



Voyage BidCo Limited

Q3 2024

**Results for the three month period ended 31 December
2023**

Voyage Care BondCo PLC

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



Table of contents

	Page
	<hr/>
Executive summary	2
Company overview	3
Presentation of financial and other information	4
Management’s discussion and analysis of financial condition and results of operations	5
Debt and leverage	15
Property analysis	16
Glossary of definitions	17
Condensed consolidated financial statements (unaudited)	F
Voyage BidCo Limited (three and six months period ended 31 December 2023)	F1

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. 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 three months ended 31 December 2023 (Q3 2024):

£ million	Q3 2023	Q3 2024
Revenue	80.0	88.7
Underlying adjusted EBITDA	9.5	11.2
Operating profit	3.8	2.9
Profit/(Loss) for the period	(0.6)	(0.9)
Adjusted free cash flow	6.3	7.2

Commentary on results

Performance during Q3 2024 vs. Q3 2023

- CQC quality scores remained high with 89.2% of services achieving a Good or Outstanding rating.
- Revenue increased by 10.9% to £88.7 million primarily due to fee increases and fee rotation.
- Fee increases offered for Q3 2024 were an annualised 9.1%, which compares to 6.0% for Q3 2023.
- Underlying adjusted EBITDA increased by 17.5% to £11.2 million. This was mainly due to reduced agency costs.
- Registered closing occupancy was 93.0% compared to 93.1% in Q3 2023.
- Community based care average direct weekly care hours increased by 400 hours compared to Q3 2023, with an average of 103,800 hours.
- Agency hours at 2.1% of care hours were lower than pre-covid levels.

Recent developments and outlook

- On October 24th it was announced the CEO and CFO would be leaving the business in due course. Transition plans are well advanced with Mike McKessar now appointed as CEO who will be joining early summer. Jayne Davey our current COO will become interim CEO following Andrew Cannon's departure in March. Shaun Parker will retire from his role of CFO in June, with the recruitment process for his successor underway and progressing well.
- The investment we made in Q3 2023 to improve pay and benefits means we continue to see improvements in recruitment, retention and reductions in agency compared to prior periods.
- National living wage confirmed to increase from 1st April 2024 by 9.8% to £11.44. The cost increase will be incorporated into FYE 2025 fee asks in the usual way.
- We continue to pursue M&A opportunities that meet our strict criteria of complementing our existing portfolio, mirroring our high-quality levels and offering economic value.
- We are actively investing in the Digital Transformation of our services which will drive growth and operational effectiveness into the future.
- We continue to deliver high quality care in this essential sector and show a strong financial position and resilient operational performance.



Company Overview

Voyage Care is the UK's leading specialist provider delivering care in residential care homes and community based support. 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 (England), CI (Scotland) or CIW (Wales) 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 six month period ended 31 December 2023 (“Q3 2024” and “YTD 2024”) and 31 December 2022 (“Q3 2023” and “YTD 2023”).

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, 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 2023	Q3 2024	Change	YTD 2023	YTD 2024	Change
Registered care division						
Closing registered capacity (number)	2,059	2,012	(47)	2,059	2,012	(47)
Closing occupancy (number)	1,917	1,871	(46)	1,917	1,871	(46)
Closing occupancy rate %	93.1%	93.0%	(0.1%)	93.1%	93.0%	(0.1%)
Average occupancy (number)	1,918	1,876	(42)	1,910	1,883	(27)
Average occupancy rate %	93.1%	93.0%	(0.1%)	92.8%	92.7%	(0.1%)
Average weekly fees (LTM)	£2,023	£2,226	£203	£2,023	£2,226	£203
Community based care division						
Closing supported people (number)	1,521	1,406	(115)	1,521	1,406	(115)
Closing direct care hours (number)	102,251	101,387	(863)	102,251	101,387	(863)
Average direct care hours (number)	103,429	103,808	379	102,659	104,673	2,014
Average hourly rate (LTM)	£20.43	£22.34	£1.91	£20.43	£22.34	£1.91

Consolidated statement of profit & loss

£ million	Q3 2023	Q3 2024	% Change	YTD 2023	YTD 2024	% Change
Revenue	80.0	88.7	10.9%	235.3	260.1	10.6%
Unit level staff costs	(52.7)	(60.6)	(15.0%)	(152.4)	(181.3)	(18.9%)
Unit level agency costs	(4.4)	(1.6)	62.4%	(12.7)	(5.7)	55.0%
Unit level direct overheads	(7.8)	(8.3)	(6.3%)	(23.2)	(25.4)	(9.6%)
Central overheads	(5.7)	(7.1)	(24.9%)	(17.4)	(20.5)	(17.9%)
Underlying adjusted EBITDA	9.5	11.2	17.5%	29.5	27.1	(8.0%)
Non-underlying items	(1.0)	(0.9)	6.4%	(1.4)	(2.1)	(57.4%)
Adjusted EBITDA	8.5	10.2	20.3%	28.2	25.0	(11.2%)
Depreciation & impairment	(4.2)	(6.5)	(54.9%)	(12.2)	(14.7)	(20.7%)
Profit on disposal of non-current assets	(0.0)	(0.1)	nm	0.9	0.1	(88.9%)
Amortisation of intangible assets	(0.5)	(0.7)	(47.5%)	(1.6)	(2.1)	(32.7%)
Operating profit	3.8	2.9	(24.4%)	15.2	8.3	(45.6%)
Finance income	0.1	0.1	(92.9%)	0.1	0.3	nm
Finance expense	(4.4)	(4.5)	(2.2%)	(13.0)	(13.3)	(1.7%)
Profit/(Loss) before taxation	(0.5)	(1.4)	nm	2.3	(4.7)	nm
Taxation	(0.1)	0.6	nm	(0.5)	(0.2)	56.6%
Profit/(Loss) for the period	(0.6)	(0.9)	nm	1.8	(4.9)	nm
Other financial metrics						
Underlying adjusted unit EBITDA	15.2	18.2	20.2%	46.9	47.7	1.6%
Underlying adjusted unit EBITDA margin %	19.0%	20.5%	1.5%	19.9%	18.3%	(1.6%)
Underlying adjusted EBITDA margin %	11.9%	12.6%	0.7%	12.5%	10.4%	(2.1%)



Revenue

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

- Q3 2024 revenue increased by £8.7 million, or 10.9% to £88.7 million from £80.0 million for Q3 2023, primarily due to fee increases (£8.4 million or 10.5%) and like-for-like growth (£0.3m or 0.4%) which was partially offset by lower Registered occupancy.
- YTD 2024 revenue increased by £24.8 million, or 10.6% to £260.1 million from £235.3 million for YTD 2023, primarily due to fee increases (£22.8 million or 9.7%) and like-for-like growth (£2.0 million or 0.9%) which was partially offset by lower Registered occupancy.

Revenue by division

	<u>Q3 2023</u>	<u>Q3 2024</u>	<u>% Change</u>	<u>YTD 2023</u>	<u>YTD 2024</u>	<u>% Change</u>
Registered care division	51.8	57.5	11.1%	153.3	168.1	9.7%
Community based care division	28.2	31.3	10.7%	82.0	92.0	12.2%
Total Revenue	80.0	88.7	10.9%	235.3	260.1	10.6%

- Q3 2024 Registered revenue increased by £5.7 million, or 11.1% due to fee increases and fee rotation, partially offset by lower occupancy.
- YTD 2024 Registered revenue increased by £14.8 million, or 9.7% due to fee increases and fee rotation, partially offset by lower occupancy.
- Q3 2024 Community revenue increased by £3.1 million, or 10.7% to £31.3 million from £28.2 million for Q3 2023 due to fee increases and an increase in the average number of hours of care provided.
- YTD 2024 Community revenue increased by £10.0 million or 12.2% to £92.0 million from £82.0 million due to fee increases and an increase in the average number of hours of care provided.

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 2024 increased by £5.1 million, or 9.1% to £62.2 million (which represented 70.1% of revenue) from £57.1 million (which represented 71.3% of revenue) for Q3 2023, primarily due to annual wage uplifts driven by the National Living Wage increase and the pay and benefits investment which commenced 1st November 2022. This was partially offset by lower agency usage with agency hours accounting for 2.1% of direct care hours in Q3 2024 compared with 5.1% in Q3 2023.
 - Staff costs for Q3 2024 increased by £7.9 million, or 15.0% to £60.6 million from £52.7 million for Q3 2023.
 - Agency costs for Q3 2024 decreased by £2.8 million to £1.6 million from £4.4 million for Q3 2023.



- Total unit level staff and agency costs for YTD 2024 increased by £21.9 million, or 13.2% to £187.0 million (which represented 71.9% of revenue) from £165.1 million (which represented 70.2% of revenue) for YTD 2023, primarily due to annual wage uplifts driven by the National Living Wage increase and the pay and benefits investment which commenced 1st November 2022. Agency usage decreased with agency hours accounting for 2.4% of direct care hours compared with 5.2% YTD 2023.
 - Staff costs for YTD 2024 increased by £28.9 million, or 18.9% to £181.3 million from £152.4 million for YTD 2023 due primarily to annual wage uplifts along with additional worked hours replacing reduced agency spend.
 - Agency costs for YTD 2024 decreased by £7.0 million to £5.7 million from £12.7 million for YTD 2023 due to increased availability of permanent staff.

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 2024 unit level direct overheads increased by £0.5 million, or 6.3% to £8.3 million from £7.8 million for Q3 2023, which was primarily due to inflationary cost increases.
- YTD 2024 unit level direct overheads increased by £2.2 million, or 9.6% to £25.4 million from £23.2 million for YTD 2023. This was mainly due to inflationary cost increases, primarily utility costs, and for which we are seeking reimbursement through fee increase requests.

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 2024 central overheads increased by £1.4 million, or 24.9% to £7.1 million (8.0% of revenue) from £5.7 million (7.1% of revenue) for Q3 2023, this was primarily due to planned inflationary pay awards averaging 5% from 1st April and increased professional fees relating primarily to I.T. licencing costs.
- YTD 2024 central overheads increased by £3.1 million, or 17.9% to £20.5 million (7.9% of revenue) from £17.4 million (7.4% of revenue) for YTD 2023, this was mainly due to planned inflationary pay awards and increased professional fees relating primarily to I.T. licencing costs.

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 2024 underlying adjusted EBITDA increased by £1.7 million, or 17.5% to £11.2 million from £9.5 million for Q3 2023.
- YTD 2024 underlying adjusted EBITDA decreased by £2.4 million, or 8.0% to £27.1 million from £29.5 million for YTD 2023.



Underlying adjusted EBITDA by division

	<u>Q3 2023</u>	<u>Q3 2024</u>	<u>% Change</u>	<u>YTD 2023</u>	<u>YTD 2024</u>	<u>% Change</u>
Registered care division	7.3	8.4	14.7%	23.6	21.0	(10.8%)
Community based care division	2.2	2.8	26.5%	5.9	6.1	3.1%
Total underlying adjusted EBITDA	9.5	11.2	17.5%	29.5	27.1	(8.0%)

- Registered underlying adjusted EBITDA increased in the quarter primarily due to fee inflation and reduced agency spend.
- YTD 2024 Registered underlying adjusted EBITDA reduced compared to YTD 2023 primarily due to fee inflation and reduced agency spend being more than offset by inflationary cost increases, mainly utility costs.
- Community underlying adjusted EBITDA increased in the quarter primarily due to fee inflation and reduced agency spend.
- YTD 2024 Community underlying adjusted EBITDA increased compared to YTD 2023 primarily due fee inflation and reduced agency spend.

Non-underlying items

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

- Q3 2024 non-underlying items were £0.9 million (Q3 2023: £1.0 million) and were share-based payments, restructuring costs and project costs.
- YTD 2024 non-underlying items were £2.1 million (YTD 2023: £1.4 million). YTD 2024 non-underlying items were share-based payments, restructuring costs and project costs.

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 2024 adjusted EBITDA after non-underlying items increased by £1.7 million, or 20.3% to £10.2 million from £8.5 million for Q3 2023.
- YTD 2024 adjusted EBITDA after non-underlying items decreased by £3.2 million, or 11.2% to £25.0 million from £28.2 million for YTD 2023.

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 2024 depreciation and impairment of property plant and equipment was £6.5 million (Q3 2023: £4.2 million).
- YTD 2024 depreciation and impairment of property plant and equipment was £14.7 million (YTD 2023: £12.2 million).



Profit/loss on disposal of non-current assets

Profit/loss 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 2024 the loss on the disposal of non-current assets was £0.1 million (Q3 2023: £nil).
- For YTD 2024 the profit on the disposal of non-current assets was £0.1 million (YTD 2023: £0.9 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 2024 amortisation of intangible assets was £0.7 million (Q3 2023: £0.5 million).
- YTD 2024 amortisation of intangible assets was £2.1 million (YTD 2023: £1.6 million).

Operating profit

Operating profit consists of earnings before interest and taxation.

- Q3 2024 operating profit decreased by £0.9 million or 24.4% to £2.9 million from £3.8 million in Q3 2023.
- YTD 2024 operating profit decreased by £6.9 million or 45.6% to £8.3 million from £15.2 million in YTD 2023.

Finance income

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

- Q3 2024 interest receivable and other income was £0.1 million (Q3 2023: £0.1 million).
- YTD 2024 interest receivable and other income was £0.3 million (YTD 2023: £0.1 million).

Finance expenses

Finance expenses primarily consist of interest payable and fees relating to the Senior Secured Notes (2017 and 2022) and Second Lien Notes (2017), as well as other finance costs including the interest on the Revolving Credit Facility (RCF) and unwinding of IFRS 16 lease liabilities.

- Q3 2024 interest payable and similar charges on the senior secured notes and RCF increased by £0.1 million to £4.5 million from £4.4 million for Q3 2023.
- YTD 2024 interest payable and similar charges on bank loans increased by £0.3 million to £13.3 million from £13.0 million for YTD 2023.

Profit/(Loss) before taxation

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

- Q3 2024 profit before taxation decreased by £0.9 million, a loss of £1.4 million compared to a loss of £0.5 million for Q3 2023.
- YTD 2024 profit before taxation decreased by £7.0 million, a loss of £4.7 million compared to a profit of £2.3 million for YTD 2023.



Taxation

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

- For Q3 2024 a taxation credit of £0.6 million was recognised, a decrease of £0.7 million from Q3 2023 which was a charge of £0.1 million.
- For YTD 2024 a taxation charge of £0.2 million was recognised, a decrease of £0.3 million from YTD 2023 which was a charge of £0.5 million.

Profit for the period

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

- Q3 2024 profit for the period decreased by £0.3 million to a loss of £0.9 million from a loss of £0.6 million for Q3 2023.
- YTD 2024 profit for the period decreased by £6.7 million to a loss of £4.9 million from a £1.8 million profit for YTD 2023.



Consolidated statement of cash flow

£ million	Q3 2023	Q3 2024	% Change	YTD 2023	YTD 2024	% Change
Underlying adjusted EBITDA	9.5	11.2	(17.9%)	29.5	27.1	(8.1%)
Maintenance capex	(2.8)	(3.0)	(7.1%)	(10.1)	(8.5)	15.8%
IT capex	(0.5)	(1.0)	nm	(1.8)	(2.3)	(27.8%)
Adjusted free cash flow	6.3	7.2	14.3%	17.6	16.4	(6.8%)
<i>Cash conversion %</i>	<i>65.9%</i>	<i>64.3%</i>	<i>(1.6%)</i>	<i>59.8%</i>	<i>60.5%</i>	<i>0.7%</i>
Non-underlying items ⁽¹⁾	(1.0)	(0.9)	(10.0%)	(1.4)	(2.1)	50.0%
Working Capital	2.2	(0.3)	nm	(4.0)	(0.7)	82.5%
Interest	(0.3)	(0.1)	66.7%	(8.3)	(7.7)	7.2%
Taxation	(0.0)	0.8	nm	0.3	0.9	nm
FCF before dev. Capex, acquisitions and financing	7.2	6.6	(8.3%)	4.3	6.7	(55.8%)
Development capex ⁽²⁾	(1.7)	(3.3)	nm	(3.9)	(6.5)	(66.7%)
Acquisition ⁽³⁾	0.0	0.0	nm	(4.2)	0.0	nm
Proceeds from sale	0.1	0.7	nm	1.9	1.9	0.0%
FCF before financing	5.6	4.0	28.6%	(1.9)	2.1	nm
Property and vehicle lease payments (IFRS16)	(1.0)	(1.7)	(70.0%)	(3.3)	(4.2)	(27.3%)
Net cash flow (used in)/generated from financial activities	(5.0)	2.0	nm	(1.0)	5.0	nm
Movement in cash for the period	(0.4)	4.2	nm	(6.3)	2.9	nm
Opening cash and cash equivalents	18.3	14.2	(22.4%)	24.1	15.5	(35.7%)
Closing cash and cash equivalents	17.8	18.4	3.4%	17.8	18.4	3.4%
Undrawn RCF as at 31 December 2023	50.0	43.0	(14.0%)	50.0	43.0	(14.0%)
Total liquidity	67.8	61.4	(9.4%)	67.8	61.4	(9.4%)

(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 where applicable

Maintenance Capex

- Q3 2024 maintenance capex increased by £0.2 million to £3.0 million from £2.8 million for Q3 2023.
- YTD 2024 maintenance capex decreased by £1.6 million to £8.5 million from £10.1 million for YTD 2023 due to planned improvements in spend efficiency.

IT Capex

- Q3 2024 IT capex increased by £0.5m to £1.0m from £0.5 million for Q3 2023 due to planned expenditure on digital transformation.
- YTD 2024 IT capex increased by £0.5 million to £2.3 million from £1.8 million for YTD 2023 due to planned expenditure on digital transformation.

Adjusted free cash flow

- Q3 2024 adjusted free cash flow increased by £0.9 million, or 14.3% to £7.2 million from £6.3 million for Q3 2023 primarily due to an increase in EBITDA.
- YTD 2024 adjusted free cash flow reduced by £1.2 million, or 6.8% to £16.4 million from £17.6 million for YTD 2023 primarily due to lower EBITDA, partially offset by reduced Maintenance Capex spend.



Non-underlying items

- Q3 2024 non-underlying items decreased by £0.1 million to £0.9 million from £1.0 million when compared with Q3 2023.
- YTD 2024 non-underlying items increased by £0.7 million to £2.1 million from £1.4 million when compared with YTD 2023.

Working capital

- Q3 2024 working capital movement was an outflow of £0.3 million which compares to an inflow of £2.2 million for Q3 2023.
- YTD 2024 working capital movement was an outflow of £0.7 million which compares to an outflow of £4.0 million for YTD 2023. The year-on-year movement was due to the timing of supplier payments at the FYE 2023 year end and further enhancements to our Accounts Receivable processes.

Interest

- Q3 2024 interest payable decreased by £0.2 million to £0.1 million from £0.3 million for Q3 2023.
- YTD 2024 interest payable decreased by £0.6 million to £7.7 million from £8.3 million when compared to YTD 2023. This reduction is primarily due to Q3 2023's SSN interest payment having an additional amount relating to when the Bonds were issued.

Taxation

- Q3 2024 included receipts of £0.8 million in relation to corporation tax payments made on account (Q3 2023: £nil). The receipts in Q3 2024 related to overpayments made in previous years.
- YTD 2024 included receipts of £0.9 million in relation to corporation tax payments made on account (YTD 2023: £0.3 million receipts). The receipts YTD 2024 related to overpayments made in previous years.

Free Cash Flow before Development Capex, Acquisitions and Financing

- Q3 2024 Free Cash Flow before Development Capex, Acquisitions and Financing decreased by £0.6 million to an inflow of £6.6 million from £7.2 million inflow in Q3 2023, primarily due an increase in EBITDA being more than offset by an unfavourable working capital movement.
- YTD 2024 Free Cash Flow before Development Capex, Acquisitions and Financing increased by £2.4 million to an inflow of £6.7 million from a £4.3 million inflow in YTD 2023, primarily due to a favourable working capital movement being partially offset by a reduction in EBITDA.

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 2024 development capital expenditure increased by £1.6 million to £3.3 million compared to £1.7 million for Q3 2023.
- YTD 2024 development capital expenditure increased by £2.6 million to £6.5 million compared to £3.9 million in YTD 2023.



Acquisition

- For Q3 2024 expenditure on Acquisitions was £nil compared with £nil in Q3 2023.
- For YTD 2024 expenditure on Acquisitions was £nil compared with a £4.2 million outflow in YTD 2023, which included the trade and assets acquisition of several Registered services and Community Based Care packages from 'The Disabilities Trust'.

Proceeds from sale

- For Q3 2024 there was £0.7 million cash inflow from proceeds from sale of surplus property (Q3 2023: £0.1 million).
- For YTD 2024 there was £1.9 million cash inflow from proceeds from sale of surplus property (YTD 2023: £1.9 million).

Property and vehicle lease payments

- During Q3 2024 we made £1.7 million of total lease payments under IFRS16 which was £0.7 million more than Q3 2023 (£1.0 million). The increase from prior year was mainly due to timing.
- During YTD 2024 we made £4.2 million of total lease payments under IFRS16 which was £0.9 million more than YTD 2023 (£3.3 million). The increase from prior year was mainly due to timing.

Net cash flow used in financing activities

- Q3 2024 net cash flow used in financing activities was an inflow of £2.0 million compared to an outflow of £5.0 million for Q3 2023. The movement compared with prior year was due to a £2.0 million draw down of the RCF in Q3 2024 compared with £5.0 million repaid in Q3 2023.
- YTD 2024 net cash flow used in financing activities was an inflow of £5.0 million, compared to an outflow of £1.0 million for YTD 2023. The movement compared with prior year was due to an increased draw down of the RCF by £5.0 million YTD 2024 partially offset by £1.0 million payment of transaction costs YTD 2023.

Movement in cash for the period

- Q3 2024 movement in cash for the period was a £4.2 million inflow, compared to £0.4 million outflow for Q3 2023.
- YTD 2024 movement in cash for the period was a £2.9 million inflow, compared to £6.3 million outflow for YTD 2023.



Balance Sheet

£ million	Q3 2023	Q3 2024	Change	% Change
Non-current assets	432.8	428.5	(4.3)	(1.0%)
Current assets				
<i>Trade and other receivables</i>	37.1	40.2	3.1	8.4%
<i>Corporation tax receivable</i>	1.2	1.2	0.0	0.0%
<i>Cash and cash equivalents</i>	17.8	18.4	0.6	3.4%
<i>Assets classified as held for sale</i>	0.0	1.0	1.0	nm
Total assets	489.0	489.4	0.4	0.1%
Non-current liabilities				
<i>Loans and borrowings</i>	256.8	257.0	(0.2)	(0.1%)
<i>Tax liabilities</i>	15.7	17.0	(1.3)	(8.3%)
<i>Employee benefits</i>	0.2	1.1	(0.9)	nm
<i>Provisions</i>	1.1	0.1	1.0	90.9%
Current liabilities	68.7	80.7	(12.0)	(17.5%)
Equity	146.5	133.5	13.0	8.9%
Total equity and liabilities	489.0	489.4	(0.4)	(0.1%)



Debt and leverage

At 31 December 2023 and 31 December 2022, our cash balances were £13.6 million and £15.4 million, respectively.

Contractual obligations

The following table summarises our material contractual obligations at 31 December 2023, showing the total principal amount payable and excluding any future interest payments. Following the refinancing completed on 3rd February 2022, the Senior Secured Notes and the Second Lien Notes were replaced by £250m Senior Secured Notes, which are due 2027.

£ million	0-1 year	1-2 years	2 years or more	Total
Senior Secured Notes ⁽¹⁾	-	-	250.0	250.0
Revolving Credit Facility	5.0	-	-	5.0
Total	5.0	0.0	250.0	255.0

(1) Represents the aggregate principal amount of the Senior Secured Notes as at 31 December 2023

Net debt and leverage

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

£ million	As at and for the twelve months ended	
	31-Dec-22	31-Dec-23
Underlying Adjusted EBITDA	42.5	36.5
Estimated full year impact of recent acquisitions	0.0	0.0
Underlying adjusted EBITDA	42.5	36.5
Senior secured net debt:		
Senior secured notes	250.0	250.0
Second lien notes	0.0	0.0
Revolving credit facility	0.0	7.0
Gross debt	250.0	257.0
Cash	(15.4)	(13.6)
Secured net debt	234.6	243.4
IFRS 16 lease liability	16.1	15.5
Net debt including IFRS 16 lease liability	250.6	259.0
Ratio of secured net debt to Underlying Adjusted EBITDA	5.5x	6.7x
Ratio of net debt to Underlying Adjusted EBITDA	5.9x	7.1x



Property Analysis (Open services)

At 31 December 2023 the number of freehold properties held was 263, which was a decrease of 3 compared to December 2022. The net book value of the freehold properties was £318.0 million and represents the historic cost of our properties and comprised the purchase price and subsequent additions, less depreciation. This is substantially lower than the June 2021 freehold market value of £436.0m.

We have reduced our provision of Registered division places by 46 since December 2022 mainly due to closures resulting from portfolio reviews.

We have decreased our provision of Community division supported living places by 44 since 31 December 2022 whilst reducing the number of properties by 18.

In our Registered care division on 31 December 2023, freehold properties made up 89.1% of capacity whereas in Community based care, freehold properties made up 8.3% 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 2023	Registered		Community		Daycare	Total		DCA ⁽⁴⁾
	#	Capacity	#	Capacity	#	#	Capacity	#
Freehold	234	1,792	28	107	1	263	1,899	6
Leasehold/Rental ⁽¹⁾	29	211	3	10	7	39	221	31
3rd Party Owned ⁽²⁾	3	9	274	1,172	0	277	1,181	4
Totals	266	2,012	305	1,289	8	579	3,301	41
Freehold NBV (£m) ⁽³⁾	307.3		8.7		2.0	318.0		

31 December 2022	Registered		Community		Daycare	Total		DCA ⁽⁴⁾
	#	Capacity	#	Capacity	#	#	Capacity	#
Freehold	238	1,829	27	98	1	266	1,927	6
Leasehold/Rental ⁽¹⁾	31	220	3	10	7	41	230	32
3rd Party Owned ⁽²⁾	3	9	293	1,225	0	296	1,234	3
Totals	272	2,058	323	1,333	8	603	3,391	41

Movement	Registered		Community		Daycare	Total		DCA ⁽⁴⁾
	#	Capacity	#	Capacity	#	#	Capacity	#
Freehold	(4)	(37)	1	9	0	(3)	(28)	0
Leasehold/Rental ⁽¹⁾	(2)	(9)	0	0	0	(2)	(9)	(1)
3rd Party Owned ⁽²⁾	0	0	(19)	(53)	0	(19)	(53)	1
Totals	(6)	(46)	(18)	(44)	0	(24)	(90)	0

- (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 represents the historic cost of the properties and comprises purchase price and subsequent additions, less depreciation and excludes assets held for sale and leasehold, encumbered and third party properties. The property portfolio has not been externally valued since June 2021.
- (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 31 December 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 2023

Registered Number: 05752534

Voyage BidCo Limited
Condensed Consolidated Financial Statements (unaudited)
For the 3 and 9 month period ended 31 December 2023



Contents	Page
Condensed Consolidated Statement of Profit and Loss (unaudited)	F3
Condensed Consolidated Statement of Other Comprehensive Income (unaudited)	F5
Condensed Consolidated Statement of Financial Position (unaudited)	F6
Condensed Consolidated Statement of Changes in Equity (unaudited)	F8
Condensed Consolidated Statement of Cash Flow (unaudited)	F10
Notes to the Condensed Consolidated Financial Statements (unaudited)	F12

Voyage BidCo Limited
Condensed Consolidated Statement of Profit and Loss (unaudited)
For the 3 month period ended 31 December 2023



	Notes	3 months ended 31 December 2023			3 months ended 31 December 2022		
		Underlying £000	Non- underlying items (2) £000	Total £000	Underlying £000	Non- underlying items (2) £000	Total £000
Revenue		88,747	-	88,747	80,003	-	80,003
Operating expenses	5	(82,460)	(3,381)	(85,841)	(75,157)	(999)	(76,156)
Adjusted EBITDA (1)		11,166	(935)	10,231	9,508	(999)	8,509
Depreciation and impairment of property, plant and equipment		(4,018)	(2,446)	(6,464)	(4,172)	-	(4,172)
Loss on disposal of assets		(139)	-	(139)	-	-	-
Amortisation of intangible assets		(722)	-	(722)	(490)	-	(490)
Operating profit		6,287	(3,381)	2,906	4,846	(999)	3,847
Finance income	6	108	-	108	57	-	57
Finance expense	7	(4,453)	-	(4,453)	(4,360)	-	(4,360)
Profit / (loss) before taxation		1,942	(3,381)	(1,439)	543	(999)	(456)
Taxation	8	213	374	587	(272)	156	(116)
Profit / (loss) for the period from continuing operations		2,155	(3,007)	(852)	271	(843)	(572)
Profit / (loss) attributable to equity holders of the parent		2,155	(3,007)	(852)	271	(843)	(572)

(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.



	Notes	9 months ended 31 December 2023			9 months ended 31 December 2022		
		Underlying £000	Non- underlying items (2) £000	Total £000	Underlying £000	Non- underlying items (2) £000	Total £000
Continuing operations							
Revenue		260,100	-	260,100	235,262	-	235,262
Operating expenses	5	(247,091)	(4,733)	(251,824)	(218,674)	(1,363)	(220,037)
Adjusted EBITDA (1)		27,142	(2,145)	24,997	29,519	(1,363)	28,156
Depreciation and impairment of property, plant and equipment		(12,125)	(2,588)	(14,713)	(12,194)	-	(12,194)
Profit on disposal of assets		117	-	117	864	-	864
Amortisation of intangible assets		(2,125)	-	(2,125)	(1,601)	-	(1,601)
Operating profit		13,009	(4,733)	8,276	16,588	(1,363)	15,225
Finance income	6	322	-	322	127	-	127
Finance expense	7	(13,251)	-	(13,251)	(13,034)	-	(13,034)
Profit / (loss) before taxation		80	(4,733)	(4,653)	3,681	(1,363)	2,318
Taxation	8	(685)	458	(227)	(747)	225	(522)
(Loss) / profit for the period from continuing operations		(605)	(4,275)	(4,880)	2,934	(1,138)	1,796
(Loss) / profit attributable to equity holders of the parent		(605)	(4,275)	(4,880)	2,934	(1,138)	1,796

(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 2023



	3 months ended 31 December 2023 £000	3 months ended 31 December 2022 £000
Loss for the period	(852)	(572)
<i>Items that will not be reclassified to profit and loss</i>		
<i>Other comprehensive income</i>	-	-
Total comprehensive expense attributable to equity holders of the parent for the financial period	(852)	(572)
	9 months ended 31 December 2023 £000	9 months ended 31 December 2022 £000
(Loss) / profit for the period	(4,880)	1,796
<i>Items that will not be reclassified to profit and loss</i>		
<i>Other comprehensive income</i>	-	-
Total comprehensive (expense) / income attributable to equity holders of the parent for the financial period	(4,880)	1,796

Voyage BidCo Limited
Condensed Consolidated Statement of Financial Position (unaudited)
At 31 December 2023



	Notes	31 December 2023		31 December 2022		31 March 2023	
		£000	£000	£000	£000	£000	£000
<i>Non-current assets</i>							
Goodwill	9	49,256		50,150		49,256	
Intangible assets	10	6,116		3,815		7,229	
Property, plant and equipment	11	373,166		378,877		372,135	
			428,538		432,842		428,620
<i>Current assets</i>							
Trade and other receivables		40,240		37,149		34,133	
Corporation tax receivable		1,237		1,214		2,672	
Cash and cash equivalents		18,405		17,834		15,488	
		59,882		56,197		52,293	
Assets classified as held for sale	12	1,026		-		-	
			60,908		56,197		52,293
Total assets			489,446		489,039		480,913
<i>Current liabilities</i>							
Loans and borrowings	13	11,029		3,502		6,336	
Trade and other payables		45,656		40,484		42,907	
Accruals and deferred income		23,343		24,097		17,008	
Provisions	14	638		625		638	
			80,666		68,708		66,889
<i>Non-current liabilities</i>							
Loans and borrowings	13	257,044		256,825		256,962	
Tax liabilities		17,006		15,720		17,363	
Provisions	14	1,092		1,058		1,107	
Employee benefits		107		203		181	
			275,249		273,806		275,613
Total liabilities			355,915		342,514		342,502
Net assets			133,531		146,525		138,411

Voyage BidCo Limited
Condensed Consolidated Statement of Financial Position (unaudited) - continued
At 31 December 2023



	Notes	31 December 2023		31 December 2022		31 March 2023	
		£000	£000	£000	£000	£000	£000
Equity							
<i>Capital and reserves</i>							
Issued share capital		-		-		-	
Share premium		252,872		252,872		252,872	
Retained earnings		(119,341)		(106,347)		(114,461)	
Total equity attributable to equity holders of the parent			133,531		146,525		138,411

Company registered no. 05752534



Voyage BidCo Limited
Condensed Consolidated Statement of Changes in Equity (unaudited)
For the 3 month period ended 31 December 2023

Group	Issued share capital £000	Share premium £000	Retained earnings £000	Total parent equity £000
At 1 October 2023	-	252,872	(118,489)	134,383
<i>Total comprehensive income for the period</i>				
Loss for the period	-	-	(852)	(852)
Other comprehensive income	-	-	-	-
Total comprehensive expense for the period	-	-	(852)	(852)
At 31 December 2023	-	252,872	(119,341)	133,531

For the 3 month period ended 31 December 2022

Group	Issued share capital £000	Share premium £000	Retained earnings £000	Total parent equity £000
At 1 October 2022	-	252,872	(105,775)	147,097
<i>Total comprehensive income for the period</i>				
Loss for the period	-	-	(572)	(572)
Other comprehensive income	-	-	-	-
Total comprehensive expense for the period	-	-	(572)	(572)
At 31 December 2022	-	252,872	(106,347)	146,525

Voyage BidCo Limited
 Condensed Consolidated Statement of Changes in Equity (unaudited) - continued
 For the 9 month period ended 31 December 2023



Group	Issued share capital £000	Share premium £000	Retained earnings £000	Total parent equity £000
At 1 April 2023	-	252,872	(114,461)	138,411
<i>Total comprehensive income for the period</i>				
Loss for the period	-	-	(4,880)	(4,880)
Other comprehensive income	-	-	-	-
Total comprehensive expense for the period	-	-	(4,880)	(4,880)
At 31 December 2023	-	252,872	(119,341)	133,531

For the 9 month period ended 31 December 2022

Group	Issued share capital £000	Share premium £000	Retained earnings £000	Total parent equity £000
At 1 April 2022	-	252,872	(108,143)	144,729
<i>Total comprehensive income for the period</i>				
Profit for the period	-	-	1,796	1,796
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	1,796	1,796
At 31 December 2022	-	252,872	(106,347)	146,525

Voyage BidCo Limited
Condensed Consolidated Statement of Cash Flow (unaudited)
For the 3 and 9 month period ended 31 December 2023



	3 months ended 31 December 2023 £000	3 months ended 31 December 2022 £000	9 months ended 31 December 2023 £000	9 months ended 31 December 2022 £000
Cash flows from operating activities				
(Loss) / profit for the period	(852)	(572)	(4,880)	1,796
Adjustments for:				
Depreciation and impairment of property, plant and equipment	6,464	4,172	14,713	12,194
Loss / (profit) on disposal of non-current assets	139	-	(117)	(864)
Amortisation of intangible assets	722	490	2,125	1,601
Finance income	(108)	(57)	(322)	(127)
Finance expense	4,453	4,360	13,251	13,034
Taxation	(587)	116	227	522
Movements in working capital:				
(Increase) / decrease in trade and other receivables	(92)	2,156	(6,114)	(5,910)
(Decrease) / increase in trade and other payables	(894)	730	2,668	2,803
Increase / (decrease) in accruals and deferred income	747	(684)	2,871	(896)
(Decrease) / increase in provisions	(37)	12	(89)	(37)
<i>Cash generated from operating activities</i>	<u>9,955</u>	<u>10,723</u>	<u>24,333</u>	<u>24,116</u>
Interest paid	(254)	(351)	(8,059)	(8,393)
Tax received / (paid)	788	(28)	860	308
Net cash generated from operating activities	<u>10,489</u>	<u>10,344</u>	<u>17,134</u>	<u>16,031</u>

Voyage BidCo Limited

Condensed Consolidated Statement of Cash Flow (unaudited) - continued

For the 3 and 9 month period ended 31 December 2023



	3 months ended 31 December 2023 £000	3 months ended 31 December 2022 £000	9 months ended 31 December 2023 £000	9 months ended 31 December 2022 £000
Cash flows from investing activities				
Interest received	108	57	322	127
Payments to acquire property, plant and equipment	(7,059)	(4,681)	(16,209)	(15,328)
Payments to acquire intangible assets	(251)	(211)	(1,012)	(402)
Proceeds from sales of property, plant and equipment	681	64	1,872	1,855
Net cash outflow on acquisition of subsidiaries	-	-	-	(4,182)
Net cash used in investing activities	(6,521)	(4,771)	(15,027)	(17,930)
Cash flows from financing activities				
Proceeds from loans and borrowings	2,000	(5,000)	5,000	-
Payment of transaction costs	-	-	-	(1,015)
Property and vehicle lease payments	(1,741)	(1,020)	(4,190)	(3,337)
Net cash generated from / (used in) financing activities	259	(6,020)	810	(4,352)
Net increase / (decrease) in cash and cash equivalents in the period	4,227	(447)	2,917	(6,251)
Cash and cash equivalents at the beginning of the period	14,178	18,281	15,488	24,085
Cash and cash equivalents at the end of the period	18,405	17,834	18,405	17,834



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 injuries and other complex needs. The registered office of the company is Voyage Care, Wall Island, Birmingham Road, Lichfield, Staffordshire, WS14 0QP.

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 UK-adopted International Accounting Standards ("UK-adopted IFRSs") applicable for the 3 and 9 month period ended 31 December 2023, together with comparative period data for the 3 and 9 month period ended 31 December 2022.

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 2023. 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 2023 should be referred to in connection with these condensed consolidated financial statements as they remain applicable.

Adopted IFRS not yet applied

The following UK-adopted IFRSs have been issued but have not been applied in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise stated:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective date to be confirmed); and
- Annual Improvements to IFRS Standards 2018-2020 (effective date to be confirmed).

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



2 Accounting policies - continued

Going concern

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

The Group, of which the Company is a member, is funded through a combination of Shareholders' Funds, Unsecured Shareholder Loans, Senior Secured Notes and cash generated from operations. These include £250 million of 5.875% Senior Secured Notes listed on the International Stock Exchange that are due in February 2027 and a Revolving Credit Facility of £50 million, due 2026, of which £43 million was undrawn at 31 December 2023.

The Directors have prepared cash flow forecasts in order to assess going concern for a period of at least 12 months from the date of approval of these financial statements, which take into account sensitised cash flow forecasts and 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, including consideration of a reduction in fee inflation, the impact of increased levels of cost inflation throughout the going concern period, the potential impact of the principal risks and compliance with the debt covenant associated with the Revolving Credit Facility.

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. It is, therefore, 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 (2022: £Nil).

Although it is not a requirement or intention to comply with IFRS 8, Management have elected to disclose information in relation to the Group's operating segments.

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



3 Operating segments - continued

	<i>Segment results</i>		
	Registered	Community Based Care	Group
	£000	£000	£000
For the 3 month period ended 31 December 2023			
Revenue	57,486	31,261	88,747
Adjusted EBITDA (before non-underlying items)	8,383	2,783	11,166
Non-underlying items			(935)
Adjusted EBITDA (after non-underlying items)			10,231
Depreciation and impairment of property, plant and equipment			(6,464)
Loss on disposal of assets			(139)
Amortisation of intangible assets			(722)
Net finance expense			(4,345)
Taxation			587
Loss for the period			(852)

	<i>Segment results</i>		
	Registered	Community Based Care	Group
	£000	£000	£000
For the 3 month period ended 31 December 2022			
Revenue	51,766	28,237	80,003
Adjusted EBITDA (before non-underlying items)	7,185	2,323	9,508
Non-underlying items			(999)
Adjusted EBITDA (after non-underlying items)			8,509
Depreciation of property, plant and equipment			(4,172)
Amortisation of intangible assets			(490)
Net finance expense			(4,303)
Taxation			(116)
Loss for the period			(572)



3 Operating segments - continued

For the 9 month period ended 31 December 2023	<i>Segment results</i>		
	Registered	Community Based Care	Group
	£000	£000	£000
Revenue	168,061	92,039	260,100
Adjusted EBITDA (before non-underlying items)	21,017	6,125	27,142
Non-underlying items			(2,145)
Adjusted EBITDA (after non-underlying items)			24,997
Depreciation and impairment of property, plant and equipment			(14,713)
Profit on disposal of assets			117
Amortisation of intangible assets			(2,125)
Net finance expense			(12,929)
Taxation			(227)
Loss for the period			(4,880)

For the 9 month period ended 31 December 2022	<i>Segment results</i>		
	Registered	Community Based Care	Group
	£000	£000	£000
Revenue	153,255	82,007	235,262
Adjusted EBITDA (before non-underlying items)	23,456	6,063	29,519
Non-underlying items			(1,363)
Adjusted EBITDA (after non-underlying items)			28,156
Depreciation of property, plant and equipment			(12,194)
Profit on disposal of assets			864
Amortisation of intangible assets			(1,601)
Net finance expense			(12,907)
Taxation			(522)
Profit for the period			1,796



4 Non-underlying items

The Group separately identifies and discloses certain items, referred to as non-underlying items, by virtue of size and nature. 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 31 December 2023 £000	3 months ended 31 December 2022 £000	9 months ended 31 December 2023 £000	9 months ended 31 December 2022 £000
<i>Non-underlying items:</i>	Note				
Impairment of property, plant & equipment	a	2,446	-	2,588	-
Consultancy fees	b	160	383	232	624
COVID-19 related expenditure	c	-	-	-	45
COVID-19 related reimbursements	d	-	(55)	-	(357)
Restructuring costs	e	242	454	347	727
Project costs	f	59	28	182	126
Share-based payments	g	455	-	1,365	-
Acquisition costs	h	19	189	19	198
Taxation	i	(374)	(156)	(458)	(225)
		<u>3,007</u>	<u>843</u>	<u>4,275</u>	<u>1,138</u>

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

(a) *Impairment of property, plant and equipment*

The Group recognised an impairment charge due to the carrying amount of an asset exceeding its recoverable amount. As a result, for the 3 and 9 month period ended 31 December 2023, an impairment charge of £2,446k and £2,588k, respectively, was incurred (3 and 9 month period ended 31 December 2022: £Nil).

(b) *Consultancy fees*

For the 3 and 9 month period ended 31 December 2023, the Group incurred costs of £160k and £232k in relation to professional advice and consultancy services to support management develop a new strategy following the sale of the Group headed by Voyage Care HoldCo Limited (3 and 9 month period ended 31 December 2022: £383k and £624k, 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 2022 and as a result additional expenditure of £Nil and £45k, respectively, was incurred (3 and 9 month period to 31 December 2023: £Nil).



4 Non-underlying items - continued

(d) *COVID-19 related reimbursements*

During the 3 and 9 month period ended 31 December 2022, 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 £55k and £357k, respectively, for the reimbursement of costs in relation to the global pandemic (3 and 9 month period ended 31 December 2023: £Nil).

(e) *Restructuring costs*

For the 3 and 9 month period ended 31 December 2023, the Group incurred remuneration costs of £242k and £347k, respectively, in relation to restructuring its workforce (3 and 9 month period ended 31 December 2022: £454k and £727k, respectively).

(f) *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 2023 of £59k and £182k, respectively, were incurred (3 and 9 month period ended 31 December 2022: £28k and £126k, respectively).

(g) *Share-based payments*

During the 3 and 9 month period ended 31 December 2023, the Group expensed shared-based payments for key management personnel and senior employees of £455k and £1,365k respectively (3 and 9 month period ended 31 December 2022: £Nil).

(h) *Acquisition costs*

For the 3 and 9 month period ended 31 December 2023, the Group incurred aborted acquisition costs of £19k (3 and 9 month period ended 31 December 2022: £189k and £196k respectively, in relation to business combination costs and £Nil and £2k respectively, in relation to aborted acquisition costs).

(i) *Taxation*

For the 3 and 9 month period ended 31 December 2023, a taxation credit of £374k and £458k respectively, arose as a result of certain non-underlying items (3 and 9 month period ended 31 December 2022: £156k and £225k, respectively).



5	Operating profit before taxation	3 months ended 31 December 2023 £000	3 months ended 31 December 2022 £000	9 months ended 31 December 2023 £000	9 months ended 31 December 2022 £000
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Operating profit before taxation is stated after charging / (crediting):

Continuing operations

Direct expenses and consumables	2,208	1,953	6,449	5,934
Staff costs:				
Wages and salaries	59,794	51,759	178,712	150,513
Social security costs	4,919	4,039	14,483	12,069
Other pension costs	1,246	1,049	3,658	3,010
Operating lease rentals:				
Other lease rentals	111	131	454	343
Plant and machinery	62	74	215	215
Depreciation of property, plant & equipment	4,018	4,172	12,125	12,194
Impairment of property, plant & equipment	2,956	-	3,098	-
Loss / (profit) on disposal of assets	139	-	(117)	(864)
Amortisation of intangible assets	722	490	2,125	1,601
Other external charges	10,176	12,489	31,132	35,022
	<u>86,351</u>	<u>76,156</u>	<u>252,334</u>	<u>220,037</u>



6 Finance income

	3 months ended 31 December 2023 £000	3 months ended 31 December 2022 £000	9 months ended 31 December 2023 £000	9 months ended 31 December 2022 £000
<i>Continuing operations</i>				
Bank interest receivable	108	57	322	127

7 Finance expense

	3 months ended 31 December 2023 £000	3 months ended 31 December 2022 £000	9 months ended 31 December 2023 £000	9 months ended 31 December 2022 £000
<i>Continuing operations</i>				
Bank interest including RCF fees	224	173	642	498
Loan notes interest	3,995	3,977	11,975	11,916
Unwinding of lease liabilities	194	153	522	471
Other finance costs	40	57	112	149
	<u>4,453</u>	<u>4,360</u>	<u>13,251</u>	<u>13,034</u>

Loan notes interest comprises interest on Senior Secured Notes of £3,672k and £11,016k for the 3 and 9 month period ended 31 December 2023, respectively (£3,672k and £11,016k for the 3 and 9 month period ended 31 December 2022, respectively) and amortisation of issue costs and original issue discount of £323k and £959k for the 3 and 9 month period ended 31 December 2023, respectively (£305k and £900k for the 3 and 9 month period ended 31 December 2022, 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 2023 is (11.0)% and 856.3%, respectively (3 and 9 month period ended 31 December 2022: 50.1% and 20.2%, respectively).

The Group's consolidated total effective tax rate in respect of continuing operations for the 3 and 9 month period ended 31 December 2023 is 40.8% and (4.9)%, respectively (3 and 9 month period ended 31 December 2022: (25.4)% and 22.5%, 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

	31 December 2023 £000	31 December 2022 £000	31 March 2023 £000
Cost			
Opening cost	57,812	57,301	57,301
Acquisitions	-	1,405	511
Closing cost	<u>57,812</u>	<u>58,706</u>	<u>57,812</u>
Accumulated impairment charge			
Opening and closing impairment	<u>8,556</u>	<u>8,556</u>	<u>8,556</u>
Net book value			
Closing net book value	<u>49,256</u>	<u>50,150</u>	<u>49,256</u>
Opening net book value	<u>49,256</u>	<u>48,745</u>	<u>48,745</u>

10 Intangible assets

	31 December 2023 £000	31 December 2022 £000	31 March 2023 £000
Cost			
Opening cost	23,963	18,830	18,830
Acquisitions	-	-	1,192
Additions	1,012	403	1,862
Transfer in	-	-	2,150
Disposals	(112)	(1)	(71)
Closing cost	<u>24,863</u>	<u>19,232</u>	<u>23,963</u>
Amortisation			
Opening amortisation	16,734	13,816	13,816
Provided during the period	2,125	1,601	2,306
Transfer in	-	-	683
On disposals	(112)	-	(71)
Closing amortisation	<u>18,747</u>	<u>15,417</u>	<u>16,734</u>
Net book value			
Closing net book value	<u>6,116</u>	<u>3,815</u>	<u>7,229</u>
Opening net book value	<u>7,229</u>	<u>5,014</u>	<u>5,014</u>



11 Property, plant and equipment

	31 December 2023 £000	31 December 2022 £000	31 March 2023 £000
Cost			
Opening cost	542,160	525,185	525,185
Acquisitions	-	2,777	2,898
Additions	18,529	15,984	21,142
Assets classified as held for sale	(4,323)	-	-
Transfers out	-	-	(2,150)
Disposals	(4,634)	(2,260)	(4,915)
Closing cost	<u>551,732</u>	<u>541,686</u>	<u>542,160</u>
Depreciation			
Opening depreciation	170,025	151,885	151,885
Charge for the period	12,125	12,194	16,843
Impairment	2,588	-	4,855
Assets classified as held for sale	(3,297)	-	-
Transfer out	-	-	(683)
Disposals	(2,875)	(1,270)	(2,875)
Closing depreciation	<u>178,566</u>	<u>162,809</u>	<u>170,025</u>
Net book value			
Closing net book value	<u>373,166</u>	<u>378,877</u>	<u>372,135</u>
Opening net book value	<u>372,135</u>	<u>373,300</u>	<u>373,300</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 31 December 2023, the assets classified as held for sale were £1,026k (31 December 2022: £Nil and 31 March 2023: £Nil).

13 Loans and borrowings

	31 December 2023 £000	31 December 2022 £000	31 March 2023 £000
Bank loans	7,000	-	2,000
Loan notes	245,526	244,256	244,567
Lease liabilities	15,547	16,071	16,731
	<u>268,073</u>	<u>260,327</u>	<u>263,298</u>



13 Loans and borrowings - continued

Loan notes include unamortised issue costs and original issue discount of £4,474k (31 December 2022: £5,744k and 31 March 2023: £5,433k) which after deducting from the loan note balance due of £250 million results in a net loan note liability of £245,526k (31 December 2022: £244,256k and 31 March 2023: £244,567k).

As at 31 December 2023 there was accrued interest of £5,550k (31 December 2022: £5,550k and 31 March 2023: £1,878k) 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:

	31 December 2023 £000	31 December 2022 £000	31 March 2023 £000
In one year or less	11,029	3,502	6,336
Between one and five years	254,090	252,581	253,784
After five years	2,954	4,244	3,178
	<u>268,073</u>	<u>260,327</u>	<u>263,298</u>

Loan notes

The Group issued £250 million Senior Secured Loan notes due 2027 whereby interest is cash settled bi-annually. The Notes are listed on The International Stock Exchange. In addition, the Group is party to a £50 million Revolving Credit Facility of which £43 million is undrawn as at 31 December 2023. The security granted on the Senior Secure Notes and RCF is detailed in note 15.

The fair value of £250 million Senior Secured Loan Notes as at 31 December 2023 was £181,825k (31 December 2022: £210,720k and 31 March 2023: £207,138k).

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	250,000	5.875%	Feb-27
Revolving Credit Facility				
Utilised	GBP	7,000	SONIA + 3.25%	Nov-26
Non utilised	GBP	43,000	1.1%	Nov-26

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 Contingent liability

Security granted on the Senior Secured Notes and the Revolving Credit Facility

Certain wholly owned subsidiaries in the Voyage Care Group have guaranteed the amounts due under the Senior Secured Loan Notes and the Revolving Credit Facility. The Group's feehold and long leasehold properties are subject to a registered debenture that forms security for the aforementioned loans and borrowings.

16 Controlling party

The Company's immediate parent undertaking is Voyage Care BidCo Limited which is registered in England and Wales. At the period end, the Directors consider the ultimate controlling party to be the Kuwait Investment Authority, 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 VC Healthcare TopCo Limited. Copies of the Group financial statements are available from 3rd floor, 44 Esplanade, St Helier, JE4 9WG, Jersey.