

**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 "the Company")



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## SUMMARISED AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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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.

The Company's primary objective is to achieve strong capital appreciation in Pounds Sterling ("GBP") over the medium to long-term by investing in businesses that meet the investment criteria set out in the Company's investment policy.

### BUSINESS REVIEW

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

The Company has made six investments since its listing and successfully concluded the first exit.

The sale of YASA Limited ("YASA") to Mercedes-Benz AG ("MBAG") was completed in August 2021 for a total consideration of GBP 42.8 million. The deal resulted in gross proceeds of 3.00 times money invested and an Internal Rate of Return, after allowing for transaction fees and carried interest charges, of 27.6%. The UPL board (the "Board") is pleased with the outcome of the transaction and the value it has created for shareholders in the period since the first investment in YASA was made in August 2017.

The Company's remaining investments have dealt successfully with the disruption caused by the Covid-19 pandemic, adapting their operations as necessary while ensuring that the safety of their staff and customers was not compromised.

#### **Dentex Healthcare Group Limited ("Dentex")**

[www.dentexhealth.co.uk](http://www.dentexhealth.co.uk)

Dentex continues to perform ahead of expectations, both in terms of the performance of the existing estate of practices and in relation to the sourcing, acquisition and integration of high-quality dental practices. Dentex currently owns 95 dental practices, having completed the acquisition of a further 24 sites since it recommenced acquisition activity in November 2020. Dentex has signed heads of terms with a further 16 practices that are currently in due diligence.

Demand for private dentistry remains strong and Dentex practices are delivering consistent growth in profitability. The current funders are very supportive of the business, having increased their facilities in July 2021 to fund Dentex's ambitious acquisition strategy.

#### **YASA Limited ("YASA")**

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

During the reporting period, YASA continued to deliver electric motors to its clients in accordance with the committed production schedules. Management and the Board concluded a Letter of Intent with MBAG in May 2021, in terms of which MBAG would acquire the automotive business of YASA. The parties concluded a share purchase agreement during June, and the proposed transaction was completed during August 2021. Prior to the completion of the transaction, the company

was restructured in order for the YASA Aerospace business to be sold to a new consortium, given that MBAG was purely interested in buying the automotive activities.

MBAG is one of the premier engineering led, global automotive players, with a proud history of innovation, quality, safety and performance. MBAG has made a number of public announcements regarding their plans to electrify their full automotive range, and to withdraw internal combustion powered vehicles from a large number of markets post 2030. MBAG has placed the YASA technology at the heart of their future electrification strategy, and the Company is pleased to have identified and supported YASA during the period of its investment, playing a role in maturing the organisation to a point where MBAG is prepared to invest substantially in its future.

In terms of the disposal agreements, around 80% of the sale proceeds was received on completion of the transaction. The balance due is deferred over a period of years, to be released according to a pre-agreed schedule. The Company will remain actively involved in engagements with MBAG in terms of this deferral, in order to ensure that the maximum value is released to shareholders over the period.

### **SC Lowy Partners (“SC Lowy”)**

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

SC Lowy Partners is a specialist financial group covering high yield and distressed debt market-making and investment management, along with its Italian and Korean banking subsidiaries.

Solution Bank in Italy continued its unbroken record of increased profits every quarter since acquisition in 2018, and now provides an excellent platform for SC Lowy to raise deposits and source assets across Europe. Cheoun Savings Bank in Korea continues to deliver top quartile returns in its sector.

Distressed debt and high yield opportunities in Asia and Europe currently offer excellent returns, and SC Lowy’s Primary Investments Fund continued to perform strongly over the 6 months from 1 January to 30 June 2021, delivering net returns after fees in excess of 12.5%. Consequently, Assets Under Management (“AUM”) has grown resulting in increased management and performance fees, while trading income substantially exceeded budget for the period. The Strategic Investment (special situations) funds have likewise continued to show strong returns to investors, resulting in better than expected management and performance fees. The Second Strategic Investments fund was launched in the first quarter of 2021, with initial subscriptions exceeding expectations at the first close in April 2021. As a result of the excellent performance over the first half of 2021, SC Lowy had already exceeded their full year results for 2020.

SC Lowy management expects that the normalisation of financial markets post the unprecedented financial support during the COVID crisis, will continue to offer selective, attractive opportunities to those able to identify and manage balance sheet restructuring. This will bring benefits in terms of profitability and the quantum of AUM.

### **JSA Services Limited (“JSA”)**

[www.jsagroup.co.uk](http://www.jsagroup.co.uk)

As reported previously, the implementation of IR35 in the private sector of the UK contractor market has had a meaningful impact on the industry. The large, compliant payroll service providers such as JSA have experienced material growth in their umbrella customer bases, while seeing an expected reduction in the number of PSC clients. The net effect on JSA has been positive, with its contractor base expanding to around 25 000 people, a significantly broader range of employment agency customer relationships and a marked shift towards higher paid customers who work in the professional sectors of the UK economy.

With the implementation of IR35 completed, JSA has returned to its core strategy of being an industry consolidator, while driving organic growth from its substantial customer base. As regards acquisitions, the integration of the Workr Group that was acquired in April is well underway and the performance of this acquisition to date is ahead of plan. JSA has agreed Heads of Terms with an additional target company that, if acquired, will help to expand the range of services that it is able to offer and help to boost operating margins. Additional acquisition opportunities are being pursued and conversations with the vendors in each case are progressing.

With the twin disruptions of COVID-19 and IR35 largely behind it, JSA is well placed to capitalise on the substantial opportunities that are available in the growing flexible worker sector of the UK economy.

## **TechStream Group (“TSG”)**

www.techstreamgroup.com

The positive momentum that TSG showed during the first quarter to March 2021 has continued and the company remains ahead of its financial plan for the seven months to July. The new management team and operating model are performing well, resulting in a consistent performance from month to month. Demand for the scarce skills and services that TSG provides to its customers internationally remains robust, which bodes well for the remainder of the financial year to December. In line with many of its competitors, TSG is finding it challenging to fill vacant sales positions due to an industry wide shortage of suitably skilled candidates. One of the ways that TSG is addressing this challenge is via their graduate recruitment and training programme.

TSG management remain focused on growing in specific, niche areas of the high-end technology skills market, while improving efficiency across the business. All geographic areas are performing well except for the German contractor market, where a remedial plan is being implemented. Greater emphasis is being placed on increasing collaboration across the different divisions of TSG and maximising the significant opportunities presented by its extensive customer base. The management team is also evaluating various strategies to simplify the structure of the business.

## **Propelair**

www.propelair.com

Propelair continued to be impacted adversely by COVID related disruption during the period, which has lengthened the sales cycle between first engagement and a final decision to implement. Many organisations have moved to remote working, and have accordingly put investment into their facilities on hold, despite the proven hygiene and water saving benefits of Propelair’s technology. Management remains confident that as activity returns to normal, their sales pipeline will convert into cash, particularly given the increased focus on the sustainable use of scarce resources such as water.

## **FINANCIAL REVIEW**

For the year under review, interest income of GBP 109,753 included interest earned from providing short-term bridging loans to investee companies as well as interest earned from investing excess cash in interest bearing fixed deposits.

Dividends received comprise an accrual raised on the preferred shares subscribed for by the Company in TSG and amounted to GBP 574,540 for the year. These dividends are provided for immediately as the Board is of the opinion that the valuation of Techstream should remain unchanged compared to that previously reported.

Included in other income is a raising fee of GBP 30,000 earned by the Company in relation to providing a short-term bridging loan to TSG.

Detailed valuations of the Company’s investments are performed every six months. At 30 June 2021, the valuations performed for Dentex and JSA indicated an increase in the fair values of these investments based on improved and sustainable performance during the period. The Company therefore increased the valuations of these two investments by GBP 8,934,478 and GBP 4,162,233 respectively. In addition to this, and as mentioned above, the Company completed the sale of YASA to MBAG, subsequent to the year end. The valuation of YASA was accordingly increased to reflect the total expected proceeds receivable. The total fair value gain on re-measurement of financial assets at fair value through profit or loss, taking into account all of the above, was GBP 33,953,487 for the year. The valuation of the investments in TSG and Propelair remain unchanged from the prior year.

The Company’s investment in SC Lowy is reflected at its original cost and is denominated in US Dollars (“USD”). During the year, the translation effect of exchange rate movements between the USD and the GBP resulted in a foreign exchange loss of GBP 1,341,471.

Management fees paid during the year amounted to GBP 1,770,416, incurred in terms of the investment management agreement between the Company and Argo. General and administrative expenses amounting to GBP 337,137 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 and proceeds have been received. The increase in the valuations of the Company’s investments during the year resulted in an additional accrual of GBP 4,240,144.

The Company incurred interest of GBP 390,773 during the year on the RMB term loan facility. This facility was repaid in full, in accordance with the facility agreements, post completion of the YASA disposal.

#### **NET ASSET VALUE (“NAV”)**

The NAV per share as at 30 June 2021 was GBP 1.453 (30 June 2020: GBP 1.095).

#### **EARNINGS AND LOSS PER SHARE**

The profit per share of 35.80 pence for the year ended 30 June 2021 and the loss per share of 4.81 pence for the year ended 30 June 2020 are based on the Company’s profit after tax of GBP 25,897,867 for the year ended 30 June 2021 and loss after tax of GBP 3,478,437 for the year ended 30 June 2020 respectively. The weighted average of shares in issue for both reporting periods was unchanged at 72,350,131.

#### **DECLARATION OF CASH DISTRIBUTION**

The Board is pleased to announce that a cash distribution of GBP 15 million, equating to 20.7 GBP pence per share, for the year ended 30 June 2021 was approved at the Board meeting held on 13 September 2021.

Further information regarding the proposed cash distribution will be announced by the Company in due course.

#### **BASIS OF PREPARATION**

The summarised audited financial statements for the year ended 30 June 2021 (“**summarised audited financial statements**”) have been prepared using accounting policies consistent with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”) and in accordance with International Accounting Standard (IAS) 34 – Interim Financial Reporting, the SEM Listing Rules, the Mauritian Securities Act 2005 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 2020.

The directors are not aware of any circumstances or matters arising subsequent to the period that require any additional disclosure or adjustment to these summarised audited financial statements.

#### **AUDITORS**

These summarised audited financial statements were approved by Board on 13 September 2021. Grant Thornton, the external auditors, have issued an unmodified audit opinion on the Company’s audited financial statements for the year ended 30 June 2021.

By order of the Board

**14 September 2021**

#### **Intercontinental Trust Limited**

Company secretary

For further information please contact:

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Intercontinental Trust Limited

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## **NOTES**

Copies of these summarised audited financial statements as well as copies of the statement of direct or indirect interests of the Senior Officers of the Company pursuant to Rule 8(2)(m) of the Securities (Disclosure of Obligations of Reporting Issuers) Rules 2007 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, Section 88 of the Mauritian Securities Act 2005 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 2021**

	<b>As at 30 June 2021</b> <b>(Audited)</b> <b>GBP</b>	<b>As at 30 June 2020</b> <b>(Audited)</b> <b>GBP</b>
<b>Assets</b>		
<b>Non-current</b>		
Investments at fair value through profit and loss	<u>80,111,899</u>	<u>87,806,011</u>
<b>Current</b>		
Investments at fair value through profit and loss	42,806,128	
Receivables and prepayments	1,739,825	96,146
Cash and cash equivalents	<u>1,315,339</u>	<u>582,560</u>
	<u><b>45,861,292</b></u>	<u><b>678,706</b></u>
<b>Total assets</b>	<u><b>125,973,191</b></u>	<u><b>88,484,717</b></u>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
Stated capital	71,847,164	71,847,164
Retained earnings	<u>33,244,889</u>	<u>7,347,022</u>
	<u><b>105,092,053</b></u>	<u><b>79,194,186</b></u>
<b>Non current</b>		
Borrowings	<u>-</u>	<u>7,631,250</u>
<b>Current</b>		
Payables	6,350,903	1,659,281
Borrowings	<u>14,530,235</u>	<u>-</u>
	<u><b>20,881,138</b></u>	<u><b>1,659,281</b></u>
<b>Total equity and liabilities</b>	<u><b>125,973,191</b></u>	<u><b>88,484,717</b></u>
<b>NAV per share</b>	<b>1.453</b>	<b>1.095</b>

**SUMMARISED AUDITED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021**

	Year ended 30 June 2021 (Audited) GBP	Year ended 30 June 2020 (Audited) GBP
<b>Income</b>		
Interest income	109,753	111,217
Dividend income	574,540	248,430
Other income	30,000	128,000
<b>Total income</b>	<u>714,293</u>	<u>487,647</u>
<b>Expenditure</b>		
Management fees	(1,770,416)	(1,571,149)
Transaction costs	(2,932)	(9,968)
Performance fees (accrued but not paid)	(4,240,144)	731,723
Interest paid	(390,773)	(128,476)
Amortisation of structuring fee	(112,500)	(56,250)
General and administrative expenses	(337,137)	(447,639)
<b>Total expenditure</b>	<u>(6,853,902)</u>	<u>(1,481,759)</u>
<b>Operating loss</b>	(6,139,609)	(994,112)
Fair value gain / (loss) on remeasurement of investments at fair value through profit or loss	33,953,487	(2,848,986)
Impairment loss	(574,540)	-
Net foreign exchange (loss) / gain	(1,341,471)	364,661
<b>Profit / (loss) before tax</b>	<u>25,897,867</u>	<u>(3,478,437)</u>
Taxation	-	-
<b>Profit / (loss) for the year</b>	<u>25,897,867</u>	<u>(3,478,437)</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 income for the year</b>	<u><u>25,897,867</u></u>	<u><u>(3,478,437)</u></u>
	<b>Pence</b>	<b>Pence</b>
<b>Basic and headline profit / (loss) per share*</b>	<u><u>35.80</u></u>	<u><u>(4.81)</u></u>

\* The profit per share for the year ended 30 June 2021 and loss per share for the year ended 30 June 2020 are based on a profit after tax of GBP 25,897,867 and loss after tax of GBP 3,478,437 for the Company respectively and the weighted average number of shares in issue of 72,350,131.

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

**SUMMARISED AUDITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED**  
**30 JUNE 2021**

	Stated Capital GBP	Retained Earnings GBP	Total GBP
<b>At 1 July 2019</b>	<b>71,847,164</b>	<b>10,825,459</b>	<b>82,672,623</b>
Loss for the year	-	(3,478,437)	(3,478,437)
Other comprehensive income	-	-	-
<b>Transactions with shareholders</b>	-	(3,478,437)	(3,478,437)
<b>At 30 June 2020</b>	<b>71,847,164</b>	<b>7,347,022</b>	<b>79,194,186</b>
<b>At 1 July 2020</b>	<b>71,847,164</b>	<b>7,347,022</b>	<b>79,194,186</b>
Profit for the year	-	25,897,867	25,897,867
Other comprehensive income	-	-	-
<b>Transactions with shareholders</b>	-	25,897,867	25,897,867
<b>At 30 June 2021</b>	<b>71,847,164</b>	<b>33,244,889</b>	<b>105,092,053</b>



**SUMMARISED AUDITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED  
30 JUNE 2021**

	Year ended 30 June 2021 (Audited) GBP	Year ended 30 June 2020 (Audited) GBP
<b>Operating activities</b>		
Profit / (loss) for the year	25,897,867	(3,478,437)
<i>Adjustments for:</i>		
Impairment loss	574,540	-
Fair value (gain) / loss) on remeasurement of investments at fair value through profit or loss	(33,953,487)	2,848,986
Interest on borrowings accrued	390,773	128,476
Commitment fee payable	46,851	-
Interest income accrued	(109,753)	(111,217)
Dividend income accrued	(574,540)	(248,430)
Net foreign exchange gains / (loss)	1,341,471	(364,661)
Raising fees (shares issued in lieu of)	-	(75,001)
Raising fees (capitalised to loan)	(30,000)	-
Amortisation of structuring fee	112,500	56,250
<i>Net changes in working capital:</i>		
Changes in receivables and prepayments	(4,309)	(224)
Changes in payables and accruals	4,691,622	(713,033)
Net cash flows utilised in operating activities	<u>(1,616,465)</u>	<u>(1,957,291)</u>
<b>Investing activities</b>		
Acquisition of investments	(2,500,000)	(11,882,981)
Loan advanced to subsidiaries	(1,500,000)	(247,680)
Loans repaid by subsidiaries	-	691,582
Interest received	383	111,217
Net cash flows utilised in investing activities	<u>(3,999,617)</u>	<u>(11,327,862)</u>
<b>Financing activities</b>		
Loan received	6,500,000	-
Interest paid	(151,139)	(128,476)
Payment of structuring fee	-	(225,000)
Net cash flows generated from / (utilised in) financing activities	<u>6,348,861</u>	<u>(353,476)</u>
Net change in cash and cash equivalents	732,779	(13,638,629)
Cash and cash equivalents at the beginning of the year	582,560	14,220,935
Effect of exchange rate changes on cash and cash equivalents	-	254
<b>Cash and cash equivalents at the end of the year</b>	<b><u>1,315,339</u></b>	<b><u>582,560</u></b>