

**UNIVERSAL PARTNERS LIMITED**  
(Incorporated in the Republic of Mauritius)  
(Registration number: 138035 C1/GBL)  
SEM share code: UPL.N0000  
JSE share code: UPL  
ISIN: MU0526N00007  
("Universal Partners" or "UPL" or "the Company")



UNIVERSAL PARTNERS

---

## SUMMARISED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

---

Universal Partners has a primary listing on the Official Market of the Stock Exchange of Mauritius Ltd ("SEM") and a secondary listing on the Alternative Exchange ("AltX") of the JSE Limited ("JSE").

### PRINCIPAL ACTIVITY

The principal activity of the Company is to hold investments in high quality, growth businesses across Europe, with a focus on the United Kingdom ("UK"). The Company's investment mandate also allows up to 20% of total funds at the time an investment is made to be invested outside the UK and Europe.

### BUSINESS REVIEW

Since its listing on the SEM and the JSE, the Company has worked closely with its investment advisor, Argo Investment Managers ("Argo"), to identify potential investments that meet its investment criteria.

The Company has made six investments since listing and successfully concluded two exits.

As previously reported, the board intends to return surplus cash flow to shareholders from the sale of investments in the future. Furthermore, it has no intention of raising further equity from shareholders. Therefore, the Company will not consider new investments other than follow-on investments into the existing portfolio. The board will manage the existing portfolio in line with the investment thesis and exit horizon of each asset to maximise returns for shareholders.

The board's decision provides UPL shareholders with a reasonable line of sight to liquidity from the sale of its investments. UPL has an undrawn term loan facility of £8.8 million, which provides the Company with sufficient liquidity to cover working capital requirements and potential follow-on investments into the existing portfolio. The available liquidity will be considered following the sale of each investment, with excess cash returned to shareholders.

In terms of the Management Agreement concluded between UPL and Argo, the current team of investment professionals will continue to manage the portfolio of investments until they are realised. UPL and Argo are aligned to maximise returns for shareholders.

The current team has formed a new vehicle with a view to making future investments. They will expand the team and create sufficient capacity to originate and execute new investment opportunities. They intend to raise capital for potential investments on a deal-by-deal basis.

An update on investments held at the reporting date is presented below.

#### **PortmanDentex ("PD")**

<https://www.portmandentex.com>

PD is one of Europe's largest dental care platforms, with over 400 dental practices in the UK, Ireland, the Nordics, Benelux, and France. In April 2023, UPL sold its share in Dentex to PD for £30.3m cash and the balance in shares in PD, which resulted in UPL becoming a minority shareholder in PD following the merger between Portman and Dentex.

Over the last 12 months, PD management has made significant progress with integrating the two businesses from an operational perspective. PD traded ahead of the prior year and budget in the first three quarters of their financial year ending 30 September 2024. Demand for private dental services remains resilient despite the challenging macroeconomic environment.

PD negotiated an increase in its debt facilities in September 2023. To secure the increase, shareholders were required to invest additional funds in the business. PD raised the additional funds from the existing shareholders in August 2023 by issuing front-

ranking PIK Notes and Preference Share instruments. UPL elected to follow its proportional rights, subscribing for £1.4m worth of PIK Notes.

The merger of Portman and Dentex brought significant scale to the business, which is important when operating a multi-site healthcare business. Whilst PD is still actively considering further acquisition opportunities in the UK and the rest of Europe, management remains disciplined in pursuing only significantly value-enhancing acquisition opportunities. This is particularly important given the significant increase in interest rates since the merger, which has resulted in a higher cost of capital when evaluating investments.

As reported previously, PD obtained a third-party valuation of the group to determine a reference point for secondary share transactions with dentists and staff shareholders. The valuation was lower than the carrying value of UPL's shareholding in PD. The primary reason for the lower valuation is a reduction in the valuation multiple from that used for the Portman and Dentex merger valuation. Valuation multiples in the dental sector globally are lower than they were at the time of signing the merger transaction in August 2022, principally because of significantly higher interest rates and inflationary pressure. In March 2024, UPL decided to impair the carrying value of its aggregate holding in PD (ordinary equity, loan notes and PIK notes) from £30,788,385 to £25,404,991, which is in line with the third-party valuation. There were no further changes to the valuation at 30 June 2024.

### **Workwell (formerly JSA Services Limited)**

[www.workwellsolutions.com](http://www.workwellsolutions.com)

Workwell offers a comprehensive suite of workforce management solutions, ranging from compliant worker engagement to back-office services and recruitment technology, supporting clients' growth by facilitating access to global talent.

During April 2024, Workwell acquired Precision Consulting Group ("PGC") based in Austin, Texas. PGC is a highly respected Employer of Record ("EoR") and Agency of Record ("AoR") provider to contractors working across the USA and Canada. This acquisition was Workwell's largest to date, significantly expanding its international presence and capabilities and establishing itself as a premium operator in the international cross-border contractor payment market.

From a trading perspective Workwell is feeling the effects of tough market conditions in the UK, with revenue largely flat compared to the prior year. Although revenue for the year to date is below plan, the UK business is performing well relative to its closest competitors. Management has responded admirably to the market conditions by remaining very client focused and demonstrating good cost management despite inflationary pressures that have prevailed during the period.

By contrast, the international business outside the UK is performing well, showing good growth in revenue and profit for the year to date. The integration of the international businesses into an umbrella brand called Workwell Global is progressing well and sets the group up for continued growth in future. Pleasingly, the cross-selling opportunities between Workwell and PGC that were identified when the deal was done are being delivered, with shared leads being converted into signed up new customers.

Management has performed a preliminary assessment of specific policies that are contained in the Employment Rights Bill that has been published by the new Labour government in the UK. While a detailed analysis will only be possible once further details are available, there do not appear to be any areas of undue concern at this stage.

### **SC Lowy Partners ("SC Lowy")**

[www.sclowy.com](http://www.sclowy.com)

SC Lowy is a leading investment management group focused on credit investing & lending in Asia, Europe and the Middle East.

The Asset Management division ended the half year to 30 June 2024 with Assets Under Management ("AUM") of \$1.4bn, with the Primary Investments ("PI") fund achieving a return of 3.2% for the period, in line with its benchmark. The performance of the two existing Strategic Investment ("SI") funds continues to be very satisfactory, delivering gross IRR's of 19% and 17% respectively since their launch dates. A new SI fund focused on Korean real estate credit and anchored by a Middle Eastern sovereign wealth fund was successfully launched in July.

In the banking businesses, the profitability of both Cheoun Savings Bank and Solution Bank for the half year to June was impacted by increased credit provisioning against their loan books. Provisioning levels are conservative and both banks expect improved business conditions in the second half of the year.

SC Lowy will celebrate its 15th anniversary on 1 October 2024, a significant milestone in the history of the business.

Aside from the impact of foreign exchange translation, there were no changes to the valuation of this investment at 30 June 2024.

## **Xcede Group (Formerly Techstream Group) (“Xcede”)**

www.xcede.com

Xcede is a global recruitment specialist operating in the UK, Europe, North America, and Asia. It operates under two brands: Xcede and EarthStream. Xcede provides recruitment services in the data, software, cloud infrastructure, and cyber security markets, while EarthStream is a global energy recruitment specialist.

Xcede has made significant progress in the last 12 months as the new management team that was introduced in the first half of 2023 has taken several strategic steps to position the business for sustained growth. During the period, they have significantly invested in new systems and support function capability. At the same time, Xcede has divested of its South African and Spanish operations to increase focus and investment in the UK, its largest market.

The global recruitment market remains challenging, with various industry participants reporting subdued activity. This is particularly pronounced in the permanent placement side of the business, with the contracting division demonstrating more resilience. Against this backdrop, Xcede reported growth in profitability during its financial year ending 31 December 2023, with improved operating margins.

Trading conditions in the recruitment market during the current year have remained tough. Management has responded by focusing on customers and margins, tight management of cash and expenses and improving efficiencies. The company is well positioned to take advantage of any improvement in market conditions.

During December 2023, Xcede negotiated an extension of its debt facilities. To support the process, UPL advanced £2.1m of shareholder funding by subscribing for additional front-ranking loan note instruments.

There were no further changes to the valuation at 30 June 2024.

## **Propelair**

www.propelair.com

Propelair has reinvented the toilet to deliver, through its unique IP and design, one of the most water efficient, economical and hygienic systems available. The Propelair toilet utilises 1.5 litres of water per flush versus a traditional toilet that uses around 9 litres of water per flush. In addition, its vacuum system significantly reduces pathogen distribution and improves health and hygiene.

As previously reported, progress has been made this year, particularly in relation to the sale of units in the Middle East and South Africa. However, the company is still significantly behind its original business plan and, accordingly, we continue to value this investment at a nominal £1.00.

## **FINANCIAL REVIEW**

For the year under review, interest income of £1,358,537 comprised of interest earned from the loan advanced to Xcede. Other income includes an amount of £60,800, earned by the Company as a raising fee for advancing additional loans to Xcede during the year.

The Company recognised a fair value loss of £253,580 on the remeasurement of investments at fair value through profit or loss. These amounts comprise the adjustments to the valuations in the Company’s underlying investments, as well as the foreign currency translation of SC Lowy, which is denominated in US Dollars.

Management fees accrued during the year amounted to £1,853,426 incurred in terms of the investment management agreement between the Company and Argo. General and administrative expenses amounting to £580,801 were incurred. The accrual for performance fees is calculated on the revaluation of the Company’s investments. These fees, which are recalculated quarterly, only become payable to Argo if the Company realises the expected profit on disposal of the investments. No performance fees are payable to Argo until a successful exit of an investment has been achieved. During the year under review, there was a net reversal of the accrual for performance fees previously recognised, which had a positive impact on the income statement of £1,102,590.

The Company incurred interest of £32,643 during the year on the RMB term loan facility.

## **NET ASSET VALUE (“NAV”)**

The NAV per share as at 30 June 2024 was £1.292 (30 June 2023: £1.296).

## LOSS PER SHARE

The loss per share for the year ended 30 June 2024 and for the year ended 30 June 2023 are based on a loss after tax of £278,836 and a loss after tax of £3,062,172 respectively. The weighted average number of shares in issue was 72,894,199 (2023: 72,796,819).

## DIVIDEND

In line with the Company's investment strategy to maximise the value of the investments, dividends are not declared on a regular basis. Accordingly, no dividend has been declared for the year under review. In line with the strategic update, surplus cash flow from the sale of investments in future will be distributed to shareholders.

## BASIS OF PREPARATION

The summarised audited financial statements for the year ended 30 June 2024 ("**summarised audited financial statements**") have been prepared using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board and in accordance with International Accounting Standard (IAS) 34 – Interim Financial Reporting, the SEM Listing Rules and the JSE Listings Requirements.

The accounting policies and methods of computation adopted in the preparation of these summarised audited financial statements are consistent with those applied in the preparation of the audited financial statements for the year ended 30 June 2023.

The directors are not aware of any circumstances or matters arising after 30 June 2024 that require any additional disclosure or adjustment to these summarised audited financial statements.

## AUDITORS

These summarised audited financial statements were approved by the Board on 11 September 2024. Nexia Baker & Arenson, the external auditors, have issued an unmodified audit opinion on the Company's audited financial statements for the year ended 30 June 2024.

By order of the Board

**12 September 2024**

### **Intercontinental Trust Limited**

Company Secretary

For further information please contact:

#### **South African corporate advisor and JSE sponsor**

Java Capital

+27 78 456 9999

#### **SEM authorised representative and sponsor**

Perigeum Capital Ltd

+230 402 0890

#### **Company Secretary**

Intercontinental Trust Limited

+230 403 0800

## NOTES

Copies of these summarised audited financial statements are available to the public upon request to the Company Secretary at the registered office of the Company at c/o Intercontinental Trust Limited, Level 3 Alexander House, 35 Cybercity, Ebene 72201, Mauritius.

This announcement is issued pursuant to the SEM Listing Rule 12.14 and the JSE Listings Requirements.

The Board accepts full responsibility for the preparation of these summarised audited financial statements and for ensuring that the financial information has been correctly extracted from the underlying audited financial statements.

## **SUMMARISED AUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024**

	<b>As at 30 June 2024 (Audited) GBP</b>	<b>As at 30 June 2023 (Audited) GBP</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Investments at fair value through profit or loss	84,374,682	83,205,135
Other receivable	2,459,709	2,459,709
	<b><u>86,834,391</u></b>	<b><u>85,664,844</u></b>
<b>Current assets</b>		
Receivables and prepayments	11,176,698	7,641,118
Cash and cash equivalents	248,856	15,122,525
	<b><u>11,425,554</u></b>	<b><u>22,763,643</u></b>
<b>Total assets</b>	<b><u>98,259,945</u></b>	<b><u>108,428,487</u></b>
<b>Equity</b>		
Stated capital	72,641,018	72,641,018
Retained earnings	21,524,762	21,803,598
	<b><u>94,165,780</u></b>	<b><u>94,444,616</u></b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Borrowings	614,375	9,360,464
	<b><u>614,375</u></b>	<b><u>9,360,464</u></b>
<b>Current liabilities</b>		
Payables	3,479,790	4,623,407
	<b><u>3,479,790</u></b>	<b><u>4,623,407</u></b>
<b>Total liabilities</b>	<b><u>4,094,165</u></b>	<b><u>13,983,871</u></b>
<b>Total equity and liabilities</b>	<b><u>98,259,945</u></b>	<b><u>108,428,487</u></b>
<b>NAV per share</b>	<b>1.292</b>	<b>1.296</b>
<b>Number of shares in issue</b>	<b>72,894,199</b>	<b>72,894,199</b>

**SUMMARISED AUDITED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024**

	Year ended 30 June 2024 (Audited) GBP	Year ended 30 June 2023 (Audited) GBP
<b>Income</b>		
Interest income	1,358,537	1,334,633
Dividend income	-	680,586
Other income	60,800	87,000
<b>Total income</b>	<u>1,419,337</u>	<u>2,102,219</u>
<b>Expenditure</b>		
Management fees	(1,853,426)	(2,227,568)
Performance fees (accrued but not paid)	1,102,590	424,847
Interest on borrowings	(32,643)	(1,096,744)
Amortisation of structuring fee	(78,430)	(113,236)
General and administrative expenses	(580,801)	(521,449)
<b>Total expenditure</b>	<u>(1,442,710)</u>	<u>(3,534,150)</u>
<b>Operating loss</b>	(23,373)	(1,431,931)
Fair value loss on remeasurement of financial assets at fair value through profit or loss	(253,580)	(792,690)
Impairment loss	-	(836,745)
Net foreign exchange loss	(1,883)	(806)
<b>Loss before tax</b>	<u>(278,836)</u>	<u>(3,062,172)</u>
Tax expense	-	-
<b>Loss for the year</b>	<u>(278,836)</u>	<u>(3,062,172)</u>
<b>Other comprehensive income</b>		
Items that will not be reclassified subsequently to profit and loss	-	-
Items that will be reclassified subsequently to profit and loss	-	-
<b>Other comprehensive income for the year, net of tax</b>	<u>-</u>	<u>-</u>
<b>Total comprehensive loss for the year</b>	<u><u>(278,836)</u></u>	<u><u>(3,062,172)</u></u>
<b>Weighted average number of shares in issue</b>	<u><u>72,894,199</u></u>	<u><u>72,796,819</u></u>
	<b>Pence</b>	<b>Pence</b>
<b>Basic and headline loss per share (pence)*</b>	<u><u>(0.383)</u></u>	<u><u>(4.21)</u></u>

\* The loss per share for the year ended 30 June 2024 and the loss per share for the year ended 30 June 2023 are based on a loss after tax of GBP 278,836 and a loss after tax of GBP 3,062,172 for the Company respectively and the weighted average number of shares in issue of 72,894,199 (2023: 72,796,819)

There were no dilutive shares in issue. There were no reconciling items between the basic and headline loss per share.

**SUMMARISED AUDITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024**

	Stated capital	Retained earnings	Total
	GBP	GBP	GBP
<b>Balance at 1 July 2022</b>	<b>72,481,860</b>	<b>32,155,335</b>	<b>104,637,195</b>
Issue of shares	159,158	-	159,158
Dividends	-	(7,289,565)	(7,289,565)
<b>Transactions with shareholders</b>	<b>159,158</b>	<b>(7,289,565)</b>	<b>(7,130,407)</b>
Loss for the year	-	(3,062,172)	(3,062,172)
Other comprehensive income	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(3,062,172)</b>	<b>(3,062,172)</b>
<b>Balance at 30 June 2023</b>	<b>72,641,018</b>	<b>21,803,598</b>	<b>94,444,616</b>
<b>Balance at 1 July 2023</b>	<b>72,641,018</b>	<b>21,803,598</b>	<b>94,444,616</b>
Loss for the year	-	(278,836)	(278,836)
Other comprehensive income for the period	-	-	-
<b>Total comprehensive loss</b>	<b>-</b>	<b>(278,836)</b>	<b>(278,836)</b>
<b>Balance at 30 June 2024</b>	<b>72,641,018</b>	<b>21,524,762</b>	<b>94,165,780</b>

**SUMMARISED AUDITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024**

	<b>Year ended 30 June 2024 (Audited) GBP</b>	<b>Year ended 30 June 2023 (Audited) GBP</b>
<b>Operating activities</b>		
Loss before tax	(278,836)	(3,062,172)
Adjustments for:		
Fair value loss on remeasurement of investments at fair value through profit or loss	253,580	792,690
Impairment loss	-	836,745
Interest income accrued	(1,358,537)	(1,334,634)
Dividend income accrued	-	(680,586)
Amortisation of structuring fee	78,430	113,236
Interest on borrowings accrued	32,643	1,096,744
Raising fees (capitalised to loan)	(60,800)	(87,000)
Commitment fee payable	181,043	90,005
Net changes in working capital:		
Changes in receivables and prepayments	(13,053)	3,977,561
Changes in payables	(1,143,617)	(1,128,605)
Net cash flows (utilised in) / generated from operating activities	<u>(2,309,147)</u>	<u>613,984</u>
<b>Investing activities</b>		
Acquisition of investments	(1,423,127)	(5,000,000)
Proceeds from disposal of investments	-	30,302,165
Loans advanced to subsidiaries	(2,137,920)	(4,350,000)
Interest received	34,730	35,358
Net cash flows (utilised in) / generated from investing activities	<u>(3,526,317)</u>	<u>20,987,523</u>
<b>Financing activities</b>		
Loan received	500,000	10,675,000
Loan repaid	(9,057,702)	(10,000,000)
Interest paid	(380,503)	(474,952)
Payment of structuring fee	(100,000)	(125,000)
Dividend paid	-	(7,289,565)
Net cash flows utilised in financing activities	<u>(9,038,205)</u>	<u>(7,214,517)</u>
Net change in cash and cash equivalents	(14,873,669)	14,386,990
Cash and cash equivalents at the beginning of the year	<u>15,122,525</u>	<u>735,535</u>
<b>Cash and cash equivalents at the end of the year</b>	<b><u>248,856</u></b>	<b><u>15,122,525</u></b>