Asia Pacific and the Middle East, and is rapidly increasing its trading volumes in Europe. SC Lowy provides a one-stop investment banking offering, with unmatched expertise in the distressed and high yield markets.

SC Lowy contains three pillars, which all reinforce each other and provide SC Lowy with a strong local presence and the infrastructure to access the most attractive debt markets globally:

- An asset manager with US$1bn + in AUM focusing on High Yield, Distressed, Special Situations and Private Financing opportunities;
- A broker dealer which matches over 500 sellers of distressed debt and high yield positions with SC Lowy’s client base of over 500 investors in this form of debt, leading to trading flows in excess of US$20bn per annum; and
- Two commercial banking platforms which provide a balance sheet of more than US$1bn for focused opportunities in:

  - Italy and Europe – via Solution Bank, a regional bank based in Emilia-Romagna, one of the premier industrial and commercial regions of Italy;
  - Korea – via Cheonan Savings Bank, a savings bank headquartered in Seoul with operations across Korea;
  - SC Lowy is headquartered in Hong Kong and has investment professionals and client facing staff based in Hong Kong, London, Milan, Bologna, Seoul and New York. Its in-house team of analysts cover the energy, infrastructure, manufacturing, telecommunications, media, metals, mining, financials, shipping and real estate sectors for issuers based in Australia, Asia, the Middle East and Europe.

The business was founded by Michel Löwy and Soo Cheon Lee in 2009 during the height of the Global Financial Crisis, where they proved that they could bring their experience of distressed debt and high yield markets to benefit their customers in one of the most severe periods of stress ever seen in credit markets. Prior to founding SC Lowy, Michel led Deutsche Bank’s strategic investment group and built market-leading franchises in Asia, Japan and Latin America. Previously, he built Cargill’s Value Investment Group in Singapore and was an early investor in the Japanese Non Performing Loan sector in the late 1990s. Soo Cheon was previously managing director and head of in-house research and trading at Deutsche Bank’s Distressed Products Group in Asia Pacific, managing a diversified trading book, hard asset real estate holdings and significant distressed and non-performing loan portfolios across Asia. Prior to his Deutsche Bank role, Soo Cheon was a senior research analyst at Cargill’s Value Investment Group, based in Singapore.

SC Lowy has enhanced and diversified its operations over the last 10 years, and is well placed for the transition expected over the short to medium term from a benign credit market to a stressed credit market, in line with the normal cycle of credit markets. Although SC Lowy has demonstrated strong growth in AUM, broker dealer trade volumes and banking profitability during the benign stage of credit markets since 2010, the infrastructure built up over the last 10 years will bring particular competitive advantage when the credit market cycle turns from excess to distress.

As a consequence of the investment made by the consortium that Universal Partners and Investec Bank led in December 2017, SC Lowy acquired full control of Cheonan Savings Bank in South Korea and acquired Credito Di Romagna, a bank operating in the Emilio Romagna region of Italy. Credito Di Romagna rebranded as Solution Bank in May 2019 and operational performance has turned around to a profitable state. By owning these banks, SC Lowy is able to further deepen its reach in the market for traded high-yield and distressed bonds and loans.

The global compression in yields has meant that the distressed and high-yield debt sector has become an important one for institutions to gain access to. Although absolute returns have been low over the last year, SC Lowy has continued to deliver strong returns relative to competitor credit funds, and as a consequence SC Lowy has continued to increase third-party funds under management in its Primary Investment and Special Situations vehicles. This demonstrates the strength of their franchise in this market, via their growth in funds under management even in adverse market conditions.

As an owner managed business, SC Lowy fits our investment profile of investing in owner-managed businesses, which require growth capital to deliver on their strategy. The founders retain the majority ownership of the business post the consortium’s investment.
Taking advantage of excellent opportunities

In the United Kingdom self-employment is a growing trend and has been a key feature of the labour market in recent years. The proportion of flexible and self-employed workers to total employment is increasing, providing the UK economy with flexibility and resulting in record low unemployment figures.

At the same time, the highly fragmented professional employment organisation ("PEO") market is consolidating. PEOs provide limited company, umbrella and payroll services to contractors and temporary workers in the UK. This consolidation is driven by increasingly onerous regulations relating to labour and tax requirements.

Established in 1989, JSA is a leading provider of professional advisory and outsourcing services to the UK’s growing flexible workforce. Today, JSA provides services to almost 15,000 customers under two brands: JSA Services and Clever Accounts, a rapidly growing online service platform. JSA is a leading player in each of its markets, and one of only 20 members of the Freelance Contractors Services Association ("FCSA") accredited for both accountancy and umbrella employment services. Accreditation requires the company to pass a rigorous annual independent audit process.

JSA’s highly compliant, technology-led platform and experienced, dynamic management team have delivered strong growth and taken advantage of the opportunities afforded by the continued expansion, consolidation and regulation of the sector. Imminent HMRC legislative changes around who can be categorised as a flexible worker ("IR35") mean that it is important for both services to be offered seamlessly, which JSA does.

JSA has grown organically and via acquisitions, and since 2013 it has completed and integrated ten acquisitions. Three of these happened during the reporting period: Crest Plus Operations, K&B Accounting Group and Cloud9 Umbrella. To enable further acquisitions UPL assisted JSA in securing a £15 million debt facility.

JSA has grown organically and via acquisitions, and since 2013 it has completed and integrated ten acquisitions. Three of these happened during the reporting period: Crest Plus Operations, K&B Accounting Group and Cloud9 Umbrella. To enable further acquisitions UPL assisted JSA in securing a £15 million debt facility.

JSA has a highly experienced board and executive team. Andrew Goodman, JSA’s executive chairman, acquired a majority shareholding in JSA in 2009, whereafter he was able to lead the growth of the business. Subsequent to the Universal Partners investment in 2018, Universal Partners has become the biggest single shareholder and Andrew’s shareholding has reduced, to a significant minority position. Andrew is a recruitment industry veteran having founded, acquired, listed, and served on the boards of numerous recruitment and PEO businesses.

John Hoskin, the current chief executive officer, joined JSA following JSA’s acquisition of John’s company, Online Professional Limited ("OPL"), in April 2017. John has been involved in the sector since 2011 and developed OPL’s scalable and compliant online platform, Clever Accounts. Kwasi Missah, the chief operating officer, joined JSA in 2009 as chief technology officer and has been responsible for building the technology-enabled platform and team that deliver a high quality, compliant service. He previously held technology leadership positions at a global hedge fund and Goldman Sachs.

Universal Partners has acquired a significant minority stake in JSA with the existing shareholders and management of the business retaining majority control. The investment in JSA is in line with Universal Partner’s investment strategy to hold investments in high-quality growth businesses.
Looking to convert successful trials into sales

Water sustainability is one of the greatest global threats, evidenced by droughts affecting major cities and countries across the world, and increasing water stress is predicted for areas which until recently were regarded as enjoying adequate water availability.

Despite the perception of heavy rainfall, even the United Kingdom is one of the most water stressed large countries in Europe, where the average person uses around 150 litres of water a day. Industrial and business users account for the majority of water usage in the country, and it has been estimated that up to 43% of total water usage in these settings is for employee hygiene. Given the pressure on organisations to demonstrate positive environmental outcomes, the level of interest in the demonstrated Propelair benefits to saving water is increasing.

Propelair provides a water efficient, enhanced hygiene solution. Its positive pressure flushing toilets use 1.5 litres per flush versus a traditional toilet that uses on average 9 litres per flush. Its technology delivers substantial and sustainable water savings of around 80 per cent compared to alternatives. As a consequence of its design, it also reduces the amount of airborne pathogens that are released in the flushing process, resulting in substantially lower levels of bacteria measured in washroom cubicles. This reduces the level of transmission of illness, particularly colds and flu, as a consequence of bathroom usage.

The toilet uses air pressure to expel waste, making it compatible with normal drain systems and, as well as affording water savings, it reduces the energy used in processing the waste water due to a substantial saving in water usage. Its powerful flush also reduces blockages, resulting in lower maintenance costs, making it well suited to high traffic locations.

Propelair has started to make a name for itself in the UK, its home market and in South Africa, where demand for water efficient products is high following a series of devastating water shortages in a number of regions. A number of trials are underway at large corporates in both these countries and the focus now is on converting these successful trials into sales. The product is fully approved in the UK, and has recently completed a rigorous accreditation process in South Africa, which now facilitates large-scale rollout with organisations that are seeking to meaningfully reduce their water consumption.

During the year UPL invested an additional £399,984 into the business to drive growth, bringing the overall shareholding to 14.4%.

After an unsettled period of leadership change Propelair now has an experienced CEO at the helm who has implemented a reseller partner model in order to increase sales. This new strategy appears to have started gaining traction and delivering the required outcomes.

Due to a number of reasons the company has substantially underperformed the business case that was expected at the time of making the original investment. We continue to work with the management and other investors to enhance performance and value, however given the substantial gap between actual and expected performance we have taken a prudent approach to valuation and written down the investment to £1.00. We will revisit this valuation in future depending on the extent to which the company improves sales and profitability.

Universal Partners’ investment in Propelair is in line with our investment strategy to invest in businesses that demonstrate innovation excellence, and where we can meaningfully participate in the formulation and execution of the business strategy.
Corporate governance

44 How we are governed
47 Our board
52 Board committees
54 Managing risk
56 Directors’ share interests
57 Directors’ remuneration
58 Sustainability report
59 Other relevant information
How we are governed

Universal Partners Limited, the “Company”, or “Universal Partners”, is a public interest entity under the Financial Reporting Act 2004.

The Board of Directors, the “Board”, and management of Universal Partners Limited, the “Company”, reiterate their commitment to ensuring and maintaining a high standard of corporate governance within the Company. Furthermore, it endorses the highest standards of business integrity and professionalism to ensure that the activities within the Company are managed ethically and responsibly to enhance business value for all stakeholders.

COMPLIANCE WITH THE NATIONAL CODE OF CORPORATE GOVERNANCE FOR MAURITIUS (“THE CODE”)

This report describes, amongst others, the main corporate governance framework and compliance requirements of the Company within its Constitution, the Mauritius Companies Act 2001, the Securities Act 2005, the disclosures required under the Code and the Terms of Reference of the Board Committees.

HOLDING STRUCTURE

The stated capital of the Company is currently GBP 71,847,164 divided into 72,350,131 ordinary shares of no par value. The shares of the Company are listed on the Official market of the Stock Exchange of Mauritius and the Alternative Exchange of the Johannesburg Stock Exchange (“AIX”).

The holding structure of the Company is as follows:

<table>
<thead>
<tr>
<th>NAME OF SUBSIDIARY</th>
<th>ACTIVITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universal Partners Investments</td>
<td>Investment holding</td>
</tr>
<tr>
<td>Universal Partners Investments Bidco</td>
<td>Investment holding</td>
</tr>
</tbody>
</table>

COMMON DIRECTORS

Pierre Joubert is a common director in all the above entities.

SUBSTANTIAL SHAREHOLDERS

The following shareholders held more than 5% of the stated capital of the Company as at 30 June 2019:

<table>
<thead>
<tr>
<th>NAME OF SHAREHOLDER</th>
<th>NUMBER OF ORDINARY SHARES</th>
<th>% SHAREHOLDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blackstone</td>
<td>10,000,000</td>
<td>13.82%</td>
</tr>
<tr>
<td>Swiss Independent Trustees SA as trustee of Jay Trust</td>
<td>5,960,730</td>
<td>8.21%</td>
</tr>
<tr>
<td>Swiss Independent Trustees SA as trustee of Cassycode Trust</td>
<td>7,940,730</td>
<td>10.98%</td>
</tr>
<tr>
<td>Investec Bank Ltd</td>
<td>5,976,526</td>
<td>8.26%</td>
</tr>
<tr>
<td>PSL Client Safe Custody Asset</td>
<td>5,750,000</td>
<td>7.95%</td>
</tr>
</tbody>
</table>
SHAREHOLDERS’ AGREEMENT

There is currently no shareholders’ agreement affecting governance of the Board of the Company.

COMPANY’S CONSTITUTION

There are no clauses of the Constitution deemed material enough for separate disclosure.

DIVIDEND POLICY

As the objective of the Company is to provide shareholders with attractive medium to long-term capital growth, the Board does not intend to declare regular dividends.

Notwithstanding the above, and subject to the SEM Rules and the JSE Listings Requirements, the Company in a general meeting may declare dividends but may not declare a larger dividend than that declared by the directors, subject to:

(i) The Company will be able to satisfy the solvency test in accordance with Section 6 of the Mauritius Companies Act; and

(ii) The realisable value of the assets of the Company will not be less than the sum of its total liabilities, other than deferred taxes, as shown in the books of account, and its capital.

No dividends have been declared for the year under review.

No shares of the Company are currently in issue with a fixed date on which entitlement to dividends arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

THE BOARD OF DIRECTORS

The board is ultimately accountable and responsible for the performance and affairs of the Company, whilst meeting the appropriate interests of its shareholders and stakeholders. To achieve this, the board is responsible for establishing the objectives of the Company and setting a philosophy for investments, performance and ethical standards. In addition, the board ensures that the Company complies with the relevant rules and regulations. Quarterly board meetings have been held since the Company became listed on the Stock Exchange of Mauritius.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the chairman and chief executive officer are separate and each of them has clearly defined responsibilities. These ensure a proper balance of power, increased accountability and greater capacity of the board for independent decision-making.

In his role as chairman of the Company, Larry Nestadt is responsible for leading the board and ascertaining its effectiveness. He ensures that the corporate strategy and the related execution are aligned with operational efficiencies. He ensures that the Directors receive accurate, timely and clear information and he encourages the active participation of all board members in discussions and decisions. With his experience and strong knowledge of the Company, the chairman is in an excellent position to oversee the affairs of the Company while ensuring that value is being created for all stakeholders.

In his capacity as chief executive officer, Pierre Joubert is responsible for the executive management of the Company’s operations and for developing the long-term strategy and vision of the Company. Mr Joubert also ensures effective communication with the stakeholders.

BOARD COMPOSITION

The board has a unitary structure and comprises of three executive directors, four non-independent non-executive directors and three independent non-executive directors. The independence of the non-executive members is determined as per the Code of Corporate Governance. The roles of the chairman and the CEO are separate to ensure balance of power and authority. The number of board members is proportionate with the size of the Company. There are currently three resident directors from Mauritius and a female director on the board. Board appointments are made upon recommendation of the Corporate Governance committee, which is responsible for the nominations and appointments. Board appointments are done through a transparent selection process, which ensures the right balance of skills, experience and competencies in order to achieve the objectives of the Company. There are no fixed term contracts for executive directors and the notice period for termination or resignation is one calendar month.
BOARD STRUCTURE

The board and committees are as follows:

<table>
<thead>
<tr>
<th>BOARD</th>
<th>SUB-COMMITTEE</th>
<th>MEMBER APPOINTED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Audit &amp; Risk Committee</td>
<td></td>
</tr>
<tr>
<td>Laurence (Larry) Nestadt</td>
<td>Non-executive director &amp; chairman of Board</td>
<td></td>
</tr>
<tr>
<td>Pierre Joubert</td>
<td>Chief executive officer</td>
<td></td>
</tr>
<tr>
<td>Andrew Dunn</td>
<td>Non-executive director &amp; chairman of Corporate Governance Committee</td>
<td>*</td>
</tr>
<tr>
<td>Marc Ooms</td>
<td>Independent non-executive director &amp; chairman of Investment Committee</td>
<td>* *</td>
</tr>
<tr>
<td>Neil Page</td>
<td>Independent non-executive director</td>
<td></td>
</tr>
<tr>
<td>Peter Gain</td>
<td>Independent non-executive director &amp; chairman of Audit and Risk Committee</td>
<td>* *</td>
</tr>
<tr>
<td>François Chan</td>
<td>Non-executive director</td>
<td></td>
</tr>
<tr>
<td>Kesaven Moothoosamy</td>
<td>Non-executive director</td>
<td></td>
</tr>
</tbody>
</table>

* = Member
** = Chairman

Please see page 14 to 19 for the profile of our directors, their brief CVs and number of directorships in other listed companies.

ASSESSMENT OF DIRECTORS

During the year under review, the Corporate Governance committee conducted an evaluation of the board, the individual directors and the Audit committee. The directors forming part of the board of the Company, especially those who are members of board Committees, have been appointed in the light of their wide range of skills and competence acquired through several years of working experience and professional background.

DIRECTOR APPOINTMENT PROCEDURES

The board, through the Corporate Governance committee, follows a rigorous, formal and transparent procedure to select and appoint new directors. The Corporate Governance committee leads the process according to the Company’s Constitution and makes recommendation to the board.

The directors stand for re-election at the Annual Meeting of the Company every year.

BOARD ORIENTATION AND INDUCTION

The Company has put in place procedures to ensure that newly appointed directors receive an induction upon joining the board to familiarise them with the Company’s operations, senior management and its business environment and to induct them in their fiduciary duties and responsibilities. The Company’s relevant governing documents are also provided to them. Directors will receive further briefings from time to time on relevant new laws and regulations as well as on changing economic risks.

PROFESSIONAL DEVELOPMENT AND TRAINING

Directors are encouraged to keep themselves up to date with the latest workplace trends and professional development. The board conducts annual reviews to identify areas where board members require further training or education.

The board assumed the responsibility for succession planning of directors and is in the process of developing a succession plan.

BOARD MEETINGS

Board meetings are held once per quarter and at any additional times as the Company requires. Decisions taken between meetings are confirmed by way of resolutions in writing, agreed and signed by all directors then entitled to receive notice.

The board meetings are conducted in accordance with the Company’s Constitution and the Mauritius Companies Act 2001 and are convened by giving appropriate notice to the directors. Detailed agenda, as determined by the chairman, together with other supporting documents are circulated in advance to the directors to enable them to participate meaningfully in the decision-making process and make informed deliberations at board meetings. In order to address specific urgent business needs, meetings are at times called at shorter notice. Furthermore, the directors have the right to request independent professional advice at the Company’s expense.

A quorum of three (3) directors is currently required for a Board Meeting of the Company and in case of equality of votes, the Chairman does not have a casting vote.

A director of the Company who has declared his/her interest shall not vote on any matter relating to a transaction or proposed transaction in which he/she is interested and shall not be counted in the quorum present for the purpose of that decision.

A list of directors’ interests is maintained by the company secretary and is available to shareholders upon request to the company secretary. The directors confirm that the list is correct at each quarterly board meeting.

During the year under review, the board met four (4) times. Decisions were also taken by way of resolutions in writing, agreed and signed by all directors then entitled to receive notice of the meeting.

The minutes of the proceedings of each board meeting are recorded by the company secretary, Intercontinental Trust Limited and are entered in the Minutes Book of the Company. The minutes of each board meeting are submitted for confirmation at the next meeting and these are then signed by the chairman.
## BOARD ATTENDANCE

The following table gives the record of attendance at board meetings and committee meetings of the Company for the year under review.

<table>
<thead>
<tr>
<th>DIRECTOR</th>
<th>BOARD MEETING (OF 4)</th>
<th>INVESTMENT COMMITTEE</th>
<th>AUDIT AND RISK COMMITTEE</th>
<th>CORPORATE GOVERNANCE COMMITTEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pierre Joubert</td>
<td>4/4</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>David Vinokur</td>
<td>4/4</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Andrew Birrell</td>
<td>4/4</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Larry Nestadt</td>
<td>3/4</td>
<td>4/5</td>
<td>N/A</td>
<td>3/4</td>
</tr>
<tr>
<td>Marc Ooms</td>
<td>3/4</td>
<td>4/5</td>
<td>2/4</td>
<td>N/A</td>
</tr>
<tr>
<td>Nel Page</td>
<td>3/4</td>
<td>4/5</td>
<td>3/4</td>
<td>N/A</td>
</tr>
<tr>
<td>Peter Gain</td>
<td>3/4</td>
<td>4/5</td>
<td>4/4</td>
<td>N/A</td>
</tr>
<tr>
<td>Andrew Dunn</td>
<td>3/4</td>
<td>5/5</td>
<td>N/A</td>
<td>4/4</td>
</tr>
<tr>
<td>Kesaven Moothoosamy</td>
<td>4/4**</td>
<td>N/A</td>
<td>4/4**</td>
<td>4/4**</td>
</tr>
<tr>
<td>Françoise Chan</td>
<td>4/4</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

* Mrs. Smitha Algoo-Bissonauth alternated for Mrs. Françoise Chan for the board meeting held on 4 September 2018.
** Mrs. Smitha Algoo-Bissonauth alternated for Mr. Kesaven Moothoosamy for the board meeting, audit and risk committee, and corporate governance committee held on 13 November 2018.

## COMPANY SECRETARY

Intercontinental Trust Limited (ITL) is a suitably qualified, experienced and competent company secretary that is appropriately empowered to fulfil duties and provide any required assistance to the Board.

The board has considered the competence, qualifications and experience of the company secretary, and deemed it fit to continue in the role as company secretary of the Company.

The company secretary also acts as secretary to the different board committees. The company secretary is subject to annual evaluation by the board.

## CONTRACTS OF SIGNIFICANCE

During the year under review, there was no contract of significance to which the Company was a party and in which a director of the Company was materially interested either directly or indirectly, except as disclosed otherwise.
The Audit and Risk committee, Investment committee and Corporate Governance committee have been set up to assist the board in the effective performance of its duties. All the committees are governed by their charters which have been approved by the board. As the focal point, the board is ultimately responsible and accountable for the performance and affairs of the Company. Committees are a mechanism for assisting the board and its directors in discharging their duties through a more comprehensive evaluation of specific issues. Delegating authority to board committees or management does not in any way absolve the board of its duties and responsibilities.

**INVESTMENT COMMITTEE**

The investment committee of the board is mandated to take all decisions of the Company regarding acquisitions and disposals in accordance with the investment strategy. The role of the committee entails the following:

- Understanding the Company’s investment goals and how the objectives support the Company’s mission;
- Adopting, periodically reviewing, and revising the investment policy;
- Monitoring the performance of invested funds and ensuring that investments are made in accordance with the investment policy;
- Provide buy sell valuation recommendations; and
- Engage with external advisors and reviewing reports prepared by them to formulate recommendations to the board.

**CORPORATE GOVERNANCE COMMITTEE**

The corporate governance committee has been set up to ensure that reporting requirements with regard to corporate governance, whether in the annual report or on an on-going basis, are in accordance with the principles of the applicable Code of Corporate Governance.

The corporate governance committee also carries out the functions of a nomination committee and a remuneration committee, until the board determines that a separate committee will be required.

**AUDIT AND RISK COMMITTEE**

The committee meets on a quarterly basis. The committee’s objective comprises mainly of the evaluation of the systems of internal, financial and operational controls and accounting policies, reviewing the publication of financial information, recommending the appointment, terms of engagement and remuneration of the external auditors, and ensuring the independence of the external auditors.

The committee’s responsibility also includes the review of the Company’s critical business, operational, financial and compliance exposures and sustainability issues. The committee’s role in risk management is to set the process for the identification and management of risk, report any significant risks to the board, review corporate governance guidelines and their implementation and review and approve group insurance policies.

The committee reports annually at the annual general meeting (AGM) on how it has discharged its duties during the financial year reported on.

**External audit**

Grant Thornton have been appointed as the external auditors for the Company for the past three years since the incorporation of the Company in April 2016. The Audit committee has satisfied itself that the external auditors are independent, experienced in the audit of companies in the same line of business and have the necessary resources to undertake audits of such companies.

A key factor that may impair auditors’ independence is a lack of control over non-audit services provided by the external auditors.

In essence, the external auditors’ independence is deemed to be impaired if the auditors provide a service which:

- results in auditing of own work by the auditor;
- results in the auditors acting as a manager or employee of the Company;
- puts the auditors in the role of advocate for the Company; or
- creates a mutuality of interest between the auditors and the Company.

The Company addresses this issue through three primary measures, namely:

- disclosure of the extent and nature of non-audit services;
- the prohibition of selected services; and
- prior approval by the audit committee of non-audit services.

Other safeguards encapsulated in the policy include:

- the external auditors are required to assess periodically, in their professional judgement, whether they are independent of the Company;
- the audit committee ensures that the scope of the auditors’ work is sufficient and that the auditors are fairly remunerated; and
- the audit committee has primary responsibility for making recommendations to the board on the appointment, reappointment and removal of the external auditors.

The audit committee approved the external auditors’ terms of engagement, scope of work, the annual audit and the applicable levels of materiality. Based on written reports submitted, the committee reviewed, with the external auditors, the findings of their work and confirmed that all significant matters had been satisfactorily resolved.

The audit committee has satisfied itself as to the suitability of the external auditors for reappointment for the ensuing year.

**Internal audit**

The Company does not have a formalised internal audit department but the board has implemented strong internal controls and it ensures that the latter is functioning properly and adjusts its control when and where necessary.
The board has delegated to the Audit and Risk committee its overall responsibility to translate its vision on risks management. The Audit and Risk committee reviews the risks philosophy, strategy and policies recommended by management. Compliance with policies and procedures is constantly monitored.

Financial risk
Financial risk is the risk that cash flows and financial risks are not managed cost-effectively to (a) maximise cash availability, (b) reduce uncertainty of currency, interest rate, credit and other financial risks, or (c) move cash funds quickly and without loss of value to wherever they are needed most.

Strategic risk
Strategic risk is the risk associated with the way the Company is managed. Strategic risk management focuses on broad corporate issues such as reputation, competitor strategy and new product development. This is the risk to earnings or capital arising from adverse business decisions or improper implementation of business decisions. It also includes market risk which is the risk of not meeting the strategic objectives of the organisation arising from the Company’s inability to adapt to external factors. These external factors include general economic conditions, availability and cost of debt and equity capital and competition.

Integrity risk
Integrity risk is the risk associated with the authorisation, completeness and accuracy of transactions as they are entered into, processed by, summarised by and reported by the various application systems deployed by the Company.

Operational risk
Operational risk is the risk associated with the Company’s ability to control and deliver its core processes in a timely and predictable manner. It includes inaccurate or incomplete processing of authorised transactions, duplicate processing of authorised transactions, calculation errors or processing unauthorised transactions.

Information system and information security risk
Information system and information security risk is the risk that data is not genuine, complete or accurate, recorded and accumulated correctly or readily accessible and the risk that unauthorised persons access proprietary or confidential data or knowledge.

Human capital risk
Human capital risk is the risk that personnel will not be sufficient to attain the Company’s objectives. Specific risk elements would include quality and quantity of personnel, key person risk, succession planning and / or turnover rates.

Environment risk (legal and regulatory)
Environmental risk is the risk of legal liabilities arising from failing to comply with laws and regulatory requirements and the resultant government investigation, prosecution, fines, sanctions or shutdowns.
**Directors’ share interests**

Dealings in the Company’s securities by directors are regulated and monitored as required by the SEM listing rules.

The directors follow the principles of the model code on securities transactions by directors as detailed in Appendix 6 of the SEM Listing Rules.

The directors’ interests in the shares of the Company as at 30 June 2019 are as follows:

<table>
<thead>
<tr>
<th>DIRECTOR</th>
<th>DIRECT HOLDING</th>
<th>INDIRECT HOLDING</th>
<th>TOTAL SHARES HELD</th>
<th>PERCENTAGE OF ISSUED SHARES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andrew Birrell</td>
<td>3,080,000</td>
<td>3,080,000</td>
<td>4.26%</td>
<td></td>
</tr>
<tr>
<td>Pierre Joubert</td>
<td>1,433,455</td>
<td>1,076,668</td>
<td>2,510,123</td>
<td>3.47%</td>
</tr>
<tr>
<td>David Vinokur</td>
<td>621,054</td>
<td>621,054</td>
<td>1.26%</td>
<td></td>
</tr>
<tr>
<td>Andrew Dunn</td>
<td>2,927,236</td>
<td>2,927,236</td>
<td>4.05%</td>
<td></td>
</tr>
<tr>
<td>Neil Page</td>
<td>1,913,876</td>
<td>1,913,876</td>
<td>1.40%</td>
<td></td>
</tr>
<tr>
<td>Larry Nestadt</td>
<td>3,442,854</td>
<td>3,442,854</td>
<td>4.76%</td>
<td></td>
</tr>
<tr>
<td>Peter Gain</td>
<td>990,583</td>
<td>990,583</td>
<td>1.38%</td>
<td></td>
</tr>
<tr>
<td>Marc Ooms</td>
<td>422,620</td>
<td>422,620</td>
<td>0.55%</td>
<td></td>
</tr>
</tbody>
</table>

Françoise Chan and Kesaven Moothoosamy do not have any interests in the shares of the Company.

Peter Gain, a director of the Company, is a shareholder in Dentex Healthcare Group Limited in which the Company has an investment through its wholly-owned subsidiary, Universal Partners Investments Bidco.

**Directors’ remuneration**

The remuneration and benefits payable to the directors of Universal Partners Limited in their capacity as directors (or in any other capacity) for the financial year ended 30 June 2019 are as set out below:

<table>
<thead>
<tr>
<th>DIRECTOR</th>
<th>DIRECT FEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pierre Joubert</td>
<td>-</td>
</tr>
<tr>
<td>David Vinokur</td>
<td>-</td>
</tr>
<tr>
<td>Andrew Birrell</td>
<td>-</td>
</tr>
<tr>
<td>Larry Nestadt</td>
<td>17,094</td>
</tr>
<tr>
<td>Marc Ooms</td>
<td>38,125</td>
</tr>
<tr>
<td>Neil Page</td>
<td>17,094</td>
</tr>
<tr>
<td>Peter Gain</td>
<td>17,094</td>
</tr>
<tr>
<td>Andrew Dunn</td>
<td>17,094</td>
</tr>
<tr>
<td>Intercontinental Trust Ltd *</td>
<td>10,609</td>
</tr>
<tr>
<td>TOTAL</td>
<td>112,110</td>
</tr>
</tbody>
</table>

* Mrs Françoise Chan and Kesaven Moothoosamy’s remuneration is incorporated into the fees paid by the Company to Intercontinental Trust Limited, the Company Secretary.

**REMUNERATION PHILOSOPHY**

The board has delegated to the Corporate Governance committee the responsibility of determining the appropriate remuneration to be paid to the non-executive chairman of the board, the independent non-executive directors, the non-executive directors, the executive directors and the senior management staff.

The Company’s underlying philosophy is to set remuneration at an appropriate level to retain, motivate and attract high calibre personnel and directors, and to reward them in accordance with their individual as well as collective contribution towards the achievement of the Company’s objectives and performance, whilst taking into account current market conditions and/or other factors which may be determined from time to time.
The Company recognises the importance of being a responsible corporate citizen and operating in a socially responsible manner. In so doing, the Company takes into consideration the economic, environmental, ethical, social, and health factors affecting the communities in which it operates. The Company has taken all measures to reduce any negative social and environmental impact of its operations. Further, the board is committed to ethical behaviour in all of its transactions.

HEALTH, SAFETY AND ENVIRONMENT

The Company is committed to the general rules and regulations governing the health, safety and environmental issues. The Company is committed to minimising any adverse effect of its operations on the environment and on the health and safety of its employees and the community in which it operates.

ETHICS

The board of directors is mindful of the interest of other stakeholders such as suppliers, clients, and the public at large when running its operations and is committed to high standards of integrity and ethical conduct in dealing with them.

Furthermore, the Company and its employees must, at all times, comply with all applicable laws and regulations. The Company will not condone the activities of employees who achieve results through violation of the law or unethical business dealings. This includes any payments for illegal acts, indirect contributions, rebates, and bribery. The Company does not permit any activity that fails to stand up to the closest possible public scrutiny.

All business conduct should be above the minimum standards required by law. Accordingly, employees must ensure that their actions cannot be interpreted as being, in any way, in contravention of the laws and regulations governing the Company’s operations.

Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their superior, who, if necessary, should seek the advice of someone at the highest level of the Company’s hierarchy.

The Company is committed to a policy for fair, honest dealing and integrity in the conduct of its business. This commitment, which is actively endorsed by the board, is based on a fundamental belief that business should be conducted honestly, fairly and legally.

EMPLOYEE SHARE OPTION PLAN

The Company does not have an employee share option scheme.

Sustainability statement

Other relevant information

AUDITORS’ REMUNERATION

The fees payable (exclusive of VAT) to the auditors of the Company for audit and other services are as follows:

<table>
<thead>
<tr>
<th>Service</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit fees</td>
<td>11,925</td>
<td>14,352</td>
</tr>
<tr>
<td>Tax review fees</td>
<td>945</td>
<td>912</td>
</tr>
<tr>
<td>At 30 June</td>
<td>12,870</td>
<td>15,264</td>
</tr>
</tbody>
</table>

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions, please refer to Note 17 of the audited financial statements.

THIRD PARTY MANAGEMENT AGREEMENT

The Company signed a management agreement with Argo Investment Managers (“the Manager”) in the year 2017 and same is still in place. The Manager is responsible for sourcing investment opportunities, executing transactions and managing investments. The Manager earns a management fee for its services as well as a carry fee once investments are realised. 80% of this carry fee is payable in cash and 20% is payable in Universal Partners Equity. Although the company has accrued performance fees in respect of certain of its investments where the Fair Value exceeds the Investment cost plus hurdle to date, no performance fees were paid in the year ended 30 June 2019.

DONATIONS

No charitable/non charitable donations were made during the year ended 30 June 2019 (2018: nil).

WEBSITE

The website is currently being updated to cater for the recommendations of the Code of Corporate Governance.

COMMUNICATION WITH SHAREHOLDERS AND OTHER STAKEHOLDERS

The board of directors places great importance on clear disclosure and an open and transparent channel of communication with all its shareholders. It endeavours to keep them regularly informed on matters pertaining to and affecting the Company.

Through the Company’s website namely www.universalpartners.mu, information is provided to all stakeholders on the activities of the Company.

Shareholders are strongly encouraged to attend the Company’s Annual Meeting, which provides an opportunity to raise and discuss matters with the board relating to the Company’s performance and also to keep abreast of the overall strategy and goals.

The chairman, chief executive officer and other board members attend the Annual Meeting and invite shareholders to put questions on different aspects of the Company’s activities and directions the business will take in the future.

The annual report, including the Notice of the Annual Meeting of shareholders, is sent to each shareholder of the Company and the Notice of the Annual meeting is published in two daily newspapers at least 14 days before the meeting.

Andrew Dunn
Chairman of the Corporate Governance Committee
10 September 2019

Intercontinental Trust
Company Secretary
10 September 2019
Annual financial statements

62 Commentary of the directors
63 Statement of compliance
64 Certificate from the secretary
65 Independent auditors’ report
68 Statement of financial position
69 Statement of profit or loss and other comprehensive income
70 Statement of changes in equity
71 Statement of cash flows
72 Notes to the financial statements
**Commentary of the directors**

The directors are pleased to present their report together with the audited financial statements of Universal Partners Limited, the “Company”, for the year ended 30 June 2019.

The Company was incorporated under the name of Universal Partners and it changed its name to Universal Partners Limited on 06 May 2016.

**INCORPORATION AND LISTINGS**

The Company was incorporated in the Republic of Mauritius on 25 April 2016 as a public company with the liability limited by shares. The Company has been listed on the Stock Exchange of Mauritius (“SEM”) since 08 August 2016 and on the Alternative Exchange (“AltX”) of Johannesburg Stock Exchange (“JSE”) since 11 August 2016.

**PRINCIPAL ACTIVITY**

The principal activity of the Company is to hold investments through its wholly-owned subsidiaries in high quality, growth businesses, with a particular focus on the United Kingdom.

**RESULTS AND DIVIDENDS**

The results for the year are shown in the statement of profit or loss and other comprehensive income.

The directors did not recommend any dividend for the year under review (2018: Nil).

**DIRECTORS**

The present membership of the board is set out on page 16.

**DIRECTORS’ RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

Company law requires directors of a Company to prepare financial statements for each financial year which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those 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 International Financial Reporting Standards 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 confirm that they have complied with the above requirements in preparing the financial statements.

**EXTERNAL AUDITORS**

The external auditors, Grant Thornton, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Annual Meeting.

---

**Statement of compliance**

(Section 75 (3) of the Financial Reporting Act)

**Name of Public Interest Entity (“PIE”):** Universal Partners Limited

**Reporting Year:** Financial period ended 30 June 2019

We, the undersigned being the directors of Universal Partners Limited, the “Company”, confirm that, to the best of our knowledge, the Company has complied with all of its obligations and requirements under the Code of Corporate Governance (the “Code”) except for the following:

<table>
<thead>
<tr>
<th>AREAS OF NON-APPLICATION OF THE CODE</th>
<th>EXPLANATION FOR NON-APPLICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principle 1: Adoption of Code of Ethics</td>
<td>The Company has no specific Code of Ethics in place but the board is committed to high integrity and ethical conduct in dealing with all its stakeholders.</td>
</tr>
<tr>
<td>Principle 2: Adoption of Board Charter</td>
<td>The Board is of the view that the current legislation, rules, guidelines and Code already defines the responsibilities of the Directors and there is no need to adopt a Board Charter currently as the Board is governed and guided by the legislation, rules, guidelines and Code.</td>
</tr>
<tr>
<td>Principle 3: For non-executive directors, the terms and conditions should be published on the organization’s website</td>
<td>Given that the Company is relatively new, the Website is being updated and relevant information shall be included on the website, if required.</td>
</tr>
</tbody>
</table>

**Suitable plans must be in place to maintain an appropriate balance of knowledge, skills and experience so as to ensure progressive refreshing of the Board.**

The Board is of the view that the nature of the business, it is not imperative to have individuals with specific skills. Therefore, it should not be an issue to find new members to replace existing ones, if required.

---

L M Nestadt
Chairman & Director
10 September 2019

P G Joubert
Chief Executive Officer & Director
10 September 2019
Certificate from the secretary under Section 166 (d) of the Mauritius Companies Act 2001

We certify, to the best of our knowledge and belief, that we have filed with the Registrar of Companies all such returns as are required of Universal Partners Limited under the Mauritius Companies Act 2001 during the financial year ended 30 June 2019.

for Intercontinental Trust Limited
Secretary

Registered office:
Level 3, Alexander House
35 Cybercity
Ebene 72201
Republic of Mauritius

10 September 2019

Independent auditors’ report
To the members of Universal Partners Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Universal Partners Limited, the "Company", which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements on pages 68 to 90 give a true and fair view of the financial position of the Company as at 30 June 2019, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing. 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, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended 30 June 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in relation to the audit of the financial statements is as described below.

Risk description

Valuation of the Unquoted Investments

We focused on this area due to the size of the balance on the statement of financial position and the significant judgement involved when determining the fair values given the unquoted nature.

As at 30 June 2019, the unquoted investments amounted to GBP 70,284,177.

How audit responded

− We have assessed the design and operating effectiveness of the Company’s internal controls with regard to the identification, recognition and measurement of its unquoted investments.
− Where investments are stated at cost, we have reviewed the impairment assessment made by the Investment Committee.
− Where external valuers are involved, we have ensured that these valuers are independent and competent and have checked the reasonableness of inputs to the valuation techniques used.

Key observation

We determined that the valuation of the unquoted investments as at 30 June 2019 is acceptable.
INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS’ REPORT THEREON (“OTHER INFORMATION”)

Management is responsible for the Other Information. The Other Information comprises mainly of information included under the Corporate Data, the Commentary of the Directors, the Chairman’s report and the Corporate Governance Report sections, but does not include the financial statements and our auditors’ report 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, 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.

Corporate Governance Report

Our responsibility under the Financial Reporting Act 2004 is to report on the compliance with the Code of Corporate Governance (“the Code”) disclosed in the Corporate Governance Report and assess the explanations given for non-compliance with any requirement of the Code. From our assessment of the disclosures made on corporate governance in the Corporate Governance Report, the Company has, pursuant to Section 75 of the Financial Reporting Act 2004, complied with the requirements of the Code.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Mauritius Companies Act 2001 and the Financial Reporting Act 2004, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

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 auditors’ 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 International Standards on Auditing 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.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

− Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
− Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
− Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
− Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.
− Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Mauritius Companies Act 2001

In accordance with the requirements of Mauritius Companies Act 2001, we report as follows:
− We have no relationship with, or any interests in, the Company other than in our capacity as auditors;
− We have obtained all the information and explanations we have required; and
− In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

In our opinion, the disclosure in the Report is consistent with the requirements of the Code.

OTHER MATTER

Our report is made solely to the members of the Company as a body in accordance with Section 205 of the Mauritius Companies Act 2001. 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 auditors’ 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 opinion we have formed.
Statement of financial position as at 30 June

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019 GBP</th>
<th>2018 GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments at fair value through profit or loss</td>
<td>70,284,178</td>
<td>54,657,723</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>70,284,178</td>
<td>54,657,723</td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables and prepayments</td>
<td>539,824</td>
<td>160,000</td>
</tr>
<tr>
<td>Short-term financial asset</td>
<td>-</td>
<td>5,158,274</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>14,220,935</td>
<td>15,534,242</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>14,760,759</td>
<td>20,852,516</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>85,044,937</td>
<td>75,510,239</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stated capital</td>
<td>71,847,164</td>
<td>71,847,164</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>10,825,459</td>
<td>2,791,405</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>82,672,623</td>
<td>74,638,569</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>2,372,314</td>
<td>871,670</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>2,372,314</td>
<td>871,670</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td>85,044,937</td>
<td>75,510,239</td>
</tr>
</tbody>
</table>

Approved by the Board on 10 September 2019 and signed on its behalf by:

L M Nestadt
Chairman & Director

P G Joubert
Chief Executive Officer & Director

The accompanying notes on pages 72 to 90 form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income for the year ended 30 June

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019 GBP</th>
<th>2018 GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>289,110</td>
<td>521,374</td>
</tr>
<tr>
<td>Other income</td>
<td>136,252</td>
<td>113,064</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>425,362</td>
<td>634,438</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Directors fees (Non-executives)</td>
<td>117,170</td>
<td>113,391</td>
</tr>
<tr>
<td>Transaction costs</td>
<td>3,900</td>
<td>430,965</td>
</tr>
<tr>
<td>Legal and professional fees</td>
<td>41,420</td>
<td>38,355</td>
</tr>
<tr>
<td>Management fees</td>
<td>1,200,809</td>
<td>942,721</td>
</tr>
<tr>
<td>Performance fees (accrued but not paid)</td>
<td>1,499,096</td>
<td>823,240</td>
</tr>
<tr>
<td>Other expenses</td>
<td>175,851</td>
<td>193,291</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>3,036,346</td>
<td>2,541,963</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td>(2,610,984)</td>
<td>(1,907,525)</td>
</tr>
<tr>
<td><strong>Fair value gain on remeasurement of financial assets at fair value through profit or loss</strong></td>
<td>11,646,563</td>
<td>5,227,875</td>
</tr>
<tr>
<td><strong>Impairment loss</strong></td>
<td>(1,404,983)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net foreign exchange gains</strong></td>
<td>403,458</td>
<td>137,054</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>8,034,054</td>
<td>3,457,404</td>
</tr>
<tr>
<td><strong>Tax expense</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td>8,034,054</td>
<td>3,457,404</td>
</tr>
<tr>
<td><strong>Other comprehensive income:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that will not be reclassified subsequently to profit or loss</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Items that will be reclassified subsequently to profit or loss</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other comprehensive income for the year, net of tax</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td>8,034,054</td>
<td>3,457,404</td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
<td>0.111</td>
<td>0.0478</td>
</tr>
</tbody>
</table>

The accompanying notes on pages 72 to 90 form an integral part of these financial statements.
Statement of changes in equity
for the year ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>Stated capital GBP</th>
<th>Retained earnings GBP</th>
<th>Total GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 01 July 2018</td>
<td>71,847,164</td>
<td>2,791,405</td>
<td>74,638,569</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>–</td>
<td>8,034,054</td>
<td>8,034,054</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>–</td>
<td>8,034,054</td>
<td>8,034,054</td>
</tr>
<tr>
<td>At 30 June 2019</td>
<td>71,847,164</td>
<td>10,825,459</td>
<td>82,672,623</td>
</tr>
<tr>
<td>At 01 July 2017</td>
<td>71,847,164</td>
<td>(665,999)</td>
<td>71,181,165</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>–</td>
<td>3,457,404</td>
<td>3,457,404</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>–</td>
<td>3,457,404</td>
<td>3,457,404</td>
</tr>
<tr>
<td>At 30 June 2018</td>
<td>71,847,164</td>
<td>2,791,405</td>
<td>74,638,569</td>
</tr>
</tbody>
</table>

The accompanying notes on pages 72 to 90 form an integral part of these financial statements.

Statement of cash flows
for the year ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>2019 GBP</th>
<th>2018 GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>8,034,054</td>
<td>3,457,404</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment loss</td>
<td>1,404,983</td>
<td>–</td>
</tr>
<tr>
<td>Net foreign exchange losses</td>
<td>(400,917)</td>
<td>(137,054)</td>
</tr>
<tr>
<td>Interest income</td>
<td>(289,110)</td>
<td>(521,374)</td>
</tr>
<tr>
<td>Fair value gain on remeasurement of investments at fair value through profit or loss</td>
<td>(11,644,563)</td>
<td>(5,227,875)</td>
</tr>
<tr>
<td>Net changes in working capital</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Change in receivables and prepaid expenses</td>
<td>(5,922)</td>
<td>27,454</td>
</tr>
<tr>
<td>Change in payables and accruals</td>
<td>1,500,644</td>
<td>807,421</td>
</tr>
<tr>
<td>Net cash flow used in operating activities</td>
<td>(1,402,831)</td>
<td>(1,994,024)</td>
</tr>
<tr>
<td>Investment activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of investments</td>
<td>(5,381,717)</td>
<td>(45,137,652)</td>
</tr>
<tr>
<td>Proceeds on disposal of investments</td>
<td>400,300</td>
<td>–</td>
</tr>
<tr>
<td>Loans advanced to subsidiaries</td>
<td>(4,613,000)</td>
<td>(5,080,000)</td>
</tr>
<tr>
<td>Loans repaid by subsidiaries</td>
<td>9,562,498</td>
<td>–</td>
</tr>
<tr>
<td>Interest received</td>
<td>123,983</td>
<td>209,812</td>
</tr>
<tr>
<td>Net cash flows used in investing activities</td>
<td>92,064</td>
<td>(50,007,540)</td>
</tr>
<tr>
<td>Net change in cash and cash equivalents</td>
<td>(1,310,767)</td>
<td>(51,601,864)</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>15,534,242</td>
<td>67,137,560</td>
</tr>
<tr>
<td>Effects of exchange rate changes on cash and cash equivalents</td>
<td>(2,540)</td>
<td>(1,454)</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>14,220,935</td>
<td>15,534,242</td>
</tr>
<tr>
<td>Cash and cash equivalents made up of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank (Note 10)</td>
<td>3,716,251</td>
<td>427,214</td>
</tr>
<tr>
<td>Fixed deposits (Note 10)</td>
<td>10,504,684</td>
<td>15,107,028</td>
</tr>
<tr>
<td>Total</td>
<td>14,220,935</td>
<td>15,534,242</td>
</tr>
<tr>
<td>Non-cash transactions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of investments in subsidiaries</td>
<td>–</td>
<td>300</td>
</tr>
<tr>
<td>Coupon interest capitalised under investments</td>
<td>–</td>
<td>153,288</td>
</tr>
</tbody>
</table>

The accompanying notes on pages 72 to 90 form an integral part of these financial statements.
1. General information and statement of compliance with International Financial Reporting Standards

Universal Partners Limited, the “Company”, was incorporated in the Republic of Mauritius on 25 April 2016 as a public company with liability limited by shares. Pursuant to a Certificate of Incorporation on Change of Name issued by Registrar of Companies on 06 May 2016, the Company changed its name from Universal Partners to Universal Partners Limited.


The principal activity of the Company is to hold investments through its investee in high quality, growth businesses across Europe, with a particular focus on the United Kingdom.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

2. Application of new and revised IFRS

2.1 New and revised standards that are effective for annual years beginning on 01 July 2018

In the current year, the following new and revised standards and interpretation issued by IASB became mandatory for the first time for the financial year beginning on 01 July 2018:

IAS 40, Transfers of Investment Property (Amendments to IAS 40)

Under these amendments an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change in use occurs if property meets, and only when, there is evidence of a change in use. A change of use occurs if property meets, and only when, there is evidence of a change in use.

IFRIC 22, Foreign Currency Transactions and Advance Consideration

IFRIC 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.

IFRS 4, Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)

The amendments in Applying IFRS 9 ‘Financial Instruments’ with IFRS 4 ‘Insurance Contracts’ (Amendments to IFRS 4) provide two options for entities that issue insurance contracts within the scope of IFRS 4.

IFRS 9, Financial Instruments (2014)

The complete version of IFRS 9 replaces most of the guidance in IAS 39 ‘Financial Instruments: Recognition and Measurement’. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit and loss.

IFRS 2, Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

The amendments bring clarification on the following matters:

- the accounting for cash-settled share-based payment transactions that include a performance condition;
- the classification of share-based payment transactions with net settlement features; and
- the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

IFRS 15, Revenue from Contracts with Customers

This is the converged standard on revenue recognition. It replaces IAS 11, ‘Construction contracts’, IAS 18, ‘Revenue’ and related interpretations.

Management has assessed the impact of these new and revised standards and interpretation and concluded that only IFRS 9, Financial Instruments (2014) has an impact on these financial statements.

IFRS 9 “Financial Instruments”

IFRS 9 replaces IAS 39, Financial Instruments: Recognition and Measurement. It introduces new requirements for:

(i) the classification and measurement of financial assets and financial liabilities;
(ii) impairment of financial assets; and
(iii) general hedge accounting.

The Company’s financial instruments comprise of financial assets at fair value through profit or loss, other receivables, short term financial assets, cash and cash equivalents, loans from related parties and payables and accruals. The application of IFRS 9 will only have an impact on the following areas:

- the reclassification of the Company’s financial assets from loans and receivables to amortised cost; and
- the impairment of financial assets applying the expected credit loss model.

On the date of initial application, 01 July 2018, the financial instruments were reclassified as follows:

<table>
<thead>
<tr>
<th>Original IFRS 39 category</th>
<th>New IFRS 9 category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets</td>
<td>Closing balance at 30 June 2018 (GBP)</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>Investments at fair value through profit or loss</td>
</tr>
<tr>
<td>Current assets</td>
<td>Other Receivables</td>
</tr>
<tr>
<td></td>
<td>Short-term financial asset</td>
</tr>
<tr>
<td></td>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>75,510,239</td>
</tr>
</tbody>
</table>

There have been no changes to the classification or measurement of financial liabilities as a result of the application of IFRS 9. The Company’s accounting policy on financial instruments is detailed in Note 3.3 to these financial statements.

Notes to the financial statements
For the year ended 30 June 2019
2.2 Standards, amendments to existing standards and interpretations that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards and amendments to existing standards and one interpretation have been published by the IASB but are not yet effective and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements, as relevant to the Company’s activities, will be adopted in the Company’s accounting policies for the first year beginning after the effective date of the pronouncements. Information on new standards, amendments to existing standards and interpretation is provided overleaf:

IFRS 16, Leases

The new standard requires lessees to account for leases ‘on-balance sheet’ by recognising a ‘right of use’ asset and a lease liability. It will affect most companies that report under IFRS and are involved in leasing, and will have a substantial impact on the financial statements of lessees of property with high value equipment.

IFRIC 23, Uncertainty over Income Tax Treatments

The interpretation addresses the determination of taxable profit/tax loss, tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS.

IFRS 9, Prepayments Features with Negative Compensation (Amendments to IFRS 9)

This amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model), at fair value through other comprehensive income (even in the case of negative compensation payments).

IAS 28, Long-term interest in Associates and Joint Ventures (Amendments to IAS 28)

These amendments provide clarification in the case where an entity applies IFRS 9 ‘Financial Instruments’ to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

IFRS 17, Insurance Contracts

IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4, Insurance Contracts as of 01 January 2021.

IAS 19, Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)

The following amendments were made to IAS 19:

If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement.

In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

IAS 1 and IAS 8, Definition of Material (Amendments to IAS 1 and IAS 8)

The changes in ‘Definition of Material’ (Amendments to IAS 1 and IAS 8) relate to a revised definition of ‘material’ which states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

IFRS 3, Definition of a Business (Amendments to IFRS 3)

IFRS 3 improves the definition of a business to help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others.

Management has yet to assess the impact of the above standards, amendments and interpretation on the Company’s financial statements.

3. Summary of accounting policies

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Investment in subsidiary

A subsidiary is an entity over which the Company has control. The Company controls a subsidiary if it is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

The Company has accounted for its investment in subsidiary at fair value through profit or loss as it has determined that the Company falls within the definition of an investment entity as described in IFRS 10, Consolidated Financial Statements. An investment entity is defined as an entity that:

(i) has significant influence or control over the entity; and
(ii) measures and evaluates the performance of substantially all of its investments on a fair value basis.

A parent company also needs to consider a set of typical characteristics which combined with the above definition, are intended to allow for an appropriate balance between creating a clear scope and allowing judgement in assessing whether a company is an investment entity. The characteristics are as follows:

(i) it has more than one investment;
(ii) it has more than one investor;
(iii) it has investors that are not related parties of the entity; and
(iv) it has ownership interests in the form of equity or similar interests.

3.3 Financial instruments

Recognition, initial measurement, and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, where appropriate. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled, or expires.

Classification and subsequent measurement of financial assets

Except for those receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs, where appropriate.
Financial assets are classified into the following categories:
- Amortised cost;
- Fair value through profit or loss (“FVTPL”); and
- Fair value through other comprehensive income (“FVOCI”).

In the current year, the Company does not have any financial assets categorised as FVOCI.

The classification is determined by both:
- The entity’s business model for managing the financial asset; and
- The contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of receivables which is presented within other expenses.

Classification and subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company’s receivables and cash and cash equivalents fall into this category of financial instruments.

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than ‘hold to collect’ or ‘hold to collect and sell’ are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The Company accounts for its equity investments at FVTPL and did not make the irrevocable election to account for the investments at FVOCI.

Principles of valuation of investment

Unlisted investments are stated at amounts considered by the directors to be a reasonable assessment of their fair value, where fair value is the amount at which an asset could be exchanged between knowledgeable, willing parties in an arm’s length transaction.

The Company values its unlisted investment according to one of the following bases, depending upon the category in which the investment falls:
- Cost (less any provision required)
- Price of recent transaction
- Earnings multiple
- Net assets value
- Sale price
- Enterprise value
- Equity value

Impairment of financial assets

IFRS 9’s impairment requirements use more forward-looking information to recognise expected credit losses – the ‘expected credit loss (“ECL”)’ model. This replaces IAS 39’s ‘incurred loss model’. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:
- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (‘Stage 1’); and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (‘Stage 2’).

‘Stage 3’ would cover financial assets that have objective evidence of impairment at the reporting date.

‘12-month expected credit losses’ are recognised for the first category while ‘lifetime expected credit losses’ are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

The Company’s financial liabilities include payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument’s fair value that are reported in profit or loss are included within finance costs or finance income.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and demand deposits together with other short-term, highly liquid investments maturing within 6 months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

3.5 Equity

Stated capital is determined using the value of shares that have been issued, net of transaction costs associated with the issue of shares.

Retained earnings consists of the current and prior year results as disclosed in the statement of profit or loss and other comprehensive income.

Dividend distributions payable to the equity shareholders are included in current liabilities when the dividends have been approved by the Board prior to the reporting date.
Notes to the financial statements
For the year ended 30 June 2019

3.6 Foreign currency
Functional and presentation currency
The financial statements are presented in currency British Pound ("GBP"), which is also the functional currency of the Company.
Foreign currency transactions and balances
Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in the statement of comprehensive income.
Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.7 Provisions
Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. At time of effective payment, the provision is deducted from the carrying amount of the asset or liability. The remeasurement of the provision is made if the obligation or the circumstances indicating the need for the provision change.

3.8 Revenue recognition
Interest income is recognised on an accrual basis using the effective interest method.
Dividend income will be recognised when the right to receive payment is established.

3.9 Expense recognition
Operating expenses are recognised in profit or loss upon utilisation of the services or as incurred. Transaction costs are costs incurred to acquire financial assets at fair value through profit or loss.
Deferred income taxes are recognised as a component of tax expense in profit or loss or equity.

3.10 Related party transactions
A related party is a person or company where that person or company has control or joint control of the reporting company; has significant influence over the reporting company; or is a member of the key management personnel of the reporting company or of a parent of the reporting company.

3.11 Income tax
Tax expense recognised in the statement of profit or loss and other comprehensive income comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.
Deferred tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting years, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements.
Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.
Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.
Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting date.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. Deferred tax liabilities are always provided for in full.
Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss or equity.

3.12 Impairment of assets
At each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. When an indication of impairment loss exists, the carrying amount of the asset is assessed and written down to its recoverable amount.

3.13 Comparatives
Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3.14 Significant management judgements in applying accounting policies and estimation uncertainty
When preparing the financial statements, management undertakes a number of judgements, estimates, and assumptions about the recognition and measurement of assets, liabilities, income, and expenses.
Significant management judgment
Significant management judgment in applying the accounting policies of the Company that has the most significant effect on the financial statements is set below.

Determination of functional currency
The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered those factors and have determined that the functional currency of the Company is the GBP.

Investment entity
Using the guidance as per IFRS 10, "Consolidated Financial Statements", management has determined that the Company meets the definition of an investment entity. This has required management to make significant judgements as to whether the Company has met such definition and the typical characteristics to be considered to qualify as an investment entity as per IFRS 10.

Estimation uncertainty
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Fair value of financial instruments
Management applies valuation techniques to determine the fair value of investment where active market quote is not available. This requires the development of estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the investment. Where such data is not observable, management uses the best estimate available. Estimated fair value of investment may vary from the actual prices that would be achieved in an arm’s length transaction at the reporting date.

4. Financial instrument risk
Risk management objectives and policies
The Company is not exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.
Notes to the financial statements
For the year ended 30 June 2019

The Company's financial assets and liabilities by category are summarised below:

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GBP</td>
<td>GBP</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td>85,039,015</td>
<td>75,510,239</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities measured at amortised cost</td>
<td>2,322,335</td>
<td>823,240</td>
</tr>
<tr>
<td>Provisions</td>
<td>2,322,335</td>
<td>823,240</td>
</tr>
<tr>
<td>Due to related parties</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>Other payables</td>
<td>49,979</td>
<td>48,130</td>
</tr>
<tr>
<td><strong>Total financial liabilities</strong></td>
<td>2,372,314</td>
<td>871,870</td>
</tr>
</tbody>
</table>

The Company’s risk management is carried out under policies approved by the Board of Directors and focuses on actively securing the Company’s short to medium term cash flows by minimising the exposure to financial risks.

The Board has overall responsibility for the establishment and oversight of the Company’s risk management framework. The Company’s risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate measures and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company’s activities.

The Company does not actively engage in the trading of financial assets and derivatives for speculative purposes nor does it write options.

The most significant financial risks to which the Company is exposed to are described below.

4.1 Market risk analysis

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency sensitivity

The Company’s transactions are mainly carried out in the British Pound (“GBP”) and United States Dollar (“USD”). The Company is therefore exposed to foreign currency risk on the financial assets and liabilities denominated in USD. The Company does not use any financial instruments to hedge its foreign exchange risk.

The currency profile of the Company’s financial assets and liabilities is summarised as follows:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Financial assets</th>
<th>GBP</th>
<th>Financial liabilities</th>
<th>GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States Dollar (USD)</td>
<td>11,800,868</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>British Pound (GBP)</td>
<td>73,238,147</td>
<td>2,372,314</td>
<td>2,372,314</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>85,039,015</td>
<td>2,372,314</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The following table illustrates the sensitivity of profit and equity in regards to the Company’s financial assets and financial liabilities and the GBP/USD exchange rate “all other things being equal”. It assumes, for the year ended 30 June 2019, a 3% change of the GBP/USD exchange.

This percentage has been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company’s foreign currency financial instruments held at each reporting date.

If the GBP had weakened against the USD by 3% (2018: 3%), then this would have the following impact:

At 30 June 2019

<table>
<thead>
<tr>
<th>Currency</th>
<th>Profit for the year</th>
<th>GBP</th>
<th>Equity</th>
<th>GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>(354,026)</td>
<td>(354,026)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(354,026)</td>
<td>(354,026)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

At 30 June 2018

<table>
<thead>
<tr>
<th>Currency</th>
<th>Profit for the year</th>
<th>GBP</th>
<th>Equity</th>
<th>GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD</td>
<td>(342,113)</td>
<td>(342,113)</td>
<td>(7)</td>
<td>(7)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(342,120)</td>
<td>(342,120)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Interest rate sensitivity

The Company’s interest bearing financial assets are in the form of fixed deposits and short-term financial assets. The fixed deposits are at fixed rates of interest and therefore are not subject to market fluctuations.

The Company’s exposure to interest rate risk on its bank balances is negligible since any change in the market rates would have no material impact on the Company’s operating cash flows.

The Company has no interest bearing financial liabilities.

Price risk sensitivity

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising on interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company holds shares in unquoted companies, which are classified as fair value through profit or loss.
The table below summarises the impact of increase/decrease in the fair value of the Company’s investments and profit for the year assuming a +/- 5% change in the price.

<table>
<thead>
<tr>
<th>Name of investee companies</th>
<th>Country of incorporation</th>
<th>Fair value technique used</th>
<th>Fair value as at 30 June 2019 GBP</th>
<th>% change</th>
<th>Increase GBP</th>
<th>Decrease GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dentex Healthcare Group Limited</td>
<td>United Kingdom</td>
<td>Fair value</td>
<td>30,061,088</td>
<td>5%</td>
<td>1,503,054</td>
<td>(1,503,054)</td>
</tr>
<tr>
<td>YASA Limited</td>
<td>United Kingdom</td>
<td>Fair value</td>
<td>18,949,329</td>
<td>5%</td>
<td>947,466</td>
<td>(947,466)</td>
</tr>
<tr>
<td>SC Lowy Partners (Cayman) Limited</td>
<td>Cayman Islands</td>
<td>Cost</td>
<td>11,806,790</td>
<td>5%</td>
<td>590,340</td>
<td>(590,340)</td>
</tr>
<tr>
<td>JSA Newco Limited</td>
<td>United Kingdom</td>
<td>Cost</td>
<td>9,466,970</td>
<td>5%</td>
<td>473,349</td>
<td>(473,349)</td>
</tr>
<tr>
<td>Propelair Limited</td>
<td>United Kingdom</td>
<td>Fair value</td>
<td>1</td>
<td>5%</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>70,284,178</strong></td>
<td></td>
<td><strong>3,514,209</strong></td>
<td>(3,514,209)</td>
</tr>
</tbody>
</table>

The investments in the unquoted companies are stated at GBP 70,284,178 which represents the maximum exposure to credit risk. During the year, the underlying investment in Dentex Healthcare Group Limited (“Dentex”) and YASA Limited (“Yasa”) were fair valued, resulting in a fair value gain of GBP 11,646,563. Further, the underlying investment in Propelair Limited (“Propelair”) of GBP 1,404,983 was fully impaired. The credit risk on the bank balances and fixed deposits is considered negligible, since the Company transacts with a reputable financial institution.

The directors believe that no credit risk is associated with the amount due from the related parties. None of the above financial assets are secured by collateral or other credit enhancements.

4.3 Liquidity risk analysis

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when they fall due. The Company’s approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

Ultimate responsibility for liquidity risk management rests with the Board of directors who also monitors the Company’s short, medium, and long-term funding and liquidity management requirements.

As at 30 June 2019, its main liabilities were for accrued expenses and payables which are due within one year.

4.4 Concentration risk

The Company has invested in unlisted companies whose securities are considered to be illiquid. Such illiquidity may adversely affect the ability of the Company to acquire or dispose of such investments. The investments may be difficult to value and to sell or otherwise liquidate and the risk of investing in such companies is much greater than the risk of investing in publicly traded securities. On account of the inherent uncertainty of valuation, the estimated values may differ significantly from the values that would be used had a ready market for the investments existed. However, the Board of directors considers these investments to be strategic and the concentration risk is manageable.

Furthermore, given the different growth profiles of the investments that the Company has made, it is inevitable that certain investments will constitute a high proportion of the company’s net asset value at certain times. The board accepts that as a result of this the portfolio of investments will in all likelihood not be balanced.
5. Fair value measurement

5.1 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

The Company's financial assets at fair value through profit and loss are classified under Level 3.

The hierarchy of the fair value measurement of the Company's financial assets and financial liabilities are as follows:

<table>
<thead>
<tr>
<th>2019</th>
<th>Level 1 GBP</th>
<th>Level 2 GBP</th>
<th>Level 3 GBP</th>
<th>Total GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets and fair value through profit or loss:</td>
<td></td>
<td></td>
<td>70,284,178</td>
<td>70,284,178</td>
</tr>
<tr>
<td>Investments in unquoted companies</td>
<td>–</td>
<td>–</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2018</th>
<th>Level 1 GBP</th>
<th>Level 2 GBP</th>
<th>Level 3 GBP</th>
<th>Total GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets and fair value through profit or loss:</td>
<td></td>
<td></td>
<td>54,657,723</td>
<td>54,657,723</td>
</tr>
<tr>
<td>Investments in unquoted companies</td>
<td>–</td>
<td>–</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

There has been no transfer among Levels at the reporting date.

Measurement of fair value

The policy of the Company is to revalue its investments (direct or indirect) twice a year for financial reporting purposes. The investments are valued in accordance with generally accepted valuation models. It is the policy to state the Company’s direct investments at fair value or cost.

The Company and third parties as part of a capital raise subscribed for ordinary shares in Dentex Healthcare Group Limited (“Dentex”) on 27 February 2019. The independent value of GBP 1.70 per share was used for the rights issue was used as a basis for management to determine the fair value of the underlying investment.

Subsequent to year end, YASA Limited (“Yasa”) had a capital raise and issued ordinary shares at a subscription price of GBP 386.95 per share. The Company and third parties applied to subscribe for 7,753 ordinary shares and the share application monies was paid on 20 August 2019. This was used as a basis for management to determine the fair value of the direct investment in Yasa (refer to note 18).

Management believes the underlying investment in Propelair Limited to be fully impaired at year end as it has materially fallen behind its business plan. The investment has been maintained at a nominal value of GBP 1.

5.2 Fair value measurement of financial instruments not carried at fair value

The Company's other financial assets and financial liabilities are measured at fair carrying amounts which approximate their fair values.

5.3 Fair value measurement of non-financial instruments

The Company's non-financial assets consist of prepayments and for which fair value measurement is not applicable since these are not measured at fair value on a recurring or non-recurring basis in the statement of financial position. At the reporting date, the Company did not have any non-financial liabilities.

6. Capital risk management policies and procedures

The Company’s objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and other stakeholders.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid, buy back shares, or issue new shares.

The Company monitors capital on the basis of the gearing ratio. At 30 June 2019 and 30 June 2018 the Company was not geared since it did not have any external debt.

7. Investments at fair value through profit or loss

(i) Unquoted and at fair value:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GBP</td>
<td>GBP</td>
</tr>
<tr>
<td>At start of the year</td>
<td>54,657,723</td>
<td>4,000,100</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>5,381,717</td>
<td>45,137,952</td>
</tr>
<tr>
<td>Disposals during the year</td>
<td>(400,300)</td>
<td>–</td>
</tr>
<tr>
<td>Coupon interest capitalised (Note (iv) below)</td>
<td>–</td>
<td>153,288</td>
</tr>
<tr>
<td>Impairment loss</td>
<td>(1,404,983)</td>
<td>–</td>
</tr>
<tr>
<td>Fair value gain on remeasurement</td>
<td>11,646,563</td>
<td>5,227,875</td>
</tr>
<tr>
<td>Effect of foreign exchange</td>
<td>403,458</td>
<td>138,308</td>
</tr>
<tr>
<td>At 30 June</td>
<td>70,284,178</td>
<td>54,657,723</td>
</tr>
</tbody>
</table>
Details of the Company’s indirect investments held through its wholly owned subsidiaries are as follows:

<table>
<thead>
<tr>
<th>Name of investee company</th>
<th>Country of incorporation</th>
<th>Type of investment</th>
<th>% holding</th>
<th>Cost 2019 GBP</th>
<th>Fair value 2019 GBP</th>
<th>Cost 2018 GBP</th>
<th>Fair value 2018 GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dentex Healthcare Group Limited</td>
<td>United Kingdom</td>
<td>Class E1 ordinary shares</td>
<td>42</td>
<td>20,850,121</td>
<td>30,061,088</td>
<td>15,868,388</td>
<td>21,096,079</td>
</tr>
<tr>
<td>Propelair Limited</td>
<td>United Kingdom</td>
<td>Preference shares</td>
<td>14</td>
<td>1,404,984</td>
<td>1,005,000</td>
<td>1,005,000</td>
<td></td>
</tr>
<tr>
<td>YASA Limited*</td>
<td>United Kingdom</td>
<td>Ordinary shares</td>
<td>24</td>
<td>11,285,958</td>
<td>18,949,329</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>SC Lowy Partners (Cayman) Limited</td>
<td>Cayman Islands</td>
<td>Ordinary shares</td>
<td>5</td>
<td>11,264,825</td>
<td>11,806,790</td>
<td>11,264,925</td>
<td>11,403,333</td>
</tr>
<tr>
<td>JSA Neoco Limited**</td>
<td>United Kingdom</td>
<td>Class A Ordinary shares</td>
<td>43</td>
<td>9,466,970</td>
<td>9,466,970</td>
<td>9,867,070</td>
<td>9,867,070</td>
</tr>
</tbody>
</table>

* Yasa Limited was indirectly held through UPEI in the prior year. In the current year, Yasa Limited is held directly through the Company at the values in note (ii) above.

** The Company indirectly holds 100% of the Class A Ordinary Shares of JSA Neoco Limited, representing 43% of the latter’s total share capital.

The unquoted investment in Dentex Healthcare Group Limited is fair valued using the share price following the capital raise and share issue in February 2019 (See Note 5.1). The share price was determined to be GBP 1.70 each.

The unquoted investment in Yasa Limited is fair valued using the share price following the capital raise and share issue in August 2019 (See Note 5.1). The share price was determined to be GBP 386.95 each.

Management believes the underlying investment in Propelair Limited has impaired and to be shown at a nominal value of GBP 1.

The directors consider the cost of the investments in SC Lowy Partners (Cayman) Limited and JSA Neoco Limited to be a reflection of their fair values.

Notes to the financial statements

For the year ended 30 June 2019

(ii) Details of the investments are as follows:

<table>
<thead>
<tr>
<th>Name of investee company</th>
<th>Country of incorporation</th>
<th>Type of investment</th>
<th>% holding</th>
<th>Cost 2019 GBP</th>
<th>Fair value 2019 GBP</th>
<th>Cost 2018 GBP</th>
<th>Fair value 2018 GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universal Partners Investments (Dentex, Propelair, SC Lowy Partners and JSA) (Note (ii) below)</td>
<td>Republic of Mauritius</td>
<td>Ordinary shares</td>
<td>100</td>
<td>42,986,900</td>
<td>51,334,849</td>
<td>16,873,388</td>
<td>22,101,263</td>
</tr>
<tr>
<td>Universal Partners Electric Investments (Yasa) (Note (ii) below)</td>
<td>Republic of Mauritius</td>
<td>Ordinary shares</td>
<td>100</td>
<td>–</td>
<td>–</td>
<td>11,285,957</td>
<td>11,285,957</td>
</tr>
<tr>
<td>Universal Partners Financial Investments (SC Lowy Partners) (Note (ii) below)</td>
<td>Republic of Mauritius</td>
<td>Ordinary shares</td>
<td>100</td>
<td>–</td>
<td>–</td>
<td>11,264,925</td>
<td>11,403,433</td>
</tr>
<tr>
<td>UP Contracting Investments (JSA) (Note (ii) below)</td>
<td>Republic of Mauritius</td>
<td>Ordinary shares</td>
<td>100</td>
<td>–</td>
<td>–</td>
<td>9,867,070</td>
<td>9,867,070</td>
</tr>
<tr>
<td>YASA Limited (Yasa)*</td>
<td>United Kingdom</td>
<td>Ordinary shares</td>
<td>24</td>
<td>11,285,958</td>
<td>18,949,329</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>54,272,858</td>
<td>70,284,178</td>
<td>48,291,340</td>
<td>54,657,723</td>
</tr>
</tbody>
</table>

* Yasa Limited was indirectly held through UPEI in the prior year. In the current year, Yasa Limited is held directly through the Company.

(iii) Following the change in legislation in Mauritius around the regime of GBC 2 companies, it was necessary to restructure the group and consequently the underlying investments were transferred from Universal Partners Financial Investments (“UPFI”), Universal Partners Electric Investments (“UPEI”) and UP Contracting Investments (“UPCI”) as follows:

- The underlying investment in JSA was transferred from UPCI to Universal Partners Investments.
- The underlying investment in SC Lowy was transferred from UPFI to Universal Partners Investments Bidco, and
- The underlying investment in Yasa was transferred from UPEI to the Company.

Following the transfer of the underlying investments, UPFI, UPCI and UPEI were liquidated during the year.

(iv) During the year under review, the Company also made additional investments as follows:

- GBP 4,981,733 in Dentex Healthcare Group Limited and GBP 399,164 in Propelair Limited.
Notes to the financial statements
For the year ended 30 June 2019

8. Receivables and prepayments

<table>
<thead>
<tr>
<th></th>
<th>2019 GBP</th>
<th>2018 GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due from wholly owned subsidiaries</td>
<td>80,000</td>
<td>160,000</td>
</tr>
<tr>
<td>Due from Yasa Limited</td>
<td>453,902</td>
<td>–</td>
</tr>
<tr>
<td>Prepayments</td>
<td>5,922</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>539,824</td>
<td>160,000</td>
</tr>
</tbody>
</table>

The amounts due from the related parties are unsecured, interest free and receivable on demand. The directors consider that no expected credit loss is to be recognised for amounts due from the related parties as no default is anticipated since these parties are not experiencing any financial difficulties.

9. Short-term financial asset

<table>
<thead>
<tr>
<th></th>
<th>2019 GBP</th>
<th>2018 GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan to subsidiary</td>
<td>– 5,000,000</td>
<td></td>
</tr>
<tr>
<td>Interest receivable</td>
<td>– 158,274</td>
<td></td>
</tr>
<tr>
<td>At 30 June</td>
<td>– 5,158,274</td>
<td></td>
</tr>
</tbody>
</table>

The loan to the subsidiary as well as the interest accrued were fully repaid during the year.

10. Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>2019 GBP</th>
<th>2018 GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– British Pound (“GBP”)</td>
<td>3,716,251</td>
<td>426,743</td>
</tr>
<tr>
<td>– South African Rand (“ZAR”)</td>
<td>– 148</td>
<td></td>
</tr>
<tr>
<td>– United States Dollar (“USD”)</td>
<td>– 323</td>
<td></td>
</tr>
<tr>
<td>Total cash at bank</td>
<td>3,716,251</td>
<td>427,214</td>
</tr>
</tbody>
</table>

Fixed deposits with maturity period of:

<table>
<thead>
<tr>
<th></th>
<th>2019 GBP</th>
<th>2018 GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>One month</td>
<td>10,504,684</td>
<td>15,107,028</td>
</tr>
<tr>
<td>Total fixed deposits</td>
<td>10,504,684</td>
<td>15,107,028</td>
</tr>
<tr>
<td>Total cash and cash equivalents</td>
<td>14,220,935</td>
<td>15,534,242</td>
</tr>
</tbody>
</table>

The fixed deposits can be called upon on one day’s notice to fund commitments.

11. Stated capital

<table>
<thead>
<tr>
<th></th>
<th>2019 GBP</th>
<th>2018 GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>72,350,131 ordinary shares of no par value:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from issue</td>
<td>72,350,131</td>
<td>72,350,131</td>
</tr>
<tr>
<td>Issuance costs</td>
<td>(502,967)</td>
<td>(502,967)</td>
</tr>
<tr>
<td>At 30 June</td>
<td>71,847,164</td>
<td>71,847,164</td>
</tr>
</tbody>
</table>

12. Payables

<table>
<thead>
<tr>
<th></th>
<th>2019 GBP</th>
<th>2018 GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accruals</td>
<td>40,933</td>
<td>44,097</td>
</tr>
<tr>
<td>Payables</td>
<td>9,046</td>
<td>4,033</td>
</tr>
<tr>
<td>Provision for performance fees (See note below)</td>
<td>2,322,335</td>
<td>823,240</td>
</tr>
<tr>
<td>Investment payable</td>
<td>–</td>
<td>300</td>
</tr>
<tr>
<td>Total</td>
<td>2,372,314</td>
<td>871,670</td>
</tr>
</tbody>
</table>

This relates to a provision made under the Management Agreement with Argo Investment Managers and is payable upon terms and conditions disclosed in Note 13.2 below.

13. Management and performance fees

13.1 Management fees

Pursuant to a Management Agreement (the “Agreement”), Argo Investment Managers (the “Manager”), a related entity registered in the Republic of Mauritius, has been appointed to provide investment management services to the Company, for a consideration of 0.90% of the amount of funds held by the Company and which are not long term investments (being investments which will be held for less than 6 months) and a fee of 2% of the fair value of long term investments held by the Company as reflected in the statement of financial position. The management fees are payable quarterly in advance.

Management fees for the year amounted to GBP 1,200,809 (2018: GBP 942,721).

13.2 Performance fees

As per the above Agreement, the Company is required to pay a performance fee to the Manager in an amount equal to 20% of the amount by which the net proceeds of realisation exceed the initial cost of investment plus management fees paid/payable less any distribution/repayment received, all adjusted by an annual rate of return of 8%. The performance fee will only become payable on realisation of the underlying investments. 80% of the performance fee is payable in cash and 20% in shares in Universal Partners Limited issued at the net asset value at the date of issue. These shares can only be sold after a period of three years.

**Notes to the financial statements**
For the year ended 30 June 2019

### 14. Other expenses

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GBP</td>
<td>GBP</td>
</tr>
<tr>
<td>Accounting fees</td>
<td>–</td>
<td>391</td>
</tr>
<tr>
<td>Advertising and promo</td>
<td>6,576</td>
<td>13,025</td>
</tr>
<tr>
<td>Annual report cost</td>
<td>9,242</td>
<td>11,805</td>
</tr>
<tr>
<td>Audit fees</td>
<td>13,831</td>
<td>19,679</td>
</tr>
<tr>
<td>Bank charges</td>
<td>2,170</td>
<td>2,879</td>
</tr>
<tr>
<td>Computer costs</td>
<td>521</td>
<td>1,351</td>
</tr>
<tr>
<td>Consulting fees</td>
<td>40,245</td>
<td>35,626</td>
</tr>
<tr>
<td>Insurance</td>
<td>538</td>
<td>–</td>
</tr>
<tr>
<td>Listing fees – JSE</td>
<td>20,489</td>
<td>10,457</td>
</tr>
<tr>
<td>Listing fees – SEM</td>
<td>27,346</td>
<td>24,086</td>
</tr>
<tr>
<td>Travel expenses</td>
<td>52,353</td>
<td>73,992</td>
</tr>
<tr>
<td>Exchange loss</td>
<td>2,540</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>175,851</td>
<td>193,291</td>
</tr>
</tbody>
</table>

### 15. Taxation

#### Income tax expense

The Company, under the current laws and regulations, is liable to pay income tax on its net income at a rate of 15%. The Company is, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered or 80% of the Mauritian tax payable in respect of its foreign source income, thus reducing its maximum effective rate to 3%. The Company has received a tax residence certificate (TRC) from the Mauritius Revenue Authority (MRA) which is renewable annually.

No Mauritian capital gains tax is payable on profits arising from any sale of securities, and any dividends and redemption proceeds paid by the Company to its shareholders will be exempt in the Republic of Mauritius from any withholding tax.

As at 30 June 2019, the Company had no income tax liability due to accumulated tax losses of GBP 549,954 (2018: GBP 299,104) carried forward.

#### Deferred taxation

No deferred tax asset has been recognised in respect of the tax losses carried forward as no taxable income is probable in the foreseeable future.

### 16. Earnings per share

The earnings per share is calculated by:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GBP</td>
<td>GBP</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>8,034,054</td>
<td>3,457,404</td>
</tr>
<tr>
<td>Number of shares in issue</td>
<td>72,350,131</td>
<td>72,350,131</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>0.111</td>
<td>0.0478</td>
</tr>
</tbody>
</table>
Notes to the financial statements
For the year ended 30 June 2019

17. Related party transactions

During the year ended 30 June 2019, the Company had transactions with its related parties. The nature, volume of transactions and balances with the related parties are as follows:

<table>
<thead>
<tr>
<th>Nature of relationship</th>
<th>Nature of transactions</th>
<th>Volume of transactions GBP</th>
<th>Debit/(credit) balances at 30 June 2019 GBP</th>
<th>Debit/(credit) balances at 30 June 2018 GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key management personnel</td>
<td>Directors fees (Non-executive)</td>
<td>117,170</td>
<td>(26,933)</td>
<td>(26,597)</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>Financing (Note 9)</td>
<td>5,000,000</td>
<td>–</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>Loan (Note 8)</td>
<td>413,902</td>
<td>453,902</td>
<td>40,000</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>Loan (Note 8)</td>
<td>–</td>
<td>40,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>Loan (Note 8)</td>
<td>–</td>
<td>40,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>Loan (Note 8)</td>
<td>40,000</td>
<td>–</td>
<td>40,000</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>Investment payable (Note 12)</td>
<td>100</td>
<td>–</td>
<td>(100)</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>Investment payable (Note 12)</td>
<td>100</td>
<td>–</td>
<td>(100)</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>Investment payable (Note 12)</td>
<td>100</td>
<td>–</td>
<td>(100)</td>
</tr>
<tr>
<td>Common directorship</td>
<td>Management fees (Notes 12 and 13)</td>
<td>1,200,809</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Common directorship</td>
<td>Performance fees accrued (Notes 12 and 13)</td>
<td>1,499,096</td>
<td>(2,322,338)</td>
<td>(821,241)</td>
</tr>
<tr>
<td>Administrator and secretary</td>
<td>Professional fees</td>
<td>30,625</td>
<td>(3,013)</td>
<td>(319)</td>
</tr>
</tbody>
</table>

The Company bears all of the operating expenses for its wholly-owned subsidiaries, on a free-of-charge basis and which amounted in aggregate to GBP 11,574 (2018: GBP 17,567). The wholly-owned subsidiaries exist solely to hold the underlying investments.

18. Events after the reporting date

As part of Yasa Limited’s capital raise of GBP 18,000,000 the Company, on 20 August 2019, paid share application monies amounting to GBP 3,000,023 to YASA Limited for 7,753 ordinary shares. GBP 10,200,000 was raised from independent third parties.
Shareholder information

96 Corporate diary
97 Corporate information
### Corporate diary

<table>
<thead>
<tr>
<th>KEY EVENTS</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial year end</td>
<td>30 June 2019</td>
</tr>
<tr>
<td>Publication of audited financial results on the JSE and SEM</td>
<td>September 2019</td>
</tr>
<tr>
<td>Annual General Meeting</td>
<td>November 2019</td>
</tr>
<tr>
<td>Announcement of FY2020: 30 September 2019 first quarter results (tentative date)</td>
<td>13 November 2019</td>
</tr>
<tr>
<td>Announcement of FY2020: 31 December 2019 interim results (tentative date)</td>
<td>12 February 2020</td>
</tr>
<tr>
<td>Announcement of FY2020: 31 March 2020 third quarter results (tentative date)</td>
<td>13 May 2020</td>
</tr>
<tr>
<td>Announcement of FY2020: 30 June 2020 annual results (tentative date)</td>
<td>9 September 2020</td>
</tr>
</tbody>
</table>

### Corporate information

<table>
<thead>
<tr>
<th>Directors</th>
<th>DATE APPOINTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laurence Nestadt (Chairman)</td>
<td>25 April 2016</td>
</tr>
<tr>
<td>Andrew Birrell</td>
<td>25 April 2016</td>
</tr>
<tr>
<td>François Chan</td>
<td>25 April 2016</td>
</tr>
<tr>
<td>Andrew Dunn</td>
<td>25 April 2016</td>
</tr>
<tr>
<td>Pierre Joubert</td>
<td>25 April 2016</td>
</tr>
<tr>
<td>Kesaven Moodhooasamy</td>
<td>25 April 2016</td>
</tr>
<tr>
<td>Marc Osma</td>
<td>25 April 2016</td>
</tr>
<tr>
<td>David Vinkler</td>
<td>13 July 2016</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Administrator and secretary</th>
<th>Intercontinental Trust Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 3, Alexander House</td>
</tr>
<tr>
<td></td>
<td>Ebene, 72201 Mauritius</td>
</tr>
</tbody>
</table>

| Registered office                                                               | Level 3, Alexander House        |
|                                                                                | Ebene, 72201 Mauritius          |

| Auditors                                                                       | Grant Thornton                  |
|                                                                                | Ebene Tower, 32 Cybercity       |
|                                                                                | Ebene 72201 Mauritius           |

| Banker                                                                         | Investec Bank (Mauritius) Limited |
|                                                                                | 6th Floor, One Par Building     |
|                                                                                | 1st Claudian Waterfront         |
|                                                                                | Caudan, Port Louis              |
|                                                                                | Republic of Mauritius           |

| Registered transfer agents                                                     | Computershare Investor Services Proprietary Limited |
|                                                                                | Rosebank Towers                 |
|                                                                                | 13 Berriman Ave, Rosebank, 2116 |
|                                                                                | Johannesburg, 2116 South Africa |

| Central Depository & Settlement Co. Ltd                                        | 4th Floor, One Cathedral Square Building |
|                                                                                | 1A, John Koning Street           |
|                                                                                | Republic of Mauritius            |

| Investment advisory manager                                                   | ARGO Investment Managers        |
|                                                                                | Level 3, Alexander House         |
|                                                                                | Ebene, 72201 Mauritius           |

| Sponsor (in South Africa)                                                      | Java Capital Trustees and Sponsors (Proprietary) Limited |
|                                                                                | 2nd Floor, 4A Sandown Valley Crescent |
|                                                                                | Sandton, Johannesburg           |
|                                                                                | South Africa                    |

| Sponsor (in Mauritius)                                                         | Perigeum Capital Ltd            |
|                                                                                | Level 4, Alexander House         |
|                                                                                | Ebene, 72201 Mauritius           |