



Voyage BidCo Limited

Q1 2022

Results for the three month period ended 30 June 2021

Voyage Care BondCo PLC

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

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



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

Voyage Care BondCo PLC is a public limited company incorporated under the laws of England and Wales and is a direct wholly owned subsidiary of Voyage BidCo Limited and an indirect wholly owned subsidiary of Voyage Care HoldCo Limited (previously Viking HoldCo Limited). In this Quarterly Report, ‘Issuer’ refers only to Voyage Care BondCo PLC. In this Quarterly 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 for the quarter ended 30 June 2021:

£ million	Q1 2022	Q1 2021
Revenue	71.9	66.0
EBITDA (before non-underlying items)	10.7	9.8
Operating profit	6.6	4.3
Loss for the period	(2.0)	(1.5)
Operating cash flow	7.1	7.0

Commentary on results

Performance during Q1 2021 vs. Q2 2022

- CQC quality scores remain very high with 94.5% of services achieving a Good or Outstanding rating.
- Revenue increased strongly by 8.8% to £71.9 million primarily due to growth in our Community based care division and fee increases, partially offset by reduced registered occupancy due to the impact of the Covid-19 Pandemic.
- EBITDA also grew strongly up 8.8% to £10.7 million primarily due to fee increases and growth in the Community based care division.
- Registered closing occupancy was 92.5% compared to 94.1% in Q1 2021.
- Community based care average direct weekly care hours increased materially by 11,900 hours compared to Q1 2021, closing at 108,600 hours.
- We are following Government guidance in relation to Covid-19, and we are an indirect beneficiary of increased Government funding to local authorities for the sector (currently £5.0Bn). The safety of our employees and the people we support, together with associated operational impacts are being well managed.

Recent developments

- Constructive fee increase discussions for FY22 continuing with commissioners
- Commissioning activity amongst local authority and CCG customers is getting back to normal and we are seeing high levels of referrals and tenders
- We have seen a positive increase in Registered Occupancy in Q1 and this trend is continuing
- Free Government issued PPE to be available until March 2022. No further infection control or rapid testing funded announced.



Covid-19 Update

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

£ million	Q1 2022
Non-Underlying items Covid -19 Consist of:	
Staff Costs	0.7
Agency Costs	0.0
PPE/Infection Control	0.1
Total Covid-19 Costs	0.9
Reimbursement	(0.8)
Non-Underlying items Covid-19	(0.1)
Non Covid-19 related	0.1
Total Non-Underlying items	0.0



Company Overview

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

- We supported 3,495 people as at 30 June 2021, comprising 1,875 through our registered care division and a further 1,620 through our Community based care service division.
- The typical person we support in each of our divisions is between the ages of 18 and 65 and has high dependency needs. Our registered care division typically provides at least two support staff members for every three individuals. This level of support is reflected in our average weekly fee of £1,821 per person for the twelve months ended 30 June 2021. Our Community based care division, as at 30 June 2021, delivered approximately 107,000 direct hours of care per week. The provision of support averaged approximately 67 hours per week per person at an average direct hourly rate of £19.36 for the last twelve months ended 30 June 2021.
- Our 'person centred' approach to care ensures that we deliver quality, bespoke care packages tailored to the complex, high acuity care needs of the people we support. Quality scores remain high, with 95% of services inspected achieving a rating of Good or Outstanding following inspection. In Wales and Scotland, all of our services are 'compliant' with their respective inspection regimes.
- With approximately 10,500 staff, we strive to meet the requirements of each person we support and develop bespoke care packages tailored to their needs.

Our services

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

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

- **Registered care**

We provided care to individuals in our 262 registered homes as at 30 June 2021. We hold the freehold interest in 231 of our registered homes representing 89% by number of beds, with the remaining 31 of our registered homes being Leasehold properties. At 30 June 2021 we had 2,028 beds in our registered properties with an average of 8 beds per property, each providing an adapted environment for the people we support.

- **Community based care**

Our Community based care division operated out of 44 registered DCAs as at 30 June 2021. Typically, the people we support in our Community based care division live in individual or communal accommodation provided by government agencies or registered social landlords that are registered with the Homes and Communities Agency. Included within Community based care is Children's Complex Care (unless otherwise stated within this report), which supports young individuals living with their families who require specialist care or nursing.



Presentation of financial and other information

Financial data

This Quarterly Report includes the consolidated financial information (unaudited) of Voyage BidCo Limited and its subsidiaries for the three month period ended 30 June 2021 (“Q1 2022”) and 30 June 2020 (“Q1 2021”).

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

Other financial measures

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

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

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

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



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

Other data

Available beds

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

Community based care

Our results of operations are impacted by the number of people supported in our Community based care division at any given time. The number of people supported in our Community based care division is presented in this 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 division refer to the average weekly fees in a given period. The fee rates for our Community based care division refer to average hourly rates charged to a funder per carer in a given period.

Adjustments

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

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



Management's discussion and analysis of financial condition and results

Key factors affecting our results

Revenue

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

Registered available beds and Community based care placements

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

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

	Q1 2022	Q1 2021	YTD 2022	YTD 2021	FYE Mar 2021
Registered beds	2,031	2,012	2,031	2,012	2,016
Community based care placements	1,757	1,601	1,757	1,601	1,668
Total	3,788	3,613	3,788	3,613	3,683

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 2022	Q1 2021	YTD 2022	YTD 2021	FYE Mar 2021
Registered	92.5%	94.1%	92.5%	94.1%	92.8%

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	
		2021	2020
Registered	£wk	1,821	1,748
Community based Care (Direct)	£hr	19.36	18.78

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 in April 2021);
- increases in national insurance rates;
- increases in wage rates for staff in other service industries (with which we compete for staff);
- legislation governing employee pensions, in particular legislation governing the automatic enrolment of employees into a workplace pension and minimum employer contribution rates; and
- bonus schemes, being annual and other schemes operating at any one time.

		Q1 2022	Q1 2021	YTD 2022	YTD 2021
Staff Costs *	£m	52.1	48.4	52.1	48.4
% Revenue		72.5%	73.3%	72.5%	73.3%
% Operating costs **		85.3%	86.1%	85.3%	86.1%
		Q1 2022	Q1 2021	YTD 2022	YTD 2021
Staff Costs (excluding central overheads) *	£m	47.8	44.4	47.8	44.4
% Revenue		66.5%	67.3%	66.5%	67.3%
% Operating costs **		78.2%	79.0%	78.2%	79.0%

* 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 2022	Q1 2021	% Change	YTD 2022	YTD 2021	% Change
Revenue	71.9	66.0	8.8%	71.9	66.0	8.8%
Staff costs	(52.1)	(48.4)	(7.8%)	(52.1)	(48.4)	(7.8%)
Agency Costs	(1.2)	(0.7)	(88.0%)	(1.2)	(0.7)	(88.0%)
Direct expenses & consumables	(2.0)	(1.9)	(5.9%)	(2.0)	(1.9)	(5.9%)
Property lease rentals	(0.1)	(0.1)	17.3%	(0.1)	(0.1)	17.3%
Other lease rentals	(0.3)	(0.3)	(8.0%)	(0.3)	(0.3)	(8.0%)
Other external charges	(5.3)	(4.8)	(10.6%)	(5.3)	(4.8)	(10.6%)
EBITDA	10.7	9.8	8.8%	10.7	9.8	8.8%
Non-underlying items	0.0	(1.5)	nm	0.0	(1.5)	nm
EBITDA after non-underlying items	10.7	8.3	28.5%	10.7	8.3	28.5%
Depreciation & impairment	(3.5)	(3.4)	(4.1%)	(3.5)	(3.4)	(4.1%)
Profit/(Loss) on disposal of non-current assets	0.1	(0.1)	nm	0.1	(0.1)	nm
Amortisation of intangible assets	(0.7)	(0.7)	(6.2%)	(0.7)	(0.7)	(6.2%)
Operating profit	6.6	4.3	55.7%	6.6	4.3	55.7%
Finance income	0.0	0.0	(13.5%)	0.0	0.0	(13.5%)
Finance expense	(4.8)	(5.1)	6.4%	(4.8)	(5.1)	6.4%
Profit/(Loss) before taxation	1.9	(0.9)	nm	1.9	(0.9)	nm
Taxation	(3.8)	(0.7)	nm	(3.8)	(0.7)	nm
Loss for the period	(2.0)	(1.5)	28.9%	(2.0)	(1.5)	28.9%
Other financial metrics						
Staff costs (excluding central overheads)	47.8	44.4	(7.5%)	47.8	44.4	(7.5%)
Overhead expenses & bonus	5.9	5.4	(8.8%)	5.9	5.4	(8.8%)
Unit EBITDA	16.6	15.3	8.8%	16.6	15.3	8.8%
Unit EBITDA margin %	23.1%	23.2%	(0.1%)	23.1%	23.2%	(0.1%)
EBITDA margin %	14.9%	14.8%	0.1%	14.9%	14.8%	0.1%
EBITDAR	10.8	10.0	8.5%	10.8	10.0	8.5%
EBITDAR margin %	15.0%	15.2%	(0.2%)	15.0%	15.2%	(0.2%)
EBITDAR after non-underlying items	10.8	8.5	27.9%	10.8	8.5	27.9%
EBITDAR after non-underlying items margin %	15.0%	12.9%	2.1%	15.0%	12.9%	2.1%

Revenue

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

- Q1 2022 revenue increased by £5.9 million, or 8.8% to £71.9 million from £66.0 million for Q1 2021, primarily due to like-for-like growth (£4.3 million or 6.5%) and fee increases (£1.5 million or 2.3%).

Staff costs

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

- Staff costs (excluding overheads) for Q1 2022 increased by £3.4 million, or 7.5% to £47.8 million (which represented 66.5% of revenue) from £44.4 million (which represented 67.31% of revenue) for Q1 2021, primarily due to increases in staff costs as a result of National Living Wage and National Minimum Wage increase (£1.1 million) and staff required to support the growth in our business (£2.3 million).



Agency costs

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

- Agency costs for Q1 2022 increased by £0.5 million, or 88.0% to £1.2 million from £0.7 million for Q1 2021. This is primarily due to tightening of the employment market and supporting growth of the Community based care division whilst we recruit permanent employees.

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.

- Q1 2022 direct expenses and consumables increased by £0.1 million, or 5.9% to £2.0 million from £1.9 million for Q1 2021.

Property lease rentals

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

- Q1 2022 property lease rentals remained consistent to Q1 2021 at £0.1 million.

Other lease rentals

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

- Q1 2022 other lease rentals remained consistent to Q1 2021 at £0.3 million.

Other external charges

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

- Q1 2022 other external charges increased by £0.5 million, or 10.6%, to £5.3 million from £4.8 million for Q1 2021. This is due increases in external day care, vehicle running costs, utility costs and repairs (Due to increased activity in Q1 2022 compared to Q1 2021 which was impacted by the Covid-19 Pandemic).



EBITDA

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

- Q1 2022 EBITDA increased by £0.9 million, or 8.8% to £10.7 million from £9.8 million for Q1 2021. This increase is due to the extra contribution generated from the growth in our community business, along with fee increases, being offset by increases in staff costs as a result of certain inflationary pay rises and National Minimum Wage in April 2021 of approx. 2%, and a reduction in Registered occupancy.

Non-underlying items

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

- Q1 2022 non-underlying items were £0.0 million (Q1 2021 2020: £1.5 million). Non-underlying items for Q1 2021 were primarily relating to costs due to Covid-19 (e.g. personal protective equipment and certain staff) and Professional Fees related to a Procurement costs reduction project along with one-off project costs relating to the Groups' programme to improve the quality of the service it provides to the people the Group supports and its customers by investing in its head office and operations functions.

EBITDA after non-underlying items

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

- Q1 2022 EBITDA after non-underlying items increased by £2.4 million, or 28.5% to £10.7 million from £8.3 million for Q1 2021.

Depreciation of property, plant and equipment

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

- Q1 2022 depreciation and impairment of property plant and equipment increased by £0.1 million, or 4.1% to £3.5 million from £3.4 million for Q1 2021.

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.

- Q1 2022 the profit on the disposal of non-current assets was £0.1 million (Q1 2022: £0.1 million loss).

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.

- Q1 2022 amortisation of intangible assets remained consistent with Q1 2021 at £0.7 million.



Operating profit

Operating profit consists of earnings before interest and taxation.

- Q1 2022 operating profit increased by £2.3 million to £6.6 million from £4.3 million in Q1 2021.

Finance income

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

- Q1 2022 interest receivable and other income stayed the same as Q1 2021 at £nil.

Finance expenses

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

- Q1 2022 interest payable and similar charges on bank loans reduced by £0.3 million to £4.8 million.

Profit/(Loss) before taxation

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

- Q1 2022 profit before taxation increased by £2.8 million to £1.9 million from £0.9 million loss for Q1 2021.

Taxation

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

- For Q1 2022 a taxation charge of £3.8 million was recognised, an increase of £3.1 million from Q1 2021. This is primarily due to an increase in the deferred tax charge resulting from the tax rate rising from 19% to 25% from 1st April 2023 and the rate applicable when the temporary timing difference is expected to reverse.

Loss for the year

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

- Q1 2022 loss for the year increased by £0.5 million to £2.0 million from £1.5 million for Q1 2021 the reduction is primarily due to an increase in taxation charges compared to prior year, partially offset by an increase in EBITDA after non-underlying items.



Liquidity and capital resources

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

At 30 June 2021 and 30 June 2020, our cash balances were £39.0 million and £81.6 million, respectively. This year on year reduction is primarily due to settling all of the £45.0 million RCF facility.

Net bank debt as at 30 June 2021 was £213.2 million, comprising £250.0 million of borrowings under the Senior Secured Notes and Second Lien Notes, partially offset by £39.0 million of cash. Within the £39.0 million cash balance was £2.2 million of restricted cash which was excluded from cash for the purposes of calculating the net debt. We have undrawn committed facilities of £45.0 million in the RCF. The resulting leverage was 4.67x.

Net bank debt as at 30 June 2020 was £213.9 million, comprising £250.0 million of borrowings under the Senior Secured Notes and Second Lien Notes, £45.0 million borrowing under the RCF, partially offset by £81.6 million of cash. Within the £81.6 million cash balance was £0.5 million of restricted cash which is excluded from cash for the purposes of calculating the net debt. We were fully drawn on our £45.0 million RCF on 30 June 2020. The resulting leverage was 4.84x.

Leverage as at 30 June 2021 (calculated as defined in the legal financing documentation) was 4.67x. With the inclusion of IFRS16 lease liability, the leverage would have increased to 5.06x (Q1 2021: 5.32x).



Consolidated statement of cash flow

£ million	Q1 2022	Q1 2021	% Change	YTD 2022	YTD 2021	% Change
EBITDA before non-underlying items	10.7	9.8	8.8%	10.7	9.8	8.8%
Maintenance capex	(3.6)	(2.8)	28.6%	(3.6)	(2.8)	28.6%
Operating cash flow	7.1	7.0	1.4%	7.1	7.0	1.4%
<i>Cash conversion %</i>	<i>66.6%</i>	<i>71.2%</i>	<i>(4.6%)</i>	<i>66.6%</i>	<i>71.2%</i>	<i>(4.6%)</i>
Non-underlying items ⁽¹⁾	0.0	(1.5)	nm	0.0	(1.5)	nm
Working capital	1.1	5.9	(81.4%)	1.1	5.9	(81.4%)
Interest	(8.3)	(8.2)	1.2%	(8.3)	(8.2)	(1.2%)
Taxation	(0.3)	(0.7)	(57.1%)	(0.3)	(0.7)	57.1%
FCF before Dev. Capex, Acquisitions and Financing	(0.3)	2.5	nm	(0.3)	2.5	nm
Development capex ⁽²⁾	(0.3)	(0.3)	0.0%	(0.3)	(0.3)	(0.0%)
Acquisition ⁽³⁾	0.0	0.0	nm	0.0	0.0	nm
Proceeds from sale	0.0	0.3	(100.0%)	0.0	0.3	100.0%
FCF before Financing	(0.6)	2.6	nm	(0.6)	2.6	nm
Property and vehicle lease payments (IFRS16)	(1.1)	(1.1)	0.0%	(1.1)	(1.1)	(0.0%)
Net cash flow used in financing activities	0.0	0.0	nm	0.0	0.0	nm
Movement in cash for the period	(1.8)	1.4	nm	(1.8)	1.4	nm
Opening cash and cash equivalents	40.7	80.1	(49.2%)	40.7	80.1	49.2%
Closing cash and cash equivalents	39.0	81.6	(52.2%)	39.0	81.6	(52.2%)

Other financial metrics

Maintenance capex, ex. IT spend (£m)	3.0	1.7	(72.2%)	3.0	1.7	(72.2%)
Maintenance capex, ex. IT spend (% revenue)	4.1%	2.6%	(1.5%)	4.1%	2.6%	(1.5%)
Maintenance capex, ex. IT spend (£k pa per bed)	6.3	3.6	(73.5%)	6.3	3.6	(73.5%)

(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

- Q1 2022 operating cash flow increased by £0.1 million, or 1.4% to £7.1 million from £7.0 million for Q1 2021. The increase is primarily due to £0.9 million increase in EBITDA partially offset by a £1.4 million increase in maintenance capex, due to an increase in service maintenance activity in Q1 2022 compared to Q1 2021 which was reduced due to the Covid-19 pandemic.
- EBITDA before non-underlying items increased by £0.9 million and this was partially offset by an increase in maintenance capex of £0.8 million. This increase in maintenance capex is due to Q1 2021 having reduced activity due to the Covid-19 pandemic.

Non-underlying items

- Q1 2022 non-underlying items reduced by £1.5 million to £nil from £1.5 million when compared with Q1 2021. The reduction is primarily driven by Q1 2021 incurring Covid-19 related costs which were off set in later periods with reimbursement from Local Authorities and Central Government.



Working capital

- Q1 2022 working capital movement was an inflow of £1.1 million which compares to an inflow of £5.9 million for Q1 2021. Q1 2022 improved by £1.1 million due to an increase of £1.9 million in trade and other payables, along with an increase of £1.5 million on Accruals and Deferred income, partially offset by a £2.3 million increase in Trade Receivables. The Q1 2022 inflow was lower than the Q1 2021 inflow because Q1 2021 saw significant one-off improvements on working capital.

Interest

- Q1 2022 interest payable increased £0.1 million to £8.3 million from £8.2 million when compared to Q1 2021. This increase is due to timing differences on interest charged on the RCF.

Taxation

- For Q1 2022 we paid £0.3 million in relation to corporation tax payments made on account (Q1 2021: £0.7 million).

Free Cash Flow before Development Capex, Acquisitions and Financing

- Q1 2022 Free Cash Flow before Development Capex, Acquisitions and Financing reduced by £2.8 million to an outflow of £0.3 million from £2.5 million inflow in Q1 2021, primarily due to an increase in EBITDA, Maintenance Capex and reduction in Non-underlying items, offset by the Working Capital reduction.

Capital expenditure

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

- Q1 2022 development capital expenditure stayed the same as Q1 2021 at £0.3 million.

Acquisition

- For Q1 2022 there was £nil outflow on acquisitions, (Q1 2021: £nil).

Proceeds from sale

- For Q1 2022 there was £nil cash inflow. This is a reduction of £0.3 million compared to Q1 2021.

Property and vehicle lease payments

- During Q1 2022 we made £1.1 million of total lease payments under IFRS16 which is the same as Q1 2021.

Net cash flow used in financing activities

- Q1 2022 net cash flow used in financing activities was £nil compared to £nil for Q2 2021.



Contractual obligations

The following table summarises our material contractual obligations at 30 June 2021, showing the total principal amount payable and excluding any future interest payments.

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

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

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

Consolidated statement of financial position

£ million	Jun-21	Jun-20	% Change
Non-Current Assets	417.4	410.2	1.7%
Current Assets			
Trade and Other Receivables, Prepayments	25.6	25.1	2.1%
Cash at bank and in hand	39.0	81.6	(52.2%)
Assets classified as held for sale	0.0	0.0	nm
Total Assets	482.0	516.9	6.8%
Non-current liabilities			
Loan Notes	260.8	264.2	1.3%
Tax Liabilities	15.0	11.1	(34.8%)
Accruals and Deferred Income	0.0	0.0	nm
Employee benefits	0.4	0.2	(50.6%)
Provisions for liabilities and charges	1.0	1.0	(2.3%)
Current Liabilities	65.3	103.7	37.0%
Equity	139.5	136.7	(2.0%)
Total Equity and Liabilities	482.0	516.9	6.8%

(1) Receivables in June 2021 include £2.6 million of intercompany receivables (June 2020: £1.0 million and March 2021: £2.6 million), and current liabilities in June 2021 include £3.7 million of intercompany payables (June 2020: £2.1 million and March 2021: £3.7 million).

(2) Loan notes include unamortised issue costs of £3.3 million (June 2020: £3.7 million).



Key Business Divisions

	Revenue			Revenue		
	Q1 2022	Q1 2021	% Change	YTD 2022	YTD 2021	% Change
£ million						
Registered	45.1	43.4	3.9%	45.1	43.4	3.9%
Community Based Care	26.7	22.6	18.1%	26.7	22.6	18.1%
Total	71.9	66.0	8.8%	71.9	66.0	8.8%

	EBITDA			EBITDA		
	Q1 2022	Q1 2021	% Change	YTD 2022	YTD 2021	% Change
£ million						
Registered	8.3	8.0	3.8%	8.3	8.0	3.8%
Community Based Care	2.4	1.9	26.3%	2.4	1.9	26.3%
Total	10.7	9.8	9.2%	10.7	9.8	8.8%

	Q1 2022	Q1 2021	Change	YTD 2022	YTD 2021	Change
Other financial metrics						
Average Registered occupancy	1,879	1,893	(15)	1,879	1,893	(15)
Average Registered occupancy %	92.5%	94.1%	(1.6%)	92.5%	94.1%	(1.6%)
Average Direct Weekly Community Based hours	107,000	95,700	11,300	107,000	95,700	11,300
Closing Registered occupancy	1,875	1,893	(18)	1,875	1,893	(18)
Closing Registered occupancy %	92.5%	94.1%	(1.7%)	92.5%	94.1%	(1.7%)
Closing Direct Weekly Community Based hours	108,600	96,600	12,000	108,600	96,600	12,000



Property Analysis

At the 30 June 2021 the number of freehold properties held was 265, which was an increase of 7 as at June 2020. The net book value of the freehold properties was £312.5 million.

We have increased our provision of properties supporting the Community division by 113, with capacity increasing by 20 since 30 June 2020.

In our Registered care division at 30 June 2021, freehold properties made up 88.9% of capacity whereas in Community based care, freehold properties made up 7.4% of capacity. This in line with our strategy to utilise 3rd party capital to invest in property and capacity to drive Community based care growth.

30 June 2021	Registered		Community		Daycare	DCA	Total	
	#	Capacity	#	Capacity	#	#	#	Capacity
Freehold	231	1,803	27	100	1	6	265	1,903
Leasehold/Rental ⁽¹⁾	31	225	3	10	6	34	74	235
3rd Party Owned ⁽²⁾	0	0	311	1,233	0	4	315	1,233
Totals	262	2,028	341	1,343	7	44	654	3,371
Freehold NBV (£m) ⁽³⁾	303.4		7.1		2.0		312.5	

30 June 2020	Registered		Community		Daycare	DCA	Total	
	#	Capacity	#	Capacity	#	#	#	Capacity
Freehold	228	1,773	21	70	4	5	258	1,843
Leasehold/Rental ⁽¹⁾	34	238	3	10	9	32	78	248
3rd Party Owned ⁽²⁾	0	0	297	1,150	1	4	302	1,150
Totals	262	2,011	321	1,230	14	41	638	3,241

Movement	Registered		Community		Daycare	DCA	Total	
	#	Capacity	#	Capacity	#	#	#	Capacity
Freehold	3	30	6	30	(3)	1	7	60
Leasehold/Rental ⁽¹⁾	(3)	(13)	0	0	(3)	2	(4)	(13)
3rd Party Owned ⁽²⁾	0	0	14	83	(1)	0	13	83
Totals	0	17	20	113	(7)	3	16	130

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

Voyage BidCo Limited

Condensed Consolidated Financial Statements (unaudited)

For the 3 month period ended 30 June 2021

Registered Number: 05752534



Voyage BidCo Limited
Condensed Consolidated Financial Statements (unaudited)
For the 3 month period ended 30 June 2021



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Voyage BidCo Limited
Condensed Consolidated Statement of Profit and Loss (unaudited)
For the 3 month period ended 30 June 2021



	Notes	3 months ended 30 June 2021			3 months ended 30 June 2020		
		Underlying £000	Non- underlying items (2) £000	Total £000	Underlying £000	Non- underlying items (2) £000	Total £000
Continuing operations							
Revenue		71,855	-	71,855	66,015	-	66,015
Operating expenses	5	(65,215)	5	(65,210)	(60,238)	(1,510)	(61,748)
Adjusted EBITDA (1)		10,711	5	10,716	9,848	(1,510)	8,338
Depreciation of property, plant and equipment		(3,497)	-	(3,497)	(3,360)	-	(3,360)
Profit / (loss) on disposal of assets		120	-	120	(58)	-	(58)
Amortisation of intangible assets		(694)	-	(694)	(653)	-	(653)
Operating profit		6,640	5	6,645	5,777	(1,510)	4,267
Finance income	6	18	-	18	16	-	16
Finance expense	7	(4,805)	-	(4,805)	(5,136)	-	(5,136)
Profit / (loss) before taxation		1,853	5	1,858	657	(1,510)	(853)
Taxation	8	(3,850)	-	(3,850)	(692)	-	(692)
Loss for the period from continuing operations		(1,997)	5	(1,992)	(35)	(1,510)	(1,545)
Loss attributable to equity holders of the parent		(1,997)	5	(1,992)	(35)	(1,510)	(1,545)

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

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

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

Voyage BidCo Limited
 Condensed Consolidated Statement of Other Comprehensive Income (unaudited)
 For the 3 month period ended 30 June 2021



	3 months ended 30 June 2021 £000	3 months ended 30 June 2020 £000
Loss for the period	(1,992)	(1,545)
<i>Items that will not be reclassified to profit and loss</i>		
Remeasurements of the defined benefit liability	-	-
Total comprehensive expense attributable to equity holders of the parent for the financial period	(1,992)	(1,545)

Voyage BidCo Limited
Condensed Consolidated Statement of Financial Position (unaudited)
At 30 June 2021



	Notes	30 June 2021		30 June 2020		31 March 2021	
		£000	£000	£000	£000	£000	£000
<i>Non-current assets</i>							
Goodwill	9	48,132		46,581		48,132	
Intangible assets	10	5,054		5,610		5,714	
Property, plant and equipment	11	364,189		358,032		362,663	
			417,375		410,223		416,509
<i>Current assets</i>							
Trade and other receivables		25,457		25,094		23,159	
Corporation tax receivable		153		-		499	
Cash and cash equivalents		38,996		81,579		40,746	
		64,606		106,673		64,404	
			64,606		106,673		64,404
Total assets			481,981		516,896		480,913
<i>Current liabilities</i>							
Loans and borrowings	12	3,450		48,738		3,618	
Trade and other payables		37,095		33,106		35,192	
Accruals and deferred income		24,357		21,303		25,969	
Corporation tax payable		-		327		-	
Provisions	13	422		267		422	
			65,324		103,741		65,201
			65,324		103,741		65,201
<i>Non-current liabilities</i>							
Loans and borrowings	14	260,823		264,165		261,096	
Tax liabilities		15,012		11,137		11,802	
Provisions	15	984		962		984	
Employee benefits		372		217		372	
			277,191		276,481		274,254
			277,191		276,481		274,254
Total liabilities			342,515		380,222		339,455
			342,515		380,222		339,455
Net assets			139,466		136,674		141,458
			139,466		136,674		141,458

Voyage BidCo Limited**Condensed Consolidated Statement of Financial Position (unaudited) - continued****At 30 June 2021**

	Notes	30 June 2021		30 June 2020		31 March 2021	
		£000	£000	£000	£000	£000	£000
Equity							
<i>Capital and reserves</i>							
Issued share capital		-		-		-	
Share premium		252,872		252,872		252,872	
Retained earnings		(113,406)		(116,198)		(111,414)	
Total equity attributable to equity holders of the parent		<u>139,466</u>		<u>136,674</u>		<u>141,458</u>	

Company registered no. 05752534

Voyage BidCo Limited
 Condensed Consolidated Statement of Changes in Equity (unaudited)
 For the 3 month period ended 30 June 2021



Group	Issued share capital £000	Share premium £000	Retained earnings £000	Total parent equity £000
At 1 April 2021	-	252,872	(111,414)	141,458
<i>Total comprehensive income for the period</i>				
Loss for the period	-	-	(1,992)	(1,992)
Other comprehensive income	-	-	-	-
Total comprehensive expense for the period	-	-	(1,992)	(1,992)
At 30 June 2021	-	252,872	(113,406)	139,466

Group	Issued share capital £000	Share premium £000	Retained earnings £000	Total parent equity £000
At 1 April 2020	-	252,872	(114,653)	138,219
<i>Total comprehensive income for the period</i>				
Loss for the period	-	-	(1,545)	(1,545)
Other comprehensive income	-	-	-	-
Total comprehensive expense for the period	-	-	(1,545)	(1,545)
At 30 June 2020	-	252,872	(116,198)	136,674

Voyage BidCo Limited
Condensed Consolidated Statement of Cash Flow (unaudited)
For the 3 month period ended 30 June 2021



	3 months ended 30 June 2021 £000	3 months ended 30 June 2020 £000
Cash flows from operating activities		
Loss for the period	(1,992)	(1,545)
Adjustments for:		
Depreciation and impairment of property, plant and equipment	3,497	3,360
Profit / (loss) on disposal of non-current assets	(120)	58
Amortisation of intangible assets	694	653
Finance income	(18)	(16)
Finance expense	4,805	5,136
Taxation	3,850	692
Movements in working capital:		
(Increase) / decrease in trade and other receivables	(2,251)	2,002
Increase in trade and other payables	1,921	2,480
(Decrease) / increase in accruals and deferred income	1,468	1,388
Decrease in provisions	(29)	-
<i>Cash generated from operating activities</i>	11,825	14,208
Interest paid	(8,265)	(8,165)
Tax paid	(314)	(673)
Net cash generated from operating activities	3,246	5,370
Cash flows from investing activities		
Interest received	4	4
Payments to acquire property, plant and equipment	(3,871)	(2,596)
Payments to acquire intangible assets	(34)	(545)
Proceeds from sales of property, plant and equipment	46	342
Net cash used in investing activities	(3,855)	(2,795)
Cash flows from financing activities		
Property and vehicle lease payments	(1,141)	(1,135)
Net cash used in financing activities	(1,141)	(1,135)
Net (decrease) / increase in cash and cash equivalents in the period	(1,750)	1,440
Cash and cash equivalents at the beginning of the period	40,746	80,139
Cash and cash equivalents at the end of the period	38,996	81,579



1 Reporting entity

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

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 International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs") applicable for the 3 month period ended 30 June 2021, together with comparative period data for the 3 month period ended 30 June 2020.

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 ongoing 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 2021. 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 2021 should be referred to in connection with these condensed consolidated financial statements as they remain applicable.

Adopted IFRS not yet applied

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

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

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



2 Accounting policies - continued

Going concern

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

The Group, of which the Company is a member, is funded through a combination of Shareholders' Funds, Unsecured Shareholders Loans, Senior Secured Notes, Second Lien Notes and cash generated through operating profits. These comprised £215 million of 5.875% Senior Secured Notes and £35 million of 10% Second Lien Notes, due in 2023, and a Revolving Credit Facility of £45.0 million, due 2023, of which £Nil was drawn down at 30 June 2021.

The Directors have prepared a 2-year forecast, together with detailed 'reasonable worst case' and 'worst case' cash flow forecasts which reflect severe but plausible downsides. This indicates that the Group will have sufficient funds to meet its liabilities as they fall due for that period. In preparing these forecasts, the Directors have completed extensive scenario planning to consider the impact to the Group's profitability of these severe but plausible downsides including the impact of further periods of lockdown during the winter of 2021/22 based on actual experience of operating through Covid-19 since March 2020. The impacts on the availability of cash to meet liabilities as they fall due and the Group's compliance with the debt covenant associated with the Revolving Credit Facility were also considered. In making this assessment, the Directors have also assumed that the Revolving Credit Facility will be renewed under normal commercial terms, however, the forecasts do not indicate that the Group will be reliant on this

Taking the above into consideration and the principal risks of the Group, the Directors believe that there are no material uncertainties to the Group's ability to operate as a going concern and to continue realising its assets and discharging its liabilities in the normal course of business. Therefore it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

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 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; and
- Community Based Care: supporting individuals in their own home promoting independence.

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

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 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 senior management.



3 Operating segments - continued

For the 3 month period ended 30 June 2021	<i>Segment results</i>		
	Registered	Community Based Care	Group
	£000	£000	£000
Revenue	45,147	26,708	71,855
Adjusted EBITDA (before non-underlying items)	8,295	2,416	10,711
Non-underlying items			5
Adjusted EBITDA (after non-underlying items)			10,716
Depreciation of property, plant and equipment			(3,497)
Profit on disposal of assets			120
Amortisation of intangible assets			(694)
Net finance expense			(4,787)
Taxation			(3,850)
Loss for the period			(1,992)

For the 3 month period ended 30 June 2020	<i>Segment results</i>		
	Registered	Community Based Care	Group
	£000	£000	£000
Revenue	43,429	22,586	66,015
Adjusted EBITDA (before non-underlying items)	7,986	1,862	9,848
Non-underlying items			(1,510)
Adjusted EBITDA (after non-underlying items)			8,338
Depreciation of property, plant and equipment			(3,360)
Loss on disposal of assets			(58)
Amortisation of intangible assets			(653)
Net finance expense			(5,120)
Taxation			(692)
Loss for the period			(1,545)



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 period:

		3 months ended 30 June 2021 £000	3 months ended 30 June 2020 £000
<i>Non-underlying items:</i>	Note		
Day Care income	a	(77)	-
Consultancy fees	b	10	231
COVID-19 related expenditure	c	858	3,168
COVID-19 related reimbursements	d	(836)	(1,919)
Project costs	e	40	30
		(5)	1,510

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

(a) *Day Care income*

For the 3 month period ended 30 June 2021, the Group was in receipt of funds in relation to backdated VAT on its Day Care business of £77k (3 month period ended 30 June 2020: £Nil).

(b) *Consultancy fees*

For the 3 month period ended 30 June 2021, the Group incurred costs of £10k in relation to professional advice and consultancy services (3 month period ended 30 June 2020: £231k).

(c) *COVID-19 related expenditure*

The impact of the global pandemic caused by the Covid-19 outbreak continued to increase the Group's costs during the 3 month period ended 30 June 2021 and as a result additional expenditure of £858k was incurred (3 month period to 30 June 2020: £3,168k).

(d) *COVID-19 related reimbursements*

During the 3 month period ended 30 June 2021, the UK Government continued to provide funding to Local Authorities to pass to social care providers to cover certain expenditure in relation to dealing with the impact of the global pandemic caused by the outbreak of Covid-19. As a result, the Group received Government funding of £836k for the reimbursement of costs in relation to the global pandemic (3 month period ended 30 June 2020: £1,919).



4 Non-underlying items - continued

(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 including the implementation of an operational ERP system, as a result fees of £40k were incurred (3 month period ended 30 June 2020: £30k).

5 Operating profit before taxation

3 months ended	3 months ended
30 June 2021	30 June 2020
£000	£000

Operating profit before taxation is stated after charging:

Continuing operations

Direct expenses and consumables	1,849	3,145
Staff costs:		
Wages and salaries	48,019	44,329
Social security costs	3,299	3,071
Other pension costs	906	839
Operating lease rentals:		
Other lease rentals	102	123
Plant and machinery	81	103
Depreciation	3,497	3,360
(Profit) / loss on disposal of assets	(120)	58
Amortisation of intangible assets	694	653
Other external charges	6,883	6,067
	65,210	61,748



6 Finance income

	3 months ended 30 June 2021 £000	3 months ended 30 June 2020 £000
<i>Continuing operations</i>		
Bank interest receivable	<u>18</u>	<u>16</u>

7 Finance expense

	3 months ended 30 June 2021 £000	3 months ended 30 June 2020 £000
<i>Continuing operations</i>		
Bank interest including RCF non-utilisation fees	139	453
Loan notes interest	4,446	4,418
Unwinding of lease liabilities	167	207
Other finance costs	53	58
	<u>4,805</u>	<u>5,136</u>

Loan notes interest comprises loan notes interest of £4,033k for the 3 month period ended 30 June 2021 (£4,033k for the 3 month period ended 30 June 2020) and amortisation of issue costs and original issue discount of £413k for the 3 month period ended 30 June 2021 (£385k for the 3 month period ended 30 June 2020).

8 Taxation

The Group's underlying consolidated effective tax rate in respect of continuing operations for the 3 month period ended 30 June 2021 is 207.8% (3 month period ended 30 June 2020: 105.3%).

The Group's consolidated total effective tax rate in respect of continuing operations for the 3 month period ended 30 June 2021 is 207.2% (3 month period ended 30 June 2020: (81.1)%).

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.

A change to the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023 was substantively enacted on 24 May 2021. Deferred tax has been provided at a rate of 25%, an increase from 19% as at 31 March 2021, recognising the applicable tax rate at the point when the timing difference is expected to reverse.



9 Goodwill

	30 June 2021	30 June 2020	31 March 2021
	£000	£000	£000
Cost			
Opening cost	56,688	55,137	55,137
Acquisitions	-	-	1,551
Closing cost	<u>56,688</u>	<u>55,137</u>	<u>56,688</u>
Accumulated impairment charge			
Opening and closing impairment	<u>8,556</u>	<u>8,556</u>	<u>8,556</u>
Net book value			
Closing net book value	<u>48,132</u>	<u>46,581</u>	<u>48,132</u>
Opening net book value	<u>48,132</u>	<u>46,581</u>	<u>46,581</u>

10 Intangible assets

	30 June 2021	30 June 2020	31 March 2021
	£000	£000	£000
Cost			
Opening cost	17,023	14,466	14,466
Acquisitions	-	-	1,476
Additions	34	545	1,090
Disposals	(53)	-	(9)
Closing cost	<u>17,004</u>	<u>15,011</u>	<u>17,023</u>
Accumulated amortisation charge			
Opening amortisation	11,309	8,748	8,748
Provided during the period	694	653	2,570
On disposals	(53)	-	(9)
Closing amortisation	<u>11,950</u>	<u>9,401</u>	<u>11,309</u>
Net book value			
Closing net book value	<u>5,054</u>	<u>5,610</u>	<u>5,714</u>
Opening net book value	<u>5,714</u>	<u>5,718</u>	<u>5,718</u>



11 Property, plant and equipment

	30 June 2021	30 June 2020	31 March 2021
	£000	£000	£000
Cost			
Opening cost	501,856	486,906	486,906
Acquisitions	-	-	2,206
Additions	4,956	2,004	19,947
Assets classified as held for sale	-	2,057	-
Disposals	(142)	(78)	(7,203)
Closing cost	<u>506,670</u>	<u>490,889</u>	<u>501,856</u>
Depreciation			
Opening depreciation	139,193	128,135	128,135
Charge for the period	3,497	3,360	13,971
Impairment	-	-	1,064
Assets classified as held for sale	-	1,447	-
Disposals	(209)	(85)	(3,977)
Closing depreciation	<u>142,481</u>	<u>132,857</u>	<u>139,193</u>
Net book value			
Closing net book value	<u>364,189</u>	<u>358,032</u>	<u>362,663</u>
Opening net book value	<u>362,663</u>	<u>358,771</u>	<u>358,771</u>

12 Loans and borrowings

	30 June 2021	30 June 2020	31 March 2021
	£000	£000	£000
Bank loans	-	45,000	-
Loan notes	246,702	245,133	246,289
Lease liabilities	17,571	22,770	18,425
	<u>264,273</u>	<u>312,903</u>	<u>264,714</u>

Loan notes include unamortised issue costs and original issue discount of £3,298k (30 June 2020: £4,867k and 31 March 2021: £3,711k) which after deducting from the loan note balance due of £250 million results in a net loan note liability of £246,702k (30 June 2020: £245,133k and 31 March 2021: £246,289k).



12 Loans and borrowings - continued

As at 30 June 2021 there was accrued interest of £2,689k (30 June 2020: £2,689k and 31 March 2021: £6,721k) included within accruals disclosed within current liabilities in the Statement of Financial Position but excluded from this note.

Total debt can be analysed as falling due:

	30 June 2021 £000	30 June 2020 £000	31 March 2021 £000
In one year or less	3,450	48,738	3,618
Between one and five years	254,321	254,589	254,278
After five years	6,502	9,576	6,818
	<u>264,273</u>	<u>312,903</u>	<u>264,714</u>

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 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:

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

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

13 Provisions

The Group's dilapidation provision is determined by discounting expected cash outflows at a pre-tax rate that reflects current market assessments of the time value of money. The provisions recognised will unwind over the term of each lease.



14 Financial instruments

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

	Carrying amount			Fair value	
	Financial Liabilities at FV £000	Loans and receivables £000	Other financial liabilities £000	Total £000	Total £000
At 30 June 2021					
<i>Financial assets not measured at fair value</i>					
Trade and other receivables	-	21,590	-	21,590	21,590
Cash and cash equivalents	-	38,996	-	38,996	38,996
	-	60,586	-	60,586	60,586
<i>Financial liabilities not measured at fair value</i>					
Senior Secured Loan Notes	-	-	212,264	212,264	215,039
Second Lien Loan Notes	-	-	34,438	34,438	34,293
Trade and other payables	-	-	37,095	37,095	37,095
Lease liabilities	-	-	17,571	17,571	17,571
	-	-	301,368	301,368	303,997
At 30 June 2020					
<i>Financial assets not measured at fair value</i>					
Trade and other receivables	-	22,645	-	22,645	22,645
Cash and cash equivalents	-	81,579	-	81,579	81,579
	-	104,224	-	104,224	104,224
<i>Financial liabilities not measured at fair value</i>					
Senior Secured Loan Notes	-	-	210,898	210,898	197,342
Second Lien Loan Notes	-	-	34,235	34,235	29,050
Revolving Credit Facility	-	-	45,000	45,000	45,000
Trade and other payables	-	-	33,106	33,106	33,106
Lease liabilities	-	-	22,770	22,770	22,770
	-	-	346,009	346,009	327,268



14 Financial instruments - continued

	Carrying amount				Fair value
	Financial Liabilities at FV £000	Loans and receivables £000	Other financial liabilities £000	Total £000	Total £000
At 31 March 2021					
<i>Financial assets not measured at fair value</i>					
Trade and other receivables	-	21,701	-	21,701	21,701
Cash and cash equivalents	-	40,746	-	40,746	40,746
	-	62,447	-	62,447	62,447
<i>Financial liabilities not measured at fair value</i>					
Senior Secured Loan Notes	-	-	211,906	211,906	214,103
Second Lien Loan Notes	-	-	34,383	34,383	33,950
Trade and other payables	-	-	35,192	35,192	35,192
Lease liabilities	-	-	18,425	18,425	18,425
	-	-	299,906	299,906	301,670

15 Contingent liability

Security granted on the Senior Secured Notes, the Second Lien Notes and the Revolving Credit Facility

The Company has guaranteed the amounts due under the Senior Secured Notes, the Second Lien Notes and the Revolving Credit Facility held in Voyage Care BondCo PLC. Security has been granted over all freehold and long leasehold property.

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 may be obtained from:

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