



Voyage BidCo Limited
Results for year ended 31 March 2021

Voyage Care BondCo PLC

£215,000,000 5 7/8% Senior Secured Notes due 2023

£35,000,000 10% Second Lien Notes due 2023



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There may be various statements contained within this document that constitute “forward-looking statements”. Words like “believe,” “anticipate,” “should,” “intend,” “plan,” “will,” “expects,” “estimates,” “projects,” “positioned,” “think,” “strategy,” and similar expressions identify these forward-looking statements, which involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements or industry results to be materially different from those contemplated, projected, forecasted, estimated or budgeted, whether expressed or implied, by these forward-looking statements. These forward-looking statements involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, regulatory matters affecting our businesses and changes in law. These forward-looking statements speak only as of the date of this report, and we assume no obligation to update our forward-looking statements to reflect actual results, changes in assumptions or changes in factors affecting these statements.

Voyage Care BondCo PLC is a public limited company incorporated under the laws of England and Wales and is a direct wholly owned subsidiary of Voyage BidCo Limited and an indirect wholly owned subsidiary of Voyage Care HoldCo Limited (previously Viking HoldCo Limited). In this Annual Report, ‘Issuer’ refers only to Voyage Care BondCo PLC. In this Annual Report, ‘we’, ‘us’, ‘our’ and the ‘Group’ refer to Voyage Care HoldCo Limited or Voyage BidCo Limited and their consolidated subsidiaries, unless the context otherwise requires. Our registered office is located at Wall Island, Birmingham Road, Lichfield, Staffordshire, WS14 0QP and our website is www.voyagecare.com. The information contained on our website is not part of this Annual Report.



Executive Summary

Financial highlights

The table below summarises financial information for the year ended 31 March 2021:

£ million	FYE 2021	FYE 2020
Revenue	274.2	267.0
EBITDA (before non-underlying items)	44.8	45.1
Operating profit	25.7	25.7
Loss for the period	3.4	4.9
Operating cash flow	33.9	35.6
Net Debt:		
Senior Secured Notes	215.0	215.0
Second Lien Notes	35.0	35.0
Revolving credit facility	0.0	45.0
Unamortised original issue discount on Second Lien Notes	0.0	0.0
Gross Debt	250.0	295.0
Cash at bank and in hand	(40.7)	(80.1)
Restricted cash & deferred consideration	2.2	0.4
Total	211.5	215.2
Net Debt / EBITDA (before non-underlying items) **	4.72x	4.78x

* excludes cash flows in relation to acquisitions and maintenance capex

** before pro-forma adjustments, permitted by the bond documentation

Commentary on results

Performance during FYE 2021 vs. FYE 2020

- CQC quality scores remain very high with 94.9% of services achieving a Good or Outstanding rating.
- Revenue increased 2.7% to £274.2 million primarily due to growth in our Community based care division and fee increases, partially offset by the impact of the Covid-19 Pandemic.
- EBITDA reduced 0.7% to £44.8 million primarily due to the Supported Living Freehold sale along with the impact of the Covid-19 Pandemic.
- YTD like for like estimated EBITDA increase by £1.9 million to £46.2 million.
- Registered closing occupancy was 91.9% compared to 94.2% in FYE 2020.
- Community based care average direct weekly care hours increased by 3,600 hours compared to FYE 2020, closing at 102,050 hours.
- Supreme Court hearing on Royal Mencap and Sleep-ins took place on 12th - 13th February 2020 and Judgement was delivered 19th March 2021. The judgement confirmed that sleeping time does not count as working time for National Minimum Wage purposes and we have therefore removed our contingent liability disclosure of £16m.
- We are following Government guidance in relation to Covid-19, and we are an indirect beneficiary of increased Government funding to local authorities for the sector (currently £5.0Bn). The safety of our employees and the people we support, together with associated operational impacts are being well managed.



Recent developments

- Constructive fee increase discussions for FY22 continuing with commissioners
- Commissioning activity amongst local authority and CCG customers is getting back to normal and we are seeing high levels of referrals and tenders
- We have seen a positive increase in Registered Occupancy in Q4 and this trend is continuing
- Free Government issued PPE to be available until March 2022. No further infection control or rapid testing funded announced.

Covid-19 Update

- In FYE 2021 we have seen a number of financial impacts of the Covid-19 pandemic on our business reflected in the underlying P&L:
 - (i) Temporary reduction in Registered occupancy due to delays in new joiners.
 - (ii) Temporary reduction in community hours of ca. 4,000 hours from cancelled shifts due to people we support needing to shield and day centre closures
 - (iii) Staff cost increases to cover higher than normal absence due to self-isolation
 - (iv) Reduced agency hours and costs
 - (v) Lower other costs including travel.
- Underlying Items due to Covid-19 totalled £1.3m with costs of £8.7m, mainly due to staff costs and PPE, partially offset by £7.5m of cost reimbursement. In addition, we were able to take advantage of the Coronavirus Job Retention Scheme to cover the majority of costs for those employees who need to shield.
- We have estimated the Covid-19 impact on underlying financial performance as follows:

EBITDA Covid-19 Impact

	£ million	
	Movement	EBITDA
FYE 2020 (Reported)		45.1
SL Property Freehold Sale	(0.8)	
FYE 2020 L4L (Adjusted for SL Freehold Sale)		44.3
FYE 2021 L4L (exc. Covid-19 Impact)		46.3
Reduction in Community Hours	(1.2)	
Registered Occupancy	(0.8)	
Staff Costs	(5.6)	
Agency Costs	4.9	
Other Costs	1.1	(1.5)
FYE 2021 (Reported)		44.8



Covid-19 Update Continued

- We have estimated the Covid-19 impact on **non-underlying** financial performance as follows:

£ million	FYE 2021
Non-Underlying items Covid -19 Consist of:	
Staff Costs	3.8
Agency Costs	0.6
PPE/Infection Control	4.3
Total Covid-19 Costs	8.7
Reimbursement	(7.5)
Non-Underlying items Covid-19	1.3
Non Covid-19 related	1.8
Total Non-Underlying items	3.0



Company Overview

We are the leading provider of registered care homes, measured in terms of beds, with a growing presence in Community based care for adults with learning disabilities and other related complex and challenging support needs across the UK. The vast majority of people we support have life-long conditions and high acuity needs, which have been assessed as either 'critical' or 'substantial' by local authorities and the NHS and therefore require on-going care services to help them look after themselves.

- We supported 3,400 people as at 31 March 2021, comprising 1,868 through our registered care division and a further 1,532 through our Community based care service division.
- The typical person we support in each of our divisions is between the ages of 18 and 65 and has high dependency needs. Our registered care division typically provides at least two support staff members for every three individuals. This level of support is reflected in our average weekly fee of £1,799 per person for the twelve months ended 31 March 2021. Our Community based care division, as at 31 March 2021, delivered approximately 101,000 direct hours of care per week. The provision of support averaged approximately 66 hours per week per person at an average direct hourly rate of £19.25 for the last twelve months ended 31 March 2021.
- Our 'person centred' approach to care ensures that we deliver quality, bespoke care packages tailored to the complex, high acuity care needs of the people we support. Quality scores remain high, with 95% of services inspected achieving a rating of Good or Outstanding following inspection. In Wales and Scotland, all of our services are 'compliant' with their respective inspection regimes.
- With approximately 11,500 staff, we strive to meet the requirements of each person we support and develop bespoke care packages tailored to their needs.

Our services

Our focus on quality of care services is core to all of our operations. The learning disability sector in which we operate is both highly regulated and fragmented. We are one of the few larger providers operating exclusively in this sector and specialising in providing care support for people with complex, high acuity support needs.

Our business is organised into two divisions based on the type of setting in which care is provided: our Registered care division where the home is directly registered with CQC; and our Community based care division where our regional Community based Domiciliary Care Agencies (DCAs) are registered with the CQC and the care and support we provide is in the person's own home which may be in one of our Supporting Living locations. Our business divisions complement the regulatory and delivery models of our services and provide flexibility to suit the needs of the people we support. Our divisions are as follows:

- **Registered care**

We provided care to individuals in our 263 registered homes as at 31 March 2021. We hold the freehold interest in 231 of our registered homes representing 88% by number of beds, with the remaining 32 of our registered homes being Leasehold properties. At 31 March 2021 we had 2,033 beds in our registered properties with an average of 8 beds per property, each providing an adapted environment for the people we support.

- **Community based care**

Our Community based care division operated out of 40 registered DCAs as at 31 March 2021. Typically, the people we support in our Community based care division live in individual or communal accommodation provided by government agencies or registered social landlords that are registered with the Homes and Communities Agency. Included within Community based care is Children's Complex Care (unless otherwise stated within this report), which supports young individuals living with their families who require specialist care or nursing.



Employees

Like all companies which provide social care services, the key to the Group's success is the skills and capabilities of the people we employ.

The Group recognises the recruitment, training and retention of skilled employees is critical to its success. As a result, we continued to invest in training, approximately £1.4 million in the year ended 31 March 2021 (2020: £2.5 million), in order to ensure that our employees are fully up-to-date in the best ways of providing care for those we support.

The Group has an in-house learning and development team which is dedicated to delivering courses on all relevant subjects, enabling the Group's employees to gain the necessary skill set, knowledge and confidence to achieve Voyage Care's high standards of care for the people we support. The Group's in-house learning and development team is also registered with Ofsted and has achieved a 'Good' rating. Recruitment from first point of contact to employment, including Disclosure and Barring Service checks, is administered by the Group's bespoke system, employee turnover is closely monitored and exit interviews performed to identify underlying trends.

The Group has a Human Resources department which works closely with the Group's employees to foster consultation in all matters, ensure fair pay for all and facilitate flexible working where feasible. The Group's policies ensure any discrimination will not be tolerated, either directly or indirectly, in recruitment or employment. We demonstrate the Group's commitment by promoting equal opportunities for current and potential employees, promoting an environment free from discrimination, bullying, harassment and challenging behaviour and providing support and encouragement to the employees to develop their careers and increase their contribution to the Group.

Voyage Care is committed to having a diverse workforce in terms of gender, ethnicity, background and experience at all levels within the organisation. We recognise that a diverse Senior Executive team is good for business in terms of gender and ethnicity as well as experience, background, skills and knowledge.

Insurance

We maintain insurance of the type, and in the amounts, that we believe are commercially reasonable and appropriate for our operational and risk profile. Our insurance programme includes the following coverage: medical malpractice insurance, public liability insurance and employers' liability insurance as well as coverage for property damage and business interruption risks, directors and officers liability insurance, coverage for group personal accident and professional indemnity and comprehensive insurance on motor vehicles operated by our employees.

Legal and regulatory proceedings

In the normal course of its business, we may be involved in legal proceedings. These fall broadly into the following three categories:

- Complaints and claims by the people we support, their family members or regulatory bodies in relation to our operations, which typically fall under our medical malpractice or public liability insurance policies.
- Complaints and claims by employees in relation to injuries sustained in the course of their employment.
- Complaints and claims from current or former employees in relation to alleged breaches of employment legislation, which do not fall under any of our insurance policies if resolved by an employment tribunal or settled privately.



In addition, a coroner's inquest (or the Welsh or Scottish equivalent thereof as applicable) may occasionally take place where there is a death of an individual at one of our homes. The police may be involved in these proceedings. We do not believe that the adverse resolution of any pending disputes, claims or litigation, individually or in the aggregate, would have a material adverse effect on our business, results of operations or financial condition. However, the result of any pending disputes or litigation cannot be predicted with any certainty. We are not currently subject to any legal proceedings that we believe to be material to our business as a whole.



Management

Board of Directors

The Board of Voyage Care HoldCo Limited (the ultimate parent undertaking of Voyage BidCo Limited), is composed of the following members:

Executives of the Company:		Executives of the Investors:	
Name	Job Title	Name	Job Title
Gavin Simonds	Non-executive Chair	Andrew Deakin	Institutional Director - Partners Group
Andrew Cannon	Chief Executive Officer	Dr Remy Hauser	Institutional Director - Partners Group
Jayne Davey	Chief Operating Officer	Stuart McMinnies	Institutional Director - Duke Street
Shaun Parker	Chief Financial Officer	Douglas Quinn	Institutional Director - Duke Street

Summarised below is a brief description of the experience of the individuals who serve as members of the Board of Directors of Voyage Care HoldCo Limited.

Executives of the Company

Gavin Simonds (Non-executive Chair) joined the board of the Company as Non-Executive Chairman in January 2015. Gavin has acted as non-executive chairman for a number of public and private companies. Within the healthcare sector these companies include Craegmoor, a provider of support to people with learning disabilities and the elderly and Classic Hospitals. Prior to his non-executive career, Gavin worked in the City of London and the hotel sector, including joint Managing Director of InterContinental Hotels.

Andrew Cannon (Chief Executive Officer) joined as Chief Executive Officer in August 2015. Prior to joining Voyage Care, Andrew was the Managing Director of Bupa Care Services, leading a team of 27,000 people across 300 residential homes and five care villages and caring for 40,000 people. Prior to this, Andrew was Director of Healthcare Delivery at Bupa, responsible for service call centres, claims (UK and India), administration services and a network of treatment “Centres of Excellence” across the UK. A qualified accountant with an MBA in European Business (distinction) and a BA Hons, Andrew’s previous experience was in a variety of sectors. He has worked for British Airways, MyTravel, Greenalls and, immediately prior to Bupa, he was the Finance Director of a private-equity backed telecommunications business. In addition to his role at Voyage Care, Andrew is also a Board member of Care England, the registered charity that represents independent care providers.

Jayne Davey (Chief Operating Officer) was appointed to the board of the Company on 1 October 2015 and has served as Chief Operating Officer since February 2015. Jayne had previously been our Director of Quality and Improvement since March 2013. For over fifteen years Jayne has held a number of senior positions both within the health and social care sector and for large corporate, quality led, service businesses. Jayne joined from Saga Healthcare where she was the Director responsible for the quality, safety and governance functions along with other key support and customer facing services.

Shaun Parker (Chief Financial Officer) is an experienced finance professional with over 25 years in Finance Director and Chief Financial Officer roles. During this time Shaun has worked for Mars Petcare in the UK and Germany, Diageo in the USA and UK, and CPP Group in the UK. Immediately prior to joining Voyage Care, Shaun was CFO of Tunstall Healthcare Group, the leading provider of alarm equipment and response solutions to support elderly and vulnerable people in their homes. Shaun has extensive experience of



finance leadership in growing businesses as well as leading corporate transactions, including numerous refinancings, an IPO, and mergers and acquisitions. In addition to his role at Voyage Care, Shaun is also a non-executive Director of Zen Internet Limited, an award winning Internet Service Provider.

Executives of the Investors

Andrew Deakin (Institutional Director) has been a director of the Company since August 2014.

Skills and experience: Andrew leads Partners Group's private equity team in London and has been with Partners Group since 2013. Prior to Partners Group, Andrew worked at Phoenix Equity Partners, Deloitte Corporate Finance and PricewaterhouseCoopers. Andrew has been involved in a broad range of consumer, education, healthcare and financial services businesses. He has a degree in economics from the University of Nottingham and is also a qualified Chartered Accountant.

External appointments/Directorships: Andrew is also a director of International Schools Partnership, Key Retirement and Tous.

Stuart McMinnies (Institutional Director) has been a director of the Company since November 2018. Stuart joined Duke Street in 2015 and is a Managing Partner.

Skills and experience: At Duke Street Stuart has worked on a number of deals, including leading the acquisition of two businesses to create Ardent Hire Solutions. Stuart joined Duke Street from 3i plc, where he had worked since 1995, becoming a Partner in 2003. While there he led some of 3i's most successful ever deals, including ABX, SR Technics and Fonecta as well as representing it on the boards of Foster + Partners and Asia Capital Reinsurance. Stuart has a degree in Mechanical Engineering from Southampton University and is a qualified Chartered Accountant.

External appointments/Directorships: Stuart is also a director of Ardent Hire Solutions, a non-executive director of the Education & Skills Funding Agency, a part of the Department for Education, and a trustee of Change, Grow, Live.

Dr Remy Hauser (Institutional Director) joined the board of the Company in October 2015.

Skills and experience: Remy is part of the industry value creation business unit, based in Zug and is globally responsible for Partners Group's Healthcare Vertical. He is a member of Partners Group's global investment committee, the private equity directs investment committee, and the private debt investment committee. He has been with Partners Group since 2001 and has 24 years of industry experience. Prior to joining Partners Group, he worked at Credit Suisse Financial Services. He holds an MBA from the University of Chicago Booth School of Business, Illinois and a PhD in molecular biology and biochemistry from the University of Basel, Switzerland.

External appointments/Directorships: Involved in all healthcare investments of Partners Group, he is currently also a board member of Cerba Healthcare, PCI Pharma Services and Eye Care Partners.

Douglas Quinn (Institutional Director) joined the board of the Company as a non-executive director in September 2014.

Skills and experience: Douglas held executive positions with Voyage Care from 2002 until 2010 and was the CEO from 2006 to 2010. He has over 35 years' experience in the care sector and as well as his role on the Voyage Care board, Douglas was recently Chairman of Baywater Healthcare, another Duke Street investment and a leading respiratory services provider in the UK, which was successfully exited in January 2018.

External appointments/Directorships: Douglas is the Chairman of the Outcomes First Group (formerly NFA Group), the UK's leading provider of fostering, education and care for vulnerable young people, and Chairman of Deeside Care, an operator of premium care homes for older people in the UK. Douglas is also an operating partner at Duke Street.



Executive Committee

The following individuals are members of the Executive Committee:

Name	Job Title
Andrew Cannon	Chief Executive Officer
Jayne Davey	Chief Operating Officer
Shaun Parker	Chief Financial Officer
Matthew Flinton	Commercial, Development and Property Director
Amanda Griffiths	Director of Quality

Matthew Flinton (Commercial, Development and Property Director) joined in January 2015 and has sixteen years' experience in the care sector. Matthew was Legal Director for Bupa UK for two years before joining Voyage as Commercial Director. Prior to that Matthew was Legal Director for the Bupa Care Services division, which operated care homes in the UK, Spain, Australia and New Zealand for six years. While at Bupa he led mergers and acquisitions, commercial, regulatory and policy teams and projects in social care in the UK and internationally. Previous roles include being a corporate finance partner at national law firm, Addleshaw Goddard.

Amanda Griffiths (Director of Quality) joined in 2013 as Head of Quality, Safety and Governance and was made Director of Quality in March 2015. Amanda leads the Quality team and provides guidance for the wider business on all regulatory and safety matters. Amanda has a clinical nursing background with experience in the care home industry since 1988. She held multiple senior positions before starting at Voyage, including Clinical Risk and Assurance manager at BUPA Care Homes and Director of Service Improvement at MHA.



Principal shareholders

The Company is ultimately majority-owned by investors whose investments are managed by Partners Group AG and Duke Street LLP. Whilst the Company is jointly controlled by Partners Group AG and Duke Street LLP, the Directors do not consider there to be an ultimate controlling party

Certain relationships and related party transactions

In the year ended 31 March 2021, consultancy fees and expenses were paid as follows:

- Consultancy fees of £150,000 (2020: £150,000) were paid and £150,000 (2020: £150,000) were accrued and expenses of £Nil (2020: £Nil) were paid to Duke Street LLP.
- Consultancy fees of £300,000 (2020: £300,000) were accrued and expenses of £Nil (2020: £Nil) were paid to Partners Group AG.
- Voyage 1 Limited made an Advance of £295,888 (2020: £295,888) to Viking Investments LP, the Advance bears a rate of interest of 10% and interest of £51,448 (2020: £46,654) was recognised during the year. As at 31 March 2021, the amount due was £551,350 (2020: £499,902); the Advance is repayable on demand at any time together with accrued interest.
- Partners Group AG is the parent company of Chambertin (Holdings) Limited and its subsidiaries. Civica UK Limited, a subsidiary of Chambertin (Holdings) Limited supplied software solutions including licence fees to the Voyage Care Group; fees of £779,000 were paid and £79,000 was outstanding as at 31 March 2021 (2020: £504,000 and £121,000 respectively).
- Duke Street LLP is a Member of PEPCO Services LLP. PEPCO Services LLP supplied services and consultancy to the Voyage Care Group; fees of £792,000 were paid and £Nil was outstanding as at 31 March 2021 (2020: £424,000 and £1,000 respectively).
- A Non-Executive Director of Voyage Care Holdco Limited is a Non-Executive Director for the Education and Skills Funding Agency. The Education and Skills Funding Agency paid the Voyage Care Group in relation to training refunds; income of £589,000 was received and £Nil was outstanding as at 31 March 2021 (2020: £684,000 and £Nil respectively).
- During the year, close family members of key management personnel were employed by the Group in administration roles and received remuneration totalling £36,000 (2020: £23,000). At the year end, amounts totalling £2,000 (2020: £2,000) were owed to the individuals.

Description of other indebtedness

Revolving Credit Facility

On 8 May 2017, Voyage, together with the Guarantors (Commerzbank Aktiengesellschaft, Lloyds Bank PLC and The Royal Bank of Scotland PLC), entered into a new £45 million super senior RCF Agreement (RCF). The RCF provides that we may elect to request additional facilities either as a new facility or as additional tranches of the RCF. The maximum aggregate principal amount of indebtedness outstanding under the RCF and all additional facility commitments shall not exceed an amount equal to the amount of consolidated EBITDA.

The RCF also contains a “notes purchase condition” covenant. Subject to certain exceptions set out in the RCF Agreement, we may not, and shall procure that no other member of the Group will, repay, prepay, purchase, defease, redeem or otherwise acquire or retire the principal amount of the Notes (Senior Secured Notes and Second Lien Notes) or any indebtedness ranking pari passu with the Notes (or any replacement or refinancing thereof as permitted under the RCF from time to time) prior to its scheduled repayment date in any manner which involves the payment of cash consideration of the Group to a person which is not a



member of the Group. The exceptions to such covenant include (among other things) payments that do not exceed 50% of the aggregate original principal amount of the Senior Secured Debt in existence.

The parent under the RCF is Voyage BidCo Limited, which is also an original borrower along with Voyage Limited, Voyage 1 Limited and Voyage Care Limited (each a “Borrower”, together the “Borrowers”). The RCF is guaranteed by the Guarantors and the Issuer. The facility agent (the “Agent”) under the RCF is Lloyds TSB Bank plc.

Intercreditor Agreement

In connection with the entry into the RCF and the Indentures, the Issuer, the Guarantors and certain other subsidiaries of Voyage BidCo Limited (the “Parent”) entered into the Intercreditor Agreement to govern the relationships and relative priorities among: (i) the lenders under the RCF; (ii) any persons that accede to the Intercreditor Agreement as counterparties to certain hedging agreements (collectively, the “Hedging Agreements”, the liabilities under such Hedging Agreements, the “Hedging Liabilities” and any persons that accede to the Intercreditor Agreement as counterparties to such Hedging Agreements being referred to in such capacity as the “Hedge Counterparties”); (iii) the Senior Secured Notes Trustee, on its own behalf and on behalf of the holders of the Senior Secured Notes (the “Senior Secured Noteholders”); (iv) the Second Lien Notes Trustee on its own behalf and on behalf of the holders of the Second Lien Notes (the “Second Lien Noteholders”); (v) intragroup creditors and debtors; and (vi) certain direct or indirect shareholders of the Parent in respect of certain structural debt that the Parent or another member of the Group has incurred or may incur in the future (including any subordinated shareholder loans).

A copy of the agreement is available from the Issuer.



Presentation of financial and other information

Financial data

This Annual Report includes the consolidated financial information (audited) of Voyage BidCo Limited and its subsidiaries for the financial year ended 31 March 2021 (“FYE 2021”) and 31 March 2020 (“FYE 2020”).

The consolidated financial statements consolidate those of the Company and its subsidiaries. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs), and the Company financial statements have been prepared in accordance with Financial Reporting Standard 101 (FRS101) ‘Reduced Disclosure Framework’ and the Companies Act 2006.

Other financial measures

In this Annual Report, we may present certain non-IFRS measures, including cash conversion, EBITDA, EBITDA after non-underlying items, EBITDA margin, EBITDAR, EBITDAR margin, EBITDAR after non-underlying items, Unit EBITDA (each, a ‘Non-IFRS Metric’), which are not required by, or presented in accordance with IFRS. In this report, where applicable, the following terms have the following meanings:

- ‘cash conversion’ means EBITDA less maintenance capital expenditure divided by EBITDA;
- ‘EBITDA’ means earnings before non-underlying items, interest, tax, depreciation (including profit and loss on disposal of non-current assets) and amortisation;
- ‘EBITDA margin’ means EBITDA divided by revenue expressed as a percentage;
- ‘EBITDA after non-underlying items’ means EBITDA adjusted by the effects of certain non-underlying charges
- ‘EBITDAR’ means EBITDA before rent expense;
- ‘EBITDAR margin’ means EBITDA before rent expense divided by revenue expressed as a percentage;
- ‘EBITDAR after non-underlying items’ means EBITDA after non-underlying items and before rent expense; and
- ‘Unit EBITDA’ means EBITDA before overhead expenses, which we believe is a useful indicator of EBITDA on a divisional basis.

We believe that EBITDA, EBITDAR and Unit EBITDA are relevant measures for assessing our performance because they are adjusted for certain items which, we believe, are not indicative of our underlying operating performance, and thus aid in an understanding of profitability.

We believe that EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist certain investors, security analysts and other interested parties in evaluating us. We believe that EBITDAR is a common measure in our industry because it allows comparability across the sector for operations regardless of whether a business leases or owns its properties.



The Non-IFRS Metrics in this Annual Report are used by different companies for differing purposes and are often calculated in ways that reflect the particular circumstances of those companies. Caution should be exercised in comparing the Non-IFRS Metrics reported by us to such metrics or other similar metrics as reported by other companies. None of our Non-IFRS Metrics is a measurement of performance under IFRS and those measures should not be considered as an alternative to net income or operating profit determined in accordance with IFRS. The Non-IFRS Metrics do not necessarily indicate whether cash flow will be sufficient or available to meet our cash requirement and may not be indicative of our historical operating results, nor are such measures meant to be predictive of our future results. Our Non-IFRS Metrics have limitations as analytical tools, and should not be considered in isolation.

Other data

Available beds

Our results of operations are impacted by the number of beds at certain locations as bed capacity determines the maximum number of people that can be cared for in our registered care division at any given time. Numbers of beds is presented in this Annual Report as at the end of the relevant period unless otherwise stated.

Occupancy

Occupancy presented in this Annual Report represents the total number of beds occupied in our registered care division as at the end of the relevant period unless otherwise stated.

Occupancy rates

Occupancy rates presented in this Annual Report represent the percentage of the total number of beds occupied in our registered care division as at the end of the relevant period unless otherwise stated.

Community based care

Our results of operations are impacted by the number of people supported in our Community based care division at any given time. The number of people supported in our Community based care division is presented in this Annual Report as at the end of the relevant period unless otherwise stated.

Fee rates

Fee rates depend on the service that is being provided and the funder that is paying for the care package and is dependent on the nature of the pricing agreement in place. The fee rates for our registered care division refer to the average weekly fees in a given period. The fee rates for our Community based care division refer to average hourly rates charged to a funder per carer in a given period.

Adjustments

Certain numerical information and other amounts and percentages presented in this report have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables may not conform exactly to the total figure given for that column or row or the sum of certain numbers presented as a percentage may not conform exactly to the total percentage given.

The abbreviation 'nm' is used in this report in certain instances when a percentage variance produces an erroneous or non-meaningful result.



Management's discussion and analysis of financial condition and results

Key factors affecting our results

Revenue

Revenue in our registered care division is primarily driven by the number of beds occupied at any given time, together with the fee rates charged for occupancy of such beds. Revenue in our Community based care division is primarily driven by the number of placements at any given time, together with the fee rates charged per hour for the delivery of care and support to those whom we support.

Registered available beds and Community based care placements

Changes in the number of our available beds and Community based care placements can have a significant effect on our results because our capacity determines the maximum number of individuals that we can provide care to at any given time and the number of placements determines the number of care hours that we are asked to provide at any given time.

The average available beds and average Community based care placements for the given periods are stated below:

	<u>FYE 2021</u>	<u>FYE 2020</u>
Registered beds	2,016	2,032
Community based care placements	1,668	1,719
Total	3,684	3,752

Occupancy rate

Our occupancy rates reflect the demand for our services, which is principally driven by our relationships with local authorities and NHS, reputation for quality, the ability to offer bespoke and complex care packages and flexibility to adapt the environment of our registered homes to suit the individual needs of the people we support. In addition to occupancy rates, we formally monitor admissions, leavers and the progress of referrals for vacancies on a weekly basis in order to ensure that we efficiently manage our vacancies and maximise our earnings.

The average occupancy rates for the given periods are stated below:

	<u>FYE 2021</u>	<u>FYE 2020</u>
Registered	92.8%	94.3%

Fee rates

Fee rates depend on the individual needs of the people we support, the complexity of care required and the type of accommodation needed. The majority of our contracts are spot contracts and fees are agreed with Local authorities and the NHS on an individual basis for each person we support.



Average weekly fees for registered beds and the average hourly rate for Community based placements for the LTM are stated below:

		LTM March	
		2021	2020
Registered	£wk	1,799	1,736
Community based Care (Direct)	£hr	19.25	18.41

Key operating expenses

Staff costs

Staff costs are our most significant expense and include wages and salaries, social security costs and other pension costs and cover the cost of support staff, senior support staff, service managers, regional management teams and central overhead staff costs comprising of our head office support functions. Our staff costs are affected by:

- our discretionary pay awards, which are periodic salary increases;
- increases in the national minimum wage and national living wage (both increased in April 2020);
- increases in national insurance rates;
- increases in wage rates for staff in other service industries (with which we compete for staff);
- legislation governing employee pensions, in particular legislation governing the automatic enrolment of employees into a workplace pension and minimum employer contribution rates; and
- bonus schemes, being annual and other schemes operating at any one time.

		FYE 2021	FYE 2020
Staff Costs *	£m	199.2	184.4
% Revenue		72.6%	69.1%
% Operating costs **		86.8%	83.1%

		FYE 2021	FYE 2020
Staff Costs (excluding central overheads) *	£m	182.5	167.8
% Revenue		66.6%	62.8%
% Operating costs **		79.6%	75.6%

* Staff costs stated before non-underlying items

** Excludes depreciation and impairment of property, plant and equipment, profit/(loss) on disposals of non-current assets, goodwill amortisation, interest and taxation



Other operating costs (in addition to staff costs)

Our other operating costs are principally comprised of operating costs to support our care homes. Key items of expenditure are agency costs, occupancy-related costs such as food and consumables, and non-occupancy-related costs such as rent, council tax, utilities (gas, electricity and water), property maintenance, insurance, vehicle rental and running costs.

Consolidated statement of profit & loss

£ million	FYE 2021	FYE 2020	% Change
Revenue	274.2	267.0	2.7%
Staff costs	(199.2)	(184.3)	(8.1%)
Agency Costs	(2.7)	(7.6)	64.6%
Direct expenses & consumables	(7.1)	(7.7)	7.5%
Property lease rentals	(0.4)	(0.6)	36.8%
Other lease rentals	(1.1)	(1.1)	(3.8%)
Other external charges	(18.9)	(20.6)	8.4%
EBITDA	44.8	45.1	(0.6%)
Non-underlying items	(3.0)	(1.6)	(89.4%)
EBITDA after non-underlying items	41.8	43.5	(3.9%)
Depreciation & impairment	(15.0)	(16.0)	6.1%
Profit/(Loss) on disposal of non-current assets	1.6	0.2	nm
Amortisation of intangible assets	(2.6)	(2.0)	(31.7%)
Operating profit	25.7	25.7	0.2%
Finance income	0.2	0.1	(13.9%)
Finance expense	(19.9)	(40.1)	50.4%
Profit before taxation	6.0	(14.3)	nm
Taxation	(2.6)	(1.9)	(35.0%)
Profit for the period	3.4	(16.2)	nm
Other financial metrics			
Staff costs (excluding central overheads)	182.5	167.8	(8.8%)
Overhead expenses & bonus	21.8	22.9	4.7%
Unit EBITDA	66.6	67.9	(2.0%)
Unit EBITDA margin %	24.3%	25.4%	(1.1%)
EBITDA margin %	16.3%	16.9%	(0.6%)
EBITDAR	45.2	45.6	(1.1%)
EBITDAR margin %	16.5%	17.1%	(0.6%)
EBITDAR after non-underlying items	42.1	44.0	(4.4%)
EBITDAR after non-underlying items margin %	15.4%	16.5%	(1.1%)

Revenue

Revenue represents total fees receivable from local authorities and CCGs for services provided to the people we support.

- FYE 2021 revenue increased by £7.2 million, or 2.7% to £274.2 million from £267.0 million for FYE 2020, primarily due to like-for-like growth (£4.6 million or 1.7%) and fee increases (£8.0 million or 3.0%) being partially offset by the Covid-19 Pandemic reduction in activity (£5.4m or -2.0%) and the Supported Living Freehold sale (£0.8m or -0.3%).



Staff costs

Staff costs consist of wages, salaries and employee benefits, employers' national insurance, pension costs and other costs such as statutory sick pay.

- Staff costs (excluding overheads) for FYE 2021 increased by £14.7 million, or 8.8% to £182.5 million (which represented 66.6% of revenue) from £167.8 million (which represented 62.9% of revenue) for FYE 2020, primarily due to increases in staff costs as a result of National Living Wage and National Minimum Wage increase (£8.8 million), staff required to support the growth in our business (£3.7 million), along with an increase in staff costs due to additional costs relating to the Covid-19 Pandemic which included Lockdown Bonus allowance and additional hours to reduce the usage of Agency (c.£2.2 million).

Agency costs

Agency costs consist of expenditure on third party suppliers who provide Voyage with staff to carry out the day to day operations of the business.

- Agency costs for FYE 2021 reduced by £4.9million, or 64.6% to £2.7million from £7.6million for FYE 2020. This is primarily due to actions taken during the Covid-19 pandemic to significantly reduce agency usage in order to protect the people we support and with additional recruitment and improved retention resulting in more permanent staff available to work.

Direct expenses and consumables

Direct expenses and consumables include direct costs incurred in operating services on a day-to-day basis, including home provisions (e.g. food, etc.), day care activities, registration fees and therapists particularly for those people we support with acquired brain injuries.

- FYE 2021 direct expenses and consumables reduced by £0.6 million, or 7.5% to £7.1million from £7.7million for FYE 2020.

Property lease rentals

Property lease rentals consist primarily of low-value leases, leases expiring within one month and lease payments for irrecoverable VAT that are out of scope under IFRS 16 and as such their cost remains within operating expenditure.

- FYE 2021 property lease rentals reduced by £0.2 million, to £0.4 million from £0.6 million for FYE 2020.

Other lease rentals

Other lease rentals consist of short-term hire vehicles, the VAT element of motor vehicle leases and car allowances.

- FYE 2021 other lease rentals remained consistent as FYE 2020 at £1.1 million.

Other external charges

Other external charges consist of indirect costs incurred in running and maintaining services, Local Authority rates, council tax, repairs, utilities, training and professional fees.

- FYE 2021 other external charges reduced by £1.7 million, or 8.4%, to £18.9 million from £20.6 million for FYE 2020. This is due reductions in vehicle running costs, utility costs and training costs (Due to the Covid-19 Pandemic), partially offset by increases in Insurance costs.



EBITDA

EBITDA is not a recognised performance measure under IFRS and may not be directly comparable with similar measures used by other companies. We define EBITDA as earnings before non-underlying items, interest, tax, depreciation, impairment, profit/(loss) on disposal of assets and amortisation. We believe EBITDA provides additional useful information on the underlying performance of our business. This measure is consistent with how business performance is monitored internally.

- FYE 2021 EBITDA reduced by £0.3 million, or 0.6% to £44.8 million from £45.1 million for FYE 2020. This reduction is due to the extra contribution generated from the growth in our business, along with fee increases, being offset by increases in staff costs as a result of certain inflationary pay rises and National Minimum Wage in April 2020 of approx. 6%, along with reduction in EBITDA in relation to the SL Freehold Sale (£0.8 million) along with the impact of the Covid-19 pandemic. Adjusting for the impact of the SL Freehold Sale in FY 2020 and the impact of Covid in FY 2021 then like for like EBITDA increased by £1.9 million or 4.3% to £46.2 million.

Non-underlying items

Non-underlying items include certain one-off cash and non-cash charges which are non-recurring.

- FYE 2021 non-underlying items were £3.0 million (FYE 2020: £1.6 million). Non-underlying items for FYE 2021 were primarily relating to costs due to Covid-19 (e.g. personal protective equipment and certain staff) and Professional Fees related to a Procurement costs reduction project along with one-off project costs relating to the Groups' programme to improve the quality of the service it provides to the people the Group supports and its customers by investing in its head office and operations functions.

EBITDA after non-underlying items

EBITDA after non-underlying items is not a recognised performance measure under IFRS and may not be directly comparable with similar measures used by other companies.

- FYE 2021 EBITDA after non-underlying items reduced by £1.7 million, or 3.9% to £41.8 million from £43.5 million for FYE 2021.

Depreciation of property, plant and equipment

Depreciation of property, plant and equipment comprises the write off of the cost of property, plant and equipment to their residual value over their estimated useful life. Non-current assets once classified as held for sale are not depreciated or amortised, and are stated at the lower of previous carrying value and fair value.

- FYE 2021 depreciation and impairment of property plant and equipment reduced by £0.9 million, or 5.5% to £15.0 million from £16.0 million for FYE 2020.

Profit on disposal of non-current assets

Profit on disposal of non-current assets represents the difference between the net disposal proceeds received and the net book value of non-current assets at the time of disposal.

- FYE 2021 the profit on the disposal of non-current assets was £1.6 million (FYE 2020: £0.5 million).

Amortisation of intangible assets

Intangible assets with finite useful lives that are acquired separately or in a business combination are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The carrying amounts of intangible assets are reviewed annually to determine whether the assets have suffered an impairment loss.



- FYE 2021 amortisation of intangible assets increased by £0.2 million to £2.6 million from £2.4 million for FYE 2020.

Operating profit

Operating profit consists of earnings before interest and taxation.

- FYE 2021 operating profit was consistent with FYE 2020 at £25.7 million.

Finance income

Finance income consists of interest received on current account and deposit account balances.

- FYE 2021 interest receivable and other income increased by £0.1 million to £0.2 million from £0.1 million for FYE 2020.

Finance expenses

Finance expenses on bank loans primarily consist of interest payable and fees relating to the Senior Secured Notes and Second Lien Notes (the 'Senior Facilities'), as well as other finance costs including the interest on the RCF.

- FYE 2021 interest payable and similar charges on bank loans increased by £0.5 million to £19.9 million.

Profit before taxation

Profit before taxation represents the result of the statement of profit and loss before provision for taxation.

- FYE 2021 profit before taxation increased by £0.4 million to £6.0 million from £6.4 million for FYE 2020.

Taxation

Taxation is based on the profit or loss for the year and takes into account deferred taxation movements.

- For FYE 2021 a taxation charge of £2.6 million was recognised compared to £1.5 million for FYE 2020.

Profit for the year

Profit for the year represents the result of the statement of profit and loss after provision for taxation.

- FYE 2021 profit for the year reduced by £1.5 million to £3.4 million from £4.9 million for FYE 2020 the reduction is primarily due to an increase in Non-underlying items and Taxation charges compared to prior year, the SL Freehold sale and also the impact of the Covid-19 pandemic.



Liquidity and capital resources

Our principal sources of liquidity are our existing cash and cash equivalents, cash generated from operations and any borrowings under our RCF. Our principal uses of cash are to fund capital expenditures, provide working capital, meet debt service requirements and finance our strategic plans, including possible acquisitions. We believe that our operating cash flows and borrowing capacity under the RCF are sufficient to meet our requirements and commitments for the coming year.

At 31 March 2021 and 31 March 2020, our cash balances were £40.7 million and £80.1 million, respectively. This year on year reduction is primarily due to settling all of the £45.0 million RCF facility.

Net bank debt as at 31 March 2021 was £211.2 million, comprising £250.0 million of borrowings under the Senior Secured Notes and Second Lien Notes, partially offset by £40.7 million of cash. Within the £40.7 million cash balance was £2.0 million of restricted cash which was excluded from cash for the purposes of calculating the net debt. We have undrawn committed facilities of £45.0 million in the RCF. The resulting leverage was 4.72x.

Net bank debt as at 31 March 2020 was £215.2 million, comprising £250.0 million of borrowings under the Senior Secured Notes and Second Lien Notes, £45.0 million borrowing under the RCF, partially offset by £80.1 million of cash. Within the £80.1 million cash balance was £0.4 million of restricted cash which is excluded from cash for the purposes of calculating the net debt. We were fully drawn on our £45.0 million RCF on 31 March 2020. The resulting leverage was 4.78x.

Leverage as at 31 March 2021 (calculated as defined in the legal financing documentation) was 4.72x. With the inclusion of IFRS16 lease liability, the leverage would have increased to 5.13x (FYE 2020: 5.30x).



Consolidated statement of cash flow

£ million	FYE 2021	FYE 2020	% Change
EBITDA before non-underlying items	44.8	45.1	(0.7%)
Maintenance capex	(10.9)	(9.5)	14.7%
Operating cash flow	33.9	35.6	(4.8%)
<i>Cash conversion %</i>	<i>75.6%</i>	<i>79.0%</i>	<i>(3.4%)</i>
Non-underlying items ⁽¹⁾	(3.0)	(1.6)	87.5%
Working capital	8.6	5.7	50.9%
Interest	(17.4)	(16.9)	(3.0%)
Taxation	(2.8)	(0.8)	nm
FCF before Dev. Capex, Acquisitions and Financing	19.2	21.9	(12.3%)
Development capex ⁽²⁾	(8.3)	(3.0)	nm
Acquisition ⁽³⁾	(4.8)	(3.2)	(50.0%)
Proceeds from sale	4.7	27.6	83.0%
FCF before Financing	10.8	43.2	(75.0%)
Property and vehicle lease payments (IFRS16)	(5.2)	(3.8)	(36.8%)
Net cash flow used in financing activities	(45.0)	22.0	nm
Movement in cash for the period	(39.4)	61.5	nm
Opening cash and cash equivalents	80.1	18.7	nm
Closing cash and cash equivalents	40.7	80.1	(49.2%)
Other financial metrics			
Maintenance capex, ex. IT spend (£m)	7.4	7.0	(5.3%)
Maintenance capex, ex. IT spend (% revenue)	2.7%	2.6%	0.1%
Maintenance capex, ex. IT spend (£k pa per bed)	4.0	3.7	(7.8%)

(1) Excludes cash flows in relation to acquisition integration costs

(2) Net of disposal proceeds and includes development capital expenditure and capital expenditure with respect to supporting our head office function. Excludes cash flows in relation to acquisition capital expenditure

(3) Includes net overdraft acquired with subsidiaries

Operating cash flow

- FYE 2021 operating cash flow reduced by £1.7 million, or 4.8% to £33.9 million from £35.6 million for FYE 2020. The reduction is primarily due to a £1.4 million increase in maintenance capex primarily due to investments in the Group's IT infrastructure of £1.1 million to improve the quality, accuracy and support for its customers.

Non-underlying items

- FYE 2021 non-underlying items increased by £1.4million to an outflow of £3.0 million from £1.6 million when compared with FYE 2020. The increase is primarily driven by £1.3 million of costs incurred relating to Covid-19.

Working capital

- FYE 2021 working capital improved by £2.8 million to an inflow of £8.6 million from an inflow of £5.7 million for FYE 2020, due to favourable movements in trade debtors as a result of improved cash collection, and other creditors due to Covid-19 revenue held on the balance sheet (£1.8m million).



Interest

- FYE 2021 interest payable increased by £0.5 million to £17.4 million from £16.9 million when compared to FYE 2020 due to the £45m RCF being fully drawn for five months of the financial year.

Taxation

- For FYE 2021 we paid £2.8 million in relation to corporation tax payments on account for the financial year 31 March 2021 (FYE 2020: £0.8 million).

Free Cash Flow before Development Capex, Acquisitions and Financing

- FYE 2021 Free Cash Flow before Development Capex, Acquisitions and Financing reduced by £2.7 million to £19.2 million from £21.9 million in FYE 2020, primarily due to increase in Maintenance Capex, Non-underlying items and Taxation, partially offset by the Working Capital improvement.

Capital expenditure

Capital expenditure primarily comprises build costs and other professional expenses in connection with new builds, conversions of existing properties, and the purchase of motor vehicles. Maintenance capital expenditure (which is recorded separately) primarily comprises purchases of new replacement equipment and fixtures. Our future capital (development) expenditure amounts will be discretionary, and we may adjust in any period according to our strategy to continue to selectively expand capacity and evaluate opportunities that enhance our profitability. We intend to finance all of our projected capital expenditure through a combination of cash flows from operations and borrowings under our RCF where necessary.

- FYE 2021 capital expenditure increased by £5.3 million to £8.3 million from £3.0 million for FYE 2020 and includes the purchase of two large freehold properties, Devonshire House for £3.7 million and Hillbrow for £2.1 million.

Acquisition

- For FYE 2021 there was £4.8 million outflow on acquisitions, this related to the acquisition of Day Opportunities Limited (FYE 2020: £3.2 million for Fox Elms Care and remaining 6% share capital of Children's Complex Care).

Proceeds from sale

- For FYE 2021 there was £4.7 million cash inflow which was primarily relating to the sale of 3 of our Freehold properties. This is a reduction of £22.8 million compared to FYE 2020 which was £27.6 million primarily from the sale of a portfolio of 40 Freehold properties on 9th September 2019.

Property and vehicle lease payments

- During FYE 2021 we made £5.2 million of total lease payments under IFRS16 which is £1.4 million higher than FYE 2020. This increase was due to additional property leases (£0.8 million), additional vehicle leases (£0.3m million) and moving to a lease rather than purchase for equipment in our Registered home and for our internet routers.

Net cash flow used in financing activities

- FYE 2021 net cash flow used in financing activities was a £45.0 million outflow compared to a £22.0 million inflow for FYE 2020. The £45.0 million in FYE 2021 is due to paying back all of the RCF facility, in FYE 2020 the £22.0 million was the drawdown on our RCF Facility to the full £45 million.



Contractual obligations

The following table summarises our material contractual obligations at 31 March 2021, showing the total principal amount payable and excluding any future interest payments.

£ million	0-1 year	1-2 years	2 years or more	Total
Senior Secured Notes ⁽¹⁾	-	-	215.0	215.0
Second Lien Notes ⁽²⁾	-	-	35.0	35.0
RCF	-	-	-	-
Total	0.0	0.0	250.0	250.0

(1) Represents the aggregate principal amount of the existing Senior Secured Notes

(2) Represents the aggregate principal amount of the existing Second Lien Notes

Consolidated statement of financial position

£ million	Mar-21	Mar-20	% Change
Non-Current Assets	416.5	411.1	1.3%
Current Assets			
Trade and Other Receivables, Prepayments	23.7	27.1	(12.5%)
Cash at bank and in hand	40.7	80.1	(49.2%)
Assets classified as held for sale	0.0	1.0	(100.0%)
Total Assets	480.9	519.3	7.4%
Non-current liabilities			
Loan Notes	261.1	264.5	1.3%
Tax Liabilities	11.8	10.9	(7.9%)
Accruals and Deferred Income	0.0	0.0	nm
Employee benefits	0.4	0.2	(71.4%)
Provisions for liabilities and charges	1.0	1.0	(2.3%)
Current Liabilities	65.2	104.4	37.6%
Equity	141.5	138.2	(2.3%)
Total Equity and Liabilities	480.9	519.3	7.4%

(1) Receivables in March 2021 include £1.6 million of intercompany loans (March 2020: £1.1 million), and current liabilities in March 2021 include £2.1 million of intercompany loans (March 2020: £2.1 million).

(2) Loan notes include unamortised issue costs of £3.7 million (March 2020: £5.3 million).



Key Business Divisions

£ million	Revenue		
	FYE 2021	FYE 2020	% Change
Registered	175.4	172.8	1.5%
Community Based Care	98.8	94.2	4.9%
Total	274.2	267.0	2.7%

£ million	EBITDA		
	FYE 2021	FYE 2020	% Change
Registered	34.0	33.8	0.7%
Community Based Care	10.8	11.3	(4.7%)
Total	44.8	45.1	(0.6%)

<i>Other financial metrics</i>	FYE 2021	FYE 2020	Change
Average Registered occupancy	1,870	1,916	(46)
Average Registered occupancy %	92.8%	94.3%	(1.5%)
Average Direct Weekly Community Based hours	99,200	97,600	1,600
Closing Registered occupancy	1,868	1,903	(35)
Closing Registered occupancy %	91.9%	94.2%	(2.3%)
Closing Direct Weekly Community Based hours	102,000	98,500	3,500

The tables below summarise the estimated impact of the Covid-19 pandemic by operating segment

Registered EBITDA Covid 19 Impact FYE

£m	FYE 2020	L4L	Covid	FYE 2021
Revenue	172.8	4.6	(2.0)	175.4
EBITDA	33.8	0.5	(0.3)	34.0

Supported Living EBITDA Covid 19 Impact FYE

£m	FYE 2020	L4L	Covid	FYE 2021
Revenue	94.2	8.4	(3.8)	98.8
EBITDA	11.3	0.7	(1.2)	10.8



Property Analysis

At the 31 March 2021 the number of freehold properties held was 263, which is the same as at March 2020. The net book value of the freehold properties was £313.7 million.

We have increased our provision of properties supporting the Community division by 15, with capacity increasing by 63 since 31st March 2020.

In our Registered care division at 31st March 2021, freehold properties made up 88.5% of capacity whereas in Community based care, freehold properties made up 7.0% of capacity. This in line with our strategy to utilise 3rd party capital to invest in property and capacity to drive Community based care growth.

31 March 2021	Registered		Community		Daycare	DCA	Total	
	#	Capacity	#	Capacity	#	#	#	Capacity
Freehold	231	1,800	25	90	1	5	262	1,890
Leasehold/Rental ⁽¹⁾	32	233	3	10	6	32	73	243
3rd Party Owned ⁽²⁾	0	0	302	1,177	0	3	305	1,177
Totals	263	2,033	330	1,277	7	40	640	3,310
Freehold NBV (£m) ⁽³⁾	304.7		7.0		2.0		313.7	

31 March 2020	Registered		Community		Daycare	DCA	Total	
	#	Capacity	#	Capacity	#	#	#	Capacity
Freehold	228	1,776	20	70	4	5	257	1,846
Leasehold/Rental ⁽¹⁾	35	238	3	10	9	32	79	248
3rd Party Owned ⁽²⁾	0	0	292	1,134	1	4	297	1,134
Totals	263	2,014	315	1,214	14	41	633	3,228

Movement	Registered		Community		Daycare	DCA	Total	
	#	Capacity	#	Capacity	#	#	#	Capacity
Freehold	3	24	5	20	(3)	0	5	44
Leasehold/Rental ⁽¹⁾	(3)	(5)	0	0	(3)	0	(6)	(5)
3rd Party Owned ⁽²⁾	0	0	10	43	(1)	(1)	8	43
Totals	0	19	15	63	(7)	(1)	7	82

- (1) Leasehold/Rental includes properties which are on a long term lease and properties on short term rental which have been obtained to support immediate commissioner requirements.
- (2) 3rd Party owned Supported Living properties are leased to a Registered Provider such as a Housing Association and then rented to the people we support. Rent and maintenance are usually covered by Housing Benefit claimed by the people we support.
- (3) Freehold NBV is not separately shown under DCA, as the Freehold 'DCA' offices operate from Freehold 'Community' Properties. Freehold NBV excludes assets held for sale and leasehold, encumbered and third party properties.
- (4) Freehold reduction is due to the sale of a portfolio of 40 properties, partially offset by new service openings and de-registrations from Registered Properties.

Voyage BidCo Limited

Annual Report and Consolidated Financial Statements

For the year ended 31 March 2021

Registered Number: 05752534



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The Directors present their Strategic Report for the year ended 31 March 2021.

Principal activity

Voyage Care provides a range of services for individuals with learning disabilities, autism, brain injury rehabilitation and other related complex needs in the UK. The care solutions provided range from Registered Care in specially adapted homes to Community Based Care, where support is provided in a person's own home. The Group's focus continues to be on the needs of the people we support.

Strategy and business model

Voyage Care's purpose is to deliver great quality care underpinned by commercial success. During the unprecedented times created by the Covid-19 pandemic, the year under review has demonstrated the strength and resilience of Voyage Care's business model. This, and the robust response to the pandemic, has facilitated further progress towards our aim of strengthening our position as a market leader in all relevant areas of high quality care services for the people we support.

Great quality care

To deliver the Group's strategy, the quality of care provided to the people we support is at the heart of everything we do.

The Covid-19 pandemic presented significant and sustained challenges to Voyage Care's operations however the priority has always been the safety and wellbeing of the people we support and our employees. Robust business continuity plans executed by a Covid-19 taskforce led by senior management ensured a swift and effective response to minimise the impact on the quality of care provided.

The continuing drive to maintain high quality standards strengthen the Group's ability to retain existing business and grow by winning tenders, increase the number of people we support within framework agreements, attract individual clients with personal budgets and place the Group in a favourable position to take over underperforming services.

Due to Covid-19, the Care Quality Commission ("CQC") suspended routine inspections in March 2020 and although inspections have recommenced, they have focused on higher risk services.

Nevertheless, during the year under review, the Group maintained a market leading quality score with 95% of services in England holding a rating of Good or Outstanding as at 31 March 2021 following inspection from the CQC (31 March 2020: 96%). Fourteen locations held an Outstanding rating from CQC as at 31 March 2021 (31 March 2020: Thirteen). Additionally, 100% of homes and services registered in Scotland and Wales were found to be compliant when inspected by their regulators (2020: 100%). Some of the ways in which we have achieved this are outlined below:

- The breadth of service capability, from domiciliary to various types of Registered care, ensures that we can always offer a care pathway tailored to the specific needs of the individual, thereby helping to achieve a better outcome for both the people we support and for funders;



Strategy and business model *continued*

Great quality care continued

- Individual care and support plans are reviewed and amended on a regular basis to address changing support needs and to ensure that an appropriate level of personalised care is provided for each person we support;
- Typically, a considerable amount of care is provided to each person we support due to their high acuity care needs;
- The Group operates its own quality assurance function to ensure that quality standards are continually driven forward; and
- The Group's learning and development functions ensure staff are equipped with the necessary skill set, knowledge and confidence to achieve Voyage Care's high standards of care for the people we support.

By developing expertise in specialist areas such as Autism and Specialist Behavioural Support Services, the Group continues to build a platform to cater for a broad range of conditions whilst offering individuals the highest quality of care and harnessing growth from initiatives such as Transforming Care and the NHS Long Term Plan. Sector leading quality ratings and clearly articulated specialisms underpin our ability to evidence good value to customers and lead to organic growth.

Since 2017-18, to demonstrate the Group's commitment to provide high quality care services, the Group has mirrored the requirements on NHS healthcare providers to voluntarily produce an annual Quality Account. The Quality Account provides an honest, open and authentic view of the Group's achievements and its key priorities for the following year. The latest Quality Account can be found at: <https://www.voyagecare.com/our-approach/commitment-to-quality>.

Quality is monitored by the Board and through the Group's Quality, Safety and Risk Committee which is discussed further in the Directors' Report.

Commercial Success

The Group's relentless pursuit of the delivery of great quality care is enabled by our commercial success. Profitable growth underpins our ability to invest in training, develop the services we offer, maintain our property estate to a high standard, introduce new and improved services and extend our footprint to care for more vulnerable people. All of this is critical in the regulated sector within which we operate, to ensure we meet or exceed the regulatory requirements, at the same time as delivering a return to our shareholders.

The Group operates from two business divisions: Registered Care and Community Based Care.

- Registered Care is delivered in specially adapted homes which the Group provides in its portfolio of freehold and leasehold properties. Growth in this area is driven through increasing capacity, occupancy and the average weekly fee.



Strategy and business model *continued*

Commercial Success *continued*

- Community Based Care is provided in people's own homes and the Group partners with registered housing providers to identify suitable accommodation. In this division, properties are mainly owned by third party investors. It is the Group's strategy to grow its services by working with these third-party investors and registered housing providers to provide more accommodation to support more people.

Underpinning the strength of the business are the contracts with care commissioners. For Registered Care they take the form of spot, block and respite contracts and for Community Based Care they are based on framework contracts or those acquired through tendering processes.

Business review

Voyage Care continues to be a leading UK provider of specialist Registered Care services by revenue and by placements and has a well-established presence in specialist Community Based Care services.

For the year ended 31 March 2021, the Covid-19 pandemic created many challenges for the Group. However, due to the dedication and resilience of our employees to continue delivering high quality care to the people we support, the impact of the pandemic on the Group was minimised.

Nonetheless, some of the challenges that the Group experienced as a result of the pandemic were: reduced capacity or closure of Day Care centres, delays in transitioning new people we support in to Registered Care services and Community Based Care services and incurring additional incremental costs to keep the people we support and our employees safe.

As at 31 March 2021, the Group supported 3,400 (2020: 3,496) people, comprising 1,868 (2020: 1,898) through its Registered Care services and a further 1,532 (2020: 1,598) supported through its Community Based Care services.

As at the year end the Group's Registered Care services' closing occupancy had decreased 2.3% to 91.9% (2020: 94.2%) and the Group's closing Community Based Care services delivered approximately 4,300 additional weekly hours of direct care to 102,000 weekly hours (2020: 97,700). The average weekly fee for Registered Care services increased by £63 to £1,799 (2020: £1,736) per person and Community Based Care services average revenue per direct care hour increased by £0.57 to £19.25 (2020: £18.68) for the year ended 31 March 2021.

Approximately 69% (2020: 67%) of the people we support in the Registered Care services had been in the Group's care for more than five years and some of the people we support have been with Voyage Care for more than 20 years. Providing stable environments for people we support improves the likelihood of positive outcomes and their quality of life.

Whilst individuals with acquired brain injuries will remain with Voyage Care for varying lengths of time according to their needs, progress, long term plans or personal preferences, individuals with learning disabilities have a lifelong condition and require ongoing support. Approximately 33% (2020: 32%) of the people we support in the Registered Care services division were 40 years of age



Business review *continued*

or younger, and 78% (2020: 77%) were 60 years of age or younger, which contributes to a long average length of stay in those services. Approximately 52% (2020: 41%) of the people we support in the Community Based Care services were 40 years of age or younger, and 86% (2020: 82%) were 60 years of age or younger, which contributes to a long average length of stay in those services.

Of the care we provide, 97% is paid for by Local Authorities and Clinical Commissioning Groups (“CCGs”) and, during the year ended 31 March 2021, we received revenue from over 250 of these publicly funded purchasers across the UK. The Group’s long-standing relationships with Local Authorities and CCGs are built on a strong reputation for providing quality services to the people we support.

Market environment and outlook

National policy has created a clear framework for growth of services which enable people with disabilities to live an ordinary life in the community. Local Authorities and CCG’s continue to re-balance care towards community-based support as the primary service model, with Registered Care providing a valuable contribution for those with the most complex of needs.

The Covid-19 pandemic temporarily suppressed some new care placements but neither the overall demand for specialist care and support services nor the strategic direction of the sector have been adversely impacted by the pandemic.

Local Authority and NHS customers prioritise developing relationships with high quality stable providers, such as Voyage Care, who can offer solutions to their key challenges:

Increasing volume of people requiring care:

- Research conducted by the National Audit Office indicates that there will be an estimated 29% growth in the number of working age adults requiring social care services over the next two decades.
- Projections in demand indicate sustained growth in both community-based support and care homes services to meet the needs of younger adults with disabilities; a clear growth opportunity for Voyage Care as we now have a well-established pathway of specialist care and support solutions.

The rising cost of providing care:

- Annual increases to the National Living Wage, workplace pension auto enrolment charges, and the apprenticeship levy, alongside other inflationary pressures, impacted the Group’s cost base. The Covid-19 pandemic also incrementally increased the costs and consumption of personal protective equipment to keep the people we support and our colleagues safe. By operating efficiently and with scale, the Group can help to mitigate some of the adverse impact on our customers.



Market environment and outlook *continued*

Budget restrictions arising from austerity:

- The CQC State of Care 2020 report again notes the sustained pressure on the social care sector and many of the pre-pandemic issues persist, although they identify the opportunity to use ‘learning from the pandemic to lock in positive changes’. The Government has now made one-off additional budget available for social care in each of the last five years, including pandemic specific funds, however it continues to delay publication of its promised reforms to the long-term funding of social care.
- Adult social care funding has been under pressure for a number of years and was identified as the top long-term pressure for councils in a local government Finance Survey carried out in January 2020.
- At the March 2020 Budget, the Government confirmed that an additional £1 billion of funding for social care would continue for every year of the current Parliament.
- At Spending Review 2020, the Government set out the additional funding that would be provided for adult social care in 2021-22:
 - An additional grant of £300 million for adult and children’s social care.
 - Local authorities will be able to levy a 3% adult social care precept.
 - £2.1 billion to local authorities through the improved Better Care Fund which is integrating NHS and social care through a single local pooled budget so that people can manage their own health and wellbeing and live independently in their communities for as long as possible.

In reaction to the global outbreak of Covid-19, the UK government acknowledged the critical role that the social care sector has in society and accordingly promptly released funding of £1.6 billion to local authorities to pass to social care providers, including Voyage Care. This subsequently doubled to £3.2 billion. Further specific funds were made available by the UK government during the pandemic for social care providers, namely:

- £600 million identified as the ‘Adult Social Care Infection Control Fund’ applicable between 13 May and 30 September 2020;
- A further, though distinct, £546 million identified as the ‘Adult Social Care Infection Control Fund – round 2’ applicable between 1 October 2020 and 31 March 2021;
- £149 million identified as the ‘Adult Social Care Rapid Testing Fund’, applicable between 2 December 2020 and 31 March 2021; and
- Most recently £341 million identified as the ‘Adult Social Care Infection Control and Testing Fund’, applicable between 1 April and 30 June 2021.

In addition, £120 million identified as the ‘Workforce Capacity Fund for Adult Social Care’ was made available to local authorities, designed to support measures that generated additional adult social care workforce capacity. This was applicable from 16 January to 31 March 2021.







Market environment and outlook *continued*

The overall intention of the additional funds was to support the cash flow of care providers and adjust core fees to meet additional and new costs arising from the pandemic to suppress the spread of the disease. The additional financial support provided by the UK government demonstrates the paramount role that the sector has to society and the support that will be offered to ensure the critical role will be protected.

Principal risks and uncertainties



The table below presents the principal risks facing the business and the controls in place to mitigate these, with measurement against the assessment made at March 2020 using the following key:

-  Risk assessed to have increased
-  Risk assessed to have stayed the same
-  Risk assessed to have decreased

Risk	Mitigation	Change from previous year
Covid-19/globally transmitted diseases		
<p>The global outbreak of Covid-19 put significant strain on the business to maintain the high level of care for the people we support during unprecedented times. Future global pandemics could require the business to quickly adapt to operate within the limitations of the pandemic whilst minimising the impact to the people we support.</p>	<p>The business has clear and effective business continuity plans that can be quickly enacted to react to severe threats to the business. The granularity of the business continuity plans and the strength of local management teams allow the executive management team to react to the changes in the situation presented and to disseminate appropriate actions throughout the Group.</p>	





Principal risks and uncertainties continued

Local authority funding		
<p>As staffing costs continue to rise through National Living Wage, workplace pension auto enrolment charges, apprenticeship levy and pandemic response costs there is a risk that the increased funding is not available to compensate for the increased costs which would erode Group profitability.</p>	<p>The sustainable funding of social care in the UK continues to be revisited by the Government, with:</p> <ul style="list-style-type: none"> • Confirmation that an additional £1 billion of funding for social care would continue for every year of the current Parliament. • An additional grant of £300 million for adult and children’s social care. • Local authorities are able to levy a 3% adult social care precept. • £2.1 billion of funding to local authorities through the improved Better Care Fund which is integrating NHS and social care through a single local pooled budget so that people can manage their own health and wellbeing and live independently in their communities for as long as possible. 	
Recruitment and retention of skilled care workers		
<p>The key to the Group’s success is the quality of the people we employ. The Group needs to attract and recruit sufficient employees to meet our objectives. Additionally, losing key employees inhibits the strength of delivering consistently high-quality care.</p>	<p>The Group has a bespoke system to deal with recruitment from first point of contact to employment, including Disclosure and Barring Service checks. Employee turnover is closely monitored through KPIs and exit interviews are performed to identify underlying trends impacting retention.</p> <p>Additionally, significant emphasis is placed on promoting employee retention. This is explained further in the Employees section on page 19.</p>	



Principal risks and uncertainties continued

Ensuring the provision of high quality care to the people we support		
<p>The Voyage Care business is built on the reputation of the high-quality care consistently delivered. A reduction in quality would harm the Group's reputation and have a negative impact on the lives of the people we support.</p>	<p>An appropriate balance is maintained between care fees and payroll costs. Fees are always agreed with funders to reflect the care needs of the people we support to ensure that the appropriate level of care is provided. Payroll costs are controlled by regular reviews of weekly care hours, through an in-house management system.</p> <p>A dedicated Quality department regularly updates Group policies in line with changing regulations and standards and manages the internal quality audit process.</p> <p>A Quality, Safety and Risk Committee, as explained on page 26 provide oversight of the area to the Board of Directors.</p> <p>Close control of agency usage is in place including weekly reporting to senior management.</p> <p>The Group invested £2.0 million in training expenditure to ensure employees are fully up-to-date in the best ways of providing care for people we support (2020: £2.5 million).</p>	
Reduced financial performance		
<p>To achieve the Group's strategy to deliver great quality care with commercial success the Group must have a robust financial performance. The Group's finance facility contains a covenant such that the Group must exceed minimum profit levels.</p>	<p>The Group sets annual financial budgets to appraise the financial performance and has a dedicated Commercial team to identify opportunities and work with customers to agree on sustainably funded care packages.</p>	

The Group's financial risks and the controls in place to mitigate them are presented in more detail on page 17.



Financial review

The Group has maintained a strong financial performance for the year ended 31 March 2021, despite financial pressures in response to the Covid-19 pandemic and unavoidable external cost increases driven largely by a 6.21% (2020: 4.85%) increase in the National Living Wage for workers aged 25 years and over.

Key performance indicators

The financial and non-financial KPIs set out below focus on the drivers of value that will enable the Group to achieve its strategic aims and objectives.

Good or Outstanding services (%)	95% (2020: 96%)								
Definition: The percentage of total services that are rated as either good or outstanding at the last inspection by CQC as at 31 March 2021.	<table border="1"> <caption>Good or Outstanding services (%)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>FY 19</td> <td>96</td> </tr> <tr> <td>FY 20</td> <td>96</td> </tr> <tr> <td>FY 21</td> <td>95</td> </tr> </tbody> </table>	Fiscal Year	Percentage	FY 19	96	FY 20	96	FY 21	95
Fiscal Year		Percentage							
FY 19	96								
FY 20	96								
FY 21	95								
Performance: This is a direct measure of the Group's performance against the strategic aim of delivery great quality care and during the year the Group maintained its market leading quality standards with 95% of services rated as either good or outstanding at its last inspection by CQC.									

Revenue	£274.2 million (2020: £267.0 million)								
Definition: The fair value of fee income receivable for the provision of care services provided in the period.	<table border="1"> <caption>Revenue (million)</caption> <thead> <tr> <th>Fiscal Year</th> <th>Revenue</th> </tr> </thead> <tbody> <tr> <td>FY 19</td> <td>249.8</td> </tr> <tr> <td>FY 20</td> <td>267.0</td> </tr> <tr> <td>FY 21</td> <td>274.2</td> </tr> </tbody> </table>	Fiscal Year	Revenue	FY 19	249.8	FY 20	267.0	FY 21	274.2
Fiscal Year		Revenue							
FY 19	249.8								
FY 20	267.0								
FY 21	274.2								
Performance: Group revenue increased by 2.7% to £274.2 million. This was split between an increase of 1.5% in Registered revenue to £175.4 million and an increase of 4.9% in Community Based Care revenue to £98.8 million. As explained in other key performance indicators, increases in average weekly fees and average hourly fees have contributed to an increase in total revenue.									



Financial review *continued*

Adjusted EBITDA (before non-underlying items)	£44.8 million (2020: £45.1 million)								
Definition: Operating profit adding back depreciation, impairment, amortisation and profit or loss on disposal of property, plant and equipment, and before non-underlying items.	<table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Adjusted EBITDA (£ million)</th> </tr> </thead> <tbody> <tr> <td>FY 19</td> <td>41.2</td> </tr> <tr> <td>FY 20</td> <td>45.1</td> </tr> <tr> <td>FY 21</td> <td>44.8</td> </tr> </tbody> </table>	Fiscal Year	Adjusted EBITDA (£ million)	FY 19	41.2	FY 20	45.1	FY 21	44.8
Fiscal Year		Adjusted EBITDA (£ million)							
FY 19		41.2							
FY 20	45.1								
FY 21	44.8								
<p>Performance: Group adjusted EBITDA (before non-underlying) decreased by 0.7% to £44.8 million. This was split between an increase of 0.8% in Registered income to £34.0 million and a decrease of 4.6% in Community Based Care to £10.8 million.</p> <p>During the year ended 31 March 2020, the Group disposed of 40 freehold properties in the Community Based Care division and accordingly on a like-for-like basis total Group adjusted EBITDA increase by 1.2% and divisional adjusted EBITDA increased by 2.7%.</p> <p>The Group has seen relatively strong performance in key performance indicators that drive revenue growth whilst maintaining a strong focus on cost control.</p>									

Registered occupancy	1,870 (2020: 1,916)								
Definition: The monthly average number of individuals that the Group provides care to in a Registered setting across the period.	<table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Registered occupancy</th> </tr> </thead> <tbody> <tr> <td>FY 19</td> <td>1,903</td> </tr> <tr> <td>FY 20</td> <td>1,916</td> </tr> <tr> <td>FY 21</td> <td>1,870</td> </tr> </tbody> </table>	Fiscal Year	Registered occupancy	FY 19	1,903	FY 20	1,916	FY 21	1,870
Fiscal Year		Registered occupancy							
FY 19	1,903								
FY 20	1,916								
FY 21	1,870								
<p>Performance: The average Registered occupancy decreased by 46 to 1,870. This was primarily due to the Covid-19 pandemic and the challenges in transitioning joiners in Registered Care services. Nevertheless, Registered occupancy increased at the end of year as lockdown eased and appropriate measures to transition joiners by introduced by UK government.</p>									



Financial review *continued*

Registered occupancy as a percentage of capacity	92% (2020: 94%)								
Definition: The percentage of Registered capacity that is occupied.	<table border="1"> <caption>Registered occupancy as a percentage of capacity</caption> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>FY 19</td> <td>94</td> </tr> <tr> <td>FY 20</td> <td>94</td> </tr> <tr> <td>FY 21</td> <td>92</td> </tr> </tbody> </table>	Year	Percentage	FY 19	94	FY 20	94	FY 21	92
Year		Percentage							
FY 19		94							
FY 20	94								
FY 21	92								
Performance: Registered occupancy as a percentage of capacity decreased by 2% to 92%. Maintaining high occupancy is important for the strategic objectives of the business to recover services' fixed costs across more people we support in turn driving commercial success.									
The reduction during the financial year was a result of challenges in transitioning joiners in Registered Care services. Nevertheless, Registered occupancy as a percentage of capacity increased at the end of year as lockdown eased and appropriate measures to transition joiners was introduced by UK government.									

Registered average weekly fee	£1,799 (2020: £1,736)								
Definition: The mean weekly fee receivable for care provided to people we support in a Registered setting.	<table border="1"> <caption>Registered average weekly fee</caption> <thead> <tr> <th>Year</th> <th>Fee (£)</th> </tr> </thead> <tbody> <tr> <td>FY 19</td> <td>1,699</td> </tr> <tr> <td>FY 20</td> <td>1,736</td> </tr> <tr> <td>FY 21</td> <td>1,799</td> </tr> </tbody> </table>	Year	Fee (£)	FY 19	1,699	FY 20	1,736	FY 21	1,799
Year		Fee (£)							
FY 19		1,699							
FY 20	1,736								
FY 21	1,799								
Performance: The average weekly fee increased by 3.6% to £1,799 which drives the Group's revenue growth.									
The year on year increase is primarily the result of active negotiations with commissioners to award inflationary fee increases.									

Community Based Care places	1,686 (2020: 1,598)								
Definition: The number of places available in Community Based Care, including Supported Living, Children's Complex Care and Outreach placements, as at the end of the financial year.	<table border="1"> <caption>Community Based Care places</caption> <thead> <tr> <th>Year</th> <th>Number of places</th> </tr> </thead> <tbody> <tr> <td>FY 19</td> <td>1,466</td> </tr> <tr> <td>FY 20</td> <td>1,598</td> </tr> <tr> <td>FY 21</td> <td>1,686</td> </tr> </tbody> </table>	Year	Number of places	FY 19	1,466	FY 20	1,598	FY 21	1,686
Year		Number of places							
FY 19		1,466							
FY 20	1,598								
FY 21	1,686								
Performance: The average number of available places increased by 5.5% to 1,686. The KPI is important as it measures the capacity within the Group to deliver care to additional people.									
The year on year growth has been driven through continued development of relationships with registered social landlords to accommodate additional demand through winning commissioning tenders.									



Financial review *continued*

Community Based Care average weekly direct care hours	99,200 (2020: 98,300)								
<p>Definition: The average direct weekly care hours delivered in Community Based Care, including Supported Living, Children’s Complex Care and Outreach placements, across the period.</p>	<table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Average Weekly Direct Care Hours</th> </tr> </thead> <tbody> <tr> <td>FY 19</td> <td>85,510</td> </tr> <tr> <td>FY 20</td> <td>98,300</td> </tr> <tr> <td>FY 21</td> <td>99,200</td> </tr> </tbody> </table>	Fiscal Year	Average Weekly Direct Care Hours	FY 19	85,510	FY 20	98,300	FY 21	99,200
Fiscal Year		Average Weekly Direct Care Hours							
FY 19	85,510								
FY 20	98,300								
FY 21	99,200								
<p>Performance: The average weekly direct care hours delivered in Community settings increased by 0.9% to 99,200.</p> <p>The growth was driven by winning tenders with commissioners, working with registered social landlords to identify suitable properties and the acquisition of Day Opportunities Limited. However, this was offset by challenges as a result of the Covid-19 pandemic to transition new placements, the closure or reduced capacity of Daycare centres and people we support shielding.</p>									

Community Based Care average revenue per direct care hour	£19.25 per hour (2020: £18.68 per hour)								
<p>Definition: The mean hourly fee receivable for direct care provided to people we support in a Community Based Care, including Supported Living, Children’s Complex Care and Outreach placements.</p>	<table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Average Revenue per Direct Care Hour (£)</th> </tr> </thead> <tbody> <tr> <td>FY 19</td> <td>18.33</td> </tr> <tr> <td>FY 20</td> <td>18.68</td> </tr> <tr> <td>FY 21</td> <td>19.25</td> </tr> </tbody> </table>	Fiscal Year	Average Revenue per Direct Care Hour (£)	FY 19	18.33	FY 20	18.68	FY 21	19.25
Fiscal Year		Average Revenue per Direct Care Hour (£)							
FY 19	18.33								
FY 20	18.68								
FY 21	19.25								
<p>Performance: The average hourly fee receivable for care provide in Community settings increased by 3.1% to £19.25 per hour. The KPI is an important metric for measuring the Group’s commercial success in the Community Based Care division.</p> <p>The year on year increase is primarily the result of active negotiations with commissioners to award inflationary fee increases.</p>									



Financial review *continued*

Consolidated Statement of Profit and Loss

A summary of the Group's Consolidated Statement of Profit and Loss and performance commentary on key items is shown below:

	2021	2020	Change	
	£000	£000	£000	%
Revenue	274,209	267,006	7,203	2.7
Adjusted EBITDA (before non-underlying)	44,796	45,053	(257)	(0.6)
Non-underlying items	(3,031)	(1,601)	(1,430)	89.3
Depreciation and impairment of property, plant and equipment	(15,035)	(15,876)	841	5.3
Profit on disposal of assets	1,589	490	1,099	224.3
Amortisation of intangible assets	(2,570)	(2,371)	(199)	(8.4)
Operating profit	25,749	25,695	54	0.2
Net finance expense	(19,763)	(19,292)	(471)	2.4
Profit before taxation	5,986	6,403	(417)	(6.5)

Revenue

Revenue for the Group was £274,209k, an increase of 2.7% from 2020. This was primarily driven by increases in average weekly fees in the Registered Care division average hourly rates in Community Based Care. Due to the Covid-19 pandemic, transitioning new placements in the Registered division and Community Based Care division has been challenging which has adversely impacted revenue growth.

Adjusted EBITDA (before non-underlying items)

Adjusted EBITDA before non-underlying items was £44,796k, a decrease of £257k from 2020. During the year ended 31 March 2020, the Group disposed of 40 freehold properties in the Community Based Care division. Accordingly, on a like-for-like basis, adjusted EBITDA increased by 1.23% from 2020. This was a result of increased revenue, as described above, offset by mandatory increases in staff costs due to the increase in National Living Wage and National Minimum Wage rates and additional costs incurred as a result of the Covid-19 pandemic to keep the people we support and colleagues safe.

Non-underlying items

Non-underlying items was a cost of £3,031k, an increase of £1,430k from 2020. This was predominantly driven by costs incurred as a direct result of Covid-19 (2021: £9,039k; 2020: £765k), offset by reimbursements from UK government via local authorities (2021: £7,319k; 2020: £nil) and consultancy costs to rationalise areas of spend and to simplify the Group's corporate entity structure (see note 6).



Financial review *continued*

Operating profit

Operating profit was £25,749k, an increase of £54k from 2020. This was primarily a result of increased revenue and profits on disposal of tangible fixed assets offset by mandatory increases in staff costs due to the increase in National Living Wage and National Minimum Wage rates.

Net finance expense

Net finance expenses of £19,763k primarily relates to interest and finance charges on Senior Secured and Second Lien Notes of £17,672k, RCF interest payable of £1,155k and the unwinding of lease liabilities of £783k.

Consolidated Statement of Financial Position

A summary of the Group's Consolidated Statement of Financial Position and commentary on key items is shown below:

	2021	2020	Change
	£000	£000	£000
Goodwill and intangible assets	53,846	52,299	1,547
Property, plant and equipment	362,663	358,771	3,892
Current assets	64,404	108,230	(43,826)
Current liabilities	(65,201)	(104,424)	39,223
Non-current loans and borrowings	(261,096)	(264,536)	3,440
Other non-current liabilities	(13,158)	(12,121)	(1,037)
Equity	141,458	138,219	3,239
Net debt *	211,472	215,239	(3,767)
Leverage *	4.72x	4.78x	0.06x

* Net debt is calculated by adding Senior Secured Loan Notes, Second Lien Notes and amounts utilised under the RCF and deducting unrestricted cash balances. Leverage is calculated as the multiple of adjusted EBITDA (before non-underlying items) to net debt. Management believe net debt and leverage are important metrics to monitor the Group's exposure to external debt.

Goodwill

Goodwill and intangible assets totalled £53,846k, an increase of £1,547k from 2020. This is predominantly due to the goodwill arising on the acquisition of Day Opportunities Limited (see note 30) offset by the amortisation of intangible assets.

Property, plant and equipment

Property, plant and equipment totalled £362,663k an increase of £3,892k from 2020 predominantly due to property acquired in the acquisition of Day Opportunities Limited, net additions to grow and maintain the existing property portfolio, offset by depreciation.



Financial review *continued*

Net current liabilities/(assets)

The Group has net current liabilities of £797k as at 31 March 2021 (2020: net current assets of £3,806k) a decrease of £4,603k. This is mainly due to the Group continuing to invest cash generated from operations in the development and maintenance of the Group's property portfolio to support high quality care, the acquisition of Day Opportunities Limited (see note 30) and the derecognition of assets held for sale.

Loans, borrowings, net debt and leverage

A summary of the Group's external borrowings, cash balances and net debt and commentary is shown below:

	2021	2020	Interest rate	Repayment terms
	£000	£000		
Senior Secured Loan Notes	215,000	215,000	5.875%	May-23
Second Lien Notes	35,000	35,000	10%	Nov-23
<i>Revolving Credit Facility:</i>				
Utilised	-	45,000	LIBOR + 3.25%	Feb-23
Non-utilised	45,000	-	1.1%	Feb-23
Gross debt	250,000	295,000		
Cash and cash equivalents	(40,746)	(80,139)		
Restricted cash and cash equivalents	2,218	378		
Net debt	211,472	215,239		

Non-current loans and borrowings excluding Shareholder loans was £261,096k, a decrease of £3,440k from 2020 predominantly due to the decrease in lease liabilities recognised under IFRS 16.

Net debt, before Shareholder loans, was £211,472k. The reduction of £3,767k was predominantly the result of a strengthening cash position through a reduction in working capital. Additionally, as a result of an increase in adjusted EBITDA before non-underlying items, leverage reduced to 4.72 times adjusted EBITDA.

The Group's RCF is subject to a financial covenant when it is more than 35% utilised. During the year, the Group operated within its covenant and actively monitors its compliance using financial forecasts.



Financial review *continued*

Consolidated Statement of Cash Flow

A summary of the Group's consolidated Statement of Cash Flow and commentary is shown below:

	2021	2020	Change
	£000	£000	£000
Cash and cash equivalents	40,746	80,139	(39,393)
Net cash flows from operating activities before interest and tax	50,619	49,183	1,436
Interest paid	(17,519)	(17,007)	(512)
Tax paid	(3,076)	(840)	(2,236)
Net cash flows (used in)/from investing activities	(19,234)	11,887	(31,121)
Net cash flows (used in)/from financing activities	(50,183)	18,230	(68,413)
Net (decrease)/increase in cash and cash equivalents	(39,393)	61,453	(100,846)

The Group generated net cash inflows from operating activities before interest and tax payments of £50,619k, an increase of £1,436k from 2020. From net cash flows generated from operating activities, £17,519k of interest was paid (2020: £17,007k) and Corporation tax of £3,076k was paid (2020: £840k).

£19,234k was used in investing activities (2020: £11,887k generated from) including £18,321k (2020: £12,032k) paid to acquire freehold properties, improve the existing portfolio or invest in activities to support the growth and development of the Group. £4,717k (2020: £27,565k) was received from proceeds in disposing of freehold property and a net £4,775k was paid on acquisitions (2020: £3,215k).

£50,183k was used in financing activities (2020: £18,230k generated from) with £45,000k repaid on the Group's Revolving Credit Facility ("RCF") (2020: £22,000k net draw down) and payments of £5,183k (2020: £3,770k) were made for property and vehicle leases.

Accordingly, the Group decreased its cash and cash equivalents during the year by £39,393k (2020: increase by £61,453k) of which £45,000k resulted from repaying the Group's Revolving Credit Facility and accordingly it was fully unutilised (2020: £45,000k utilised) at the year end. The Group drew down its Revolving Credit Facility in full in 2020 to strengthen liquidity in response to the uncertainty presented by the Covid-19 pandemic.



Financial review *continued*

Financial risk management

Interest rate risk

At 31 March 2021, the Group had £215 million of 5.875% Senior Secured Notes due May 2023 and £35 million of 10% Second Lien Notes due November 2023 in issue. These Notes are fixed interest rate instruments and as such are not exposed to fluctuations in interest rates. In the event of the Group refinancing the Senior Secured and Second Lien Notes, a significant change in interest rates could have a material adverse or favourable impact on the fair value of the Group's borrowings.

In addition, the Group had access to a £45 million RCF which expires February 2023. The RCF bears interest on non-utilised balances at a fixed rate of 1.1% and bears interest on utilised balances at LIBOR plus 3.25%. The Group was not drawn on the RCF as at 31 March 2021 and accepts the interest rate risk of a material change in LIBOR rates. The Group is currently working with lenders to transition from LIBOR by 31 December 2021 in accordance with the UK Financial Conduct Authority's confirmation of LIBOR's cessation date.

To maximise interest receivable surplus cash is deposited each evening in a flexible interest bearing current account which is linked to LIBOR and which lowers the Group's net exposure to LIBOR risk.

Price risk

Contracts with Local Authorities and CCGs account for 97% of revenue. There is a risk that budget constraints, public spending cuts and other financial pressures could cause such publicly funded purchasers to spend less money on the type of service that we provide. We continue to diligently monitor any impact for the Group in our negotiations with publicly funded purchasers.

The Group is not exposed to commodity price risk but as a provider of care services the Group is subject to both general and industry specific wage pressures, including legislative changes concerning the National Living Wage and National Minimum Wage levels.

Credit risk

Credit risk arises from cash and cash equivalents and trade receivables. Credit exposures in relation to customers is very low given 97% of the Group's revenue is attributable to publicly funded bodies. Voyage Care has no significant concentrations of credit risk, with the exposure spread over many Local Authorities and CCGs.



Financial review *continued*

Financial risk management *continued*

Liquidity risk

Voyage Care's operational cash flow is largely stable and predictable given the contractual and recurring nature of the core business activity. Voyage Care manages its exposure to liquidity risk by preparing short term and long-term cash flow forecasts reflecting known commitments and anticipated projects.

Borrowing facilities are arranged as necessary to finance projected cash requirements, including capital expenditure and acquisitions. Adequate headroom is maintained for general corporate purposes including working capital. Interest on the Group's shareholder loans is not immediately cash settled.

Taxation policy

The Group has developed a taxation strategy that is reviewed by the Directors annually. The taxation strategy can be accessed from: www.voyagecare.com/about-voyage-care/legal-information/.

The key drivers to the overall effective tax rate are: movements in recognition of deferred tax on carry forward interest; a reduction in tax losses recognised and movements on properties that have been historically revalued on consolidation.

The key drivers to the current tax rate are: restrictions to interest deductions on shareholder debt under the UK's corporate interest restriction regime; and depreciation and amortisation in excess of capital allowances.

Corporate Social Responsibility

Stakeholder engagement and section 172(1) statement

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a Director to have regard, among other matters, to: the likely consequences of any decision in the long term; the interests of the company's employees; the need to foster the company's business relationships with suppliers, customers and others; the impact of the company's operations on the community and the environment; the desirability of the company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the company.

The Directors give careful consideration to the factors set out above in discharging their duties under section 172. The stakeholders we consider in this regard are the Group's employees, the people we support and their families, Local Authorities and CCGs that commission the care that we provide, our suppliers, the industry regulators, those that live in the societies that we provide care in and HMRC. The Board recognises that building strong relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way.



Corporate Social Responsibility continued

Wates Corporate Governance Principles for Large Private Companies

The Group are committed to abide by the laws and regulations of every jurisdiction in which we operate. For the year ended 31 March 2021, under The Companies (Miscellaneous Reporting) Regulations 2018, the Company has formally decided not to apply the Wates Corporate Governance Principles for Large Private Companies.

The Directors are aware of the Wates Principles and believe that the Company's existing corporate Governance code, including compliance with all aspects of Walker Guidelines for Disclosure and Transparency in Private Equity, substantially meets the requirements of the regulations and have set out within the Strategic Report and Directors Report the application of existing principles over the past year throughout the company's dealings.

Employees

The key to the Group's success is the skills and capabilities of the people we employ and it is recognised that engaged employees provide better outcomes for the people we support. The Group's human resources department works closely with the Group's employees to foster consultation in all matters, ensure fair pay for all and facilitate flexible working where feasible. The Group's policies ensure any discrimination will not be tolerated, either directly or indirectly, in recruitment or employment. We demonstrate the Group's commitment by promoting equal opportunities for current and potential employees, promoting an environment free from discrimination, bullying, harassment and challenging behaviour and providing support and encouragement to the Group's employees to develop their careers and increase their contribution to Voyage Care.

To enhance engagement with staff at all levels, a People Strategy has been developed to execute over the next three years. Our strategy contains 3 key pillars:

1. Recruit – use a smooth and engaging recruitment process to recruit the right people whose personal values align with those of the Group;
2. Engage – ensure employees feel valued and are rewarded for their efforts to promote stable and well supported staff teams that know and understand the people we support and who support one another;
3. Maximise – establish a framework to help people recognise employees' strengths and areas for development and address them through continued learning.

Over the last 12 months a number of initiatives have been developed and implemented across recruitment, wellbeing, reward and recognition, induction, equality and diversity and learning and development.

The Group recognises the recruitment, training and retention of skilled employees is critical to its success. As a result we have continued to invest in training, £2.0 million in the year ended 31 March 2021 (2020: £2.5 million), to ensure that employees are fully up-to-date in the best ways of providing care for those we support.

In addition, the Group has an in-house learning and development team which is dedicated to delivering training courses on all relevant subjects, enabling the Group's employees to gain the



Corporate Social Responsibility continued

Employees continued

necessary skill set, knowledge and confidence to achieve Voyage Care's high standards of care for the people we support. Furthermore, the company have a dedicated qualifications department that delivers professional development at all levels through the Government apprenticeship schemes. The Group's education system is subject to Ofsted inspection and the last review achieved a 'Good' rating. Recruitment from first point of contact to employment, including Disclosure and Barring Service checks, is administered by the Group's bespoke system and employee retention is closely monitored and exit interviews performed to identify underlying trends.

Voyage Care recognises that human rights principles of fairness, respect, equality, dignity and autonomy are at the heart of good care provision. It is also known that there is a strong link between the quality of care and equality for staff that requires work on basic fairness and building an inclusive culture that recognises and celebrates diversity. It is our expectation that people we support, employees, visitors and others are treated with consideration, dignity and respect and are free from harassment or intimidation at all times. This expectation is communicated to our employees through an equality, diversity and human rights policy available on the company intranet. Voyage Care is committed to having a diverse workforce in terms of gender, background, experience and nationality at all levels within the organisation.

A summary of the gender diversity throughout the Group is as follows:

	2021			2020		
	Female	Male	Total	Female	Male	Total
Director	1	7	8	1	7	8
Senior Executive	8	7	15	8	6	14
Employee	8,609	2,597	11,206	8,324	2,465	10,789
Total	8,618	2,611	11,229	8,333	2,478	10,811

We are committed to the development of our people and ensuring gender equality by design. As at April 2019, the Group's overall median gender pay gap was 1.2% (2018: 0.0%), with a mean figure of 4.9% (2018: 4.3%). The Group's report to April 2021 will be available in July 2021 and the Group's most recent gender pay gap report can be accessed at: www.voyagecare.com/about-voyage-care/legal-information/.

Social, community and human rights issues

Voyage Care takes active steps that seek to integrate the people we support into the community and as a result they have developed strong bonds with their surrounding communities. The Group has direct involvement in a number of community based programmes such as fundraising. Employees are recruited locally and services use local shops for food and provisions rather than national suppliers directly delivering to the Group's services. This is both good for the community and good for the environment. These activities have helped improve the understanding in the community of



Corporate Social Responsibility *continued*

Social, community and human rights issues *continued*

what we do whilst further improving the Group's service reputation and strengthening relationships with Local Authorities.

During the Covid-19 pandemic the Group has taken the appropriate social distancing precautions to protect the people we support, our employees and members of the public. This includes the provision of personal protective equipment in accordance with national guidelines and undertaking risk assessments appropriate to specific care activities.

Accordingly, day to day activities that help to integrate the people we support into the community have been curtailed and steps to reintroduce these activities are analysed by the Group's Quality department against the appropriate guidelines before proceeding.

Voyage Care has initiated a volunteering programme which allows the people we support to gain valuable work experience by assisting a number of teams within the Group's head office and by acting as quality checkers at our services. We are keen to encourage the people we support to gain skills, experience and knowledge to fulfil their potential and where possible to secure work opportunities and live as independent a life as they are able to.

The Group ensures business activities are conducted in such a way that we are not complicit in the abuse of fundamental human rights. These principles are reflected in all that we do and are essential to the practices of an ethical company. Voyage Care is committed to supporting human rights through compliance with laws and regulations in all aspects and geographies of the Group's operations.

Environmental

Voyage Care recognise that businesses have a critical role to play in the transition to a low-carbon future and that the Group has an opportunity to be a leader in the field. Accordingly, the Group has set an objective of becoming carbon positive as soon as possible and to make significant reductions in the overall carbon emissions by 2025. The Group has an Environment and Sustainability Committee, chaired by the Group's CEO, consisting of employees and people we support, with the objective of continuing to identify opportunities to reduce the Group's environmental impact, whilst contributing to the delivery of the Group's overall strategy.



Corporate Social Responsibility *continued*

Environmental *continued*

In accordance with streamlined energy and carbon reporting requirements, during the year ended 31 March 2021, the Group's energy usage was as follows:

	2021		2020	
	Global tonnes of CO ₂ e	MwH	Global tonnes of CO ₂ e	MwH
Combustion of fuel and operation of facilities (Scope 1)	6,352	32,653	6,785	34,098
Electricity, heat, steam and cooling purchased for own use (Scope 2)	2,050	8,791	2,129	8,329
Business travel where the Group is responsible for purchasing fuel (Scope 3)	528	2,129	1,160	3,594
Total (Market-based)	8,930	43,573	10,074	46,021
Total (Location-based)	8,843	-	11,085	-
Emissions intensity (Scope 1 and 2) per employee (tCO ₂ e/number of employees)	0.74		0.85	

Some of the initiatives that the Group has deployed to achieve its commitment of significantly reducing carbon emissions by 2025 are:

- All electricity is now provided from renewable sources and as a result there has been a reduction in global tonnes of CO₂e of 1,351.
- An environmental policy for employees requiring environmental issues be considered when making all decisions;
- Eliminating paper procedures, manuals and forms where possible;
- Electric and hybrid vehicles are encouraged for the service vehicle and company car fleet;
- Encouraging the reduction, reuse of or recycling of waste created at our services; and
- Independent assessment of current energy usage and developing strategy to reduce this usage.

The Group's energy consumption calculations are based on GHG Protocol Accounting and Reporting Standard (revised edition).

Anti-corruption and anti-bribery matters

We operate a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships and implementing and enforcing effective systems to counter bribery. We have an anti-bribery and corruption policy to inform of responsibilities throughout the organisation and is in a mandatory read format for all employees.



Uncertainties facing the business

On 19 March 2021, the Supreme Court announced its judgement on the Royal Mencap Society V Tomlinson-Blake case on the payment of sleep-in shifts for support workers. The Supreme Court ruled that for the purposes of National Minimum Wage, the number of hours worked excludes the hours workers are permitted to sleep unless they are awake for the purpose of working.

As a result of the judgement by the Supreme Court, the Directors consider that there is no possibility of a future liability and therefore the contingent liability disclosure has been removed (2020: £16 million).

Future prospects

The Group's philosophy places the people in our care at the heart of what we do. We recognise that our reputation and success are based upon their happiness and wellbeing and that the quality of care we provide is paramount.

Over the coming years, we anticipate growing demand for high quality care services which meet the needs of those who require support, care managers and families as the population of people requiring support continues to grow.

The Directors consider the annual report and financial statements to comply with all aspects of the Walker Guidelines for Disclosure and Transparency in Private Equity.

By order of the Board

A Cannon
Director

Wall Island
Birmingham Road
Lichfield
Staffordshire
WS14 0QP
29 June 2021



The Directors present their annual report and the audited financial statements for the year ended 31 March 2021.

In accordance with section 414C(11) of the Companies Act, information that is required to be contained in the Directors' Report has been included in the Strategic Report, specifically in respect of the future prospects of the business.

Principal activities

The principal activity of the Company is to act as a holding company. The principal activity of the Group is the provision of high quality care and support services for people with learning disabilities, brain injuries and other complex needs.

Results and dividends

The results for the year are set out in detail on page 35.

The Directors do not recommend the payment of a dividend (2020: £Nil).

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The Group, of which the Company is a member, is funded through a combination of Shareholders' Funds, Unsecured Shareholders Loans, Senior Secured Notes, Second Lien Notes and cash generated through operating profits. These comprised £215 million of 5.875% Senior Secured Notes and £35 million of 10% Second Lien Notes, due in 2023, and a Revolving Credit Facility of £45.0 million, due 2023, of which £Nil was drawn down at 31 March 2021.

The Directors have prepared a 2-year forecast from April 2021, together with detailed 'reasonable worst case' and 'worst case' cash flow forecasts which reflect severe but plausible downsides. This indicates that the Group will have sufficient funds to meet its liabilities as they fall due for that period. In preparing these forecasts, the Directors have completed extensive scenario planning to consider the impact to the Group's profitability of these severe but plausible downsides including the impact of further periods of lockdown during the winter of 2021/22 based on actual experience of operating through COVID since March 2020. The impacts on the availability of cash to meet liabilities as they fall due and the Group's compliance with the debt covenant associated with the Revolving Credit Facility were also considered. In making this assessment, the Directors have also assumed that the Revolving Credit Facility will be renewed under normal commercial terms, however, the forecasts do not indicate that the Group will be reliant on this facility. The Directors have also considered the principal risks identified on page 6.



Going concern *continued*

Consequently, the directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the consolidated and parent company financial statements on a going concern basis.

Financial risk management

Refer to the Strategic Report for details of the Group's financial risk management policies and procedures.

Employee involvement

The Group has formal employee policies and procedures which are regularly reviewed and updated on matters of direct concern to employees.

The Group offers an Employee Assistance Programme to enable staff to seek support on work, home and life issues to allow the Group to offer improved support to staff working in challenging environments.

Disabled persons

Full and fair consideration is given to applications for employment from disabled persons and to continuing the employment of those who become disabled while employed. The policy is to give equal opportunity for training, career development and promotion.

Streamlined energy and carbon reporting

In accordance with streamlined energy and carbon reporting requirements, the Group's energy usage has been reported in the Strategic Report on page 21.

Private equity investors

The Group was established in 1988 to provide long-term care for people with learning disabilities as a result of the UK government's introduction of its "Care in the Community" policy, aimed at moving people with learning disabilities from long-term institutions, especially hospitals, into care facilities that replicate a normal domestic dwelling. In September 2001, Duke Street, a private equity firm, acquired the business. In April 2006, the Group was acquired by HgCapital and SL Capital Partners and in November 2007, the business was rebranded under the Voyage Care name. Most recently, in August 2014, the Group were acquired by investment funds managed by Partners Group and Duke Street.

Partners Group is a global private markets investment manager, serving approximately 900 institutional investors worldwide. Partners Group has approximately USD 109 billion in assets under management across four asset classes - Private Equity, Private Real Estate, Private Debt and Private Infrastructure. Partners Group is listed on the SIX Swiss Exchange and had a market capitalisation of CHF27.8 billion as of 31 December 2020. It employs more than 1,500 professionals across 20 offices



Private equity investors *continued*

worldwide. In Private Equity, Partners Group manages assets of USD 52 billion and has on behalf of its clients directly invested in more than 250 companies since inception. The investment focus in Private Equity is on platform companies in fragmented markets, niche businesses with potential to gain market share in sub-segments of industries experiencing tailwinds and franchise companies with strong defensive capabilities and high cash flow generation. Partners Group pursues a diversified and global relative value approach across sectors, geographies and industries.

Duke Street has an investment strategy based on supporting the long-term growth of portfolio companies through investment and operational improvement initiatives. The Group was previously owned by Duke Street from 2001 to 2006. Duke Street has invested in mature, mid-market West European businesses for over 25 years and has a long and successful track record of investing in the healthcare sector.

The Company is ultimately majority-owned by investment funds which are managed by Partners Group AG and Duke Street LLP. As the Company is jointly controlled by Partners Group AG and Duke Street LLP, the Directors do not consider there to be an ultimate controlling party.

Directors

The Directors that served during the year were:

Company

Andrew Cannon

Shaun Parker

The Directors benefited from qualifying third-party indemnity provisions in place during the financial year and at the date of this report.

Committees of the Board

The Board has established a Quality, Safety and Risk Committee, an Audit Committee, a Remuneration Committee and an Investment Committee. The membership, purpose and responsibilities of each committee are summarised below:

Quality, Safety and Risk Committee

Voyage Care's purpose is to deliver great quality care and support, and we are privileged to support over 3,400 adults and children, enabling them to live the life they want to lead and achieve their personal goals. We are proud of the quality of the care and support we provide; Voyage Care has more services rated Good and Outstanding (or equivalent) by the regulators than any other adult social care provider. However, as a learning organisation we recognise there are always opportunities to improve further.



Committees of the Board *continued*

Quality, Safety and Risk Committee *continued*

The Quality, Safety and Risk Committee (QSR) provides independent challenge and review which drives quality improvements and the performance of best practice throughout the organisation. The QSR uses appropriate metrics about how Voyage Care is fulfilling its purpose and aims to continually improve feedback loops and delivery. In addition, the QSR provides an independent review of serious care, support and clinical incidents to ensure that, in all cases referred to the Committee, compliance with the relevant standards and regulations has been achieved, or exceptions reported. The Committee will also support and advise the Group to help provide a safe and secure care, support and clinical environment in the services, so to maximise the prospects of successful outcomes for all people we support. The Quality, Safety and Risk Committee is chaired by Alan Rosenbach (a former senior officer at the CQC) and, in addition comprises the Chief Executive, together with the Chief Operating Officer and Quality Director.

The Group also continues to operate its own quality assurance function to ensure that quality standards are continually driven forward. This well established in-house team regularly reviews each service to ensure all statutory and national guideline obligations are met and ensure delivery of continually improving care and quality standards.

Audit Committee

The purpose of the Audit Committee is to review the financial statements and controls of the Group on behalf of the Board. The Committee is responsible for being assured that the principles and policies comply with statutory requirements and with the best practices in accounting standards. The Committee will also consult with the external auditors reviewing key risk areas, seeking to satisfy itself that the internal control and compliance environment is adequate and effective and recommending to the Board the appointment and level of remuneration of the external auditors.

The Audit Committee is chaired by the Group's non-executive chairman and in addition comprises a representative of Partners Group and Duke Street, being Andrew Deakin and Stuart McMinnies respectively. The Chief Executive Officer and Chief Financial Officer attend meetings but are not members of the Audit Committee. The Group's Senior Statutory Auditor is also invited to Audit Committee meetings and on each occasion spends time with the Committee without executive management being present.

Remuneration Committee

The function of the Remuneration Committee is to provide oversight of the terms and conditions of senior employees on behalf of the Board. The Committee is responsible for making determinations on all matters concerning the remuneration of the senior managers, amending terms of the senior managers service contract and approving, if appropriate, all proposed appointments of new senior managers. The Remuneration Committee is chaired by the Group's non-executive chairman and, in addition comprises the Chief Executive Officer and a representative of Partners Group and Duke Street, being Remy Hauser and Stuart McMinnies respectively.



Committees of the Board *continued*

Investment Committee

The purpose of the Investment Committee is to review all significant investment proposals and according to their size and the judgement of the Committee, either to decide on whether they should be pursued or to make recommendations to the Board in that respect. The Committee is responsible for ensuring that the Board is informed on the status of proposals pending and approved, reviewing selected prior investments made to evaluate returns against those anticipated and annually reviewing investment strategy and considering the best use of funds against that strategy and the returns available.

The Investment Committee is chaired by the Company's Chief Financial Officer and, in addition comprises the Group's non-executive chairman, Chief Executive Officer, Chief Operating Officer, Commercial Director and a representative of Partners Group and Duke Street, being Andrew Deakin and Stuart McMinnies respectively.

Statement of disclosures to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will, therefore, continue in office.

By order of the Board

S Parker
Director

Wall Island
Birmingham Road
Lichfield
Staffordshire
WS14 0QP
29 June 2021

Voyage BidCo Limited
Statement of Directors' responsibilities in respect of the Strategic Report,
the Directors' Report and the Financial Statements
For the year ended 31 March 2021



The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Opinion

We have audited the financial statements of Voyage Bidco Limited (“the company”) for the year ended 31 March 2021 which comprise the Consolidated Statement of Profit and Loss, Consolidated Statement of Other Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, Consolidated Statement of Cash Flow and related notes, including the accounting policies in note 3.

In our opinion:

- the financial statements give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 March 2021 and of the group’s profit for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group’s and the Company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group’s and Company’s financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group’s and Company’s available financial resources and/or metrics relevant to debt covenants over this period were:

- The Group’s ability to generate continued funding increases from its customers;
- The impact of cost increases particularly in respect of employee costs; and
- The ability of the Group to refinance its external borrowings (refer to Note 21) before they fall due and payable.

Given the level of financial resources, and the risks inherent in the cash flows, particularly the ability of the Group to refinance its external borrowings before they fall due and payable, our evaluation of the Directors’ going concern assessment was of particular significance in our audit.



Going concern *continued*

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by comparing severe, but plausible, downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Group's financial forecasts.

We assessed the completeness of the going concern disclosure.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in note 2 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the Audit Committee, and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board and Audit Committee minutes;
- Considering remuneration incentive schemes and performance targets for management, directors and other employees; and
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that Group management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.



Fraud and breaches of laws and regulations – ability to detect *continued*

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries with unexpected revenue and cash account combinations;
- Evaluating the business purpose of significant unusual transactions; and
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence, and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, care quality, and certain aspects of company legislation recognising the nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.



Fraud and breaches of laws and regulations – ability to detect *continued*

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 29, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 opinions we have formed.

A handwritten signature in black ink, appearing to read "Stephen Ward". The signature is written in a cursive style.

Stephen Ward (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

29 June 2021

Voyage BidCo Limited
Consolidated Statement of Profit and Loss
For the year ended 31 March 2021



	Notes	2021			2020		
		Underlying £000	Non- underlying items (2) £000	Total £000	Underlying £000	Non- underlying items (2) £000	Total £000
Revenue		274,209	-	274,209	267,006	-	267,006
Operating expenses	10	(244,365)	(4,095)	(248,460)	(237,530)	(3,781)	(241,311)
Adjusted EBITDA (1)		44,796	(3,031)	41,765	45,053	(1,601)	43,452
Depreciation and impairment of property, plant and equipment	10	(13,971)	(1,064)	(15,035)	(13,696)	(2,180)	(15,876)
Profit on disposal of assets	10	1,589	-	1,589	490	-	490
Amortisation of intangible assets	10	(2,570)	-	(2,570)	(2,371)	-	(2,371)
Operating profit		29,844	(4,095)	25,749	29,476	(3,781)	25,695
Finance income	11	158	-	158	139	-	139
Finance expense	12	(19,921)	-	(19,921)	(19,431)	-	(19,431)
Profit before taxation		10,081	(4,095)	5,986	10,184	(3,781)	6,403
Taxation	13	(3,861)	1,269	(2,592)	(2,045)	514	(1,531)
Profit for the period from continuing operations		6,220	(2,826)	3,394	8,139	(3,267)	4,872
Profit attributable to equity holders of the parent		6,220	(2,826)	3,394	8,139	(3,267)	4,872

(1) Adjusted EBITDA represents earnings before interest, tax, depreciation and impairment, amortisation and profit/ (loss) on disposal of assets.

(2) Further breakdown of non-underlying items analysed in note 6.

Voyage BidCo Limited
Consolidated Statement of Other Comprehensive Income
For the year ended 31 March 2021



	Notes	2021 £000	2020 £000
Profit for the year		3,394	4,872
<i>Items that will not be reclassified to profit and loss</i>			
Remeasurements of the defined benefit liability	29	(226)	(2)
Deferred tax movement for the year	23	71	(14)
		(155)	(16)
Total comprehensive income attributable to equity holders of the parent for the financial year		3,239	4,856

Voyage BidCo Limited
Consolidated Statement of Financial Position
At 31 March 2021



	Notes	2021		2020	
		£000	£000	£000	£000
<i>Non-current assets</i>					
Goodwill	14	48,132		46,581	
Intangible assets	15	5,714		5,718	
Property, plant and equipment	16	362,663		358,771	
			416,509		411,070
<i>Current assets</i>					
Trade and other receivables	18	23,159		27,053	
Corporation tax receivable		499		-	
Cash and cash equivalents	19	40,746		80,139	
		64,404		107,192	
Assets classified as held for sale	20	-		1,038	
			64,404		108,230
Total assets			480,913		519,300
<i>Current liabilities</i>					
Loans and borrowings	21	3,618		48,892	
Trade and other payables	22	35,192		30,626	
Accruals and deferred income		25,969		24,136	
Corporation tax payable		-		503	
Provisions	24	422		267	
			65,201		104,424
<i>Non-current liabilities</i>					
Loans and borrowings	21	261,096		264,536	
Tax liabilities	23	11,802		10,942	
Provisions	24	984		962	
Employee benefits	29	372		217	
			274,254		276,657
Total liabilities			339,455		381,081
Net assets			141,458		138,219

Voyage BidCo Limited
Consolidated Statement of Financial Position *continued*
At 31 March 2021



	Notes	2021		2020	
		£000	£000	£000	£000
Equity					
<i>Capital and reserves</i>					
Issued share capital	25	-		-	
Share premium		252,872		252,872	
Retained earnings		(111,414)		(114,653)	
Total equity attributable to equity holders of the parent		141,458		138,219	

These financial statements were approved by the Board of Directors on 29 June 2021 and were signed on its behalf by:

S Parker
 Director

Company registered number: 05752534

Voyage BidCo Limited
Company Statement of Financial Position
At 31 March 2021



	Notes	2021 £000	2020 £000
Assets			
<i>Non-current assets</i>			
Investments	17	130,874	130,874
<i>Current assets</i>			
Trade and other receivables	18	480,390	459,298
Total current assets		<u>480,390</u>	<u>459,298</u>
Total assets		<u>611,264</u>	<u>590,172</u>
<i>Current Liabilities</i>			
Trade and other payables	22	667,309	617,776
Total current liabilities being total liabilities		<u>667,309</u>	<u>617,776</u>
Net liabilities		<u>(56,045)</u>	<u>(27,604)</u>
Equity			
<i>Capital and reserves</i>			
Called up share capital	25	-	-
Share premium		252,872	252,872
Profit and loss account		(308,917)	(280,476)
Equity shareholders' deficit		<u>(56,045)</u>	<u>(27,604)</u>

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own Statement of Profit and Loss and related notes that form part of these approved financial statements. The amount of loss after taxation for the financial year for the Company is £28,441k (2020: £25,782k).

These financial statements were approved by the Board of Directors on 29 June 2021 and were signed on its behalf by:

S Parker
 Director

Company registered number: 05752534

Voyage BidCo Limited
Consolidated Statement of Changes in Equity



For the year ended 31 March 2021

Group	Issued share capital	Share premium	Retained earnings	Total parent equity
	£000	£000	£000	£000
At 1 April 2020	-	252,872	(114,653)	138,219
<i>Total comprehensive income for the year</i>				
Profit for the year	-	-	3,394	3,394
Other comprehensive income	-	-	(155)	(155)
Total comprehensive income for the year	-	-	3,239	3,239
At 31 March 2021	-	252,872	(111,414)	141,458

For the year ended 31 March 2020

Group	Issued share capital	Share premium	Retained earnings	Total parent equity
	£000	£000	£000	£000
At 1 April 2019	-	252,872	(119,509)	133,363
<i>Total comprehensive income for the year</i>				
Profit for the year	-	-	4,872	4,872
Other comprehensive income	-	-	(16)	(16)
Total comprehensive income for the year	-	-	4,856	4,856
At 31 March 2020	-	252,872	(114,653)	138,219

Voyage BidCo Limited
Company Statement of Changes in Equity



For the year ended 31 March 2021

Company	Issued share capital	Share premium	Retained earnings	Total parent equity
	£000	£000	£000	£000
At 1 April 2020	-	252,872	(280,476)	(27,604)
<i>Total comprehensive income for the year</i>				
Loss for the year	-	-	(28,441)	(28,441)
Other comprehensive income	-	-	-	-
Total comprehensive expense for the year	-	-	(28,441)	(28,441)
At 31 March 2021	-	252,872	(308,917)	(56,045)

For the year ended 31 March 2020

Company	Issued share capital	Share premium	Retained earnings	Total parent equity
	£000	£000	£000	£000
At 1 April 2019	-	252,872	(254,694)	(1,822)
<i>Total comprehensive income for the year</i>				
Loss for the year	-	-	(25,782)	(25,782)
Other comprehensive income	-	-	-	-
Total comprehensive expense for the year	-	-	(25,782)	(25,782)
At 31 March 2020	-	252,872	(280,476)	(27,604)

Voyage BidCo Limited
Consolidated Statement of Cash Flow
For the year ended 31 March 2021



	2021	2020
	£000	£000
Cash flows from operating activities		
Profit for the year	3,394	4,872
Adjustments for:		
Depreciation and impairment of property, plant and equipment	15,035	15,876
Profit on disposal of non-current assets	(1,589)	(490)
Amortisation of intangible assets	2,570	2,371
Finance income	(158)	(139)
Finance expense	19,921	19,431
Tax expense	2,592	1,531
Movements in working capital:		
Decrease in trade and other receivables	2,486	1,236
Increase in trade and other payables	4,396	1,161
Increase in accruals and deferred income	1,866	3,226
Increase in provisions, employee benefits and other financial liabilities	106	108
<i>Cash generated from operating activities</i>	50,619	49,183
Interest paid	(17,519)	(17,007)
Tax paid	(3,076)	(840)
Net cash generated from operating activities	30,024	31,336
Cash flows from investing activities		
Interest received	117	73
Payments to acquire property, plant and equipment	(18,201)	(12,032)
Payments to acquire intangible assets	(1,092)	(504)
Proceeds from sales of property, plant and equipment	4,717	27,565
Net cash outflow on acquisition of subsidiaries	(4,775)	(3,215)
Net cash (used in) / generated from investing activities	(19,234)	11,887
Cash flows from financing activities		
(Repayment) / proceeds from loans and borrowings	(45,000)	22,000
Property and vehicle lease payments	(5,183)	(3,770)
Net cash (used in) / generated from financing activities	(50,183)	18,230
Net (decrease) / increase in cash and cash equivalents in the period	(39,393)	61,453
Cash and cash equivalents at the beginning of the period	80,139	18,686
Cash and cash equivalents at the end of the period	40,746	80,139



1 Reporting entity

Voyage BidCo Limited (the Company) is a company incorporated in England and Wales. The consolidated financial statements consolidate those of the Company and its subsidiaries (together referred to as the Group). The principal activity of the Group is the provision of high quality care and support services for people with learning disabilities, brain injuries and other complex needs.

2 Basis of preparation

The Group financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs").

The Company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") .

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own Statement of Profit and Loss and related notes that form part of these approved financial statements. The amount of loss after taxation for the financial year for the Company is £28,441k (2020: £25,782k).

The Group and Company financial statements have been prepared under the historical cost convention except for certain financial instruments which are stated at fair value through the Statement of Profit and Loss. Non-current assets held for sale are stated at the lower of previous carrying value and fair value.

Revenue and expenses arising on trading between group companies are eliminated on consolidation.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

The Group, of which the Company is a member, is funded through a combination of Shareholders' Funds, Unsecured Shareholders Loans, Senior Secured Notes, Second Lien Notes and cash generated through operating profits. These comprised £215 million of 5.875% Senior Secured Notes and £35 million of 10% Second Lien Notes, due in 2023, and a Revolving Credit Facility of £45.0 million, due 2023, of which £Nil was drawn down at 31 March 2021.



2 Basis of preparation *continued*

Going concern continued

The Directors have prepared a 2-year forecast from April 2021, together with detailed 'reasonable worst case' and 'worst case' cash flow forecasts which reflect severe but plausible downsides. This indicates that the Group will have sufficient funds to meet its liabilities as they fall due for that period. In preparing these forecasts, the Directors have completed extensive scenario planning to consider the impact to the Group's profitability of these severe but plausible downsides including the impact of further periods of lockdown during the winter of 2021/22 based on actual experience of operating through COVID since March 2020. The impacts on the availability of cash to meet liabilities as they fall due and the Group's compliance with the debt covenant associated with the Revolving Credit Facility were also considered. In making this assessment, the Directors have also assumed that the Revolving Credit Facility will be renewed under normal commercial terms, however, the forecasts do not indicate that the Group will be reliant on this facility. The Directors have also considered the principal risks identified on page 6.

Consequently, the directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the consolidated and parent company financial statements on a going concern basis.

3 Accounting policies

The following accounting policies have been applied consistently dealing with items which are considered material in relation to the companies financial statements.

Business combinations and goodwill

Acquisitions are accounted for using the acquisition method as at the acquisition date and costs incurred in relation to the acquisition are expensed and included within operating expenses.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. If the contingent consideration is not classified as equity, changes to fair value are recognised in the Statement of Profit and Loss.

Any deferred consideration payable is recognised at fair value at the acquisition date and changes to fair value are recognised in the Statement of Profit and Loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. Goodwill is tested for impairment annually.

If the consideration is lower than the fair value of the net assets of the acquired subsidiary, the difference is recognised in Statement of Profit and Loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.



3 Accounting policies *continued*

Intangible assets

Intangible assets with finite useful lives that are acquired separately or in a business combination are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The carrying amounts of intangible assets are reviewed annually to determine whether the assets have suffered an impairment loss. The estimated useful lives are as follows:

Customer relationships	2 - 8 years
Non-compete	2 - 3 years
Brands	2 - 4 years

Purchased software that is not integral to the functionality of the related equipment is capitalised and amortised on a straight-line basis over its estimated useful life. The estimated useful life is as follows:

Software not integral	3 years
-----------------------	---------

Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered primarily through a sale transaction rather than through continuing operational use. Reclassification will only take place if (i) the asset is available for immediate sale in its present condition; (ii) the asset will be subject to terms for a normal sale of such asset; and (iii) management are committed to the sale and expect the sale to be completed within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated nor amortised.

In the consolidated Statement of Profit and Loss for the year, and for the comparable period of the previous year, revenue and expenses for discontinued operations are reported separately from revenue and expenses from continuing operations, down to the level of profit / (loss) after taxes.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure incurred in bringing the asset into working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.



3 Accounting policies *continued*

Property, plant and equipment continued

Depreciation is charged to the Statement of Profit and Loss on a straight line basis at rates calculated to write off the cost of each asset to its residual value over its estimated useful life. The depreciation rates in use are:

Freehold land	Nil
Freehold buildings	2%
Motor vehicles	25%
Fixtures, fittings and equipment	20%
Computers integral	33%
Right-of-use assets	Duration of lease

Gains and losses of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and are recognised net within the Statement of Profit and Loss.

Impairment of goodwill and property, plant and equipment

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable.

Calculation of recoverable amount

The recoverable amount of property, plant and equipment is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating operating segment exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss unless it arises on previously revalued property, plant and equipment. An impairment loss on revalued property, plant and equipment is recognised in the Statement of Profit and Loss if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the Statement of Other Comprehensive Income until the carrying amount reaches the asset's depreciated historic cost.

Impairment losses recognised in respect of income-generating operating segments are allocated first to reduce the carrying amount of any goodwill allocated to income-generating operating segments, then to any capitalised intangible asset and finally to the carrying amount of the tangible assets in the operating segment on a pro rata or more appropriate basis. An income generating operating segment is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or group of assets.



3 Accounting policies *continued*

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are stated at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised at fair value less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost less any impairment losses.

Trade and other payables

Trade and other payables are stated at cost.

Revenue

Revenue in respect of the provision of care services represents the fair value of fee income receivable for the period and is recognised in respect of the care that has been provided in the relevant period. Revenue invoiced in advance is included in deferred income, until the service is provided, whilst revenue billed in arrears is included in accrued income until billed.

Non-underlying items

The Group separately identifies and discloses certain items, referred to as non-underlying items, by virtue of size, nature and occurrence. This is consistent with the way that financial performance is measured by senior management and assists in providing a meaningful analysis of operating results by excluding items that may not be part of the ordinary activity of the business.



3 Accounting policies *continued*

Financing income and expense

Interest income and interest payable is recognised in the consolidated Statement of Profit and Loss as it accrues, using the effective interest method.

Financing expenses comprise interest payable on Loan Notes and other third party borrowings and unwinding of the discount on provisions and lease liabilities. In addition, transaction costs that are directly attributable to the arrangement of borrowings are capitalised and recognised in the consolidated Statement of Profit and Loss using the effective interest method.

Taxation including deferred taxation

The charge for taxation is based on the profit or loss for the year and comprises current and deferred taxation. Income tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Tax currently payable is based on the taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Tax is calculated using tax rates enacted or substantively enacted at the date of the Statement of Financial Position.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises the expenditure for which the grants are intended to compensate.



3 Accounting policies *continued*

Employee benefits

The assets of all pension plans are held separately from those of the Group, in separately administered funds.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate company and will have no legal obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Profit and Loss in the period during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets are deducted. The Group determines the net interest on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit asset.

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that has maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Re-measurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets and the effect of the asset ceiling. The Group recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in the Statement of Profit or Loss.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

Investment in subsidiaries

Investments in subsidiaries are stated at fair value less provisions for impairment.



3 Accounting policies *continued*

Segment reporting

Segment results that are reported to the Group's Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, finance costs and tax assets and liabilities.

FRS 101 disclosure exemptions

As the consolidated financial statements of the Group include the equivalent disclosures, the Company has taken the exemption under FRS 101 available in respect of the following disclosures:

- a cash flow statement;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of transactions with wholly owned subsidiaries.

Leases

A. Definition of a lease

The Group assesses whether a contract is or contains a lease based on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

B. As a lessee

As a lessee, the Group recognises right-of-use assets and lease liabilities for most leases. The Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value (e.g. Short term vehicle hire). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

i. Significant accounting policies

The Group recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. When a right-of-use asset meets the definition of investment property, it is presented in investment property. The right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's accounting policies.



3 Accounting policies *continued*

Leases continued

i. Significant accounting policies - continued

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgements to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

Adopted IFRS not yet applied

The following pronouncements, issued by the IASB, have not yet been endorsed by the UK, are not yet effective and have not yet been adopted by the Group:

- FRS 17 Insurance Contracts;
- Amendments to IAS 1 Presentation of Financial Statements – Classification of liabilities as current or non-current;
- Amendments to IFRS 3 Business Combinations – Reference to the conceptual framework;
- Amendments to IAS 16 Property, Plant and Equipment – Proceeds before intended use;
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Onerous contracts – cost of fulfilling a contract;
- Amendments to IAS 1 Presentation of Financial Statements – disclosure of accounting policies;
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – definition of accounting estimates;
- Amendments to IFRS 16 Leases – COVID-19 related rent concessions beyond 30 June 2021; and
- Annual improvements to IFRS standards 2018-2020 cycle.

The above standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.



4 Accounting estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis and any revisions to these estimates are recognised in the period in which the estimates are revised and in any future period affected.

The key assumptions which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Impairment of goodwill

Determining whether goodwill is impaired requires judgement as to the determination of the CGUs and an estimation of the value in use of the cash generating units (CGUs) to which goodwill has been allocated. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the CGUs, and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at 31 March 2021 was £48,132k (2021: £46,581k) (see note 14).

Customer relationships, Non-compete agreements and Brands

Management assess each acquisition to identify intangible assets that were acquired as part of the transaction. The estimation of future economic benefits generated from acquired customer relationships, non-compete agreements and brands, and the determination of the related amortisation profile, involves a significant degree of judgement based on management's estimation of future revenue, profit, customer attrition rates, and the useful lives of the assets. Changes in the estimates made by management could result in a large, but not material, reclassification between intangible assets and goodwill.



4 Accounting estimates and judgements *continued*

Impairment of trade receivables

Determining the extent of the impairment requires judgement as to whether certain trade debtors are deemed doubtful although not definitely irrecoverable. The Group presents trade receivable net of allowances for impairment. The Group measures allowances at an amount equal to the lifetime expected credit loss using both quantitative and qualitative information and analysis based on the Group's historical experience and forward looking information.

Assets held for sale

Determining whether an asset is classified as held for sale requires management to determine whether the conditions identified in 'IFRS 5 Non-current assets held for sale' are met. Management believe a significant degree of judgement is required to determine whether the sale is highly probable and whether the sale will be completed within 12 months of the classification as held for sale. In addition, management are required to estimate the expected net realisable value of the assets held for sale. As at 31 March 2021, the value of assets classified as held for sale are £Nil (2020: £1,038k) (see note 20).

Dilapidations provision

Determining the extent of the provision requires an estimation of future lease and dilapidation costs and a discount rate in order to calculate the present value. The carrying amount of provision at 31 March 2021 was £1,406k (2020: £1,229k) (see note 24).

Valuation of lease liabilities and right of use assets

The application of IFRS 16 requires management to make judgements that impact the valuation of lease liabilities and the valuation of right of use assets. The following critical judgements relating to leases have been considered:

- Assessing whether a contract is or contains a lease - At the inception of a contract, management determine whether the contract is or contains a lease. Management assess whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration;
- Discount rate - Determining the incremental borrowing rate requires management to consider how much the Group would have to pay to borrow over a similar term, with a similar security, and the funds necessary to obtain an asset of a similar value to the right of use asset in a similar environment; and
- Lease term - Determining the lease term requires management to consider all facts and circumstances that create an economic incentive to exercise an extension or termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.



5 Operating segments

Information reported to senior management for the purposes of resource allocation and assessment of performance of each segment focuses on the type of care services provided by the Group. The Group operates solely within the UK therefore no geographical segment reporting has been disclosed. The primary business segments stated below are based on the Group's management and internal reporting structure.

- Registered Care: supporting individuals in our specially adapted homes; and
- Community Based Care: supporting individuals in their own home.

The reported segmental information represents income and expenditure generated from external customers and external suppliers only. There were no inter-segment transactions reported during the current period (2020: £Nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profits represents adjusted EBITDA earned by each segment without allocation of non-underlying items or finance costs which is consistent with the information reported to senior management.

The Group previously reported three business segments: Registered, Community Based Care and Children's Complex Care (formerly Focused Healthcare). Following the continued integration of Children's Complex Care (formerly Focused Healthcare) since its acquisition in 2018, the business segments have been updated to reflect the new structure of management reporting to senior management. The prior year segmental analysis has been restated accordingly to reflect the new structure.

For the year ended 31 March 2021	<i>Segment results</i>		
	Registered	Community Based Care	Group
	£000	£000	£000
Revenue	175,365	98,844	274,209
Adjusted EBITDA (before non-underlying items)	34,019	10,777	44,796
Non-underlying items			(3,031)
Adjusted EBITDA (after non-underlying items)			41,765
Depreciation and impairment of property, plant and equipment			(15,035)
Profit on disposal of non-current assets			1,589
Amortisation of intangible assets			(2,570)
Net finance expense			(19,763)
Taxation			(2,592)
Profit for the period			3,394



5 Operating segments *continued*

For the year ended 31 March 2020 (restated)	<i>Segment results (restated)</i>		Group £000
	Registered £000	Community Based Care £000	
Revenue	172,796	94,210	267,006
Adjusted EBITDA (before non-underlying items)	33,756	11,297	45,053
Non-underlying items			(1,601)
Adjusted EBITDA (after non-underlying items)			43,452
Depreciation and impairment of property, plant and equipment			(15,876)
Profit on disposal of non-current assets			490
Amortisation of intangible assets			(2,371)
Net finance expense			(19,292)
Taxation			(1,531)
Profit for the period			4,872

6 Non-underlying items

The Group separately identifies and discloses certain items, referred to as non-underlying items, by virtue of size, nature and occurrence. This is consistent with the way that financial performance is measured by senior management and assists in providing a meaningful analysis of operating results by excluding items that may not be part of the ordinary activity of the business.

The following table details the non-underlying items that have been incurred in the year:

		2021 £000	2020 £000
<i>Non-underlying items:</i>	Note		
Day Care income	a	(19)	(138)
Consultancy fees	b	849	185
Covid-19 related expenditure	c	9,039	765
Covid-19 related reimbursements	d	(7,319)	-
Impairment of property, plant and equipment	e	1,064	2,180
Integration and acquisition costs	f	172	72
Issue of loan notes	g	-	(112)
Project costs	h	189	446
Restructuring costs	i	120	383
Taxation	j	(1,269)	(514)
		2,826	3,267



6 Non-underlying items *continued*

The key elements of the expenditure for both years is set out below:

- (a) *Day Care income*
For the year ended 31 March 2021, the Group was in receipt of funds in relation to backdated VAT on its Day Care business of £19k (2020: £138k).
- (b) *Consultancy fees*
For the year ended 31 March 2021, the Group incurred costs of £849k in relation to professional advice and consultancy services to simplify its group structure, improve procurement capabilities and reduce operating costs (2020: £185k).
- (c) *Covid-19 related expenditure*
The impact of the global pandemic caused by the Covid-19 outbreak significantly increased the Group's costs during the year ended 31 March 2021 and as a result additional expenditure of £9,039k was incurred (2020: £765k).
- (d) *Covid-19 related reimbursements*
During the year ended 31 March 2021, the UK Government increased the funding to Local Authorities to pass to social care providers to cover certain expenditure in relation to dealing with the impact of the global pandemic caused by the outbreak of Covid-19. As a result, the Group received Government funding of £7,319k for the reimbursement of costs in relation to the global pandemic (2020: £Nil).
- (e) *Impairment of property, plant and equipment*
For the year ended 31 March 2021, the Group recognised an impairment charge for certain property, plant and equipment due to the carrying amount of assets exceeding its recoverable amount. As a result an impairment charge of £1,064k was incurred (2020: £2,180k).
- (f) *Integration and acquisition costs*
For the year ended 31 March 2021, the Group incurred transaction costs of £172k in relation to the acquisition of Day Opportunities Limited (see note 30). For the year ended 31 March 2020, the Group incurred transaction costs of £72k in relation to the acquisition of Fox Elms Community Care Limited and its subsidiaries.
- (g) *Issue of loan notes*
During the year ended 31 March 2020, a professional fees accrual in relation to the reclassification of Investor and Management Fixed Rate Unsecured Loan Notes was released and as a result a credit of £112k was recognised (2021: £Nil).
- (h) *Project costs*
The Group is undertaking a programme to improve the quality, accuracy and support for its customers by investing in its head office and operational function including the implementation of an operational ERP system, as a result fees of £189k were incurred (2020: £446k).
- (i) *Restructuring costs*
For the year ended 31 March 2021, the Group incurred remuneration costs of £120k in relation to restructuring its workforce (2020: £383k).
- (j) *Taxation*
During the year ended 31 March 2021, a taxation credit of £1,269k arose as a result of certain non-underlying items stated in the non-underlying table (2020: £514k).



7 Staff numbers

The average number of persons employed by the Group (including Directors) during the year were as follows:

	Number of employees	
	2021	2020
Administration	460	432
Care staff	10,765	10,375
	<u>11,225</u>	<u>10,807</u>

8 Directors' remuneration

Remuneration paid to the Directors in respect of their services to the Company and other member companies of the Group:

	2021	2020
	£000	£000
Remuneration	928	666
Pension contributions	89	100
	<u>1,017</u>	<u>766</u>

The remuneration of the highest paid director was £540k (2020: £366k) and pension contributions of £64k (2020: £77k) were made to a money purchase scheme on their behalf.

One of the Directors active in the year accrued benefits under money purchase pension schemes (2020: one Director).

9 Auditor's remuneration

	2021	2020
	£000	£000
Audit of the Group financial statements	18	15
Audit of financial statements of subsidiaries	214	205
<i>Audit related fees</i>	<u>232</u>	<u>220</u>
Other tax advisory services	-	7
Other services	<u>2</u>	<u>2</u>
<i>Non-audit fees</i>	<u>2</u>	<u>9</u>
Total audit and non-audit fees	<u>234</u>	<u>229</u>



10 Operating profit before taxation

Operating profit before taxation is stated after charging:

	2021	2020
	£000	£000
Direct expenses and consumables	8,328	7,865
Staff costs:		
Wages and salaries	182,629	171,184
Social security costs	13,058	11,336
Other pension costs	3,508	3,189
Operating lease rentals:		
Other lease rentals (see note 26)	354	561
Plant and machinery (see note 26)	294	320
Depreciation of property, plant and equipment	13,971	13,696
Impairment of property, plant and equipment (see note 6)	1,064	2,180
Profit on disposal of assets	(1,589)	(490)
Amortisation of intangible assets	2,570	2,371
Other external charges	24,273	29,099
	<u>248,460</u>	<u>241,311</u>

11 Finance income

	2021	2020
	£000	£000
Bank interest receivable	<u>158</u>	<u>139</u>

12 Finance expense

	2021	2020
	£000	£000
Bank interest including RCF non-utilisation fees	1,155	869
Loan notes interest	17,672	17,567
Unwinding of discount on provisions and rate change	44	8
Unwinding of lease liabilities	783	822
Other finance costs	267	165
Total finance expense	<u>19,921</u>	<u>19,431</u>

Loan notes interest comprises interest on Senior Secured and Second Lien Notes of £16,131k (2020: £16,131k) and amortisation of issue costs and original issue discount on the Notes of £1,541k (2020: £1,436k).



13 Taxation

Recognised in the Statement of Profit and Loss	2021	2020
	£000	£000
Analysis of charge in year		
Current tax:		
UK corporation tax on losses of the period	1,750	1,816
Adjustments in respect of previous periods	191	(14)
	<u>1,941</u>	<u>1,802</u>
Deferred tax:		
Origination and reversal of timing differences	(853)	(1,373)
Adjust opening deferred tax to average rate	-	(729)
Adjustments in respect of prior periods	1,504	1,831
	<u>651</u>	<u>(271)</u>
Tax on loss on ordinary activities	<u>2,592</u>	<u>1,531</u>
Recognised directly in Statement of Other Comprehensive Income		
	2021	2020
	£000	£000
Current tax recognised directly in other comprehensive income	-	-
Deferred tax recognised directly in other comprehensive income	(71)	14
	<u>(71)</u>	<u>14</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2021	2020
	£000	£000
Loss on ordinary activities before taxation	<u>5,986</u>	<u>6,403</u>
Current tax at 19% (2020: 19%)	1,137	1,217
Effects of:		
Income not taxable for tax purposes	(29)	(29)
Expenses not deductible for tax purposes	181	106
Fixed asset depreciation / impairment charges in excess of allowances	128	(1,603)
Transfer pricing adjustment	(17)	(15)
Group relief received	(731)	(1,589)
Adjustments in respect of prior periods	1,695	1,817
Losses eliminated	6	-
Adjust opening deferred tax to average rate	-	1,497
Deferred tax not recognised	222	130
Total tax charge (see above)	<u>2,592</u>	<u>1,531</u>

Factors that may affect future tax charges

The UK Finance Act 2016 was enacted during the year ended 31 March 2017, which included provisions for a reduction in the UK corporation tax rate to 17% with effect from 1 April 2020. Subsequently a change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted for IFRS purposes on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. Deferred tax has been provided at a rate of 19% recognising the applicable tax rate at the point when the timing difference is expected to reverse. A further change to the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023 was announced in the Budget on 3 March 2021, and was substantively enacted on 24 May 2021. Had the rate change to 25% been substantively enacted at the balance sheet date the impact on net deferred tax liabilities would have been an increase of approximately £3.7 million.



14 Goodwill	Goodwill £000
Cost	
At 1 April 2020	55,137
Acquisitions (see note 30)	1,551
At 31 March 2021	<u>56,688</u>
Accumulated impairment charge	
At 1 April 2020 and 31 March 2021	<u>8,556</u>
At 31 March 2021	<u>48,132</u>
At 31 March 2020 and 1 April 2020	<u>46,581</u>

On 15 December 2020, the Group acquired 100% of the share capital of Day Opportunities Limited. The principal activities of the company is to provide similar high quality services to that of the Voyage Care Group with the aim to further increase Voyage's presence in the market place. Goodwill of £1,551k has been capitalised in relation to the acquisition (see note 30).

The Group review goodwill for impairment on an annual basis or more frequently if there are indications that goodwill might be impaired.

A goodwill impairment charge of £Nil occurred during the year ended 31 March 2021 (2020: £Nil).

Impairment testing

Goodwill acquired in a business combination is allocated to cash generating units (CGUs) that are expected to benefit from that business combination.

Goodwill has been allocated to three identifiable CGUs, Registered services, Community Based Care and Children's Complex Care (formerly Focused Healthcare). The CGUs to which goodwill is allocated is presented below:

	Goodwill	
	2021 £000	2020 £000
Registered	17,977	17,460
Community based care	18,689	17,655
Children's Complex Care (formerly Focused Healthcare)	11,466	11,466
	<u>48,132</u>	<u>46,581</u>

The Group performs a test for impairment on each CGU. The methodology and inputs of the impairment test is detailed below:

The recoverable amount was determined by the greater of net realisable value and value in use. In assessing value in use, the expected future cash flows were discounted to their present value using a pre-tax discount rate of 8.33% for the Registered CGU, 9.16% for the Community Based Care CGU and 10.29% for the Children's Complex Care CGU (2020: 7.98%, 8.83% and 9.95% respectively). The pre-tax discount rates reflect current market assessments of the rate of return expected on equally risky investments.



14 Goodwill *continued*

Key assumptions for the value in use calculations are those regarding weekly fees, volume of chargeable hours, costs, discount rates, growth rates and period on which forecasts are based. The cash flow projections were based on financial budgets approved by the Board of Directors for the forthcoming year and management's forecasts for five years which are based on assumptions of the business, industry and economic growth. A terminal value is placed on the value of the annual cash flows in year five.

Registered

The recoverable amount of this CGU was based on value in use using the assumptions stated above and a terminal growth rate of 1.50% (2020: 1.50%). The recoverable amount of £410.5 million (2020: £441.4 million) exceeded its carrying amount by approximately £68.5 million (2020: £98.9 million) and no impairment was required.

Community Based Care

The recoverable amount of this CGU was based on value in use using the assumptions stated above and a terminal growth rate of 2.00% (2020: 2.00%). The recoverable amount of £198.4 million (2020: £182.8 million) exceeded its carrying amount by approximately £171.6 million (£154.2 million) and no impairment was required.

Children's Complex Care (formerly Focused Healthcare)

The recoverable amount of this CGU was based on value in use using the assumptions stated above and a terminal growth rate of 1.50% (2020: 2.00%). The recoverable amount of £30.3 million (2020: £45.1 million) exceeded its carrying amount by approximately £18.3 million (2020: £31.5 million) and no impairment was required (2020: no impairment).

Sensitivities

Whilst the impairment testing did not give rise to an impairment, management note that the calculations are sensitive to certain assumptions. The below table sets out each assumption and states the increase in percentage points each assumption requires before the carrying amount equals its recoverable.

Changes required for carrying amount to equal recoverable amount (percentage points movement):

	2021	2020
<i>Registered</i>		
Discount rate	+1.42%	+2.01%
Budgeted revenue growth per year	(2.38%)	(3.29%)
Budgeted staff costs per year	+3.92%	+5.48%
<i>Community Based Care</i>		
Discount rate	+50.76%	+33.95%
Budgeted revenue growth per year	(13.92%)	(11.19%)
Budgeted staff costs per year	+18.14%	+14.43%
<i>Children's Complex Care (formerly Focused Healthcare)</i>		
Discount rate	+15.78%	+18.61%
Budgeted revenue growth per year	(18.57%)	(23.23%)
Budgeted staff costs per year	+27.65%	+36.75%

Management are confident that the assumptions used for assessing goodwill are appropriate at the time of the review but acknowledge it is possible circumstances may change in the future.



15 Intangible assets

	Software costs	Customer relationships	Non-compete agreements	Brands	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2019	2,088	9,688	1,117	300	13,193
Acquisitions	-	1,122	201	18	1,341
Additions	520	-	-	-	520
Disposals	(588)	-	-	-	(588)
At 31 March 2020	<u>2,020</u>	<u>10,810</u>	<u>1,318</u>	<u>318</u>	<u>14,466</u>
At 1 April 2020	2,020	10,810	1,318	318	14,466
Acquisitions (see note 30)	-	1,220	242	14	1,476
Additions	1,090	-	-	-	1,090
Disposals	(9)	-	-	-	(9)
At 31 March 2021	<u>3,101</u>	<u>12,030</u>	<u>1,560</u>	<u>332</u>	<u>17,023</u>
Amortisation					
At 1 April 2019	1,557	4,265	989	136	6,947
Provided during the year	294	1,823	178	76	2,371
Amortisation on disposal	(570)	-	-	-	(570)
At 31 March 2020	<u>1,281</u>	<u>6,088</u>	<u>1,167</u>	<u>212</u>	<u>8,748</u>
At 1 April 2020	1,281	6,088	1,167	212	8,748
Provided during the year	499	1,901	91	79	2,570
Amortisation on disposal	(9)	-	-	-	(9)
At 31 March 2021	<u>1,771</u>	<u>7,989</u>	<u>1,258</u>	<u>291</u>	<u>11,309</u>
Net book value					
At 31 March 2021	<u>1,330</u>	<u>4,041</u>	<u>302</u>	<u>41</u>	<u>5,714</u>
At 31 March 2020 and 1 April 2020	<u>739</u>	<u>4,722</u>	<u>151</u>	<u>106</u>	<u>5,718</u>
At 1 April 2019	<u>531</u>	<u>5,423</u>	<u>128</u>	<u>164</u>	<u>6,246</u>

On 15 December 2020, the Group acquired 100% of the share capital of Day Opportunities Limited. Intangible assets of £1,476k have been capitalised in relation to the acquisition (see note 30).

Intangible assets meeting the relevant recognition criteria are initially measured at cost less accumulated amortisation and accumulated impairment. The amortisation charge is recognised in the Statement of Profit and Loss.



16 Property, plant and equipment

	Freehold land and buildings	Fixtures, fittings and equipment	Motor vehicles	Right-of-use asset	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2019	396,002	88,396	9,444	20,463	514,305
Acquisitions	6	12	2	-	20
Additions	1,907	10,835	768	5,677	19,187
Assets classified as held for sale	(5,945)	-	-	-	(5,945)
Disposals	(29,602)	(7,574)	(2,372)	(1,113)	(40,661)
At 31 March 2020	<u>362,368</u>	<u>91,669</u>	<u>7,842</u>	<u>25,027</u>	<u>486,906</u>
At 1 April 2020	362,368	91,669	7,842	25,027	486,906
Acquisitions (see note 30)	2,206	-	-	-	2,206
Additions	8,385	9,376	381	1,805	19,947
Disposals	(2,080)	(1,286)	(694)	(3,143)	(7,203)
At 31 March 2021	<u>370,879</u>	<u>99,759</u>	<u>7,529</u>	<u>23,689</u>	<u>501,856</u>
Depreciation and impairment					
At 1 April 2019	53,868	66,844	6,345	3,289	130,346
Charge for the year	1,142	7,841	1,499	3,214	13,696
Impairment	1,723	-	-	457	2,180
Assets classified as held for sale	(2,885)	-	-	-	(2,885)
Depreciation on disposals	(5,982)	(5,983)	(2,221)	(1,016)	(15,202)
At 31 March 2020	<u>47,866</u>	<u>68,702</u>	<u>5,623</u>	<u>5,944</u>	<u>128,135</u>
At 1 April 2020	47,866	68,702	5,623	5,944	128,135
Charge for the year	1,094	8,067	1,009	3,801	13,971
Impairment	1,064	-	-	-	1,064
Depreciation on disposals	(680)	(1,211)	(661)	(1,425)	(3,977)
At 31 March 2021	<u>49,344</u>	<u>75,558</u>	<u>5,971</u>	<u>8,320</u>	<u>139,193</u>
Net book value					
At 31 March 2021	<u>321,535</u>	<u>24,201</u>	<u>1,558</u>	<u>15,369</u>	<u>362,663</u>
At 1 April 2020	<u>314,502</u>	<u>22,967</u>	<u>2,219</u>	<u>19,083</u>	<u>358,771</u>
At 1 April 2019	<u>342,134</u>	<u>21,552</u>	<u>3,099</u>	<u>17,174</u>	<u>383,959</u>



16 Property, plant and equipment *continued*

An impairment charge of £1,064k relates to two freehold properties which met the definition of an asset held for sale and were sold in the period (2020: impairment charge of £1,723k relating to eight freehold properties of which two met the definition of an asset held for sale and were transferred to assets held for sale and six were disposed in the period). Freehold property identified as requiring impairment during the year has been written down to its respective net realisable value.

For the year ended 31 March 2020 an impairment charge of £457k related to one right of use asset which was written down to its respective net realisable value (2021: £Nil).

Included within freehold land and buildings is freehold land totalling £61,914k (2020: £64,721k) which is not depreciated.

Costs of £3,251k (2020: £3,856k) are included within fixed assets in respect of properties in the course of being converted into care homes which are not depreciated until the properties are brought into use.

The properties reported in the above table are subject to a registered debenture that forms security related to the Group's loans and borrowings.

17 Investments

Company	Investments in subsidiary undertakings £000
As at 31 March 2020	130,874
Impairment charge	-
As at 31 March 2021	<u>130,874</u>

Voyage BidCo Limited
Notes to the Consolidated Financial Statements *continued*
For the year ended 31 March 2021



17 Investments *continued*

The subsidiary undertakings of the Company, all of which are registered in Great Britain, are summarised as follows:

Subsidiary	Nature of business	Country of incorporation	Holding	Proportion held %
Voyage Healthcare Group Limited	Intermediate holding company	England	Ordinary	100
Voyage Care Limited *	Intermediate holding company	England	Ordinary	100
Voyage 1 Limited *	Community care	England	Ordinary	100
Voyage 2 Unlimited *	Community care	England	Ordinary	100
Voyage Limited *	Community care	England	Ordinary	100
Voyage Specialist Healthcare Limited*	Community care	England	Ordinary	100
Voyage Care BondCo PLC *	Investment company	England	Ordinary	100
Solor Care (South West) Limited *	Community care	England	Ordinary	100
Solor Care London Limited *	Community care	England	Ordinary	100
Solor Care South East (2) Limited *	Community care	England	Ordinary	100
Solor Care West Midlands Limited *	Community care	England	Ordinary	100
Solor Care Holdings (2) Limited *	Intermediate holding company	England	Ordinary	100
Solor Care Limited *	Community care	England	Ordinary	100
Solor Care South East Limited *	Community care	England	Ordinary	100
Solor Care Holdings (3) Limited *	Intermediate holding company	England	Ordinary	100
Solor Care Group Limited *	Community care	England	Ordinary	100
Evesleigh (East Sussex) Limited *	Community care	England	Ordinary	100
Evesleigh Care Homes Limited *	Community care	England	Ordinary	100
Primary Care UK Limited *	Community care	England	Ordinary	100
Skills for Living Limited *	Community care	England	Ordinary	100
Redcliffe House Limited *	Community care	England	Ordinary	100
The Cedars (Mansfield) Limited *	Community care	England	Ordinary	100
Childrens Complex Care Limited (formerly Focused Healthcare Limited) *	Community care	England	Ordinary	100
Focused Healthcare Limited (formerly Fox Elms Community Care Limited) *	Intermediate holding company	England	Ordinary	100
Fox Elms Care Limited *	Community care	England	Ordinary	100
Day Opportunities Limited *	Community care	England	Ordinary	100

* Held by a subsidiary undertaking

The registered address of the Company and its subsidiary undertakings stated above is Wall Island, Birmingham Road, Lichfield, Staffordshire, WS14 0QP.



18 Trade and other receivables

	2021		2020	
	Group £000	Company £000	Group £000	Company £000
Trade receivables	18,394	-	23,859	-
Impairment of receivables	(513)	-	(1,761)	-
Trade receivables (net)	17,881	-	22,098	-
Other receivables	1,267	-	3,169	-
Prepayments	1,458	45	842	45
Intercompany receivables	2,553	480,345	944	459,253
	<u>23,159</u>	<u>480,390</u>	<u>27,053</u>	<u>459,298</u>

Credit risk exposures in relation to customers is limited given that the majority of the Group's revenue is attributable to publicly funded local purchasers. The Group has no significant concentrations of credit risk, with the exposure spread over a large number of Local Authorities and CCGs.

The Group presents trade receivables net of allowances for impairment. The Group measures allowances at an amount equal to the lifetime expected credit loss using both quantitative and qualitative information and analysis based on the Group's historical experience and forward looking information. During the year there was a credit to the consolidated Statement of Profit and Loss of £1,248k (2020: £165k).

The Group has £606k (2020: £302k) trade receivables that are past due but not impaired. This balance is deemed recoverable as it primarily relates to publicly funded local purchasers as mentioned above for whom the Group have strong relations and there is no history of default.

The ageing analysis of these receivables is as follows:

	2021 £000	2020 £000
Between 91 - 120 days	181	57
Between 121 - 150 days	81	15
Greater than 150 days	344	230
	<u>606</u>	<u>302</u>

Movement in the provision for impaired receivables:

	2021 £000	2020 £000
At 1 April	(1,761)	(1,926)
Decrease in provision for impaired receivables	1,248	165
At 31 March	<u>(513)</u>	<u>(1,761)</u>



19 Cash and cash equivalents

	2021	2020
	£000	£000
Cash and cash in hand	38,528	79,761
Cash held on behalf of people we support	346	219
Other restricted cash	1,872	159
	<u>40,746</u>	<u>80,139</u>

Cash and cash equivalents includes cash held on behalf of people we support. All interest earned on these funds is returned back to the people we support and are not included in the Statement of Profit and Loss. An equivalent liability of £346k (2020: £219k) exists for this amount and is included in note 22.

20 Non-current assets classified as held for sale

As at 31 March 2021, the assets classified as held for sale are £Nil (2020: £1,038k).

21 Loans and borrowings

	2021	2020
	£000	£000
Bank Loans	-	45,000
Loan notes	246,289	244,748
Lease liability	18,425	23,680
	<u>264,714</u>	<u>313,428</u>

Loan notes include unamortised issue costs and original issue discount of £3,711k (2020: £5,252k) which after deducting from the loan note balance due of £250 million results in a net loan note liability of £246,289k (2020: £244,748k).

As at 31 March 2021 there was accrued interest of £6,721k (2020: £6,721k) included within accruals disclosed within current liabilities in the Statement of Financial Position but excluded from this note.

Total debt can be analysed as falling due:

	2021	2020
	£000	£000
In one year or less	3,618	48,892
Between one and five years	254,278	254,596
After five years	6,818	9,940
	<u>264,714</u>	<u>313,428</u>



21 Loans and borrowings *continued*

Loan notes

The Group issued £250 million of Loan Notes comprising £215 million Senior Secured Notes due 2023 and £35 million Second Lien Notes due 2023. The Notes are listed on the Channel Island Stock Exchange. The Notes are listed on the Channel Island Stock Exchange. Accrued interest on the Loan Notes is cash settled bi-annually. In addition, the Group is party to a £45 million Revolving Credit Facility.

The interest rate and repayment terms of these loan notes are as follows:

Debt instrument	Currency	Loan balance £000	Interest rate	Repayment terms
Senior Secured Loan Notes	GBP	215,000	5.875%	May-23
Second Lien Notes	GBP	35,000	10.00%	Nov-23
Revolving Credit Facility				
Utilised	GBP	-	LIBOR +3.25%	Feb-23
Non utilised	GBP	45,000	1.1%	Feb-23

22 Trade and other payables

	2021		2020	
	Group £000	Company £000	Group £000	Company £000
Trade payables	7,104	-	8,003	-
Other taxes and social security costs	6,993	-	5,987	-
Other payables	17,084	-	14,361	-
Amounts due to related parties	3,665	667,309	2,056	617,776
People we support money payable (see note 19)	346	-	219	-
	<u>35,192</u>	<u>667,309</u>	<u>30,626</u>	<u>617,776</u>

Amounts due to related parties have no fixed repayment date, but are classified as short term loans.

The Group has policies in place to ensure all payables are paid within the agreed credit terms.



23 Deferred tax assets and liabilities

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 19% (2020: 19%).

Group

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000
Property, plant and equipment	1,857	2,723	(20,910)	(21,583)	(19,053)	(18,860)
Intangible assets	193	220	(833)	(946)	(640)	(726)
Employee benefits	71	41	-	-	71	41
Un-utilised losses	3,062	3,784	-	-	3,062	3,784
Other	4,846	4,914	(88)	(95)	4,758	4,819
Deferred tax assets / (liabilities)	10,029	11,682	(21,831)	(22,624)	(11,802)	(10,942)
Offset of tax	(10,029)	(11,682)	10,029	11,682	-	-
Net deferred tax liabilities	-	-	(11,802)	(10,942)	(11,802)	(10,942)

Movements in deferred tax during the year:

	Recognised in:				
	At 1 April 2020 £000	Profit and loss £000	Changes in OCI £000	Acquisition of subsidiaries £000	At 31 March 2021 £000
Property, plant and equipment	(18,860)	(221)	28	-	(19,053)
Intangible assets	(726)	366	-	(280)	(640)
Employee benefits	41	(13)	43	-	71
Un-utilised losses	3,784	(722)	-	-	3,062
Other	4,819	(61)	-	-	4,758
Deferred tax liabilities	(10,942)	(651)	71	(280)	(11,802)



23 Deferred tax assets and liabilities *continued*

Movements in deferred tax during the prior period:

	Recognised in:				At 31 March 2020
	At 1 April 2019	Profit and loss	Changes in OCI	Acquisition of subsidiaries	
	£000	£000	£000	£000	
Property, plant and equipment	(13,966)	(4,880)	(14)	-	(18,860)
Intangible assets	(759)	287	-	(254)	(726)
Employee benefits	48	(7)	-	-	41
Un-utilised losses	3,502	282	-	-	3,784
Other	230	4,589	-	-	4,819
Deferred tax liabilities	<u>(10,945)</u>	<u>271</u>	<u>(14)</u>	<u>(254)</u>	<u>(10,942)</u>

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where management believe it is probable that these assets will be recovered.

Deferred tax assets totalling £731k (2020: £807k) have not been recognised as it is improbable that sufficient taxable profits will arise in the related entities against which the assets can be utilised.

24 Provisions

	2021 £000	2020 £000
Group		
Current dilapidations	422	267
Non-current dilapidations	984	962
Provision	<u>1,406</u>	<u>1,229</u>

The movement in provisions were:

	Dilapidations £000
At 1 April 2020	1,229
Amounts recognised during the year	150
Provision used during the year	(17)
Discount rate change (see note 12)	28
Unwinding of discounted amount (see note 12)	16
At 31 March 2021	<u>1,406</u>

The Group's dilapidations provision is determined by discounting expected cash outflows at a pre-tax rate that reflects current market assessments of the time value of money. As at 31 March 2021, a pre-tax discount rate of 1.35% was applied which is equal to the Government's risk free rate (2020: 1.75%). The provisions recognised will unwind over the term of each lease.



25 Share capital

	2021	2020
Group and Company	£000	£000
Allotted, called up and fully paid:		
4 ordinary shares of £1.00 each	-	-
	<u>-</u>	<u>-</u>

The ordinary shares entitle the holders to vote at general meetings of the Company, and to receive by way of dividend any profits of the Company available for distribution. On winding up of the Company the balance of assets, subject to special rights attached to any other class of shares, will be distributed among the ordinary shareholders.

26 Commitments

The Group had commitments under non-cancellable operating leases as follows:

	2021		2020	
	Land and buildings £000	Other assets £000	Land and buildings £000	Other assets £000
Operating leases which expire:				
Within one year	-	-	5	3
Between two and five years	-	-	-	-
After five years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>5</u>	<u>3</u>

During the year £648k was recognised as an expense in the Statement of Profit and Loss in respect of operating leases (2020: £881k) (see note 10).



27 Financial instruments

The fair values of all assets and liabilities by class together with their carrying amounts shown in the Statement of Financial Position are as follows:

	Carrying amount			Fair value	
	Financial liabilities at FV £000	Loans and receivables £000	Other financial liabilities £000	Total £000	Total £000
For the year ended 31 March 2021					
<i>Financial assets not measured at fair value</i>					
Trade and other receivables	-	21,701	-	21,701	21,701
Cash and cash equivalents	-	40,746	-	40,746	40,746
	-	62,447	-	62,447	62,447
<i>Financial liabilities not measured at fair value</i>					
Senior Secured Loan Notes	-	-	211,906	211,906	214,103
Second Lien Loan Notes	-	-	34,383	34,383	33,950
Trade and other payables	-	-	35,192	35,192	35,192
Lease liability	-	-	18,425	18,425	18,425
	-	-	299,906	299,906	301,670
For the year ended 31 March 2020					
<i>Financial assets not measured at fair value</i>					
Trade and other receivables	-	26,211	-	26,211	26,211
Cash and cash equivalents	-	80,139	-	80,139	80,139
	-	106,350	-	106,350	106,350
<i>Financial liabilities not measured at fair value</i>					
Senior Secured Loan Notes	-	-	210,562	210,562	199,322
Second Lien Loan Notes	-	-	34,186	34,186	29,750
Revolving Credit Facility	-	-	45,000	45,000	45,000
Trade and other payables	-	-	30,626	30,626	30,626
Lease liability	-	-	23,680	23,680	23,680
	-	-	344,054	344,054	328,378



28 Related party transactions

As permitted by IAS 24 "Related party disclosures", the Company has taken advantage of the exemption for wholly owned subsidiaries not to disclose related party transactions with group entities.

During the year, the following transactions took place between the Group and its other related parties:

- Consultancy fees of £150k (2020: £150k) was accrued and £150k (2020: £150k) was paid to Duke Street LLP.
- Consultancy fees of £300k (2020: £300k) was accrued in relation to Partners Group AG.
- During the year ending 31 March 2015, Voyage 1 Limited made an Advance of £296k (2020: £296k) to Viking Investments LP, the Advance bears a rate of interest of 10% and interest of £51k (2020: £47k) was recognised during the current year. As at 31 March 2021, the amount due was £551k (2020: £500k); the Advance is repayable on demand at any time together with accrued interest.
- Partners Group AG is the parent company of Chambertin (Holdings) Limited and its subsidiaries. Civica UK Limited, a subsidiary of Chambertin (Holdings) Limited supplied software solutions including licence fees to the Voyage Care Group; fees of £779k were paid and £79k was outstanding as at 31 March 2021 (2020: £504k and £121k respectively).
- Duke Street LLP is a Member of PEPCO Services LLP. PEPCO Services LLP supplied services and consultancy to the Voyage Care Group; fees of £792k were paid and £Nil was outstanding as at 31 March 2021 (2020: £424k and £1k respectively).
- Compensation paid to key management personnel in respect of their services to the Company and other member companies of the Group:

	2021	2020
	£000	£000
Short-term employee benefits	577	430
Post-employment benefits	43	33
	620	463

Compensation of the Company and other member companies of the Group key management personnel includes salaries, non-cash benefits and contributions towards a post-employment contribution benefit plan.

- During the year, close family members of key management personnel were employed by the Group in administration roles and received remuneration totalling £36k (2020: £23k). At the year end, amounts totalling £2k (2020: £2k) were owed to the individuals.



29 Pension schemes

The Group contributes to a number of pension schemes for its employees. Details of these schemes are as follows:

The Group contributes on a defined contribution basis to the Peoples Pension under Auto-enrolment, a Group Personal Pension Plan and personal pension plans for certain managers.

The Group contributes to the National Health Service pension scheme for certain employees, whereby the Group is required to make contributions into these schemes at a percentage, as notified by the NHS pension scheme administrator, of the relevant employees' salary. The assets and liabilities of these pension schemes are managed independently of the Group. Employer contribution rates are 14.38% of pensionable salaries. The Group have no ongoing liabilities in relation to these schemes.

The Group also participates in a group funded defined benefit scheme, the Voyage Retirement Benefit Scheme, for past employees. Contributions into this scheme are made in accordance with the advice of the Royal London Group, independent actuaries. The latest triennial actuarial valuation was performed on 1 April 2020 using the projected unit method. The principal assumptions adopted in the valuation were that the discount factor would be 2.1% per annum compound and the real rate of investment over salary growth would be 0.00% per annum compound. At the date of the latest triennial actuarial valuation at 1 April 2020, the market value of the assets of the scheme was £1,548k and the actuarial value of the assets was sufficient to cover 87% of the benefits that had accrued to members, after allowing for expected future increase in earnings.

The Defined Contribution pension cost for the Group in 2021 was £3,508k (2020: £3,189k). An amount of £743k (2020: £941k) is included in accruals which represents the excess accumulated pension cost over the payment of contributions to the various Defined Contribution schemes.

IAS 19 valuation

The pension valuation for the Voyage Retirement Benefit Scheme at 1 April 2020 has been updated by the actuary on an IAS 19 basis as at 31 March 2021. The scheme has no active members (2020: none) and 14 deferred members (2020: 14). The major assumptions used in this valuation were:

	2021	2020
	%	%
Rate of increase in salaries	0.0	0.0
Rate of increase in pensions in payment	3.4	2.9
Discount rate	2.1	2.3
Inflation assumption	3.4	2.9



29 Pension schemes *continued*

The assumptions relating to longevity underlying the pension liabilities at the Statement of Financial Position date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

Current pensioner aged 65: 19.4 years (male), 21.6 years (female).

Future retiree upon reaching 65: 20.6 years (male), 23.0 years (female).

The assumptions used by the actuary are the best estimate chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Scheme assets / (liabilities)

The fair value of the scheme's assets / (liabilities), which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	Value at 31 March 2021 £000	Value at 31 March 2020 £000
<i>Fair value of plan assets</i>		
Fair value of plan assets	2,304	1,889
Present value of scheme liabilities	(1,857)	(1,720)
Net defined benefit asset	447	169
Effect of asset ceiling / minimum funding requirements	(819)	(386)
Net recognised defined benefit liability	(372)	(217)

Movements in present value of defined benefit obligation:

	2021 £000	2020 £000
At 1 April	1,720	1,985
Current service cost	-	-
Interest expense	24	27
Remeasurement arising from:		
Financial	133	(17)
Demographic	-	(45)
Experience	(20)	(230)
Contributions by members	-	-
Benefits paid	-	-
At 31 March	1,857	1,720



29 Pension schemes *continued*

<i>Movements in fair value of plan assets:</i>	2021	2020
	£000	£000
At 1 April	1,889	2,154
Interest income	29	31
Actual return on plan assets, excluding interest income	311	(371)
Contributions:		
By employer	75	75
By members	-	-
Benefits paid	-	-
At 31 March	<u>2,304</u>	<u>1,889</u>

Analysis of amounts recognised in the Statement of Profit and Loss:

	2021	2020
	£000	£000
Current service cost	-	-
Interest on present value of defined benefit obligation	24	27
Interest on fair value of plan assets	(29)	(31)
	<u>(5)</u>	<u>(4)</u>

Analysis of amounts recognised in the Statement of Other Comprehensive Income:

	2021	2020
	£000	£000
Remeasurement of defined benefit obligation	113	(292)
Return on plan assets, excluding amounts included in net interest	(311)	371
Change in effect of the asset ceiling, excluding amounts included in net interest	424	(77)
	<u>226</u>	<u>2</u>

History of plans

The history of the plans for the current and prior periods is as follows:

Statement of Financial Position	2021	2020	2019	2018	2017
	£000	£000	£000	£000	£000
Present value of scheme liabilities	(1,857)	(1,720)	(1,985)	(1,132)	(1,259)
Fair value of scheme assets	2,304	1,889	2,154	1,206	1,407
Surplus	<u>447</u>	<u>169</u>	<u>169</u>	<u>74</u>	<u>148</u>

The Company expects to contribute approximately £99k (2020: £75k) to its defined benefit plans in the next financial year.



30 Day Opportunities acquisition

On 15 December 2020, the Group acquired 100% of the issued share capital of Day Opportunities Limited. The principal activities of the company is to provide similar high quality services to that of the Voyage Care Group with the aim to further increase Voyage's presence in the market place.

The provisional fair value of the assets acquired and the resulting goodwill is set out below:

	Book value	Fair value adjustment	Fair value
	£000	£000	£000
Property, plant and equipment	2,206	-	2,206
Trade and other receivables	111	(21)	90
Cash in hand, bank	43	-	43
Trade and other payables	(51)	-	(51)
Accruals and deferred income	(65)	(25)	(90)
Corporation tax	(127)	-	(127)
Deferred tax	-	(280)	(280)
Net assets	2,117	(326)	1,791
Brands			14
Non-compete agreement			242
Customer relationships			1,220
Goodwill			1,551
			4,818
Satisfied by:			
Cash			4,463
Deferred consideration			355
Total cost of acquisition			4,818

The acquisition cost comprises cash consideration of £4,818k, of which £355k related to deferred consideration which was paid and in escrow prior to 31 March 2021.

From acquisition on 15 December 2020 to 31 March 2021 the business contributed revenue of £578k and a profit after tax of £162k. The revenue and profit after tax is reported within the Group's results for the year ended 31 March 2021. If acquired on 1 April 2020 the business contributions to revenue for the year to 31 March 2021 would have been £1,972k and a profit after tax of £553k.

The Group incurred acquisition costs of £172k which have been expensed as a non-underlying item in the Statement of Profit and Loss.



31 Contingent Liability

Security granted on the Senior Secured Notes, the Second Lien Notes and the Revolving Credit Facility
Certain wholly owned subsidiaries in the Voyage Care Group have guaranteed the amounts due under the Senior Secured Notes, the Second Lien Notes and the Revolving Credit Facility held in Voyage Care BondCo PLC. Security has been granted over all freehold and long leasehold property.

Sleep in shifts announcement

On 19 March 2021, the Supreme Court announced its judgement on the Royal Mencap Society V Tomlinson-Blake case on the payment of sleep-in shifts for support workers. The Supreme Court ruled that for the purposes of National Minimum Wage, the number of hours worked excludes the hours workers are permitted to sleep unless they are awake for the purpose of working.

As a result of the judgement by the Supreme Court, the Directors consider that there is no possibility of a future liability and therefore the contingent liability disclosure has been removed (2020: £16 million).

32 Controlling party

The Company's immediate parent undertaking is Voyage HoldCo 2 Limited which is registered in England and Wales.

The Company's ultimate parent undertaking is Voyage Care HoldCo Limited which is registered in England and Wales.

Copies of the Group financial statements of Voyage Care HoldCo Limited may be obtained from:

The Company Secretary
Voyage Care HoldCo Limited
Wall Island
Birmingham Road
Lichfield
Staffordshire
WS14 0QP