



**Voyage BidCo Limited**

**Q2 2022**

**Results for the three month period ended 30 September  
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](http://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 September 2021:

£ million	Q2 2022	Q2 2021
Revenue	73.0	68.0
EBITDA (before non-underlying items)	12.9	11.1
Operating profit	7.6	7.3
Loss for the period	2.3	2.7
Operating cash flow	8.8	8.2

### Commentary on results

#### *Performance during Q2 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 7.2% to £73.0 million due to growth and fee increases in our Registered and Community based care divisions.
- EBITDA also grew strongly up 16.5% to £12.9 million due to growth and fee increases in our Registered and Community based care divisions.
- Registered closing occupancy was 93.5% compared to 93.1% in Q2 2021.
- Community based care average direct weekly care hours increased by 5,300 hours compared to Q2 2021, closing at 105,400 hours.
- We are following Government guidance in relation to Covid-19, and we have been an indirect beneficiary of increased Government funding to local authorities for the sector (currently £5.6Bn). The safety of our employees and the people we support, together with associated operational impacts continue to be well managed.

#### *Recent developments*

- Recruitment continues to be a major focus, particularly in several local areas which have tight employment markets. Measures have been put in place to drive recruitment and retention including localised pay increases and a Winter premium.
- Constructive fee increase discussions for FY22 continuing with commissioners and we are seeking mid-year fee increases to support our response to the tightening employment markets.
- The positive increase in Registered occupancy in Q2 has continued.
- On 3<sup>rd</sup> September we completed the acquisition of Woodley House Limited, a Registered Learning Disability service for an agreed price of £3.8m at a multiple of around 7.0x EBITDA.
- Free Government issued PPE to be available until March 2022. A further extension of the Infection Control and Rapid Testing Funds until the end of March 2022 have been announced.



*Covid-19 Update*

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

<b>£ million</b>	<b>YTD 2022</b>
Non-Underlying items Covid -19 Consist of:	
Staff Costs	1.9
Agency Costs	0.1
PPE/Infection Control	0.1
<b>Total Covid-19 Costs</b>	<b>2.2</b>
Reimbursement	(1.8)
<b>Non-Underlying items Covid-19</b>	<b>0.3</b>
Non Covid-19 related	0.7
<b>Total Non-Underlying items</b>	<b>1.0</b>



## 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 3,500 people as at 30 September 2021, comprising 1,904 through our registered care division and a further 1,596 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 £1,844 per person for the twelve months ended 30 September 2021. Our Community based care division, as at 30 September 2021, delivered approximately 105,000 direct hours of care per week. The provision of support averaged approximately 66 hours per week per person at an average direct hourly rate of £19.61 for the last twelve months ended 30 September 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 10,300 staff, we strive to meet the requirements of each person we support and develop bespoke care packages tailored to their needs.

### Our services

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

Our business is 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 Supported 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 September 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 September 2021 we had 2,036 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 43 registered DCAs as at 30 September 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 and six month period ended 30 September 2021 (“Q1 2022” and “YTD 2022”) and 30 September 2020 (“Q2 2021” and “YTD 2021”), and the financial year ending 31<sup>st</sup> March 2021 (“FYE 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 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:

	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FYE Mar 2021
Registered beds	2,024	2,011	2,028	2,011	2,016
Community based care placements	1,733	1,678	1,720	1,703	1,668
<b>Total</b>	<b>3,757</b>	<b>3,689</b>	<b>3,748</b>	<b>3,714</b>	<b>3,683</b>

#### 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:

	Q2 2022	Q2 2021	YTD 2022	YTD 2021	FYE Mar 2021
Registered	93.4%	93.4%	92.2%	94.3%	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 September		FYE
		2021	2020	Mar 2021
Registered	£wk	1,844	1,756	1,859
Community based Care (Direct)	£hr	19.61	18.75	19.47

## 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.

		Q2 2022	Q2 2021	YTD 2022	YTD 2021
Staff Costs *	£m	50.2	49.6	102.4	98.0
% Revenue		68.8%	72.9%	70.7%	73.1%
% Operating costs **		83.5%	87.0%	84.5%	86.6%
		Q2 2022	Q2 2021	YTD 2022	YTD 2021
Staff Costs (excluding central overheads) *	£m	45.8	45.7	93.6	90.1
% Revenue		62.7%	67.2%	64.6%	67.2%
% Operating costs **		76.2%	80.3%	77.2%	79.7%

\* Staff costs stated before non-underlying items

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

### Other operating costs (in addition to staff costs)

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



## Consolidated statement of profit & loss

£ million	Q2 2022	Q2 2021	% Change	YTD 2022	YTD 2021	% Change
<b>Revenue</b>	<b>73.0</b>	<b>68.0</b>	<b>7.2%</b>	<b>144.8</b>	<b>134.0</b>	<b>8.0%</b>
Staff costs	(50.2)	(49.6)	(1.2%)	(102.4)	(98.0)	(4.4%)
Agency Costs	(2.2)	(0.5)	nm	(3.4)	(1.2)	nm
Direct expenses & consumables	(2.0)	(1.6)	(25.2%)	(4.0)	(3.5)	(14.7%)
Property lease rentals	(0.1)	(0.1)	33.4%	(0.2)	(0.3)	26.1%
Other lease rentals	(0.3)	(0.2)	(29.2%)	(0.6)	(0.5)	(17.8%)
Other external charges	(5.3)	(4.8)	(9.4%)	(10.6)	(9.7)	(10.0%)
<b>EBITDA</b>	<b>12.9</b>	<b>11.1</b>	<b>16.5%</b>	<b>23.6</b>	<b>20.9</b>	<b>12.8%</b>
Non-underlying items	(1.0)	0.3	nm	(1.0)	(1.2)	14.6%
EBITDA after non-underlying items	11.9	11.4	4.2%	22.6	19.7	14.5%
Depreciation & impairment	(3.6)	(3.8)	4.5%	(7.1)	(7.2)	0.8%
Profit on disposal of non-current assets	0.0	0.3	100.0%	0.1	0.3	66.7%
Amortisation of intangible assets	(0.6)	(0.6)	(1.1%)	(1.3)	(1.3)	(2.8%)
<b>Operating profit</b>	<b>7.6</b>	<b>7.3</b>	<b>4.1%</b>	<b>14.3</b>	<b>11.6</b>	<b>23.5%</b>
Finance income	0.0	0.1	78.3%	0.0	0.1	64.1%
Finance expense	(4.8)	(5.1)	6.3%	(9.6)	(10.2)	6.4%
<b>Profit before taxation</b>	<b>2.9</b>	<b>2.3</b>	<b>24.1%</b>	<b>4.7</b>	<b>1.4</b>	<b>nm</b>
Taxation	(0.6)	0.4	nm	(4.4)	(0.3)	nm
<b>Profit for the period</b>	<b>2.3</b>	<b>2.7</b>	<b>(14.3%)</b>	<b>0.3</b>	<b>1.1</b>	<b>(73.3%)</b>
<b>Other financial metrics</b>						
Staff costs (excluding central overheads)	45.8	45.7	(0.2%)	93.6	90.1	(3.8%)
Unit EBITDA	18.9	16.2	16.6%	35.5	31.5	12.8%
Unit EBITDA margin %	25.9%	23.8%	2.1%	24.5%	23.5%	1.0%
EBITDA margin %	17.7%	16.3%	1.4%	16.3%	15.6%	0.7%
EBITDAR	13.0	11.2	15.8%	23.8	21.2	12.3%
EBITDAR margin %	17.8%	16.5%	1.3%	16.4%	15.8%	0.6%
EBITDAR after non-underlying items	12.0	11.5	3.7%	22.8	20.0	13.9%
EBITDAR after non-underlying items margin %	16.4%	16.9%	(0.5%)	15.7%	14.9%	0.8%

### Revenue

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

- Q2 2022 revenue increased by £5.0 million, or 7.2% to £73.0 million from £68.0 million for Q2 2021, primarily due to like-for-like growth (£0.9 million or 1.3%), fee increases (£2.2 million or 3.1%) and the reversal of the Covid-19 Pandemic impact in Q2 2021, which we estimate to be £1.9 million or 2.8%.
- YTD 2022 revenue increased by £10.8 million, or 8.0% to £144.8 million from £134.0 million for YTD 2021, primarily due to like-for-like growth (£4.0 million or 3.0%), fee increases (£3.5 million or 2.6%) and the reversal of the Covid-19 Pandemic in YTD 2021 which we estimate to be £3.3 million or 2.5%.

### Staff costs and agency

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



- Total staff and agency costs for Q2 2022 increased by £2.3 million, or 4.6% to £52.4 million (which represented 71.8% of revenue) from £51.1 million (which represented 73.8% of revenue) for Q2 2021, primarily due to National Living Wage and National Minimum Wage increases and the requirement to support organic growth. The mix of staffing shifted towards agency due to the effects of certain staff members recruited during the pandemic returning to their previous role outside the sector, the continued impact of staff needing to isolate and some tightening of local employment markets. This resulted in agency usage increasing to 3.1% of care hours in Q2 2022 from 0.8% of care hours in Q2 2021.
  - Staff costs for Q2 2022 increased by £0.6 million, or 1.2% to £50.2 million from £49.6 million for Q2 2021.
  - Agency costs for Q2 2022 increased by £1.7 million to £2.2 million from £0.5 million for Q2 2021.
- Total staff and agency costs for YTD 2022 increased by £6.6 million, or 6.7% to £105.8 million (which represented 73.0% of revenue) from £99.2 million (which represented 74.0% of revenue) for YTD 2021, primarily due to National Living Wage and National Minimum Wage increases and the requirement to support organic growth. The mix of staffing shifted towards agency due to the effects of certain staff members recruited during the pandemic returning to their previous role outside the sector, the continued impact of staff needing to isolate and some tightening of local employment markets. This resulted in agency usage increasing to 3.0% of care hours in YTD 2022 from 0.7% of care hours in YTD 2021.
  - Staff costs for YTD 2022 increased by £4.4 million, or 4.4% to £102.4 million from £98.0 million for YTD 2021.
  - Agency costs for YTD 2022 increased by £2.2 million to £3.4 million from £1.2 million for YTD 2021.

#### *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.

- Q2 2022 direct expenses and consumables increased by £0.4 million, or 25.2% to £2.0 million from £1.6 million for Q2 2021. Q2 2021 had lower costs due to the impact of the Covid-19 Pandemic whereas Q2 2022 has returned towards more normal levels of spend.
- YTD 2022 direct expenses and consumables increased by £0.5 million, or 14.7% to £4.0 million from £3.5 million for YTD 2021. YTD 2021 had lower costs due to the impact of the Covid-19 Pandemic whereas YTD 2022 has returned towards more normal levels of spend.

#### *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.

- Q2 2022 property lease rentals remained consistent to Q2 2021 at £0.1 million.
- YTD 2022 property lease rentals reduced by £0.1 million to £0.2 million from £0.3 million for YTD 2021.

#### *Other lease rentals*

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



- Q2 2022 other lease rentals increased by £0.1 million to £0.3 million from £0.2 million in Q2 2021.
- YTD 2022 other lease rentals increased by £0.1 million to £0.6 million, compared to £0.5 million for YTD 2021.

#### *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.

- Q2 2022 other external charges increased by £0.5 million, or 9.4%, to £5.3 million from £4.8 million for Q2 2021. This is as a result of increased activity in Q2 2022 compared to Q2 2021 which was impacted by the Covid-19 Pandemic.
- YTD 2022 other external charges increased by £0.9 million, or 10.0%, to £10.6 million from £9.7 million for YTD 2021. This is as a result of increased activity in YTD 2022 compared to YTD 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.

- Q2 2022 EBITDA increased by £1.8 million, or 16.5% to £12.9 million from £11.1 million for Q2 2021. This increase is due to the additional contribution generated from the growth in both our Community and Registered divisions, along with fee increases, being offset by increases in staff costs because of inflationary pay rises including National Living Wage and National Minimum Wage increases in April 2021, and additional agency usage to provide care to the people we support.
- YTD 2022 EBITDA increased by £2.7 million, or 12.8% to £23.6 million from £20.9 million for YTD 2021. This increase is due to the additional contribution generated from the growth in both our Community and Registered divisions, along with fee increases, being offset by increases in staff costs because of inflationary pay rises including National Living Wage and National Minimum Wage increases in April 2021, and additional agency usage to provide care to the people we support.

#### *Non-underlying items*

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

- Q2 2022 non-underlying items were £1.0 million (Q2 2021 2020: £(0.3) million). Q2 2022 non-underlying items related to restructuring costs. Non-underlying items for Q2 2021 were primarily relating to reimbursement of costs due to Covid-19 (e.g. personal protective equipment and certain Covid-19 related staff costs) 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.
- YTD 2022 non-underlying items were £1.0 million (YTD 2021 2020: £1.2 million). YTD 2022 non-underlying items related to restructuring costs. Non-underlying items for YTD 2021 were primarily relating to costs due to Covid-19 (e.g. personal protective equipment and COvid-19 related staff costs)



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.

- Q2 2022 EBITDA after non-underlying items increased by £0.5 million, or 4.2% to £11.9 million from £11.4 million for Q2 2021.
- YTD 2022 EBITDA after non-underlying items increased by £2.9 million, or 14.5% to £22.6 million from £19.7 million for YTD 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.

- Q2 2022 depreciation and impairment of property plant and equipment reduced by £0.2 million, or 4.5% to £3.6 million from £3.8 million for Q2 2021.
- YTD 2022 depreciation and impairment of property plant and equipment reduced by £0.1 million, or 0.8% to £7.1 million from £7.2 million for YTD 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.

- Q2 2022 the profit on the disposal of non-current assets was £nil (Q2 2021: £0.3 million).
- YTD 2022 the profit on the disposal of non-current assets was £0.1 million (YTD 2021: £0.3 million).

#### *Amortisation of intangible assets*

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

- Q2 2022 amortisation of intangible assets remained consistent with Q2 2021 at £0.6 million.
- YTD 2022 amortisation of intangible assets remained consistent with YTD 2021 at £1.3 million.

#### *Operating profit*

Operating profit consists of earnings before interest and taxation.

- Q2 2022 operating profit increased by £0.3 million or 4.1% to £7.6 million from £7.3 million in Q2 2021.
- YTD 2022 operating profit increased by £2.7 million or 23.5% to £14.3 million from £11.6 million in YTD 2021.



### *Finance income*

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

- Q2 2022 interest receivable and other income reduced to £nil compared to £0.1m for Q2 2021.
- YTD 2022 interest receivable and other income reduced to £nil compared to £0.1m for YTD 2021.

### *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.

- Q2 2022 interest payable and similar charges on bank loans reduced by £0.3 million to £4.8 million from £5.1 million in Q2 2021, this is due to Q2 2021 having charges for the drawn down RCF.
- YTD 2022 interest payable and similar charges on bank loans reduced by £0.6 million to £9.6 million from £10.2 million for YTD 2021 this is due to YTD 2021 having charges for the drawn down RCF.

### *Profit/(Loss) before taxation*

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

- Q2 2022 profit before taxation increased by £0.6 million to £2.9 million from £2.3 million for Q2 2021.
- YTD 2022 profit before taxation increased by £3.3 million to £4.7 million from £1.4 million for YTD 2021.

### *Taxation*

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

- For Q2 2022 a taxation charge of £0.6 million was recognised, an increase of £1.0 million from Q2 2021 which was a tax credit of £0.4 million.
- For YTD 2022 a taxation charge of £4.4 million was recognised, an increase of £4.1 million from YTD 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.

### *Profit for the period*

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

- Q2 2022 profit for the period reduced by £0.4 million to £2.3 million from £2.7 million for Q2 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.
- YTD 2022 profit for the period reduced by £0.8 million to £0.3 million from £1.1 million for YTD 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 September 2021 and 30 September 2020, our cash balances were £40.3 million and £39.3 million, respectively.

Net bank debt as at 30 September 2021 was £211.5 million, comprising £250.0 million of borrowings under the Senior Secured Notes and Second Lien Notes, partially offset by £40.3 million of cash. Within the £40.3 million cash balance was £1.8 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 4.46x.

Net bank debt as at 30 September 2020 was £211.3 million, comprising £250.0 million of borrowings under the Senior Secured Notes and Second Lien Notes, partially offset by £39.3 million of cash. Within the £39.3 million cash balance was £0.6 million of restricted cash which is excluded from cash for the purposes of calculating the net debt. We had undrawn committed facilities of £45.0 million in the RCF. The resulting leverage was 4.76x.

Leverage as at 30 September 2021 (calculated as defined in the financing documentation) was 4.46x. With the inclusion of IFRS16 lease liability, the leverage would have increased to 4.83x (Q2 2021: 5.25x).



## Consolidated statement of cash flow

£ million	Q2 2022	Q2 2021	% Change	YTD 2022	YTD 2021	% Change
EBITDA before non-underlying items	12.9	11.1	16.2%	23.6	20.9	12.9%
Maintenance capex	(4.1)	(2.8)	46.4%	(7.7)	(5.7)	35.1%
<b>Operating cash flow</b>	<b>8.8</b>	<b>8.2</b>	<b>7.3%</b>	<b>15.9</b>	<b>15.3</b>	<b>3.9%</b>
<i>Cash conversion %</i>	<i>68.1%</i>	<i>74.5%</i>	<i>(6.4%)</i>	<i>67.4%</i>	<i>72.9%</i>	<i>(5.5%)</i>
Non-underlying items <sup>(1)</sup>	(1.0)	0.3	nm	(1.0)	(1.2)	(14.6%)
Working capital	(0.4)	0.9	nm	0.7	6.7	(89.6%)
Interest	(0.1)	(0.9)	(88.9%)	(8.4)	(9.0)	6.7%
Taxation	(0.9)	(1.1)	(18.2%)	(1.2)	(1.8)	33.3%
<b>FCF before Dev. Capex, Acquisitions and Financing</b>	<b>6.4</b>	<b>7.4</b>	<b>(13.5%)</b>	<b>6.0</b>	<b>10.0</b>	<b>(40.0%)</b>
Development capex <sup>(2)</sup>	(0.5)	(5.3)	(90.6%)	(0.8)	(5.5)	85.5%
Acquisition <sup>(3)</sup>	(3.6)	0.0	nm	(3.6)	0.0	nm
Proceeds from sale	0.1	1.8	(94.4%)	0.1	2.1	95.2%
<b>FCF before Financing</b>	<b>2.4</b>	<b>3.9</b>	<b>(38.5%)</b>	<b>1.8</b>	<b>6.5</b>	<b>(72.3%)</b>
Property and vehicle lease payments (IFRS16)	(1.1)	(1.3)	(15.4%)	(2.2)	(2.4)	8.3%
Net cash flow used in financing activities	0.0	(45.0)	nm	0.0	(45.0)	nm
<b>Movement in cash for the period</b>	<b>1.3</b>	<b>(42.3)</b>	<b>nm</b>	<b>(0.4)</b>	<b>(40.9)</b>	<b>(99.0%)</b>
Opening cash and cash equivalents	39.0	81.6	(52.2%)	40.7	80.1	49.2%
<b>Closing cash and cash equivalents</b>	<b>40.3</b>	<b>39.3</b>	<b>2.5%</b>	<b>40.3</b>	<b>39.3</b>	<b>2.5%</b>
<b>Other financial metrics</b>						
Maintenance capex, ex. IT spend (£m)	3.5	1.5	nm	6.5	3.3	nm
Maintenance capex, ex. IT spend (% revenue)	4.9%	2.3%	(2.6%)	4.5%	2.4%	(2.1%)
Maintenance capex, ex. IT spend (£k pa per bed)	7.5	3.3	nm	6.9	3.5	nm

(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

- Q2 2022 operating cash flow increased by £0.6 million, or 7.3% to £8.8 million from £8.2 million for Q2 2021. The increase is primarily due to £1.8 million increase in EBITDA partially offset by a £1.3 million increase in maintenance capex, due to an increase in service maintenance activity in Q2 2022 compared to Q2 2021 which was reduced due to the Covid-19 Pandemic.
- YTD 2022 operating cash flow increased by £0.6 million, or 3.9% to £15.9 million from £15.3 million for YTD 2021. The increase is primarily due to £2.7 million increase in EBITDA partially offset by a £2.0 million increase in maintenance capex, due to an increase in service maintenance activity in YTD 2022 compared to YTD 2021 which was reduced due to the Covid-19 Pandemic.



#### *Non-underlying items*

- Q2 2022 non-underlying items increased by £1.3 million to £1.0 million from a £0.3 million inflow when compared with Q2 2021. The increase is primarily driven by the one-off impact of reimbursement from Local Authorities and Central Government for Covid-19 related costs in Q1 2021 relating to earlier periods.
- YTD 2022 non-underlying items reduced by £0.2 million to £1.0 million from £1.2 million when compared with YTD 2021.

#### *Working capital*

- Q2 2022 working capital movement was an outflow of £0.4 million which compares to an inflow of £0.9 million for Q2 2021. Q2 2022 working capital reduced by £1.3 million due to an increase in trade and other payables.
- YTD 2022 working capital movement was an inflow of £0.7 million which compares to an inflow of £6.7 million for YTD 2021. The YTD 2022 inflow was lower than the YTD 2021 inflow because YTD 2021 saw significant one-off improvements in working capital, particularly in respect of trade debtors.

#### *Interest*

- Q2 2022 interest payable reduced £0.8 million to £0.1 million from £0.9 million when compared to Q2 2021. This reduction is due to lower drawdown of our revolving credit facility.
- YTD 2022 interest payable reduced £0.6 million to £8.4 million from £9.0 million when compared to YTD 2021. This reduction is due to lower drawdown of our revolving credit facility.

#### *Taxation*

- For Q2 2022 we paid £0.9 million in relation to corporation tax payments made on account (Q2 2021: £1.1 million).
- For YTD 2022 we paid £1.2 million in relation to corporation tax payments made on account (YTD 2021: £1.8 million).

#### *Free Cash Flow before Development Capex, Acquisitions and Financing*

- Q2 2022 Free Cash Flow before Development Capex, Acquisitions and Financing reduced by £1.0 million to an inflow of £6.4 million from £7.4 million inflow in Q2 2021, primarily due to an increase in EBITDA, offset by an increase in Maintenance Capex and Non-underlying items, along with the Working Capital reduction.
- YTD 2022 Free Cash Flow before Development Capex, Acquisitions and Financing reduced by £4.0 million to an inflow of £6.0 million from £10.0 million inflow in YTD 2021, primarily due to an increase in EBITDA and a reduction in Non-underlying items offset by an increase in Maintenance Capex and 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.

- Q2 2022 development capital expenditure reduced by £4.8 million to £0.5 million compared to £5.3 million in Q2 2021 which included the purchase of a 24 bed facility for a new Brain Injury Rehabilitation service.
- YTD 2022 development capital expenditure reduced by £4.7 million to £0.8 million compared to £5.5 million for YTD 2021 which included the purchase of a 24 bed facility for a new Brain Injury Rehabilitation service.

#### *Acquisition*

- For Q2 2022 and YTD 2022 there was net £3.6 million outflow on acquisitions, which included Woodley House Ltd a 20 Bed Registered Service (Q2 2021: £nil, YTD 2021: £nil).

#### *Proceeds from sale*

- For Q2 2022 and YTD 2022 there was £0.1 million cash inflow. This is a reduction of £1.7 million compared to Q2 2021 and £2.0 million compared to YTD 2021.

#### *Property and vehicle lease payments*

- During Q2 2022 we made £1.1 million of total lease payments under IFRS16 which is £0.2 million less than Q2 2021.
- During YTD 2022 we made £2.2 million of total lease payments under IFRS16 which is £0.2 million less than YTD 2021.

#### *Net cash flow used in financing activities*

- Q2 2022 net cash flow used in financing activities was £nil compared to £45.0 million for Q2 2021.
- YTD 2022 net cash flow used in financing activities was £nil compared to £45.0 million for YTD 2021.



## Contractual obligations

The following table summarises our material contractual obligations at 30 September 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 <sup>(1)</sup>	-	215.0	-	215.0
Second Lien Notes <sup>(2)</sup>	-	-	35.0	35.0
Revolving Credit Facility <sup>(3)</sup>	-	-	-	-
<b>Total</b>	<b>0.0</b>	<b>215.0</b>	<b>35.0</b>	<b>250.0</b>

(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	Sep-21	Sep-20	% Change
Non-Current Assets	422.5	412.5	2.4%
Current Assets			
Trade and Other Receivables, Prepayments	25.8	21.2	21.7%
Cash at bank and in hand	40.3	39.3	2.6%
Assets classified as held for sale	0.0	2.0	(100.0%)
<b>Total Assets</b>	<b>488.6</b>	<b>475.0</b>	<b>(2.9%)</b>
Non-current liabilities			
Loan Notes	261.2	263.6	0.9%
Tax Liabilities	14.9	10.2	(46.6%)
Accruals and Deferred Income	0.0	0.0	nm
Employee benefits	0.3	0.2	(44.7%)
Provisions for liabilities and charges	1.1	1.0	(12.2%)
Current Liabilities	69.3	60.6	(14.4%)
Equity	141.7	139.3	(1.7%)
<b>Total Equity and Liabilities</b>	<b>488.6</b>	<b>475.0</b>	<b>(2.9%)</b>

(1) Receivables in September 2021 include £3.7 million of intercompany receivables (September 2020: £1.1 million and March 2021: £2.6 million), and current liabilities in September 2021 include £4.8 million of intercompany payables (September 2020: £2.1 million and March 2021: £3.7 million).

(2) Loan notes include unamortised issue costs of £2.9 million (September 2020: £4.5 million).



## Key Business Divisions

£ million	Revenue			Revenue		
	Q2 2022	Q2 2021	% Change	YTD 2022	YTD 2021	% Change
Registered	46.0	43.7	5.0%	91.1	87.2	4.4%
Community Based Care	27.0	24.3	10.8%	53.7	46.9	14.3%
<b>Total</b>	<b>73.0</b>	<b>68.0</b>	<b>7.2%</b>	<b>144.8</b>	<b>134.0</b>	<b>8.0%</b>

£ million	EBITDA			EBITDA		
	Q2 2022	Q2 2021	% Change	YTD 2022	YTD 2021	% Change
Registered	9.7	8.5	14.1%	17.8	16.4	7.8%
Community Based Care	3.2	2.6	23.1%	5.8	4.5	28.9%
<b>Total</b>	<b>12.9</b>	<b>11.1</b>	<b>16.5%</b>	<b>23.6</b>	<b>20.9</b>	<b>12.8%</b>

<i>Other financial metrics</i>	Q2 2022	Q2 2021	Change	YTD 2022	YTD 2021	Change
Average Registered occupancy	1,891	1,878	13	1,885	1,886	(1)
Average Registered occupancy %	93.4%	93.4%	(0.0%)	92.9%	93.8%	(0.7%)
Average Direct Weekly Community Based hours	105,200	99,000	6,200	103,600	98,300	5,300
Closing Registered occupancy	1,904	1,872	32	1,904	1,872	32
Closing Registered occupancy %	93.5%	93.1%	0.4%	93.5%	93.1%	0.4%
Closing Direct Weekly Community Based hours	105,200	99,000	6,200	105,200	99,000	6,200



## Property Analysis (Open services)

At 30 September 2021 the number of freehold properties held was 259, which was an increase of 2 compared to September 2020. The net book value of the freehold properties was £315.5 million.

We have increased our provision of Registered division places by 25 since September 2020. This included the acquisition of Woodley House Limited which provides 20 places.

We have increased our provision of Community division supported living places by 38 since 30 September 2020 whilst reducing the number of properties by 3.

The reduction in Daycare relates to small centres closed between 2016 and 2019 whilst we considered our future plans with the land/property. We have now decided not to re-open or re-purpose these facilities and this action has no revenue or EBITDA impact.

In our Registered care division on 30 September 2021, freehold properties made up 89.0% of capacity whereas in Community based care, freehold properties made up 7.5% 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 September 2021	Registered		Community		Daycare	Total		DCA <sup>(4)</sup>
	#	Capacity	#	Capacity	#	#	Capacity	#
Freehold	232	1,812	26	97	1	259	1,909	6
Leasehold/Rental <sup>(1)</sup>	31	224	3	10	7	41	234	33
3rd Party Owned <sup>(2)</sup>	0	0	295	1,188	0	295	1,188	4
<b>Totals</b>	<b>263</b>	<b>2,036</b>	<b>324</b>	<b>1,295</b>	<b>8</b>	<b>595</b>	<b>3,331</b>	<b>43</b>
<b>Freehold NBV (£m) <sup>(3)</sup></b>	<b>306.4</b>		<b>7.1</b>		<b>2.0</b>	<b>315.5</b>		

30 September 2020	Registered		Community		Daycare	Total		DCA <sup>(4)</sup>
	#	Capacity	#	Capacity	#	#	Capacity	#
Freehold	231	1,802	21	74	5	257	1,876	6
Leasehold/Rental <sup>(1)</sup>	31	209	3	10	8	42	219	31
3rd Party Owned <sup>(2)</sup>	0	0	303	1,173	0	303	1,173	4
<b>Totals</b>	<b>262</b>	<b>2,011</b>	<b>327</b>	<b>1,257</b>	<b>13</b>	<b>602</b>	<b>3,268</b>	<b>41</b>

Movement	Registered		Community		Daycare	Total		DCA <sup>(4)</sup>
	#	Capacity	#	Capacity	#	#	Capacity	#
Freehold	1	10	5	23	(4)	2	33	0
Leasehold/Rental <sup>(1)</sup>	0	15	0	0	(1)	(1)	15	2
3rd Party Owned <sup>(2)</sup>	0	0	(8)	15	0	(8)	15	0
<b>Totals</b>	<b>1</b>	<b>25</b>	<b>(3)</b>	<b>38</b>	<b>(5)</b>	<b>(7)</b>	<b>63</b>	<b>2</b>

(1) Leasehold/Rental includes properties which are on a long term lease and properties on short term rental which have been obtained to support immediate commissioner requirements.

(2) 3rd Party owned Supported Living properties are leased to a Registered Provider such as a Housing Association and then rented to the people we support. Rent and maintenance are usually covered by Housing Benefit claimed by the people we support.

(3) Freehold NBV is not separately shown under DCA, as the Freehold 'DCA' offices operate from Freehold 'Community' Properties. Freehold NBV excludes assets held for sale and leasehold, encumbered and third party properties.

(4) Total Freehold capacity excludes Freehold DCAs as these offices operate from Freehold 'Community' Properties.

# Voyage BidCo Limited

## Condensed Consolidated Financial Statements (unaudited)

*For the 3 and 6 month period ended 30 September 2021*

**Registered Number: 05752534**



**Voyage BidCo Limited**  
**Condensed Consolidated Financial Statements (unaudited) continued**  
**For the 3 and 6 month period ended 30 September 2021**



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



	Notes	3 months ended 30 September 2021			3 months ended 30 September 2020		
		Underlying £000	Non- underlying items (2) £000	Total £000	Underlying £000	Non- underlying items (2) £000	Total £000
<b>Continuing operations</b>							
Revenue		72,961	-	72,961	68,033	-	68,033
Operating expenses	5	(64,318)	(1,014)	(65,332)	(61,514)	809	(60,705)
<b>Adjusted EBITDA (1)</b>		<b>12,896</b>	<b>(1,014)</b>	<b>11,882</b>	<b>11,072</b>	<b>329</b>	<b>11,401</b>
Depreciation and impairment of property, plant and equipment		(3,625)	-	(3,625)	(3,494)	(301)	(3,795)
Profit / (loss) on disposal of assets	5	-	-	5	(432)	-	(432)
Profit on termination of lease obligation		-	-	-	-	781	781
Amortisation of intangible assets		(633)	-	(633)	(627)	-	(627)
<b>Operating profit</b>		<b>8,643</b>	<b>(1,014)</b>	<b>7,629</b>	<b>6,519</b>	<b>809</b>	<b>7,328</b>
Finance income	6	18	-	18	84	-	84
Finance expense	7	(4,791)	-	(4,791)	(5,112)	-	(5,112)
<b>Profit before taxation</b>		<b>3,870</b>	<b>(1,014)</b>	<b>2,856</b>	<b>1,491</b>	<b>809</b>	<b>2,300</b>
Taxation	8	(767)	191	(576)	362	-	362
<b>Profit for the period from continuing operations</b>		<b>3,103</b>	<b>(823)</b>	<b>2,280</b>	<b>1,853</b>	<b>809</b>	<b>2,662</b>
<b>Profit attributable to equity holders of the parent</b>		<b>3,103</b>	<b>(823)</b>	<b>2,280</b>	<b>1,853</b>	<b>809</b>	<b>2,662</b>

(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.

Voyage BidCo Limited  
 Condensed Consolidated Statement of Profit and Loss (unaudited) continued  
 For the 6 month period ended 30 September 2021



	Notes	6 months ended 30 September 2021			6 months ended 30 September 2020		
		Underlying £000	Non- underlying items (2) £000	Total £000	Underlying £000	Non- underlying items (2) £000	Total £000
<b>Continuing operations</b>							
Revenue		144,816	-	144,816	134,048	-	134,048
Operating expenses	5	(129,533)	(1,009)	(130,542)	(121,752)	(701)	(122,453)
<b>Adjusted EBITDA (1)</b>		<b>23,607</b>	<b>(1,009)</b>	<b>22,598</b>	<b>20,920</b>	<b>(1,181)</b>	<b>19,739</b>
Depreciation and impairment of property, plant and equipment		(7,122)	-	(7,122)	(6,854)	(301)	(7,155)
Profit / (loss) on disposal of assets		125	-	125	(490)	-	(490)
Profit on termination of lease obligation		-	-	-	-	781	781
Amortisation of intangible assets		(1,327)	-	(1,327)	(1,280)	-	(1,280)
<b>Operating profit</b>		<b>15,283</b>	<b>(1,009)</b>	<b>14,274</b>	<b>12,296</b>	<b>(701)</b>	<b>11,595</b>
Finance income	6	36	-	36	100	-	100
Finance expense	7	(9,596)	-	(9,596)	(10,248)	-	(10,248)
<b>Profit before taxation</b>		<b>5,723</b>	<b>(1,009)</b>	<b>4,714</b>	<b>2,148</b>	<b>(701)</b>	<b>1,447</b>
Taxation	8	(4,617)	191	(4,426)	(330)	-	(330)
<b>Profit for the period from continuing operations</b>		<b>1,106</b>	<b>(818)</b>	<b>288</b>	<b>1,818</b>	<b>(701)</b>	<b>1,117</b>
<b>Profit attributable to equity holders of the parent</b>		<b>1,106</b>	<b>(818)</b>	<b>288</b>	<b>1,818</b>	<b>(701)</b>	<b>1,117</b>

(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.

**Voyage BidCo Limited**  
**Condensed Consolidated Statement of Other Comprehensive Income (unaudited)**  
**For the 3 and 6 month period ended 30 September 2021**



	<b>3 months ended 30 September 2021 £000</b>	<b>3 months ended 30 September 2020 £000</b>
<b>Profit for the period</b>	2,280	2,662
<i>Items that will not be reclassified to profit and loss</i>		
Remeasurements of the defined benefit liability	-	-
<b>Total comprehensive income attributable to equity holders of the parent for the financial period</b>	<b>2,280</b>	<b>2,662</b>
	<b>6 months ended 30 September 2021 £000</b>	<b>6 months ended 30 September 2020 £000</b>
<b>Profit for the period</b>	288	1,117
<i>Items that will not be reclassified to profit and loss</i>		
Remeasurements of the defined benefit liability	-	-
<b>Total comprehensive income attributable to equity holders of the parent for the financial period</b>	<b>288</b>	<b>1,117</b>

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



	Notes	30 September 2021		30 September 2020		31 March 2021	
		£000	£000	£000	£000	£000	£000
<i>Non-current assets</i>							
Goodwill	9	50,581		46,581		48,132	
Intangible assets	10	4,552		4,997		5,714	
Property, plant and equipment	11	367,397		360,900		362,663	
			<b>422,530</b>		<b>412,478</b>		<b>416,509</b>
<i>Current assets</i>							
Trade and other receivables		25,508		20,934		23,159	
Corporation tax receivable		269		255		499	
Cash and cash equivalents		40,300		39,260		40,746	
		<b>66,077</b>		<b>60,449</b>		<b>64,404</b>	
Assets classified as held for sale	12	-		2,036		-	
			<b>66,077</b>		<b>62,485</b>		<b>64,404</b>
<b>Total assets</b>			<b>488,607</b>		<b>474,963</b>		<b>480,913</b>
<i>Current liabilities</i>							
Loans and borrowings	13	3,439		3,666		3,618	
Trade and other payables		36,601		33,078		35,192	
Accruals and deferred income		28,873		23,618		25,969	
Provisions	14	422		267		422	
			<b>69,335</b>		<b>60,629</b>		<b>65,201</b>
<i>Non-current liabilities</i>							
Loans and borrowings	13	261,190		263,623		261,096	
Tax liabilities		14,921		10,177		11,802	
Provisions	14	1,101		981		984	
Employee benefits		314		217		372	
			<b>277,526</b>		<b>274,998</b>		<b>274,254</b>
<b>Total liabilities</b>			<b>346,861</b>		<b>335,627</b>		<b>339,455</b>
<b>Net assets</b>			<b>141,746</b>		<b>139,336</b>		<b>141,458</b>

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



	Notes	30 September 2021		30 September 2020		31 March 2021	
		£000	£000	£000	£000	£000	£000
<b>Equity</b>							
<i>Capital and reserves</i>							
Issued share capital		-		-		-	
Share premium		252,872		252,872		252,872	
Retained earnings		(111,126)		(113,536)		(111,414)	
<b>Total equity attributable to equity holders of the parent</b>		<b>141,746</b>		<b>139,336</b>		<b>141,458</b>	

Company registered no. 05752534

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



Group	Issued share capital £000	Share premium £000	Retained earnings £000	Total parent equity £000
<b>At 1 July 2021</b>	-	252,872	(113,406)	139,466
<i>Total comprehensive income for the period</i>				
Profit for the period	-	-	2,280	2,280
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	2,280	2,280
<b>At 30 September 2021</b>	-	<b>252,872</b>	<b>(111,126)</b>	<b>141,746</b>
<b>For the 3 month period ended 30 September 2020</b>				
Group	Issued share capital £000	Share premium £000	Retained earnings £000	Total parent equity £000
<b>At 1 July 2020</b>	-	252,872	(116,198)	136,674
<i>Total comprehensive income for the period</i>				
Profit for the period	-	-	2,662	2,662
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	2,662	2,662
<b>At 30 September 2020</b>	-	<b>252,872</b>	<b>(113,536)</b>	<b>139,336</b>

Voyage BidCo Limited

Condensed Consolidated Statement of Changes in Equity (unaudited) - continued  
For the 6 month period ended 30 September 2021



Group	Issued share capital £000	Share premium £000	Retained earnings £000	Total parent equity £000
<b>At 1 April 2021</b>	-	252,872	(111,414)	141,458
<i>Total comprehensive income for the period</i>				
Profit for the period	-	-	288	288
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	288	288
<b>At 30 September 2021</b>	-	<b>252,872</b>	<b>(111,126)</b>	<b>141,746</b>

For the 6 month period ended 30 September 2020

Group	Issued share capital £000	Share premium £000	Retained earnings £000	Total parent equity £000
<b>At 1 April 2020</b>	-	252,872	(114,653)	138,219
<i>Total comprehensive income for the period</i>				
Profit for the period	-	-	1,117	1,117
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	1,117	1,117
<b>At 30 September 2020</b>	-	<b>252,872</b>	<b>(113,536)</b>	<b>139,336</b>

**Voyage BidCo Limited**  
**Condensed Consolidated Statement of Cash Flow (unaudited)**  
**For the 3 and 6 month period ended 30 September 2021**



	3 months ended 30 September 2021 £000	3 months ended 30 September 2020 £000	6 months ended 30 September 2021 £000	6 months ended 30 September 2020 £000
<b>Cash flows from operating activities</b>				
Profit for the period	2,280	2,662	288	1,117
Adjustments for:				
Depreciation and impairment of property, plant and equipment	3,625	3,795	7,122	7,155
(Profit) / loss on disposal of non-current assets	(5)	432	(125)	490
Profit on termination of lease obligation	-	(781)	-	(781)
Amortisation of intangible assets	633	627	1,327	1,280
Finance income	(18)	(84)	(36)	(100)
Finance expense	4,791	5,112	9,596	10,248
Taxation	576	(362)	4,426	330
Movements in working capital:				
(Increase) / decrease in trade and other receivables	(3)	2,648	(2,254)	4,650
Increase / (decrease) in trade and other payables	(545)	(28)	1,376	2,452
Increase / (decrease) in accruals and deferred income	51	(1,756)	1,519	(368)
Increase in provisions, employee benefits and other financial liabilities	88	-	59	-
<i>Cash generated from operating activities</i>	11,473	12,265	23,298	26,473
Interest paid	(134)	(966)	(8,399)	(9,131)
Tax paid	(883)	(1,132)	(1,197)	(1,805)
<b>Net cash generated from operating activities</b>	10,456	10,167	13,702	15,537

Voyage BidCo Limited

Condensed Consolidated Statement of Cash Flow (unaudited) - continued  
For the 3 and 6 month period ended 30 September 2021



	3 months ended 30 September 2021 £000	3 months ended 30 September 2020 £000	6 months ended 30 September 2021 £000	6 months ended 30 September 2020 £000
<b>Cash flows from investing activities</b>				
Interest received	9	93	13	97
Payments to acquire property, plant and equipment	(4,461)	(8,095)	(8,332)	(10,691)
Payments to acquire intangible assets	(131)	(14)	(165)	(559)
Proceeds from sales of property, plant and equipment	82	1,785	128	2,127
Net cash outflow on acquisition of subsidiaries	(3,563)	-	(3,563)	-
<b>Net cash used in from investing activities</b>	<b>(8,064)</b>	<b>(6,231)</b>	<b>(11,919)</b>	<b>(9,026)</b>
<b>Cash flows from financing activities</b>				
Repayment of loans and borrowings	-	(45,000)	-	(45,000)
Property and vehicle lease payments	(1,088)	(1,255)	(2,229)	(2,390)
<b>Net cash used in financing activities</b>	<b>(1,088)</b>	<b>(46,255)</b>	<b>(2,229)</b>	<b>(47,390)</b>
<b>Net increase / (decrease) in cash and cash equivalents in the period</b>	<b>1,304</b>	<b>(42,319)</b>	<b>(446)</b>	<b>(40,879)</b>
Cash and cash equivalents at the beginning of the period	38,996	81,579	40,746	80,139
<b>Cash and cash equivalents at the end of the period</b>	<b>40,300</b>	<b>39,260</b>	<b>40,300</b>	<b>39,260</b>



**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 and 6 month period ended 30 September 2021, together with comparative period data for the 3 and 6 month period ended 30 September 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 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 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.



## 2 Accounting policies - continued

### ***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.

### ***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 September 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. The impacts on the availability of cash to meet liabilities as they fall due and the Group's compliance with the debt covenant associated with the Revolving Credit Facility were also considered. In making this assessment, the Directors have also assumed that the Revolving Credit Facility will be renewed under normal commercial terms, however, the forecasts do not indicate that the Group will be reliant on this facility.



## 2 Accounting policies - continued

### *Going concern - continued*

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.

## 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 the year end accounts. 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

	<i>Segment results</i>		
	Registered	Community Based Care	Group
For the 3 month period ended 30 September 2021	£000	£000	£000
Revenue	45,965	26,996	72,961
<b>Adjusted EBITDA (before non-underlying items)</b>	<b>9,661</b>	<b>3,235</b>	<b>12,896</b>
Non-underlying items			(1,014)
<b>Adjusted EBITDA (after non-underlying items)</b>			<b>11,882</b>
Depreciation of property, plant and equipment			(3,625)
Profit on disposal of assets			5
Amortisation of intangible assets			(633)
Net finance expense			(4,773)
Taxation			(576)
<b>Profit for the period</b>			<b>2,280</b>

	<i>Segment results</i>		
	Registered	Community Based Care	Group
For the 3 month period ended 30 September 2020	£000	£000	£000
Revenue	43,721	24,312	68,033
<b>Adjusted EBITDA (before non-underlying items)</b>	<b>8,439</b>	<b>2,633</b>	<b>11,072</b>
Non-underlying items			329
<b>Adjusted EBITDA (after non-underlying items)</b>			<b>11,401</b>
Depreciation and impairment of property, plant and equipment			(3,795)
Loss on disposal of assets			(432)
Profit on termination of lease obligation			781
Amortisation of intangible assets			(627)
Net finance expense			(5,028)
Taxation			362
<b>Profit for the period</b>			<b>2,662</b>



3 Operating segments - continued

For the 6 month period ended 30 September 2021	<i>Segment results</i>		
	Registered	Community Based Care	Group
	£000	£000	£000
Revenue	91,111	53,705	144,816
<b>Adjusted EBITDA (before non-underlying items)</b>	<b>17,759</b>	<b>5,848</b>	<b>23,607</b>
Non-underlying items			(1,009)
<b>Adjusted EBITDA (after non-underlying items)</b>			<b>22,598</b>
Depreciation of property, plant and equipment			(7,122)
Profit on disposal of assets			125
Amortisation of intangible assets			(1,327)
Net finance expense			(9,560)
Taxation			(4,426)
<b>Profit for the period</b>			<b>288</b>

For the 6 month period ended 30 September 2020	<i>Segment results</i>		
	Registered	Community Based Care	Group
	£000	£000	£000
Revenue	87,150	46,898	134,048
<b>Adjusted EBITDA (before non-underlying items)</b>	<b>16,425</b>	<b>4,495</b>	<b>20,920</b>
Non-underlying items			(1,181)
<b>Adjusted EBITDA (after non-underlying items)</b>			<b>19,739</b>
Depreciation and impairment of property, plant and equipment			(7,155)
Loss on disposal of assets			(490)
Profit on termination of lease obligation			781
Amortisation of intangible assets			(1,280)
Net finance expense			(10,148)
Taxation			(330)
<b>Profit for the period</b>			<b>1,117</b>



#### 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 September 2021 £000	3 months ended 30 September 2020 £000	6 months ended 30 September 2021 £000	6 months ended 30 September 2020 £000
<i>Non-underlying items:</i>	<b>Note</b>				
Day Care income	a	-	-	(77)	-
Consultancy fees	b	634	381	644	612
COVID-19 related expenditure	c	1,308	1,347	2,166	4,515
COVID-19 related reimbursements	d	(1,008)	(2,343)	(1,844)	(4,262)
Project costs	e	43	55	83	85
Acquisition costs	f	37	-	37	-
Restructuring costs	g	-	231	-	231
Purchase of long-term lease	h	-	(781)	-	(781)
Impairment of property, plant & equipm	i	-	301	-	301
Taxation	j	(191)	-	(191)	-
		823	(809)	818	701

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

(a) *Day Care income*

For the 3 and 6 month period ended 30 September 2021, the Group was in receipt of funds in relation to backdated VAT on its Day Care business of £Nil and £77k, respectively (3 and 6 month period ended 30 September 2020: £Nil).

(b) *Consultancy fees*

For the 3 and 6 month period ended 30 September 2021, the Group incurred costs in relation to professional advice and consultancy services of £634k and £644k, respectively (3 and 6 month period ended 30 September 2020: £381k and £612k, respectively).

(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 and 6 month period ended 30 September 2021 and as a result additional expenditure of £1,308k and £2,166k, respectively, was incurred (3 and 6 month period to 30 September 2020: £1,347k and £4,515k, respectively).



#### 4 Non-underlying items - continued

(d) *COVID-19 related reimbursements*

During the 3 and 6 month period ended 30 September 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 £1,008k and £1,844k, respectively, for the reimbursement of costs in relation to the global pandemic (3 and 6 month period ended 30 September 2020: £2,343k and £4,262k, respectively).

(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 for the 3 and 6 month period ended 30 September 2021 of £43k and £83k, respectively, were incurred (3 and 6 month period ended 30 September 2020: £55k and £85k, respectively).

(f) *Acquisition costs*

For the 3 and 6 month period ended 30 September 2021, the Group incurred costs in relation to the acquisition of Woodley House Limited of £19k and aborted acquisition costs of £18k (3 and 6 month period ended 30 September 2020: £Nil).

(g) *Restructuring costs*

For the 3 and 6 month period ended 30 September 2020, the Group incurred remuneration costs of £231k in relation to restructuring its workforce (3 and 6 month period ended 30 September 2021: £Nil)

(h) *Purchase of long-term lease*

For the 3 and 6 month period ended 30 September 2020, the Group acquired the freehold of a leasehold property and a profit of £781k was generated due to the carrying value of the lease liability exceeding the right of use asset (3 and 6 month period ended 30 September 2021: £Nil).

(i) *Impairment of property, plant & equipment*

For the 3 and 6 month period ended 30 September 2020, the Group recognised an impairment charge due to the carrying amount of an asset exceeding its recoverable amount. As a result an impairment charge of £301k was incurred (3 and 6 month period ended 30 September 2021: £Nil).

(j) *Taxation*

For the 3 and 6 month period ended 30 September 2021, a taxation credit of £191k arose as a result of certain non-underlying items stated in the non-underlying table (3 and 6 month period ended 30 September 2020: £Nil).



5	Operating profit before taxation	3 months ended 30 September 2021 £000	3 months ended 30 September 2020 £000	6 months ended 30 September 2021 £000	6 months ended 30 September 2020 £000
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Operating profit before taxation is stated after charging / (crediting):

**Continuing operations**

Direct expenses and consumables	1,849	1,440	3,698	4,585
Staff costs:				
Wages and salaries	46,139	44,801	94,158	89,130
Social security costs	3,477	3,271	6,776	6,342
Other pension costs	929	878	1,835	1,717
Operating lease rentals:				
Other lease rentals	98	148	200	271
Plant and machinery	72	67	153	170
Depreciation	3,625	3,494	7,122	6,854
Impairment of property, plant and equipment	-	301	-	301
(Profit) / loss on disposal of assets	(5)	432	(125)	490
Profit on termination of lease obligation	-	(781)	-	(781)
Amortisation of intangible assets	633	627	1,327	1,280
Other external charges	8,592	6,027	15,475	12,094
Receipts in respect of VAT on the Group's day care activities	(77)	-	(77)	-
	<u>65,332</u>	<u>60,705</u>	<u>130,542</u>	<u>122,453</u>

**6 Finance income**

	3 months ended 30 September 2021 £000	3 months ended 30 September 2020 £000	6 months ended 30 September 2021 £000	6 months ended 30 September 2020 £000
<b><i>Continuing operations</i></b>				
Bank interest receivable	18	84	36	100

**7 Finance expense**

	3 months ended 30 September 2021 £000	3 months ended 30 September 2020 £000	6 months ended 30 September 2021 £000	6 months ended 30 September 2020 £000
<b><i>Continuing operations</i></b>				
Bank interest including RCF non-utilisation fees	140	423	279	876
Loan notes interest	4,446	4,418	8,892	8,836
Unwinding of lease liabilities	165	196	332	403
Other finance costs	40	75	93	133
	<u>4,791</u>	<u>5,112</u>	<u>9,596</u>	<u>10,248</u>

Loan notes interest comprises loan notes interest of £4,033k and £8,066k for the 3 and 6 month period ended 30 September 2021, respectively (£4,033k and £8,066k for the 3 and 6 month period ended 30 September 2020, respectively) and amortisation of issue costs and original issue discount of £413k and £826k for the 3 and 6 month period ended 30 September 2021, respectively (£385k and £770k for the 3 and 6 month period ended 30 September 2020, respectively).

**8 Taxation**

The Group's underlying consolidated effective tax rate in respect of continuing operations for the 3 and 6 month period ended 30 September 2021 is 19.8% and 80.7%, respectively (3 and 6 month period ended 30 September 2020: (24.3)% and 15.4%, respectively).

The Group's consolidated total effective tax rate in respect of continuing operations for the 3 and 6 month period ended 30 September 2021 is 20.2% and 93.9%, respectively (3 and 6 month period ended 30 September 2020: (15.7)% and 22.8%, respectively).

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**

	<b>30 September 2021 £000</b>	<b>30 September 2020 £000</b>	<b>31 March 2021 £000</b>
<b>Cost</b>			
Opening cost	56,688	55,137	55,137
Acquisitions (see note 16)	2,449	-	1,551
Closing cost	<u>59,137</u>	<u>55,137</u>	<u>56,688</u>
<b>Accumulated impairment charge</b>			
Opening and closing impairment	<u>8,556</u>	<u>8,556</u>	<u>8,556</u>
<b>Net book value</b>			
Closing net book value	<u>50,581</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**

	<b>30 September 2021 £000</b>	<b>30 September 2020 £000</b>	<b>31 March 2021 £000</b>
<b>Cost</b>			
Opening cost	17,023	14,466	14,466
Acquisitions (see note 16)	-	-	1,476
Additions	165	559	1,090
Disposals	(72)	-	(9)
Closing cost	<u>17,116</u>	<u>15,025</u>	<u>17,023</u>
<b>Amortisation</b>			
Opening amortisation	11,309	8,748	8,748
Provided during the period	1,327	1,280	2,570
On disposals	(72)	-	(9)
Closing amortisation	<u>12,564</u>	<u>10,028</u>	<u>11,309</u>
<b>Net book value</b>			
Closing net book value	<u>4,552</u>	<u>4,997</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**

	<b>30 September 2021 £000</b>	<b>30 September 2020 £000</b>	<b>31 March 2021 £000</b>
<b>Cost</b>			
Opening cost	501,856	486,906	486,906
Acquisitions (see note 16)	1,291	-	2,206
Additions	10,621	10,844	19,947
Assets classified as held for sale	-	(1,654)	-
Disposals	(834)	(1,862)	(7,203)
Closing cost	<u>512,934</u>	<u>494,234</u>	<u>501,856</u>
<b>Depreciation</b>			
Opening depreciation	139,193	128,135	128,135
Charge for the period	7,122	6,854	13,971
Impairment	-	301	1,064
Assets classified as held for sale	-	(656)	-
Disposals	(778)	(1,300)	(3,977)
Closing depreciation	<u>145,537</u>	<u>133,334</u>	<u>139,193</u>
<b>Net book value</b>			
Closing net book value	<u>367,397</u>	<u>360,900</u>	<u>362,663</u>
Opening net book value	<u>362,663</u>	<u>358,771</u>	<u>358,771</u>

**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 September 2021, there are no assets classified as held for sale (30 September 2020: £2,036k and 31 March 2021: £Nil).

**13 Loans and borrowings**

	<b>30 September 2021 £000</b>	<b>30 September 2020 £000</b>	<b>31 March 2021 £000</b>
Loan notes	247,115	245,519	246,289
Lease liabilities	17,514	21,770	18,245
	<u>264,629</u>	<u>267,289</u>	<u>264,534</u>

Loan notes include unamortised issue costs and original issue discount of £2,885k (30 September 2020: £4,481k and 31 March 2021: £3,711k) which after deducting from the loan note balance due of £250,000k results in a net loan note liability of £247,115k (30 September 2020: £245,519k and 31 March 2021: £246,289k).



**13 Loans and borrowings - continued**

As at 30 September 2021 there was accrued interest of £6,721k (30 September 2020: £6,721k 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:

	<b>30 September 2021 £000</b>	<b>30 September 2020 £000</b>	<b>31 March 2021 £000</b>
In one year or less	3,439	3,666	3,618
Between one and five years	254,709	254,514	254,278
After five years	6,481	9,109	6,818
	<u>264,629</u>	<u>267,289</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:

<b>Debt instruments</b>	<b>Currency</b>	<b>Loan balance £000</b>	<b>Interest rate</b>	<b>Repayment terms</b>
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

**14 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.



## 15 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 assets £000	Total £000	Total £000
<b>At 30 September 2021</b>					
<i>Financial assets not measured at fair value</i>					
Trade and other receivables	-	21,890	-	21,890	21,890
Cash and cash equivalents	-	40,300	-	40,300	40,300
	-	62,190	-	62,190	62,190
<i>Financial liabilities not measured at fair value</i>					
Senior Secured Loan Notes	-	-	212,623	212,623	214,398
Second Lien Loan Notes	-	-	34,492	34,492	33,525
Trade and other payables	-	-	36,601	36,601	36,601
Lease liabilities	-	-	17,514	17,514	17,514
	-	-	301,230	301,230	302,038
<b>At 30 September 2020</b>					
<i>Financial assets measured at fair value</i>					
Trade and other receivables	-	18,765	-	18,765	18,765
Cash and cash equivalents	-	39,260	-	39,260	39,260
	-	58,025	-	58,025	58,025
<i>Financial liabilities not measured at fair value</i>					
Senior Secured Loan Notes	-	-	211,234	211,234	205,815
Second Lien Loan Notes	-	-	34,285	34,285	31,150
Trade and other payables	-	-	33,078	33,078	33,078
Lease liabilities	-	-	21,770	21,770	21,770
	-	-	300,367	300,367	291,813



15 Financial instruments - continued

	Carrying amount			Fair value	
	Financial Liabilities at FV £000	Loans and receivables £000	Other financial assets £000	Total £000	Total £000
<b>At 31 March 2021</b>					
<i>Financial assets 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



## 16 Woodley House acquisition

On 3 September 2021, the Group acquired 100% of the issued share capital of Woodley House Limited. The principal activities of Woodley House Limited is to provide similar services to that of the Voyage Care Group with the aim to further increase Voyage's presence in the market place.

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

	Book value £000	Fair value adjustment £000	Fair value £000
Property, plant and equipment	1,291	-	1,291
Trade and other receivables	33	-	33
Directors loan account	302	-	302
Cash in hand, bank	482	-	482
Trade and other payables	(64)	-	(64)
Accruals and deferred income	(55)	-	(55)
Corporation tax	(91)	-	(91)
	1,898	-	
<b>Net assets</b>			<b>1,898</b>
Goodwill			2,449
			<b>4,347</b>
Satisfied by:			
Cash			4,045
Settlement of Directors loan account and other outstanding balances			302
<b>Total cost of acquisition</b>			<b>4,347</b>

The acquisition cost comprises of cash consideration of £4,045k.

The Group incurred acquisition costs of £19k which have been expensed as a non-underlying item in the Statement of Profit and Loss.

The acquisition accounting for the acquisition is yet to be finalised and therefore the figures stated above are provisional and subject to any amendments.



**17 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.

**18 Controlling party**

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

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

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

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