

**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

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**SUMMARISED UNAUDITED FINANCIAL STATEMENTS FOR THE QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2023**

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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 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.

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

**Portman Dental Care ("Portman")**

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

Portman is one of Europe's largest dental care platforms, with operations in the UK, Ireland, the Nordics, Benelux and France. UPL became a minority shareholder in Portman following the merger with Dentex in 2023.

It has recently been announced that the merged business will trade under the brand "Portman Dentex", recognising the importance and value of both individual brands. The integration of the two companies is progressing well, with the new leadership team focusing on extracting synergies and leveraging economies of scale from the enlarged estate.

Portman Dentex performed ahead of budget for the first quarter of the new financial year and traded ahead of the prior year on a like-for-like basis. Given the significant increase in borrowing costs over the past year, the business is focusing on driving operational efficiencies and improving profit margins. While the business is still active in the M&A market, management remain disciplined with respect to acquisition multiples in light of the higher cost of capital. Portman Dentex acquired three new practices in the UK during the quarter and now has more than 400 practices in the Portman Dentex Group.

**Workwell (formerly JSA Services Limited) ("WW")**

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

WW is one of the fastest-growing contractor accountancy and payroll solutions companies 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 in the UK and internationally.

Despite general softness in the staffing sector in the UK, WW is trading in line with its budget for the first quarter of its new financial year. At a net fee income level, the payroll services division is ahead of budget due to a buoyant education sector, offset to some extent by slower activity in the construction sector. The accounting, international and outsourcing divisions traded marginally behind budget for the quarter but started the new calendar year with good momentum.

During the period that UPL has been an investor in WW, it has acquired and integrated multiple businesses that have expanded its international contractor payment capability, especially in Europe. These acquisitions have also diversified the products and services that WW is able to offer its clients.

In line with its stated strategy, WW continues to evaluate new acquisition opportunities both within the UK and internationally, specifically in Europe and the USA. While no new acquisitions were concluded during the reporting period, various opportunities are being considered that may result in a successful acquisition(s) in the coming months. In the meantime, management continue to focus on integrating prior acquisitions, continuing the roll-out of the WW brand across the business and organic growth initiatives.

#### **SC Lowy Partners (“SC Lowy”)**

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

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

For the year to December 2023, SC Lowy’s credit funds delivered good performances. The flagship Primary Investments fund delivered a net USD return of 4.9% for the year, with ten of the twelve months achieving a positive result. The two existing Strategic Investment (“SI”) funds continued their good performance, delivering USD IRRs above 14% since their inception dates. During December 2023, SC Lowy successfully raised a further SI fund focused on opportunities in the Asian market, which is expected to attract substantial investment before its expected final close in Q1 of 2025.

Solution Bank in Italy experienced a record year, benefitting from elevated net interest margins and growth in its loan portfolio which comprises a growing proportion of structured loans. Despite turbulent conditions in the South Korean banking sector, Cheoun Savings Bank produced a good result for the year while deliberately constraining growth in its lending book. With a strong balance sheet and a high-quality lending book, Cheoun is well placed to benefit from an expected consolidation of the Korean savings bank sector.

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

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

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

Xcede delivered a strong performance during the final quarter of the year, which resulted in the business achieving their revised profit forecast for 2024. The contracting division performed ahead of plan, while the permanent recruitment division was somewhat below plan due to difficult market conditions, particularly in the UK.

In December 2023, Xcede was recognised in the British Recruitment Awards, emerging as the winning recruitment agency in the Technology and Engineering categories. The positive momentum in the business has resulted in a decent start to the new year, with the new management team driving a vigorous customer-centric strategy to ensure that the business thrives despite tough market conditions.

To support the growth in the contractor book and to ensure adequate working capital in the business, UPL subscribed for a further £1.5 million of loan notes issued by Xcede. In addition, the equity of the company was restructured to create a suitable share incentive scheme for the new management team and certain senior employees.

#### **Propelair**

[www.propelair.com](http://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, where they have traded ahead of budget. 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 quarter under review, interest income was £1,044,750, comprising of interest from cash balances, loan notes and Portman Dentex PIK notes. Other income includes an amount of £50,000, earned by the Company as a raising fee for committing to advancing additional loans to Xcede.

The Company provided for an unrealised fair value loss of £491,858 on the remeasurement of investments at fair value through profit or loss and an unrealised impairment loss of £187,176. 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. UPL's rollover investment in Portman Dentex comprises a combination of loan notes and ordinary equity. UPL has decided to maintain the value of the combined rollover investment during the quarter under review. Given that interest has accrued on the loan notes, a commensurate reduction of the fair value of the ordinary equity was provided for.

Management fees accrued during the quarter amounted to £467,642 incurred in terms of the investment management agreement between the Company and Argo. General and administrative expenses amounting to £163,880 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 quarter 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 £260,904.

## NET ASSET VALUE ("NAV")

The NAV per share as at 31 December 2023 was £1.297 (30 June 2023: £1.296).

## EARNINGS PER SHARE

The earnings per share of 0.05 pence for the quarter ended 31 December 2023 and the loss per share of 2.25 pence for the quarter ended 31 December 2022 are based on a profit after tax of £36,291 and a loss after tax of £1,637,463 for the Company respectively. The weighted average number of shares in issue for the period was 72,894,199 (31 December 2022: 72,786,163).

## DIVIDEND

In line with the Company's investment strategy to achieve long-term growth in NAV, dividends are not declared on a regular basis. Accordingly, no dividend has been declared for the quarter under review.

## CHANGES TO THE BOARD OF DIRECTORS

The Mauritius Companies Act 2001 was recently amended to provide that, as from 1 January 2024, the board of directors of a listed company must be comprised of at least 25 percent women. To comply with this amendment, the following changes have been made to the composition of the board:

- Mr Larry Nestadt has resigned as a non-executive director and Chairman of the Board and has been succeeded as Chairman by Mr Marc Ooms, who has been a non-executive director of the Company since its formation.
- Mr Kesaven Moothoosamy has resigned as a non-executive director and has been replaced by Ms Toorisha Nakey Kurnauth.
- Mr Andrew Dunn has resigned as non-executive director.

The above changes will take effect on 13 February 2024 and ensure that the Company is fully compliant with the amended legislation.

We thank Messrs Nestadt, Dunn and Moothoosamy for their contributions and their service as non-executive directors of the Company since its formation and wish them well. At the same time, we extend a warm welcome to Ms Nakey Kurnauth and look forward to her contribution.

## BASIS OF PREPARATION

The summarised unaudited financial statements for the quarter and six months ended 31 December 2023 ("**summarised unaudited 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 unaudited 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 31 December 2023 that require any additional disclosure or adjustment to these summarised unaudited financial statements.

## **AUDITORS**

These summarised unaudited financial statements were approved by the Board on 13 February 2024. These summarised unaudited financial statements have not been reviewed or reported on by the Company's external auditors, Nexia Baker & Arenson.

By order of the Board

**14 February 2024**

### **Intercontinental Trust Limited**

Company Secretary

For further information please contact:

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

Java Capital

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

Perigeum Capital Ltd

+230 402 0890

#### **Company Secretary**

Intercontinental Trust Limited

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## **NOTES**

Copies of these summarised unaudited 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 12.19 and the JSE Listings Requirements.

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

**SUMMARISED UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023**

	As at 31 December 2023 (Unaudited) GBP	As at 30 June 2023 (Audited) GBP
<b>Assets</b>		
<b>Non-current assets</b>		
Investments at fair value through profit or loss	84,634,147	83,205,135
Receivables	2,459,709	2,459,709
	<u>87,093,856</u>	<u>85,664,844</u>
<b>Current assets</b>		
Receivables and prepayments	10,532,991	7,641,118
Cash and cash equivalents	978,395	15,122,525
	<u>11,511,386</u>	<u>22,763,643</u>
<b>Total assets</b>	<u>98,605,242</u>	<u>108,428,487</u>
<b>Equity</b>		
Stated capital	72,641,018	72,641,018
Retained earnings	21,869,596	21,803,598
	<u>94,510,614</u>	<u>94,444,616</u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Borrowings	7,304	9,360,464
<b>Current liabilities</b>		
Payables and accruals	4,087,324	4,623,407
	<u>4,087,324</u>	<u>4,623,407</u>
<b>Total liabilities</b>	<u>4,094,628</u>	<u>13,983,871</u>
<b>Total equity and liabilities</b>	<u>98,605,242</u>	<u>108,428,487</u>
<b>NAV per share</b>	<b>1.297</b>	<b>1.296</b>
<b>Number of shares in issue</b>	<b>72,894,199</b>	<b>72,894,199</b>

**SUMMARISED UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2023**

	Quarter ended 31 December 2023 (Unaudited) GBP	Quarter ended 31 December 2022 (Unaudited) GBP	Six months ended 31 December 2023 (Unaudited) GBP	Six months ended 31 December 2022 (Unaudited) GBP
<b>Income</b>				
Interest income	1,044,750	274,887	1,292,850	450,599
Dividend income	-	169,642	-	335,615
Other income	50,000	21,000	60,800	78,500
<b>Total income</b>	<b>1,094,750</b>	<b>465,529</b>	<b>1,353,650</b>	<b>864,714</b>
<b>Expenditure</b>				
Management fees	(467,642)	(584,577)	(930,719)	(1,143,335)
Performance fees (accrued but not paid)	260,904	362,670	511,662	720,731
Interest paid	-	(264,585)	(15,459)	(426,641)
Amortisation of structuring fee	(8,333)	(28,309)	(61,764)	(56,618)
General and administrative expenses	(163,880)	(133,830)	(320,569)	(314,977)
<b>Total expenditure</b>	<b>(378,951)</b>	<b>(648,631)</b>	<b>(816,849)</b>	<b>(1,220,840)</b>
<b>Operating profit / (loss)</b>	<b>715,799</b>	<b>(183,102)</b>	<b>536,801</b>	<b>(356,126)</b>
Fair value (loss) / gain on remeasurement of financial assets at fair value through profit or loss	(491,858)	(1,284,471)	(98,252)	101,552
Impairment loss	(187,176)	(169,642)	(371,553)	(335,615)
Net foreign exchange loss	(474)	(248)	(998)	(991)
<b>Profit / (loss) before tax</b>	<b>36,291</b>	<b>(1,637,463)</b>	<b>65,998</b>	<b>(591,180)</b>
Tax expense	-	-	-	-
<b>Profit / (loss) profit for the quarter / period</b>	<b>36,291</b>	<b>(1,637,463)</b>	<b>65,998</b>	<b>(591,180)</b>
<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 quarter / period, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the quarter / period</b>	<b>36,291</b>	<b>(1,637,463)</b>	<b>65,998</b>	<b>(591,180)</b>
<b>Weighted average number of shares in issue</b>	<b>72,894,199</b>	<b>72,786,163</b>	<b>72,894,199</b>	<b>72,786,163</b>
<b>Basic and headline earnings / (loss) per share (pence)*</b>	<b>0.05</b>	<b>(2.25)</b>	<b>0.09</b>	<b>(0.81)</b>

\* The earnings per share for the quarter ended 31 December 2023 and earnings per share for the six months ended 31 December 2023 are based on a profit after tax of GBP 36,291 and a profit after tax of GBP 65,998 for the Company respectively and the weighted average number of shares in issue of 72,894,199 (31 December 2022: Based on a loss after tax of GBP 591,180 and the weighted average number of shares in issue of 72,786,163).

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

**SUMMARISED UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2023**

	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>
Loss for the period	-	(591,180)	(591,180)
Other comprehensive income for the quarter	-	-	-
<b>Transactions with shareholder</b>	-	(591,180)	(591,180)
<b>Balance at 31 December 2022</b>	<b>72,481,860</b>	<b>31,564,155</b>	<b>104,046,015</b>
<b>Balance at 1 July 2023</b>	<b>72,641,018</b>	<b>21,803,598</b>	<b>94,444,616</b>
Profit for the period	-	65,998	65,998
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	-	65,998	65,998
<b>Balance at 31 December 2023</b>	<b>72,641,018</b>	<b>21,869,596</b>	<b>94,510,614</b>

**SUMMARISED UNAUDITED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023**

	Six months ended 31 December 2023 (Unaudited) GBP	Six months ended 31 December 2022 (Unaudited) GBP	Year ended 30 June 2023 (Audited) GBP
<b>Operating activities</b>			
Profit / (loss) for the period / year	65,998	(591,180)	(3,062,172)
Adjustments for:			
Fair value loss / (gain) on remeasurement of investments at fair value through profit or loss	98,252	(101,552)	792,690
Impairment loss	371,553	335,615	836,745
Interest income accrued	(1,292,850)	(450,599)	(1,334,634)
Dividend income	-	(335,615)	(680,586)
Amortisation of structuring fee	61,764	56,618	113,236
Interest on borrowings accrued	15,459	426,641	1,096,744
Raising fees (capitalised to loan)	(60,800)	(78,500)	(87,000)
Commitment fee payable	90,637	76,088	90,005
Net changes in working capital:			
Changes in receivables and prepayments	(6,420)	(5,471)	3,977,561
Changes in payables and accruals	(536,083)	(697,868)	(1,128,605)
Net cash flows utilised in operating activities	<u>(1,192,490)</u>	<u>(1,365,823)</u>	<u>613,984</u>
<b>Investing activities</b>			
Acquisition of investments	(1,423,128)	(5,000,000)	(5,000,000)
Proceeds received from sale of investment	-	-	30,302,165
Loans advanced to subsidiaries	(2,040,000)	(3,925,000)	(4,350,000)
Interest received	32,509	1,494	35,358
Net cash flows (utilised in) / generated from investing activities	<u>(3,430,619)</u>	<u>(8,923,506)</u>	<u>20,987,523</u>
<b>Financing activities</b>			
Loan received	-	10,250,000	10,675,000
Loan repaid	(9,000,000)	-	(10,000,000)
Interest paid	(421,021)	(162,057)	(474,952)
Payment of structuring fee	(100,000)	(125,000)	(125,000)
Dividends paid	-	-	(7,289,565)
Net cash flows (utilised in) / generated from financing activities	<u>(9,521,021)</u>	<u>9,962,943</u>	<u>(7,214,517)</u>
Net change in cash and cash equivalents	(14,144,130)	(326,386)	14,386,990
Cash and cash equivalents at the beginning of the period / year	<u>15,122,525</u>	<u>735,535</u>	<u>735,535</u>
<b>Cash and cash equivalents at the end of the period / year</b>	<b><u>978,395</u></b>	<b><u>409,149</u></b>	<b><u>15,122,525</u></b>