



**Voyage BidCo Limited**

**Q3 2022**

**Results for the three month period ended 31 December  
2021**

**Voyage Care BondCo PLC**

**£250,000,000 5 7/8% Senior Secured Notes due 2027**



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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 (the “Company”) and an indirect wholly owned subsidiary of VC Healthcare Topco 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 the Company and its 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 31 December 2021:

£ million	Q3 2021	Q3 2022
Revenue	69.5	73.4
Underlying adjusted EBITDA	11.2	12.1
Operating profit	5.7	6.5
Profit/(Loss) for the period	(0.5)	1.4
Adjusted free cash flow	8.7	7.8

### Commentary on results

#### *Performance during Q3 2022 vs. Q3 2021*

- CQC quality scores remained very high with 95.3% of services achieving a Good or Outstanding rating.
- Revenue increased by 5.7% to £73.4 million due to growth and fee increases.
- Underlying adjusted EBITDA also grew by 8.0% to £12.1 million also resulting from growth and fee increases.
- Registered closing occupancy was 93.5% compared to 91.9% in Q3 2021.
- Community based care average direct weekly care hours increased by 3,900 hours compared to Q3 2021, with an average of 104,900 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 £5.5 billion). 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 Winter overtime premium payments.
- Constructive fee increase discussions for FY22 continuing with commissioners and we have seen support from some commissioners regarding specific mid-year fee uplift requests to support our response to local employment markets.
- Fee increase discussions for FYE 2023 have commenced.
- Free Government issued PPE to be available until March 2023 unless guidance removes the requirement earlier. The Infection Control and Rapid Testing Funds continue to run until the end of March 2022, as well as the Workforce Recruitment and Retention Funds and the Omicron Support Fund.



*Post Balance Sheet events*

- On 14<sup>th</sup> January 2022, the entire share capital of Voyage Care Holdco Limited was acquired by
- On 3<sup>rd</sup> February 2022, the company redeemed the £215m 5 7/8% Senior Secured Notes, and the £35m 10% Second Lien Notes with the proceeds of the new £250m 5 7/8% Senior Secured Notes. At the same time, the Group headed by the company cancelled its existing Revolving Credit Facility (RCF) and entered into a new RCF with NatWest, Lloyds, JP Morgan and Barclays (the “Refinancing Transactions”)



## Company Overview

Voyage Care is the UK's leading specialist provider delivering community based support and care in residential care homes. We support adults and children with learning disabilities, autism, brain injuries and other complex needs to lead more independent and fulfilled lives. Most of the people we support require life-long care and have high acuity needs, assessed as either 'critical' or 'substantial' by local authorities and the NHS.

### **Our services**

Our commitment to quality is demonstrated by our sector-leading quality ratings: we have more good and outstanding rated services than any other provider in the specialist care sector. The specialist care sector is both highly regulated and fragmented. Voyage Care is one of the few larger providers operating exclusively in this sector with proven expertise in supporting people with complex high acuity needs across a range of specialisms.

Voyage Care's person-centred pathway of support includes both residential care and community based support, and our business divisions complement these regulatory and delivery models.

### **Types of support**

We work with the people we support, their support network and commissioner to identify and source the setting that best suits the individual's needs. The people we support can rely on us for safe, flexible and personalised support wherever it is needed.

Residential care is provided in a CQC, CI or CIW registered care home and may include nursing or respite care. Community based support is provided in a person's own home, which may be in one of our supported living locations, and is managed through one of our regional Domiciliary Care Agencies (DCAs) which are registered with the CQC, CI or CIW. We also provide support for people to access their local community or in day services.

### **Our specialisms**

The people we support are at the centre of everything we do. Everybody's needs are different, so our support is tailored to each individual and underpinned our robust quality governance framework. To ensure we continue to deliver a high standard of specialist care and support that meets people's complex needs, we have successfully developed and deployed specialisms including autism, brain injury rehabilitation, Prader-Willi syndrome, specialist behavioural support, transitional support, mental health and complex nurse-led care at home for both adults and children.



## 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 nine month period ended 31 December 2021 (“Q3 2022” and “YTD 2022”) and 31 December 2020 (“Q3 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 underlying adjusted EBITDA, adjusted EBITDA, underlying adjusted EBITDA margin, cash conversion, adjusted free cash flow, total capex, development capex, maintenance capex, IT capex (each, a ‘Non-IFRS Metric’), which are not required by, or presented in accordance with IFRS. The terms above are defined within the Glossary of Definitions.

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.

### 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 performance indicators

	Q3 2021	Q3 2022	Change	YTD 2021	YTD 2022	Change
<b>Registered care division</b>						
Closing registered capacity (number)	2,010	2,036	26	2,010	2,036	26
Closing occupancy (number)	1,848	1,904	56	1,848	1,904	56
Closing occupancy rate %	91.9%	93.5%	1.6%	91.9%	93.5%	1.6%
Average occupancy (number)	1,854	1,906	53	1,875	1,892	17
Average occupancy rate %	92.2%	93.6%	1.4%	93.3%	92.9%	(0.4%)
Average weekly fees	£1,822	£1,889	£67	£1,786	£1,869	£84
<b>Community based care division</b>						
Closing supported people (number)	1,561	1,552	-9	1,561	1,552	(9)
Closing direct care hours (number)	100,710	101,333	623	100,710	101,333	623
Average direct care hours (number)	100,995	104,882	3,887	98,552	105,678	7126
Average hourly rate	£19.47	£19.53	£0.06	£18.97	£19.49	£0.52

### Consolidated statement of profit & loss

£ million	Q3 2021	Q3 2022	% Change	YTD 2021	YTD 2022	% Change
<b>Revenue</b>	<b>69.5</b>	<b>73.4</b>	<b>5.7%</b>	<b>203.5</b>	<b>218.3</b>	<b>7.2%</b>
Unit level staff costs	(46.4)	(45.4)	2.3%	(136.6)	(139.0)	(1.7%)
Unit level agency costs	(0.8)	(3.7)	nm	(2.0)	(7.1)	nm
Unit level direct overheads	(5.7)	(6.3)	(11.7%)	(16.9)	(18.6)	(10.4%)
Central overheads	(5.4)	(6.0)	(10.4%)	(16.0)	(17.9)	(12.0%)
<b>Underlying adjusted EBITDA</b>	<b>11.2</b>	<b>12.1</b>	<b>8.0%</b>	<b>32.1</b>	<b>35.7</b>	<b>11.2%</b>
Non-underlying items	(0.6)	(1.4)	nm	(1.8)	(2.4)	(34.4%)
Adjusted EBITDA	10.6	10.7	1.1%	30.3	33.3	9.8%
Depreciation & impairment	(4.4)	(3.8)	15.2%	(11.6)	(10.9)	6.1%
Profit on disposal of non-current assets	0.0	0.1	nm	0.3	0.2	33.3%
Amortisation of intangible assets	(0.5)	(0.6)	(23.4%)	(1.7)	(1.8)	(4.3%)
<b>Operating profit</b>	<b>5.7</b>	<b>6.5</b>	<b>13.6%</b>	<b>17.3</b>	<b>20.8</b>	<b>20.5%</b>
Finance income	0.0	0.0	54.7%	0.1	(0.0)	nm
Finance expense	(4.8)	(4.8)	(0.0%)	(15.0)	(14.4)	4.3%
<b>Profit before taxation</b>	<b>0.9</b>	<b>1.7</b>	<b>79.6%</b>	<b>2.4</b>	<b>6.4</b>	<b>nm</b>
Taxation	(1.4)	(0.3)	79.2%	(1.8)	(4.7)	nm
<b>Profit/(Loss) for the period</b>	<b>(0.5)</b>	<b>1.4</b>	<b>nm</b>	<b>0.6</b>	<b>1.7</b>	<b>nm</b>
<b>Other financial metrics</b>						
Underlying adjusted unit EBITDA	16.6	18.1	8.8%	48.1	53.6	11.4%
Underlying adjusted unit EBITDA margin %	23.9%	24.7%	0.8%	23.6%	24.6%	1.0%
Underlying adjusted EBITDA margin %	16.1%	16.5%	0.4%	15.8%	16.4%	0.6%



## Revenue

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

- Q3 2022 revenue increased by £3.9 million, or 5.7% to £73.4 million from £69.5 million for Q3 2021, primarily due to like-for-like growth (£0.5 million or 0.9%), fee increases (£1.7 million or 2.4%) and the reversal of the Covid-19 Pandemic impact in Q3 2021, which we estimate to be £1.7 million or 2.4%.
- YTD 2022 revenue increased by £14.8 million, or 7.2% to £218.3 million from £203.5 million for YTD 2021, primarily due to like-for-like growth (£4.5 million or 2.1%), fee increases (£5.3 million or 2.6%) and the reversal of the Covid-19 Pandemic in YTD 2021 which we estimate to be £5.0 million or 2.5%.

## Revenue by division

	Q3 2021	Q3 2022	% Change	YTD 2021	YTD 2022	% Change
Registered care division	43.9	46.8	6.6%	131.1	137.9	5.2%
Community based care division	25.6	26.6	4.1%	72.4	80.3	10.9%
<b>Total revenue</b>	<b>69.5</b>	<b>73.4</b>	<b>5.7%</b>	<b>203.5</b>	<b>218.3</b>	<b>7.2%</b>

- Registered revenue increased both in the quarter and year to date due to fee increases and growth in occupancy.
- Community revenue increased both in the quarter and year to date due to fee increases and growth in hours, with 2021 being impacted by the Covid-19 pandemic causing temporary delays in growth and reduction in hours.

## Unit level staff costs and agency costs

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

- Total unit level staff and agency costs for Q3 2022 increased by £1.9 million, or 3.9% to £49.1 million (which represented 66.8% of revenue) from £47.2 million (which represented 67.9% of revenue) for Q3 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 roles 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 4.5% of care hours in Q3 2022 from 1.2% of care hours in Q3 2021.
  - Staff costs for Q3 2022 reduced by £1.0 million, or 2.3% to £45.4 million from £46.4 million for Q3 2021.
  - Agency costs for Q3 2022 increased by £2.9 million to £3.7 million from £0.8 million for Q3 2021.
- Total unit level staff and agency costs for YTD 2022 increased by £7.5 million, or 5.4% to £146.1 million (which represented 66.9% of revenue) from £138.6 million (which represented 68.1% 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 3.1% of care hours in YTD 2022 from 1.0% of care hours in YTD 2021.
  - Staff costs for YTD 2022 increased by £2.4 million, or 1.7% to £139.0 million from £136.6 million for YTD 2021.



- Agency costs for YTD 2022 increased by £5.1 million to £7.1 million from £2.0 million for YTD 2021.

#### *Unit Level Direct Overheads*

Unit level direct overheads 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, lease rentals and other external charges which consist of indirect costs incurred in running and maintaining services, Local Authority rates, council tax, repairs, utilities, training and professional fees

- Q3 2022 unit level direct overheads increased by £0.6 million, or 11.7% to £6.3 million from £5.7 million for Q3 2021. Q3 2021 had lower costs due to the impact of the Covid-19 Pandemic whereas Q3 2022 has returned towards more normal levels of spend.
- YTD 2022 unit level direct overheads increased by £1.7 million, or 10.4% to £18.6 million from £16.9 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.

#### *Central Overheads*

Central overheads comprise expenditure in relation to the Group's head office function who support the running of the business and therefore indirectly support the delivery of care and support.

- Q3 2022 central overheads increased by £0.6 million, or 10.4% to £6.0 million (8.1% of revenue) from £5.4 million (7.8% of revenue) for Q3 2021, this is primarily due to investment in group support teams to support the growth of the business.
- YTD 2022 central overheads increased by £1.9 million, or 12.0% to £17.9 million (8.2% of revenue) from £16.0 million (7.9% of revenue) for YTD 2021 this is primarily due to investment in group support teams to support the growth of the business along with additional expenditure in IT licences.

#### *Underlying adjusted EBITDA*

Underlying adjusted EBITDA is not a recognised performance measure under IFRS and may not be directly comparable with similar measures used by other companies.

- Q3 2022 underlying adjusted EBITDA increased by £0.9 million, or 8.0% to £12.1 million from £11.2 million for Q3 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 underlying adjusted EBITDA increased by £3.6 million, or 11.2% to £35.7 million from £32.1 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.



### Underlying adjusted EBITDA by division

	Q3 2021	Q3 2022	% Change	YTD 2021	YTD 2022	% Change
Registered care division	8.2	9.4	14.6%	24.5	27.1	10.7%
Community based care division	3.0	2.7	(9.6%)	7.6	8.6	12.8%
<b>Total underlying adjusted EBITDA</b>	<b>11.2</b>	<b>12.1</b>	<b>8.0%</b>	<b>32.1</b>	<b>35.7</b>	<b>11.2%</b>

- Registered underlying adjusted EBITDA increased both in the quarter and year to date due to fee increases and growth in occupancy.
- Community underlying adjusted EBITDA reduced in the quarter due to change in usage between permanent staff and agency. There was an increase in YTD underlying adjusted EBITDA due to fee increases and growth in hours, with 2021 being impacted by the Covid-19 pandemic causing temporary delay in growth and reduction in hours.

### Non-underlying items

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

- Q3 2022 non-underlying items were £1.4 million (Q3 2021: £0.6 million). Q3 2022 non-underlying items related to the sale of Voyage Care Holdco Ltd and Covid-19 related costs. Non-underlying items for Q3 2021 were primarily relating to costs due to Covid-19 (e.g. personal protective equipment and certain Covid-19 related staff costs) 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 £2.4 million (YTD 2021: £1.8 million). YTD 2022 non-underlying items related to the sale of Voyage Care Holdco Ltd and Covid-19 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.

### Covid-19 Update

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

£ million	YTD 2022
Non-Underlying items Covid-19 Consist of:	
Staff Costs	3.1
Agency Costs	0.2
PPE/Infection Control	0.2
<b>Total Covid-19 Costs</b>	<b>3.4</b>
Reimbursement	(2.5)
<b>Non-Underlying items Covid-19</b>	<b>0.9</b>
Non Covid-19 related	1.5
<b>Total Non-Underlying items</b>	<b>2.4</b>



### *Adjusted EBITDA*

Adjusted EBITDA is not a recognised performance measure under IFRS and may not be directly comparable with similar measures used by other companies.

- Q3 2022 adjusted EBITDA after non-underlying items increased by £0.1 million, or 1.1% to £10.7 million from £10.6 million for Q3 2021.
- YTD 2022 adjusted EBITDA after non-underlying items increased by £3.0 million, or 9.8% to £33.3 million from £30.3 million for YTD 2021.

### *Depreciation and Impairment of property, plant and equipment*

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

- Q3 2022 depreciation and impairment of property plant and equipment reduced by £0.6 million, or 15.2% to £3.8 million from £4.4 million for Q3 2021. Q3 2021 had an impairment of £0.8 million due to properties which were held for sale in December 2020.
- YTD 2022 depreciation and impairment of property plant and equipment reduced by £0.7 million, or 6.1% to £10.9 million from £11.6 million for YTD 2021. YTD 2021 had an impairment of £0.8 million due to properties which were held for sale in December 2020.

### *Profit on disposal of non-current assets*

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

- For Q3 2022 the profit on the disposal of non-current assets was £0.1 million (Q3 2021: £nil).
- YTD 2022 the profit on the disposal of non-current assets was £0.2 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, or internally developed computer software, 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.

- Q3 2022 amortisation of intangible assets increased by £0.1 million to £0.6 million from £0.5 million for Q3 2021.
- YTD 2022 amortisation of intangible assets increased by £0.1 million to £1.8 million from £1.7 million for YTD 2021.

### *Operating profit*

Operating profit consists of earnings before interest and taxation.

- Q3 2022 operating profit increased by £0.8 million or 13.6% to £6.5 million from £5.7 million in Q3 2021, as a result of business growth and cost management.
- YTD 2022 operating profit increased by £3.5 million or 20.5% to £20.8 million from £17.3 million in YTD 2021, as a result of business growth and cost management.



### *Finance income*

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

- Q3 2022 interest receivable and other income stayed the same compared to Q3 2021 at £nil.
- YTD 2022 interest receivable and other income was £nil compared to £0.1 million for YTD 2021.

### *Finance expenses*

Finance expenses 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.

- Q3 2022 interest payable and similar charges on bank loans stayed the same as Q3 2021 at £4.8 million.
- YTD 2022 interest payable and similar charges on bank loans reduced by £0.6 million to £14.4 million from £15.0 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.

- Q3 2022 profit before taxation increased by £0.8 million to £1.7 million from £0.9 million for Q3 2021.
- YTD 2022 profit before taxation increased by £4.0 million to £6.4 million from £2.4 million for YTD 2021.

### *Taxation*

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

- For Q3 2022 a taxation charge of £0.3 million was recognised, a reduction of £1.1 million from Q3 2021 which was a charge of £1.4 million.
- For YTD 2022 a taxation charge of £4.7 million was recognised, an increase of £2.9 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.

- Q3 2022 profit for the period increased by £1.9 million to £1.4 million from a £0.5 million loss for Q3 2021 the increase is primarily due to an increase in operating profit and reduction in taxation charges compared to prior year, partially offset by an increase in non-underlying items.
- YTD 2022 profit for the period increased by £1.1 million to £1.7 million from £0.6 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 adjusted EBITDA after non-underlying items.



## Consolidated statement of cash flow

£ million	Q3 2021	Q3 2022	% Change	YTD 2021	YTD 2022	% Change
Underlying adjusted EBITDA	11.2	12.1	8.0%	32.1	35.7	11.2%
Maintenance capex	(1.8)	(3.7)	nm	(5.1)	(10.2)	nm
IT capex	(0.7)	(0.5)	(28.6%)	(3.1)	(1.7)	(45.2%)
<b>Adjusted free cash flow</b>	<b>8.7</b>	<b>7.8</b>	<b>(10.3%)</b>	<b>24.0</b>	<b>23.8</b>	<b>(0.8%)</b>
<i>Cash conversion %</i>	<i>77.7%</i>	<i>64.9%</i>	<i>(12.8%)</i>	<i>74.6%</i>	<i>66.6%</i>	<i>(8.0%)</i>
Non-underlying items <sup>(1)</sup>	(0.6)	(1.4)	nm	(1.8)	(2.4)	33.3%
Working capital	2.9	2.0	(31.0%)	9.6	2.7	(71.9%)
Interest	(8.1)	(8.2)	1.2%	(17.1)	(16.6)	2.9%
Taxation	(0.4)	(0.8)	100.0%	(2.2)	(1.9)	13.6%
<b>FCF before dev. capex, acquisitions and financing</b>	<b>2.4</b>	<b>(0.5)</b>	<b>nm</b>	<b>12.4</b>	<b>5.5</b>	<b>(55.6%)</b>
Development capex <sup>(2)</sup>	(0.4)	(1.0)	nm	(5.9)	(1.8)	69.5%
Acquisition <sup>(3)</sup>	(4.7)	0.0	nm	(4.7)	(3.6)	23.4%
Proceeds from sale	0.4	0.1	(75.0%)	2.5	0.3	88.0%
<b>FCF before financing</b>	<b>(2.3)</b>	<b>(1.3)</b>	<b>(43.5%)</b>	<b>4.2</b>	<b>0.5</b>	<b>(88.1%)</b>
Property and vehicle lease payments (IFRS16)	(0.9)	(0.8)	(11.1%)	(3.3)	(3.0)	9.1%
Net cash flow used in financing activities	0.0	0.0	nm	(45.0)	0.0	nm
<b>Movement in cash for the period</b>	<b>(3.1)</b>	<b>(2.1)</b>	<b>(32.3%)</b>	<b>(44.0)</b>	<b>(2.6)</b>	<b>(94.1%)</b>
Opening cash and cash equivalents	39.3	40.3	2.5%	80.1	40.7	49.2%
<b>Closing cash and cash equivalents</b>	<b>36.1</b>	<b>38.2</b>	<b>5.8%</b>	<b>36.1</b>	<b>38.2</b>	<b>5.8%</b>
Undrawn RCF	45.0	45.0	0.0%	45.0	45.0	(0.0%)
<b>Total liquidity</b>	<b>81.1</b>	<b>83.2</b>	<b>2.6%</b>	<b>81.1</b>	<b>83.2</b>	<b>2.6%</b>

(1) Includes costs in relation to the sale of Voyage Care Bidco Ltd and Covid-19. 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 where applicable

### Maintenance Capex

- Q3 2022 maintenance capex increased by £1.9 million to £3.7 million from £1.8 million for Q3 2021. The increase is primarily due to reduced activity in Q3 2021 due to the Covid-19 pandemic.
- YTD 2022 maintenance capex increased by £5.1 million to £10.2 million from £5.1 million for YTD 2021. The increase is primarily due to reduced activity in YTD 2021 due to the Covid-19 pandemic.

### IT Capex

- Q3 2022 IT capex reduced by £0.2 million to £0.5 million from £0.7 million for Q3 2021.
- YTD 2022 IT capex reduced by £1.4 million to £1.7 million from £3.1 million for YTD 2021. This is primarily due to YTD 2021 containing costs for the group's IT hardware refresh programme.



#### *Adjusted free cash flow*

- Q3 2022 adjusted free cash flow reduced by £0.9 million, or 10.3% to £7.8 million from £8.7 million for Q3 2021. The increase is primarily due to £0.9 million increase in EBITDA partially offset by a £1.9 million increase in maintenance capex, due to an increase in service maintenance activity in Q3 2022 compared to Q3 2021 which was reduced due to the Covid-19 Pandemic.
- YTD 2022 adjusted free cash flow reduced by £0.2 million, or 0.8% to £23.8 million from £24.0 million for YTD 2021. The increase is primarily due to £3.6 million increase in EBITDA partially offset by a £5.1 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*

- Q3 2022 non-underlying items increased by £0.8 million to £1.4 million from £0.6 million when compared with Q3 2021. The increase is primarily driven by additional costs relating to the sale of Voyage Care Holdco Ltd.
- YTD 2022 non-underlying items increased by £0.6 million to £2.4 million from £1.8 million when compared with YTD 2021. YTD 2022 includes costs relating to the sale of Voyage Care Holdco Ltd.

#### *Working capital*

- Q3 2022 working capital movement was an inflow of £2.0 million which compares to an inflow of £2.9 million for Q3 2021. Q3 2022 working capital inflow reduced by £0.9 million due to an increase in trade and other debtors offset by an increase in prepayments.
- YTD 2022 working capital movement was an inflow of £2.7 million which compares to an inflow of £9.6 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*

- Q3 2022 interest payable increased by £0.1 million to £8.2 million from £8.1 million when compared to Q3 2021.
- YTD 2022 interest payable reduced £0.5 million to £16.6 million from £17.1 million when compared to YTD 2021. This reduction is due to lower drawdown of our revolving credit facility.

#### *Taxation*

- For Q3 2022 we paid £0.8 million in relation to corporation tax payments made on account (Q3 2021: £0.4 million).
- For YTD 2022 we paid £1.9 million in relation to corporation tax payments made on account (YTD 2021: £2.2 million).

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

- Q3 2022 Free Cash Flow before Development Capex, Acquisitions and Financing reduced by £2.9 million to an outflow of £0.5 million from £2.4 million inflow in Q3 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 £6.9 million to an inflow of £5.5 million from £12.4 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.



### *Development Capex*

Development Capex 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.

- Q3 2022 development capital expenditure increased by £0.6 million to £1.0 million compared to £0.4 million in Q3 2021.
- YTD 2022 development capital expenditure reduced by £4.1 million to £1.8 million compared to £5.9 million for YTD 2021 which included the purchase of a 24 bed facility for a new Brain Injury Rehabilitation service.

### *Acquisition*

- For Q3 2022 there was no expenditure on Acquisitions (Q3 2021: £4.7 million – Day Opportunities Limited)
- YTD 2022 there was net £3.6 million outflow on acquisitions, which included Woodley House Ltd a 20 Bed Registered Service (YTD 2021: £4.7 million – Day Opportunities Limited).

### *Proceeds from sale*

- For Q3 2022 there was £0.1 million cash inflow from proceeds from sale (Q3 2021: £0.4 million)
- YTD 2022 there was £0.3 million cash inflow. This is a reduction of £2.2 million compared to YTD 2021.

### *Property and vehicle lease payments*

- During Q3 2022 we made £0.8 million of total lease payments under IFRS16 which is £0.1 million less than Q3 2021.
- During YTD 2022 we made £3.0 million of total lease payments under IFRS16 which is £0.3 million less than YTD 2021.

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

- Q3 2022 net cash flow used in financing activities was £nil compared to £nil for Q3 2021.
- YTD 2022 net cash flow used in financing activities was £nil compared to £45.0 million for YTD 2021, which was repayment of our £45.0 million fully drawn RCF facility.

### *Movement in cash for the period*

- Q3 2022 movement in cash for the period was £1.0 million favourable at £2.1 million outflow, compared to £3.1 million outflow for Q3 2021.
- YTD 2022 movement in cash for the period was £41.4 million favourable at £2.6 million outflow, compared to £44 million outflow YTD 2021. YTD 2021 included the repayment of the drawn down £45 million RCF facility.



## Balance Sheet

£ million	Q3 2021	Q3 2022	Change
Non current assets	415.7	423.5	7.8
Current assets			
<i>Trade and other receivables</i>	20.5	24.3	3.8
<i>Corporation tax receivable</i>	0.2	0.3	0.1
<i>Cash and cash equivalents</i>	36.1	38.2	2.0
<i>Assets classified as held for sale</i>	2.0		(2.0)
<b>Total assets</b>	<b>474.5</b>	<b>486.2</b>	<b>11.7</b>
Non-current liabilities			
<i>Loans and borrowings</i>	263.5	261.5	2.0
<i>Tax liabilities</i>	11.3	14.5	(3.1)
<i>Employee benefits</i>	0.2	0.3	(0.1)
<i>Provisions</i>	1.0	1.1	(0.1)
Current liabilities	59.7	65.7	(6.0)
Equity	138.8	143.2	(4.3)
<b>Total equity and liabilities</b>	<b>474.5</b>	<b>486.2</b>	<b>(11.7)</b>

### Memo

	Q3 2022
Cash and Cash Equivalents	38.2
Cash in connection with the Transactions	(10.0)
Cash in connection with the Acquisition	(7.7)
<b>Pro forma cash</b>	<b>20.5</b>

- (1) The “**Refinancing Transaction**” relates to the process of redeeming the previous Notes and offering the new Notes, being;
- a. the redemption in full of the previous Notes, including accrued but unpaid interest;
  - b. the termination of the previous Revolving Credit Facility and entry into the Revolving Credit Facility Agreement; and
  - c. the payment of fees and expenses in connection with the foregoing transactions, including the fees and expenses to be incurred in connection with the Offering of the Notes.
- (2) “**The Acquisition**” relates to the acquisition of Voyage Care HoldCo Limited by an entity associated with Wren House from Partners Group, Duke Street and certain members of Voyage Care’s current and former senior management team in January 2022, in connection with which certain members of Voyage Care’s senior management team agreed to roll over a percentage of their sale proceeds into a newly incorporated holding company alongside Wren House.



## Debt and leverage

At 31 December 2021 and 31 December 2020, our cash balances were £38.2 million and £36.1 million, respectively.

### Contractual obligations

The following table summarises our material contractual obligations at 31 December 2021, showing the total principal amount payable and excluding any future interest payments. Following the refinancing completed on 3<sup>rd</sup> February 2022, the Senior Secured Notes and the Second Lien Notes were replaced by the new £250m Senior Secure Notes, which are due 2027 therefore falling due after 2 years.

£ million	0-1 year	1-2 years	2 years or more	Total
Senior Secured Notes <sup>(1)</sup>	-	215.0	0.0	215.0
Second Lien Notes <sup>(2)</sup>	-	-	35.0	35.0
Revolving Credit Facility	-	-	-	-
<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 Senior Secured Notes as at 31 December 2021

(2) Represents the aggregate principal amount of the Second Lien Notes as at 31 December 2021

### Pro-forma net debt and leverage

Note that pro-forma net debt and leverage are calculated as defined in the Offering Memorandum for the new £250m 5 7/8% Senior Secure Notes due February 2027.

£ million	As at and for the twelve months ended	
	30-Sep-21	31-Dec-21
Underlying Adjusted EBITDA	48.7	48.4
Estimated full year impact of recent acquisitions	0.6	0.4
Estimated full year impact of new procurement system	0.3	0.2
Estimated full year impact of cost optimisations	0.3	0.2
<b>Pro forma underlying adjusted EBITDA</b>	<b>49.9</b>	<b>49.2</b>
Pro forma senior secured net debt:		
Senior secured notes	215.0	215.0
Second lien notes	35.0	35.0
Revolving credit facility	0.0	0.0
Gross debt	250.0	250.0
Pro forma cash	(22.6)	(20.5)
<b>Pro forma secured net debt</b>	<b>227.4</b>	<b>229.5</b>
IFRS 16 lease liability	17.6	17.4
<b>Pro forma net debt including IFRS 16 lease liability</b>	<b>245.0</b>	<b>246.9</b>
Ratio of pro forma secured net debt to pro forma Underlying Adjusted EBITDA	4.55x	4.67x
<b>Ratio of pro forma net debt to pro forma Underlying Adjusted EBITDA</b>	<b>4.91x</b>	<b>5.02x</b>



## Property Analysis (Open services)

At 31 December 2021 the number of freehold properties held was 259, which was a reduction of 2 compared to December 2020. The net book value of the freehold properties was £316.4 million.

We have increased our provision of Registered division places by 25 since December 2020.

We have reduced our provision of Community division supported living places by 2 since 31 December 2020 whilst reducing the number of properties by 8.

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 31 December 2021, freehold properties made up 89.0% of capacity whereas in Community based care, freehold properties made up 7.7% of capacity. This in line with our strategy to utilise 3rd party capital to invest in property and capacity to drive Community based care growth.

31 December 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	292	1,157	0	292	1,157	2
<b>Totals</b>	<b>263</b>	<b>2,036</b>	<b>321</b>	<b>1,264</b>	<b>8</b>	<b>592</b>	<b>3,300</b>	<b>41</b>
<b>Freehold NBV (£m) <sup>(3)</sup></b>	<b>307.3</b>		<b>7.2</b>		<b>2.0</b>	<b>316.4</b>		

31 December 2020	Registered		Community		Daycare	Total		DCA <sup>(4)</sup>
	#	Capacity	#	Capacity	#	#	Capacity	#
Freehold	231	1,802	25	90	5	261	1,892	7
Leasehold/Rental <sup>(1)</sup>	31	209	3	10	8	42	219	29
3rd Party Owned <sup>(2)</sup>	0	0	301	1,166	0	301	1,166	4
<b>Totals</b>	<b>262</b>	<b>2,011</b>	<b>329</b>	<b>1,266</b>	<b>13</b>	<b>604</b>	<b>3,277</b>	<b>40</b>

Movement	Registered		Community		Daycare	Total		DCA <sup>(4)</sup>
	#	Capacity	#	Capacity	#	#	Capacity	#
Freehold	1	10	1	7	(4)	(2)	17	(1)
Leasehold/Rental <sup>(1)</sup>	0	15	0	0	(1)	(1)	15	4
3rd Party Owned <sup>(2)</sup>	0	0	(9)	(9)	0	(9)	(9)	(2)
<b>Totals</b>	<b>1</b>	<b>25</b>	<b>(8)</b>	<b>(2)</b>	<b>(5)</b>	<b>(12)</b>	<b>23</b>	<b>1</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 often 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.



## Glossary of Definitions

### Non IFRS and other financial measures

- **“Underlying adjusted EBITDA”** means profit / (loss) for the period as adjusted for taxation, finance expense, amortisation of intangible assets, profit / (loss) on disposal of non-current assets, depreciation and impairment of property and the effects of certain items considered to be non-underlying;
- **“Adjusted EBITDA”** means Underlying adjusted EBITDA prior to adjustments for the effects of non-underlying items;
- **“Underlying adjusted EBITDA margin”** means Underlying adjusted EBITDA divided by revenue;
- **“Cash conversion”** means Underlying adjusted EBITDA less Maintenance CAPEX and IT CAPEX, divided by Underlying adjusted EBITDA;
- **“Adjusted free cash flow”** means Underlying adjusted EBITDA less Maintenance CAPEX and IT CAPEX;
- **“Total CAPEX”** means the sum of Development CAPEX, Maintenance CAPEX and IT CAPEX;
- **“Development CAPEX”** means build costs and other professional expenses in connection with new builds and conversions of existing properties, net of disposal proceeds, including development capital expenditure and capital expenditure with respect to supporting our head office function and excluding cash flows in relation to acquisition capital expenditure. Development CAPEX also includes costs in connection with the acquisition of property which we originally lease for our operations and where we later agree to acquire the property from the lessor as well as the purchase of motor vehicles;
- **“Maintenance CAPEX”** means service-related routine capital expenditure and non service-related capital expenditure with respect to supporting our head office function and includes purchases of new replacement equipment and fixtures;
- **“IT CAPEX”** means service-related routine capital expenditure and non service-related capital expenditure with respect to software and hardware used for the operations of our Group.

### Operating expenses used to track performance and liquidity

- **“Unit level staff costs”** comprise expenditure in relation to the Group’s employees who deliver direct care and support to the people we support.
- **“Unit level agency costs”** comprise expenditure in relation to third-party staffing agencies who deliver direct care and support to the people we support.
- **“Unit level direct overheads”** comprise supplementary expenditure required to deliver the care and support to the people we support (direct costs to run the Group’s services).
- **“Central overheads”** comprise expenditure in relation to the Group’s head office function who support the running of the business and therefore indirectly support the delivery of care and support.
- **“Depreciation and impairment of property, plant and equipment”** comprises the write off of property, plant and equipment to their residual value over their estimated useful life.
- **“Profit/(loss) on disposal of non-current assets”** comprise the difference between the net disposal proceeds received and the net book value of non-current assets at the time of disposal.



- **“Amortisation of intangible assets”** comprises the write off of intangible assets to their residual value over their estimated useful life.

#### **Pro forma financial measures**

- **“Pro Forma Underlying Adjusted EBITDA”** means Underlying Adjusted EBITDA, as adjusted to give effect to the full year impact of the Underlying Adjusted EBITDA contribution of (a) our recent acquisitions, (b) the implementation of a new procurement system and (c) cost optimisations with respect to DCAs, in each case as if they had occurred or been fully implemented on 1 October 2020.
- **“Pro Forma Cash”** means total cash and cash equivalents as at 30 September 2021, as adjusted to give effect to the Transactions and cash used in connection with the Acquisition. See “Use of proceeds” and “Capitalisation”.
- **“Pro Forma Net Debt”** means loans and borrowings (including lease liabilities), as adjusted to give effect to the Transactions, less Pro Forma Cash.

#### **Other operating data**

- **“Registered capacity”** – 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. Registered capacity is the average number of available beds for the relevant period unless otherwise stated.
- **“Occupancy”** – occupancy represents the average number of individuals that we provide care to in our Registered Care Division for the relevant period unless otherwise stated.
- **“Occupancy rate”** – occupancy rate represents the percentage of the registered capacity occupied in our Registered Care Division at the end of the relevant period unless otherwise stated.
- **“Supported people”** – our results of operations are impacted by the number of people supported in our Community Based Care Division. The number of people supported in our Community Based Care Division is presented as the average placements for the relevant period unless otherwise stated.
- **“Direct care hours”** – direct care hours presented represent the weekly direct care hours delivered in our Community Based Care Division, including supported living, Children’s Complex Care, day care and outreach placements, 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.
- **“Average weekly fees”** – fee rates for our Registered Care Division refer to the average weekly fees in a given period.
- **“Average hourly rates”** – fee rates for our Community Based Care Division refer to average hourly rates per direct hour charged to a funder in a given period.

# Voyage BidCo Limited

## Condensed Consolidated Financial Statements (unaudited)

*For the 3 and 9 month period ended 31 December 2021*

**Registered Number: 05752534**



**Voyage BidCo Limited**  
**Condensed Consolidated Financial Statements (unaudited) continued**  
**For the 3 and 9 month period ended 31 December 2021**



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Voyage BidCo Limited  
Condensed Consolidated Statement of Profit and Loss (unaudited)  
For the 3 month period ended 31 December 2021



	3 months ended 30 December 2021			3 months ended 30 December 2020			
	Notes	Underlying £000	Non- underlying items (2) £000	Total £000	Underlying £000	Non- underlying items (2) £000	Total £000
Revenue		73,446	-	73,446	69,473	-	69,473
Operating expenses	5	(65,589)	(1,383)	(66,972)	(62,431)	(1,361)	(63,792)
<b>Adjusted EBITDA (1)</b>		<b>12,083</b>	<b>(1,383)</b>	<b>10,700</b>	<b>11,186</b>	<b>(598)</b>	<b>10,588</b>
Depreciation and impairment of property, plant and equipment		(3,744)	-	(3,744)	(3,658)	(763)	(4,421)
Profit on disposal of assets		109	-	109	17	-	17
Amortisation of intangible assets		(591)	-	(591)	(503)	-	(503)
<b>Operating profit</b>		<b>7,857</b>	<b>(1,383)</b>	<b>6,474</b>	<b>7,042</b>	<b>(1,361)</b>	<b>5,681</b>
Finance income	6	18	-	18	40	-	40
Finance expense	7	(4,784)	-	(4,784)	(4,783)	-	(4,783)
<b>Profit before taxation</b>		<b>3,091</b>	<b>(1,383)</b>	<b>1,708</b>	<b>2,299</b>	<b>(1,361)</b>	<b>938</b>
Taxation	8	(422)	123	(299)	(1,441)	-	(1,441)
<b>Profit for the period from continuing operations</b>		<b>2,669</b>	<b>(1,260)</b>	<b>1,409</b>	<b>858</b>	<b>(1,361)</b>	<b>(503)</b>
<b>Profit attributable to equity holders of the parent</b>		<b>2,669</b>	<b>(1,260)</b>	<b>1,409</b>	<b>858</b>	<b>(1,361)</b>	<b>(503)</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 9 month period ended 31 December 2021



	9 months ended 30 December 2021			9 months ended 30 December 2020			
	Notes	Underlying £000	Non- underlying items (2) £000	Total £000	Underlying £000	Non- underlying items (2) £000	Total £000
Revenue		218,262	-	218,262	203,521	-	203,521
Operating expenses	5	(195,122)	(2,392)	(197,514)	(184,183)	(2,062)	(186,245)
<b>Adjusted EBITDA (1)</b>		<b>35,690</b>	<b>(2,392)</b>	<b>33,298</b>	<b>32,106</b>	<b>(1,779)</b>	<b>30,327</b>
Depreciation and impairment of property, plant and equipment		(10,866)	-	(10,866)	(10,512)	(1,064)	(11,576)
Profit / (loss) on disposal of assets		234	-	234	(473)	-	(473)
Profit on termination of lease obligation		-	-	-	-	781	781
Amortisation of intangible assets		(1,918)	-	(1,918)	(1,783)	-	(1,783)
<b>Operating profit</b>		<b>23,140</b>	<b>(2,392)</b>	<b>20,748</b>	<b>19,338</b>	<b>(2,062)</b>	<b>17,276</b>
Finance income	6	54	-	54	140	-	140
Finance expense	7	(14,380)	-	(14,380)	(15,031)	-	(15,031)
<b>Profit before taxation</b>		<b>8,814</b>	<b>(2,392)</b>	<b>6,422</b>	<b>4,447</b>	<b>(2,062)</b>	<b>2,385</b>
Taxation	8	(5,039)	314	(4,725)	(1,771)	-	(1,771)
<b>Profit for the period from continuing operations</b>		<b>3,775</b>	<b>(2,078)</b>	<b>1,697</b>	<b>2,676</b>	<b>(2,062)</b>	<b>614</b>
<b>Profit attributable to equity holders of the parent</b>		<b>3,775</b>	<b>(2,078)</b>	<b>1,697</b>	<b>2,676</b>	<b>(2,062)</b>	<b>614</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 9 month period ended 31 December 2021**

	<b>3 months ended 31 December 2021 £000</b>	<b>3 months ended 31 December 2020 £000</b>
<b>Profit / (loss) for the period</b>	1,409	(503)
<i>Items that will not be reclassified to profit and loss</i>		
Remeasurements of the defined benefit liability	-	-
<b>Total comprehensive income / (expense) attributable to equity holders of the parent for the financial period</b>	<b>1,409</b>	<b>(503)</b>
	<b>9 months ended 31 December 2021 £000</b>	<b>9 months ended 31 December 2020 £000</b>
<b>Profit for the period</b>	1,697	614
<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>1,697</b>	<b>614</b>

**Voyage BidCo Limited**  
**Condensed Consolidated Statement of Financial Position**  
**At 31 December 2021**



	Notes	31 December 2021 <i>Unaudited</i>		31 December 2020 <i>Unaudited</i>		31 March 2021 <i>Audited</i>	
		£000	£000	£000	£000	£000	£000
<i>Non-current assets</i>							
Goodwill	9	50,581		48,135		48,132	
Intangible assets	10	4,076		5,833		5,714	
Property, plant and equipment	11	368,829		361,729		362,663	
			<b>423,486</b>		<b>415,697</b>		<b>416,509</b>
<i>Current assets</i>							
Trade and other receivables		24,280		20,455		23,159	
Corporation tax receivable		276		202		499	
Cash and cash equivalents		38,157		36,119		40,746	
		<u>62,713</u>		<u>56,776</u>		<u>64,404</u>	
Assets classified as held for sale	12	-		2,014		-	
			<b>62,713</b>		<b>58,790</b>		<b>64,404</b>
<b>Total assets</b>			<b>486,199</b>		<b>474,487</b>		<b>480,913</b>
<i>Current liabilities</i>							
Loans and borrowings	13	3,411		3,455		3,618	
Trade and other payables		38,488		35,197		35,192	
Accruals and deferred income		23,374		20,753		25,969	
Provisions	14	422		267		422	
			<b>65,695</b>		<b>59,672</b>		<b>65,201</b>
<i>Non-current liabilities</i>							
Loans and borrowings	13	261,495		263,499		261,096	
Tax liabilities		14,478		11,341		11,802	
Provisions	14	1,087		981		984	
Employee benefits		289		161		372	
			<b>277,349</b>		<b>275,982</b>		<b>274,254</b>
<b>Total liabilities</b>			<b>343,044</b>		<b>335,654</b>		<b>339,455</b>
<b>Net assets</b>			<b>143,155</b>		<b>138,833</b>		<b>141,458</b>

**Voyage BidCo Limited**  
**Condensed Consolidated Statement of Financial Position - continued**  
**At 31 December 2021**



<b>Notes</b>	<b>31 December 2021</b>		<b>31 December 2020</b>		<b>31 March 2021</b>	
	<i>Unaudited</i>		<i>Unaudited</i>		<i>Audited</i>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Equity</b>						
<i>Capital and reserves</i>						
Issued share capital	-		-		-	
Share premium	252,872		252,872		252,872	
Retained earnings	(109,717)		(114,039)		(111,414)	
<b>Total equity attributable to equity holders of the parent</b>		<b>143,155</b>		<b>138,833</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 31 December 2021



Group	Issued share capital £000	Share premium £000	Retained earnings £000	Total parent equity £000
<b>At 1 October 2021</b>	-	252,872	(111,126)	141,746
<i>Total comprehensive income for the period</i>				
Profit for the period	-	-	1,409	1,409
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	1,409	1,409
<b>At 31 December 2021</b>	-	<b>252,872</b>	<b>(109,717)</b>	<b>143,155</b>

**For the 3 month period ended 31 December 2020**

Group	Issued share capital £000	Share premium £000	Retained earnings £000	Total parent equity £000
<b>At 1 October 2020</b>	-	252,872	(113,536)	139,336
<i>Total comprehensive expense for the period</i>				
Loss for the period	-	-	(503)	(503)
Other comprehensive income	-	-	-	-
<b>Total comprehensive expense for the period</b>	-	-	(503)	(503)
<b>At 31 December 2020</b>	-	<b>252,872</b>	<b>(114,039)</b>	<b>138,833</b>

Voyage BidCo Limited

Condensed Consolidated Statement of Changes in Equity (unaudited) - continued  
For the 9 month period ended 31 December 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	-	-	1,697	1,697
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	1,697	1,697
<b>At 31 December 2021</b>	-	<b>252,872</b>	<b>(109,717)</b>	<b>143,155</b>

For the 9 month period ended 31 December 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	-	-	614	614
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	614	614
<b>At 31 December 2020</b>	-	<b>252,872</b>	<b>(114,039)</b>	<b>138,833</b>

Voyage BidCo Limited

Condensed Consolidated Statement of Cash Flow (unaudited)

For the 3 and 9 month period ended 31 December 2021



	3 months ended 30 December 2021 £000	3 months ended 30 December 2020 £000	9 months ended 30 December 2021 £000	9 months ended 30 December 2020 £000
<b>Cash flows from operating activities</b>				
Profit / (loss) for the period	1,409	(503)	1,697	614
Adjustments for:				
Depreciation and impairment of property, plant and equipment	3,744	4,421	10,866	11,576
(Profit) / loss on disposal of non-current assets	(109)	(17)	(234)	473
Profit on termination of lease obligation	-	-	-	(781)
Amortisation of intangible assets	591	503	1,918	1,783
Finance income	(18)	(40)	(54)	(140)
Finance expense	4,784	4,783	14,380	15,031
Taxation	299	1,441	4,725	1,771
Movements in working capital:				
Decrease / (increase) in trade and other receivables	1,236	363	(1,018)	5,013
Increase in trade and other payables	1,768	2,077	3,144	4,529
(Decrease) / increase in accruals and deferred income	(993)	515	526	147
(Decrease) / increase in provisions, employee benefits and other financial liabilities	(39)	(56)	20	(56)
<i>Cash generated from operating activities</i>	12,672	13,487	35,970	39,960
Interest paid	(8,191)	(8,126)	(16,590)	(17,257)
Tax paid	(750)	(441)	(1,947)	(2,246)
<b>Net cash generated from operating activities</b>	3,731	4,920	17,433	20,457

Voyage BidCo Limited

Condensed Consolidated Statement of Cash Flow (unaudited) - continued

For the 3 and 9 month period ended 31 December 2021



	3 months ended 30 December 2021 £000	3 months ended 30 December 2020 £000	9 months ended 30 December 2021 £000	9 months ended 30 December 2020 £000
<b>Cash flows from investing activities</b>				
Interest received	4	14	17	111
Payments to acquire property, plant and equipment	(5,082)	(2,705)	(13,414)	(13,396)
Payments to acquire intangible assets	(115)	(188)	(280)	(747)
Proceeds from sales of property, plant and equipment	129	419	257	2,546
Net cash outflow on acquisition of subsidiaries	-	(4,724)	(3,563)	(4,724)
<b>Net cash used in from investing activities</b>	(5,064)	(7,184)	(16,983)	(16,210)
<b>Cash flows from financing activities</b>				
Repayment of loans and borrowings	-	-	-	(45,000)
Property and vehicle lease payments	(810)	(877)	(3,039)	(3,267)
<b>Net cash used in financing activities</b>	(810)	(877)	(3,039)	(48,267)
<b>Net decrease in cash and cash equivalents in the period</b>	(2,143)	(3,141)	(2,589)	(44,020)
Cash and cash equivalents at the beginning of the period	40,300	39,260	40,746	80,139
<b>Cash and cash equivalents at the end of the period</b>	<b>38,157</b>	<b>36,119</b>	<b>38,157</b>	<b>36,119</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 as adopted for use in the UK. 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 9 month period ended 31 December 2021, together with comparative period data for the 3 and 9 month period ended 31 December 2020.

The unaudited interim financial statements for the 9 month period ended 31 December 2021 have been prepared in accordance with IAS 34 - Interim Financial Reporting and have been prepared on the basis of IFRS.

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 Group for the year ended 31 March 2021. In addition, the risks and risk management techniques identified in the statutory accounts for 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:

On 14 January 2022, the Group of which the Company is a member, was acquired by Vienna Investco Limited. Private Equity Investors loan and Shareholder and Management loans, in situ at the period end, were settled and replaced with Shareholder Loans of £327.9m repayable at the earlier of exit and 2032.

On 3 February 2022, the Group completed a refinancing transaction and the gross proceeds were used to redeem in full existing £215 million Senior Secured Notes of 5.875% and £35 million Second Lien Notes of 10%. The Group now has £250 million of 5.875% Senior Secured Notes due 2027. Additionally, on 3 February 2022, the Group replaced an existing £30 million Revolving Credit Facility, due 2023, with a £50 million Revolving Credit Facility, due [2027]. At the period end, the existing Revolving Credit Facility was £Nil drawn.

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

For the 3 month period ended 31 December 2021	<i>Segment results</i>		
	Registered	Community Based Care	Group
	£000	£000	£000
Revenue	46,820	26,626	73,446
<b>Adjusted EBITDA (before non-underlying items)</b>	<b>9,352</b>	<b>2,731</b>	<b>12,083</b>
Non-underlying items			(1,383)
<b>Adjusted EBITDA (after non-underlying items)</b>			<b>10,700</b>
Depreciation of property, plant and equipment			(3,744)
Profit on disposal of assets			109
Amortisation of intangible assets			(591)
Net finance expense			(4,766)
Taxation			(299)
<b>Profit for the period</b>			<b>1,409</b>

For the 3 month period ended 31 December 2020	<i>Segment results</i>		
	Registered	Community Based Care	Group
	£000	£000	£000
Revenue	43,906	25,567	69,473
<b>Adjusted EBITDA (before non-underlying items)</b>	<b>8,240</b>	<b>2,946</b>	<b>11,186</b>
Non-underlying items			(598)
<b>Adjusted EBITDA (after non-underlying items)</b>			<b>10,588</b>
Depreciation and impairment of property, plant and equipment			(4,421)
Loss on disposal of assets			17
Amortisation of intangible assets			(503)
Net finance expense			(4,743)
Taxation			(1,441)
<b>Loss for the period</b>			<b>(503)</b>



3 Operating segments - continued

For the 9 month period ended 31 December 2021	<i>Segment results</i>		
	Registered	Community Based Care	Group
	£000	£000	£000
Revenue	137,931	80,331	218,262
<b>Adjusted EBITDA (before non-underlying items)</b>	<b>27,111</b>	<b>8,579</b>	<b>35,690</b>
Non-underlying items			(2,392)
<b>Adjusted EBITDA (after non-underlying items)</b>			<b>33,298</b>
Depreciation of property, plant and equipment			(10,866)
Profit on disposal of assets			234
Amortisation of intangible assets			(1,918)
Net finance expense			(14,326)
Taxation			(4,725)
<b>Profit for the period</b>			<b>1,697</b>

For the 9 month period ended 31 December 2020	<i>Segment results</i>		
	Registered	Community Based Care	Group
	£000	£000	£000
Revenue	131,056	72,465	203,521
<b>Adjusted EBITDA (before non-underlying items)</b>	<b>24,665</b>	<b>7,441</b>	<b>32,106</b>
Non-underlying items			(1,779)
<b>Adjusted EBITDA (after non-underlying items)</b>			<b>30,327</b>
Depreciation and impairment of property, plant and equipment			(11,576)
Loss on disposal of assets			(473)
Profit on termination of lease obligation			781
Amortisation of intangible assets			(1,783)
Net finance expense			(14,891)
Taxation			(1,771)
<b>Profit for the period</b>			<b>614</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 December 2021 £000	3 months ended 30 December 2020 £000	9 months ended 30 December 2021 £000	9 months ended 30 December 2020 £000
<i>Non-underlying items:</i>	<b>Note</b>				
Day Care income	a	-	-	(77)	-
Consultancy fees	b	193	58	818	670
COVID-19 related expenditure	c	1,689	2,005	3,856	6,520
COVID-19 related reimbursements	d	(690)	(1,582)	(2,534)	(5,844)
Project costs	e	52	61	133	146
Acquisition costs	f	139	56	196	56
Restructuring costs	g	-	-	-	231
Purchase of long-term lease	h	-	-	-	(781)
Impairment of property, plant & equipment	i	-	763	-	1,064
Taxation	j	(123)	-	(314)	-
		<u>1,260</u>	<u>1,361</u>	<u>2,078</u>	<u>2,062</u>

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

(a) *Day Care income*

For the 3 and 9 month period ended 31 December 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 9 month period ended 31 December 2020: £Nil).

(b) *Consultancy fees*

For the 3 and 9 month period ended 31 December 2021, the Group incurred costs in relation to professional advice and consultancy services of £193k and £818k, respectively (3 and 9 month period ended 31 December 2020: £58k and £670k, 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 9 month period ended 31 December 2021 and as a result additional expenditure of £1,689k and £3,856k, respectively, was incurred (3 and 9 month period to 31 December 2020: £2,005k and £6,520k, respectively).



#### 4 Non-underlying items - continued

(d) *COVID-19 related reimbursements*

During the 3 and 9 month period ended 31 December 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 £690k and £2,534k, respectively, for the reimbursement of costs in relation to the global pandemic (3 and 9 month period ended 31 December 2020: £1,582k and £5,844k, 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 9 month period ended 31 December 2021 of £52k and £133k, respectively, were incurred (3 and 9 month period ended 31 December 2020: £61k and £146k, respectively).

(f) *Acquisition costs*

For the 3 and 9 month period ended 31 December 2021, the Group incurred costs in relation to the acquisition of Woodley House Limited of £69k and £107k, respectively, and aborted acquisition costs of £70k and £89k, respectively (3 and 9 month period ended 31 December 2020: £56k).

(g) *Restructuring costs*

For the 9 month period ended 31 December 2020, the Group incurred remuneration costs of £231k in relation to restructuring its workforce (3 and 9 month period ended 31 December 2021: £Nil).

(h) *Purchase of long-term lease*

For the 9 month period ended 31 December 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 9 month period ended 31 December 2021: £Nil).

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

For the 3 and 9 month period ended 31 December 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 £763k and £1,064k, respectively, was incurred (3 and 9 month period ended 31 December 2021: £Nil).

(j) *Taxation*

For the 3 and 9 month period ended 31 December 2021, a taxation credit arose as a result of certain non-underlying items stated in the non-underlying table of £123k and £314k, respectively (3 and 9 month period ended 31 December 2020: £Nil).



5 Operating profit before taxation	3 months ended 30 December 2021 £000	3 months ended 30 December 2020 £000	9 months ended 30 December 2021 £000	9 months ended 30 December 2020 £000
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Operating profit before taxation is stated after charging / (crediting):

***Continuing operations***

Direct expenses and consumables	1,982	1,703	5,680	6,288
Staff costs:				
Wages and salaries	45,948	46,379	140,106	135,509
Social security costs	3,601	3,277	10,377	9,619
Other pension costs	950	891	2,785	2,608
Operating lease rentals:				
Other lease rentals	68	63	268	334
Plant and machinery	77	71	230	241
Depreciation	3,744	3,658	10,866	10,512
Impairment of property, plant and equipment	-	763	-	1,064
(Profit) / loss on disposal of assets	(109)	(17)	(234)	473
Profit on termination of lease obligation	-	-	-	(781)
Amortisation of intangible assets	591	503	1,918	1,783
Other external charges	10,120	6,501	25,595	18,595
Receipts in respect of VAT on the Group's day care activities	-	-	(77)	-
	<u>66,972</u>	<u>63,792</u>	<u>197,514</u>	<u>186,245</u>



**6 Finance income**

	<b>3 months ended 30 December 2021 £000</b>	<b>3 months ended 30 December 2020 £000</b>	<b>9 months ended 30 December 2021 £000</b>	<b>9 months ended 30 December 2020 £000</b>
<b><i>Continuing operations</i></b>				
Bank interest receivable	18	40	54	140

**7 Finance expense**

	<b>3 months ended 30 December 2021 £000</b>	<b>3 months ended 30 December 2020 £000</b>	<b>9 months ended 30 December 2021 £000</b>	<b>9 months ended 30 December 2020 £000</b>
<b><i>Continuing operations</i></b>				
Bank interest including RCF non-utilisation fees	141	142	420	1,018
Loan notes interest	4,446	4,417	13,338	13,253
Unwinding of lease liabilities	163	192	495	595
Other finance costs	34	32	127	165
	<u>4,784</u>	<u>4,783</u>	<u>14,380</u>	<u>15,031</u>

Loan notes interest comprises loan notes interest of £4,032k and £12,098k for the 3 and 9 month period ended 31 December 2021, respectively (£4,032k and £12,098k for the 3 and 9 month period ended 31 December 2020, respectively) and amortisation of issue costs and original issue discount of £414k and £1,240k for the 3 and 9 month period ended 31 December 2021, respectively (£385k and £1,155k for the 3 and 9 month period ended 31 December 2020, respectively).

**8 Taxation**

The Group's underlying consolidated effective tax rate in respect of continuing operations for the 3 and 9 month period ended 31 December 2021 is 13.7% and 57.2%, respectively (3 and 9 month period ended 31 December 2020: 62.7% and 39.8%, respectively).

The Group's consolidated total effective tax rate in respect of continuing operations for the 3 and 9 month period ended 31 December 2021 is 17.5% and 73.6%, respectively (3 and 9 month period ended 31 December 2020: 153.6% and 74.2%, respectively).

The Finance Act 2021 which was substantively enacted on 24 May 2021 required, that for periods ending after this date, the tax rate of 25% to be used instead of 19% when calculating deferred tax. As such, this resulted in a larger credit in the 9 month period ended 31 December 2021.

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>31 December 2021 £000</b>	<b>31 December 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	1,554	1,551
Closing cost	<u>59,137</u>	<u>56,691</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>48,135</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>31 December 2021 £000</b>	<b>31 December 2020 £000</b>	<b>31 March 2021 £000</b>
<b>Cost</b>			
Opening cost	17,023	14,466	14,466
Acquisitions (see note 16)	-	1,151	1,476
Additions	280	747	1,090
Disposals	(72)	-	(9)
Closing cost	<u>17,231</u>	<u>16,364</u>	<u>17,023</u>
<b>Amortisation</b>			
Opening amortisation	11,309	8,748	8,748
Provided during the period	1,918	1,783	2,570
On disposals	(72)	-	(9)
Closing amortisation	<u>13,155</u>	<u>10,531</u>	<u>11,309</u>
<b>Net book value</b>			
Closing net book value	<u>4,076</u>	<u>5,833</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>31 December 2021 £000</b>	<b>31 December 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	2,244	2,206
Additions	15,799	14,230	19,947
Assets classified as held for sale	-	(2,646)	-
Disposals	(1,156)	(2,304)	(7,203)
Closing cost	<u>517,790</u>	<u>498,430</u>	<u>501,856</u>
<b>Depreciation</b>			
Opening depreciation	139,193	128,135	128,135
Charge for the period	10,866	10,512	13,971
Impairment	-	1,064	1,064
Assets classified as held for sale	-	(1,238)	-
Disposals	(1,098)	(1,772)	(3,977)
Closing depreciation	<u>148,961</u>	<u>136,701</u>	<u>139,193</u>
<b>Net book value</b>			
Closing net book value	<u>368,829</u>	<u>361,729</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**

As at 31 December 2020, 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 31 December 2021, there are no assets classified as held for sale (31 December 2020: £2,014k and 31 March 2021: £Nil).

**13 Loans and borrowings**

	<b>31 December 2021 £000</b>	<b>31 December 2020 £000</b>	<b>31 March 2021 £000</b>
Loan notes	247,529	245,904	246,289
Lease liabilities	17,377	21,050	18,245
	<u>264,906</u>	<u>266,954</u>	<u>264,534</u>

Loan notes include unamortised issue costs and original issue discount of £2,471k (31 December 2020: £4,096k 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 £247,529k (31 December 2020: £245,904k and 31 March 2021: £246,289k).



**13 Loans and borrowings - continued**

As at 31 December 2021 there was accrued interest of £2,689k (31 December 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. Loan note interest is settled bi-annually in May and November.

Total debt can be analysed as falling due:

	31 December 2021 £000	31 December 2020 £000	31 March 2021 £000
In one year or less	3,411	3,455	3,618
Between one and five years	255,064	254,646	254,278
After five years	6,431	8,853	6,818
	264,906	266,954	264,714

**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

**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 liabilities £000	Total £000	Total £000
<b>At 31 December 2021</b>					
<i>Financial assets not measured at fair value</i>					
Trade and other receivables	-	20,946	-	20,946	20,946
Cash and cash equivalents	-	38,157	-	38,157	38,157
	-	59,103	-	59,103	59,103
<i>Financial liabilities not measured at fair value</i>					
Senior Secured Loan Notes	-	-	212,981	212,981	214,194
Second Lien Loan Notes	-	-	34,548	34,548	33,285
Trade and other payables	-	-	38,488	38,488	38,488
Lease liabilities	-	-	17,377	17,377	17,377
	-	-	303,394	303,394	303,344
<b>At 31 December 2020</b>					
<i>Financial assets measured at fair value</i>					
Trade and other receivables	-	18,439	-	18,439	18,439
Cash and cash equivalents	-	36,119	-	36,119	36,119
	-	54,558	-	54,558	54,558
<i>Financial liabilities not measured at fair value</i>					
Senior Secured Loan Notes	-	-	211,570	211,570	211,775
Second Lien Loan Notes	-	-	34,334	34,334	31,325
Trade and other payables	-	-	34,840	34,840	34,840
Lease liabilities	-	-	21,050	21,050	21,050
	-	-	301,794	301,794	298,990



15 Financial instruments - continued

	Carrying amount			Total	Fair value
	Financial Liabilities at FV £000	Loans and receivables £000	Other financial liabilities £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	Fair value adjustment	Fair value
	£000	£000	£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)
	<u>1,898</u>	-	
<b>Net assets</b>			<u><b>1,898</b></u>
Goodwill			<u>2,449</u>
			<u><b>4,347</b></u>
Satisfied by:			
Cash			4,045
Settlement of Directors loan account and other outstanding balances			<u>302</u>
<b>Total cost of acquisition</b>			<u><b>4,347</b></u>

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

The Group incurred acquisition costs of £107k which have been expensed as a non-underlying item in the Statement of Profit and Loss.

As at the date of approval of the interim financial statements, the completion accounting on the transaction has not been finalised and therefore the figures stated above are provisional and subject to final amendment. There is no earn out arrangement.



## **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. At the period end, the Company's ultimate parent undertaking was 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.

Upon acquisition of the Group on 14 January 2022, the Directors consider the ultimate controlling party to be the Kuwait Investment Authority ("KIA"), which is registered at Ministries Complex, Al Murqab, P.O. Box: 64, Safat, Zip Code: 13001, Kuwait City, Kuwait.

The largest parent in which the results of the Company are consolidated is that headed by VC Healthcare Topco Limited. Copies of the Group financial statements are available from 3rd floor, 44 Esplanade, St Helier, JE4 9WG, Jersey.

The smallest parent in which the results of the Company are consolidated is that headed by Voyage Bidco Limited. Copies of the Group financial statements are available from Wall Island, Birmingham Road, Lichfield, Staffordshire, WS14 0QP.

## **19 Events subsequent to the balance sheet date**

On 14 January 2022, the Group headed by Voyage Care Holdco Limited was acquired by Vienna Investco Limited, and the ultimate controlling party became the KIA.

On 3 February 2022, the Group completed a refinancing transaction and the gross proceeds were used to redeem in full existing £215 million Senior Secured Notes of 5.875% and £35 million Second Lien Notes of 10%. The Group now has £250 million of 5.875% Senior Secured Notes due 2027. Additionally, on 3 February 2022, the Group replaced an existing £30 million Revolving Credit Facility, due 2023, with a £50 million Revolving Credit Facility, due 2027. At the period end, the existing Revolving Credit Facility was £Nil drawn.