



Voyage BidCo Limited
Results for the year ended 31 March 2024

Voyage Care BondCo PLC

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



Table of contents

	Page
Executive summary	2
Company overview	4
Presentation of financial and other information	5
Management	6
Principal shareholders	8
Description of other indebtedness	8
Management's discussion and analysis of financial condition and results of operations	9
Debt and leverage	18
Property analysis	19
Glossary of definitions	20
Condensed consolidated financial statements (audited)	F
Voyage BidCo Limited (31 March 2024)	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 Annual Report, "Issuer" refers only to Voyage Care BondCo PLC. In this Annual 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 Annual Report.



Executive Summary

Financial highlights

The table below summarises financial information for the year ended 31 March 2024:

£ million	FYE 2023	FYE 2024
Revenue	315.2	348.7
Underlying adjusted EBITDA	38.9	40.0
Operating profit	11.2	14.8
Profit/(Loss) for the period	(6.3)	(2.1)
Adjusted free cash flow	24.4	25.8

Commentary on results

Performance during FYE 2024 vs. FYE 2023

- CQC quality scores remained high with 88.9% of services achieving a Good or Outstanding rating.
- Revenue increased by 10.6% to £348.7 million due to fee increases and fee rotation.
- Underlying adjusted EBITDA increased by 2.8% to £40.0 million, mainly due to reduced agency costs.
- Community based care closing weekly direct care hours decreased year on year by c.1,500, although average weekly care hours for FYE 2024 increased by c.1,400 hours compared to FYE 2023, with an average of 104,500 hours.

Recent developments

- Mike McKessar (CEO) and Peter Haspel (Interim CFO) joined Voyage Care in June and May, following Andrew's departure in March and Shaun retiring at the end of June. Jayne Davey (COO) continues to provide support during this period of transition. Recruitment for Voyage's new COO will commence in the short to medium term.
- On 22nd April Voyage Care acquired KDL Investments Limited and its 4 subsidiaries, supporting individuals with complex behavioural needs in the North of England. The acquisition acquired the freehold properties of 7 registered services with a capacity of 58, and a Community Based Care service supporting up to a further 6 individuals.
- 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 increased from 1st April 2024 by 9.8% to £11.44. The cost increase has been incorporated into FYE 2025 fee asks in the usual way.
- 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, 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.

Employees

Like all companies which provide social care services, the key to the Group's success is the skills and capabilities of the people we employ.

The Group recognises the recruitment, training and retention of skilled employees is critical to its success. As a result, we continued to invest in training, approximately £1.5 million in the year ended 31 March 2024 (2023: £2.1 million), in order to ensure that our employees are fully up-to-date in the best ways of providing care for those we support.

The Group has an in-house learning and development team which is dedicated to delivering courses on all relevant subjects, enabling the Group's employees to gain the necessary skill set, knowledge and confidence to achieve Voyage Care's high standards of care for the people we support. The Group's in-house learning and development team is also registered with Ofsted and has achieved a 'Good' rating. Recruitment from first point of contact to employment, including Disclosure and Barring Service checks, is administered by the Group's



bespoke system, employee turnover is closely monitored and exit interviews performed to identify underlying trends.

The Group has a People department which works closely with the Group's employees to foster consultation in all matters, ensure fair pay for all and facilitate flexible working where feasible. The Group's policies ensure any discrimination will not be tolerated, either directly or indirectly, in recruitment or employment. We demonstrate the Group's commitment by promoting equal opportunities for current and potential employees, promoting an environment free from discrimination, bullying, harassment and challenging behaviour and providing support and encouragement to the employees to develop their careers and increase their contribution to the Group.

Voyage Care is committed to having a diverse workforce in terms of gender, ethnicity, background and experience at all levels within the organisation. We recognise that a diverse Senior Executive team is good for business in terms of gender and ethnicity as well as experience, background, skills and knowledge.

Insurance

We maintain insurance of the type, and in the amounts, that we believe are commercially reasonable and appropriate for our operational and risk profile. Our insurance programme includes the following coverage: medical malpractice insurance, public liability insurance and employers' liability insurance as well as coverage for property damage and business interruption risks, directors and officers' liability insurance, coverage for group personal accident and professional indemnity and comprehensive insurance on motor vehicles operated by our employees.

Legal and regulatory proceedings

As at the balance sheet date, Voyage Care provides care services to 3,261 individuals with complex care and support needs. In the ordinary course of Voyage Care's business and in line with other operators in the sector, at any point in time there will be a number of incidents recorded in services that are under investigation either internally or by external parties. If an external investigation concludes that the group has not met its regulatory obligations or its legal duties, the group may incur financial penalties. At the time of approving the accounts, the timing and quantum of any financial penalties for matters under external investigation are unknown.



Presentation of financial and other information

Financial data

Unless otherwise stated, this Annual Report includes the consolidated financial information (audited) of Voyage BidCo Limited and its subsidiaries for the financial year ended 31 March 2024 (“FYE 2024”) and 31 March 2023 (“FYE 2023”).

Other financial measures

In this Annual 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 Annual 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

Board of Directors

Prior to the Acquisition, the main decision body for Voyage Care was the board of directors of Voyage Care HoldCo Limited. Following the consummation of the acquisition, the main decision body for Voyage Care is the board of directors of VC Healthcare Topco Limited, a company registered under Jersey law. The board of directors of VC Healthcare Topco Limited is composed of the following members:

Name	Job Title	Name	Job Title
Natalie-Jane Macdonald	Non-executive Chair	Benedetto de Biasio	Non-executive Director - Wren House
Michael McKessar	Chief Executive Officer	Gregory Pestrak	Non-executive Director - Wren House
Jayne Davey	Chief Operating Officer	Philip Bownes	Non-executive Director - Wren House
Peter Haspel	Interim Chief Financial Officer	Gabrielle Silver	Non-executive Director

Summarised below is a brief description of the experience of the individuals who serve as members of the Board of Directors of Voyage Care HoldCo Limited.

Natalie-Jane Macdonald (Non-executive Chair) joined the Voyage Care board as Chair in June 2022. She has over 30 years' experience in health and social care. She is the Chair of Nuffield Health and Edison Young People and a non-executive director at Riverstone Living. She has previously been a non-executive director at the Royal National Orthopaedic Hospital, the Private Health Information Network (PHIN) and a council member of Which?. In her executive career she was a physician in the NHS, head of Medical Ethics at the BMA, Managing Director of Bupa's UK insurance and wellbeing division, CEO of children's services business, Acorn Care and Education and CEO of Sunrise Senior Living.

Michael McKessar (Chief Executive Officer) was appointed to the board of the Group on 25th June 2024. Mike is an experienced and highly regarded leader in the social care sector having been Chief Commercial Officer at HC-One since 2021 where he was responsible for transformation, growth and customer, external affairs and commissioner partnerships. Prior to this he was Commercial Director at Sunrise Senior Living and spent nine years at Bupa in various senior roles.

Jayne Davey (Chief Operating Officer) was appointed to the board of the Company on 1 October 2015 and has served as Chief Operating Officer since February 2015. Jayne had previously been our Director of Quality and Improvement since March 2013. For over seventeen years Jayne has held a number of senior positions both within the health and social care sector and for large corporate, quality led, service businesses. Jayne joined from Saga Healthcare where she was the Director responsible for the quality, safety and governance functions along with other key support and customer facing services.

Peter Haspel (Interim Chief Financial Officer) was appointed to the board of the Group on 21st May 2024. Peter has extensive experience in financial and commercial roles including as CFO and CEO for multi-site property backed businesses across a range of sectors, including care, and social housing, student accommodation and leisure, both in the UK and Europe. Most recently Peter was Interim CFO at specialist care provider Elysium Healthcare and, prior to that Interim CFO at care home and social housing provider Anchor Hannover Group.



Benedetto de Biasio (Non-executive Director – Wren House) has been a director of the Company since January 2022. Benedetto is a senior member of the investment team at Wren House and focuses on origination and execution of global infrastructure investments particularly in the social infrastructure sector. Prior to joining Wren House in April 2014, Benedetto worked for Morgan Stanley's investment banking division in London and New York, where his expertise was in Power & Utilities and infrastructure M&A, and in UBS's Securities Lending & Financing department based in Zurich.

Gregory Pestrak (Non-executive Director – Wren House) has been a director of the Company since January 2022. Gregory is a Managing Director at Wren House and a member of its Executive Committee, where his focus is on asset management across the portfolio. Gregory represents Wren House on the Board of London City Airport and of Associated British Ports. Prior to joining Wren House in July 2017, he was a Partner in KPMG's Global Strategy Group based in the UK, where he was the infrastructure lead from 2009.

Philip Bownes (Non-executive Director – Wren House) joined the board of the Company in January 2022. Philip is General Counsel at Wren House and is a member of its Executive Committee. Philip has been involved in all acquisitions and disposals carried out by Wren House since it was first established in 2013 and he is a member of the Board of a number of Wren House's subsidiary companies. As a qualified solicitor, prior to joining Wren House in May 2014 he worked in private practice for Slaughter and May and White and Case.

Gabrielle Silver (Non-executive Director) joined the board of the company in November 2022. Gabrielle is the Chief Executive Officer of Bioscript Group, a scientific communications business. Most recently she led CHS Healthcare, a business focusing on supporting people as they transitioned from the health to social care sector. She has also served as a non-executive director at the Royal National Orthopaedic Hospital NHS Trust for the last 7 years. Over the same period, she was a director of a US listed business, Opiant Pharmaceuticals, a biotech focused on developing drugs for addictive disorder. She has broad leadership experience in the healthcare sector across life sciences, medical technology, software development as well as healthcare services.



Principal shareholders

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 ("KIA"), which is registered at Ministries Complex, Al Murqab, P.O. Box: 64, Safat, Zip Code: 13001, Kuwait City, Kuwait.

Description of other indebtedness

Revolving Credit Facility

On 20 January 2022, Voyage, together with the Guarantors (National Westminster Bank PLC, Lloyds Bank PLC, J.P. Morgan Securities PLC and Barclays Bank PLC), entered into a new £50 million super senior Revolving Credit Facility Agreement (RCF). The RCF provides that we may elect to request additional facilities either as a new facility or as additional tranches of the RCF. The maximum aggregate principal amount of indebtedness outstanding under the RCF and all additional facility commitments shall not exceed an amount equal to the amount of consolidated EBITDA.

The Revolving Credit Facility Agreement also contains a "notes purchase condition" covenant. Subject to certain exceptions set out in the Revolving Credit Facility Agreement, the Company may not, and shall procure that no other member of the Group will, repay, prepay, purchase, defease, redeem or otherwise acquire or retire the principal amount of the Notes or any indebtedness ranking pari passu with the Notes (or any replacement or refinancing thereof as permitted under the Revolving Credit Facility Agreement from time to time) prior to its scheduled repayment date in any manner which involves the payment of cash consideration of the Group to a person which is not a member of the Group. The exceptions to such covenant include (among other things) payments that do not exceed 50% of the aggregate original principal amount of the Senior Secured Debt (as such term is defined in the Revolving Credit Facility Agreement) in existence as at the Issue Date or incurred at any time after the Issue Date.

The parent under the RCF is Voyage BidCo Limited, which is also an original borrower along with Voyage Limited, Voyage 1 Limited and Voyage Care Limited (each a "Borrower", together the "Borrowers"). The RCF is guaranteed by the Guarantors and the Issuer. The facility agent (the "Agent") under the RCF is Lloyds TSB Bank plc.

Intercreditor Agreement

To establish the relative rights of certain of our creditors under our financing arrangements, the Company and certain of its subsidiaries (including the Guarantors) (together the "Debtors") have entered into the Intercreditor Agreement dated on or about the date of the Offering with, among others, the Security Agent, the lenders under our Revolving Credit Facility Agreement (together with any other facility permitted to be designated as a 'Senior Facilities Agreement' under the Intercreditor Agreement, a "Senior Facilities Agreement"), any lenders under any Senior Facilities Agreement (together with lenders under the Revolving Credit Facility Agreement, the "Senior Lenders"), the counterparts under certain hedging agreements (the "Hedging Counterparties" and together with the Senior Lenders, the "Senior Creditors") and the senior agent under our Revolving Credit Facility (together with any agent under any other Senior Facilities Agreement, the "Senior Facility Agent"). The Intercreditor Agreement is governed by English law and sets out, among others, the relative ranking of certain indebtedness of the Debtors, the relative ranking of certain security granted by the Debtors, when payments can be made in respect of debt of the Debtors, when Enforcement Action can be taken in respect of that indebtedness, the terms pursuant to which certain of that indebtedness will be subordinated upon the occurrence of certain insolvency events and turnover provisions.

A copy of the agreement is available from the Issuer.



Management's discussion and analysis of financial condition and results

Key performance indicators

	FYE 2023	FYE 2024	Change
Registered care division			
Closing registered capacity (number)	2,045	2,012	(33)
Closing occupancy (number)	1,900	1,860	(40)
Closing occupancy rate %	92.9%	92.4%	(0.5%)
Average occupancy (number)	1,908	1,878	(30)
Average occupancy rate %	93.1%	92.7%	(0.4%)
Average weekly fees	£2,053	£2,308	£255
Community based care division			
Closing supported people (number)	1,495	1,401	(94)
Closing direct care hours (number)	104,582	103,129	(1,453)
Average direct care hours (number)	103,080	104,451	1,371
Average hourly rate	£20.80	£22.70	£1.90

Consolidated statement of profit & loss

£ million	FYE 2023	FYE 2024	% Change
Revenue	315.2	348.7	10.6%
Unit level staff costs	(207.3)	(242.1)	16.8%
Unit level agency costs	(16.5)	(6.8)	58.8%
Unit level direct overheads	(30.4)	(32.9)	(8.3%)
Central overheads	(22.2)	(27.0)	(21.6%)
Underlying adjusted EBITDA	38.9	40.0	2.8%
Non-underlying items	(3.9)	(2.5)	35.5%
Adjusted EBITDA	35.0	37.5	7.0%
Depreciation & impairment	(21.7)	(20.1)	7.2%
Profit/(Loss) on disposal of non-current assets	0.1	(0.4)	nm
Amortisation of intangible assets	(2.3)	(2.1)	9.4%
Operating profit	11.2	14.8	33.0%
Finance income	0.3	0.5	(43.6%)
Finance expense	(17.4)	(18.0)	(3.0%)
Loss before taxation	(5.9)	(2.6)	(55.9%)
Taxation	(0.4)	0.5	nm
Loss for the period	(6.3)	(2.1)	nm
Other financial metrics			
Underlying adjusted unit EBITDA	61.1	67.0	9.6%
Underlying adjusted unit EBITDA margin %	19.4%	19.2%	(0.2%)
Underlying adjusted EBITDA margin %	12.3%	11.5%	(0.8%)



Revenue

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

- FYE 2024 revenue increased by £33.5 million, or 10.6% to £348.7 million from £315.2 million for FYE 2023, primarily due to fee increases (£30.5 million or 9.7%) and fee rotation (£2.2 million or 0.7%).

Revenue by division

	FYE 2023	FYE 2024	% Change
Registered care division	203.7	225.4	10.6%
Community based care division	111.5	123.3	10.6%
Total revenue	315.2	348.7	10.6%

- Registered revenue increased in the year due to fee increases and fee rotation, partially offset by reduced occupancy.
- Community revenue increased in the year due to fee increases and fee rotation.

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 FYE 2024 increased by £25.2 million, or 11.2% to £248.9 million (which represented 71.4% of revenue) from £223.7 million (which represented 71.0% of revenue) for FYE 2023, primarily due to National Living Wage and National Minimum Wage increases and the pay and benefits investment which commenced 1st November 2022. This was partially offset by lower agency usage with agency hours accounting for 2.4% of direct care hours in FYE 2024 compared with 5.0% in FYE 2023.
 - Staff costs for FYE 2024 increased by 34.8 million, or 16.8% to £242.1 million from £207.3 million for FYE 2023.
 - Agency costs for FYE 2024 decreased by £9.7 million to £6.8 million from £16.5 million for FYE 2023.

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.

- FYE 2024 unit level direct overheads increased by £2.5 million, or 8.3% to £32.9 million from £30.4 million for FYE 2023. FYE 2024 saw further increases in energy (heat & light) costs by £1.0m to £6.6m from £5.6m for FYE 2023, in addition to other inflationary increases in property repairs, professional fees and other contracted services, which was partially offset by lower recruitment costs.



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.

- FYE 2024 central overheads increased by £4.8 million, or 21.6% to £27.0 million (7.7% of revenue) from £22.2 million (7.0% of revenue) for FYE 2023. This is primarily due to increases in staff costs, bonus payments, and professional fees.

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.

- FYE 2024 underlying adjusted EBITDA increased by £1.1 million, or 2.8% to £40.0 million from £38.9 million for FYE 2023. The increase was mainly due to reduced agency costs.

Underlying adjusted EBITDA by division

	FYE 2023	FYE 2024	% Change
Registered care division	30.2	30.5	1.2%
Community based care division	8.7	9.5	8.2%
Total underlying adjusted EBITDA	38.9	40.0	2.8%

- Registered underlying adjusted EBITDA increased in the year primarily due to fee increases and reduced agency, which was partially offset by additional staffing costs and other cost inflation, mainly energy costs.
- Community underlying adjusted EBITDA increased in the year primarily due to fee increases and reduced agency, which was partially offset by additional staffing costs.

Non-underlying items

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

- Non-underlying items were £2.5 million (FYE 2023: £3.9 million). FYE 2024 non-underlying items were share-based payments, restructuring costs and project costs. FYE 2023 non-underlying items related to employee related costs and consultancy costs involving a strategic review.

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.

- FYE 2024 adjusted EBITDA after non-underlying items increased by £2.5 million, or 7.0% to £37.5 million from £35.0 million for FYE 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.

- FYE 2024 depreciation and impairment of property plant and equipment decreased by £1.6 million, or 7.2% to £20.1 million from £21.7 million for FYE 2023. FYE 2024 property impairments were £2.6 million (FYE 2023: £2.6 million).



£4.9 million). The Group recognised an impairment charge for certain property, plant and equipment due to the carrying amount of assets exceeding their recoverable amount.

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.

- FYE 2024 loss on the disposal of non-current assets was £0.4 million (FYE 2023: £0.1 million profit).

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.

- FYE 2024 amortisation of intangible assets decreased by £0.2 million to £2.1 million from £2.3 million for FYE 2023.

Operating profit

Operating profit consists of earnings before interest and taxation.

- FYE 2024 operating profit increased by £3.6 million or 33.0% to £14.8 million from £11.2 million in FYE 2023, due mainly to reduced agency costs, reduction of non-underlying items and a lower depreciation and impairment charge.

Finance income

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

- FYE 2024 interest receivable and other income was £0.5 million compared to £0.3 million for FYE 2023.

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.

- FYE 2024 interest payable and similar charges on the senior secured notes and RCF increased by £0.6 million to £18.0 million from £17.4 million for FYE 2023.

Profit/(Loss) before taxation

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

- FYE 2024 loss before taxation decreased by £3.3 million to £2.6 million loss, from £5.9 million loss for FYE 2023.



Taxation

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

- For FYE 2024 a taxation credit of £0.5 million was recognised, a decrease of £0.9 million from FYE 2023. The taxation charge in FYE 2023 of £0.4m was due to: disallowable expenses, capital allowances utilised in excess of depreciation and a further increase in net deferred tax liability relating to the prior year. The taxation credit in FYE 2024 of £0.5m was due to a small decrease in net deferred tax liability.

Profit/(Loss) for the period

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

- FYE 2024 loss for the period reduced by £4.2 million to a loss of £2.1 million from a loss of £6.3 million for FYE 2023.



Consolidated statement of cash flow

£ million	FYE 2023	FYE 2024	% Change
Underlying adjusted EBITDA	38.9	40.0	2.8%
Maintenance capex	(12.3)	(11.1)	9.8%
IT capex	(2.2)	(3.1)	(40.9%)
Adjusted free cash flow	24.4	25.8	5.7%
<i>Cash conversion %</i>	<i>62.8%</i>	<i>64.5%</i>	<i>1.7%</i>
Non-underlying items ⁽¹⁾	(3.9)	(2.5)	(35.9%)
Working Capital ⁽²⁾	(2.1)	(2.8)	(33.3%)
Interest	(15.6)	(15.2)	2.6%
Taxation	0.3	0.9	nm
FCF before dev. capex, acquisitions and financing	3.2	6.1	(90.6%)
Development capex ⁽³⁾	(5.8)	(8.9)	(53.4%)
Acquisition ⁽⁴⁾	(4.3)	0.0	nm
Proceeds from sale	2.1	3.0	42.9%
FCF before financing	(4.9)	0.2	nm
Property and vehicle lease payments (IFRS16)	(4.7)	(5.7)	(21.3%)
Net cash flow used in financing activities	1.0	4.0	nm
Movement in cash for the period	(8.6)	(1.5)	(82.6%)
Opening cash and cash equivalents	24.1	15.5	(35.7%)
Closing cash and cash equivalents	15.5	14.0	(9.7%)
Undrawn RCF as at closing	48.0	44.0	(8.3%)
Total liquidity	63.5	58.0	(8.7%)

(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

- FYE 2024 maintenance capex decreased by £1.2 million to £11.1 million from £12.3 million for FYE 2023. The decrease was primarily due to planned improvements in spend efficiency.

IT Capex

- FYE 2024 IT capex increased by £0.9 million to £3.1 million from £2.2 million for FYE 2023. The increase was due to planned expenditure on digital transformation.



Adjusted free cash flow

- FYE 2024 adjusted free cash flow increased by £1.3 million, or 5.7% to £25.8 million from £24.4 million for FYE 2023, primarily due to an increase in EBITDA.

Non-underlying items

- FYE 2024 non-underlying items decreased by £1.4 million to £2.5 million from £3.9 million when compared with FYE 2023.

Working capital

- FYE 2024 working capital movement was an outflow of £2.8 million which compares to an outflow of £2.1 million for FYE 2023. The FYE 2024 cashflow reduction of £2.8 million relates primarily to a £2.2m increase in trade receivables and sales accruals due to the increased revenue resulting from fee increases and a £1.1m increase in prepayments.

Interest

- FYE 2024 interest payable decreased by £0.4 million to £15.2 million from £15.6 million in FYE 2023.

Taxation

- For FYE 2024 there was a tax credit of £0.9 million in relation to corporation tax payments made on account (FYE 2023: £0.3 million credit).

Free Cash Flow before Development Capex, Acquisitions and Financing

- FYE 2024 Free Cash Flow before Development Capex, Acquisitions and Financing increased by £2.9 million to an inflow of £6.1 million from a £3.2 million inflow in FYE 2023, primarily due to favourable movements relating to underlying adjusted EBITDA, non-underlying items, and taxation.

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.

- FYE 2024 development capital expenditure increased by £3.1 million to £8.9 million compared to £5.8 million for FYE 2023. In FYE 2024 we continued investment in our property portfolio to allow for further growth, with a freehold site purchase, the redevelopment of several existing sites and targeted retrofitting of properties to provide more sustainable properties and help reduce the Group's carbon footprint.

Acquisition

- In FYE 2024 acquisition spend was £nil (FYE 2023: £4.3 million). In FYE 2023 there was net £4.3 million outflow on acquisitions, which included the trade and assets acquisition of several Registered services and Community Based Care packages from 'The Disabilities Trust'.



Proceeds from sale

- During FYE 2024 there was a £3.0 million cash inflow from proceeds from sale of surplus property. This was an increase of £0.9 million compared to FYE 2023. Disposal proceeds in FYE 2024 related primarily to non-contributing sites identified and closed as part of our on-going portfolio review.

Property and vehicle lease payments

- During FYE 2024 we made £5.7 million of total lease payments under IFRS16 which was £1.0 million more than FYE 2023. The increase from prior year was mainly due to new vehicle and IT equipment leases.

Net cash flow used in financing activities

- FYE 2024 net cash flow used in financing activities was an inflow of £4.0 million compared to an inflow of £1.0 million for FYE 2023. In FYE 2024 the group drew down on its Revolving Credit Facility which generated a cash inflow to the group of £4.0m (FYE 2023: £2.0m).

Movement in cash for the period

- FYE 2024 movement in cash for the period was £7.1 million favourable at £1.5 million outflow, compared to £8.6 million outflow FYE 2023.



Balance Sheet

£ million	FYE 2023	FYE 2024	Change	% Change
Non current assets	428.6	432.4	3.8	0.9%
Current assets				
<i>Trade and other receivables</i>	34.1	37.4	3.3	9.7%
<i>Corporation tax receivable</i>	2.7	1.8	(0.9)	(33.3%)
<i>Cash and cash equivalents</i>	15.5	14.0	(1.5)	(9.7%)
<i>Assets classified as held for sale</i>	0.0	0.0	0.0	nm
Total assets	480.9	485.7	4.8	1.0%
Non-current liabilities				
<i>Loans and borrowings</i>	257.0	258.2	(1.2)	(0.5%)
<i>Tax liabilities</i>	17.4	16.9	0.4	2.9%
<i>Employee benefits</i>	0.2	0.0	0.2	nm
<i>Provisions</i>	1.1	1.2	(0.1)	(9.1%)
Current liabilities	66.9	73.1	(6.2)	(9.3%)
Equity	138.4	136.3	2.1	1.5%
Total equity and liabilities	480.9	485.7	(4.8)	(1.0%)



Debt and leverage

At 31 March 2024 and 31 March 2023, our unrestricted cash balances were £14.0 million and £15.5 million, respectively.

Contractual obligations

The following table summarises our material contractual obligations at 31 March 2024, showing the total principal amount payable and excluding any future interest payments. Following the refinancing completed on 3 February 2022, the Senior Secured Notes and the Second Lien Notes were replaced by the new £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	6.0	-	-	6.0
Total	6.0	0.0	250.0	256.0

(1) Represents the aggregate principal amount of the Senior Secured Notes as at 31 March 2024

Net debt and leverage

Note that net debt and leverage are calculated as defined in the Offering Memorandum for the £250m 5 ¾ % Senior Secured Notes due February 2027.

£ million	As at and for the twelve months ended	
	31-Mar-23	31-Mar-24
Underlying Adjusted EBITDA	38.9	40.0
Estimated full year impact of recent acquisitions	0.0	0.0
Underlying adjusted EBITDA	38.9	40.0
Senior Secured net debt:		
Senior Secured notes	250.0	250.0
Second lien notes	0.0	0.0
Revolving credit facility	2.0	6.0
Gross debt	252.0	256.0
Cash ⁽¹⁾	(13.1)	(11.7)
Secured net debt	238.9	244.3
IFRS 16 lease liability	16.7	17.9
Net debt including IFRS 16 lease liability	255.7	262.3
Ratio of Secured net debt to Underlying Adjusted EBITDA	6.1x	6.1x
Ratio of net debt to Underlying Adjusted EBITDA	6.6x	6.6x

(1) Excludes restricted cash balances



Property Analysis (Open services)

At 31 March 2024 the number of freehold properties held was 263, which was a decrease of 2 compared to March 2023. The net book value of the freehold properties was £318.9 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 33 since March 2023 mainly due to closures resulting from portfolio reviews.

We have decreased our provision of Community division supported living places by 32 since 31 March 2023 whilst reducing the number of properties by 13.

In our Registered care division on 31 March 2024, 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 March 2024	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⁾	2	9	272	1,166	0	274	1,175	4
Totals	265	2,012	303	1,283	8	576	3,295	41
Freehold NBV (£m) ⁽³⁾	309.3		8.4		1.2	318.9		

31 March 2023	Registered		Community		Daycare	Total		DCA ⁽⁴⁾
	#	Capacity	#	Capacity	#	#	Capacity	#
Freehold	237	1,819	27	97	1	265	1,916	6
Leasehold/Rental ⁽¹⁾	30	217	3	10	7	40	227	32
3rd Party Owned ⁽²⁾	3	9	286	1,208	0	289	1,217	4
Totals	270	2,045	316	1,315	8	594	3,360	42

Movement	Registered		Community		Daycare	Total		DCA ⁽⁴⁾
	#	Capacity	#	Capacity	#	#	Capacity	#
Freehold	(3)	(27)	1	10	0	(2)	(17)	0
Leasehold/Rental ⁽¹⁾	(1)	(6)	0	0	0	(1)	(6)	(1)
3rd Party Owned ⁽²⁾	(1)	0	(14)	(42)	0	(15)	(42)	0
Totals	(5)	(33)	(13)	(32)	0	(18)	(65)	(1)

- (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.

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

Annual Report and Consolidated Financial Statements

For the year ended 31 March 2024

Registered Number: 05752534

Voyage BidCo Limited
Annual Report and Consolidated Financial Statements
For the year ended 31 March 2024

Contents	Page
Strategic Report	1
Directors' Report	25
Statement of Corporate Governance Arrangements	31
Statement of Directors' Responsibilities	34
Independent Auditor's Report to the Members of Voyage BidCo Limited	35
Consolidated Statement of Profit and Loss	39
Consolidated Statement of Other Comprehensive Income	40
Consolidated Statement of Financial Position	41
Company Statement of Financial Position	43
Consolidated Statement of Changes in Equity	44
Company Statement of Changes in Equity	45
Consolidated Statement of Cash Flow	46
Notes to the Consolidated Financial Statements	47



The Directors present their Strategic Report for the year ended 31 March 2024.

Principal activity

The Voyage Care group ("Group"), of which Voyage BidCo Limited is a member, provides a range of services for individuals with learning disabilities, autism, acquired brain injury and other related complex needs in the UK. The care solutions provided range from Registered Care in specially adapted homes to Community Based Care, where support is provided in a person's own home. The Group's focus continues to be on the needs of the people we support.

Strategy and business model

The Group's purpose is to deliver great quality care with commercial success. Guided by our values, we have an unwavering focus to deliver the highest standard of care to the people we support whilst ensuring that the Group continues to be in a healthy financial position for years to come. A strong financial position underpins our ability to make appropriate investments that increase our capacity to care for more vulnerable people.

Our shared Group values are empowering, together, honest, outstanding, and supportive, which are collectively known as ETHOS. In combination, the ETHOS values help us to deliver our purpose by guiding the decisions that we make.

Great quality care

To deliver the Group's strategic purpose, the quality of care provided to the people we support is at the heart of everything we do.

During the year under review, the Group maintained a market leading quality score with 89% of services in England holding a rating of Good or Outstanding as at 31 March 2024 following inspection from the CQC (31 March 2023: 92%). Sixteen locations held an Outstanding rating from CQC as at 31 March 2024 (31 March 2023: sixteen). Additionally, all of the homes and services registered in Scotland and 3 out of 4 of the registrations in Wales were found to be compliant when inspected by their regulators (31 March 2023: all registrations).

The year under review has seen a change in the approach to regulation by CQC, although the launch of the new CQC Single Assessment Framework was delayed a number of times, and was not fully effective as at 31 March 2024. From the information that has been made available to providers by CQC it has been possible to start to reconfigure governance arrangements to reflect the new approach in readiness for full adoption of the framework in 2024-2025.

The interim arrangements for inspection of services put in place by CQC has meant that the rate of inspection slowed significantly, with services rated 'Requires Improvement' not being reinspected within twelve months of the previous inspection. This has meant that a number of services have been left with historic 'requires improvement' ratings which have contributed to a narrowing of the gap between the Group's ratings (89% rated 'Good' or 'Outstanding') and the sector average (83%, as at 31 March 2024).

Some of the changes made this year to support and improve regulatory performance are outlined below:



Strategy and business model *continued*

Great quality care continued

- Restructure of the function to reflect the changes in approach to regulation and align the individual departments to key areas of regulatory risk, quality assurance and service development;
- Investment in new systems as part of digital transformation, to provide more effective oversight;
- A full governance review has been undertaken in preparation for the new single assessment framework. This review has determined the workstreams necessary for the year ahead to maintain and improve regulatory compliance within the new approach;
- The Group's learning and development functions ensure colleagues are equipped with the necessary skill set, knowledge and confidence to achieve Voyage Care's high standards of care for the people we support; and
- The breadth of service capability, from Registered care to various types of domiciliary, ensures that we can always offer a care and support pathway tailored to the specific needs of the individual, thereby helping to achieve a better outcome for both the people we support and for funders.

This continuing drive to maintain high quality standards strengthens the Group's ability to retain existing business and grow by winning tenders, by increasing the number of people we support within framework agreements, by attracting individual clients with personal budgets and by placing the Group in a favourable position to take over underperforming services.

By developing expertise in specialist areas, such as supporting autistic people, people with learning disabilities and associated complex needs through to people with Prader Willi and people requiring rehabilitation post brain injury, the Group continues to build a platform to cater for a broad range of conditions whilst offering individuals the highest quality of care and harnessing growth from initiatives such as Transforming Care and the NHS Long Term Plan. Sector leading quality ratings and clearly articulated specialisms underpin our ability to evidence good value to commissioners and lead to organic growth.

Quality is monitored by the Board and through the Group's Quality, Safety and Risk Committee which is discussed further in the Directors' Report.

Commercial Success

The Group's relentless pursuit of the delivery of great quality care is enabled by our focus on commercial success. Profitable growth underpins our ability to invest in training, develop the services we offer, maintain our property estate to a high standard, introduce new and improved services and extend our footprint to care for more vulnerable people. All of this is critical in the regulated sector within which we operate, to ensure we meet or exceed all regulatory requirements, at the same time as delivering a return to our shareholders.



Strategy and business model *continued*

Commercial Success *continued*

The Group operates from two business divisions: Registered Care and Community Based Care.

- Registered Care is delivered in specially adapted homes which the Group provides in its registered portfolio of mainly freehold properties. Growth in this area is driven through increasing occupancy of our existing portfolio, growing our capacity organically and through property acquisition, enhancing our specialisms and renegotiating average weekly fees for inflationary uplifts and other factors.
- Community Based Care is provided in people's own homes and the Group partners with registered housing providers to identify suitable accommodation. In this division, properties are mainly owned by third party investors. It is the Group's strategy to grow its services by working with these third-party investors and registered housing providers to provide additional accommodation to support more people in community based settings.

Underpinning the strength of the business are the contracts with care commissioners. For Registered Care they take the form of spot, block and respite contracts and for Community Based Care they are based on framework contracts or those acquired through tendering processes.

Selective strategic acquisitions of other businesses or homes that fit within our strategy and meet our strict quality and profitability criteria, also form part of our growth strategy as do developing new services and repurposing existing services into alternative specialisms. After the year end but before the signing of these accounts, we acquired the share capital of KDL Investments Limited and its four subsidiary undertakings for £25.6m. The services acquired which are based in South Yorkshire include seven registered care homes and one supported living location; together they have capacity to support 64 people. Further details are on page 83.

Due to the fragmented nature of the sector and the challenges caused by macroeconomic factors, we expect acquisition opportunities to continue to arise, including in specialised market segments adjacent to our current offerings. We believe our expertise, resources and strong financial position will allow us to integrate acquisitions efficiently and achieve synergies.

Business review

Voyage Care continues to be one of the leading UK providers of specialist Registered Care services by revenue and by placements and has a well-established presence in specialist Community Based Care services.

During the year ended 31 March 2024, like many businesses, the Group continued to be significantly impacted by inflationary cost increases, notably a 9.7% increase in the National Living Wage.

The Group was able to recover the impact of these inflationary pressures through increasing the fees charged to our Local Authority and Integrated Care Board customers both through the annual fee review process, and through addressing specific instances where unsustainably low fees were being paid. This contributed significantly to an improvement in the Group's Adjusted EBITDA (before non-underlying items) compared to the previous financial year. This is explained further in the financial review section of the Strategic Report.



Business review *continued*

We continue to review our portfolio of services to make sure that we safely and sustainably deliver the high standard of care which we strongly believe the people we support deserve. There are instances where we have regrettably been forced to hand back placements and services where commissioners have been unable to offer funding increases that would allow us to do. This focus on our portfolio will continue, to ensure that the Group retains a healthy and sustainable financial position.

Our colleagues are essential to our business and are fundamental to the Group's ability to grow. It is therefore of paramount importance that we are able to attract, recruit and retain people to the business, in order to be able to effectively resource new opportunities to the appropriate levels.

In the prior year we had experienced significant challenges which impaired our ability to grow in the ways we had previously expected. In this financial year we have introduced an enhanced Employee Value Proposition ("EVP") with the objective of improving our ability to attract and retain colleagues. The introduction of the EVP has resulted in a net increase in our permanent headcount, improved colleague retention, and reduced expenditure on agency staff.

As at 31 March 2024, the Group supported 3,261 (2023: 3,395) people, comprising 1,860 (2023: 1,900) through its Registered Care services and a further 1,401 (2023: 1,495) supported through its Community Based Care services. The reduction in the number of people we supported compared to the previous financial year was a result of regrettably needing to hand back placements and close services where commissioners were unable to offer the required funding increase for the placements to continue to be sustainable.

During the year, the Group's Registered Care services' average occupancy decreased marginally by 0.5% to 92.4% (2023: 92.9%) and the average weekly fee increased by 12.6% to £2,311 (2023: £2,053) per person for the year ended 31 March 2024. The Group's Community Based Care services delivered approximately 1,400 additional average weekly hours of direct care at 104,500 weekly hours (2023: 103,100) and the average revenue per direct care hour increased by 9.2% to £22.72 (2023: £20.80) for the year ended 31 March 2024.

Approximately 65% (2023: 69%) of the people we support in our Registered Care services had been in the Group's care for more than five years and some of the people we support have been with Voyage Care for more than 30 years. Providing stable environments for people we support improves the likelihood of positive outcomes and their quality of life.



Business review *continued*

Whilst individuals with acquired brain injuries will remain with Voyage Care for varying lengths of time according to their needs, recovery progress, long term plans or personal preferences, individuals with learning disabilities have a lifelong condition and require ongoing support. Approximately 30% (2023: 28%) of the people we support in the Registered Care services division were 40 years of age or younger, and 75% (2023: 73%) were 60 years of age or younger, which contributes to a long average length of stay in those services. Approximately 47% (2023: 46%) of the people we support in the Community Based Care services were 40 years of age or younger, and 83% (2023: 82%) were 60 years of age or younger.

Of the care we provide, 96% (2023: 97%) is paid for by local authorities and Integrated Care Boards (“ICBs”) and, during the year ended 31 March 2024, we received revenue from over 250 (2023: over 250) of these publicly funded purchasers across the UK. The Group’s long-standing relationships with Local Authorities and Integrated Care Boards are built on a strong reputation for providing quality services to the people we support.

Market environment and outlook

National policy has created a clear framework for growth of services which enable people with disabilities and other complex needs to live an ordinary life in the community. Local Authorities and ICBs continue to re-balance care towards community-based support with registered care homes providing a valuable and necessary contribution for the increasing number of those with the most complex and specialist needs.

The overall demand for specialist care and support services is increasing and Voyage Care remains aligned to the strategic direction of the sector and the needs of those we support.

Local Authority and NHS customers prioritise developing relationships with high quality stable providers, such as Voyage Care, who can offer solutions to some of their key challenges:

Increasing volume of people requiring care:

- Research conducted by the National Audit Office indicates that there will be an estimated 29% growth in the number of working age adults requiring social care services by 2038.
- Projections in demand indicate sustained growth in both community-based support and care home services to meet the needs of younger adults with disabilities; a clear growth opportunity for Voyage Care as we have a well-established pathway of specialist care and support solutions.

The rising cost of providing care:

The annual increase to the National Living Wage and other inflationary pressures impacted the Group’s cost base and that of local authorities and ICBs. By operating efficiently and with scale, the Group can help to mitigate at least some of the adverse impact on our customers.



Market environment and outlook *continued*

Access to the required level of funding:

- In State of Care 2023, the latest version of their annual report, the CQC note enduring issues with access to care, unmet demand, inequalities (particularly for autistic people and people with a learning disability and ethnic minorities) and strain on the workforce. However, they note staff vacancy rates in care homes have reduced, primarily due to overseas recruitment. Voyage Care's successes in workforce retention and attrition are in stark contrast to challenges reported by CQC.
- CQC report 'challenges in the system, such as a lack of community services, prevented people from accessing early intervention and crisis support in the community, which can be particularly difficult for autistic people.' Once again this reinforces the vital need for our sector-leading specialist services.
- CQC highlight that for supported living a 'lack of funding can mean that budgets are prioritised above truly person-centred approaches to supporting people.' Their Market Oversight data shows 'a large fall in profitability in 'specialist services', which include supported living services and other residential and homecare services for autistic people and people with a learning disability.' Leading them to express concern about the sustainability of some providers in this sector, noting that increased funding is vital to enable people to live the lives they choose.
- On 5th February 2024, the Local Government Finance Settlement for 2024/25 confirmed that overall local authorities will be able to make use of a total of £8.7 billion in grant funding for social care including £1.5 billion in additional grant compared to 2023-24. This is made up of:
 - £5 billion through the Social Care Grant, a £1.2 billion increase on 2023-24, including £500 million additional funding which should be used by councils to 'help place children's social care services on a sustainable financial footing' where possible, whilst 'being mindful of pressures in adult social care'.
 - £1.1 billion through the Market Sustainability and Improvement Fund, a £123 million increase on 2023-24.
 - £500 million through the Discharge Fund, a £200 million increase to the local authority component on 2023-24.
 - £2.1 billion through the improved Better Care Fund.
- Local authorities with adult social care responsibilities have been, again, able to increase council tax by up to an additional 2% in FY25. Forecasts assume that £1.2 billion can be raised in FY25 if 95% of Local Authorities set maximum council tax increase and leverage the social care precept.
- The increase in funding is welcomed, however, it is universally accepted that the settlement remains far short of what is needed to alleviate pressure on local authorities and the NHS, and consequently on providers, even allowing for the council tax social care precept funding.
- The commitment to a more sustainable longer term financial model for the social care sector from the Labour Government, whose manifesto commitments for the General Election provide optimism for the future funding environment despite shorter term challenges.



Principal risks and uncertainties

The principal risks facing the business and the controls in place to mitigate these are presented below, with measurement against the mitigated assessment made at March 2023 using the following key:

Risk Increased	↑	Risk Unchanged	↔	Risk Decreased	↓
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Risk	Mitigation	Change from previous year
Ensuring the provision of high quality care to the people we support		↔
<p>The Voyage Care business model is built on our reputation for delivering consistently high-quality care.</p> <p>A reduction in our quality standards would have a negative impact on the lives of the people we support and harm the Group's reputation and our ability to achieve commercial success.</p>	<p>A dedicated Quality department regularly updates Group policies, procedures, and practices in line with changing regulations and standards, and delivers continuous monitoring and auditing of our services.</p> <p>Quality governance and oversight is provided by the Quality Safety and Risk Committee, which is a Board sub-committee with an independent chair, as explained on page 28.</p> <p>The Group invested £1.5 million in training to maintain and improve colleague skills in providing high quality care for people we support (2023: £2.1 million).</p> <p>Fee levels are routinely revisited with commissioners to ensure funding levels appropriately reflect the evolving care needs of the people we support.</p>	
Local authority funding		↑
<p>Continuing high levels of inflation and increased staffing costs due to National Living Wage uplifts, mean there is an increased risk that additional funding from local authorities and ICBs may not be sufficient to compensate for increased costs.</p>	<p>The sustainable funding of social care in the UK continues to be reviewed by the Government, with:</p> <ul style="list-style-type: none"> • Additional exceptional funding available for social care in each of the last eight years; • A commitment to the funding of health and social care which is to be maintained at the same level as if the Health and Social Care Levy was in place, ensuring long-term investment in social care. The Government continues to consider more sustainable funding models for the sector. <p>Voyage Care has a robust and systematic process for calculating and negotiating appropriate fee increases for all the local authorities and integrated care boards it serves.</p> <p>We continuously review our portfolio to ensure that we can provide the required level of high quality care on a financially sustainable basis.</p>	



Principal risks and uncertainties *continued*

Risk	Mitigation	Change from previous year
Recruitment and retention of skilled care workers		↓
<p>The key to the Group's success is the quality of our colleagues.</p> <p>The Group needs to attract, recruit, and retain sufficient colleagues to meet our objectives. Additionally, losing key colleagues inhibits our ability to deliver consistently high-quality care.</p>	<p>The Group continues to evolve its People Strategy and Employee Value Proposition to attract and retain colleagues.</p> <p>The Group has a bespoke system to manage recruitment from first point of contact to employment, including Disclosure and Barring Service checks.</p> <p>Colleague KPIs are closely monitored to identify underlying trends impacting recruitment and retention. Our emphasis on colleague retention is explained further in the colleagues section on pages 20 to 22.</p>	
Reduced financial performance		↔
<p>To achieve the Group's strategy to deliver great quality care with commercial success the Group must have a robust financial performance.</p> <p>The Group's finance facility contains a covenant such that the Group must exceed minimum EBITDA levels.</p> <p>The recent inflation environment has increased the risk that our cost increases are not fully recovered.</p>	<p>The Group sets annual financial budgets to appraise financial performance and has a dedicated team to identify opportunities and work with commissioners to agree sustainably funded care packages.</p> <p>The financial performance of each service against budget is monitored closely and action plans are developed to manage under-performing services.</p> <p>Staffing costs are closely monitored by regular reviews of weekly care hours and agency staff usage.</p>	
Cyber and data security		↔
<p>A cybersecurity attack or data breach could result in operational disruption leading to possible reduced income, increased costs, loss of data and reputational damage.</p>	<p>The Group's IT Infrastructure team continuously reviews data security and invests in a range of solutions to maintain high cyber and data security standards, and ensuring third party providers operate standards of similar rigour.</p> <p>These include firewalls, virtual private networks, anti-virus scans, device encryption, secure system configurations, email scanning for malware and phishing, complex password standards and two-factor authentication.</p> <p>Internal data protection teams minimise data risks and ensure compliance with General Data Protection Regulations.</p>	

The Group's financial risks and the controls in place to mitigate them are presented in more detail on page 16 and 17.



Financial review

The Group headed by Voyage BidCo Limited has improved its positive financial performance for the year ended 31 March 2024 reporting an underlying adjusted EBITDA, before non-underlying items, of £40.0m, an increase of £1.1m from the year ended 31 March 2023. We are pleased with the performance given the continued cost challenges from general cost inflation and the mandatory increase in the National Living Wage for workers aged 23 years and over of 9.7% (2023: 6.6%).

Key performance indicators

The financial and non-financial KPIs set out below focus on the drivers of value that will enable the Group to achieve its strategic aims and objectives.

Good or Outstanding services (%)	89% (2023: 92%)						
Definition: The percentage of total services that are rated as either good or outstanding at the last inspection by CQC as at 31 March 2024.	<table><tr><td>FY22</td><td>FY23</td><td>FY24</td></tr><tr><td>95%</td><td>92%</td><td>89%</td></tr></table>	FY22	FY23	FY24	95%	92%	89%
FY22		FY23	FY24				
95%	92%	89%					
Performance: This is a direct measure of the Group’s performance against the strategic aim of delivering great quality care. During the previous year, the CQC changed their regulatory approach and focused on inspecting services with suspected risks. Accordingly, the sector’s average rating reduced by 1%. We maintained market leading quality standards with 89% of services rated as either good or outstanding at its last inspection by CQC.							

Revenue	£348.7 million (2023: £315.2 million)						
Definition: The fair value of fee income receivable for the provision of care services delivered in the period.	<table><tr><td>FY22</td><td>FY23</td><td>FY24</td></tr><tr><td>£292.6m</td><td>£315.2m</td><td>£348.7m</td></tr></table>	FY22	FY23	FY24	£292.6m	£315.2m	£348.7m
FY22		FY23	FY24				
£292.6m	£315.2m	£348.7m					
Performance: Group revenue increased by 10.6% to £348.7 million. The Group’s Registered Care revenue increased by 10.7% to £225.4 million, and its Community Based Care revenue increased by 10.6% to £123.3 million.							
Increases in average weekly fees and average hourly rates were the main contributors to the increase in total revenue, offset by a reduction in Registered occupancy.							



Financial review *continued*

Underlying Adjusted EBITDA (before non-underlying items)	£40.0 million (2023: £38.9 million)								
Definition: Operating profit adding back depreciation, impairment, amortisation and profit or loss on disposal of property, plant and equipment, and before non-underlying items.	<table border="1"> <thead> <tr> <th>Year</th> <th>EBITDA (£m)</th> </tr> </thead> <tbody> <tr> <td>FY22</td> <td>£48.7m</td> </tr> <tr> <td>FY23</td> <td>£38.9m</td> </tr> <tr> <td>FY24</td> <td>£40.0m</td> </tr> </tbody> </table>	Year	EBITDA (£m)	FY22	£48.7m	FY23	£38.9m	FY24	£40.0m
Year	EBITDA (£m)								
FY22	£48.7m								
FY23	£38.9m								
FY24	£40.0m								
<p>Performance: Group underlying adjusted EBITDA (before non-underlying items) increased by 2.8% to £40.0 million. The Group's Registered Care EBITDA increased by 1.2% to £30.5 million, and its Community Based Care EBITDA increased by 8.2% to £9.4 million.</p> <p>The Group has continued to deliver revenue growth but needed to overcome significant staffing and general inflationary cost increases.</p>									
Registered occupancy	1,878 (2023: 1,908)								
Definition: The average number of individuals that the Group provides care to in a Registered setting across the period.	<table border="1"> <thead> <tr> <th>Year</th> <th>Occupancy</th> </tr> </thead> <tbody> <tr> <td>FY22</td> <td>1,896</td> </tr> <tr> <td>FY23</td> <td>1,908</td> </tr> <tr> <td>FY24</td> <td>1,878</td> </tr> </tbody> </table>	Year	Occupancy	FY22	1,896	FY23	1,908	FY24	1,878
Year	Occupancy								
FY22	1,896								
FY23	1,908								
FY24	1,878								
<p>Performance: The average Registered occupancy decreased by 1.6% to 1,878. The decrease in occupancy is primarily due to the Group rebalancing its portfolio which is continuously reviewed to optimise sustainable commercial success. Capacity was reduced by 33 to 2,012 as part of this ongoing review.</p>									
Registered occupancy as a percentage of capacity	92.4% (2023: 92.9%)								
Definition: The percentage of Registered capacity that is occupied.	<table border="1"> <thead> <tr> <th>Year</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>FY22</td> <td>93.6%</td> </tr> <tr> <td>FY23</td> <td>92.9%</td> </tr> <tr> <td>FY24</td> <td>92.4%</td> </tr> </tbody> </table>	Year	Percentage (%)	FY22	93.6%	FY23	92.9%	FY24	92.4%
Year	Percentage (%)								
FY22	93.6%								
FY23	92.9%								
FY24	92.4%								
<p>Performance: Registered occupancy as a percentage of capacity decreased by 0.4% to 92.4%. This decrease in percentage occupancy was lower than the decrease in absolute occupancy due to the Group's ongoing portfolio review process.</p> <p>Maintaining high occupancy is important for the Group to recover individual service fixed costs across more people we support in turn driving commercial success.</p>									



Financial review *continued*

Registered average weekly fee	£2,311 (2023: £2,053)								
Definition: The mean weekly fee receivable for care provided to people we support in a Registered setting.	 <table><thead><tr><th>Fiscal Year</th><th>Registered average weekly fee (£)</th></tr></thead><tbody><tr><td>FY22</td><td>£1,882</td></tr><tr><td>FY23</td><td>£2,053</td></tr><tr><td>FY24</td><td>£2,311</td></tr></tbody></table>	Fiscal Year	Registered average weekly fee (£)	FY22	£1,882	FY23	£2,053	FY24	£2,311
Fiscal Year		Registered average weekly fee (£)							
FY22		£1,882							
FY23	£2,053								
FY24	£2,311								
Performance: The average weekly fee increased by 12.5% to £2,311 which drives the Group’s revenue growth. The increase is primarily the result of active negotiations with commissioners to obtain inflationary fee increases, address underfunded support packages and higher fees to reflect the evolving and increasing needs of the people we support.									

Community Based Care average weekly direct care hours	104,500 (2023: 103,100)								
Definition: The average direct weekly care hours delivered in Community Based Care, including Supported Living, Children’s Complex Care and Outreach placements, across the period.	 <table><thead><tr><th>Fiscal Year</th><th>Community Based Care average weekly direct care hours</th></tr></thead><tbody><tr><td>FY22</td><td>104,600</td></tr><tr><td>FY23</td><td>103,100</td></tr><tr><td>FY24</td><td>104,500</td></tr></tbody></table>	Fiscal Year	Community Based Care average weekly direct care hours	FY22	104,600	FY23	103,100	FY24	104,500
Fiscal Year		Community Based Care average weekly direct care hours							
FY22	104,600								
FY23	103,100								
FY24	104,500								
Performance: The average weekly direct care hours delivered in Community settings increased by 1.3% to 104,500, as a result of tender wins offset by our regrettable decision to hand back packages that were at unsustainable levels.									

Community Based Care average revenue per direct care hour	£22.72 per hour (2023: £20.80 per hour)								
Definition: The mean hourly fee receivable for direct care provided to people we support in Community Based Care, including Supported Living, Children’s Complex Care and Outreach placements.	 <table><thead><tr><th>Fiscal Year</th><th>Community Based Care average revenue per direct care hour (£)</th></tr></thead><tbody><tr><td>FY22</td><td>£19.68</td></tr><tr><td>FY23</td><td>£20.80</td></tr><tr><td>FY24</td><td>£22.72</td></tr></tbody></table>	Fiscal Year	Community Based Care average revenue per direct care hour (£)	FY22	£19.68	FY23	£20.80	FY24	£22.72
Fiscal Year		Community Based Care average revenue per direct care hour (£)							
FY22	£19.68								
FY23	£20.80								
FY24	£22.72								
Performance: The average revenue per direct care hour increased by 9.2% to £22.72 per hour. The KPI is an important metric for measuring the Group’s commercial success in the Community Based Care division. The increase is primarily the result of active negotiations with commissioners to obtain inflationary fee increases, address underfunded support packages and higher fees to reflect the evolving and more complex needs of the people we support.									



Financial review *continued*

Consolidated Statement of Profit and Loss

A summary of the Group's Consolidated Statement of Profit and Loss and performance commentary on key items is shown below:

	2024	2023	Change	
	£000	£000	£000	%
Revenue	348,726	315,218	33,508	10.6%
Underlying adjusted EBITDA (before non-underlying items) (1)	39,978	38,905	1,073	2.8%
Non-underlying items	(2,499)	(3,876)	1,377	(35.5%)
Depreciation and impairment of property, plant and equipment	(20,138)	(21,698)	1,560	(7.2%)
(Loss) / profit on disposal of assets	(403)	140	(543)	Nm
Amortisation of intangible assets	(2,090)	(2,306)	216	(9.4%)
Operating profit	14,848	11,165	3,683	33.0%
Net finance expense	(17,457)	(17,078)	(379)	2.2%
Loss before taxation	(2,609)	(5,913)	3,304	(55.9%)

(1) Adjusted EBITDA is a non-statutory measure that represents earnings before interest, tax, depreciation and impairment, amortisation and profit on disposal of assets.

Revenue

Revenue increased by 10.6% to £348,726k, primarily due to fee increases and fee rotation, being the difference between the fee levels of new joiners and leavers, in the Registered Care and Community Based Care divisions partially offset by lower Registered occupancy.

Underlying adjusted EBITDA (before non-underlying items)

Underlying Adjusted EBITDA (before non-underlying items) increased by 2.8% to £39,978k, with the revenue increase partially offset by staff cost increases from National Living Wage rates and general inflationary increases.

Non-underlying items

Non-underlying items decreased by 35.5% to £2,499k. Current year expenditure on non-underlying items was predominantly driven by the expense of share-based payments, consultancy fees and employee related costs (see note 6).



Financial review *continued*

Operating profit

Operating profit increased by 33.0% to £14,848k due to adjusted EBITDA growth, lower spend on non-underlying items and a lower depreciation and impairment charge.

Net finance expense

Net finance expense increased by 2.2% to £17,457k. The Group's financing arrangements remained broadly consistent year-on-year with the largest interest and finance charges being: Senior Secured Notes interest of £15,979k, Revolving Credit Facility (RCF) commitment fees and interest payable of £1,038k, and the unwinding of IFRS 16 lease liabilities of £775k.

Consolidated Statement of Financial Position

Net assets decreased by £2,072k to £136,339k as a result of reporting a loss after taxation during the year. A summary of the Group's Consolidated Statement of Financial Position and commentary on key items is shown below:

	2024	2023	Change
	£000	£000	£000
Goodwill and intangible assets	56,764	56,485	279
Property, plant and equipment	375,670	372,135	3,535
Current assets	53,268	52,293	975
Current liabilities	(73,064)	(66,889)	(6,175)
Non-current loans and borrowings	(258,186)	(256,962)	(1,224)
Other non-current liabilities	(18,113)	(18,651)	538
Equity	136,339	138,411	(2,072)
IFRS 16 lease liability	(17,899)	(16,731)	(1,168)
Net debt *	244,335	238,821	3,147
Leverage *	6.56x	6.57x	0.01x

* Net debt is calculated by adding Senior Secured Loan Notes and amounts utilised under the RCF and deducting unrestricted cash balances. Leverage is calculated as the multiple of net debt including IFRS 16 lease liabilities to Underlying Adjusted EBITDA (before non-underlying items).

Goodwill and intangible assets

Goodwill and intangible assets increased by £279k to £56,764k due to software additions offset by the continuing amortisation of existing intangible assets.

Property, plant and equipment

Property, plant and equipment increased by £3,535k to £375,670k predominantly due to the Group maintaining its existing property portfolio, development capital expenditure in connection with new builds, repurposing specific existing properties and targeted retrofitting of properties to provide more sustainable properties and help reduce the Group's carbon footprint. In addition, the depreciation and impairment charge was lower as there were fewer property impairments identified during the year.



Financial review *continued*

Net current liabilities

Net current liabilities increased by £5,200k to £19,796k mainly due to the Group continuing to invest cash generated from operations and cash inflows from its RCF to aid the development and maintenance of the Group's property portfolio to support high quality care and an increase in lease liabilities.

Non-current loans and borrowings increased by £1,224k to £258,186k predominantly due to the unwinding of debt issue costs of £1,291k.

Loans, borrowings, net debt and leverage

A summary of the Group's external borrowings, cash balances and net debt and commentary on key changes is shown below:

	2024	2023	Interest rate	Repayment
	£000	£000		
Senior Secured Loan Notes	250,000	250,000	5.875%	Feb-27
<i>Revolving Credit Facility (RCF):</i>				
Utilised	6,000	2,000	SONIA + 3.250%	Nov 26
Non-utilised	44,000	48,000	1.138%	
Gross debt	256,000	252,000		
Cash and cash equivalents	(14,032)	(15,488)		
Restricted cash and cash equivalents	2,367	2,309		
Net debt	244,335	238,821		

Net debt increased by £5,514k to £244,335k predominantly due to investments made to develop the Group's property portfolio partially offset by higher cash flows generated from operating activities. Leverage decreased by 0.01 times to 6.56 times adjusted EBITDA as at 31 March 2024 due to improved underlying adjusted EBITDA (before non-underlying items) offset by the increase in net debt.

The Group's RCF is subject to a financial covenant when it is more than 40% utilised whereby consolidated LTM Underlying Adjusted EBITDA (before non-underlying items) must be no less than £26.2m. Throughout the year, the Group utilised less than 40% of the RCF and therefore the covenant was not in effect. The Group actively monitors its projected covenant compliance using financial forecasts.



Financial review *continued*

Consolidated Statement of Cash Flow

A summary of the Group's consolidated Statement of Cash Flow and commentary on key changes is shown below:

	2024	2023	Change
	£000	£000	£000
Cash and cash equivalents	14,032	15,488	(1,456)
Net cash flows from operating activities before interest and tax	34,661	32,949	1,712
Interest paid	(15,703)	(15,845)	142
Corporation tax rebate	885	308	577
Net cash flows used in investing activities	(19,604)	(22,334)	2,730
Net cash flows used in financing activities	(1,695)	(3,675)	1,980
Net decrease in cash and cash equivalents	(1,456)	(8,597)	7,140

Net cash flows from operating activities before interest and tax

Cash generated from operating activities before interest and tax payments increased by £1,712k to £34,661k, with higher cash flows generated from operating profits supported by positive working capital movements.

Interest paid and corporation tax

Interest paid decreased by £142k to £15,703k and Corporation tax receipts increased by £577k to £885k due to rebates from tax payments made on account.

Cash flows used in investing activities

Net cash flows used in investing activities decreased by £2,730k to £19,604k primarily due to no business combinations being completed during the year (2023: £4,303k) and greater sale proceeds generated from property sales of £2,997k (2023: £2,066k). The Group continued to significantly invest in its property portfolio and payments to acquire property, plant and equipment increased to £20,668k (2023: £18,455k).

Cash flows used in financing activities

Net cash flows used in financing activities decreased by £1,980k to £1,695k primarily due to the Group partially utilising its Revolving Credit Facility which generated a cash inflow of £4,000k (2023: £2,000k) and no transaction costs being incurred during the year. This cash inflow was offset by higher payments for property and vehicle leases of £5,695k (2023: £4,660k).

Accordingly, the Group's cash and cash equivalents at the 31 March 2024 decreased by £1,456k to £14,032k (2023: decrease of £8,597k to £15,488k).



Financial review *continued*

Financial risk management

Interest rate risk

At 31 March 2024, the Group had £250 million of 5.875% Senior Secured Notes due February 2027 in issue. These Notes are fixed interest rate instruments and as such are not exposed to fluctuations in interest rates.

In addition, the Group had access to a £50 million RCF which expires in November 2026. The RCF bears variable interest on utilised balances based on the Sterling Overnight Index Average rate (SONIA) plus up to 3.25% margin dependent upon the Group's consolidated net leverage. The Group was drawn £6.0m on the RCF as at 31 March 2024. The Group accepts the inherent interest risk on the RCF and continues to keep the risk under review.

To maximise interest receivable, surplus cash is deposited each evening in a flexible interest-bearing current account which is linked to the Bank of England Bank Rate.

Fee and cost risk

Contracts with Local Authorities and ICBs account for 97% of revenue. There is a risk that budget constraints, public spending cuts and other financial pressures could cause such publicly funded purchasers to spend less money on the type of service that we provide. We continue to diligently monitor any impact for the Group in our negotiations with publicly funded purchasers.

The Group is not exposed to commodity price risk but as a provider of care services the Group is subject to both general and industry specific wage pressures, including legislative changes concerning the National Living Wage level.

Credit risk

The Group's exposure to credit risk from customers defaulting is very low given 97% of the Group's revenue is attributable to publicly funded bodies. Voyage Care has no significant concentrations of credit risk, with the exposure spread over many Local Authorities and ICBs.

Liquidity risk

Voyage Care's operational cash flow is largely stable and predictable given the contractual and recurring nature of the core business activity. Voyage Care manages its exposure to liquidity risk by preparing short term and long-term cash flow forecasts reflecting known commitments and anticipated projects.

Adequate borrowing is maintained for general corporate purposes including working capital.



Financial review *continued*

Financial risk management *continued*

Taxation policy

The Group has developed a taxation strategy that is reviewed by the Directors annually. The taxation strategy can be accessed at: www.voyagecare.com/wp-content/uploads/2024/03/Tax-strategy-March-2024.docx.pdf.

The key drivers to the overall effective tax rate are: movements in the corporate interest rate restrictions and deferred tax thereon; amortisation of intangible assets recognised on consolidation only, and movements on properties that have been historically revalued on consolidation.

The key drivers to the current tax rate are: restrictions to interest deductions on shareholder debt under the UK's corporate interest restriction regime; and expected benefit from the capital allowances 'super deduction' for qualifying investments.

Statement by Directors

Stakeholder engagement and section 172(1) statement

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and having regard to the stakeholders and matters set out in s.172 (1) (a-f) of the Companies Act. The stakeholders considered in this regard are the Group's employees, the people we support and their families, Local Authorities and ICBs that commission the care that we provide, our suppliers, the industry regulators, our Bondholders, those that live in the societies that we provide care in and HMRC.

The following explains some of the ways that the directors have complied with the requirements of section 172 of the Companies Act 2016:

The likely consequences of any decision in the long term

The Group operates within the framework of a long term strategy established by the Board in 2022. All key decisions during the year have been reviewed by the Board with reference to the strategy and the long term aims of the Group. For example, the Group has increased investment in developing Brain Injury Rehabilitation services in order to enhance its offer in a specialism where need is increasing and forecast to increase further.

A long term incentive plan for certain senior employees incentivises the delivery of long term objectives.



Statement by Directors *continued*

Stakeholder engagement and section 172(1) statement continued

The interests of the company's employees

Our colleagues are integral to delivering the Group's purpose of providing great quality care with commercial success. Our values, to support the delivery of our purpose, were created collaboratively between our colleagues and the people we support. We are committed to creating a diverse, inclusive and transparent working culture that allows our colleagues to fulfil their potential with a rewarding career in social care. Pages 20 to 22 explains the way we achieve this.

The need to foster the company's business relationships with suppliers, customers and others

The Group holds close and collaborative relationships with our Local Authority and ICB customers and routinely obtains an independent review on the strength of the relationships. The Group has a Partnership and Integration Director who regularly reports to Directors on their work which includes managing and developing these collaborative relationships further.

The Group continues to provide regular financial and strategic information to our regulator, CQC, our Bondholders and associated ratings agencies, and our financing providers.

The impact of the company's operations on the community and the environment

See pages 19 and 20 for information on our commitment to reducing our environmental impact.

The homes of the people we support are often important parts of local communities. Directors encourage local management to engage with local communities as appropriate to integrate the people we support within the communities in which they reside.

The desirability of the company maintaining a reputation for high standards of business conduct

This is integral to our purpose. Page 1 explains some of the activities we endeavour to ensure we maintain our sector leading quality scores in our regulated environment.

The need to act fairly with members of the company

The Group is owned by Wren House Infrastructure Management Limited who have three investor directors on the overall Board of Directors at VC Healthcare TopCo Limited, along with a non-executive Chair, three executive employee directors, and an independent non-executive director. The balanced composition of the Group's Board of Directors provides a range of contributions to the decision making processes to ultimately deliver the Group's purpose. The Board believes that this balanced composition, together with the presence of the three investor directors helps to ensure fair treatment of the members of the company and all stakeholders.



Environmental, Social and Governance (ESG)

Environmental, social and governance considerations are intrinsic to all areas of Voyage Care's operations and attainment of our purpose, delivering great care and support and achieving commercial success.

Our ESG policies aim to minimise the impact and maximise the benefit that our activities have on the environment and people around us whilst operating ethically, sustainably, and responsibly. The social care sector has fundamental social value and is heavily regulated with strong governance frameworks. In recent years sustained progress has been made on improving our environmental performance, measuring our societal impact and evidencing our strong governance through our sector leading quality ratings.

Environmental

The Group has set an objective of becoming climate positive by 2035 with an intention to significantly reduce overall carbon emissions by 2025 through the development of a carbon reduction roadmap. Notably, climate measures implemented since 2020 have reduced carbon emission by 4,463 tCO₂e, a 34% reduction against the FY20 baseline (market-based emissions). Whilst Voyage Care continues to grow, our footprint has not increased and we expect that the initiatives we are implementing, detailed below, will further reduce the emission intensity ratio.

In accordance with streamlined energy and carbon reporting requirements, during the year ended 31 March 2024, the Group's carbon emissions were as follows:

	2024		2023	
	Global tonnes of CO ₂ e	MwH	Global tonnes of CO ₂ e	MwH
Combustion of fuel and operation of facilities (Scope 1)	5,985	30,687	6,482	33,218
Electricity, heat, steam and cooling purchased for own use (Scope 2)	1,622	7,833	1,731	8,360
Business travel where the Group is responsible for purchasing fuel (Scope 3)	675	2,795	601	2,489
Total (Location-based)	8,282	41,315	8,814	44,067
Total (Market-based)	6,660		7,139	
Emissions intensity (Scope 1 and 2) per employee (tCO ₂ e/number of employees)	0.62		0.61	

We continue to develop innovative ways to reduce our emissions and a review of investment in our retrofit phase 1 project (see below) is underway informing a second phase of investment during FY25, contributing to our 2035 target.



Environmental, Social and Governance (ESG) *continued*

Environmental *continued*

Some of the initiatives that the Group has deployed to achieve its commitment of significantly reducing carbon emissions by 2025 are:

- £1m invested in a low carbon retrofit project to significantly reduce carbon emissions at 13 properties with interventions that included increased loft insulation, lighting upgrades to LED with occupancy control, building systems heating controls, and window upgrades;
- Continued procurement of electricity from renewable sources;
- Completion of electric smart meter roll out across our property portfolio;
- Commenced the launch of a new Digital Care Platform with the aim of eliminating paper procedures, manuals, and forms promoting a Digital First approach;
- All company cars are specified as Battery Electric Vehicles (BEV) or hybrid vehicles with a maximum 75g CO₂/km;
- Ongoing maintenance fleet review with roll out of BEVs;
- Continued operation of zero waste to landfill whilst encouraging the reduction, reuse or recycling of waste created at our services;
- Commenced site works for low carbon new build developments, including Photovoltaic solar energy (PV) and Air Sourced Heat Pump (ASHP) technologies; and
- 'Mission Zero', our behavioural change campaign, targeted at colleagues and people we support to drive engagement and awareness.

The Group's energy consumption calculations are based on GHG Protocol Accounting and Reporting Standard (revised edition) with UK Government GHG conversion factors for company reporting (2023).

Colleagues

The key to the Group's success is to attract and retain our colleagues, by focusing on their wellbeing, development, skills and capabilities. We recognise that engaged colleagues provide better outcomes for the people we support. As such, the impact on colleagues is always considered by the Board in reaching their decisions.

The Group's objective is to become the employer of choice in our sector. Our Employee Value Proposition (EVP) explains our people promises; each of these commitments we make apply to both a family environment within each of our services and departments of the Group, and what the Group offers to employees who work for us. Our EVP is an integral part of delivering great quality care and support by ensuring our colleagues feel happy, motivated, and engaged.



Environmental, Social and Governance (ESG) *continued*

Colleagues *continued*

The Group works closely with our colleagues to seek their views in all work-related matters and we carried out our first Group engagement survey during the year. Each engagement category, as well as our Net Promoter Scores, scored highly and thorough action plans are in place to both celebrate successes and drive improvement in identified development areas.

The Group has relaunched its benefits package following feedback from the engagement survey. The principal focus has been on ensuring all colleagues have a comprehensive suite of wellbeing benefits to support their physical, emotional, and financial needs, for them and their families. These benefits are promoted through regular internal communications and a dedicated benefits page is on our internal intranet.

Following a robust supplier review, we made the decision to outsource our training provider lead qualifications model and have now partnered with Paragon. Learners on programme have doubled since Paragon partnered with us. Our focus is now attracting learners from underrepresented groups, further increasing the diversity of our workforce.

The Group recognises the recruitment, training and retention of skilled colleagues is critical to its success. As a result, we have continued to invest in training, spending £1.5 million in the year ended 31 March 2024 (2023: £2.1 million), to ensure that our colleagues are fully up to date in the best ways of providing care for those we support.

In addition, the Group has an in-house learning and development team which is dedicated to delivering training courses on all relevant subjects, enabling our colleagues to gain the necessary skill set, knowledge and confidence to achieve Voyage Care's high standards of care for the people we support.

Substantial improvements have been made this year in both attracting and retaining our colleagues, which has significantly improved our colleague stability index and further reduced our reliance on agency.

The Group's policies ensure any discrimination will not be tolerated, either directly or indirectly, in recruitment or employment. We demonstrate the Group's commitment to this by promoting equal opportunities for current and potential employees, promoting an environment free from discrimination, bullying, harassment and challenging behaviour and providing support and encouragement to our colleagues to develop their careers and increase their contribution to Voyage Care.

Voyage Care recognises that human rights principles of fairness, respect, equality, dignity and autonomy are at the heart of good care provision. It is also known that there is a strong link between the quality of care and equality for colleagues that requires work on basic fairness and building an inclusive culture that recognises and celebrates diversity.



Environmental, Social and Governance (ESG) *continued*

Colleagues *continued*

It is our expectation that people we support, colleagues, visitors and others are treated with consideration, dignity and respect and are free from harassment or intimidation at all times. This expectation is communicated to our colleagues through an equality, diversity and human rights policy available on the company intranet.

Voyage Care is committed to having a diverse workforce in terms of gender, background, experience and nationality at all levels within the organisation.

A summary of the gender diversity throughout the Group to Voyage BidCo Limited is as follows:

	2024			2023		
	Female	Male	Total	Female	Male	Total
Director	1	1	2	-	2	2
Senior Executive	10	7	17	9	6	15
Employee	8,024	2,777	10,801	8,132	2,535	10,667
Total	8,035	2,785	10,820	8,141	2,543	10,684

We are committed to the development of our people and ensuring gender equality by design. As at April 2023, the Group's overall median gender pay gap was 0.4% (2022: 0.4%), with a mean figure of 1.3% (2022: 3.6%). The Group's most recent gender pay gap report can be accessed at: www.voyagecare.com/about-voyage-care/legal-information/.

Social, community and human rights issues

Voyage Care make a positive contribution to our local communities and the people we serve by proactively managing relationships with colleagues, suppliers, customers, and other stakeholders. Voyage Care are a highly dispersed organisation located in the heart of the communities within which we operate and whose services are commissioned by most of the Local Authorities and ICBs across the UK. The majority of every pound of the fees Voyage Care receives for the care it provides directly benefits, and stays in, a local community whether through creating local jobs, purchasing of local goods and services (such as food and other household supplies, property maintenance) or through investment in expanding our specialist provision to meet the needs of local communities.

Social value is inherent in our purpose, the delivery of great care and support, and it supports the attraction and retention of the best colleagues in a competitive labour market, and continues to build relationships with both those we support and commissioners. We work hard to evidence the outcomes we achieve and continuously improve how we operate. This includes:

- Investing in our Employee Value Proposition;
- Enhancing tools to develop digital skills and inclusion for our employees and people we support; and
- Enabling people we support to access education, volunteering and employment opportunities both within Voyage Care as Quality Checkers and in external organisations.



Environmental, Social and Governance (ESG) *continued*

Social, community and human rights issues *continued*

The Group ensures business activities are conducted in such a way that we are not complicit in the abuse of fundamental human rights. These principles are reflected in all that we do and are essential to the practices of an ethical company. Voyage Care is committed to supporting human rights through compliance with laws and regulations in all aspects of the Group's operations and operate with a zero-tolerance approach to bribery and corruption. Where regulations have been introduced, the Group has taken appropriate steps for having policies to discourage unethical business conduct, thus ensuring its employees are protected. The Group's continuing commitment to tackle modern slavery in our business and supply chains is detailed in our Modern Slavery Act Statement published on our website: www.voyagecare.com/about-voyage-care/modern-slavery-statement/.

Corporate governance arrangements

The Group remains committed to ensuring effective governance is in place to deliver its purpose.

The social care sector is heavily regulated, operating within the framework of the three quality regulators in England, Wales and Scotland. Additionally, our services are governed by the specific specification and contract monitoring requirements of local contracts – commissioned by Local Authorities and ICBs across the UK. Voyage Care has developed an effective governance framework, including assurance and auditing of systems or processes and delivering continuous improvement. This is evidenced through high levels of regulatory compliance, adoption of sustainable procurement principles and strong governance of issues such as Health and Safety, EDI, gender pay reporting, modern slavery and anti-discriminatory practices.

For the year ended 31 March 2024, under The Companies (Miscellaneous Reporting) Regulations 2018, the Company has followed the Wates Corporate Governance Principles for Large Private Companies.

Details of our performance against the Wates Corporate Governance Principles for Large Private Companies can be found on pages 31 to 33.

Anti-corruption and anti-bribery matters

We operate a zero-tolerance approach to bribery and corruption and are committed to operating in accordance with the Bribery Act 2010. We have implemented and enforce effective systems to counter bribery and have an anti-bribery and corruption policy to inform colleagues of their responsibilities throughout the organisation. As part of this approach, colleagues receive regular refresher training. We are committed to ensuring that the entire organisation acts professionally, fairly and with integrity in all our business dealings and relationships.



Events after the balance sheet date

On 23 April 2024, the Group acquired the share capital of KDL Investments Limited and its four subsidiary undertakings for £25.6m. The services acquired which are based in South Yorkshire include seven registered care homes and one supported living location; together they have capacity to support 64 people, with aim to further increase Voyage's presence in the market place.

Future prospects

The Group's philosophy places the people in our care at the heart of what we do. We recognise that our reputation and success are based upon their happiness and wellbeing and that the quality of care we provide is paramount.

Over the coming years, we anticipate growing demand for high quality care services which meet the needs of those who require support, care managers and families as the population of people requiring support continues to grow.

To help support growth opportunities and sustainability the Group will look to continue to invest in its property portfolio, development capital expenditure in connection with new builds, repurposing specific existing properties and targeted retrofitting of properties to provide more sustainable properties and help reduce the Group's carbon footprint.

By order of the Board

P Haspel
Director

Wall Island
Birmingham Road
Lichfield
Staffordshire
WS14 0QP
23 July 2024



The Directors present their annual report and the audited financial statements for the year ended 31 March 2024.

In accordance with section 414C(11) of the Companies Act, information that is required to be contained in the Directors' Report has been included in the Strategic Report, specifically in respect of the future prospects of the business and the use of the financial instruments.

Principal activities

The principal activity of the Company is to act as a holding company. 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.

Results and dividends

The results for the year are set out in detail on page 39.

The Directors do not recommend the payment of a dividend (2023: £Nil).

Going concern

The Voyage Bidco Group 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 November 2026, of which £44 million was undrawn at 31 March 2024.

The Directors have prepared cash flow forecasts in order to assess going concern for a period to 31 March 2026, 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 reduction in occupancy levels, increased levels of cost inflation throughout the going concern period, the potential impact of the principal risks identified on pages 7 and 8, 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 and Company'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.



Financial risk management

Refer to the Strategic Report for details of the Group's financial risk management policies and procedures.

Colleague involvement

The Group has formal employee policies and procedures which are regularly reviewed and updated on matters of direct concern to employees.

The Group offers a Colleague Assistance Programme to enable its workforce to seek support on work, home and life issues to allow the Group to offer improved support to colleagues working in challenging environments.

Disabled persons

Full and fair consideration is given to applications for employment from disabled persons and to continuing the employment of those who become disabled while employed. The policy is to give equal opportunity for training, career development and promotion.

Streamlined energy and carbon reporting

In accordance with streamlined energy and carbon reporting requirements, the Group's energy usage has been reported in the Strategic Report on pages 19 and 20.

Institutional investors

In January 2022, the Group was acquired by Wren House Infrastructure Management Limited, a global infrastructure investment manager.

Wren House Infrastructure Limited has a focus on delivering risk adjusted equity returns through a disciplined investment approach, a long-term responsible investment horizon and active asset management. Wren House Infrastructure Management Limited are owned by the Kuwait Investment Authority, being the ultimate owner of the Voyage Care Group.



Directors

The Directors that served during the year and subsequently were:

Company

Andrew Cannon	Resigned 7 March 2024
Jayne Davey	Appointed 7 March 2024
Shaun Parker	Resigned 21 May 2024
Peter Haspel	Appointed 21 May 2024
Michael McKessar	Appointed 25 June 2024

Shaun Parker resigned as a director on 21 May 2024 after the date of these financial statements but prior to the signing date of this report.

Peter Haspel was appointed as a director on 21 May 2024 after the date of these financial statements but prior to the signing date of this report.

Michael McKessar was appointed as a director on 25 June 2024 after the date of these financial statements but prior to the signing date of this report.

The Directors benefited from qualifying third-party indemnity provisions in place during the financial year and at the date of this report.

Summarised below is a brief description of the experience of the individuals who are current members of the Board of Directors of the Company:

Jayne Davey (Interim Chief Executive Officer) was appointed to the board of the Group on 1 October 2015 and has served as Chief Operating Officer since February 2015. Jayne had previously been our Director of Quality and Improvement since March 2013. For over eighteen years Jayne has held a number of senior positions both within the health and social care sector and for large corporate, quality led, service businesses. Jayne joined from Saga Healthcare where she was the Director responsible for the quality, safety and governance functions along with other key support and customer facing services. Jayne was appointed as Interim Chief Executive Officer in March 2024 until the appointment of the new Chief Executive Officer.

Peter Haspel (Interim Chief Financial Officer) was appointed to the board of the Group on 21 May 2024. Peter has extensive experience in financial and commercial roles including as CFO and CEO for multi-site property backed operating businesses across a range of sectors, including care, social housing, student accommodation and leisure, both in the UK and Europe.

Mike McKessar (Chief Executive Officer) was appointed to the board of the Group on 25 June 2024. Mike is an experienced and highly regarded leader in the social care sector having been Chief Commercial Officer at HC-One since 2021. Prior to this he was Commercial Director at Sunrise Senior Living and spent nine years at Bupa in various senior roles.



Committees of the Board

The Board of Directors of the Voyage Care Group, as explained further in the statement of corporate governance arrangements on pages 31 to 33, has established a Quality, Safety and Risk Committee, an Audit Committee and a Remuneration Committee to cover each of the entities in the Group, including Voyage BidCo Limited. The membership, purpose and responsibilities of each committee are summarised below:

Quality, Safety and Risk Committee

Voyage Care's purpose is to deliver great quality care and support, and we are privileged to support over 3,300 adults and children, enabling them to live the life they want to lead and achieve their personal goals. We are proud of the quality of the care and support we provide; Voyage Care has more services rated Good and Outstanding (or equivalent) by the regulators than any other adult social care provider. However, as a learning organisation we recognise there are always opportunities to improve further.

The Quality, Safety and Risk Committee (QSR) provides independent challenge and review which drives quality improvements and the performance of best practice throughout the organisation. The QSR uses appropriate metrics about how Voyage Care is fulfilling its purpose and aims to continually improve feedback loops and delivery. In addition, the QSR provides an independent review of serious care, support and clinical incidents to ensure that, in all cases referred to the Committee, compliance with the relevant standards and regulations has been achieved, or exceptions reported. The Committee will also support and advise the Group to help provide a safe and secure care, support and clinical environment in the services, so to maximise the prospects of successful outcomes for all people we support.

The Quality, Safety and Risk Committee is chaired by Dean Fathers and, in addition comprises the Chief Executive Officer, the Chief Operating Officer, the Quality Director, the Legal Director and Investor Directors.

The Group also continues to operate its own quality assurance function to ensure that quality standards are continually driven forward. This well-established in-house team regularly reviews each service to ensure all statutory and national guideline obligations are met and ensure delivery of continually improving care and quality standards.



Committees of the Board *continued*

Audit Committee

The purpose of the Audit Committee is to review the financial statements and controls of the Group on behalf of the Board. The Committee is responsible for ensuring that the principles and policies comply with statutory requirements and with the best practices in accounting standards. The Committee will also consult with the external auditors reviewing key risk areas, seeking to satisfy itself that the internal control and compliance environment is adequate and effective and recommending to the Board the appointment and level of remuneration of the external auditors. The Audit Committee is chaired by the Group's non-executive chair and includes representatives from the Group's parent entity, Wren House Infrastructure Management Limited. The Chief Executive Officer and Chief Financial Officer attend meetings but are not members of the Audit Committee. The Group's Senior Statutory Auditor is also invited to Audit Committee meetings and, on each occasion, spends time with the Committee without executive management being present.

Remuneration Committee

The function of the Remuneration Committee is to provide oversight of the terms and conditions of senior employees on behalf of the Board. The Committee is responsible for making determinations on all matters concerning the remuneration of the senior managers, amending terms of the senior managers' service contract and approving, if appropriate, all proposed appointments of new senior managers. The Remuneration Committee is chaired by the Group's non-executive chair and, in addition comprises the Chief Executive Officer and representatives from the Group's parent entity, Wren House Infrastructure Management Limited.

Corporate governance

The Group's corporate governance arrangements are set out on pages 31 to 33.



Statement of disclosures to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and RSM UK Audit LLP will, therefore, continue in office.

By order of the Board

P Haspel
Director

Wall Island
Birmingham Road
Lichfield
Staffordshire
WS14 0QP
23 July 2024



The Company is committed to effective corporate governance and while not required to, has followed the principles contained in the Wates Corporate Governance Principles for large private companies for the year ended 31 March 2024. Further explanation of how each principle has been applied is set out below.

Purpose and leadership

An effective Board develops and promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose

As set out on page 1, the Group's purpose is to deliver great quality care with commercial success. Guided by our values on page 1, we aim to make a significant positive impact each day to the c.3,300 people we support. The Board actively promotes the purpose and values of the company by communicating these widely across the company and through the work of the Board, its interaction with colleagues in Board meetings and in the various service visits undertaken by Board members. The Board has made sure that the recent Strategy review has taken full account of the purpose, values and culture of the Group. Senior management recruitment and performance appraisal both place our purpose, values and culture at the centre of what we expect from our senior team.

The Group invests in a suite of communication tools to ensure consistent information is conveyed throughout the organisation whilst promoting a culture for colleagues to openly discuss themes and collaborate on issue resolution.

Board composition

Effective Board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a Board should be guided by the scale and complexity of the company.

Following the acquisition of the Voyage Care Group by Wren House Infrastructure Management Limited on 14 January 2022, the Group Board of Directors was re-formed to include a new non-executive Director in addition to the non-executive chair, investor Directors (three) and executive Directors (three), making a total of eight Board members which we believe is appropriate for a Group of our size and complexity. The Board has a diverse range of skills and experiences, in particular, the chair has significant experience successfully chairing other organisations in addition to the Group. Gender diversity on the Board has been enhanced as it now comprises five male and three female members, with the addition of the new Board members. In addition to the directors of Voyage Bidco Limited whose background and experiences are listed on page 27 and form part of the Executive management team, details of the Group's Chair and Non-Executive Directors can be found at: <https://www.voyagecare.com/team/the-board/?src=investors>.

The Voyage Care Board meet monthly to review, discuss and challenge all pertinent matters of the Group, including care quality, operational performance, talent management, risk management and financial performance. This is in addition to regular executive interaction, non-executive discussions, and service visits where required and on a regular basis.



Board composition continued

The two Directors of Voyage BidCo Limited are two of the three executive Directors on the Voyage Care Group Board of Directors.

Director responsibilities

The Board and individual directors should have a clear understanding of their accountability and responsibilities. The Board's policies and procedures should support effective decision making and independent challenge

Each Board member of the Group Board of Directors has a clear understanding of their accountability and responsibilities. Matters reserved for the Board are clearly defined, Board approved and fully documented delegation of authorities is in place and well communicated.

Certain matters are delegated to Board Committees, that each include members of the Board of Directors in addition to relevant members of the Group's executive team. Each committee has terms of reference which have been approved by the Board. The committees are: Quality, Safety and Risk Committee (led by an independent experienced chair); Audit Committee; and Remuneration Committee. Pages 28 to 30 include brief details of the purpose and composition of the committees.

Board meetings are held monthly, with the agenda set by the Chair in consultation with Board members. A schedule of upcoming Board and Committee meetings which includes topics to be discussed is maintained and reviewed at every Board meeting, ensuring that relevant subjects are discussed and giving time for preparation of supporting materials. The Board's intention is to hold two extended Board "away day" meetings every year, one to discuss Quality of Care and the other to discuss Strategy, both key areas requiring the Board's focus and input.

Board Governance is kept under regular review by the Board.

Opportunity and risk

A Board should promote the long-term sustainable success of a company by identifying opportunities to create and preserve value, and establishing oversight for the identification and migration of risks

During the year, the Board commissioned a strategic review. This was led by the Chief Executive Officer and carried out by external strategy consultants with support from the Executive team. Throughout the project, the Board were involved in setting the scope, reviewing progress and output, identifying strategic options for further analysis, defining a number of financial scenarios, and choosing the strategic direction and key projects for investment. The Board reviewed and approved the required investment and are monitoring progress against the strategy using agreed key performance indicators and regular updates on the strategic projects at the board meetings.

During the year, the Group created a new Director of Risk and Audit role to support the evaluation of enterprise risk management and recommend improvements to the Board as necessary.



Opportunity and risk *continued*

Our principal risks and uncertainties are detailed on pages 7 and 8 and details of our financial risk management are explained on pages 16 and 17. They are monitored and managed by the Board and in the appropriate Board committees of the Board.

Remuneration

A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company

The Board of Directors delegates the oversight of the terms and conditions of senior colleagues to the Remuneration Committee.

The Remuneration Committee is responsible for making determinations on all matters concerning the remuneration of senior managers, amending terms of senior managers' service contracts and approving, if appropriate, all proposed appointments of new senior managers.

The remuneration policy is designed to attract, retain and motivate senior colleagues of the highest quality whilst incentivising them to deliver our purpose to deliver great quality care with commercial success.

Senior colleagues participate in a performance related bonus scheme, whereby annual bonuses can be earned by achievement against a number of key performance indicators, most notably quality and EBITDA, subject to a quality of earnings assessment.

The Group operates a long term incentive plan for the Executive management team and certain other senior colleagues based on achieving sustainable growth for the Group. Details of the Directors' remuneration can be found on page 62.

Stakeholder relationships and engagement

Directors should foster effective stakeholder relationships aligned to the company's purpose. The Board is responsible for overseeing meaningful engagement with stakeholders., including the workforce, and having regard to their views when taking decisions.

The Group remains committed to operating in a responsible and sustainable way and engaging in effective and proactive communication with all stakeholders as appropriate. Some of the ways that this achieved is explained on pages 19 and 20.

Board members and the chair of the Quality, Safety and Risk Committee regularly visit the Group's services to meet colleagues and people we support. These visits allow Board members to personally assess the quality, safety and environment of our services, and give the opportunity for two-way communication directly with colleagues. This supplements the regular review of these matters in Board meetings.

Management are encouraged to pro-actively communicate and engage with key stakeholders with support from Directors as required. Stakeholder engagement is reviewed during Board meetings.

Voyage BidCo Limited
Statement of Directors responsibilities in respect of the Strategic Report,
Directors' Report and the Financial Statements
For the year ended 31 March 2024



The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VOYAGE BIDCO LIMITED

Opinion

We have audited the financial statements of Voyage Bidco Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of profit and loss, consolidated statement of other comprehensive income, consolidated and company statements of financial position, consolidated and company statements of changes in equity, consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VOYAGE BIDCO LIMITED continued

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors responsibilities set out on page 34, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are UK-adopted IAS, FRS101, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with tax authorities and evaluating advice received from tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to care quality. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with relevant authorities.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing journal entries and other adjustments; evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business; challenging judgments and estimates applied in the preparation of the financial statements; focused testing of revenue transactions around the year end; tests to identify the completeness of revenue; and the application of data analytics procedures to identify specific revenue transactions for further investigation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Richard King

Richard King (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
East West Building
2 Tollhouse Hill
Nottingham
NG1 5FS

23 July 2024

Voyage BidCo Limited
Consolidated Statement of Profit and Loss
For the year ended 31 March 2024



	Notes	2024			2023		
		Underlying £000	Non- underlying items (2) £000	Total £000	Underlying £000	Non- underlying items (2) £000	Total £000
Revenue	5	348,726	-	348,726	315,218	-	315,218
Operating expenses	10	(328,791)	(5,087)	(333,878)	(295,322)	(8,731)	(304,053)
Adjusted EBITDA (1)		39,978	(2,499)	37,479	38,905	(3,876)	35,029
Depreciation and impairment of property, plant and equipment	10	(17,550)	(2,588)	(20,138)	(16,843)	(4,855)	(21,698)
(Loss) / profit on disposal of assets	10	(403)	-	(403)	140	-	140
Amortisation of intangible assets	10	(2,090)	-	(2,090)	(2,306)	-	(2,306)
Operating profit		19,935	(5,087)	14,848	19,896	(8,731)	11,165
Finance income	11	501	-	501	349	-	349
Finance expense	12	(17,958)	-	(17,958)	(17,427)	-	(17,427)
Profit / (loss) before taxation		2,478	(5,087)	(2,609)	2,818	(8,731)	(5,913)
Taxation	13	(192)	663	471	(1,398)	995	(403)
Profit / (loss) for the period from continuing operations		2,286	(4,424)	(2,138)	1,420	(7,736)	(6,316)
Profit / (loss) attributable to equity holders of the parent		2,286	(4,424)	(2,138)	1,420	(7,736)	(6,316)

(1) Adjusted EBITDA is a non-statutory measure that represents earnings before interest, tax, depreciation and impairment, amortisation and profit on disposal of assets.

(2) Further breakdown and description of non-underlying items disclosed in note 6.

Voyage BidCo Limited
Consolidated Statement of Other Comprehensive Income
For the year ended 31 March 2024



	Notes	2024 £000	2023 £000
Loss for the year		(2,138)	(6,316)
<i>Items that will not be reclassified to profit and loss</i>			
Remeasurements of the defined benefit liability	26	89	3
Remeasurements of prior year tax charge	13	-	(4)
Deferred tax movement for the year	22	(23)	(1)
		<hr/> 66	<hr/> (2)
Total comprehensive expense attributable to equity holders of the parent for the financial year		<hr/> (2,072) <hr/>	<hr/> (6,318) <hr/>

Voyage BidCo Limited
Consolidated Statement of Financial Position
At 31 March 2024



	Notes	2024		2023	
		£000	£000	£000	£000
<i>Non-current assets</i>					
Goodwill	14	49,256		49,256	
Intangible assets	15	7,508		7,229	
Property, plant and equipment	16	375,670		372,135	
			432,434		428,620
<i>Current assets</i>					
Trade and other receivables	18	37,441		34,133	
Corporation tax receivable		1,795		2,672	
Cash and cash equivalents	19	14,032		15,488	
		53,268		52,293	
			53,268		52,293
Total assets			485,702		480,913
<i>Current liabilities</i>					
Loans and borrowings	20	11,571		6,336	
Trade and other payables	21	45,390		42,907	
Accruals and deferred income		15,517		17,008	
Provisions	23	586		638	
			73,064		66,889
<i>Non-current liabilities</i>					
Loans and borrowings	20	258,186		256,962	
Tax liabilities	22	16,915		17,363	
Provisions	23	1,198		1,107	
Employee benefits	26	-		181	
			276,299		275,613
Total liabilities			349,363		342,502
Net assets			136,339		138,411

Voyage BidCo Limited
Consolidated Statement of Financial Position *continued*
At 31 March 2024



	Notes	2024		2023	
		£000	£000	£000	£000
Equity					
<i>Capital and reserves</i>					
Issued share capital	24	-		-	
Share premium		252,872		252,872	
Retained earnings		(116,533)		(114,461)	
Total equity attributable to equity holders of the parent		136,339		138,411	

These financial statements were approved by the Board of Directors on 23 July 2024 and were signed on its behalf by:

P Haspel
Director

Company registered number: 05752534

Voyage BidCo Limited
Company Statement of Financial Position
At 31 March 2024



			<i>Restated</i> <i>(See note 31)</i>
	Notes	2024 £000	2023 £000
<i>Non-current assets</i>			
Investments	17	130,874	130,874
Trade and other receivables	18	46,957	522,705
		<u>177,831</u>	<u>653,579</u>
<i>Current assets</i>			
Trade and other receivables	18	-	50
Total assets		<u>177,831</u>	<u>653,629</u>
<i>Current Liabilities</i>			
Accruals and deferred income		75	83
<i>Non-current Liabilities</i>			
Trade and other payables	21	310,360	769,411
Total liabilities		<u>310,435</u>	<u>769,494</u>
Net liabilities		<u>(132,604)</u>	<u>(115,865)</u>
Equity			
<i>Capital and reserves</i>			
Called up share capital	24	-	-
Share premium		252,872	252,872
Profit and loss account		(385,476)	(368,737)
Equity shareholders' deficit		<u>(132,604)</u>	<u>(115,865)</u>

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own Statement of Profit and Loss and related notes that form part of these approved financial statements. The amount of loss after taxation for the financial year for the Company is £16,739k (2023: £29,748k).

These financial statements were approved by the Board of Directors on 23 July 2024 and were signed on its behalf by:

P Haspel
Director

Company registered number: 05752534



For the year ended 31 March 2024

Group	Issued share capital	Share premium	Retained earnings	Total parent equity
	£000	£000	£000	£000
At 1 April 2023	-	252,872	(114,461)	138,411
<i>Total comprehensive income for the year</i>				
Loss for the year	-	-	(2,138)	(2,138)
Other comprehensive income	-	-	66	66
Total comprehensive expense for the year	-	-	(2,072)	(2,072)
At 31 March 2024	-	252,872	(116,533)	136,339

For the year ended 31 March 2023

Group	Issued share capital	Share premium	Retained earnings	Total parent equity
	£000	£000	£000	£000
At 1 April 2022	-	252,872	(108,143)	144,729
<i>Total comprehensive income for the year</i>				
Loss for the year	-	-	(6,316)	(6,316)
Other comprehensive expense	-	-	(2)	(2)
Total comprehensive expense for the year	-	-	(6,318)	(6,318)
At 31 March 2023	-	252,872	(114,461)	138,411



For the year ended 31 March 2024

Company	Issued share capital £000	Share premium £000	Retained earnings £000	Total parent equity £000
At 1 April 2023	-	252,872	(368,737)	(115,865)
<i>Total comprehensive income for the year</i>				
Loss for the year	-	-	(16,739)	(16,739)
Other comprehensive income	-	-	-	-
Total comprehensive expense for the year	-	-	(16,739)	(16,739)
At 31 March 2024	-	252,872	(385,476)	(132,604)

For the year ended 31 March 2023

Company	Issued share capital £000	Share premium £000	Retained earnings £000	Total parent equity £000
At 1 April 2022	-	252,872	(338,989)	(86,117)
<i>Total comprehensive income for the year</i>				
Loss for the year	-	-	(29,748)	(29,748)
Other comprehensive income	-	-	-	-
Total comprehensive expense for the year	-	-	(29,748)	(29,748)
At 31 March 2023	-	252,872	(368,737)	(115,865)

Voyage BidCo Limited
Consolidated Statement of Cash Flow
For the year ended 31 March 2024



	2024	2023
	£000	£000
Cash flows from operating activities		
Loss for the period	(2,138)	(6,316)
Adjustments for:		
Depreciation and impairment of property, plant and equipment	20,138	21,698
Loss / (profit) on disposal of non-current assets	403	(140)
Amortisation of intangible assets	2,090	2,306
Finance income	(501)	(349)
Finance expense	17,958	17,427
Tax (credit) / expense	(471)	403
Movements in working capital:		
Increase in trade and other receivables	(3,316)	(2,987)
Increase in trade and other payables	2,402	5,450
Decrease in accruals and deferred income	(1,759)	(4,546)
(Decrease) / increase in provisions, employee benefits and other financial liabilities	(145)	3
<i>Cash generated from operating activities</i>	<u>34,661</u>	<u>32,949</u>
Interest paid	(15,703)	(15,845)
Tax rebate	885	308
Net cash generated from operating activities	<u>19,843</u>	<u>17,412</u>
Cash flows from investing activities		
Interest received	456	220
Payments to acquire property, plant and equipment	(20,688)	(18,455)
Payments to acquire intangible assets	(2,369)	(1,862)
Proceeds from sales of property, plant and equipment	2,997	2,066
Net cash outflow on acquisition of subsidiaries	-	(4,303)
Net cash used in investing activities	<u>(19,604)</u>	<u>(22,334)</u>
Cash flows from financing activities		
Payment of transaction costs	-	(1,015)
Proceeds from loans and borrowings	4,000	2,000
Property, vehicle and other lease payments	(5,695)	(4,660)
Net cash used in financing activities	<u>(1,695)</u>	<u>(3,675)</u>
Net decrease in cash and cash equivalents in the period	<u>(1,456)</u>	<u>(8,597)</u>
Cash and cash equivalents at the beginning of the period	15,488	24,085
Cash and cash equivalents at the end of the period	<u>14,032</u>	<u>15,488</u>



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 Basis of preparation

The Group financial statements have been prepared and approved by the Directors in accordance with International Accounting Standards in accordance with UK-adopted International Accounting Standards ("UK-adopted IFRSs").

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest thousand.

The Company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") .

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("UK-adopted IFRSs").

In the transition to FRS 101 from UK-adopted IFRSs, the Company has made no measurement and recognition adjustments. In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Statement of Cash Flow and related notes;
- Certain disclosures regarding revenue;
- Certain disclosures regarding leases;
- Comparative period reconciliations for share capital and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of IAS 24 Related Party Transactions;
- Disclosures in respect of capital management;
- Disclosures in respect of IAS 1 Presentation of Financial Statements relating to prior period restatement;
- Disclosures in respect of IFRS 2 Share-Based Payments; and
- Disclosures in respect of IFRS 7 Financial Instruments.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

The Group and Company 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.

The details of the accounting policies are disclosed in note 3 and see also note 27 for related party disclosures.



2 Basis of preparation *continued*

Going concern

The Voyage Bidco Group 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 November 2026, of which £44 million was undrawn at 31 March 2024.

The Directors have prepared cash flow forecasts in order to assess going concern for a period to 31 March 2026, 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 reduction in occupancy levels, increased levels of cost inflation throughout the going concern period, the potential impact of the principal risks identified on pages 6 to 9, 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 and Company'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 Accounting policies

The following accounting policies have been applied consistently dealing with items which are considered material in relation to the companies financial statements.

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combinations and goodwill

Acquisitions are accounted for using the acquisition method as at the acquisition date and costs incurred in relation to the acquisition are expensed and included within operating expenses.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. If the contingent consideration is not classified as equity, changes to fair value are recognised in the Statement of Profit and Loss.

Any deferred consideration payable is recognised at fair value at the acquisition date and changes to fair value are recognised in the Statement of Profit and Loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. Goodwill is tested for impairment annually.

If the consideration is lower than the fair value of the net identifiable assets of the acquired subsidiary, the difference is recognised in Statement of Profit and Loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.



3 Accounting policies *continued*

Intangible assets

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

Customer relationships	2 - 10 years
Non-compete	2 - 3 years
Brands	1 - 4 years

Software costs

Purchased software that is not integral to the functionality of the related equipment is capitalised and amortised on a straight-line basis over its estimated useful life.

Internally generated intangible assets are only capitalised at the development stage and subsequently amortised on a straight-line basis over its estimated useful life. Development expenditure is capitalised only if the expenditure can be measured reliably, the process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete the development and to use or sell the asset. Expenditure in relation to the research stage is recognised in profit or loss when incurred. The estimated useful life of software costs is as follows:

Software not integral	3 years
Internally generated	5 years

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure incurred in bringing the asset into working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Depreciation is charged to the Statement of Profit and Loss on a straight line basis at rates calculated to write off the cost of each asset to its residual value over its estimated useful life. The depreciation rates in use are:

Freehold land	Nil
Freehold buildings	2%
Fixtures, fittings and equipment	20% - 50%
Computers integral	33%
Motor vehicles	25%
Right-of-use assets	Duration of lease

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and are recognised net within the Statement of Profit and Loss.



3 Accounting policies *continued*

Impairment of goodwill and property, plant and equipment

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill the recoverable amount is estimated each year at the same time.

Calculation of recoverable amount

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU's. Goodwill arising from a business combination is allocated to CGU's or groups of CGU's that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less cost of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGU, and then to reduce carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Investment in subsidiaries

Investments in subsidiaries are stated at cost less impairment.



3 Accounting policies *continued*

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are stated at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Trade, group and other receivables

Trade, group and other receivables are recognised at amortised cost, being transaction cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash Flows.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost less any impairment losses.

Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECLs the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

Measurement of ECLs

The Group measures allowances at an amount equal to the lifetime expected credit loss using both quantitative and qualitative information and analysis based on the Group's historical experience and forward looking information.



3 Accounting policies *continued*

Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either: substantially all of the risks and rewards of ownership of the financial asset are transferred; or the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in Statement of Profit or Loss.

Revenue

IFRS 15 provides a single, principles-based approach to the recognition of revenue from all contracts with customers. It focuses on the identification of performance obligations in a contract and requires revenue to be recognised either at a point in time or over time, when the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue arises mainly from the provision of high quality care and support services for people with learning disabilities, brain injuries and other complex needs in a Registered and Community Based Care setting.

Revenue in respect of the provision of Registered and Community Based Care represents the fair value of fee income receivable for the period and is recognised in respect of the care that has been provided in the relevant period. Revenue invoiced in advance is included in deferred income, until the service is provided, whilst revenue billed in arrears is included in accrued income until billed.

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.

These items typically include impairments and costs of share-based payments, acquisitions and restructuring.



3 Accounting policies *continued*

Financing income and expense

Interest income and interest payable is recognised in the consolidated Statement of Profit and Loss as it accrues, using the effective interest method.

Financing expenses comprise interest payable on Loan Notes, other third party borrowings, unwinding of the discount on provisions and lease liabilities. In addition, transaction costs that are directly attributable to the arrangement of borrowings are capitalised and recognised in the consolidated Statement of Profit and Loss using the effective interest method.

Taxation including deferred taxation

The charge for taxation is based on the profit or loss for the year and comprises current and deferred taxation. Income tax is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised through the Statement of Other Comprehensive Income, in which case it is recognised in equity.

Tax currently payable is based on the taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Tax is calculated using tax rates enacted or substantively enacted at the date of the Statement of Financial Position.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises the expenditure for which the grants are intended to compensate.

Employee benefits

The assets of all pension plans are held separately from those of the Group, in separately administered funds.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate fund and will have no legal obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Profit and Loss in the period during which services are rendered by employees.



3 Accounting policies *continued*

Employee benefits - continued

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets are deducted. The Group determines the net interest on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit asset.

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that has maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Re-measurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets and the effect of the asset ceiling. The Group recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in the Statement of Profit or Loss.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

Share-based payments

Share based payments have been awarded to key management personnel and senior employees that vest between 2027 and 2029 on tiered hurdles of investor IRR levels at the vesting periods. The grant-date fair value of equity-settled share payment arrangements granted to key management personnel and senior employees is generally recognised as an expense, with a corresponding increase in equity over the vesting period of the awards.

The fair value of the key management and senior employee share purchase plan has been measured using a Monte Carlo simulation model.

Segment reporting

Segment results that are reported to the Group's Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, finance costs and tax assets and liabilities.



3 Accounting policies *continued*

Leases

A. Definition of a lease

The Group assesses whether a contract is or contains a lease based on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

B. As a lessee

As a lessee, the Group recognises right-of-use assets and lease liabilities for most leases. The Group has elected not to recognise right-of-use assets and lease liabilities for some leases that are low value and/or short term in nature. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.



3 Accounting policies *continued*

Leases continued

B. As a lessee continued

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss. The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the Statement of Financial Position. The Group has applied judgements to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

UK-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 indicated:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective date - 1 January 2024);
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements (effective date - 1 January 2024); and
- Amendments to IFRS16: Lease Liability in a Sale and Leaseback (effective date - 1 January 2024).

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



4 Accounting estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 key assumptions which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Impairment of goodwill

Determining whether goodwill is impaired requires judgement as to the determination of the CGUs and an estimation of the value in use of the cash generating units (CGUs) to which goodwill has been allocated. The Group has identified its CGUs in line with its reported Operating Segments, which represents the lowest level at which Goodwill and Intangible Assets are monitored. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the CGUs, and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at 31 March 2024 was £49,256k (2023: £49,256k) (see note 14).

Non-Underlying items

Determining whether a transaction is non-underlying requires judgement. Management considers the size, nature and occurrence of each transaction and uses their historical experience to determine whether the Group separately identifies and discloses certain items as non-underlying.

Credit impaired financial assets

The Group recognises loss allowances for expected credit losses on its financial assets measured at amortised cost. Expected credit losses are a probability weighted estimate of credit losses and are measured at the present value of lifetime cash shortfalls. To determine the lifetime expected credit loss Management use both quantitative and qualitative information to estimate future cash flows, and a suitable discount rate in order to calculate present value.

Valuation of lease liabilities and right of use assets

The application of IFRS 16 requires management to make judgements that impact the valuation of lease liabilities and the valuation of right of use assets. The following critical judgement relating to leases has been considered:

- Lease term - Determining the lease term requires management to consider all facts and circumstances that create an economic incentive to exercise an extension or termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.



5 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 Care: supporting individuals in our specially adapted homes; and
- Community Based Care: supporting individuals in their own home.

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 (2023: £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 3. Segment profits represents adjusted EBITDA earned by each segment without allocation of non-underlying items or finance costs which is consistent with the information reported to senior management.

For the year ended 31 March 2024	<i>Segment results</i>		Group
	Registered	Community Based Care	
	£000	£000	£000
Revenue	225,433	123,293	348,726
Adjusted EBITDA (before non-underlying items)	30,530	9,448	39,978
Non-underlying items			(2,499)
Adjusted EBITDA (after non-underlying items)			37,479
Depreciation and impairment of property, plant and equipment			(20,138)
Loss on disposal of non-current assets			(403)
Amortisation of intangible assets			(2,090)
Net finance expense			(17,457)
Taxation			471
Loss for the period			(2,138)



5 Operating segments *continued*

For the year ended 31 March 2023	<i>Segment results</i>		
	Registered	Community Based Care	Group
	£000	£000	£000
Revenue	203,734	111,484	315,218
Adjusted EBITDA (before non-underlying items)	30,169	8,736	38,905
Non-underlying items			(3,876)
Adjusted EBITDA (after non-underlying items)			35,029
Depreciation and impairment of property, plant and equipment			(21,698)
Profit on disposal of non-current assets			140
Amortisation of intangible assets			(2,306)
Net finance expense			(17,078)
Taxation			(403)
Loss for the period			(6,316)

6 Non-underlying items

The Group separately identifies and discloses certain items, referred to as non-underlying items, by virtue of size, nature or 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 year:

		2024 £000	2023 £000
<i>Non-underlying items:</i>	Note		
Day Care income	a	(141)	-
Consultancy fees	b	611	1,000
Covid-19 related expenditure	c	-	490
Covid-19 related reimbursements	d	-	(375)
Impairment of property, plant and equipment	e	2,588	4,855
Integration and acquisition costs	f	247	213
Project costs	g	63	206
Employment related costs	h	576	662
Share-based payments	i	1,143	1,680
Taxation	j	(663)	(995)
		<u>4,424</u>	<u>7,736</u>



6 Non-underlying items *continued*

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

(a) *Day Care income*

For the year ended 31 March 2024, the Group released a provision in relation to backdated VAT on its Day Care business of £141k (2023: £Nil).

(b) *Consultancy fees*

For the year ended 31 March 2024, the Group incurred costs of £369k in relation to professional advice and consultancy services to support management to develop a new strategy following the sale of the Group headed by Voyage Care HoldCo Limited, improve procurement capabilities and reduce operating costs (2023: £1,000k) and costs of £242k in relation to one off IT expenditure (2023: £Nil).

(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 year ended 31 March 2023 and as a result additional expenditure of £490k was incurred (2024: £Nil).

(d) *Covid-19 related reimbursements*

During the year ended 31 March 2023, the UK Government significantly reduced the funding to Local Authorities to pass to social care providers 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 £375k for the reimbursement of costs in relation to the global pandemic (2024: £Nil).

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

For the year ended 31 March 2024, an impairment charge of £2,588k (2023: £4,855k) was recorded in relation to properties identified for closure, which have been written down to their respective net realisable values.

(f) *Integration and acquisition costs*

For the year ended 31 March 2024, the Group incurred transaction costs in relation to the acquisition of KDL Investments Limited and its subsidiary undertakings (see note 30) of £231k (2023: acquisition of trade and assets from another provider of £209k) and aborted acquisition costs of £16k (2023: £4k).

(g) *Project costs*

The Group is undertaking a programme to improve the quality, accuracy and support for its customers by investing in its head office and operational function including the implementation of an operational ERP system, as a result fees of £63k were incurred (2023: £206k).

(h) *Employment related costs*

For the year ended 31 March 2024, the Group incurred costs of £494k in relation to changes and retaining its key management personnel (2023: £420k), costs of £82k in relation to restructuring its workforce (2023: £65k), settled a pension plan with a lump-sum payment of £Nil (2023: £177k).

(i) *Share-based payments*

During the year ended 31 March 2024, the Group expensed non-cash share-based payments for key management personnel and senior employees of £1,143k (2023: £1,680k).

(j) *Taxation*

During the year ended 31 March 2024, a taxation credit of £663k arose as a result of certain non-underlying items stated in the non-underlying table (2023: £995k).



7 Staff numbers

The average number of persons employed by the Group (including Directors) during the year were as follows:

	Number of employees	
	2024	2023
Administration	560	534
Care staff	10,260	10,150
	<u>10,820</u>	<u>10,684</u>

8 Directors' remuneration

Remuneration paid to the Directors in respect of their services to the Company and other member companies of the Group:

	2024 £000	2023 £000
Remuneration	675	867
Pension contributions	96	85
	<u>771</u>	<u>952</u>

The remuneration of the highest paid director was £361k (2023: £499k) and pension contributions of £68k (2023: £60k) were made to a money purchase scheme on their behalf.

Two of the Directors active in the year accrued benefits under money purchase pension schemes (2023: One Director).

9 Auditor's remuneration

	2024 £000	2023 £000
Audit of the Group financial statements	120	185
Audit of financial statements of subsidiaries	131	120
	<u>251</u>	<u>305</u>



10 Operating profit before taxation

Operating profit before taxation is stated after charging:

	2024	2023
	£000	£000
Direct expenses and consumables	8,688	7,887
Staff costs:		
Wages and salaries	238,029	205,810
Social security costs	19,624	16,441
Other pension costs	4,965	4,178
Operating lease rentals:		
Other lease rentals	468	495
Plant and machinery	282	289
Depreciation of property, plant and equipment	17,550	16,843
Impairment of property, plant and equipment (see note 6)	2,588	4,855
Loss / (profit) on disposal of assets	403	(140)
Amortisation of intangible assets	2,090	2,306
Other external charges	39,191	45,089
	333,878	304,053

11 Finance income

	2024	2023
	£000	£000
Unwinding of discount rate charge	45	128
Bank interest receivable	456	221
	501	349

12 Finance expense

	2024	2023
	£000	£000
Bank interest including RCF non-utilisation fees	1,038	657
Loan notes interest	15,979	15,898
Unwinding of discount on provisions and rate change	41	20
Unwinding of lease liabilities	775	648
Other finance costs	125	204
Total finance expense	17,958	17,427

Loan notes interest comprises interest on Senior Secured Notes of £14,688k (2023: £14,688k) and amortisation of issue costs and original issue discount of £1,291k (2023: £1,210k).



13 Taxation

Recognised in the Statement of Profit and Loss	2024 £000	2023 £000
Analysis of charge in year		
Current tax:		
Adjustments in respect of previous periods	-	(430)
	-	(430)
Deferred tax:		
Origination and reversal of timing differences	(637)	(494)
Adjustments in respect of prior periods	166	1,414
Effect of tax rate change on opening balance	-	(87)
	(471)	833
Tax (credit) / charge	(471)	403
Recognised directly in Statement of Other Comprehensive Income	2024 £000	2023 £000
Remeasurements of prior year tax charge	-	4
Deferred tax recognised directly in other comprehensive income	23	1
	23	5

Factors affecting tax (credit) / charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2024 £000	2023 £000
Loss on ordinary activities before taxation	(2,609)	(5,913)
Current tax at 25% (2023: 19%)	(652)	(1,123)
Effects of:		
Income not taxable	(2)	-
Expenses not deductible	397	500
Fixed asset depreciation / impairment charges in excess of allowances	1,489	311
Transfer pricing adjustment	(175)	152
Group relief received	(1,512)	(196)
Adjustments in respect of prior periods	166	984
Adjust opening deferred tax to average rate	-	(87)
Other items	(46)	(17)
Deferred tax not recognised	(136)	(121)
Total tax (credit) / charge (see above)	(471)	403



14 Goodwill

	Goodwill £000
Cost	
At 1 April 2023 and 31 March 2024	<u>57,812</u>
Accumulated impairment charge	
At 1 April 2023 and 31 March 2024	<u>8,556</u>
At 1 April 2023 and 31 March 2024	<u>49,256</u>

The Group reviews goodwill for impairment on an annual basis or more frequently if there are indications that goodwill might be impaired.

A goodwill impairment charge of £Nil occurred during the year ended 31 March 2024 (2023: £Nil).

Impairment testing

Goodwill acquired in a business combination is allocated to cash generating units (CGUs) that are expected to benefit from that business combination.

Goodwill has been allocated to two identifiable CGUs, Registered services and Community Based Care. The CGUs to which goodwill is allocated is presented below:

	Goodwill	
	2024 £000	2023 £000
Registered	19,101	19,101
Community Based Care	30,155	30,155
	<u>49,256</u>	<u>49,256</u>

The Group performs a test for impairment on each CGU. The methodology and inputs of the impairment test is detailed below:

The recoverable amount was determined by the greater of net realisable value and value in use. In assessing value in use, the expected future cash flows were discounted to their present value using a pre-tax discount rate of 9.07% for the Registered CGU and 9.21% for the Community Based Care CGU (2023: 8.03% and 10.51% respectively). The pre-tax discount rates reflect current market assessments of the rate of return expected on equally risky investments.



14 Goodwill *continued*

Key assumptions for the value in use calculations are those regarding weekly fees, occupancy or volume of chargeable hours, costs, discount rates, growth rates and the period on which forecasts are based. The cash flow projections were based on financial budgets approved by the Board of Directors for the forthcoming year and management's forecasts for five years which are based on assumptions of the business, industry and economic growth. A terminal value is placed on the value of the annual cash flows in year five.

Registered

The recoverable amount of this CGU was based on value in use using the assumptions stated above and a terminal growth rate of 3% (2023: 3%). The recoverable amount of £672.6 million (2023: £639.8 million) exceeded its carrying amount by approximately £302.6 million (2023: £279.6 million) and no impairment was required.

Community Based Care

The recoverable amount of this CGU was based on value in use using the assumptions stated above and a terminal growth rate of 3% (2023: 3%). The recoverable amount of £275.0 million (2023: £165.1 million) exceeded its carrying amount by approximately £237.2 million (2023: £121.8 million) and no impairment was required.

Sensitivities

Whilst the impairment testing did not give rise to an impairment, management note that the calculations are sensitive to certain assumptions. The below table sets out each assumption and states the increase in percentage points each assumption requires before the carrying amount equals its recoverable amount.

Changes required for carrying amount to equal recoverable amount (percentage points movement):

	2024	2023
<i>Registered</i>		
Discount rate	+4.01%	+3.13%
Budgeted revenue growth per year	(7.83%)	(7.34%)
Budgeted staff costs per year	+13.20%	+12.19%
<i>Community Based Care</i>		
Discount rate	+27.82%	+42.88%
Budgeted revenue growth per year	(12.19%)	(26.81%)
Budgeted staff costs per year	+15.64%	+34.20%

Management are confident that the assumptions used for assessing goodwill are appropriate at the time of the review but acknowledge it is possible circumstances may change in the future.



15 Intangible assets

	Software costs	Customer relationships	Non-compete agreements	Brands	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2022	3,943	12,783	1,761	343	18,830
Acquisitions	-	1,192	-	-	1,192
Additions	1,862	-	-	-	1,862
Transfer In	2,150	-	-	-	2,150
Disposals	(71)	-	-	-	(71)
At 31 March 2023	7,884	13,975	1,761	343	23,963
At 1 April 2023	7,884	13,975	1,761	343	23,963
Additions	2,370	-	-	-	2,370
Disposals	(151)	-	-	-	(151)
At 31 March 2024	10,103	13,975	1,761	343	26,182
Amortisation					
At 1 April 2022	2,209	9,831	1,445	331	13,816
Provided during the year	1,105	1,024	167	10	2,306
Transfer In	683	-	-	-	683
Amortisation on disposal	(71)	-	-	-	(71)
At 31 March 2023	3,926	10,855	1,612	341	16,734
At 1 April 2023	3,926	10,855	1,612	341	16,734
Provided during the year	1,415	551	122	2	2,090
Amortisation on disposal	(150)	-	-	-	(150)
At 31 March 2024	5,191	11,406	1,734	343	18,674
Net book value					
At 31 March 2024	4,912	2,569	27	-	7,508
At 31 March 2023	3,958	3,120	149	2	7,229
At 1 April 2022	1,734	2,952	316	12	5,014

Intangible assets meeting the relevant recognition criteria are initially measured at cost less accumulated amortisation and accumulated impairment. The amortisation charge is recognised in the Statement of Profit and Loss.



16 Property, plant and equipment

	Freehold land and buildings	Fixtures, fittings and equipment *	Motor vehicles	Right-of-use asset	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2022	376,081	116,411	6,661	26,032	525,185
Acquisitions	2,853	45	-	-	2,898
Additions	5,177	12,546	168	3,251	21,142
Transfers out	-	(2,150)	-	-	(2,150)
Disposals	(2,194)	(1,265)	(953)	(503)	(4,915)
At 31 March 2023	381,917	125,587	5,876	28,780	542,160
At 1 April 2023	381,917	125,587	5,876	28,780	542,160
Additions	7,245	13,397	261	6,254	27,157
Disposals	(7,255)	(4,336)	(1,469)	(362)	(13,422)
At 31 March 2024	381,907	134,648	4,668	34,672	555,895
Depreciation and impairment					
At 1 April 2022	50,236	84,222	5,888	11,539	151,885
Charge for the year	1,268	10,726	607	4,242	16,843
Impairment	4,855	-	-	-	4,855
Transfer out	-	(683)	-	-	(683)
Depreciation on disposals	(274)	(1,191)	(930)	(480)	(2,875)
At 31 March 2023	56,085	93,074	5,565	15,301	170,025
At 1 April 2023	56,085	93,074	5,565	15,301	170,025
Charge for the year	1,200	11,331	185	4,834	17,550
Impairment	2,588	-	-	-	2,588
Depreciation on disposals	(4,376)	(3,804)	(1,469)	(289)	(9,938)
At 31 March 2024	55,497	100,601	4,281	19,846	180,225
Net book value					
At 31 March 2024	326,410	34,047	387	14,826	375,670
At 31 March 2023	325,832	32,513	311	13,479	372,135
At 1 April 2022	325,845	32,189	773	14,493	373,300

* Fixtures, fittings and equipment includes Computers Integral.



16 Property, plant and equipment *continued*

For the year ended 31 March 2024, an impairment charge of £2,588k (2023: £4,855k) was recorded in relation to properties identified for closure, which have been written down to their respective net realisable values. These impairments relate to the registered operating segment.

Included within freehold land and buildings is freehold land totalling £62,946k (2023: £61,653k) which is not depreciated.

Costs of £12,724k (2023: £4,920k) are included within property, plant and equipment in respect of properties in the course of construction or conversion into care homes which are not depreciated until the properties are brought into use.

As at 31 March 2024 the Group had contracted to the construction or conversion of properties amounting to £4,572k (2023: £580k).

The Group's freehold and long leasehold properties are subject to a registered debenture that forms security for the aforementioned loans and borrowings.

17 Investments

Company	Investments in subsidiary undertakings £000
As at 31 March 2023	130,874
Impairment charge	-
As at 31 March 2024	<u>130,874</u>



17 Investments *continued*

The subsidiary undertakings of the Company, all of which are registered in Great Britain, are summarised as follows:

Subsidiary	Nature of business	Country of incorporation	Holding	Proportion held %
Voyage Healthcare Group Limited	Intermediate holding company	England	Ordinary	100
Voyage Care Limited *	Intermediate holding company	England	Ordinary	100
Voyage 1 Limited *	Community care	England	Ordinary	100
Voyage 2 Unlimited *	Community care	England	Ordinary	100
Voyage Limited *	Community care	England	Ordinary	100
Voyage Specialist Healthcare Limited*	Community care	England	Ordinary	100
Voyage Care BondCo PLC	Investment company	England	Ordinary	100
Solor Care (South West) Limited *	Community care	England	Ordinary	100
Solor Care London Limited *	Community care	England	Ordinary	100
Solor Care South East (2) Limited *	Community care	England	Ordinary	100
Solor Care West Midlands Limited *	Community care	England	Ordinary	100
Solor Care Holdings (2) Limited *	Intermediate holding company	England	Ordinary	100
Solor Care Limited *	Community care	England	Ordinary	100
Solor Care South East Limited *	Community care	England	Ordinary	100
Solor Care Holdings (3) Limited *	Intermediate holding company	England	Ordinary	100
Solor Care Group Limited *	Community care	England	Ordinary	100
Childrens Complex Care Limited *	Community care	England	Ordinary	100
Focused Healthcare Limited *	Intermediate holding company	England	Ordinary	100
Fox Elms Care Limited *	Community care	England	Ordinary	100
Woodley House Limited *	Community care	England	Ordinary	100
Day Opportunities Limited *	Community care	England	Ordinary	100

* Held by a subsidiary undertaking

The registered address of the Company and its subsidiary undertakings stated above is Wall Island, Birmingham Road, Lichfield, Staffordshire, WS14 0QP.



18 Trade and other receivables

	2024		Restated (see note 31) 2023	
	Group £000	Company £000	Group £000	Company £000
Current				
Trade receivables	11,907	-	9,986	-
Impairment of receivables	(977)	-	(546)	-
Trade receivables (net)	10,930	-	9,440	-
Accrued income	9,668	-	8,774	-
Other receivables	526	-	716	-
Prepayments	3,313	-	2,206	50
Intercompany receivables	13,004	-	12,997	-
	<u>37,441</u>	<u>-</u>	<u>34,133</u>	<u>50</u>
Non-current				
Intercompany receivables	-	46,957	-	522,705
	<u>-</u>	<u>46,957</u>	<u>-</u>	<u>522,705</u>

Credit risk exposures in relation to customers is limited given that the majority of the Group's revenue is attributable to publicly funded local purchasers. The Group has no significant concentrations of credit risk, with the exposure spread over a large number of Local Authorities and Integrated Care Boards.

The Group presents trade receivables net of allowances for impairment and during the year there was a debit to the consolidated Statement of Profit and Loss of £431k (2023: £97k).

Movement in the provision for impaired receivables:

	2024 £000	2023 £000
At 1 April	(546)	(449)
Net increase in provision for impaired receivables	(431)	(97)
At 31 March	<u>(977)</u>	<u>(546)</u>

The intercompany receivables due within one year have no fixed repayment date and are non-interest bearing.

The intercompany receivables due after more than one year, have no fixed repayment date and bear interest at a rate based on the Group's weighted average cost of capital.

During the year, the Group completed an intercompany offsetting exercise between its wholly owned subsidiaries to offset and simplify intercompany balances.



18 Trade and other receivables *continued*

Expected credit loss

The Group uses a provision matrix adjusted for current conditions and future expectations to measure the expected credit losses of trade receivables from its customers.

Loss allowances are measured at an amount equal to the lifetime expected credit loss using both quantitative and qualitative information and analysis based on the Group's historical experience and forward looking information.

The following table provides information about the exposure to expected credit losses:

	Weighted average loss rate %	Gross carrying amount £000	Impairment loss allowance £000
Between 0 - 30 days	6.8	9,754	665
Between 31 - 60 days	0.9	954	9
Between 61 - 90 days	1.8	712	13
Between 91 - 180 days	32.4	216	70
Between 181 - 365 days	91.0	200	182
Greater than 365 days	53.5	71	38
		<u>11,907</u>	<u>977</u>

Expected credit losses on intercompany receivables

The Group recognises loss allowances for expected credit losses on its intercompany receivables measured at amortised cost. Expected credit losses are a probability weighted estimate of credit losses and are measured as the present value of expected lifetime cash shortfalls.

The Group did not recognise a loss allowance on its intercompany receivable on the ground it was not material. The Company recognised a reversal of an impairment for impaired intercompany receivables of £764k (2023: increase in the provision of £910k).

19 Cash and cash equivalents

	2024 £000	2023 £000
Cash and cash in hand	11,665	13,179
Cash held on behalf of people we support	254	123
Other restricted cash	2,113	2,186
	<u>14,032</u>	<u>15,488</u>

Cash and cash equivalents includes cash held on behalf of people we support. All interest earned on these funds is returned back to the people we support and are not included in the Statement of Profit and Loss. An equivalent liability of £254k (2023: £123k) exists for this amount and is included in note 21.



20 Loans and borrowings

	2024 £000	2023 £000
Bank loans	6,000	2,000
Loan notes	245,858	244,567
Lease liability	17,899	16,731
	<u>269,757</u>	<u>263,298</u>

Loan notes include unamortised issue costs of £4,142k (2023: £5,433k) which after deducting from the loan note balance due of £250 million results in a net loan note liability of £245,858k (2023: £244,567k).

As at 31 March 2024 there was accrued interest of £1,878k (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:

	2024			
	Within one year	Between two and five years	After five years	Total
	£000	£000	£000	£000
Bank loans	6,000	-	-	6,000
Loan notes	-	245,858	-	245,858
Lease liability	5,571	10,082	2,246	17,899
	<u>11,571</u>	<u>255,940</u>	<u>2,246</u>	<u>269,757</u>

	2023			
	Within one year	Between two and five years	After five years	Total
	£000	£000	£000	£000
Bank loans	2,000	-	-	2,000
Loan notes	-	244,567	-	244,567
Lease liability	4,336	9,217	3,178	16,731
	<u>6,336</u>	<u>253,784</u>	<u>3,178</u>	<u>263,298</u>



20 Loans and borrowings *continued*

Loan notes

The Group issued £250 million Senior Secured Loan Notes due 2027. The Notes are listed on the The International Stock Exchange. Accrued interest on the Loan Notes is cash settled bi-annually. In addition, the Group is party to a £50 million Revolving Credit Facility. See note 28 for the security granted on the Senior Secured Notes and the Revolving Credit Facility.

The fair value of the £250 million Senior Secured Loan Notes as at 31 March 2024 was £205,260k (2023: £207,138k).

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

Debt instrument	Currency	Loan balance £000	Interest rate	Repayment terms
Senior Secured Loan Notes	GBP	250,000	5.875%	Feb-27
Revolving Credit Facility				
Utilised	GBP	6,000	SONIA +3.25%	Nov-26
Non utilised	GBP	44,000	1.1%	Nov-26

21 Trade and other payables

	2024 Group £000	Company £000	2023 Group £000	Company £000
Current				
Trade payables	7,709	-	8,812	-
Other taxes and social security costs	9,754	-	8,658	-
Other payables	22,032	-	20,236	-
Intercompany payables	5,641	-	5,078	-
People we support money payable (see note 19)	254	-	123	-
	<u>45,390</u>	<u>-</u>	<u>42,907</u>	<u>-</u>
Non-current				
Intercompany payables	-	310,360	-	769,411
	<u>-</u>	<u>310,360</u>	<u>-</u>	<u>769,411</u>

The intercompany payables due within one year have no fixed repayment date and are non-interest bearing.

The intercompany payables due after more than one year, have no fixed repayment date and bear interest at a rate based on the Group's weighted average cost of capital.

During the year, the Group completed an intercompany offsetting exercise between its wholly owned subsidiaries to offset and simplify intercompany balances.

The Group has policies in place to ensure all payables are paid within the agreed credit terms.



22 Deferred tax assets and liabilities

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25% (2023: 25%).

Group

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
	£000	£000	£000	£000	£000	£000
Property, plant and equipment	-	-	(29,513)	(28,179)	(29,513)	(28,179)
Intangible assets	145	198	(649)	(829)	(504)	(631)
Employee benefits	-	45	-	-	-	45
Un-utilised losses	4,813	5,252	-	-	4,813	5,252
Corporate interest restriction	7,784	5,698	-	-	7,784	5,698
Other	593	553	(88)	(101)	505	452
Deferred tax assets / (liabilities)	13,335	11,746	(30,250)	(29,109)	(16,915)	(17,363)
Offset of tax	(13,335)	(11,746)	13,335	11,746	-	-
Net deferred tax liabilities	-	-	(16,915)	(17,363)	(16,915)	(17,363)

Movements in deferred tax during the year:

	Recognised in:			At 31
	At 1 April	Profit and	Changes in	March
	2023	loss	OCI	2024
	£000	£000	£000	£000
Property, plant and equipment	(28,179)	(1,334)	-	(29,513)
Intangible assets	(631)	127	-	(504)
Employee benefits	45	(22)	(23)	-
Un-utilised losses	5,252	(439)	-	4,813
Corporate interest restriction	5,698	2,086	-	7,784
Other	452	53	-	505
Deferred tax liabilities	(17,363)	471	(23)	(16,915)



22 Deferred tax assets and liabilities *continued*

Movements in deferred tax during the prior period:

	At 1 April 2022	Recognised in:		Acquisition of subsidiaries	At 31 March 2023
		Profit and loss	Changes in OCI		
	£000	£000	£000	£000	£000
Property, plant and equipment	(26,862)	(1,317)	-	-	(28,179)
Intangible assets	(602)	268	-	(297)	(631)
Employee benefits	69	(23)	(1)	-	45
Un-utilised losses	4,194	1,058	-	-	5,252
Corporate interest restriction	6,435	(737)	-	-	5,698
Other	534	(82)	-	-	452
Deferred tax liabilities	<u>(16,232)</u>	<u>(833)</u>	<u>(1)</u>	<u>(297)</u>	<u>(17,363)</u>

Deferred tax assets have been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets where management believe it is probable that these assets will be recovered.

Deferred tax assets totalling £1,089k (2023: £1,078k) have not been recognised as it is improbable that sufficient taxable profits will arise in the related entities against which the assets can be utilised.

23 Provisions

	2024 £000	2023 £000
Group		
Current dilapidations	586	638
Non-current dilapidations	1,198	1,107
Provision	<u>1,784</u>	<u>1,745</u>

The movement in provisions were:

	Dilapidations £000
At 1 April 2023	1,745
Amounts recognised during the year	66
Provision used during the year	(23)
Discount rate change (see note 11)	(45)
Unwinding of discounted amount (see note 12)	41
At 31 March 2024	<u>1,784</u>

The Group's dilapidations provision is determined by discounting expected cash outflows at a pre-tax rate that reflects current market assessments of the time value of money. As at 31 March 2024, a pre-tax discount rate of 4.53% was applied which is equal to the Government's risk free rate (2023: 3.75%). The provisions recognised will unwind over the term of each lease.



24 Share capital

	2024	2023
Group and Company	£000	£000
Allotted, called up and fully paid:		
4 ordinary shares of £1.00 each	-	-
	<u>-</u>	<u>-</u>

The ordinary shares entitle the holders to vote at general meetings of the Company, and to receive by way of dividend any profits of the Company available for distribution. On winding up of the Company the balance of assets, subject to special rights attached to any other class of shares, will be distributed among the ordinary shareholders.

25 Net debt reconciliation

A summary of the Group's external borrowings, cash balances and net debt is shown below:

	2024	2023
	£000	£000
Borrowings		
Senior Secured Loan Notes	250,000	250,000
Revolving Credit Facility	6,000	2,000
Lease liability	17,899	16,731
Gross debt	<u>273,899</u>	<u>268,731</u>
Cash and cash equivalents	(14,032)	(15,488)
Restricted cash and cash equivalents	2,367	2,309
Net debt	<u>244,335</u>	<u>238,821</u>
Net debt (including lease liabilities)	<u>262,234</u>	<u>255,552</u>



26 Pension schemes

The Group contributes to a number of pension schemes for its employees. Details of these schemes are as follows:

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Profit and Loss in the period during which services are rendered by employees. The Group makes payments to a number of defined contribution plans including the Peoples Pension under Auto-enrolment, a Group Personal Pension Plan and personal pension plans for certain managers.

The Group also contributes to the National Health Service pension scheme for certain employees, whereby the Group is required to make contributions into these schemes at a percentage, as notified by the NHS pension scheme administrator, of the relevant employees' salary. The assets and liabilities of these pension schemes are managed independently of the Group. Employer contribution rates are 14.38% of pensionable salaries.

The Defined Contribution pension cost for the Group in 2024 was £4,965k (2023: £4,178k). An amount of £942k (2023: £893k) is included in accruals which represents the excess accumulated pension cost over the payment of contributions to the various Defined Contribution schemes.

Defined benefit plan

The Group participates in a group funded defined benefit scheme, the Voyage Retirement Benefit Scheme, for past employees. The scheme is no longer open to new members, and existing members do not accrue additional benefits. The defined benefit plan is administered by a single pension fund that is legally separated from the Group. The board of the pension fund is required by law to act in the best interests of the plan participants and is responsible for setting certain policies.

The defined benefit plan exposes the Group to actuarial risks, such as longevity risk, interest rate risk and market risk.

Payments in this scheme are made in accordance with the advice of the XPS Group, independent actuaries. The latest triennial actuarial valuation was performed on 1 April 2023 using the current unit method. A number of assumptions are required to estimate the timing and amount of future benefit payments, these future payments are discounted back to the valuation date using a discount rate determined by reference to market yields on high quality performance bonds at the end of the reporting period. At the date of the latest triennial actuarial valuation at 1 April 2023, the market value of the assets of the scheme was £1,586k and the actuarial value of the assets was sufficient to cover 155% of the benefits that had accrued to members, after allowing for expected future increase in earnings.



26 Pension schemes *continued*

IAS 19 valuation

The pension valuation for the Voyage Retirement Benefit Scheme at 1 April 2023 has been updated by the actuary on an IAS 19 basis as at 31 March 2024. The scheme has no active members (2023: none) and 8 deferred members (2023: 11). The major assumptions used in this valuation were:

	2024	2023
	%	%
Rate of increase in salaries	0.0	0.0
Rate of increase in pensions in payment	3.1	3.2
Discount rate	4.9	4.9
Inflation assumption	3.1	3.2

The assumptions used by the actuary are the best estimate chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The longevities underlying the pension liabilities at the Statement of Financial Position date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

Current pensioner aged 65: 18.9 years (male), 21.0 years (female).

Future retiree upon reaching 65: 20.1 years (male), 22.4 years (female).

At 31 March 2024, the weighted-average duration of the defined benefit obligation was 15 years (2023: 13 years).



26 Pension schemes *continued*

Scheme assets / (liabilities)

The fair value of the scheme's assets / (liabilities), which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	Value at 31 March 2024 £000	Value at 31 March 2023 £000
<i>Fair value of plan assets</i>		
Fair value of plan assets	2,054	2,257
Present value of scheme liabilities	(1,083)	(1,442)
Net defined benefit asset	971	815
Effect of asset ceiling / minimum funding requirements	(971)	(996)
Net recognised defined benefit liability	-	(181)

Any surplus resulting from this calculation is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

Movements in present value of defined benefit obligation:

	2024 £000	2023 £000
At 1 April	1,442	1,854
Current service cost	-	-
Interest expense	25	26
Remeasurement arising from:		
Financial	(6)	(374)
Demographic	(7)	(10)
Experience	87	230
Contributions by members	-	-
Benefits paid	(458)	(284)
At 31 March	1,083	1,442



26 Pension schemes *continued*

<i>Movements in fair value of plan assets:</i>	2024	2023
	£000	£000
At 1 April	2,257	2,525
Interest income	67	47
Actual return on plan assets, excluding interest income	89	(130)
Contributions:		
By employer	99	99
By members	-	-
Benefits paid	(458)	(284)
At 31 March	<u>2,054</u>	<u>2,257</u>

Analysis of amounts recognised in the Statement of Profit and Loss:

	2024	2023
	£000	£000
Interest on the effect of the asset ceiling	49	27
Interest on present value of defined benefit obligation	25	26
Interest on fair value of plan assets	(67)	(47)
	<u>7</u>	<u>6</u>

Analysis of amounts recognised in the Statement of Other Comprehensive Income:

	2024	2023
	£000	£000
Remeasurement of defined benefit obligation	74	(154)
Return on plan assets, excluding amounts included in net interest	(89)	130
Change in effect of the asset ceiling, excluding amounts included in net interest	(74)	21
	<u>(89)</u>	<u>(3)</u>

History of plan

The history of the plan for the current and prior periods is as follows:

Statement of Financial Position	2024	2023	2022	2021	2020
	£000	£000	£000	£000	£000
Present value of scheme liabilities	(1,083)	(1,442)	(1,854)	(1,857)	(1,720)
Fair value of scheme assets	2,054	2,257	2,525	2,304	1,889
Surplus before asset ceiling applied	<u>971</u>	<u>815</u>	<u>671</u>	<u>447</u>	<u>169</u>

The Company expects to contribute approximately £Nil (2023: £99k) to its defined benefit plan in the next financial year.



27 Related party transactions

As permitted by FRS 101, the Company has taken advantage of the exemption for wholly owned subsidiaries not to disclose related party transactions with group entities.

During the year, the following transactions took place between the Group and its other related parties:

Compensation paid to key management personnel, in addition to the Company directors, in respect of their services to the Company and other member companies of the Group:

	2024 £000	2023 £000
Short-term employee benefits	1,484	1,198
Compensation on loss of office	-	29
Post-employment benefits	42	53
	1,526	1,280

On 28 April 2022, the Group established a share option programme that entitled key management personnel and senior employees to purchase shares in VC Healthcare TopCo Limited, the top parent company in the Group. Under the programme £763k of share-based payments were accrued in the year to 31 March 2024 (2023: £1,230k) for key management personnel.

Compensation of key management personnel of the Company and other member companies of the Group includes salaries, non-cash benefits and contributions towards a post-employment contribution benefit plan. During the year, costs were incurred in relation to Employers NI for key management personnel of £189k (2023: £164k).

28 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 (see note 20). The Group's freehold and long leasehold properties are subject to a registered debenture that forms security for the aforementioned loans and borrowings.

Regulatory obligations

As at the balance sheet date, Voyage Care provides care services to 3,261 individuals with complex care and support needs. In the ordinary course of Voyage Care's business and in line with other operators in the sector, at any point in time there will be a number of incidents recorded in services that are under investigation either internally or by external parties. If an external investigation concludes that the group has not met its regulatory obligations or its legal duties, the group may incur financial penalties. At the time of approving the accounts, the timing and quantum of any financial penalties for matters under external investigation are unknown.



29 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 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.

30 Events subsequent to the balance sheet date

On 23 April 2024, the Group acquired 100% of the issued share capital of KDL Investments Limited and its four subsidiary undertakings. The principal activities of KDL Investments Limited is to provide similar services to that of the Voyage Care Group with an aim to further increase Voyage's presence in the market place. Total gross consideration was £25,549k. Fair value adjustments for IFRS 3 have not been disclosed as the information is not yet available.

31 Restatement

Changes to the Statement of Financial Position

Company	At 31 March 2023		
	As previously reported £000	Adjustment £000	As restated £000
Assets			
Non-current			
Intercompany receivables	-	522,705	522,705
Current			
Intercompany receivables	522,705	(522,705)	-
Net assets	522,705		522,705

In the preceding period, the presentation of intercompany receivables due after more than one year of £522,705k were included within current assets. These amounts have been reclassified to non-current assets as required by IAS 1.

The terms of intercompany receivables remain consistent with prior periods (see note 18).

The reclassification did not have an impact on the Company's total assets and net asset balances in the prior year.