Voyage BidCo Limited

Results for the three month period ended 30 June 2017

Voyage Care BondCo PLC

£215,000,000   5 ⅞% Senior Secured Notes due 2023

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

Table of contents

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 quarterly report.

Executive Summary

Financial highlights

The table below summarises financial information (unaudited) for the three months ended 30 June:

£ million	**Q1 2018**	**Q1 2017**
Turnover	54.4	52.4
EBITDA (before non-underlying items)	9.1	9.5
Operating profit	6.8	6.8
Profit for the period	(8.1)	0.7
Operating cash flow	7.4	7.9

Commentary on results

Operating performance in line with expectations, the key highlights of which are:

Performance during Q1 2018 vs. Q1 2017

- Revenue increased 3.8% to £54.4 million primarily due to growth in our community based care business.
- Adjusted EBITDA before non-underlying items decreased 4.2% to £9.1 million primarily due to increases in staff costs as a result of the impact of National Minimum Wage and National Living Wage.
- CQC quality scores remain very high with 94.4% of services achieving a Good or Outstanding score.
- Registered average occupancy at 90.5%.
- Community Based Care average weekly care hours increased by 3,600 hours to 71,200.

Recent developments

- On 26 July 2017, the government announced its intention to waive any penalties prior to this date with regards to any underpayment of wages in relation to sleep-in duties. Furthermore it suspended HMRC investigations on sleep-ins until 2 October 2017.
- On 22 August 2017, Voyage Care acquired Focused Healthcare Limited, a specialist paediatric healthcare company which provides care services to children and young people with complex, acute and chronic illnesses, for £19.0m. Based in London, the company was set up in 2009 by paediatric nurse Nicki Nicholls and two other shareholders. Nicki is remaining with the business to continue to grow and expand its service offering in London and beyond over the coming years. The run-rate EBITDA at acquisition was £2.6m representing an opening leverage of 7.3x. The deal has been entirely financed from the RCF.

Company Overview

We are the leading provider of registered care homes, measured in terms of beds, with a growing presence in community based care services 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 3,052 people as at 30 June 2017, comprising 1,885 through our registered care home division and a further 1,167 through our growing 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 home 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 £1,599 per person for the twelve months ended 30 June 2017. Our community based care services division, as at 30 June 2017, delivered approximately 71,000 hours of care per week with the provision of support averaging approximately 61 hours per week per person at an average hourly rate of £15.10 for the last twelve months ended 30 June 2017.

- 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 remains high, with 94.4% 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 9,300 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 aligned into two divisions based on the type of setting in which care is provided; our registered care home division where the home is directly registered with CQC, and our community based care services division where the community based care office is registered with the CQC and the care and support we provide is in the persons own home. Our business divisions complement the regulatory and delivery models of our services and provide flexibility to suit the needs of the people we care for. Our divisions are as follows:

- ***Registered care home***

  We provide care to individuals in our 277 registered homes as at 30 June 2017. We hold the freehold interest in 235 of our registered homes and 3 of our registered homes are held on a long leasehold basis (each with a lease period of over 35 years remaining), collectively representing 87% of our registered homes by number of beds. At 30 June 2017 we had 2,077 beds in our registered properties with an average of 8 beds per property, providing a personal environment compared to larger facilities operated by some of our competitors.

- ***Community based care services***

  Our community based care services division operates out of 39 registered community care offices as at 30 June 2017. Typically the people we support in our community based care services division live in individual or communal accommodation provided by government agencies or registered social landlords that are registered with the Homes and Communities Agency.

Presentation of financial and other information

Financial data

This Quarterly Report includes the condensed consolidated financial information (unaudited) of Voyage BidCo Limited and its subsidiaries for the three month period ended 30 June 2017 (‘Q1 2018’) and 30 June 2016 (‘Q1 2017’), prepared in accordance with IFRS, and accompanying notes.

Other financial measures

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

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. We believe that EBITDA before non-underlying items, EBITDAR before non-underlying items and Unit EBITDA before non-underlying items 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 EBITDA and EBITDAR, respectively.

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. You should exercise caution 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 you should not consider those measures as an alternative to net income or operating profit determined in accordance with IFRS, as the case may be. 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 you should not consider them 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 home division at any given time. Numbers of beds is presented in this Quarterly Report as at the end of the relevant period unless otherwise stated.

Occupancy

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

Occupancy rates

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

Community based care services

Our results of operations are impacted by the number of people supported in our community based care services division at any given time. The number of people supported in our community based care services division is presented in this Quarterly 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 home division refer to the average weekly fees in a given period. The fee rates for our community based care services 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 of operations

Key factors affecting our results of operations

Revenue

Revenue in our registered care home 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 services 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:

	Q1 2018	**Q1 2017**
Registered	2,091	2,075
Community based Care	1,167	1,121
Total	**3,257**	**3,197**

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:

	Q1 2018	**Q1 2017**
Registered	90.0%	90.5%

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 June	
		2017	**2016**
Registered	£wk	1,599	1,563
Community based Care	£hr	15.10	14.78

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 together April 2017);
- 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, also impacts on our staff costs as we are required to contribute to pension schemes for qualifying employees; and
- bonus schemes, being annual and other schemes operating at any one time.

		Q1 2018	**Q1 2017**
Staff Costs *	£m	35.9	34.0
% Revenue		66.0%	64.9%
% Operating costs **		79.2%	79.3%

		Q1 2018	**Q1 2017**
Staff Costs (excluding central overheads) *	£m	32.8	31.2
% Revenue		60.3%	59.4%
% Operating costs **		72.4%	72.7%

* *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	Q1 2018	Q1 2017	% Change
Revenue	**54.4**	**52.4**	**3.8%**
Staff costs	(35.9)	(34.0)	(5.6%)
Direct expenses & consumables	(1.8)	(1.8)	(0.0%)
Property lease rentals	(0.9)	(0.9)	(0.0%)
Other lease rentals	(0.4)	(0.4)	(0.0%)
Other external charges	(6.3)	(5.7)	(10.5%)
EBITDA before non-underlying items	**9.1**	**9.5**	**(4.2%)**
Non-underlying items	0.7	(0.1)	nm
EBITDA	9.8	9.4	4.3%
Depreciation & impairment of property, plant and equipment	(2.8)	(2.5)	(12.0%)
Profit on disposal of non-current assets	0.0	0.1	100.0%
Release of negative goodwill	0.0	0.0	nm
Impairment of goodwill	0.0	0.0	nm
Amortisation of intangible assets	(0.2)	(0.2)	(0.0%)
Operating profit	**6.8**	**6.8**	**0.0%**
Finance income	(0.0)	0.0	nm
Finance expense	(14.3)	(5.9)	nm
(Loss) / profit before taxation	**(7.5)**	**1.0**	**nm**
Taxation	(0.6)	(0.2)	nm
(Loss) / profit for the period	**(8.1)**	**0.7**	**nm**
Other financial metrics			
Staff costs (excluding central overheads)	32.8	31.1	(5.5%)
Overhead expenses & bonus	4.3	4.0	(7.5%)
Unit EBITDA before non-underlying items	13.3	13.6	(2.2%)
EBITDA before non-underlying items margin %	16.7%	18.1%	(1.4%)
EBITDA margin %	18.0%	17.9%	0.1%
EBITDAR	10.7	10.3	3.9%
EBITDAR margin %	19.7%	19.7%	0.0%
EBITDAR before non-underlying items	10.0	10.4	(3.8%)
EBITDAR before non-underlying items margin %	18.4%	19.8%	(1.4%)

* Amounts stated above are unaudited.

Revenue

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

- For Q1 2018 revenue increased by £2.0 million, or 3.8% to £54.4 million from £52.4 million for Q1 2017, primarily due to organic growth in our community based care business, the transfer and operation of 7 new registered services from 1 November 2016 and fee inflation, partially offset by the loss of revenue due to services that have now closed.

Staff costs

Staff costs consist of wages and salaries, social security costs and other pension costs.

- Staff costs (excluding overheads) for Q1 2018 increased by £1.7 million, or 5.4% to £32.8 million (which represented 60.3% of revenue) from £31.1 million (which represented 59.4% of revenue) for Q1 2017, primarily due to increases in staff costs as a result of National Living Wage (April 2017) and associated staff costs due to the growth in our community based care business and control of new services.

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.

- For Q1 2018 direct expenses and consumables remained constant at £1.8 million when compared to Q1 2017.

Property lease rentals

Property lease rentals consist primarily of leases on registered care homes and community based care services. At 30 June 2017, we had 59 short-term leases, consisting of 39 registered care homes and 20 registered community care offices. In addition, 3 of our registered care homes were held on a long leasehold basis (each with a lease period of over 35 years remaining). At 30 June 2017, 14.7% of our registered care homes were held under operating leases.

- For Q1 2018 property lease rentals remained constant at £0.9m when compared to Q1 2017.

Other lease rentals

Other lease rentals consist primarily of motor vehicle leases. We currently lease approximately 250 vehicles, which are primarily used to transport the people we support.

- For Q1 2018 other lease rentals remained constant at £0.4m when compared to Q1 2017.

Other external charges

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

- For Q1 2018 other external charges increased by £0.6 million, or 10.5%, to £6.3 million from £5.7 million for Q1 2017, primarily due to increased spend on external agency, professional fees and repairs.

Adjusted EBITDA and adjusted EBITDA before non-underlying items

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

Adjusted EBITDA before non-underlying items

Adjusted EBITDA before non-underlying items consists of adjusted EBITDA as revised to remove the effects of certain non-underlying charges.

- For Q1 2018 EBITDA before non-underlying items reduced by £0.4 million, or 4.2% to £9.1 million from £9.5 million for Q1 2017. This reduction is primarily attributable to increases in staff costs as a result of certain discretionary pay rises, National Living Wage (April 2017) and increased spend on external agency and professional fees. This has been partially offset by the extra contribution generated from the growth in our community based care business.

Non-underlying items

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

- For Q1 2018 non-underlying items were £0.7 million (Q1 2017: £0.1 million). Non-underlying items for Q1 2018 primarily relate to receipts in respect to VAT on our Day Care business.

Adjusted EBITDA

- For Q1 2018 adjusted EBITDA increased by £0.4 million, or 4.3% to £9.8 million from £9.4 million for Q1 2017.

Depreciation and impairment of property, plant and equipment

Depreciation and impairment 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.

- For Q1 2018 depreciation and impairment of property plant and equipment increased by £0.3 million to £2.8 million from £2.5 million for Q1 2017.

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.

- For Q1 2018 the profit on the disposal of non-current assets was £Nil (Q1 2017: £0.1 million).

Impairment of goodwill

Goodwill is reviewed for impairment on an annual basis or more frequently if there are indications that goodwill might be impaired. Goodwill acquired in a business combination is allocated to cash generating units (CGUs) that are expected to benefit from that business combination.

- There was no impairment of goodwill in either Q1 2018 or Q1 2017.

Amortisation of intangible assets

Intangible assets arose as a result of a number of acquisitions in the year ending 31 March 2015. 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.

- For Q1 2018 amortisation of intangible assets remained constant at £0.2 million when compared to Q1 2017.

Operating (loss) / profit

Operating (loss) / profit consists of earnings before interest and taxation.

- For Q1 2018 operating profit stayed the same as the operating profit of £6.8 million for Q1 2017

Finance income

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

- For Q1 2018 interest receivable and other income remained constant at £Nil when compared to Q1 2017.

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 Revolving Credit Facility.

- For Q1 2018 interest payable and similar charges on bank loans increased by £8.4 million due to the refinancing activity

(Loss) / profit before taxation

(Loss) / profit before taxation represents the result of the statement of profit and loss before provision for taxation.

- For Q1 2018 loss before taxation increased by £8.5 million to £7.5 million from a profit of £1 million for Q1 2017, the reduction is primarily due to the refinancing activity costs

Taxation

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

- For Q1 2018 a taxation charge of £0.6 million was recognised compared to taxation charge of £0.2 million for Q1 2017.

(Loss) / profit for the period

(Loss) / profit for the period represents the result of the statement of profit and loss after provision for taxation.

- For Q1 2018 the loss for the period increased by £8.8 million to £8.1 million from a profit of £0.7 million for Q1 2017. This reduction is primarily due to the refinancing activity costs

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 Revolving Credit Facility. 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 Revolving Credit Facility are sufficient to meet our requirements and commitments for the coming year.

At 30 June 2017 and 30 June 2016, our cash balances were £14.0 million and £21.9 million, respectively.

Net bank debt as at 30 June 2017 was £237.3 million, comprising £250.0 million of borrowings under the Senior Secured Notes and Second Lien Notes, no borrowings under the Revolving Credit Facility, £14.0 million of cash. Within the £14.0 million cash balance is £1.3 million of restricted cash which is excluded from cash for the purposes of calculating the net debt.

Net bank debt as at 30 June 2016 was £250.9 million, comprising £272.0 million of borrowings under the Senior Secured Notes and Second Lien Notes, no borrowings under the Revolving Credit Facility, £21.9 million of cash and £0.3 million of unamortised original issue discount on the Second Lien Notes. Within the £21.9 million cash balance is £1.1 million of restricted cash which is excluded from cash for the purposes of calculating the net debt.

Consolidated statement of cash flow

£ million	**Q1 2018**	**Q1 2017**	**% Change**
EBITDA before non-underlying items	9.1	9.5	(4.2%)
Maintenance capex	(1.6)	(1.7)	(5.9%)
Operating cash flow	**7.4**	**7.9**	**(6.3%)**
Cash conversion %	*81.8%*	*82.7%*	*(0.8%)*
Non-underlying items [(1)]	0.7	(0.1)	nm
Working capital	(1.6)	(2.7)	(40.7%)
Capital expenditure [(2)]	(1.2)	(0.4)	nm
Interest	(5.8)	(0.2)	nm
Taxation	(0.2)	0.0	nm
FCF before acquisitions and financing	**(0.7)**	**4.4**	**nm**
Acquisition [(3)]	0.0	(0.2)	nm
Acquisition integration costs	0.0	0.0	nm
Acquisition capex	0.0	0.0	nm
FCF before financing	**(0.7)**	**4.2**	**nm**
Net cash flow used in financing activities	(6.4)	0.0	nm
Movement in cash for the period	**(7.1)**	**4.2**	**nm**
Opening cash and cash equivalents	21.0	17.7	18.6%
Closing cash and cash equivalents	**14.0**	**21.9**	**(36.1%)**
Other financial metrics			
Development capex (£m)	0.9	0.4	nm
Maintenance capex, excluding IT spend (£m)	1.3	1.5	(13.6%)
Maintenance capex, excluding IT spend (% revenue)	2.4%	2.9%	(0.5%)
Maintenance capex, excluding IT spend (£k pa per registered bed)	2.8	3.2	(13.8%)

* Amounts stated above are unaudited.

(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

- For Q1 2018 our operating cash flow reduced by £0.5 million, or 6.3% to £7.4 million from £7.9 million for Q1 2017. The reduction is primarily due to a £0.4 million reduction in adjusted EBITDA before non-underlying items.

Non-underlying items

- For Q1 2018 non-underlying items reduced by £0.8 million to an inflow £0.7 million from an outflow £0.1 million when compared with Q1 2017, the increase is primarily due to the VAT receipted on our day-care services.

Working capital

- For Q1 2018 our working capital inflow reduced by £1.1 million to £1.6 million from an outflow of £2.7 million for Q1 2017. The movement in working capital is primarily attributable to favourable movements in accruals and deferred income partially offset by unfavourable movements in trade receivables and prepayments.

Capital expenditure

- For Q1 2018 our capital expenditure increased by £0.8 million to £1.2 million from £0.4 million for Q1 2017.

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 Revolving Credit Facility where necessary.

Interest

- For Q1 2018 our interest payable increased by £5.6 million to £5.8 million from £0.2 million when compared to Q1 2017 due to the refinancing activity

Taxation

- For Q1 2018 we paid £0.2 million in relation to corporation tax payments made on account for the financial year 31 March 2017 (Q1 2017: £0.0 million).

Acquisition

- For Q1 2018 there was £Nil outlay on acquisitions (Q1 2017: £0.2).

Net cash flow used in financing activities

- For Q1 2018 our net cash flow used in financing activities was £6.4 million compared to a £Nil million outflow for Q1 2017 due to the recently completed refinancing transaction.

Consolidated statement of financial position

£ million	Jun-17	Jun-16	% Change
	(unaudited)		
Non-current assets	397.7	400.8	(0.8%)
Current assets			
Trade receivables, other receivables, prepayments *	19.1	20.0	(4.8%)
Cash at bank and in hand	14.0	21.9	(36.1%)
Assets classified as held for sale	1.0	2.4	(57.3%)
Total assets	**431.8**	**445.2**	**3.0%**
Non-current liabilities			
Loan notes **	241.2	265.8	9.3%
Tax liabilities	11.3	14.1	19.9%
Accruals and deferred income	3.5	3.9	12.2%
Provisions for liabilities and charges	2.4	3.0	21.3%
Current liabilities *	41.6	47.7	12.8%
Equity	131.9	110.7	(19.2%)
Total equity and liabilities	**431.8**	**445.2**	**3.0%**

** Receivables in June 2017 include £0.7 million of intercompany loans (June 2016: £0.6 million), and current liabilities in June 2017 include £2.1 million of intercompany loans (June 2016: £2.0 million).*

*** Loan notes include unamortised issue costs of £8.8 million (June 2016: £6.2 million).*

Key Business Divisions

£ million	Revenue Q1 2018	Revenue Q1 2017	Revenue % Change
Registered	39.3	38.5	2.1%
Community based care	14.0	12.8	9.4%
Day Care	1.2	1.1	Nm
Total	**54.4**	**52.4**	**3.8%**

Other financial metrics	**Q1 2018**	**Q1 2017**	**Change**
Average registered occupancy	1,882	1,878	4
Average registered occupancy %	90.0%	90.5%	(0.5%)
Average Community base care weekly care hours *	71,200	67,600	3,600

Voyage BidCo Limited

Condensed Consolidated
Financial Statements (unaudited)

Registered number 05752534

For the 3 month period ended 30 June 2017

Voyage BidCo Limited
Condensed Consolidated Financial Statements (unaudited)
for the 3 month period ended 30 June 2017

Contents **Page**

Voyage BidCo Limited
Condensed Consolidated Statement of Profit and Loss (unaudited)
for the 3 month period ended 30 June 2017

	Notes	3 months ended 30 June 2017			3 months ended 30 June 2016		
		Underlying items	Non-underlying items (3)	Total	Underlying items	Non-underlying items (3)	Total
		£000	£000	£000	£000	£000	£000
Continuing operations							
Revenue		54,393	-	54,393	52,378	-	52,378
Operating expenses	5	(48,280)	698	(47,582)	(45,479)	(84)	(45,563)
Adjusted EBITDA (2)		9,063	698	9,761	9,527	(84)	9,443
Depreciation and impairment of property, plant and equipment		(2,754)	-	(2,754)	(2,493)	-	(2,493)
Profit on disposal of non-current assets		11	-	11	99	-	99
Amortisation of intangible assets		(207)	-	(207)	(234)	-	(234)
Operating profit		6,113	698	6,811	6,899	(84)	6,815
Finance income	6	5	-	5	21	-	21
Finance expense	7	(5,428)	(8,845)	(14,273)	(5,878)	-	(5,878)
Profit / (loss) before taxation		690	(8,147)	(7,457)	1,042	(84)	958
Taxation	8	(620)	-	(620)	(220)	-	(220)
Profit / (loss) for the period from continuing operations		70	(8,147)	(8,077)	822	(84)	738
Profit / (loss) attributable to equity holders of the parent		70	(8,147)	(8,077)	822	(84)	738

(1) Total figures for the 3 month period represents year to date figures as this is the first quarter of the financial year.

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

(3) Further breakdown of non-underlying items analysed in note 4.

Voyage BidCo Limited
Condensed Consolidated Statement of Other Comprehensive Income (unaudited)
for the 3 month period ended 30 June 2017

	3 months ended 30 June 2017 £000	3 months ended 30 June 2016 £000
(Loss) / profit attributable to equity holders of the parent	(8,077)	738
Items that will not be reclassified to profit and loss		
Remeasurements of the defined benefit liability	-	-
Total comprehensive (expense) / income attributable to equity holders of the parent for the financial period	(8,077)	738

Voyage BidCo Limited
Condensed Consolidated Statement of Financial Position (unaudited)
at 30 June 2017

	Notes	30 June 2017		30 June 2016		31 March 2017	
		£000	£000	£000	£000	£000	£000
Assets							
Non-current assets							
Goodwill	9	32,770		32,770		32,770	
Intangible assets	10	2,027		2,640		2,207	
Property, plant and equipment	11	362,875		365,428		363,630	
			397,672		**400,838**		**398,607**
Current assets							
Trade and other receivables		18,949		20,006		18,497	
Corporation tax		101		-		433	
Cash at bank and in hand		13,994		21,903		21,040	
		33,044		41,909		39,970	
Assets classified as held for sale	12	1,040		2,435		1,040	
			34,084		**44,344**		**41,010**
Total assets			**431,756**		**445,182**		**439,617**
Liabilities							
Current liabilities							
Loans and borrowings	13	-		26		-	
Trade and other payables		23,812		22,379		24,465	
Accruals and deferred income		17,031		24,955		17,587	
Corporation tax		-		36		-	
Provisions	14	720		286		420	
			41,563		**47,682**		**42,472**
Non-current liabilities							
Loans and borrowings	13	241,156		265,765		267,796	
Deferred tax liabilities		11,274		14,071		11,209	
Provisions	14	2,239		2,819		2,539	
Employee benefits		145		211		145	
Accruals and deferred income		3,464		3,945		3,464	
			258,278		**286,811**		**285,153**
Total liabilities			**299,841**		**334,493**		**327,625**
Net assets			**131,915**		**110,689**		**111,992**
Equity							
Capital and reserves							
Issued share capital		-		-		-	
Share premium		252,872		224,872		224,872	
Retained earnings		(120,957)		(114,183)		(112,880)	
Total equity attributable to equity holders of the parent			**131,915**		**110,689**		**111,992**

Company registered number: 05752534

Voyage BidCo Limited
Condensed Consolidated Statement of Changes in Equity (unaudited)

For the 3 month period ended 30 June 2017

	Attributable to equity holders of the parent			
Group	**Issued share capital £000**	**Share premium £000**	**Retained earnings £000**	**Total parent equity £000**
At 1 April 2017	-	224,872	(112,880)	111,992
Total comprehensive expense for the period				
Loss for the period	-	-	(8,077)	(8,077)
Other comprehensive income	-	-	-	-
Total comprehensive expense for the period	-	-	(8,077)	(8,077)
Transactions with owners				
Issue of ordinary shares	-	28,000	-	28,000
	-	28,000	-	28,000
At 30 June 2017	**-**	**252,872**	**(120,957)**	**131,915**

For the 3 month period ended 30 June 2016

	Attributable to equity holders of the parent			
Group	**Issued share capital £000**	**Share premium £000**	**Retained earnings £000**	**Total parent equity £000**
At 1 April 2016	-	224,872	(114,921)	109,951
Total comprehensive income for the period				
Profit for the period	-	-	738	738
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	738	738
At 30 June 2016	**-**	**224,872**	**(114,183)**	**110,689**

Voyage BidCo Limited
Condensed Consolidated Statement of Cash Flow (unaudited)
for the 3 month period ended 30 June 2017

	3 months ended 30 June 2017 £000	3 months ended 30 June 2016 £000
Cash flows from operating activities		
(Loss) / profit for the period	(8,077)	738
Adjustments for:		
Depreciation and impairment of property, plant and equipment	2,754	2,493
Profit on disposal of non-current assets	(11)	(99)
Amortisation of intangible assets	207	234
Finance income	(5)	(21)
Finance expense	14,273	5,878
Taxation	620	220
Movements in working capital:		
Increase in trade and other receivables	(3,034)	(3,957)
(Decrease) / increase in trade and other payables	(652)	62
Increase in accruals and deferred income	2,121	1,210
Decrease in provisions, employee benefits and other financial liabilities	-	(64)
Cash generated from operating activities	8,196	6,694
Interest paid	(5,816)	(205)
Tax paid	(224)	-
Net cash generated from operating activities	**2,156**	**6,489**
Cash flows from investing activities		
Interest received	5	6
Payments to acquire property, plant and equipment	(2,825)	(2,755)
Payments to acquire intangible assets	(27)	(33)
Proceeds from sales of property, plant and equipment	23	722
Net cash outflow on acquisition of subsidiaries	-	(220)
Net cash used in investing activities	**(2,824)**	**(2,280)**
Cash flows from financing activities		
Issue of share capital	28,000	-
Issue of new Loan Notes	250,000	-
Payment of transaction costs on new loans and borrowings	(12,378)	-
Repayment of existing Loan Notes	(272,000)	-
Payment of finance lease liabilities	-	(1)
Net cash used in financing activities	**(6,378)**	**(1)**
Net (decrease) / increase in cash and cash equivalents in the period	**(7,046)**	**4,208**
Cash and cash equivalents at the beginning of the period	21,040	17,695
Cash and cash equivalents at the end of the period	**13,994**	**21,903**

1 Reporting entity

Voyage BidCo Limited (the Company) is a company incorporated in England and Wales. Its parent and ultimate holding company is Voyage Care HoldCo Limited. The condensed 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, acquired brain injuries and other complex needs.

2 Accounting policies

These interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* . They do not include all of the financial information required for full annual financial statements.

The Group has prepared the condensed consolidated financial statements in accordance with IFRS applicable for the 3 month period ended 30 June 2017, together with comparative period data for the 3 month period ended 30 June 2016.

The financial information contained herein is unaudited and does not constitute statutory accounts as defined by Section 435 of the Companies Act 2006.

The comparative figures for the year ended 31 March 2016 are not the company's statutory accounts for that financial period. The statutory accounts for the Company and the Group for the year ended 31 March 2017 have been reported on by the Company's auditors. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The condensed consolidated 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.

In preparing these condensed consolidated financial statements, management have made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, revenue and expenses. 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 accounting policies applied in these condensed consolidated financial statements is consistent with the statutory accounts for the Company and the Group for the year ended 31 March 2017. In addition, the risks and risk management techniques identified in the statutory accounts for the Company and the Group for the year ended 31 March 2017 should be referred to in connection with these condensed consolidated financial statements as they remain applicable.

Going concern

The Voyage Care HoldCo Group, of which the Company is a member, is funded through a combination of Shareholders' Funds, Unsecured Shareholder Loans, Senior Secured Notes and Second Lien Notes. The Group has issued £215 million of 5 7/8% Senior Secured Notes due 2023 and £35 million of 10% Second Lien Notes due 2023. The Group has committed to a £45 million Revolving Credit Facility; the Revolving Credit Facility was undrawn at 30 June 2017.

The Group's trading cash forecasts, which take into account reasonably possible changes in trading activities, show that the Group will be in compliance with all covenants and will have adequate funds to meet its liabilities, including debt servicing costs, for the foreseeable future.

The Directors therefore believe it remains appropriate to prepare the financial statements on a going concern basis.

3 Operating segments (continued)

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 Voyage Care 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 Services: supporting individuals in our specially adapted homes; and
- Community Based Care Services: supporting individuals in their own home promoting independence.

Other revenue and expenditure relates to those items not directly attributable to an operating segment.

The reported segmental information represents revenue and expenditure generated from external customers and external suppliers only. There were no inter-segment transactions reported during the 3 month period ended 30 June 2017 (3 month period ended 30 June 2016: £Nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2. Segment profits represents adjusted EBITDA earned by each segment without allocation of non-underlying items as well as finance costs which is in conjunction with the information reported to the senior management.

	Continuing Operations				
For the 3 month period ended 30 June 2017	**Registered £000**	**Community based Care £000**	**Total £000**	**Other £000**	**Group £000**
Revenue	39,262	13,968	**53,230**	1,163	**54,393**
Adjusted EBITDA (before non-underlying items)	**7,723**	**1,279**	**9,002**	**61**	**9,063**
Non-underlying items					698
Adjusted EBITDA (after non-underlying items)					**9,761**
Depreciation and impairment of property, plant and equipment					(2,754)
Profit on disposal of non-current assets					11
Amortisation of intangible assets					(207)
Net finance expense					(14,268)
Taxation					(620)
Loss for the period					**(8,077)**

	Continuing Operations				
For the 3 month period ended 30 June 2016	**Registered £000**	**Community based Care £000**	**Total £000**	**Other £000**	**Group £000**
Revenue	38,634	12,777	**51,411**	967	**52,378**
Adjusted EBITDA (before non-underlying items)	**7,948**	**1,633**	**9,581**	(54)	**9,527**
Non-underlying items					(84)
Adjusted EBITDA (after non-underlying items)					**9,443**
Depreciation and impairment of property, plant and equipment					(2,493)
Profit on disposal of non-current assets					99
Amortisation of intangible assets					(234)
Net finance expense					(5,857)
Taxation					(220)
Profit for the period					**738**

4 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 reporting periods:

		3 months ended 30 June 2017 £000	3 months ended 30 June 2016 £000
Continuing operations	**Notes**		
Non-underlying items:			
Restructuring costs	a	20	5
Acquisition and integration costs	b	-	3
Consultancy fees	c	-	76
Day Care costs	d	(772)	-
Project costs	e	54	-
Refinancing transaction	f	8,845	-
		8,147	84

The key elements of the expenditure for both periods are set out below:

(a) *Restructuring costs*
For the 3 month period ended 30 June 2017, the Group incurred costs in relation to restructuring its workforce and as a result remuneration costs of £20,000 were incurred. For the 3 month period ended 30 June 2016, the Group incurred costs with regarding to simplifying its group structure and as a result professional fees of £5,000 were incurred.

(b) *Acquisition and integration costs*
For the 3 month period ended 30 June 2016, the Group incurred transaction and integration costs of £5,000 in relation to certain acquisitions (3 month period ended 30 June 2017: £Nil).

(c) *Consultancy fees*
For the 3 month period ended 30 June 2016, the Group incurred costs in relation to professional advice and as a result consultancy fees of £76,000 were incurred (3 month period ended 30 June 2017: £Nil).

(d) *Day Care Costs*
For the 3 month period ended 30 June 2017, the Group was in receipt of funds in relation to backdated VAT on its Day Care business of £772,000 (3 month period to 30 June 2016: £Nil).

(e) *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, as a result for the 3 month period ended 30 June 2017 fees of £54,000 were incurred (3 month period ended 30 June 2016: £Nil).

(f) *Refinancing transaction*
During the 3 month period ended 30 June 2017, the Group completed a refinancing transaction to redeem its existing Senior Secured Notes and Second Lien Notes, as a result a redemption penalty of £4,983,000 was incurred and unamortised transaction costs of £3,862,000 were expensed, both impacting the Statement of Profit and Loss (3 month period ended 30 June 2016: £Nil).

5 Operating profit before taxation

Operating profit before taxation is stated after charging / (crediting):

	3 months ended 30 June 2017 £000	3 months ended 30 June 2016 £000
Continuing operations		
Direct expenses and consumables	1,845	1,897
Staff costs:		
Wages and salaries	33,447	31,628
Social security costs	2,201	2,059
Other pension costs	343	332
Operating lease rentals:		
Other lease rentals	897	851
Plant and machinery	350	424
Depreciation and impairment of property, plant and equipment	2,754	2,493
Profit on disposal of non-current assets	(11)	(99)
Amortisation of intangible assets	207	234
Other external charges	6,321	5,744
Receipts in respect of VAT on the Group's Day Care activities	(772)	-
	47,582	45,563

6 Finance income

	3 months ended 30 June 2017 £000	3 months ended 30 June 2016 £000
Continuing operations		
Bank interest receivable	5	21

7 Finance expense

	3 months ended 30 June 2017 £000	3 months ended 30 June 2016 £000
Continuing operations		
Bank interest including RCF non-utilisation fees	158	190
Loan notes interest	5,188	5,612
Redemption penalty in respect of the Group's refinancing transaction	4,983	-
Unamortised transaction costs in relation to the Group's existing Loan Notes	3,862	-
Unwinding of discount on onerous lease provision	52	51
Other finance costs	30	25
	14,273	5,878

Loan notes interest comprises loan notes interest of £4,678,000 for the 3 month period ended 30 June 2017 (£4,981,000 for the 3 month period ended 30 June 2016) and amortisation of issue costs and original issue discount of £510,000 for the 3 month period ended 30 June 2017 (£631,000 for the 3 month period ended 30 June 2016).

8 Taxation

The Group's underlying consolidated effective tax rate in respect of continuing operations for the 3 month period ended 30 June 2017 is (8.3%) (3 month period ended 30 June 2016: 23.0%).

The Group's consolidated total effective tax rate in respect of continuing operations for the 3 month period ended 30 June 2017 is 89.9% (3 month period ended 30 June 2016: 21.1%).

The taxation is recognised based on management's best estimate of the weighted-average annual tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period.

9 Goodwill

	30 June 2017 £000	30 June 2016 £000	31 March 2017 £000
Cost			
Opening and closing cost	41,326	41,326	41,326
Accumulated impairment charge			
Opening and closing impairment	8,556	8,556	8,556
Net book value			
Closing net book value	32,770	32,770	32,770
Opening net book value	32,770	32,770	32,770

10 Intangible assets

	30 June 2017 £000	30 June 2016 £000	31 March 2017 £000
Cost			
Opening cost	5,053	4,816	4,816
Additions	27	33	237
Closing cost	5,080	4,849	5,053
Amortisation			
Opening amortisation	2,846	1,975	1,975
Provided during the period	207	234	871
Closing amortisation	3,053	2,209	2,846
Net book value			
Closing net book value	2,027	2,640	2,207
Opening net book value	2,207	2,841	2,841

11 Property, plant and equipment	**30 June 2017 £000**	**30 June 2016 £000**	**31 March 2017 £000**
Cost			
Opening cost	472,222	457,112	457,112
Additions	2,011	3,085	12,488
Transfer from assets held for sale	-	-	6,561
Assets classified as held for sale	-	-	(3,428)
Disposals	(33)	(1,952)	(511)
Closing cost	474,200	458,245	472,222
Depreciation			
Opening depreciation	108,592	91,653	91,653
Charge for the period	2,754	2,493	10,377
Impairment	-	-	4,661
Transfer from assets held for sale	-	-	5,118
Assets classified as held for sale	-	-	(2,807)
Disposals	(21)	(1,329)	(410)
Closing depreciation	111,325	92,817	108,592
Net book value			
Closing net book value	362,875	365,428	363,630
Opening net book value	363,630	365,459	365,459

12 Non-current assets classified as held for sale

Management have committed to a plan to sell a number of properties through a sale transaction rather than through continuing operational use. Accordingly, the properties are being presented as assets held for sale. Efforts to sell the non-current assets have started and a sale is expected to be completed within one year from the date of classification.

As at 30 June 2017, the assets classified as held for sale are £1,040,000 (30 June 2016: £2,435,000 and 31 March 2017: £1,040,000).

13 Loans and borrowings	**30 June 2017 £000**	**30 June 2016 £000**	**31 March 2017 £000**
Obligations under finance lease and hire purchase contracts	-	26	-
Loan notes	241,156	265,765	267,796
	241,156	265,791	267,796

Loan notes include unamortised issue costs and original issue discount of £8,844,000 (30 June 2016: £6,235,000 and 31 March 2017: £4,204,000).

As at 30 June 2017 there was accrued interest of £2,244,000 (30 June 2016: £8,294,000 and 31 March 2017: £3,312,000) 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:

	30 June 2017 £000	**30 June 2016 £000**	**31 March 2017 £000**
In one year or less	-	26	-
Between one and five years	-	265,765	267,796
After five years	241,156	-	-
	241,156	265,791	267,796

Loan notes

On 8 May 2017, the Group issued £250 million of Loan Notes comprising £215 million Senior Secured Notes due 2023 and £35 million Second Lien Notes due 2023. In addition, the Group is party to a £45.0 million Revolving Credit Facility. The notes are listed on the Channel Island Stock Exchange.

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 7/8%	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	1.14%	Feb-23

14 Provisions

Onerous lease provisions recognised will unwind over the term of the leases. Determining the extent of the provision requires an estimation of future lease costs, future expected sale proceeds and a discount rate in order to calculate present value.

15 Financial instruments

	Carrying amount				Fair value
	Non-current liabilities	**Current liabilities**			
	Loans and borrowings £000	**Loans and borrowings £000**	**Other financial liabilities £000**	**Total £000**	**Total £000**
At 30 June 2017					
Financial liabilities not measured at fair value					
Senior Secured Loan Notes	207,399	-	-	207,399	224,353
Second Lien Loan Notes	33,757	-	-	33,757	36,295
	241,156	-	-	241,156	260,648
At 30 June 2016					
Financial liabilities not measured at fair value					
Senior Secured Loan Notes	217,380	-	-	217,380	214,405
Second Lien Loan Notes	48,385	-	-	48,385	48,476
Revolving Credit Facility	-	-	-	-	-
Finance lease liabilities	-	26	-	26	26
	265,765	26	-	265,791	262,907
At 31 March 2017					
Financial liabilities not measured at fair value					
Senior Secured Loan Notes	218,981	-	-	218,981	220,046
Second Lien Loan Notes	48,815	-	-	48,815	49,205
	267,796	-	-	267,796	269,251

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either as a direct price or indirectly derived from prices.
- Level 3: inputs for the asset or liability that are not based on observable market data.

Financial liabilities measured as fair value

At 30 June 2017
There were no financial instruments carried at fair value as at 30 June 2017.

At 30 June 2016
There were no financial instruments carried at fair value as at 30 June 2016.

At 31 March 2017
There were no financial instruments carried at fair value as at 31 March 2017.

16 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 for the year ended 31 March 2017 may be obtained from:

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