Value comes from delivering on successful partnerships
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About this report

This is the sixth 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 2022. On the recommendation of the Audit and Risk committee, the board approved the 2022 integrated report for publication on 12 October 2022.

Larry Nestadt
Chairman
Pierre Joubert
CEO
Our business
at a glance

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About us

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 per cent 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.
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 and David Vinokur, 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 an annual management fee for its services, in addition to a carry fee payable only once an investment is realised profitably. A portion of this carry fee is payable in Universal Partners equity, and a portion in cash. The equity portion has a three-year lock-in period.
Share analysis

Our shareholder base has grown over the period to 256 shareholders, however, 98.2% of shares are held by shareholders who hold more than 100 000 shares each. 56.7% of the total shares are held on the SEM and the remainder on the JSE AltX. The directors and their associates directly and indirectly own 20.3% of the total issued share capital of the company as at 30 June 2022.

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<th>SHAREHOLDER SPREAD</th>
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<th>% OF HOLDERS</th>
<th>NUMBER OF SHARES</th>
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<tr>
<td>Total</td>
<td>256</td>
<td>100.0%</td>
<td>72 786 163</td>
<td>100.0%</td>
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</table>

UPL SHARE PRICE VS GBP/ZAR EXCHANGE RATE
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 investment mandate allows the Company to invest up to twenty per cent of its funds (at the time of making the investment) in other regions.

We are focused on acquiring and building successful businesses across a broad range of sectors 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 proven consolidation platform, a structurally lower cost base and technological and innovation leadership (demonstrated by registered and protected IP).

We seek to partner with owner managed or founder led businesses by taking 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 where we are able to take minority stakes up to 49 per cent, with at least one 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
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 (57)
CHIEF EXECUTIVE OFFICER
Expertise: Corporate finance and investment specialist
Nationality: South African
(permanently resides in Mauritius)

Pierre is the CEO of Universal Partners Limited. Prior to joining Universal Partners Limited, 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 transactor 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 19 years.

He is also a non-executive director of Homechoice International PLC and Brait 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 (43)
CHIEF FINANCIAL OFFICER
Expertise: Private equity, corporate finance and investments
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 17 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 boards 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).
Our board and investment committee

JUSTIN RODRIGUES (35)
PRINCIPAL
Expertise: Private Equity, investment banking, leveraged finance
Nationality: British/South African

Justin joined Universal Partners in 2016 following a 7-year career at Investec Bank. During his time at Investec, he worked in the Johannesburg, London and Cape Town offices specialising in private equity and leveraged finance transactions.

Since joining Universal Partners in London, Justin has been actively involved in the origination, execution and management of investments. He sits on the Board of Directors of Duete, Workwell and Xcede and takes an active role in the capital raising activities and the strategic direction of Universal Partners’ investments.

Justin holds a Bachelor of Commerce degree from Rhodes University (South Africa), and is a Chartered Accountant (South Africa).

DORON FALK (40)
GROUP FINANCIAL MANAGER
Expertise: Private equity, corporate finance and investments
Nationality: South African

Doron is the financial manager of Universal Partners and has been with the company since its inception in 2016. He is also the financial manager of Global Capital, a private equity investment company, where he oversees the finance function for various portfolio companies.

Doron completed his articles at PKF (South Africa) and, prior to joining Universal Partners, worked for eight years in the finance teams of both listed and private companies in the telecommunications and finance industries.

Doron is a Chartered Accountant. He holds a Bachelor of Accounting from the University of the Witwatersrand, South Africa.

LARRY NESTADT (72)
NON-EXECUTIVE DIRECTOR AND CHAIRMAN OF THE BOARD
Member of the investment committee
Nationality: South African

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.

Our board of directors is responsible for ensuring that Universal Partners adheres to sound corporate governance principles and determines our strategic positioning. The members of the board and investment committee offer a wide range of experience, competencies and perspectives.
MARC OOMS (71)  
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, Luxembourg (the largest European stevedoring group in bulk and fruit which is also active in Africa); BMT NV (gears, transmissions, aeronautics, moulds for the glass industry); Greenyard NV (world leader in distribution of fresh, frozen and canned food, listed on Euronext); Baltisse and Straco, two important Belgian family offices.

NEIL PAGE (67)  
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 Corvest, 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 Corvest investee companies, and the boards of the subsidiary companies making up the RMB Corvest Group of companies. Neil was a member of the RMB investment committee for a number of years up until his retirement from RMB Corvest.

Neil holds a Bachelor of Commerce and CAIB (SA), Dip SAIM from Port Elizabeth Technikon, South Africa.

ANDREW DUNN (51)  
NON-EXECUTIVE DIRECTOR

Member of the investment committee
Nationality: Hungarian / 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 Miltrans, 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 Barlworld Logistics and several other Private Equity interests spanning Property, Aviation (National Airways Corporation), Deaehips (Melrose Motor Investments) and Security (SSG Holdings), and was the CEO of the Richbank 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.

GARY WADE SPELLINS (64)  
INDEPENDENT NON-EXECUTIVE DIRECTOR

Member of the investment committee
Nationality: British

Gary was Chair at Inflexion LLP backed Reed & Mackay, a global corporate travel management and solutions company servicing the financial and professional services market until November 2020. He is also a Board advisor to FINE+RARE, one of Europe’s largest fine wine brokers.

During his 18 years leading Private Equity backed businesses he has been Chair at Inflexion LLP backed Scott Dunn, an international luxury tour operator specialising in premium tailor-made holidays. Gary was also Chair at The Parts Alliance, an Hg Capital investment in the automotive sector which was successfully sold in 2017.

Previously, between 2002 and 2014, he was Chief Executive then Chair at Independent Clinical Services which is Europe’s leading healthcare staffing and professional services company. Gary led the business through five phases of Private Equity ownership.

In his early career Gary was Group Managing Director at RAC PLC serving on the PLC Board and European Marketing Director at G E Capital. Gary began his commercial career at American Express.
DANIEL RUBENSTEIN (40)
NON-EXECUTIVE DIRECTOR

Member of the investment committee
Nationality: South African

Daniel Rubenstein is a qualified CA (SA) having completed his articles at PKF. He is an entrepreneur and property investor, being a founder and shareholder in many businesses and property companies. After qualifying, Daniel worked for Brait Ltd, a private equity fund listed on the Johannesburg Stock Exchange (“JSE”), where he was responsible for sourcing deals. Daniel was a founder and Executive Director of Annuity Properties, which listed on the JSE in 2012. The company was subsequently sold to a larger, listed REIT (Redefine Properties) in 2014.

Daniel is currently the CEO of Glen Anil Development Corporation, a property and private equity investment vehicle, with interests in South Africa, the United Kingdom and Europe.

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

FRANÇOISE CHAN (54)
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 multinationals, 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 listed companies.

Françoise holds a DEA in banking and finance and she holds a Master’s Degree in Econometrics from the University of Paris 1 Sorbonne, France. She also holds a Magistere d’Economie from the University of Paris 1 Sorbonne in conjunction with ULM et L’Ecole des Hautes Etudes en Sciences Sociales of Paris, France.

KESAVEN MOOTHOOSAMY (39)
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 16 years, in the Mauritius financial services industry, he has acquired experience ranging from fund formation and administration, Mauritian regulatory matters, investment evaluation and structuring, complex transaction advisory to business valuation, debt & equity capital raising and listing on securities exchanges. He has been involved in various initiatives to enhance the attractiveness of the SEM. He is also a board member of SEM listed companies as well as director in a number of investment holding companies established in Mauritius. He graduated from the University of Mauritius with a B.Sc. (Hons) in Accounting with Information Systems and holds an 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).
Leadership review

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A time to build and consolidate

Dear stakeholders,

The start of the 2021/2022 financial period proved to be more positive following a challenging 2020, where economies were still recovering from the COVID-19 pandemic. A rebound in M&A activity took place, fuelled in part by low interest rates, favourable debt terms and pent-up demand. It was one of the best M&A markets on record in Europe, the UK and the USA. This surge in deal activity resulted in inflated pricing as companies and investment firms competed for deals; this despite the global economy’s failure to have fully recovered from the pandemic.

Universal Partners took a conservative view in the period based on where we were in our business cycle and the unpredictable macro environment. Rather than overpaying for new deals, we decided to focus, consolidate and build our existing assets.

The economic cycle shifted abruptly in late 2021. The macro environment in the US, UK and Europe is now characterised by increasing interest rates designed to combat inflation, which is at the highest levels that it has been for many years. By June 2022, inflation in the UK, our primary market, was running at a 40-year high and interest rates were at the highest level in 13 years. People are spending less and the threat of a global recession looms.

A correction in the market is taking place and prices are correcting accordingly. Investment committees, in our view, will now be quite conservative; instead of entering into new deals, they will focus on the assets that they are invested in. This is an opportunity for UPL as we can focus on acquiring quality businesses, at a better price than we have been able to over the last two years. With pressure in the macro environment, we believe that good deals will be coming up and we can expect prices to continue to moderate. The Argo team is working on the current investments as well as sourcing new investments for UPL. We do not believe we need to be in a rush to invest, but we will consider opportunities, in line with our investment strategy, where we can add value.

While we made no new investments, we undertook follow-on investments in Workwell (formerly JSA Services Ltd) and Dentex during the period, which included bringing in co-investors once we were fully invested. In most cases, the co-investors are existing UPL shareholders who know our business well. Many of our shareholders have indicated that they have an appetite to invest alongside UPL going forward.

OUR PERFORMANCE

I am pleased to report that all our investments showed resilience in the year ended June 2022, despite an uncertain market.

To date, UPL has made investments in six businesses and exited one (YASA). YASA was UPL’s maiden exit when it disposed of its shares in YASA Limited to Mercedes Benz AG for a total consideration of £42.8 million in August 2021, achieving 3x money and a 33% IRR.

Although concluded after the 30 June 2022 year end, we are delighted to report another significant milestone for UPL. On 23 August 2022, Dentex entered into a definitive transaction agreement with Portman Dental Care regarding the merger of these two businesses. Together these businesses will form the largest privately focused dental group in the UK and one of Europe’s largest dental care platforms.

The transaction, which is subject to customary regulatory approvals, will result in the disposal of our entire shareholding in Dentex, which will be settled through a combination of cash and shares in the merged business.
“HOW WE REACT IN TIMES OF UNCERTAINTY HELPS ENSURE THAT WE CAN STEER THE COURSE, NO MATTER THE MACRO ENVIRONMENT. IT IS THIS APPROACH THAT HAS GUIDED OUR DECISION-MAKING IN THE YEAR AND WILL CONTINUE TO GUIDE US GOING FORWARD.”

OUR INVESTMENTS

Dentex, the UK’s second largest private dental practice group, exceeded expectations during the period and performed exceptionally well. It continued to rapidly acquire new practices, successfully delivering on its buy-and-build model. Since UPL invested in Dentex in 2017, the business has grown from three dental practices to over 130 practices and is a highly respected player in the UK dental market, with its co-ownership partner model. The company reached a point where a decision needed to be made about the way forward given that it wanted to start acquiring larger practices, which will require access to significant growth capital and debt facilities. As mentioned earlier, we ran a competitive process to dispose of our shares in Dentex during the period. This was successfully concluded in August 2022. In the short term, the transaction will not have a material effect on the current valuation of Dentex as reflected in the company’s accounts. However, as the transaction progresses to completion, an increase in the value of Dentex is likely.

Workwell, is a leading UK provider of personal service companies (PSC) and umbrella payroll services. HMRC legislative changes around who can be classified as a flexible worker (“IR35”) came into effect in April 2021, which has, as anticipated, favoured the larger, compliant companies, like Workwell, resulting in consolidation in the industry. The company has continued to demonstrate its ability to conclude attractive acquisitions and to integrate these successfully into the business, with two more businesses acquired during the period. These acquisitions further diversify Workwell’s income streams to include back-office services that are provided to employment agencies and international contractor payments. We are excited about the further growth potential of this business and during the period we invested a further £10 million in the company and coordinated an additional £9 million from other investors, taking our shareholding in Workwell to 56%.

SC Lowy Partners, a leading market maker in distressed and high yield debt, had an excellent year even though some headwinds were faced by the asset management business. The asset management business performed exceptionally well in the financial year to December 2021, driven by strong increases in fee and trading income. However, in their new financial year the SC Lowy Primary Investments Fund was negatively impacted by exposure to Chinese debt securities, which have been negatively affected by turmoil in the property sector. On the other hand, the Strategic Investments Fund 1 continues to deliver excellent returns. Further, the raising and deployment of funds in its Strategic Investments II fund is progressing well. SC Lowy’s two commercial banks, the Cheonan Savings Bank in South Korea and Solution Bank in Italy, performed well during the period.

The Xcede Group (formerly TechStream Group) is a premium recruitment partner, working with a global customer base across the data, digital, tech, cyber, embedded software and energy and renewables sectors. It was formed in 2020 following the merger of three specialist technology talent solution companies. Under a new CEO, 2021 saw a significant turnaround for Xcede, with the business finishing its financial year ahead of target and significant progress made in the complex integration of its global operations. In July 2022 (outside of the period) we extended a £14.5 million shareholder loan to the business to relieve short-term cash flow pressure created by growth in the contractor book. Although we have impaired the investment in Xcede by £2 million in the current year, we believe in the fundamentals of the business and expect profits to improve as efficiencies are implemented. Demand for specialist recruitment services in Xcede’s core geographies and sectors remains high and management has budgeted for a further increase in profitability during 2022.

Propelair manufactures hygiene enhancing, water efficient toilets. While Q4 2021 results were behind plan due to Covid related disruptions affecting installations in the UK and South Africa, 2022 started on a more positive note, with forecast shipments exceeding budget by a small margin. Please progress continues to be made in the Middle East and South Africa, where they have traded ahead of budget. Propelair concluded a successful £3 million raise in the period, which will help bolster the product and the distribution network. However, due to significant underperformance to date, UPL did not participate in the capital raise. We remain supportive of management but have elected to maintain the value of this investment at a nominal £1 for now.

DIRECTOR AND SHAREHOLDER CHANGES

Andrew Birrell resigned from the board with effect from 31 March 2022 in order to devote more time to other interests. The Board wishes to thank Andrew for his valuable contributions to the success of UPL during his tenure.

A consortium, referred to as the Glenrock Consortium, acquired around 15.5% of UPL shares in March 2021 (last financial year). In September 2021 (current financial year) they bought an additional 18.5% from Investac, which brought their shareholding to around 34%. This triggered a mandatory general offer that was required to be made to all remaining shareholders. The mandatory offer was made to shareholders on 6 May 2022 and they acquired a further 1.12% of UPL, bringing their total shareholding to 35.1%.

LOOKING AHEAD

As time has shown us once again, while it is not always possible to predict market cycles, these cycles will change. How we react in times of uncertainty helps ensure that we can steer the course, no matter the macro environment. It is this approach that has guided our decision-making in the year and will continue to guide us going forward.

CONCLUSION

This has been a rewarding year for UPL having seen our strategy come to fruition in the sale of YASA and the planned merger of Dentex and Portman. I would like to extend my sincere appreciation to my executive team, board and investment committee for helping us to successfully conclude these deals. I remain confident in our portfolio of investments and look forward to continued growth in shareholder value.

Larry Nestadt
Chairman
14 September 2022
Realising potential

“We remained focused on ensuring that our existing investments are on the right path to achieve their medium- to long-term goals.”

The year ended 30 June 2022 was marked by a focus on ensuring that our investment companies deliver on their full potential, no matter the economic cycle. I am pleased to report that our investments performed well over the period.

As an executive team, we are confident that the businesses we have invested in have the right combination of strong management teams, good cash conversion and a clear competitive advantage to achieve their business plans.

Delivering on our investment thesis

As mentioned in last year’s report, but completed during this financial year, we successfully exited YASA in August 2021. We sold our stake in YASA to Daimler UK, a subsidiary of Mercedes-Benz AG, for £32.8 million and received £36.4 million of proceeds from the sale upfront, with the balance of £6.5 million payable at various stages until Q1 2027. The YASA investment has provided excellent returns for UPL’s shareholders (3x money multiple on the funds invested in YASA and an IRR of 33%). The sale resulted in a £15 million dividend being distributed to UPL shareholders as a cash distribution in November 2021.

In August 2022, we advised that Dentex’s shareholders had entered into a definitive sale agreement with Portman Dental Care (Portman), resulting in the merger of Dentex and Portman (subject to Competition Markets Authority (CMA) approval). We expect this transaction to be completed in the first half of 2023 and further information relating to this will be communicated in due course. Dentex has a first class management team, led by CEO Barry Lanesman, that has successfully delivered on its business model and is ready for the next exciting chapter in this high growth sector.

These two transactions, a year apart, demonstrate our investment thesis in action. That is, to partner with high-potential businesses and management teams, provide strategic input and capital to help grow and add value to these businesses and to achieve strong capital appreciation over the medium-to-long-term, delivering value to our shareholders and our investment businesses.

Our investments

We remained focused on ensuring that our existing investments are on the right path to achieve their medium- to long-term goals.

Dentex

Dentex, the UK’s second largest private dental practice group, continued to perform very well. Dentex’s response to the COVID pandemic was exceptional and built up the company’s reputation in the market, resulting in rapid growth over the last year. This saw a significant increase in the number of practices in the group, resulting in a realisation of economies of scale and organic growth that the management team had been working towards.

Having been in invested in the business for 5 years where the business grew from 3 practices to over 130, Dentex management and shareholders agreed that it was the right time to consider a sale of the business.

Following a competitive sales process, Dentex and Portman agreed to a merger which will result in the formation of the largest privately focussed dental group in the UK and one of Europe’s preeminent dental platforms, with operations in five European countries and plans for future expansion. In combination, the multi award-winning groups will operate in excess of 350 practices, with more than 2000 clinicians and more than 4000 employees, providing dental care for over 1.5 million patients a year. Dentex’s senior management will remain within the combined businesses.
Workwell (formerly JSA) JSA Services Limited, completed a successful rebrand during the period and is now called Workwell (WW), integrating the 15 businesses it has acquired under one strong and cohesive brand, which has been well received by both clients and staff. The company, which provides contractors and temporary workers with personal service companies and umbrella payroll services, is a leader in its sector in the UK. Management of the business continues to prove their ability to execute in line with their strategy and to find new avenues for growth. As such, we decided to increase our investment in the business by acquiring £10m worth of equity from the remaining shareholders, bringing our shareholding in the business to 56%. The company has an annualised level of profitability approaching £10 million EBITDA and we believe that this management team can grow this to £20 million in the next four years through acquisitions and organic growth.

The IR35 employment legislation, that regulates the employment of contract workers in the private sector in the UK, which came into effect last year increases the compliance burden on employers and employment agencies and has, as anticipated, favoured the larger, accredited payroll service providers, like WW. This is evident in the fact that WW was able to increase its umbrella payroll services customer base by 40 percent, a substantial increase. As expected, the personal services company (PSC) sector has seen an overall slowdown because there has been growing hesitancy to use this vehicle unless it’s absolutely clear that it is the most appropriate vehicle. However, we have seen this side of the business stabilising and we expect it to pick up again given a better understanding of IR35 and the shortage of skilled labour, especially in the professional sectors.

The company’s plan is to continue to consolidate smaller, complementary businesses in the sector and to diversify income streams to include not only umbrella payroll and personal service companies, but also back-office services and international contractor payment services. WW delivered on this strategy in 2022 by acquiring two new businesses, Eden Outsource in December 2021, and 6Cats International in January 2022. The acquisition of Eden Outsource has added a substantial customer base of employment agencies and end-hirers, who purchase back-office services from WW. 6Cats International is the acknowledged sector leader in cross border contractor payments in the UK. With this acquisition, WW is now able to act as the Employer of Record in eight European countries and can pay contractors in a further 70 countries via its international partnership arrangements. This has provided a significant boost to the international activities of WW and further growth is expected in this area.

SC Lowy SC Lowy Partners is a specialist financial group covering high yield and distressed debt market-making and investment management with a leading position in EMEA and Asia Pacific. It has operations in Hong Kong, Sydney, Seoul, Singapore, Shenzhen, Mumbai, Milan, London and New York. It also owns Cheon Savings Bank in Seoul, South Korea and Solution Bank in Bologna, Italy.

The company delivered record results in the financial year to December 2021, driven by strong increases in fee and trading income in the asset management business. The SC Lowy Primary Investments Fund delivered returns in excess of 12% for the year ended 31 December 2021, net of management and performance fees. Its Italian and South Korean banking subsidiaries also performed well. In the new financial year, the SC Lowy Primary Investments Fund has been negatively impacted by exposure to Chinese debt securities. However, management remains confident that these positions will normalise and deliver improved returns in future. In contrast, the Strategic Investments fund 1 continues to deliver excellent returns.

Capital raising for Strategic Investments fund 2 closed in July 2022 with USD $400 million of commitments, and the company plans to launch an additional European-focused fund later this year, provided that market conditions are favourable.

Despite the current turbulence in the Chinese debt securities market, SC Lowy believes that this market presents a significant long-term opportunity and accordingly, has opened an office in Shenzhen to have a presence on the ground. Recent changes to Chinese government policy to attract offshore capital should assist this strategy.

The Xcede Group After initially being setback by the Covid-19 pandemic, which hit just after the business was formed and knocked global employment markets, 2021 proved to be a turnaround year for premium recruitment specialist Xcede.

The business is focused on recruiting permanent and contract staff for high technology niches including the data, tech, cyber, digital, embedded software and energy and renewables sectors.

The company returned to profitability for the financial year ended December 2021, and this year we expect continued profitability despite the worsening macro economic outlook. The company, which was formed through the integration of three businesses, was rebranded as Xcede in January 2022. The focus during the period was on strengthening the company’s systems and processes, including the introduction of new CRM and back-office technology, in order to improve profitability.

One of the focus areas has been on cross-selling the range of services that Xcede offers to its extensive international customer base and a new talent solutions division, Xcede Group Solutions has been formed to perform this function. This unit has achieved excellent results to date. The company is also evaluating options to increase its funding lines in different jurisdictions to support the growth of its contractor business. To handle the demands of this complex business, which has operations in multiple jurisdictions, the group has recently appointed a new CFO who has extensive global experience.

“JSA SERVICES LIMITED, COMPLETED A SUCCESSFUL REBRAND DURING THE PERIOD AND IS NOW CALLED WORKWELL (WW), INTEGRATING THE 15 BUSINESSES IT HAS ACQUIRED UNDER ONE STRONG AND COHESIVE BRAND, WHICH HAS BEEN WELL RECEIVED BY BOTH CLIENTS AND STAFF.”
Propelair

The Propelair positive pressure-flushing toilet offers multiple benefits to property owners, tenants and end-users. It is proven to reduce the aerosols produced by conventional flushing toilets; aerosols that are responsible for spreading bacteria and viruses. The Propelair technology also uses a fraction of the water used in conventional units, offering significant water saving benefits, particularly in high-use areas.

Although a robust product with compelling health and environmental benefits, the company continues to experience a longer than expected sales cycle as customers typically require a test site before committing to a larger-scale installation.

Due to Covid-19 related disruptions a number of planned installations of new units in the UK and South Africa were interrupted in late 2021 resulting in Propelair ended the quarter behind plan, however these installations are now underway. Good progress was made in the new markets in the Gulf Co-operation Council region and a number of test sites are in place.

Propelair had a decent start to 2022, with forecast shipments exceeding budget, albeit by a small margin. Constructive progress also continues to be made, particularly in relation to the sale of units in the Middle East and South Africa, where they have traded ahead of budget. South Africa, which has in recent years experienced significant drought, is proving to be a good market for the product.

Propelair completed an equity capital raise of £3 million, which closed in March 2022. The equity will be used to support continued investment in the product and the distribution network. UPL decided not to participate in the capital raise due to the company’s significant underperformance to date relative to its original business plan. We remain supportive of management and are pleased to see the pipeline improving, however need to see further compelling evidence of a turnaround in the company’s fortunes before committing any further capital to this investment. We continue to value this investment at a nominal £1.

FINANCIAL PERFORMANCE

We received £36.3 million proceeds from the sale of YASA in November 2021 and the next payment tranche of £4m is expected to be received in March 2023. In accordance with the RMB facility agreement, these proceeds were utilised to settle the facility in full and the balance of £15 million was declared and paid as a dividend (20.7 pence per share) to UPL shareholders in November 2021.

No capital raises were done during the current year; however a new debt facility of £10 million was raised from RMB Mauritius in November 2021. Cash on hand of £2 million and £8 million of the facility were used to make a further investment in Workwell.

UPL invested a further £10 million into WW in November 2021. UPL was the lead investor in a consortium of investors introduced by Argo Investment Managers to acquire £19 million of shares in WW from existing shareholders and management. The acquisition was made at a higher valuation than UPL’s initial investment and accordingly, the total investment in WW was revalued upwards in UPL’s accounts. UPL is now the major shareholder in WW and represents and votes on behalf of the consortium.

WITH THANKS TO ALL OUR STAKEHOLDERS

It has been an exciting time as we have witnessed our strategy play out through the successful merger of Dentex and Portman to form the UK’s largest private dental consolidator. When we reflect on the success of the business and how it has grown from three practices when we invested in 2017 to more than 130 practices today, it is clear how well the business fitted in with our investment strategy.

I would like to thank our board and investment committee, as well as the Argo team, for their ongoing commitment and support during what was a particularly rewarding, but challenging year. Their depth of experience and strong network has, once again, been central to the success of UPL.

Pierre Joubert
Chief executive officer
14 September 2022
Our investments

Universal Partners has concluded six investments to date.

Dentex: April 2017 (exited August 2022)
Propelair: July 2017
YASA Limited: August 2017 (exited August 2021)
SC Lowy: December 2017
Workwell: May 2018 (formerly JSA)
Xcede Group: January 2020 (formerly TechStream)

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 held 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.
Exceptional growth reaps returns

The private dental industry in the UK continues to see significant growth: this was particularly evident during the Covid-19 pandemic, where due to a lack of access to NHS dentistry services, people increasingly sought private dental assistance.

Dentex, the second largest private dental group in the UK, sets itself apart in this market through a partnership model that sees clinicians becoming equity partners in the Dentex Group. Practices are allowed to retain their identity and clinicians are given clinical freedom in their surgeries, within agreed best practice parameters.

Dentex facilitates continuing professional development and provides clinicians with assistance to build their business and enhance their wealth alongside Dentex. Dentex’s buy-and-build model, which sees them acquiring practices at favourable prices and integrating them seamlessly into the business to create economies of scale, has proven to be highly successful.

As part of Dentex, dental practices gain access to an exceptional support platform, which includes compliance, finance, HR, procurement and IT services. Dentex saw a strong recovery after the Covid-19 lockdowns because, as self-employed associates, the dentists earn a percentage of their billings and were therefore motivated to recover lost cash flow. Since 2017, UPL has increased its investment in Dentex from £15 million to £32.3 million in order to strategically position the business for continued growth. With strong shareholder support and an experienced management team, the business has grown from 3 practices when UPL invested to over 130 practices. Dentex has over 500 dentists providing high quality care to patients, supported by over 1,300 practice and partner support employees. The high quality central service infrastructure has supported significant organic growth across our network of practices.

Dentex shareholders and management agreed to launch a competitive sales process in April 2022 which ultimately resulted in the merger of Dentex and Portman Dental Care. The merger is subject to Competition and Markets Authority approval.

Universal Partners invested in Dentex in 2017, the year after it was founded, when it owned three dental practices. With the support of Universal Partners and other shareholders, Dentex has grown to over 130 practices, and is a highly-respected player in the UK dental market with its co-ownership partner model.

Portman was founded in 2009 by the CEO Sam Waley Cohen and is the largest private dental consolidator in the UK and one of the largest in Europe, with operations in Ireland, the Nordics, Benelux and France. European Private Equity Firm, Core Equity Holdings, acquired a majority interest in Portman in 2018 and has supported the growth of the business to over 200 practices, taking the best learnings from retail, healthcare and digital businesses to transform the offering to their clinicians, patients and colleagues. Portman cares for more than one million patients per year. The merged entity will form the largest privately focused dental group in the UK and be one of Europe’s pre-eminent platforms, with operations spanning more than 350 practices providing care for over 1.5 million patients per year. Dentex’s strong senior management team will be remaining with the new combined business with Barry Lanesman continuing in his role as Dentex CEO. The merger will result in the disposal of the UPL’s entire shareholding in Dentex which will be settled through a combination of cash and shares in the merged business.
A podium finish for an excellent investment

UPL sold its 22% interest in the UK-based electric motor manufacturer YASA to Daimler UK in a £42.8m transaction in August 2021. Daimler UK, a 100% held subsidiary of Mercedes-Benz AG ("MBAG"), will assume 100% ownership of YASA. YASA will operate as a subsidiary of MBAG, developing ultra-high-performance e-motors, while retaining its own brand, team, facilities and continuing to supply existing automotive customers with e-motors.

In the Mercedes-Benz Market Strategy Update of 22 July 2021, the CEO stated his ambition to go all electric by the end of the decade, where market conditions allow. Mercedes-Benz will shift from "electric-first" to "electric-only" as part of this process. By 2030, Mercedes-Benz will have battery electric vehicles ("BEV") in all market segments, and from 2025 onwards, all newly launched vehicle architectures will be electric only. Customers will be able to choose an all-electric alternative for every model the company makes.

YASAL's motor and inverter technology will play a key role in this transition, and be used in the AMG.EA BEV range for its first application, whilst acting as an innovation partner pioneering adoption of e-drive into a broader set of Mercedes-Benz applications, with cutting edge, class leading electric drive technology.

Mercedes-Benz first started working with YASA in 2019 in order to explore how YASAL's technology could assist them in fast tracking their ambitions to introduce high-quality electric drive in an efficient, high-power application. As a result of this engagement, YASA was able to demonstrate the leadership of its Axial Flux technology. MBAG decided that acquiring YASA would assist them to create a vertically integrated e-drive technology capability better able to deliver leading BEV solutions and entered into negotiations to acquire YASA.

Mercedes-Benz will play a key role in this transition, with YASA's motor and inverter technology assisting them in fast tracking their ambitions to introduce high-quality electric drive in an efficient, high-power application. As a result of this engagement, YASA was able to demonstrate the leadership of its Axial Flux technology. MBAG decided that acquiring YASA would assist them to create a vertically integrated e-drive technology capability better able to deliver leading BEV solutions and entered into negotiations to acquire YASA.

UPL's team worked closely with the YASA Board and Management through these negotiations and the UPL Board believes that the final outcome achieved was excellent for all parties. Following the acquisition, YASA and its 250 employees will continue to operate from its headquarters and production facility in Oxford, UK. This acquisition gives YASA technology the global scale and reach of Mercedes-Benz and the intention is to make YASA the premier mark of excellence in electric motor technology, accelerating the adoption of electric vehicles and resetting the bar for electric driving experiences. YASAL's expertise and resources will be focused on delivering world-leading electric drive technologies for AMG-Mercedes' electric-only platform.

In addition to programmes being undertaken in the automotive sector, YASA has been engaged in several other advanced engineering projects in the aerospace sector. In a separate transaction which completed prior to the sale of the automotive business to MBAG, YASA disposed of its aerospace business to a consortium of investors who will further invest to develop and commercialise the YASA e-drive technology for the aerospace sector.

The aggregate value of both disposals amounted to c. £195 million. UPL's disposal of its 22% share in YASA will realise total proceeds of £42.8 million. The transaction results in gross proceeds of 3 times the amount invested and an Internal Rate of Return (IRR) of 33%.

Since its initial investment in YASA, UPL has assisted the company to grow its business value substantially, ultimately paving the way for MBAG's acquisition of YASA to become its sole owner. The transaction demonstrates UPL's ability to be a value adding, reliable partner that helps businesses to grow exponentially while delivering healthy returns for all its shareholders.

In line with its investment philosophy of being an active shareholder in its investee companies, UPL was represented on the YASA board by Argo. During UPL's investment in YASA, it supported the company to raise capital and facilitated the introduction of new shareholders like Oxford Sciences Innovation (OSI). Along the way, UPL also assisted YASA to weather the COVID-19 lockdowns and the impact of Brexit on its operations.
A business comprising three attractive individual assets

**SC Lowy**

Company name: SC Lowy Partners
Business description: Financial services
Business focus: High-yield bond and distressed debt specialist
Investment partners: Universal Partners, Investec Bank, a consortium of investors and the founders
Cost of Investment: £11.3 million (US$ 15 million)
Date of initial investment: 22 December 2017
Fair value per accounts: £12.3 million
Shareholding: 5%

SC Lowy is a leading high yield, distressed debt and private credit asset manager in Asia Pacific and the Middle East, with operations in Hong Kong, Sydney, Seoul, Singapore, Shenzhen, Mumbai, Milan, London and New York. SC Lowy also owns Cheoun Savings Bank in Seoul, South Korea and Solution Bank in Bologna, Italy. SC Lowy produced record results in the financial year to December 2021, however exposure to Chinese debt securities continued to negatively impact the SC Lowy Primary Investments Fund in the new year. In contrast, its Strategic Investments fund 1 continued to deliver excellent returns.

SC Lowy comprises three key assets: the asset management business and two banks. The banks operate independently of SC Lowy’s asset management business and provide complementary resources and local knowledge across the firm.

The asset management business has over US$1.4 billion in AUM focussing on high yield, distressed, special situations and private financing opportunities. It has three funds; its flagship Primary Investments Fund, which was started in January 2011 and has delivered top quartile returns since inception; the Strategic Investments (Asia) Fund 1; and the Special Investments II Fund, which was closed in July 2022 having raised US$ 346 million. Depending on market conditions, the company intends to raise a European fund, with a particular focus on Italy, in the next 6 months.

SC Lowy acquired, restructured and recapitalized two highly regulated commercial banks, Cheoun Savings Bank and Solution Bank. They provide a balance sheet of more than US$1 billion for focused opportunities in Europe and Asia.

Cheoun Savings Bank, acquired in 2014, is a savings bank with operations across South Korea. Solution Bank, an Italian bank formerly known as Credito di Romagna, was acquired in 2018 and provides access to the European market. The bank is based in Emilia-Romagna, one of the premier industrial and commercial regions of Italy, and is licensed to raise deposits and hold assets across the Eurozone. By owning these banks, SC Lowy is able to deepen its reach in the market for traded high-yield and distressed bonds and loans.

SC Lowy has proven to be a solid investment. The company produced record results in the financial year to 2021, the asset management business had strong increases in fee and trading income and both banks delivered good performances. Due to exposure to Chinese debt securities, the SC Lowy Primary Investments Fund was negatively impacted in the financial new year. However, in contrast, the Strategic Investments Fund 1 delivered excellent returns and the raising and deployment of funds in Strategic Investments II Fund progressed well.

We believe that each asset within the business has individual strengths, making each an attractive acquisition target. As such, we believe that to maximise the value that this investment presents, the individual assets require a fresh three-year strategy. Work is well underway on the various strategies, and as they are implemented, the shareholders will consider exit opportunities as they present themselves in future..
Companies that provide limited company, umbrella and payroll services to contractors and temporary workers, have seen a period of rapid consolidation since the IR35 legislation came into effect in April last year. The legislation increases the compliance burden on end hirers and employment agencies, encouraging them to use larger, accredited payroll service providers, such as Workwell (WW).

Over four million people in the UK are self-employed, contributing an estimated £303bn to the UK economy per year, according to the Association of Independent Professionals and the Self Employed (IPSE). “Highly skilled” freelancers are estimated to provide approximately £147 billion of the £303 billion that self-employed workers generate and this group is expected to continue to grow as the skills shortage deepens.

While the number of self-employed has dropped in the last two years, attributed to onerous IR35 legislation and Brexit, this sector grew by over 40 percent between 2008 and 2019 and with it the need for PEO services. WW is one of the fastest-growing contractor accountancy and payroll solutions companies (PSC) in the UK. Their services are designed to meet the unique needs of contractors and freelancers, from one person businesses to large employment agencies. They also create bespoke solutions for temporary labour supply chains, helping their clients navigate the complexities of contractor payroll and compliance. The company now supports more than 1,000 recruitment businesses and an estimated 30,000 freelancers and contractors, offering a complete range of compliance, accountancy, employment, payroll, back office and financial management services to the flexible workforce supply chain, both in the UK and internationally.

WW is a longstanding member 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. WW’s regulatory and tax compliant, technology-led platform and experienced management team, have delivered strong growth and taken advantage of the opportunities afforded by the continued expansion, consolidation and regulation of the sector. HMRC legislative changes around who bears the risk for the method of engagement of a flexible worker (“IR35”), which came into effect in April 2021, means that it is important for both services to be offered seamlessly, which WW does.

The introduction of IR35 meant that many flexible working contractors who operated via a PSC were compelled to move to an umbrella solution. This resulted in continued growth in WW’s umbrella offering, which grew by 40% in the last financial year. However, it also resulted in a decline in the number of accounting services customers due to the ongoing effects of the IR35 legislative changes.

In the mini-budget on 23 September 2022, the changes to IR35 legislation that were introduced in April 2021 were unexpectedly repealed as the government seeks to reduce the regulatory and administrative burden on UK companies. It is expected that this will lead to an increase in flexible workers in the UK economy which is positive for the sector in general. Once again, there will be a change in the mix of services provided by Workwell as more flexible workers engage via a PSC solution. This further demonstrates the importance of offering a full suite of services to the flexible labour market supply chain in an ever-changing regulatory environment. WW are well diversified and positioned to deal with any changes in the IR35 legislation.

WW’s buy-and-build approach sees WW adding the customers acquired to its platform while eliminating many of the costs of the underlying businesses, creating economies of scale. Since UPL, first invested in WW in May 2018, the business has substantially increased its customer base and profitability while at the same time expanding its offering through a combination of organic and acquisitive growth. Since 2013, WW has completed and integrated 15 acquisitions, 8 of which have happened in the period in which UPL has been invested.

* SINCE 2013, WW HAS COMPLETED AND INTEGRATED 15 ACQUISITIONS, 8 OF WHICH HAVE HAPPENED IN THE PERIOD IN WHICH UPL HAS BEEN INVESTED.*
Satisfying the demand for niche skills

The new global economy, which is underpinned by digital transformation and automation and a green revolution, has resulted in a massive global demand for rapidly evolving niche skill sets. Sourcing candidates that meet the specific needs of companies and projects requires deep industry knowledge and solid networks.

Xcede Group (formerly TechStream Group) focuses on recruiting permanent and contract staff for high technology niches including the data, tech, cyber, digital, embedded software and energy and renewables sectors. Globally, demand for these skills significantly exceeds supply, making this a high margin segment within the broader recruitment market.

Xcede was formed in January 2020 following the merger of three leading specialist technology talent solution companies, TechStream, Etonwood and Xcede, which resulted in a global business with revenue of £108 million.

Following a rebrand in January 2022, these businesses now all operate under the Xcede brand.

Xcede, which has over 250 internal employees, operates out of eight offices in six countries (UK, Germany, USA, South Africa, Spain and Singapore). Xcede’s revenue is split between fees earned from permanent placements and net fee income from providing niche IT contractors to clients. This income split brings a good measure of stability to the business.

The group, which was hard hit by the Covid-19 pandemic, experienced a return to profitability in 2021. The return to profitability is thanks to a better operating environment and the implementation of several operational improvements and an improved level of cross selling of services across Xcede’s substantial client base through the creation of an internal business unit, Xcede Group Solutions.

"Xcede, which has over 250 internal employees, operates out of eight offices in six countries (UK, Germany, USA, South Africa, Taiwan and Singapore)."

UPL advanced a further £1.5m of shareholder loan funding in July 2022 (outside the reporting period) and committed to provide up to a further £2.85m of shareholder loan funding in September 2022 to support the working capital in the business, following significant growth in the contractor book.

As the trends of digital transformation and automation and clean energy alternatives strengthens, demand for the niche skills that Xcede is able to source and place is expected to show continued growth, with the business well placed to capture the significant opportunities that the sector presents.
Progress being made but a way to go

Water resources around the world are under stress. Climate change is exacerbating conditions as temperatures are rising and weather patterns are less predictable. Climate change is also placing the spotlight on the need to use less water. With the UK expected to suffer from water shortages by 2050, there is a need to rethink the regular toilet and consider low-water alternatives. A regular flush toilet uses on average nine liters of water per flush, making the toilet responsible for approximately 30 percent of the total water usage in a home.

The Propelair positive pressure-flushing toilet uses a fraction of the water used in conventional units, offering significant water saving benefits. It uses air pressure to expel waste, making it compatible with normal drain systems. As well as affording water savings, it reduces the energy used in processing the wastewater 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 such as commuter stations and office blocks.

Prior to installing Propelair toilets, customers generally require a test site installation to assess the product. The test site allows the customer to assess water savings and reliability before committing to installing the toilets. This impacts the business sales cycle, which is often longer than expected. Currently Propelair toilets can be found in the UK, South Africa and the Middle East and there are also several test sites in these countries.

While Propelair ended 2021 behind plan mainly due to further Covid related disruptions in the UK and South Africa that resulted in the delayed installation of new toilets, good progress was made in new markets in the Gulf Co-operation Council region. The company had a better than anticipated start to 2022, with forecast shipments exceeding budget by a small margin. Constructive progress was made in the first quarter, particularly in relation to the sale of units in the Middle East and South Africa, where they have traded ahead of budget. A network of installation partners in the UK and South Africa and sales partners in the Gulf region are expected to result in increased sales over time.

Propelair raised £3 million of additional equity in February 2022, which will enable continued investment in the product and in the distribution network. The funds were raised via Earth Capital and new investors. This is in addition to a previous funding round concluded in December 2020, which introduced new shareholders. Propelair also previously undertook a crowd-funding raise on the SEEDRS platform, which closed in August 2020, and resulted in their third most successful B2C raise on that platform to date.

UPL elected to not participate in the recent fundraise in 2022 as the company has consistently underperformed the business case, which was the premise for making the investment. We remain supportive of management; however we remain cautious regarding the future performance of Propelair. We maintained the valuation at a nominal £1.00.
How we are governed

Corporate governance is a system of structuring, operating and controlling a company and involves a set of relationships between all the company’s stakeholders. Sound principles of corporate governance are essential to ensure fairness, integrity, transparency and to achieve a high level of stakeholders’ trust and confidence in the organization.

Universal Partners Limited (the “Company”) was incorporated in Mauritius on 25th April 2016 and holds a Global Business License issued by the Financial Services Commission (the “FSC”). The Company is listed on the Stock Exchange of Mauritius with a secondary listing on the Johannesburg Stock Exchange Limited’s Alternative Exchange.

The Board of Directors of the Company recognises that The National Code of Corporate Governance for Mauritius (2016) (the “Code”) is regarded as best practice and therefore uses its best endeavors to ensure that the principles of good corporate governance, as applicable in Mauritius, are fully adhered to and form an integral part of the way in which the Company’s business is conducted. The Company also endeavors to apply the recommendations of the Code.
DESCRIPTION OF SUBSIDIARIES’ ACTIVITIES

<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>
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</table>

COMMON DIRECTORS

Mr Pierre George Joubert is a common director in the above entities.

SUBSTANTIAL SHAREHOLDERS

The following shareholders held more than 5% of the stated capital of the Company as at 30 June 2022:

<table>
<thead>
<tr>
<th>NAME OF SHAREHOLDER</th>
<th>NUMBER OF ORDINARY SHARES</th>
<th>% HOLDING</th>
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<tr>
<td>Glenrock Lux PE No2 S.C.Sp</td>
<td>13,489,740</td>
<td>18.53%</td>
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<tr>
<td>Glenrock Lux PE No1 S.C.Sp</td>
<td>11,350,332</td>
<td>15.59%</td>
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<tr>
<td>Peresec Nominees Limited</td>
<td>10,021,802</td>
<td>13.77%</td>
</tr>
<tr>
<td>Mr. Andrew James Dunn</td>
<td>3,943,936</td>
<td>5.42%</td>
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</tbody>
</table>

SHAREHOLDERS’ AGREEMENT AFFECTING GOVERNANCE OF THE COMPANY BY THE BOARD

There was no such agreement in place during the year under review.

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 recommended by the directors.

No dividend shall be declared and paid except out of retained earnings and unless the directors determine that immediately after the payment of the dividend:

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

(ii) The realizable 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.

Dividends amounting to GBP 15 million were declared and paid during 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.

APPLICATION OF THE CODE OF CORPORATE GOVERNANCE

The Board assessed its corporate governance in terms of the eight corporate governance principles:
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 are held every year.

The Board collectively considers and implements the measures in respect of the Code and this is further strengthened by the presence of independent intermediaries like Auditors, who act as additional safeguards in meeting this principle. The main objects and functions of the Board are inter alia to:

− determine, agree and develop the Company’s general policy on corporate governance in accordance with the Code;
− prepare the Corporate Governance Report; and
− review the terms and conditions of all service agreements between the Company and its service providers.

The Company has in place a Constitution which sets out the rules and regulations which it needs to abide along with other local laws and regulations.

The Board acknowledges that it should lead and control the organization and be collectively responsible for its long-term success, reputation and governance. In so doing, the Board assumes responsibility for meeting all regulatory and legal requirements.

The Board is responsible and accountable for all decisions of the Company where the duties of the directors are carried out in line with the Mauritian Companies Act 2001 (as amended). The Company has delegated the day-to-day administrative functions to its Management Company and Company Secretary.

The Company’s organizational chart is commensurate with the sophistication and scale of the organization. The Company has ten (10) directors in appointment.

The Board is satisfied that it has suitably discharged its responsibilities for the year under review, in respect of corporate governance.

The Company is committed to providing shareholders and its stakeholders with timely and relevant information. The Company has designed a website which can be accessed at www.universalpartners.mu. The website provides access to information about the Company as well as investor relations information.

PRINCIPLE 1: Governance structure

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, Mr 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 is also responsible for ensuring 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.

On the other hand, Mr Pierre Joubert in his capacity as Chief Executive Officer of the Company 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.
PRINCIPLE 2:
Structure of the board and its committees

BOARD COMPOSITION
The Board has a unitary structure and comprises two executive directors, five non-independent non-executive directors and three independent non-executive directors. The independence of the non-executive members are 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></td>
<td>INVESTMENT COMMITTEE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>CORPORATE GOVERNANCE COMMITTEE</td>
<td></td>
</tr>
<tr>
<td>Mr. Laurence (Larry) Niestadt</td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>Non-executive director &amp; chairman of Board</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Pierre Joubert</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chief executive officer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. David Vinokur</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chief financial officer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Andrew Dunn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-executive director &amp; chairman of Corporate Governance Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Marc Ooms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent non-executive director &amp; chairman of Investment Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Neil Page</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent non-executive director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Gary Spellins</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent non-executive director &amp; chairman of Audit &amp; Risk Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Daniel Rubenstein</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-executive director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mrs. Françoise Chan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-executive director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr. Kesaven Moothoozamy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-executive director</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

DIRECTORS’ PROFILES
The directors’ names, profiles, their categorisation as well as their directorship details in listed companies can be found on page 14 to 21 of this report.

BOARD MEETINGS
The Board meetings are held once each 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 (as amended) and are convened by giving appropriate notice to the directors. Detailed agenda, as determined by the Chairman, together with other supporting documents are circularised 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.
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 of directors. 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.

**AUDIT AND RISK COMMITTEE**

The audit and risk 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.

**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 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.
BOARD ATTENDANCE AT MEETINGS

The Board meets as and when required to discuss routine and other significant matters so as to ensure that the directors maintain overall control and supervision of the Company’s affairs.

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>BOARD MEETING</th>
<th>INVESTMENT COMMITTEE</th>
<th>AUDIT AND RISK COMMITTEE</th>
<th>CORPORATE GOVERNANCE COMMITTEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Pierre Joubert</td>
<td>4/4</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Mr David Vinokur</td>
<td>4/4</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Mr Andrew Birrell*</td>
<td>3/4</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Mr Larry Nestadt</td>
<td>4/4</td>
<td>7/7</td>
<td>N/A</td>
</tr>
<tr>
<td>Mr Marc Ooms</td>
<td>4/4</td>
<td>7/7</td>
<td>4/4</td>
</tr>
<tr>
<td>Mr Neil Page</td>
<td>4/4</td>
<td>7/7</td>
<td>4/4</td>
</tr>
<tr>
<td>Mr Gary Spellins</td>
<td>4/4</td>
<td>7/7</td>
<td>4/4</td>
</tr>
<tr>
<td>Mr Andrew Dunn</td>
<td>4/4</td>
<td>7/7</td>
<td>N/A</td>
</tr>
<tr>
<td>Mr Daniel Rubenstein</td>
<td>4/4</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Mr Kesaven Moothooasamy</td>
<td>3/4**</td>
<td>N/A</td>
<td>3/4</td>
</tr>
<tr>
<td>Mrs Françoise Chan</td>
<td>3/4***</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

* Mr. Andrew Birrell resigned as director on 31st March 2022.
** Mrs. Smitha Algoo-Bissonauth alternated for Mr. Kesaven Moothooasamy for the board meeting, audit and risk committee meeting and corporate governance committee meeting held on 10th November 2021.
*** Mrs. Toorisha Nakey-Kurnauth alternated for Mrs. Françoise Chan for the board meeting held on 10th May 2022.

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.

DIRECTORS’ INTEREST IN THE SHARE CAPITAL OF THE COMPANY AS AT 30 JUNE 2022

Dealing in the Company’s securities by directors is 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 2022 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>Mr Pierre Joubert</td>
<td>418,794</td>
<td>2,171,269</td>
<td>2,590,063</td>
<td>3.56%</td>
</tr>
<tr>
<td>Mr David Vinokur</td>
<td>–</td>
<td>697,360</td>
<td>697,360</td>
<td>0.96%</td>
</tr>
<tr>
<td>Mr Andrew Dunn</td>
<td>–</td>
<td>3,943,936</td>
<td>3,943,936</td>
<td>5.42%</td>
</tr>
<tr>
<td>Mr Neil Page</td>
<td>–</td>
<td>1,261,878</td>
<td>1,261,878</td>
<td>1.73%</td>
</tr>
<tr>
<td>Mr Larry Nestadt</td>
<td>–</td>
<td>3,461,022</td>
<td>3,461,022</td>
<td>4.76%</td>
</tr>
<tr>
<td>Mr Marc Ooms</td>
<td>–</td>
<td>422,620</td>
<td>422,620</td>
<td>0.58%</td>
</tr>
<tr>
<td>Mr Daniel Rubenstein</td>
<td>–</td>
<td>2,426,139</td>
<td>2,426,139</td>
<td>3.33%</td>
</tr>
</tbody>
</table>

Mr Gary Spellins, Mrs. Françoise Chan and Mr. Kesaven Moothooasamy do not have any interests in the shares of the Company. None of the directors and officers had any material interest in the equity of the Company’s subsidiaries.
COMPANY SECRETARY

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

The Company Secretary is responsible to the Board for ensuring that procedures and regulations are complied with and that directors are conversant with their duties and responsibilities. The Company Secretary provides the Board as a whole and directors individually with detailed guidance on the discharging of their responsibilities in the best interest of the Company.

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 for 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.

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 recommendations to the Board.

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

SUCCESSION PLANNING

The directors identified that suitable succession plans are not in place in order to ensure progressive refreshing of the board. The Board is of the view that given 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.

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 familiarize 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 the Board members require further training or education.
PRINCIPLE 4:
Director duties, remuneration and performance

The directors of the Company are aware of their duties under the Companies Act 2001 and the Constitution of the Company and exercise sufficient care, diligence and skills for the good conduct of the business. The Board meets regularly (frequency depending on nature of business and operations) to discuss and approve the Company’s operational, regulatory and compliance matters. The directors are provided appropriate notice and materials to help them in their decision-making.

DIRECTORS’ INTERESTS

Directors inform the Company as soon as they become aware that they have an interest in a transaction. The Company Secretary keeps a register of directors’ interests and ensures that the register is updated regularly. The interest register is available to the shareholders of the Company upon request to the Company Secretary.

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 2022 are as set out below:

<table>
<thead>
<tr>
<th>DIRECTOR</th>
<th>DIRECTOR FEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Pierre Jouault</td>
<td>–</td>
</tr>
<tr>
<td>Mr David Vodick</td>
<td>–</td>
</tr>
<tr>
<td>Mr Andrew Birrell*</td>
<td>–</td>
</tr>
<tr>
<td>Mr Larry Nestadt</td>
<td>42,000</td>
</tr>
<tr>
<td>Mr Marc Ooms</td>
<td>18,900</td>
</tr>
<tr>
<td>Mr Neil Page</td>
<td>18,900</td>
</tr>
<tr>
<td>Mr Andrew Dunn</td>
<td>18,900</td>
</tr>
<tr>
<td>Mr Gary Spelits</td>
<td>26,250</td>
</tr>
<tr>
<td>Mr Daniel Rubenstein</td>
<td>18,900</td>
</tr>
<tr>
<td>TOTAL</td>
<td>143,850</td>
</tr>
</tbody>
</table>

* Mr Andrew Birrell resigned as director on 31st March 2022.
** Mrs Francoise and Mr Kesaven remuneration is incorporated into the fees paid by the Company to Intercontinental Trust Limited, the Company Secretary.

Non-executive directors have not received any remuneration in the form of share options or bonuses associated with organizational performance.

REMUNERATION PHILOSOPHY

The Board has delegated to the Corporate Governance Committee the responsibility of determining the adequate remuneration to be paid to the Non-Executive Chairman of the Board, the Independent Non-Executive Directors and the Non-Executive Directors.

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.

EMPLOYEE SHARE OPTION PLAN

The Company does not have an employee share option scheme.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions, please refer to Note 18 of the audited financial statements.

BOARD EVALUATION AND DEVELOPMENT

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.

DIRECTORS’ ETHICS AND CODE OF CONDUCT

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 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 the highest standards of integrity and ethical conduct when dealing with all its stakeholders. This commitment, which is actively endorsed by the Board, is based on a fundamental belief that business should be conducted honestly, fairly and legally. Given the size and activity of the Company, it does not have a significant footprint with regards to environmental, health and safety and social issues. No reporting is therefore required.

INFORMATION POLICY

The Company Secretary has effective IT policies and strategies in place. The Company Secretary ensures that the correct information flows within the Board and provides accurate, timely and clear information to the Board as and when required. The Directors ensure strict confidentiality with respect to information obtained while exercising their duties. The Company Secretary keeps all records of the Company and has proper information technology policies in place. Accordingly, the Company places reliance on the controls implemented by the Company Secretary and deems that it is not necessary for the Company to have its own frameworks.

The directors ensure strict confidentiality with respect to information obtained and shared while exercising their duties.
Risk management is the discipline by which risks are identified, assessed and prioritised. It is essential to understand the multiple dimensions of risks in order to manage them effectively, with the aim of increasing shareholder value.

The directors are responsible for maintaining an effective system of internal control and risk management. The Board confirms that there is an ongoing process for identifying, evaluating and managing the various risks faced by the Company.

Day to day activities are undertaken by the Secretary, ITL, which needs to ensure that the necessary structures, processes and methods for identifying and monitoring any risks are in place. Hence, the Company relies on the internal controls of ITL, which is subject to an internal control review and reporting by external auditors. On a yearly basis, an ISAE 3402 Type II Audit is conducted and the latest report was issued on 8 October 2021.

The Company has also contracted an insurance cover with SICOM General Insurance for its directors and officers which is renewable every year. The current insurance policy is valid up to 5 June 2023.

There are no risks that threaten the solvency and liquidity of the Company. The directors make an assessment of the Company’s ability to continue as a going concern and the same is disclosed in the financial statements every year.

Risk management is an integral part of the Company’s strategic management and is the mechanism through which risks associated with the Company’s activities are addressed. The key objectives of the risk management system include:

- the identification of potential opportunities which would result in increasing firm value;
- the installation of a culture of risk management throughout the Company.

**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.

**INTERNAL CONTROL AND RISK MANAGEMENT**

The Company recognises that proper risk management and internal control help organizations understand the risks they are exposed to, put controls in place to counter threats, and effectively pursue their objectives. They are therefore an important aspect of an organization’s governance, management and operations.

The Board has delegated to the Audit and Risk Committee (AC) its overall responsibility to translate its vision on risks management. The AC 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:

- maximize cash availability,
- reduce uncertainty of currency, interest rate, credit and other financial risks, or
- 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 organization 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 authorization, completeness and accuracy of transactions as they are entered into, processed by, summarized 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.

In addition to the above, the Company relies on the Investment Committee which reviews all investments and acts as an additional layer in the investment decision process. The Board believes that this mitigates the risk associated with the business activity of the Company.

The Board has established and maintains an effective compliance monitoring plan, policies, procedures and controls, as may be appropriate and effective to review its obligations under the Laws, the Rules and regulations, having full regard to the risk complexity and diversity of its clients and services. The Board has effective responsibility for compliance with the Rules, the Law and any other rules made under the Law.

The Company Secretary conducts regular file reviews on the Company.

The Board ensures that there are effective and appropriate policies, procedures and controls in place which allow the board to meet their obligations, with particular regard to the nature, size and complexity of the business and includes a requirement for sample testing of the policies and procedures to ensure that they are robust. When a review of compliance is discussed by the Board, at appropriate intervals, the necessary action is taken to remedy any identified deficiencies and to provide adequate resources to ensure that these are subject to regular monitoring and testing, as required.
The directors are responsible for preparing the audited financial statements of the Company that fairly present the state of affairs and financial position of the Company on a yearly basis in accordance with applicable law and regulations.

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.

The Company is committed to the general rules and regulations governing the health, safety and environmental issue. The Company recognises the importance of doing, the Company takes into consideration the health and safety of its employees and the community in which it operates.

Given the nature of its activities the Company has no environmental or social impact and these are therefore not assessed in the financial statements.

The financial statements are prepared under IFRS, which is a generally accepted accounting principle by the FSC. A corporate governance report is included in the audited financial statements.

The financial statements of the Company for the year ended 30 June 2022 will be filed with the FSC within the statutory deadline, after the Board’s approval.

The quarterly unaudited financial statements for the period ended 30th September 2021, 31st December 2021 and 31st March 2022 were filed with the FSC and released on the SEM website and the Stock Exchange News Service of the JSE within 45 days from the closing date of each quarter.

The Company made no charitable or political donations during the year under review.

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

The Company has signed a Management Agreement with Argo Investment Managers (“the Manager”) in the financial year 2017 and the same is still in place. Addendums to the management agreement were signed in the financial year 2021. 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. A portion of this carry fee is payable in the Company’s shares and a portion in cash.

Given the nature of its activities the Company has no environmental or social impact and these are therefore not assessed in the financial statements.

The financial statements are prepared under IFRS, which is a generally accepted accounting principle by the FSC. A corporate governance report is included in the audited financial statements.

Grant Thornton has been appointed as the external auditors for the Company for the past six 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 auditors;
− 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.

Given the size, complexity and nature of the business, the Board is of the view that the Company does not need an internal audit function and hence no internal audit committee has been set up. The Board relies on the system of internal controls developed jointly by the company secretary and its advisor as well as the external audit that is conducted annually.

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>DIRECTOR</th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit fees</td>
<td>11,300</td>
<td>11,300</td>
</tr>
<tr>
<td>Tax fees</td>
<td>1,500</td>
<td>1,500</td>
</tr>
<tr>
<td>AT 30 JUNE</td>
<td>12,800</td>
<td>12,800</td>
</tr>
</tbody>
</table>
PRINCIPLE 8:
Relations with shareholders and other key shareholders

The Board of Directors places great importance on clear disclosure, 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 for the latter 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 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 21 days before the meeting.

The Company also makes regular filings with the Registrar of Companies and Financial Services Commission in Mauritius to ensure that the Company is up to date with its filings.

Mr Andrew Dunn
Chairman of the Corporate Governance Committee
14 September 2022
Annual financial statements

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75 Statement of compliance
76 Certificate from the secretary
77 Independent auditors’ report
80 Statement of financial position
81 Statement of profit or loss and other comprehensive income
82 Statement of changes in equity
83 Statement of cash flows
84 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”, or “Universal Partners”, or “UPL”, for the year ended 30 June 2022.

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 is 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 investees 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.

Dividends of GBP 15,066,825 were recommended and paid during the year under review (2021: Nil).

DIRECTORS

The present membership of the Board is set out on page 17.

DIRECTORS’ RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors 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. The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001, International Financial Reporting Standards and the Financial Reporting Act 2004. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 Company: Universal Partners Limited

Reporting Period: Financial year ended 30 June 2022

We, the undersigned being the directors of Universal Partners Limited, the “Company”, confirm that, to the best of our knowledge, the Company has partially complied with the Code. Due to the size, structure and nature of the business of the Company, many of the criteria stipulated in the Code are not deemed to be relevant to the Company and the reasons have been provided below:

<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 define 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 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</td>
<td>The Board is of the view that given 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.</td>
</tr>
</tbody>
</table>

L M Nestadt
Chairman & Director

P G Joubert
Chief Executive Officer & Director

14 September 2022 14 September 2022
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 2022.

for Intercontinental Trust Limited
Secretary

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

14 September 2022

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 2022, 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 80 to 105 give a true and fair view of the financial position of the Company as at 30 June 2022, 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 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 and assumptions involved when estimating the fair values of unquoted investments.

As at 30 June 2022, the Company’s unquoted investments amounted to GBP 109,299,990 and are classified on the Level 3 fair value hierarchy.

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 in accordance with relevant IFRS.
− Where investments are stated at fair values, we have ensured that the valuation team involved in the valuation process are competent and we have assessed the appropriateness of the valuation model and the reasonableness of the inputs used in determining those fair values.
− We have checked whether the estimated fair values have been subject to review at the relevant authority level.

Key observation
We consider the valuation method adopted to be appropriate.
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.

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.

Financial Reporting Act 2004

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.

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.

Grant Thornton Chartered Accountants

K RAMCHURUN, FCCA
Licensed by FRC
14 September 2022
Ebene 72201, Republic of Mauritius
Statement of financial position
as at 30 June

<table>
<thead>
<tr>
<th>Notes</th>
<th>2022 GBP</th>
<th>2021 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>7</td>
<td>109,299,990</td>
</tr>
<tr>
<td>Other receivable</td>
<td>8</td>
<td>6,438,651</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td>115,738,641</td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments at fair value through profit or loss</td>
<td>7</td>
<td>–</td>
</tr>
<tr>
<td>Receivables and prepayments</td>
<td>8</td>
<td>2,059,621</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>9</td>
<td>735,535</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td>2,795,156</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>118,533,797</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stated capital</td>
<td>10</td>
<td>72,481,860</td>
</tr>
<tr>
<td>Retained earnings</td>
<td></td>
<td>32,755,335</td>
</tr>
<tr>
<td>Total equity</td>
<td></td>
<td>104,637,195</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Notes</th>
<th>2022 GBP</th>
<th>2021 GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>11</td>
<td>7,985,432</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td></td>
<td>7,985,432</td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>11</td>
<td>–</td>
</tr>
<tr>
<td>Payables</td>
<td>12</td>
<td>5,191,170</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td>5,191,170</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>13,896,602</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td></td>
<td>118,533,797</td>
</tr>
</tbody>
</table>

Approved by the Board on 14 September 2022 and signed on its behalf by:

Larry Nestadt
Chairman

Pierre Joubert
CEO

The accompanying notes on pages 84 to 105 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>2022 GBP</th>
<th>2021 GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td></td>
<td>333,998</td>
</tr>
<tr>
<td>Dividend income</td>
<td></td>
<td>624,657</td>
</tr>
<tr>
<td>Other income</td>
<td></td>
<td>–</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td></td>
<td>958,655</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Directors fees (Non-executive)</td>
<td>3.9</td>
<td>154,808</td>
</tr>
<tr>
<td>Transaction costs</td>
<td></td>
<td>8,125</td>
</tr>
<tr>
<td>Legal and professional fees</td>
<td>13.1</td>
<td>86,300</td>
</tr>
<tr>
<td>Management fees</td>
<td>13.2</td>
<td>2,048,849</td>
</tr>
<tr>
<td>Performance fees (accrued but not paid)</td>
<td>13.2</td>
<td>2,626,924</td>
</tr>
<tr>
<td>Other expenses</td>
<td>14</td>
<td>131,429</td>
</tr>
<tr>
<td>Amortisation of structuring fee</td>
<td></td>
<td>72,916</td>
</tr>
<tr>
<td>Interest on borrowings</td>
<td>11</td>
<td>341,093</td>
</tr>
<tr>
<td>Commitment fees</td>
<td></td>
<td>21,072</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td></td>
<td>5,491,516</td>
</tr>
<tr>
<td><strong>Operating loss (4,532,861)</strong></td>
<td></td>
<td>(6,139,609)</td>
</tr>
<tr>
<td>Fair value gain on remeasurement of investments at fair value through profit or loss</td>
<td>7</td>
<td>19,665,967</td>
</tr>
<tr>
<td>Impairment loss</td>
<td>7</td>
<td>(2,657,657)</td>
</tr>
<tr>
<td>Net foreign exchange gain/(loss)</td>
<td>7</td>
<td>1,501,822</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td></td>
<td>13,977,271</td>
</tr>
<tr>
<td><strong>Tax expense</strong></td>
<td>15</td>
<td>–</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td></td>
<td>13,977,271</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></td>
<td>13,977,271</td>
</tr>
<tr>
<td><strong>Earnings per share (Pence)</strong></td>
<td>16</td>
<td>19.25</td>
</tr>
</tbody>
</table>

The accompanying notes on pages 84 to 105 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><strong>At 01 July 2021</strong></td>
<td>71,847,164</td>
<td>32,244,889</td>
<td>105,092,053</td>
</tr>
<tr>
<td>Issue of shares (Note 10)</td>
<td></td>
<td></td>
<td>634,696</td>
</tr>
<tr>
<td>Dividends (Note 17)</td>
<td></td>
<td>(15,066,825)</td>
<td>(15,066,825)</td>
</tr>
<tr>
<td>Transactions with the shareholders</td>
<td>634,696</td>
<td>(15,066,825)</td>
<td>(14,432,129)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td></td>
<td>13,977,271</td>
<td>13,977,271</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td>13,977,271</td>
<td></td>
<td>13,977,271</td>
</tr>
<tr>
<td><strong>At 30 June 2022</strong></td>
<td>72,481,860</td>
<td>32,155,335</td>
<td>104,637,195</td>
</tr>
<tr>
<td><strong>At 01 July 2020</strong></td>
<td>71,847,164</td>
<td>7,347,022</td>
<td>79,194,186</td>
</tr>
<tr>
<td>Profit for the year</td>
<td></td>
<td>25,897,867</td>
<td>25,897,867</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td>25,897,867</td>
<td></td>
<td>25,897,867</td>
</tr>
<tr>
<td><strong>At 30 June 2021</strong></td>
<td>71,847,164</td>
<td>32,244,889</td>
<td>105,092,053</td>
</tr>
</tbody>
</table>

The accompanying notes on pages 84 to 105 form an integral part of these financial statements.
Notes to the financial statements
For the year ended 30 June 2022

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 investees 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 the annual period beginning on 01 July 2021

In the current year, the following revised standards issued by the IASB became mandatory for the first time for the financial year beginning on 01 July 2021:

IFRS 16, COVID-19 Related Rent Concessions (Amendment to IFRS 16)

The pronouncement amended IFRS 16 Leases to provide lessors with an exemption from assessing whether a COVID-19 related rent concession is a lease modification. On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021.

Various, Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

These amendments address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The changes relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting.

2.2 Standards and amendments to existing standards 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 have been published 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 period beginning after the effective date of the pronouncements. Information on the new standards and amendments to existing standards is provided below.

IFRS 3, References to the Conceptual Framework (Amendments to IFRS 3)

The changes update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1999 Framework; add to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and add to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

IAS 16, Proceeds before Intended Use (Amendments to IAS 16)

Amendments were made to the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

IFRS 3, Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments were brought to clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

IFRS 15, Insurance Contracts

IFRS 15 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.

IFRS 1, IFRS 9, IFRS 16 and IAS 41, Annual Improvements to IFRS Standards 2019-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16, IAS 41)

The objective of the annual improvements is to enhance the quality of standards, by amending existing IFRS to clarify guidance on existing topics, and to correct for relatively minor unintended consequences, conflicts or oversights. Amendments are made through the annual improvements process when the amendment is considered non-urgent but necessary. The IASB issued Annual Improvements to IFRS Standards 2018-2020 containing the following amendments to IFRSs:

IFRS 1, Financial Instruments - The amendment clarifies which fees an entity includes when it applies the “10 per cent” test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

IFRS 16, Leases - Lease incentives. The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessee in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

IFRS 4, Insurance Contracts from applying IFRS 4, Financial Instruments - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

IFRS 17, Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17)

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

IFRS 9, Financial Instruments - The amendment clarifies which fees an entity includes when it applies the “10 per cent” test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.
Notes to the financial statements
For the year ended 30 June 2022

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 a subsidiary at fair value through profit or loss as management 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) obtains funds from one or more investors for the purpose of providing those investors with investment management services;
(ii) commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
(iii) 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 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 investor;
(ii) it has investors that are not related parties of the entity; and
(iii) 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:

− 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 Company’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 financial costs, finance income or other financial items, except for impairment of receivables which is presented within other expenses.

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, respective 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)
- Discounted cash flow ("DCF")
- Price of recent transaction ("PRT")
- Earnings multiple
- Net assets value
- Sale price
- Enterprise value
- Equity value

Impairment of financial assets

IFRS 9 impairment requirements use more forward-looking information to recognise expected credit losses – the ‘expected credit loss ("ECL") model’. Instruments within the scope of these requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets and financial liabilities.

The Company establishes a financial liability 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.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash and cash equivalents are short-term, highly liquid investments 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.
Notes to the financial statements
For the year ended 30 June 2022

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 year, 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 Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are expensed.

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

3.15 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 judgement

Significant management judgement in applying the accounting policies of the Company that has the most significant effect on recognition and measurement of assets, liabilities, income, and expenses 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”, and 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.

Impact of COVID-19

The COVID-19 pandemic has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

The directors have therefore considered the potential adverse impact of COVID-19 on the Company’s business activities and have exercised significant judgement in assessing that the preparation of these financial statements on a going concern basis is appropriate. In making this assessment, the directors have considered the Company’s future business projects, future cash flows and profitability and the global economic conditions.

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 price 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.

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

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>109,299,990</td>
<td>80,111,899</td>
</tr>
<tr>
<td>Investments in unquoted companies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortised cost</td>
<td>6,438,651</td>
<td>–</td>
</tr>
<tr>
<td>Other receivable</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td>115,738,641</td>
<td>80,111,899</td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>–</td>
<td>42,806,128</td>
</tr>
<tr>
<td>Investments in unquoted companies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortised cost</td>
<td>2,061,001</td>
<td>1,729,370</td>
</tr>
<tr>
<td>Loans and other receivables*</td>
<td>735,335</td>
<td>1,315,329</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>2,796,536</td>
<td>45,850,837</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td>118,535,177</td>
<td>125,962,736</td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities measured at amortised cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>7,985,432</td>
<td>–</td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borrowings</td>
<td>–</td>
<td>14,530,235</td>
</tr>
<tr>
<td>Provisions</td>
<td>5,284,203</td>
<td>5,830,757</td>
</tr>
<tr>
<td>Payables</td>
<td>626,967</td>
<td>520,146</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td>5,911,170</td>
<td>20,881,138</td>
</tr>
<tr>
<td><strong>Total financial liabilities</strong></td>
<td>13,896,602</td>
<td>20,881,138</td>
</tr>
</tbody>
</table>

* Loans and other receivables classified as financial assets exclude prepaid expenses.
Notes to the financial statements
For the year ended 30 June 2022

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 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>Financial assets and liabilities</th>
<th>2022 GBP</th>
<th>2021 GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States Dollar (USD)</td>
<td>12,334,849</td>
<td>10,829,724</td>
</tr>
<tr>
<td>British Pound (GBP)</td>
<td>118,535,177</td>
<td>115,133,012</td>
</tr>
<tr>
<td>Total</td>
<td>130,870,026</td>
<td>125,962,736</td>
</tr>
</tbody>
</table>

The following table illustrates the sensitivity of profit and equity in regards to the Company's financial assets and liabilities and the GBP/USD exchange rate “all other things being equal”. It assumes, for the year ended 30 June 2022, a 14% change of the GBP/USD exchange (2021: 3%).

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 14% (2021: 3%), then this would have the following impact:

<table>
<thead>
<tr>
<th>Profit for the year GBP</th>
<th>Equity GBP</th>
<th>Profit for the year GBP</th>
<th>Equity GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 30 June 2022</td>
<td></td>
<td>At 30 June 2021</td>
<td></td>
</tr>
<tr>
<td>USD</td>
<td>1,726,879</td>
<td>USD</td>
<td>324,892</td>
</tr>
<tr>
<td>Total</td>
<td>1,726,879</td>
<td>Total</td>
<td>324,892</td>
</tr>
</tbody>
</table>

If the GBP had strengthened against the USD by 3% (2021: 3%), then this would have the following impact:

<table>
<thead>
<tr>
<th>Profit for the year GBP</th>
<th>Equity GBP</th>
<th>Profit for the year GBP</th>
<th>Equity GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 30 June 2022</td>
<td></td>
<td>At 30 June 2021</td>
<td></td>
</tr>
<tr>
<td>USD</td>
<td>(1,726,879)</td>
<td>USD</td>
<td>(324,892)</td>
</tr>
<tr>
<td>Total</td>
<td>(1,726,879)</td>
<td>Total</td>
<td>(324,892)</td>
</tr>
</tbody>
</table>

Interest rate sensitivity

The Company's exposure to interest rate risk is limited to its bank balance, loans receivable and borrowings and the interest thereon is based on market rates.

At 30 June 2022, the bank balance stood at GBP 735,535 (2021: GBP 1,315,339) and interest income earned during the year was insignificant. With regards to the interest on the borrowings, if interest rate on the financial instrument had been 25 basis points higher/lower, the effect would be marginal on the operating cash flows and equity. If interest rate on the financial liabilities had been 25 basis points higher/lower, the effect on profit/loss for the year would have been GBP 20,000 (2021: GBP 35,328) lower/higher.

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>Valuation technique used</th>
<th>Fair value as at 30 June 2022 GBP</th>
<th>% change</th>
<th>Increase/Decrease GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dentex Healthcare Group Limited</td>
<td>United Kingdom</td>
<td>Fair value</td>
<td>59,563,285</td>
<td>5%</td>
<td>2,978,164 (2,978,164)</td>
</tr>
<tr>
<td>SC Lowy Partners (Cayman) Limited</td>
<td>Cayman Islands</td>
<td>Cost</td>
<td>12,334,849</td>
<td>5%</td>
<td>616,742 (616,742)</td>
</tr>
<tr>
<td>Workwell</td>
<td>United Kingdom</td>
<td>Fair value</td>
<td>32,343,942</td>
<td>5%</td>
<td>1,617,197 (1,617,197)</td>
</tr>
<tr>
<td>Propolar Limited</td>
<td>United Kingdom</td>
<td>Fair value</td>
<td>59,563,285</td>
<td>5%</td>
<td>2,978,164 (2,978,164)</td>
</tr>
<tr>
<td>Xcede Group</td>
<td>United Kingdom</td>
<td>Fair value</td>
<td>59,563,285</td>
<td>5%</td>
<td>2,978,164 (2,978,164)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>209,299,990</td>
<td>5%</td>
<td>5,464,999 (5,464,999)</td>
</tr>
</tbody>
</table>
Notes to the financial statements
For the year ended 30 June 2022

4.2 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company’s exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

<table>
<thead>
<tr>
<th>Name of investee companies</th>
<th>Country of incorporation</th>
<th>Valuation technique used</th>
<th>Fair value as at 30 June 2021 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>42,170,690</td>
<td>5%</td>
<td>2,109,535</td>
<td>(2,109,535)</td>
</tr>
<tr>
<td>YASA Limited</td>
<td>United Kingdom</td>
<td>Fair value</td>
<td>42,806,128</td>
<td>5%</td>
<td>2,140,306</td>
<td>(2,140,306)</td>
</tr>
<tr>
<td>SC Lowy Partners (Cayman) Limited</td>
<td>Cayman Islands</td>
<td>Cost</td>
<td>10,829,724</td>
<td>5%</td>
<td>541,486</td>
<td>(541,486)</td>
</tr>
<tr>
<td>Workwell United Kingdom</td>
<td>Fair value</td>
<td>20,000,571</td>
<td>5%</td>
<td>1,000,029</td>
<td>(1,000,029)</td>
<td></td>
</tr>
<tr>
<td>Propelair Limited</td>
<td>United Kingdom</td>
<td>Fair value</td>
<td>1,090,913</td>
<td>5%</td>
<td>541,486</td>
<td>(541,486)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>122,918,027</td>
<td>5%</td>
<td>6,145,902</td>
<td>(6,145,902)</td>
</tr>
</tbody>
</table>

Total financial assets 118,535,177

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 monitor the Company’s short, medium, and long-term funding and liquidity management requirements. As of 30 June 2022, its liabilities were for accrued expenses, payables and borrowings.

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>2022</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</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 investments in unquoted companies</td>
<td>–</td>
<td>–</td>
<td>109,299,990</td>
<td>109,299,990</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets and fair value through profit or loss investments in unquoted companies</td>
<td>–</td>
<td>–</td>
<td>122,918,027</td>
<td>122,918,027</td>
</tr>
<tr>
<td>Total</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 evaluate its investments (direct or indirect) twice a year for financial reporting purposes. However, the estimated fair values of the investments are reviewed by the Investment Committee and Board quarterly and are adjusted if a significant event takes place. The investments are valued in accordance with generally accepted valuation models. It is the policy to state the Company’s investments at fair value or at cost where the fair values cannot be reliably estimated. However, all investments stated at cost are assessed for indicators of impairment.

Xcede Group (formerly TechStream Group)
The investment in Xcede Group has been fair valued at the reporting date based on a discounted cash flow method that has been approved by the Investment Committee. An impairment loss of GBP 2,033,000 has been recognised in respect of this investment.

YASA
On 03 August 2021, the Company disposed of its shares in YASA for GBP 42.8 million. The reconciliation of the carrying amounts of financial instruments classified within Level 3 is detailed in Note 7.

Dentex
Dentex Healthcare Group Limited ("Dentex") increased the issue price of its shares to GBP 2.40 per share for all acquisitions of dental practices after 31 March 2022. This has resulted in a fair value gain of GBP 17,372,595 for the investment in Dentex.

As per the announcement released by the Company on the 25th of August, Dentex’s shareholders have entered into definitive transaction agreements with Portman Dental Care ("Portman") resulting in a merger of Dentex with Portman (the “Transaction”). Refer to Note 20 for additional detail.

The Company considers that the investment in SC Lowy Partners (Cayman) Limited (“SC Lowy”) has been maintained at its historical USD cost, after adjusting for the effects of foreign exchange.

Propelair
The Company considers that the investment in Propelair Limited remains impaired at year end and the value of the investment has been maintained at a nominal amount of GBP 1.

The reconciliation of the carrying amounts of financial instruments classified within Level 3 is detailed in Note 7.

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 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 to exist 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. This ratio is determined as the proportion of net debt to total capital. The Company obtained a facility of GBP 10 million from RMB, during the year, of which GBP 8 million has been drawn down at 30 June

Debt is defined as long-term borrowings which comprise of the loan facility as detailed in Note 11.
Notes to the financial statements
For the year ended 30 June 2022

7. Investments at fair value through profit or loss

(i) Unquoted and at fair value:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>At start of the year</td>
<td>122,918,027</td>
<td>87,806,011</td>
</tr>
<tr>
<td>Disposal during the year</td>
<td>(42,806,128)</td>
<td>–</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>10,050,000</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Dividends accrued and capitalised</td>
<td>624,657</td>
<td>574,540</td>
</tr>
<tr>
<td>Fair value gain on remeasurement</td>
<td>19,665,967</td>
<td>33,953,487</td>
</tr>
<tr>
<td>Impairment loss</td>
<td>(2,657,657)</td>
<td>(574,540)</td>
</tr>
<tr>
<td>Effect of foreign exchange</td>
<td>1,505,124</td>
<td>(1,341,471)</td>
</tr>
<tr>
<td>At end of the year</td>
<td>102,299,990</td>
<td>122,918,027</td>
</tr>
</tbody>
</table>

(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 2022 GBP</th>
<th>Fair value 2022 GBP</th>
<th>Cost 2021 GBP</th>
<th>Fair value 2021 GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universal Partners Investments (Dentex, Yasa, Propelair, SC Lowy Partners, Workwell and Xcede)</td>
<td>Republic of Mauritius</td>
<td>Ordinary shares</td>
<td>100%</td>
<td>72,294,860</td>
<td>109,299,990</td>
<td>76,530,741</td>
<td>122,918,027</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>72,294,860</td>
<td>109,299,990</td>
<td>76,530,741</td>
<td>122,918,027</td>
</tr>
</tbody>
</table>

(iii) During the year under review, the Company made an additional investment totalling GBP 10.05 million in Workwell.

8. Receivables and prepayments

<table>
<thead>
<tr>
<th></th>
<th>2022 GBP</th>
<th>2021 GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due from wholly owned subsidiaries</td>
<td>90,000</td>
<td>90,000</td>
</tr>
<tr>
<td>Due from Xcede Group</td>
<td>1,971,001</td>
<td>1,639,370</td>
</tr>
<tr>
<td>Prepayments</td>
<td>(1,380)</td>
<td>10,455</td>
</tr>
<tr>
<td>Other receivable (Note (iv))</td>
<td>6,438,651</td>
<td>–</td>
</tr>
<tr>
<td>Total</td>
<td>8,498,272</td>
<td>1,739,825</td>
</tr>
</tbody>
</table>

(i) The amounts due from wholly-owned subsidiaries are unsecured, interest-free and receivable on demand. These relate to minimum cash deposits, for the bank accounts of the two wholly-owned subsidiaries, in order to minimise bank charges.

(ii) Universal Partners Investments ("UPI") has subscribed to 1,530,000 loan notes of GBP 1 each issued by Xcede Group on 13 January 2021. The principal amount of this Loan Note is GBP 1,530,000, which includes a raising fee of GBP 30,000 and accrues interest at 20% per annum (2021: 15%). The current interest outstanding is GBP 441,001. This has been funded by the Company back to back on the same terms.

(iii) The directors consider that no expected credit loss will be recognised for amounts due from the related parties as these parties are not experiencing any financial difficulties and no default is anticipated.

(iv) The investment in YASA Limited was disposed for GBP 42,806,128 during the year. GBP 35,446,756 of the proceeds were received upfront in August 2021, GBP 920,721 was received in November 2021 and the remainder of GBP 6,438,651 is receivable over a period of 72 months.
## Notes to the financial statements
For the year ended 30 June 2022

### 9. Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>– British Pound (“GBP”)</td>
<td>735,535</td>
<td>1,315,339</td>
</tr>
<tr>
<td>Total cash at bank</td>
<td>735,535</td>
<td>1,315,339</td>
</tr>
<tr>
<td>Total cash and cash equivalents</td>
<td>735,535</td>
<td>1,315,339</td>
</tr>
</tbody>
</table>

### 10. Stated capital

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>At start of year</td>
<td>71,847,164</td>
<td>71,847,164</td>
</tr>
<tr>
<td>Issued during the year</td>
<td>634,696</td>
<td>0</td>
</tr>
<tr>
<td>At end of year</td>
<td>72,481,860</td>
<td>71,847,164</td>
</tr>
</tbody>
</table>

Stated capital is made up of:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>72,786,163 (2021: 72,350,131) ordinary shares of no par value:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from issue</td>
<td>72,984,827</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>72,481,860</td>
<td>71,847,164</td>
</tr>
</tbody>
</table>

### 11. Borrowings

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>At start of the year</td>
<td>14,530,235</td>
<td>7,631,250</td>
</tr>
<tr>
<td>Amortisation of structuring fee</td>
<td>72,916</td>
<td>112,500</td>
</tr>
<tr>
<td>Additional borrowings</td>
<td>8,000,000</td>
<td>6,500,000</td>
</tr>
<tr>
<td>Repayment of borrowings</td>
<td>(14,455,214)</td>
<td>-</td>
</tr>
<tr>
<td>Interest accrued during the year</td>
<td>341,093</td>
<td>112,500</td>
</tr>
<tr>
<td>Commitment fee payable</td>
<td>21,072</td>
<td>46,851</td>
</tr>
<tr>
<td>Interest payment</td>
<td>(274,670)</td>
<td>(151,139)</td>
</tr>
<tr>
<td>Structuring fee payment</td>
<td>(50,000)</td>
<td>-</td>
</tr>
<tr>
<td>At end of the year</td>
<td>7,985,432</td>
<td>14,530,235</td>
</tr>
</tbody>
</table>

The Company, through its wholly-owned subsidiary, Universal Partners Investments (“UP”), or (“the Borrower”), obtained a GBP 16,500,000 two-year liquidity facility from RMB International (Mauritius) Limited (the “Lender” or “RMB”). The facility was settled in full during the year. A new loan facility of GBP 10,000,000 was raised from RMB during the year, out of which GBP 8,000,000 was drawn down. This facility was raised for follow on investments into the existing investee companies and for general corporate purposes. The Borrower has pledged, inter alia, its interest in all of its shares legally and beneficially owned in Universal Partners Investments Bidco.

### 12. Payables

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accruals</td>
<td>54,803</td>
<td>50,210</td>
</tr>
<tr>
<td>Payables</td>
<td>572,164</td>
<td>469,936</td>
</tr>
<tr>
<td>Provision for performance fees (See note below)</td>
<td>5,284,203</td>
<td>5,830,757</td>
</tr>
<tr>
<td>Total</td>
<td>5,911,170</td>
<td>6,350,903</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 fee 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 arrears.

Management fees for the year amounted to GBP 2,048,849 (2021: GBP 1,770,416).

#### 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 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.

Accrued unrealised performance fees for the year amounted to GBP 5,284,203 (2021: GBP 5,830,757).
Notes to the financial statements
For the year ended 30 June 2022

14. Other expenses

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising and promotion</td>
<td>6,305</td>
<td>4,078</td>
</tr>
<tr>
<td>Annual report cost</td>
<td>8,520</td>
<td>7,828</td>
</tr>
<tr>
<td>Audit fees</td>
<td>17,735</td>
<td>15,299</td>
</tr>
<tr>
<td>Bank charges</td>
<td>2,854</td>
<td>1,685</td>
</tr>
<tr>
<td>Consulting fees</td>
<td>27,799</td>
<td>38,250</td>
</tr>
<tr>
<td>General expenses</td>
<td>555</td>
<td>318</td>
</tr>
<tr>
<td>Insurance</td>
<td>11,857</td>
<td>7,096</td>
</tr>
<tr>
<td>Listing fees – JSE</td>
<td>18,301</td>
<td>16,835</td>
</tr>
<tr>
<td>Listing fees – SEM</td>
<td>28,013</td>
<td>26,025</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>–</td>
<td>1,604</td>
</tr>
<tr>
<td>Travel expenses</td>
<td>9,490</td>
<td>82</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>131,429</td>
<td>117,105</td>
</tr>
</tbody>
</table>

15. Taxation

15.1 Income tax expense

The Company holds a Global Business Licence for the purpose of the Financial Services Act 2007 of Mauritius. Pursuant to the enactment of the Finance Act 2018, with effect as from 01 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to shareholders or in respect of redemptions or exchanges of shares.

Post 30 June 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company is entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company’s tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income.

As at 30 June 2022, the Company had no income tax liability due to accumulated tax losses of GBP 12,688,891 (2021: GBP 8,205,390) carried forward.

15.2 Income tax reconciliation

The tax on the Company’s profit before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit/(loss) before tax</td>
<td>13,977,271</td>
<td>25,897,867</td>
</tr>
<tr>
<td>Tax at effective rate of 15%</td>
<td>2,096,591</td>
<td>3,884,680</td>
</tr>
<tr>
<td>Non-allowable items</td>
<td>426,979</td>
<td>305,863</td>
</tr>
<tr>
<td>Exempt income</td>
<td>(3,196,127)</td>
<td>(902,538)</td>
</tr>
<tr>
<td>Deferred tax asset not recognised</td>
<td>672,557</td>
<td>3,288,005</td>
</tr>
<tr>
<td>Tax expense</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

15.3 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

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Company as follows:

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year (GBP)</td>
<td>13,977,271</td>
<td>25,897,867</td>
</tr>
<tr>
<td>Number of shares in issue</td>
<td>72,786,163</td>
<td>72,350,131</td>
</tr>
<tr>
<td>Earnings per share (pence)</td>
<td>19.20</td>
<td>35.80</td>
</tr>
</tbody>
</table>

17. Dividends

<table>
<thead>
<tr>
<th></th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommended and paid</td>
<td>15,066,825</td>
</tr>
<tr>
<td>Dividend per share</td>
<td>0.207</td>
</tr>
</tbody>
</table>
18. Related party transactions

During the year ended 30 June 2022, 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 2022 GBP</th>
<th>Debit/(credit) balances at 30 June 2021 GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key management personnel</td>
<td>Directors fees [Non-executives]</td>
<td>154,808</td>
<td>(35,963)</td>
<td>(34,250)</td>
</tr>
<tr>
<td>Investee</td>
<td>Loan [Note 8]</td>
<td>331,631</td>
<td>1,971,001</td>
<td>1,639,370</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>Loan [Note 8]</td>
<td>–</td>
<td>45,000</td>
<td>45,000</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>Loan [Note 8]</td>
<td>–</td>
<td>45,000</td>
<td>45,000</td>
</tr>
<tr>
<td>Common directorship</td>
<td>Management fees (Notes 12 and 13)</td>
<td>2,048,849</td>
<td>(558,117)</td>
<td>(451,479)</td>
</tr>
<tr>
<td>Common directorship</td>
<td>Performance fees accrued (Notes 12 and 13)</td>
<td>2,626,924</td>
<td>(5,284,203)</td>
<td>(5,830,757)</td>
</tr>
<tr>
<td>Administrator and secretary</td>
<td>Professional fees</td>
<td>33,993</td>
<td>–</td>
<td>(1,204)</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 13,684 (2021: GBP 13,678). The wholly-owned subsidiaries exist solely to hold the underlying investments.

19. Reconciliation of liabilities arising from financing activities

<table>
<thead>
<tr>
<th></th>
<th>2022 GBP</th>
<th>2021 GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>14,530,235</td>
<td>7,631,250</td>
</tr>
</tbody>
</table>

**Cash flows**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash changes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structuring fee</td>
<td>(50,000)</td>
<td>–</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(274,670)</td>
<td>(151,139)</td>
</tr>
<tr>
<td>Loan repaid</td>
<td>(14,655,214)</td>
<td>–</td>
</tr>
</tbody>
</table>

**Non-cash changes**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings</td>
<td>8,000,000</td>
<td>6,500,000</td>
</tr>
<tr>
<td>Accrual for interest</td>
<td>341,093</td>
<td>390,773</td>
</tr>
<tr>
<td>Commitment fee payable</td>
<td>21,072</td>
<td>46,851</td>
</tr>
<tr>
<td>Amortisation of structuring fee</td>
<td>72,916</td>
<td>112,500</td>
</tr>
<tr>
<td>At 30 June</td>
<td>7,985,432</td>
<td>14,530,235</td>
</tr>
</tbody>
</table>

20. Events after the reporting date

COVID-19 pandemic remains a matter of concern post the reporting date.

The directors have made an assessment of the Company’s ability to continue as a going concern taking into account all available information about the future including the analysis of the possible impacts in relation to COVID-19, which is at least, but is not limited to, twelve months from the date of approval of these financial statements and at 30 June 2022 no events or conditions have been identified that may cast significant doubt on the Company’s ability to continue as a going concern. The prolonged effects of the outbreak as well as the resultant lockdown will have an impact on business activities and cash flows.

In July 2022, the Company entered into a new finance facility with RMB to increase its current facility from GBP 10 million to GBP 20 million. GBP 1.7 million was advanced from the facility of which GBP 1.5 million was used to make a further loan to Xcede via UPI on the same terms as the existing loan.

As per the announcement released by the Company on the 25th of August, Dentex’s shareholders have entered into definitive transaction agreements with Portman resulting in a merger of Dentex with Portman.

The Transaction is expected to be concluded in the first half of next year.

Except for the above, there have been no material events since the end of the reporting period which would require disclosure or adjustment to the financial statements for the year ended 30 June 2022.
Shareholder information

108 Corporate diary
109 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 2022</td>
</tr>
<tr>
<td>Publication of audited financial results on the JSE and ISMM</td>
<td>15 September 2022</td>
</tr>
<tr>
<td>Annual General Meeting</td>
<td>8 November 2022</td>
</tr>
<tr>
<td>Announcement of FY2023 30 September 2022 first quarter results (tentative date)</td>
<td>9 November 2022</td>
</tr>
<tr>
<td>Announcement of FY2023 31 December 2022 interim results (tentative date)</td>
<td>15 February 2023</td>
</tr>
<tr>
<td>Announcement of FY2023 31 March 2023 third quarter results (tentative date)</td>
<td>10 May 2023</td>
</tr>
<tr>
<td>Announcement of FY2023 30 June 2023 annual results (tentative date)</td>
<td>13 September 2023</td>
</tr>
</tbody>
</table>

### Corporate information

#### Directors

<table>
<thead>
<tr>
<th>Name</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 Moothoosamy</td>
<td>25 April 2016</td>
</tr>
<tr>
<td>Marc Ooms</td>
<td>25 April 2016</td>
</tr>
<tr>
<td>David Winbour</td>
<td>25 April 2016</td>
</tr>
<tr>
<td>Peter Glen</td>
<td>13 July 2016</td>
</tr>
<tr>
<td>Gary Spellins</td>
<td>10 November 2020</td>
</tr>
<tr>
<td>Daniel Rubenstein</td>
<td>11 May 2021</td>
</tr>
</tbody>
</table>

#### Administrator and secretary

- Intercontinental Trust Limited
- Level 3, Alexander House
- Ebene, 72201
- Republic of Mauritius

#### Registered office

- Alexander House
- Level 3, Alexander House
- Ebene, 72201
- Republic of Mauritius

#### Auditors

- Grant Thornton
- Ebene Tower
- Ebene, 72201
- Republic of Mauritius

#### Banker

- Investec Bank (Mauritius) Limited
- 6th Floor, Dias Per Building
- Le Caudan Waterfront
- Port Louis
- Republic of Mauritius

#### Registered transfer agents

- Computershare Investor Services Proprietary Limited
- Rosebank Towers
- 13 Berman Ave, Rosebank, 2196
- Johannesburg
- South Africa
- Central Depository & Settlement Co. Ltd
- 4th Floor, One Cathedral Square Building
- 1A, Jules Koenig Street
- Port Louis
- Republic of Mauritius

#### Investment advisory manager

- ARGO Investment Managers
- Level 3, Alexander House
- Ebene, 72201
- Republic of Mauritius

#### Sponsor (in South Africa)

- Java Capital Trustees and Sponsors (Proprietary) Limited
- 6th Floor, 1 Park Lane, Wianda Valley
- Sandton
- Johannesburg
- South Africa

#### Sponsor (in Mauritius)

- Perigeum Capital Ltd
- Level 4, Alexander House
- Ebene, 72201
- Mauritius