Voyage BidCo Limited

Q1 2019

Results for the three month period ended 30 June 2018

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 2019**	**Q1 2018**
Revenue	60.6	54.4
EBITDA (before non-underlying items)	8.3	9.1
Operating profit	4.8	6.8
Profit after Tax	(0.3)	(8.1)
Operating cash flow	6.5	7.4

Commentary on results

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

Performance during Q1 2019 vs. Q1 2018

- Revenue increased 11.3% to £60.6 million primarily due to growth in our community based care business and the purchase of Focused Healthcare.
- Adjusted EBITDA before non-underlying items decreased 8.8% to £8.3 million primarily due to increases in staff costs as a result of the impact of National Minimum Wage and sleep ins.
- CQC quality scores remain very high with 94% of services achieving a Good or Outstanding score.
- Registered average occupancy 92.8% compared to 90.0% in Q1 2018.
- Community Based Care average weekly care hours increased by 8,700 hours to 81,000.

Recent developments

- Tomlinson-Blake has sought permission from the Supreme Court to appeal the Court of Appeal judgement in the Royal Mencap sleep-ins case. Legal advice suggests it is unlikely that permission will be granted.
- Barnard Road Development commissioned (12 out of 18 apartments occupied at 30th June) and launched as 'Park View Apartments'

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 3,259 people as at 30 June 2018, comprising 1,884 through our registered care home division and a further 1,375 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 £1,658 per person for the twelve months ended 30 June 2018. Our community based care services division, as at 30 June 2018, delivered approximately 82,000 hours of care per week with the provision of support averaging approximately 59 hours per week per person at an average hourly rate of £16.95 for the last twelve months ended 30 June 2018.

- 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% 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 10,100 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 267 registered homes as at 30 June 2018. We hold the freehold interest in 227 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 86% of our registered homes by number of beds. At 30 June 2018 we had 2,027 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 37 registered community care offices as at 30 June 2018. 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 2018 ('Q1 2019') and 30 June 2017 ('Q1 2018'), 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 2019	Q1 2018
Registered	2,034	2,091
Community based Care	1,457	1,167
Total	**3,490**	**3,258**

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 2019	Q1 2018
Registered	92.8%	90.0%

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	
			2018	**2017**
Registered	£wk	£wk	1,658	1,599
Community based Care	£hr	£hr	16.95	15.10

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 2018);
- 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 2019	**Q1 2018**
Staff Costs *	£m	41.8	35.9
% Revenue		69.0%	66.0%
% Operating costs **		79.9%	79.2%

		Q1 2019	**Q1 2018**
Staff Costs (excluding central overheads) *	£m	38.1	32.8
% Revenue		62.9%	60.3%
% Operating costs **		72.8%	72.4%

* *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 2019	Q1 2018	% Change
Revenue	**60.6**	**54.4**	**11.3%**
Staff costs	(41.8)	(35.9)	(16.4%)
Agency Costs	(2.0)	(2.0)	(0.0%)
Direct expenses & consumables	(1.9)	(1.8)	(5.6%)
Property lease rentals	(1.0)	(0.9)	(11.1%)
Other lease rentals	(0.1)	(0.4)	75.0%
Other external charges	(5.5)	(4.4)	(25.0%)
EBITDA before non-underlying items	**8.3**	**9.1**	**(8.8%)**
Non-underlying items	0.1	0.7	85.7%
EBITDA	8.4	9.8	(14.3%)
Depreciation & impairment of property, plant and equipment	(2.9)	(2.8)	(3.6%)
Profit on disposal of non-current assets	(0.0)	0.0	nm
Amortisation of intangible assets	(0.7)	(0.2)	nm
Operating profit	**4.8**	**6.8**	**(29.4%)**
Finance income	0.0	0.0	nm
Finance expense	(4.6)	(14.3)	67.8%
Profit/(Loss) before taxation	**0.2**	**(7.5)**	**nm**
Taxation	(0.5)	(0.6)	16.7%
Profit/(Loss) for the period	**(0.4)**	**(8.1)**	**(95.1%)**
Other financial metrics			
Staff costs (excluding central overheads)	38.1	32.8	(16.2%)
Overhead expenses & bonus	5.5	4.3	(27.9%)
Unit EBITDA before non-underlying items	13.7	13.3	3.0%
EBITDA before non-underlying items margin %	13.7%	16.7%	(3.0%)
EBITDA margin %	13.9%	18.0%	(4.1%)
EBITDAR	9.4	10.7	(12.1%)
EBITDAR margin %	15.5%	19.7%	(4.2%)
EBITDAR before non-underlying items	9.3	10.0	(7.0%)
EBITDAR before non-underlying items margin %	15.3%	18.4%	(3.1%)

* 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 2019 revenue increased by £6.2 million, or 11.3% to £60.6 million from £54.4 million for Q1 2018, primarily due to organic growth in our community based care business, the purchase of Focused Healthcare and fee increases.

Staff costs

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

- Staff costs (excluding overheads) for Q1 2019 increased by £5.3 million, or 16.2% to £38.1 million (which represented 62.9% of revenue) from £32.8 million (which represented 60.3% of revenue) for Q1 2018, primarily due to increases in staff costs as a result of National Minimum Wage increase, sleep ins, the purchase of Focused Healthcare and staff required to support the growth in our community based care business.

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 2019 direct expenses and consumables increased by £0.1 million or 5.6% to £1.9 million from £1.8 million for Q1 2018.

Property lease rentals

Property lease rentals consist primarily of leases on registered care homes and community based care services. At 30 June 2018, we had 48 short-term leases, consisting of 37 registered care homes and 11 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 2018, 15.0% of our registered care homes were held under operating leases.

- For Q1 2019 property lease rentals increased by £0.1 million, or 11.1% to £1.0 million from £0.9 million in Q1 2018.

Other lease rentals

Other lease rentals consist primarily of motor vehicle leases. We currently lease approximately 150 vehicles, which are primarily used to transport the people we support.

- For Q1 2019 other lease rentals reduced by £0.3 million to £0.1 million from £0.4 million in Q1 2018. This is due to purchasing fleet vehicles.

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.

- For Q1 2019 other external charges increased by £1.1 million, or 25%, to £5.5 million from £4.4 million for Q1 2018, primarily due to increased spend on repairs (£0.3m), investment in IT (£0.2m), recruitment (£0.1m) and short term vehicle leases (£0.1m).

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 2019 EBITDA before non-underlying items reduced by £0.8 million, or 8.8% to £8.3 million from £9.1 million for Q1 2018. This reduction is primarily attributable to increases in staff costs as a result of certain discretionary pay rises, National Minimum Wage, sleep ins, 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 and the purchase of Focused Healthcare.

Non-underlying items

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

- For Q1 2019 non-underlying items were an inflow of £0.1 million (Q1 2018: £0.7 million inflow). Non-underlying items for Q1 2018 primarily related to receipts in respect to VAT on our Day Care business.

Adjusted EBITDA

- For Q1 2019 adjusted EBITDA reduced by £1.4 million, or 14.3% to £8.4 million from £9.8 million for Q1 2018.

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.

- For Q1 2019 depreciation and impairment of property plant and equipment increased by £0.1 million to £2.9 million from £2.8 million for Q1 2018.

(Loss) / Profit on disposal of non-current assets

(Loss)/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 2019 the profit on the disposal of non-current assets was £Nil (Q1 2018: £Nil).

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 2019 or Q1 2018.

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.

- For Q1 2019 amortisation of intangible assets increased by £0.5 million to £0.7 million from £0.2 million when compared to Q1 2018, this is in relation to the purchase of Focused Healthcare.

Operating (loss) / profit

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

- For Q1 2019 operating profit reduced by £2.0 million to £4.8 million from £6.8 million for Q1 2018

Finance income

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

- For Q1 2019 interest receivable and other income remained constant at £Nil when compared to Q1 2018.

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 2019 interest payable and similar charges on bank loans reduced by £9.7 million to £4.6 primarily due to one off costs of £8.8 million in relation to the refinancing transaction completed in May 2017, and lower interest payments as a result of the refinancing transaction.

Profit/Loss before taxation

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

- For Q1 2019 profit before taxation increased by £7.7 million to £0.2 million profit from a loss of £7.5 million for Q1 2018, the increase is primarily due to the refinancing activity costs in Q1 2018.

Taxation

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

- For Q1 2019 a taxation charge of £0.5 million was recognised compared to taxation charge of £0.6 million for Q1 2018.

Profit/Loss for the period

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

- For Q1 2019 the loss for the period reduced by £7.7 million to £0.4 million from a loss of £8.1 million for Q1 2018. This reduction is primarily due to the refinancing activity costs in Q1 2018.

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 2018 and 30 June 2017, our cash balances were £12.4 million and £14.0 million, respectively.

Net bank debt as at 30 June 2018 was £257.7 million, comprising £250.0 million of borrowings under the Senior Secured Notes and Second Lien Notes, £19.0 million borrowing under the Revolving Credit Facility (utilised for the acquisition of Focused Healthcare) and £12.4 million of cash. Within the £12.4 million cash balance is £1.1 million of restricted cash which is excluded from cash for the purposes of calculating the net debt.

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 and £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.

Consolidated statement of cash flow

£ million	**Q1 2019**	**Q1 2018**	**% Change**
EBITDA before non-underlying items	8.3	9.1	(8.8%)
Maintenance capex	(1.8)	(1.7)	5.9%
Operating cash flow	**6.5**	**7.4**	**(12.2%)**
Cash conversion %	*78.4%*	*81.4%*	*(3.0%)*
Non-underlying items (1)	0.2	0.7	(71.4%)
Working capital	(6.1)	(1.6)	nm
Capital expenditure (2)	(0.7)	(1.1)	(36.4%)
Interest	(8.3)	(5.8)	43.1%
Taxation	0.0	(0.2)	nm
FCF before acquisitions and financing	**(8.5)**	**(0.6)**	**nm**
Acquisition (3)	0.0	0.0	nm
Acquisition integration costs	(0.1)	(0.0)	nm
Acquisition capex	0.0	0.0	nm
FCF before financing	**(8.5)**	**(0.7)**	**nm**
Net cash flow used in financing activities	4.0	(6.4)	nm
Movement in cash for the period	**(4.5)**	**(7.0)**	**(35.7%)**
Opening cash and cash equivalents	16.9	21.0	(19.5%)
Closing cash and cash equivalents	**12.4**	**14.0**	**(11.4%)**
Other financial metrics			
Development capex (£m)	1.0	0.9	16.2%
Maintenance capex, excluding IT spend (£m)	1.5	1.3	14.3%
Maintenance capex, excluding IT spend (% revenue)	2.5%	2.4%	0.1%
Maintenance capex, excluding IT spend (£k pa per registered bed)	3.2	2.8	12.7%

* 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 2019 our operating cash flow reduced by £0.9 million, or 12.2% to £6.5 million from £7.4 million for Q1 2018. The reduction is primarily due to a £0.8 million reduction in adjusted EBITDA before non-underlying items.

Non-underlying items

- For Q1 2019 non-underlying items reduced by £0.5 million to an inflow £0.2 million from an inflow £0.7 million when compared with Q1 2018, the reduction is primarily due to a reduction in the VAT receipted on our day-care services.

Working capital

- For Q1 2019 our working capital outflow increased by £4.5 million to £6.1 million from an outflow of £1.6 million for Q1 2018 primarily due to a £2.8 million adverse movement in Trade Creditors, a £1.0 million adverse movement in capital creditor and £0.5 million adverse movement in Trade and Other Debtors.

Capital expenditure

- For Q1 2019 our capital expenditure reduced by £0.4 million to £0.7 million from £1.1 million for Q1 2018.

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 2019 our interest payable increased by £2.5 million to £8.3 million from £5.8 million when compared to Q1 2018 due to change in timing of interest payments.

Taxation

- For Q1 2019 we paid £Nil in relation to corporation tax payments made on account for the financial year 31 March 2018 (Q1 2018: £0.2 million).

Acquisition

- For Q1 2019 there was £0.1 million outlay on acquisition integration (Q1 2018: £Nil million).

Net cash flow used in financing activities

- For Q1 2019 our net cash flow used in financing activities was £4.0 million inflow compared to a £6.4 million outflow for Q1 2018 due to the draw down on the RCF facility.

Consolidated statement of financial position

£m	30th June 2019	30th June 2018	Variance %
Non-Current Assets	410.8	397.7	3.3%
Current Assets			
Trade and Other Receivables, Prepayments	26.3	19.1	38.2%
Cash at bank and in hand	12.4	14.0	(11.5%)
Assets classified as held for sale	1.6	1.0	49.2%
Total Assets	**451.0**	**431.8**	**(4.5%)**
Non-current liabilities			
Loan Notes	242.3	241.2	(0.5%)
Tax Liabilities	10.8	11.3	3.9%
Accruals and Deferred Income	3.5	2.2	(57.7%)
Provisions for liabilities and charges	3.4	3.6	5.9%
Current Liabilities	60.8	41.6	(46.2%)
Equity	130.2	131.9	1.3%
Total Equity and Liabilities	**451.0**	**431.8**	**(4.5%)**

** Receivables in June 2018 include £1.0 million of intercompany loans (June 2017: £0.7 million), and current liabilities in June 2018 include £2.1 million of intercompany loans (June 2017: £2.1 million).*

*** Loan notes include unamortised issue costs of £7.7 million (June 2017: £8.8 million).*

Key Business Divisions

£ million	Revenue		
	YTD 2019	**YTD 2018**	**% Change**
Registered	41.3	39.0	5.9%
Community based Care	18.1	14.2	27.5%
Daycare	1.2	1.2	6.2%
Total	**60.6**	**54.4**	**11.3%**

Other financial metrics	**YTD 2019**	**YTD 2018**	**Change**
Average Registered occupancy	1,890	1,882	8
Average Registered occupancy %	92.8%	90.0%	2.8%
Average Weekly Community Based hours	81,000	71,200	9,800

Voyage BidCo Limited

Condensed Consolidated Financial Statements (unaudited)

Registered number 05752534

For the 3 month period ended 30 June 2018

Voyage BidCo Limited
Condensed Consolidated Financial Statements (unaudited)
For the 3 month period ended 30 June 2018

Contents	**Page**

Voyage BidCo Limited
Condensed Consolidated Statement of Profit and Loss (unaudited)
For the 3 month period ended 30 June 2018

	Notes	3 months ended 30 June 2018			3 months ended 30 June 2017		
		Underlying items	Non-underlying items (3)	Total	Underlying items	Non-underlying items (3)	Total
		£000	£000	£000	£000	£000	£000
Continuing operations							
Revenue		60,604	-	60,604	54,393	-	54,393
Operating expenses	5	(55,890)	113	(55,777)	(48,280)	698	(47,582)
Adjusted EBITDA (2)		8,273	113	8,386	9,063	698	9,761
Depreciation of property, plant and equipment		(2,933)	-	(2,933)	(2,754)	-	(2,754)
(Loss)/profit on disposal of non-current assets		(49)	-	(49)	11	-	11
Amortisation of intangible assets		(577)	-	(577)	(207)	-	(207)
Operating profit		4,714	113	4,827	6,113	698	6,811
Finance income	6	18	-	18	5	-	5
Finance expense	7	(4,677)	-	(4,677)	(5,428)	(8,845)	(14,273)
Profit / (loss) before taxation		55	113	168	690	(8,147)	(7,457)
Taxation	8	(528)	-	(528)	(620)	-	(620)
(Loss) / profit for the period from continuing operations		(473)	113	(360)	70	(8,147)	(8,077)
(Loss) / profit attributable to equity holders of the parent		(473)	113	(360)	70	(8,147)	(8,077)

(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 2018

	3 months ended 30 June 2018 £000	3 months ended 30 June 2017 £000
Loss attributable to equity holders of the parent	(360)	(8,077)
Items that will not be reclassified to profit and loss		
Remeasurements of the defined benefit liability	-	-
Total comprehensive expense attributable to equity holders of the parent for the financial period	(360)	(8,077)

Voyage BidCo Limited
Condensed Consolidated Statement of Financial Position (unaudited)
At 30 June 2018

	Notes	30 June 2018		30 June 2017		31 March 2018	
		£000	£000	£000	£000	£000	£000
Assets							
Non-current assets							
Goodwill	9	44,236		32,770		44,236	
Intangible assets	10	7,440		2,027		7,960	
Property, plant and equipment	11	359,099		362,875		359,153	
			410,775		**397,672**		**411,349**
Current assets							
Trade and other receivables		25,432		18,949		21,864	
Corporation tax		23		101		538	
Cash and cash equivalents		12,388		13,994		16,924	
Employee benefit pension assets		879		-		879	
		38,722		33,044		40,205	
Assets classified as held for sale	12	1,552		1,040		1,832	
			40,274		**34,084**		**42,037**
Total assets			**451,049**		**431,756**		**453,386**
Liabilities							
Current liabilities							
Loans and borrowings	13	19,000		-		15,000	
Trade and other payables		22,987		23,812		26,806	
Accruals and deferred income		16,118		17,031		18,337	
Provisions	14	634		720		634	
Other financial liabilities	15	1,140		-		1,140	
Employee benefit pension liability		879		-		879	
			60,758		**41,563**		**62,796**
Non-current liabilities							
Loans and borrowings	13	242,308		241,156		241,973	
Deferred tax liabilities		10,833		11,274		10,820	
Provisions	14	3,047		2,239		3,046	
Employee benefits		348		145		348	
Accruals and deferred income		3,530		3,464		3,818	
			260,066		**258,278**		**260,005**
Total liabilities			**320,824**		**299,841**		**322,801**
Net assets			**130,225**		**131,915**		**130,585**
Equity							
Capital and reserves							
Issued share capital		-		-		-	
Share premium		252,872		252,872		252,872	
Retained earnings		(122,647)		(120,957)		(122,287)	
Total equity attributable to equity holders of the parent			**130,225**		**131,915**		**130,585**

Company registered number: 05752534

Voyage BidCo Limited
Condensed Consolidated Statement of Changes in Equity (unaudited)
For the 3 month period ended 30 June 2018

	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 2018	-	252,872	(122,287)	130,585
Total comprehensive expense for the period				
Loss for the period	-	-	(360)	(360)
Other comprehensive income	-	-	-	-
Total comprehensive expense for the period	-	-	(360)	(360)
At 30 June 2018	**-**	**252,872**	**(122,647)**	**130,225**

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**

Voyage BidCo Limited
Condensed Consolidated Statement of Cash Flow (unaudited)
For the 3 month period ended 30 June 2018

	3 months ended 30 June 2018 £000	3 months ended 30 June 2017 £000
Cash flows from operating activities		
Loss for the period	(360)	(8,077)
Adjustments for:		
Depreciation of property, plant and equipment	2,933	2,754
Loss / (profit) on disposal of non-current assets	49	(11)
Amortisation of intangible assets	577	207
Finance income	(18)	(5)
Finance expense	4,677	14,273
Taxation	528	620
Movements in working capital:		
Increase in trade and other receivables	(3,554)	(3,034)
Decrease in trade and other payables	(3,819)	(652)
Increase in accruals and deferred income	1,271	2,121
Cash generated from operating activities	2,284	8,196
Interest paid	(8,345)	(5,816)
Tax paid	-	(224)
Net cash (used in) / generated from operating activities	**(6,061)**	**2,156**
Cash flows from investing activities		
Interest received	8	5
Payments to acquire property, plant and equipment	(2,730)	(2,825)
Payments to acquire intangible assets	(57)	(27)
Proceeds from sales of property, plant and equipment	304	23
Net cash used in investing activities	**(2,475)**	**(2,824)**
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)
Proceeds from loans and borrowings	4,000	-
Net cash used in financing activities	**4,000**	**(6,378)**
Net decrease in cash and cash equivalents in the period	**(4,536)**	**(7,046)**
Cash and cash equivalents at the beginning of the period	16,924	21,040
Cash and cash equivalents at the end of the period	**12,388**	**13,994**

Voyage BidCo Limited
Notes to the Condensed Consolidated Financial Statements (unaudited)
For the 3 month period ended 30 June 2018

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 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 the high quality care and support services for people with learning disabilities, brain injury rehabilitation 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 2018, together with comparative period data for the 3 month period ended 30 June 2017.

The financial information contained herein is unaudited and does not constitute statutory accounts as defined by Section 435 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 2018. 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 2018 should be referred to in connection with these condensed consolidated financial statements as they remain applicable.

Adopted IFRS not yet applied

The following standards and interpretations have been published, endorsed by the EU, and are available for early adoption, but have not yet been applied by the Group in these financial statements.

- IFRS 9 ‘Financial instruments’ effective for accounting periods commencing on or after 1 January 2018. The Group has initiated an assessment of the impact of IFRS 9 but it is expected the adoption will not materially impact the Group's results or financial position. Management have formed this opinion with reference to the Group's current financial instruments;

- IFRS 15 ‘Revenue from contracts with customers’ effective for accounting periods commencing on or after 1 January 2018. The Group has initiated an assessment of the impact of IFRS 15 but it is expected the option will not materially impact the Group's results or financial position. Management have formed this opinion as the majority of the Group's revenue is recognised in respect of care that has been provided in the relevant period; and

- IFRS 16 'Leases' effective for accounting periods commencing on or after 1 January 2019. The Group has initiated an assessment of the impact of IFRS 16 and expect the adoption will have a material impact on the Group's results and financial position. The exact financial impact of IFRS 16 is not yet known, management are continuing to assess the impact and are considering the processes, systems and procedures which will be required to successfully implement the new standard.

Going concern

The Group, of which the Company is a member, is funded through a combination of Shareholders' Funds, Unsecured Shareholders Loans, Senior Secured Notes and Second Lien Notes.

The Group has issued £215 million of 5.875% Senior Secured Notes due 2023, £35 million of 10% Second Lien Notes due 2023 and committed to a Revolving Credit Facility of £45.0 million due 2023 which was £19.0 million drawn 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

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: supporting individuals in our specially adapted homes;
- Community Based Care: supporting individuals in their own home promoting independence; and
- Focused Healthcare: supporting young individuals living with their families who require specialist care or nursing.

On 22 August 2017, the Group acquired the majority of the share capital of Focused Healthcare Limited. Although the Group and Focused Healthcare provide complementary specialist care and support services a new operating segment has been identified primarily due to Focused Healthcare concentrating on providing specialist care to children and young people and Voyage Care predominantly providing specialist care to adults. In addition, Focused Healthcare will continue to operate independently from the Group retaining its own head office function.

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

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 year (2017: £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 2018	**Registered £000**	**Community Based Care £000**	**Focused Healthcare £000**	**Group £000**
Revenue	41,278	16,733	2,593	**60,604**
Adjusted EBITDA (before non-underlying items)	**7,109**	**458**	**706**	**8,273**
Non-underlying items				113
Adjusted EBITDA (after non-underlying items)				**8,386**
Depreciation of property, plant and equipment				(2,933)
Loss on disposal of non-current assets				(49)
Amortisation of intangible assets				(577)
Net finance expense				(4,659)
Taxation				(528)
Loss for the period				**(360)**

	Continuing Operations			
For the 3 month period ended 30 June 2017	**Registered £000**	**Community Based Care £000**	**Focused Healthcare £000**	**Group £000**
Revenue	39,262	15,131	-	**54,393**
Adjusted EBITDA (before non-underlying items)	**7,723**	**1,340**	**-**	**9,063**
Non-underlying items				698
Adjusted EBITDA (after non-underlying items)				**9,761**
Depreciation 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)**

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 2018 £000	3 months ended 30 June 2017 £000
Continuing operations	**Notes**		
Non-underlying items:			
Restructuring costs	a	-	20
Day Care costs	b	(221)	(772)
Project costs	c	108	54
Refinancing transaction	d	-	8,845
		(113)	8,147

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. (3 month period ended 30 June 2018: £Nil)

(b) *Day Care Costs*
For the 3 month period ended 30 June 2018, the Group was in receipt of funds in relation to backdated VAT on its Day Care business of £221,000 (3 month period to 30 June 2017: £772,000).

(c) *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 functions, as a result for the 3 month period ended 30 June 2018 fees of £108,000 were incurred (3 month period ended 30 June 2017: £54,000).

(d) *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 2018: £Nil).

5 Operating profit before taxation

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

	3 months ended 30 June 2018 £000	3 months ended 30 June 2017 £000
Continuing operations		
Direct expenses and consumables	1,877	1,845
Staff costs:		
Wages and salaries	38,755	33,447
Social security costs	2,532	2,201
Other pension costs	535	343
Operating lease rentals:		
Other lease rentals	1,044	897
Plant and machinery	133	350
Depreciation of property, plant and equipment	2,933	2,754
Loss / (profit) on disposal of non-current	49	(11)
Amortisation of intangible assets	577	207
Other external charges	7,563	6,321
Receipts in respect of VAT on the Group's Day Care activities	(221)	(772)
	55,777	47,582

6 Finance income

	3 months ended 30 June 2018 £000	3 months ended 30 June 2017 £000
Continuing operations		
Bank interest receivable	18	5

7 Finance expense

	3 months ended 30 June 2018 £000	3 months ended 30 June 2017 £000
Continuing operations		
Bank interest including RCF non-utilisation fees	248	158
Loan notes interest	4,368	5,188
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	52
Other finance costs	9	30
	4,677	14,273

Loan notes interest comprises loan notes interest of £4,033,000 for the 3 month period ended 30 June 2018 (£4,678,000 for the 3 month period ended 30 June 2017) and amortisation of issue costs and original issue discount of £335,000 for the 3 month period ended 30 June 2018 (£510,000 for the 3 month period ended 30 June 2017).

8 Taxation

The Group's underlying consolidated effective tax rate in respect of continuing operations for the 3 month period ended 30 June 2018 is 314.3% (3 month period ended 30 June 2017: 8.3%).

The Group's consolidated total effective tax rate in respect of continuing operations for the 3 month period ended 30 June 2018 is 960.0% (3 month period ended 30 June 2017: 89.9%).

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 2018 £000	30 June 2017 £000	31 March 2018 £000
Cost			
Opening cost	52,792	41,326	41,326
Acquisitions	-	-	11,466
Opening and closing cost	52,792	41,326	52,792
Accumulated impairment charge			
Opening and closing impairment	8,556	8,556	8,556
Net book value			
Closing net book value	44,236	32,770	44,236
Opening net book value	44,236	32,770	32,770

10 Intangible assets

	30 June 2018 £000	30 June 2017 £000	31 March 2018 £000
Cost			
Opening cost	12,557	5,053	5,053
Acquisitions	-	-	7,392
Additions	57	27	112
Closing cost	12,614	5,080	12,557
Amortisation			
Opening amortisation	4,597	2,846	2,846
Provided during the period	577	207	1,751
Closing amortisation	5,174	3,053	4,597
Net book value			
Closing net book value	7,440	2,027	7,960
Opening net book value	7,960	2,207	2,207

11 Property, plant and equipment

	30 June 2018 £000	30 June 2017 £000	31 March 2018 £000
Cost			
Opening cost	479,787	472,222	472,222
Acquisitions	-	-	33
Additions	2,954	2,011	12,670
Assets classified as held for sale	-	-	(4,159)
Disposals	(2,195)	(33)	(979)
Closing cost	480,546	474,200	479,787
Depreciation			
Opening depreciation	120,634	108,592	108,592
Charge for the period	2,933	2,754	11,384
Impairment	-	-	4,728
Assets classified as held for sale	-	-	(3,200)
Disposals	(2,120)	(21)	(870)
Closing depreciation	121,447	111,325	120,634
Net book value			
Closing net book value	359,099	362,875	359,153
Opening net book value	359,153	363,630	363,630

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 2018, the assets classified as held for sale are £1,552,000 (30 June 2017: £1,040,000 and 31 March 2018: £1,832,000).

13 Loans and borrowings

	30 June 2018 £000	30 June 2017 £000	31 March 2018 £000
Bank loans	19,000	-	15,000
Loan notes	242,308	241,156	241,973
	261,308	241,156	256,973

Loan notes include unamortised issue costs and original issue discount of £7,692,000 (30 June 2017: £8,844,000 and 31 March 2018: £8,027,000).

As at 30 June 2018 there was accrued interest of £2,689,000 (30 June 2017: £2,244,000 and 31 March 2018: £6,721,000) 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 2018 £000	30 June 2017 £000	31 March 2018 £000
In one year or less	19,000	-	15,000
Between one and five years	242,308	-	241,973
After five years	-	241,156	-
	261,308	241,156	256,973

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. 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	19,000	LIBOR +3.25%	Feb-23
Non utilised	GBP	26,000	1.10%	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
	Financial liabilities at FV	**Loans and recievables**	**Other financial**	**Total**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
At 30 June 2018					
Financial liabilities not measured at fair value					
Trade and other receivables	-	23,385	-	23,385	23,385
Cash and cash equivalents	-	12,388	-	12,388	12,388
	-	35,773	-	35,773	35,773
Financial liabilities measured at fair value					
Deferred consideration	1,140	-	-	1,140	1,140
Financial liabilities not measured at fair value					
Senior Secured Loan Notes	-	-	208,420	208,420	215,194
Second Lien Loan Notes	-	-	33,888	33,888	34,904
Revolving Credit Facility	-	-	19,000	19,000	19,000
Trade and other payables	-	-	22,987	22,987	22,987
	1,140	-	284,295	285,435	293,225
At 30 June 2017					
Financial liabilities not measured at fair value					
Trade and other receivables	-	17,431	-	17,431	17,431
Cash and cash equivalents	-	13,994	-	13,994	13,994
	-	31,425	-	31,425	31,425
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
Trade and other payables	-	-	23,812	23,812	23,812
	-	-	264,968	264,968	284,460
At 31 March 2018					
Financial liabilities not measured at fair value					
Trade and other receivables	-	20,925	-	20,925	20,925
Cash and cash equivalents	-	16,924	-	16,924	16,924
	-	37,849	-	37,849	37,849
Financial liabilities measured at fair value					
Deferred consideration	1,140	-	-	1,140	1,140
Financial liabilities not measured at fair value					
Senior Secured Loan Notes	-	-	208,125	208,125	215,886
Second Lien Loan Notes	-	-	33,848	33,848	34,869
Revolving Credit Facility	-	-	15,000	15,000	15,000
Trade and other payables	-	-	26,806	26,806	26,806
	1,140	-	283,779	284,919	293,701

15 Financial instruments - continued

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 2018

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Deferred consideration	-	-	1,140	1,140
	-	-	1,140	1,140

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

At 31 March 2018

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Deferred consideration	-	-	1,140	1,140
	-	-	1,140	1,140

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 2018 may be obtained from:

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