Vienna MidCo 1 Limited

Annual Report and Consolidated Financial Statements

For the 15 month period ended 31 March 2023

Registered Number: 13834888

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The Directors present their Strategic Report for the period from the date of the company's incorporation on 07 January 2022 to 31 March 2023.

On 14 January 2022, Vienna Investco Limited acquired 100% of the share capital of Voyage Care HoldCo Limited. Vienna Investco Limited, through intermediate holding companies including Vienna Midco 1 Limited, is owned by VC Healthcare Topco Limited, the largest parent in which the results of the Voyage Care Group are consolidated.

Principal activity

Voyage Care ("Group") 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 increases our capacity to care for more vulnerable people.

Our shared Group values are empowering, togetherness, honesty, 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 period under review, the Group maintained a market leading quality score with 92% of services in England holding a rating of Good or Outstanding as at 31 March 2023 following inspection from the CQC. Sixteen locations held an Outstanding rating from CQC as at 31 March 2023. Additionally, 100% of homes and services registered in Scotland and in Wales were found to be compliant when inspected by their regulators.

During the period under review, the CQC introduced a new regulatory approach for health and care providers. Their movement to a risk based approach has resulted in focussing on the inspection of services deemed to have a higher risk, using data gathered from monthly monitoring calls, safeguarding incidents and whistleblowing, rather than inspecting services on a rotational basis.

Naturally, recently inspected services across the sector are receiving ratings lower than the previous average under the rotational approach. Whilst the Group's ratings have been impacted by the change in approach, they remain significantly above the sector average of 83.8% rated Good or Outstanding in England as at 31 March 2023.

Strategy and business model *continued*

Great quality care continued

Some of the ways in which the Group achieves market leading CQC scores are outlined below:

- Individual care and support plans are reviewed and amended on a planned regular basis, or earlier where required, to address changing support needs and to ensure that an appropriate level of personalised care is provided for each person we support;
- The Group invests significantly to operate its own quality assurance function to ensure that quality standards are continually driven forward;
- 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.

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 capacity and occupancy, developing our specialisms and renegotiating average weekly fees for inflationary uplifts and other factors.

Strategy and business model *continued*

Commercial Success *continued*

- 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 more 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.

Most recently in September 2022, we acquired the trade and assets of several Registered services and Community Based Care packages from another care provider for £4.3m. 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 acquired businesses efficiently and achieve synergies.

Significant events

In addition to the acquisition of the Voyage Care Group on 14 January 2022, on 3 February 2022, the Group completed a refinancing transaction and the gross proceeds were used to redeem in full existing Senior Secured Notes and Second Lien Notes and to pay fees incurred in connection with the transaction. At 31 March 2023, the Group had £250.0 million 5.875% Senior Secured Notes due 2027 and a committed Revolving Credit Facility of £50.0 million due 2026 which was £2.0 drawn (see note 21).

Business review

As the company was incorporated on 07 January 2022, for comparative purposes, certain key performance indicators reference performance from the consolidated subsidiary of Voyage BidCo Limited for the year-ended 31 March 2023 and 31 March 2022.

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

During the period, like many global businesses, the Group was significantly impacted by inflationary cost increases, and, like many businesses in the health and social care sector, the Group faced significant challenges from the availability of staffing. Accordingly, during the period, the Group made a significant and essential investment in the frontline staffing teams by increasing our minimum base hourly pay, offering unsociable hours enhancements, and developing our maternity and paternity policies.

Business review *continued*

This essential investment was required to reward and retain colleagues in a period of high consumer inflation and enhance our ability to recruit into fulfilling careers in a sector leading social care company.

The events leading to the increased inflation came after the finalisation of the financial budgets of our Local Authority and NHS customers. Accordingly, the cost inflation experienced by the Group could not be fully recovered through the annual fee review process, resulting in a reduction to the Group's financial performance. This is explained further in the financial review section of the Strategic Report.

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.

Challenges in recruiting during the period impaired our ability to grow in the ways we had previously expected. Additionally, given both recruitment and retention challenges and inflationary pressures, 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 safely and sustainably deliver the high standard of care which we strongly believe the people we support deserve. We will continually review our portfolio to ensure that we can deliver the highest standard of care to the people we support whilst ensuring that the Group retains a healthy and sustainable financial position.

During the period, while the Covid-19 pandemic's impact on the Group's operation reduced further, it continued to cause mild operational challenges. Nevertheless, due to the resilience and dedication of our employees to deliver high quality care to the people we support, the impact of the pandemic was minimised.

As at 31 March 2023, the Group supported 3,395 (31 March 2022: 3,448) people, comprising 1,900 (31 March 2022: 1,907) through its Registered Care services and a further 1,495 (31 March 2022: 1,541) supported through its Community Based Care services. The reduction in the number of people we supported compared to the previous year was impacted by 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 12 month period to 31 March 2023, the Group's Registered Care services' average occupancy decreased 0.2% to 93.1% (31 March 2022: 93.3%). The Group's average Community Based Care services delivered approximately 2,000 fewer weekly hours of direct care at 103,000 weekly hours (31 March 2022: 105,000). The average weekly fee for Registered Care services increased by £172 to £2,053 (31 March 2022: £1,882) per person and Community Based Care services average revenue per direct care hour increased by £1.12 to £20.80 (31 March 2022: £19.68) for the period ended 31 March 2023.

Business review *continued*

Approximately 69% (31 March 2022: 68%) 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.

Whilst individuals with acquired brain injuries will remain with Voyage Care for varying lengths of time according to their needs, progress, long term plans or personal preferences, individuals with learning disabilities have a lifelong condition and require ongoing support. Approximately 28% (31 March 2022: 31%) of the people we support in the Registered Care services division were 40 years of age or younger, and 73% (31 March 2022: 74%) were 60 years of age or younger, which contributes to a long average length of stay in those services. Approximately 46% (31 March 2022: 49%) of the people we support in the Community Based Care services were 40 years of age or younger, and 82% (31 March 2022: 84%) were 60 years of age or younger.

Of the care we provide, 97% (31 March 2022: 97%) is paid for by Local Authorities and Integrated Care Boards ("ICBs") and, during the period ended 31 March 2023, we received revenue from over 250 (31 March 2022: over 250) of these publicly funded purchasers across the UK. The Group's long-standing relationships with Local Authorities and CCGs 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, sector wide resourcing challenges, energy costs and other inflationary pressures impacted the Group's cost base. 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 2022", the latest version of their annual report, the CQC once again noted the sustained pressure on the wider health and care sector which it describes as being 'gridlocked'. The report acknowledges that healthcare leaders are increasingly recognising the 'crucial role' of social care and that they are committed to 'invest in and commission social care services with partners in local government, in recognition of the benefits for their whole local system'. The report also explains how there is a risk of worsening outcomes for people if the 'historical underinvestment and lack of sustained recognition and reward for the social care workforce' continues. As in the previous year, the report notes the inequalities faced by some groups in accessing and receiving high quality care, with people with learning disabilities and autism facing increased challenges, reinforcing the vital need for our sector-leading services.
- In the 2022 Autumn Statement the government announced it would be delaying the planned reforms to the 2014 Care Act until October 2025 but would be distributing £1.3 billion to Local Authorities in FY24 and £1.9 billion in FY25 through the Social Care Grant to meet the care needs of their local population.
- The Government also increased the referendum limit for council tax increases to 3% per year from April 2023, and gave Local Authorities with social care responsibilities the ability to increase the adult social care precept by up to 2% per year, from 1% previously. Forecasts assume that £550m can be raised in FY24 and £1.2billion in FY25 if 95% of Local Authorities set maximum council tax increase and leverage the social care precept.
- Two further sources of additional funding were announced: £1.6 billion over two years from the Better Care Fund and a ringfenced grant of around £1 billion over two years to support more effective hospital discharge.

Throughout the Covid-19 pandemic the Government provided financial support to the social care sector to ensure the critical and non-discretionary provision continued through the most challenging of times. This financial support and the commitment to a more sustainable longer term financial model for the social care sector from all political parties provides optimism for the future funding environment despite shorter term challenges.

Principal risks and uncertainties

The table below presents the principal risks facing the business and the controls in place to mitigate these, with measurement against the mitigated assessment made at Voyage BidCo Limited for the year end March 2022 using the following key:

- ⬆ Risk assessed to have increased
- ➡ Risk assessed to have stayed the same
- ⬇ Risk assessed to have decreased

Principal risks and uncertainties *continued*

Risk	Mitigation	Change from previous year
Ensuring the provision of high quality care to the people we support		
The Voyage Care business model is built on our reputation of delivering consistently high-quality care. A reduction in quality standards against our peers would harm the Group's reputation and have a negative impact on the lives of the people we support and our ability to achieve commercial success.	A dedicated Quality department regularly updates Group policies in line with changing regulations and standards and manages the internal quality audit process. The Quality, Safety and Risk Committee, with an independent chair, as explained on page 29 provide oversight of the area to the Board of Directors. During the 12 month period to 31 March 2023 the Group invested £2.1 million in training expenditure to ensure employees are fully up-to-date in the best ways of providing care for people we support. Fee levels are routinely revisited with funders to reflect the evolving care needs of the people we support to ensure that the appropriate level of care can be provided for the funding available. Payroll costs are controlled by regular reviews of weekly care hours, through an in-house management system.	➡

Principal risks and uncertainties continued

Risk	Mitigation	Change from previous year
Covid-19/globally transmitted diseases		
The global outbreak of Covid-19 put significant strain on the Group to maintain the high level of care for the people we support during unprecedented times. Future global pandemics could require the Group to quickly adapt to operate within the limitations of the pandemic whilst minimising the impact to the people we support.	The Group has clear and effective business continuity plans that can be quickly enacted to react to severe threats. The granularity of the business continuity plans and the strength of local management teams allow the executive management team to react to the changes in the situation presented and to disseminate appropriate actions throughout the Group. The Group's response to, and resilience shown, during the Covid-19 pandemic demonstrates our ability to continue operating in unprecedented circumstances.	➡
Local authority funding		
With continuing high levels of inflation and as staffing costs continue to increase due to National Living Wage uplifts, there is a risk that the additional funding from local authorities is insufficient to compensate for the increased costs experienced by Voyage Care and other care providers.	The sustainable funding of social care in the UK continues to be revisited by the Government, with: • Additional exceptional funding available for social care in each of the last seven 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. Voyage Care has a robust and systematic process in relation to the calculation and negotiation of appropriate fee increases for all the local authorities it serves. Nonetheless, our ability to secure the required fee uplifts is ultimately dependent upon the funding available to commissioners.	⬆

Principal risks and uncertainties *continued*

Risk	Mitigation	Change from previous year
Recruitment and retention of skilled care workers		
The key to the Group's success is the quality of the people we employ. The Group needs to attract, recruit and retain sufficient employees to meet our objectives. Additionally, losing key employees inhibits the strength of delivering consistently high-quality care.	The Group continues to evolve its People Strategy and Employee Value Proposition to attract and retain colleagues. The Group has a bespoke system to deal with recruitment from first point of contact to employment, including Disclosure and Barring Service checks. Employee KPIs are closely monitored to identify underlying trends impacting recruitment and retention. Our emphasis on employee retention is explained further in the Colleagues section on page 21.	➡
Reduced financial performance		
To achieve the Group's strategy to deliver great quality care with commercial success the Group must have a robust financial performance. The Group's finance facility contains a covenant such that the Group must exceed minimum EBITDA levels. The recent inflation environment has increased the risk that our cost increases are not fully recovered.	The Group sets annual financial budgets to appraise the financial performance and has a dedicated Commercial team to identify opportunities and work with customers to agree on sustainably funded care packages.	⬆

Principal risks and uncertainties *continued*

Risk	Mitigation	Change from previous year
Cyber and data security		
Cyber and data security continue to be subject to cyberattack threats. A data breach or attack could result in operational disruption leading to possible reduced income, increased costs, loss of data and reputational damage.	The Group, through its specialist teams, continuously reviews data security and invests in leading anti-virus software as well as ensuring third party providers are subject to the same rigour. Internal data protection teams minimise data risks and ensure compliance with GDPR. During the period, we have made further investments in the below to mitigate the risk: • Improvements to better identify and respond to potential security incidents and events; • Introduction of additional authentication steps to access company technology; • Improved adherence to latest version levels, through automation and quicker release of security updates.	↓

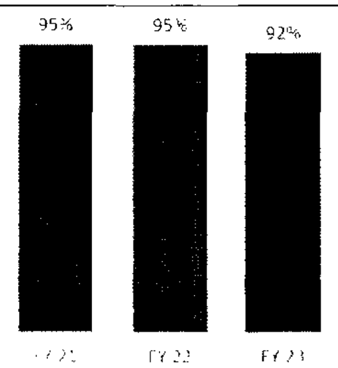
The Group's financial risks and the controls in place to mitigate them are presented in more detail on page 18 and 19.

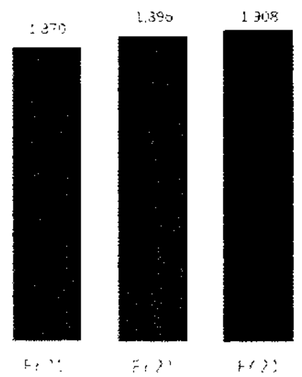
Financial review

The Group's financial performance for the period ended 31 March 2023 has been impacted by cost inflation and the mandatory increase in the National Living Wage for workers aged 23 years and over of 6.62%. Notwithstanding that, we achieved an underlying adjusted EBITDA, before non-underlying items, of £46.5m, we consider to be a positive performance considering the significant financial cost challenges.

Key performance indicators

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

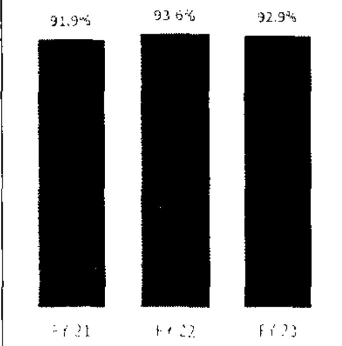
Good or Outstanding services (%)	**92% (2022: 95%)**
Definition: The percentage of total services that are rated as either good or outstanding at the last inspection by CQC as at 31 March 2023.	
Performance: This is a direct measure of the Group's performance against the strategic aim of delivering great quality care. During the period, the CQC changed their regulatory approach and focussed on inspecting services with suspected risks. Accordingly, the sector's average rating, as well as the Group's, reduced. We maintained market leading quality standards with 92% of services rated as either good or outstanding at its last inspection by CQC.	

Registered occupancy	**1,908 (2022: 1,896)**
Definition: The average number of individuals that the Group provides care to in a Registered setting across the period.	
Performance: The average Registered occupancy increased by 0.6% to 1,908. The increases in occupancy have been assisted by the Group specialising in higher acuity care.	

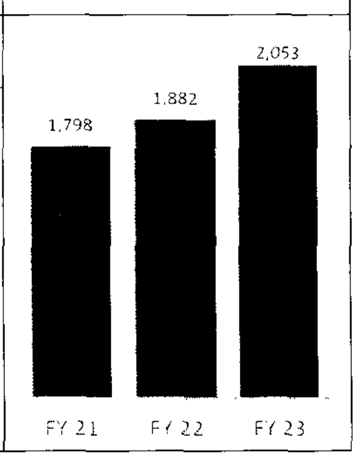
Financial review *continued*

Key performance indicators continued

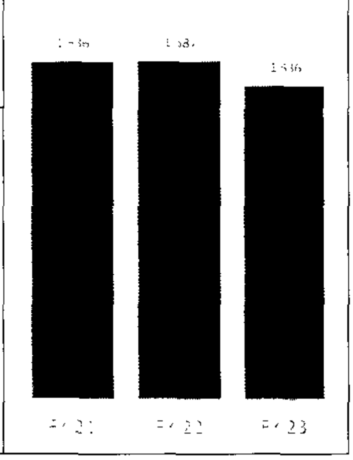
Registered occupancy as a percentage of capacity	**92.9% (2022: 93.6%)**
Definition: The percentage of Registered capacity that is occupied.	
Performance: Registered occupancy as a percentage of capacity decreased by 0.7% to 92.9%. The decrease is primarily due to the rebalancing of the Group's portfolio which we continuously review to optimise our commercial success. Maintaining high occupancy is important for the strategic objectives of the business to recover services' fixed costs across more people we support in turn driving commercial success.	



Registered average weekly fee	**£2,053 (2022: £1,882)**
Definition: The mean weekly fee receivable for care provided to people we support in a Registered setting.	
Performance: The average weekly fee increased by 9.1% to £2,053 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 needs of the people we support.	

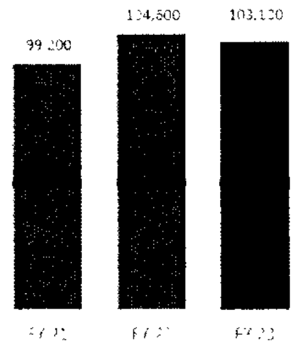


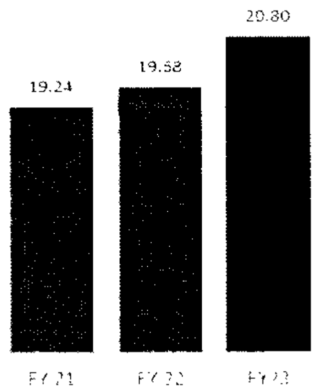
Community Based Care places	**1,636 (2022: 1,687)**
Definition: The number of places available in Community Based Care, including Supported Living, Children's Complex Care and Outreach placements, as at the end of the financial year.	
Performance: The average number of available places decreased by 51 to 1,636. The Group develops relationships with registered social landlords to accommodate additional demand through winning commissioning tenders but this has been offset by exiting non-core packages and those packages which are no longer economically sustainable for the high quality care we deliver. The KPI is important as it measures the capacity within the Group to deliver care to additional people.	



Financial review *continued*

Key performance indicators *continued*

Community Based Care average weekly direct care hours	**103,100 (2022: 104,600)**
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.	
Performance: The average weekly direct care hours delivered in Community settings decreased by 1.5% to 103,100. We continuously review our portfolio against the financial viability of packages and the availability of colleagues to deliver the expected high quality of care.	

Community Based Care average revenue per direct care hour	**£20.80 per hour (2022: £19.68 per hour)**
Definition: The mean hourly fee receivable for direct care provided to people we support in a Community Based Care, including Supported Living, Children's Complex Care and Outreach placements.	
Performance: The average hourly fee receivable for care provided in community settings increased by 5.7% to £20.80 per hour. The KPI is an important metric for measuring the Group's commercial success in the Community Based Care division. The period on period increase is primarily the result of active negotiations with commissioners to award inflationary fee increases, albeit the increase was insufficient to offset our cost inflation.	

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:

	15 month period ended 31 March 2023
	£000
Revenue	375,468
Underlying adjusted EBITDA (before non-underlying)	46,481
Non-underlying items	(12,853)
Depreciation and impairment of property, plant and equipment	(23,290)
Profit on disposal of assets	704
Amortisation of intangible assets	(17,544)
Operating loss	(6,502)
Net finance expense	(55,762)
Loss before taxation	(62,264)

Revenue

Revenue of £375,468k was predominantly generated through the provision of high quality care and support services in our Registered care homes and Community Based Care settings (see the Commercial success disclosure on page 3 and note 5 for more details) .

Underlying adjusted EBITDA (before non-underlying items)

Underlying Adjusted EBITDA (before non-underlying items) of £46,481k was generated after deducting underlying operating and group costs from the Group's revenue.

Non-underlying items

Non-underlying items of £12,853k was predominantly driven by integration and acquisition costs incurred as a direct result of the purchase of the Voyage Care Group by Wren House Infrastructure Management Limited in January 2022, the expense of share-based payments, professional advice, consultancy fees and costs in relation to restructuring the Group's workforce (see note 6).

Financial review *continued*

Operating loss

Operating loss for the period of £6,502k reflects the adjusted EBITDA after non-underlying items of £33,628k and deducts depreciation and impairment of property, plant and equipment, amortisation of intangible assets and profit on the disposal of assets.

Net finance expense

Net finance expenses of £55,762k relates to interest and finance charges on Shareholders Loans of £32,262k, Senior Secured Notes of £19,375k, Revolving Credit Facility (RCF) commitment fees and interest payable of £1,311k, the write off of unamortised debt costs on the previous Senior Secured and Second Lien Notes of £2,117k and the unwinding of IFRS 16 lease liabilities of £784k.

Consolidated Statement of Financial Position

A summary of the Group's Consolidated Statement of Financial Position and commentary on key items is shown below:

	2023
	£000
Goodwill and intangible assets	291,062
Property, plant and equipment	351,503
Current assets	41,286
Current liabilities	(63,405)
Non-current loans and borrowings	(617,092)
Other non-current liabilities	(50,217)
Equity	(46,863)
IFRS 16 lease liability	(16,731)
Net debt * (excluding shareholder loans of £360,130k)	236,830
Leverage *	6.09x

* Net debt (excluding shareholder loans of £360,130k) 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 Underlying Adjusted EBITDA (before non-underlying items) for the 12 month period to 31 March 2023 of £38,905k to net debt including IFRS 16 lease liabilities. Management believe net debt and leverage are important metrics to monitor the Group's exposure to external debt.

Goodwill and intangible assets

Goodwill and intangible assets of £291,062k are due to the goodwill and intangible assets arising from the purchase of the Voyage Care Group by Wren House Infrastructure Management Limited in January 2022 for £330,278k and the purchase of trade and assets of several Registered services and Community Based Care packages from another care provider for £4,303k (see note 29).

Financial review *continued*

Property, plant and equipment

Property, plant and equipment of £351,503k consists of freehold land and buildings, fixtures, fittings and equipment, motor vehicles and right of use assets primarily acquired from the purchase of the Voyage Care Group by Wren House Infrastructure Management Limited in January 2022. Since acquisition, the Group has significantly invested in its property, plant and equipment to grow and maintain the existing property portfolio resulting in additions of £29,525k during the period.

Net current liabilities

Net current liabilities of £22,119k reflect the continued investment of cash generated from operations in the development and maintenance of the Group's property portfolio to support high quality care.

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:

	2023	**Interest rate**	**Repayment**
	£000		
Senior Secured Loan Notes	250,000	5.875%	Feb-27
Revolving Credit Facility (RCF):			
Utilised	2,000	SONIA + 3.250%	Nov-26
Non-utilised	48,000	1.138%	
Gross debt (excluding shareholder loans of £360,130k)	**252,000**		
Cash and cash equivalents	(17,479)		
Restricted cash and cash equivalents	2,309		
Net debt (excluding shareholder loans of £360,130k)	**236,830**		

On 3 February 2022, the Group completed a refinancing transaction and the gross proceeds were used to redeem in full existing £215 million Senior Secured Notes of 5.875% and £35 million Second Lien Notes of 10%. The Group now has £250 million of 5.875% Senior Secured Notes listed on the Channel Island Stock Exchange that are due February 2027. Additionally, on 3 February 2022, the Group replaced an existing £30 million Revolving Credit Facility, due 2023, with a £50 million Revolving Credit Facility, due 2026.

The Group's RCF is subject to a financial covenant when it is more than 40% utilised. Throughout the year, the Group operated within its covenant and actively monitors its projected 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:

	2023
	£000
Cash and cash equivalents	17,479
Net cash flows from operating activities before interest and tax	36,454
Interest paid	(20,398)
Tax paid	(417)
Net cash flows used in investing activities	(327,258)
Net cash flows generated from financing activities	329,098
Net increase in cash and cash equivalents	17,479

The Group generated net cash inflows from operating activities before interest and tax payments of £36,454k which were primarily impacted by the professional fees incurred in the purchase of the Voyage Care Group by Wren House Infrastructure Limited in January 2022. Interest paid of £20,398k was impacted by the refinancing of the Group's external borrowings in February 2022.

Net cash flows used in investing activities of £327,258k were primarily due to the purchase of the Voyage Care Group by Wren House Infrastructure Management Limited in January 2022 for £330,278k and payments of £23,630k to acquire property, plant and equipment to improve the existing portfolio and invest in activities to support the growth and development of the Group.

Net cash flows generated in financing activities of £329,098k were primarily due to amounts received from the issue of Shareholder Loan Notes. Additionally, the Group drew down on its Revolving Credit Facility that generated a cash inflow to the Group of £2,000k.

Accordingly, the Group increased its cash and cash equivalents at 31 March 2023 by £17,479k.

Financial review *continued*

<u>Financial risk management</u>

Interest rate risk

At 31 March 2023, 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 £2,000k on the RCF as at 31 March 2023. 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 CCGs.

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.

Borrowing facilities are arranged as necessary to finance projected cash requirements and the refinancing of the Group in February 2022 secured appropriate facilities for the foreseeable future with maturity dates in 2026 and 2027. 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 from: www.voyagecare.com/about-voyage-care/legal-information/.

The key drivers to the overall effective tax rate are: movements in interest restrictions and deferred tax thereon; amortization 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.

Corporate Social Responsibility

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 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 2006:

The likely consequences of any decision in the long term

During the period, the Group undertook a strategic review to consider how value is created and preserved in the short, medium and long term. The output and the financial forecast was reviewed, challenged and agreed with the Board of Directors in 2022. Performance of the Group against the agreed plan is reviewed through monitoring performance against strategic KPIs.

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

Corporate Social Responsibility 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 21 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 relationships with our Local Authority and ICB customers and routinely obtains an independent review on the strength of the relationships. During the period under review, the Group created a new Executive level role to exclusively work on managing and developing these collaborative relationships further.

The Group provides regularly 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 23 and 24 for information on our commitment to reducing our environmental impact.

The homes of the people we support are often important parts of local communities. Local management 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 this company, 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.

Corporate Social Responsibility continued

Corporate governance arrangements

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

For the period ended 31 March 2023, 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 33 to 35.

Colleagues

The key to the Group's success is the wellbeing, development, skills and capabilities of the people we employ and it is recognised that engaged colleagues provide better outcomes for the people we support.

The Group's People department works closely with our colleagues 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 our colleagues to develop their careers and increase their contribution to Voyage Care. The Group promotes the wellbeing offerings available to colleagues to support their physical, emotional and financial wellbeing regularly through communications and our internal intranet.

To enhance engagement and wellbeing with colleagues at all levels, a People Strategy has been developed with the aim to become the employer of choice in our sector. Over the last 12 months a number of initiatives have already been implemented across recruitment, wellbeing, reward and recognition, induction and learning and development. The implementation of our People Strategy is enhancing our people proposition to ensure we have the skills and engaged workforce we need to deliver excellent care to the people we support and enable our wider growth strategy. Our strategy contains 3 key pillars:

1. Develop and deliver enhanced Employee Value Proposition – ensure colleagues feel valued and are rewarded for their efforts to promote stable and well supported colleague teams that know and understand the people we support and who support one another;
2. Reinforce development culture – create a workforce for the future and become the best place to work by recognising colleague strengths and areas for development through continued learning;
3. Update recruitment strategy and approach – deliver best in class candidate experience and recruit the right people with values that align to the Group.

The different pillars of the people strategy will be enabled by critical technology investment to support us becoming the employer of choice in our sector.

Corporate Social Responsibility continued

Colleagues continued

The Group recognises the recruitment, training and retention of skilled employees is critical to its success. As a result, we have continued to invest in training, £2.1 million in the 12 month period ended 31 March 2023, 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. We continue to review our in-house delivery against sector leading independent training providers to ensure our colleagues and learners have a full suite of resources to be able to specialise in all relevant areas and aid their career development.

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. 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 is as follows:

	2023		
	Female	**Male**	**Total**
Director	1	2	**3**
Senior Executive	7	6	**13**
Employee	8,122	2,500	**10,622**
Total	**8,130**	**2,508**	**10,638**

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

Corporate Social Responsibility continued

Social, community and human rights issues

Voyage Care takes active steps that seek to integrate the people we support into the community and as a result they have developed strong bonds with their surrounding communities. The Group has direct involvement in a number of community based programmes such as fundraising. Colleagues are recruited locally and services, where possible, use local shops for food and provisions rather than national suppliers directly delivering to the Group's services. This is both good for the community and good for the environment. These activities have helped improve the understanding in the community of what we do whilst further improving the Group's service reputation and strengthening relationships with Local Authorities.

Voyage Care has initiated a volunteering programme which allows the people we support to gain valuable work experience by assisting a number of teams within the Group's head office and by acting as quality checkers at our services. We are keen to encourage the people we support to gain skills, experience and knowledge to fulfil their potential and where possible to secure work opportunities and live as independent a life as they are able to.

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/.

Environmental

Voyage Care recognise that businesses have a critical role to play in the transition to a low-carbon future and that the Group has an opportunity to be a leader in the field. Accordingly, the Group has set an objective of becoming carbon positive by 2035 and an intention to make significant reductions in the overall carbon emissions by 2025. The Group has an Environment and Sustainability Committee, consisting of employees and people we support, with the objective of continuing to identify opportunities to reduce the Group's environmental impact, whilst contributing to the delivery of the Group's overall strategy.

Corporate Social Responsibility continued

Environmental continued

As the company was incorporated on 07 January 2022, certain information in relation to carbon reporting was not readily available for the period from incorporation to 31 March 2022. Therefore, in accordance with streamlined energy and carbon reporting requirements, the below represents the Group's carbon emissions in relation to the period from 1 April 2022 to 31 March 2023:

	Period from 1 April 2022 to 31 March 2023	
	Global tonnes of CO_2e	MwH
Combustion of fuel and operation of facilities (Scope 1)	6,482	33,218
Electricity, heat, steam and cooling purchased for own use (Scope 2)	1,731	8,360
Business travel where the Group is responsible for purchasing fuel (Scope 3)	601	2,489
Total (Location-based)	**8,814**	**44,067**
Total (Market-based)	**7,139**	
Emissions intensity (Scope 1 and 2) per employee (tCO_2e/number of employees)	**0.61**	

We continue to develop innovative ways to reduce our emissions. Additionally, we have committed to an investment project to significantly reduce the carbon emissions on a selection of our services in the short term as a pilot for future investments. Some of the other initiatives that the Group has deployed to achieve its commitment of significantly reducing carbon emissions by 2025 are:

- All electricity is now purchased from renewable sources;
- An environmental policy for colleagues requiring environmental issues be considered when making all decisions;
- Eliminating paper procedures, manuals and forms where possible;
- Only Electric and hybrid vehicles are available as company cars for those colleagues who have them;
- Maintenance team vans electric only;
- Encouraging the reduction, reuse of or recycling of waste created at our services;
- Launched 'Mission Zero' a behavioural change campaign to encourage colleagues and people we support to save energy and thereby reduce our carbon footprint; and
- Independent assessment of current energy usage and developing strategy to reduce this usage, including through retrofit of our existing property estate.

The Group's energy consumption calculations are based on GHG Protocol Accounting and Reporting Standard (revised edition).

Corporate Social Responsibility continued

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 of responsibilities throughout the organisation. We are committed to ensuring that the entire organisation acts professionally, fairly and with integrity in all our business dealings and relationships.

Uncertainties facing the business

There are no material uncertainties facing the business.

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.

By order of the Board

S Parker
Director

Wall Island
Birmingham Road
Lichfield
Staffordshire
WS14 0QP
14 September 2023

The Directors present their annual report and the audited financial statements for the period from the incorporation on 07 January 2022 to 31 March 2023.

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 Company was incorporated on 07 January 2022. 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 period are set out in detail on page 41.

The Directors do not recommend the payment of a dividend.

Going concern

Notwithstanding net liabilities of £46.9m and net current liabilities of £22.1m as at 31 March 2023 the Group financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons:

The Group 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 February 2027 and a Revolving Credit Facility of £50 million, due 2026, of which £48 million was undrawn at 31 March 2023.

The Directors have prepared cash flow forecasts in order to assess going concern for a period to 31 March 2025, which take into account sensitised cash flow forecasts and reflect severe but plausible downsides. This indicates that the Group will have sufficient funds to meet its liabilities as they fall due for that period. In preparing these forecasts, the Directors have completed extensive scenario planning, including consideration of a reduction in fee inflation, the impact of increased levels of cost inflation throughout the going concern period, the potential impact of the principal risks identified on pages 6 to 10, and compliance with the debt covenant associated with the Revolving Credit Facility.

Taking the above into consideration and the principal risks of the Group, the Directors believe that there are no material uncertainties to the Group's ability to operate as a going concern and to continue realising its assets and discharging its liabilities in the normal course of business. It is, therefore, appropriate to prepare the financial statements on a going concern basis.

Financial risk management

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

Employee 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 an Employee Assistance Programme to enable colleagues 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 23 to 24.

Institutional investors

The Voyage Care Group was established in 1988 to provide long-term care for people with learning disabilities as a result of the UK Government's introduction of its "Care in the Community" policy, aimed at moving people with learning disabilities from long-term institutions, especially hospitals, into care facilities that replicate a normal domestic dwelling. In September 2001, Duke Street, a private equity firm, acquired the business. In April 2006, the Group was acquired by HgCapital and SL Capital Partners and in November 2007, the business was rebranded under the Voyage Care name. In August 2014, the Group was acquired by investment funds managed by Partners Group and Duke Street. And most recently, 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 period were:

Andrew Cannon (appointed 18 February 2022)
Jayne Davey (appointed 18 February 2022)
Shaun Parker (appointed 18 February 2022)
Gregory Pestrak (appointed 7 January 2022, resigned 18 February 2022)
Benedetto De Biasio (appointed 7 January 2022, resigned 18 February 2022)
Philip Bownes (appointed 7 January 2022, resigned 18 February 2022)

The Directors benefited from qualifying third-party indemnity provisions in place during the financial period 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:

Andrew Cannon (Chief Executive Officer) joined the Group as Chief Executive Officer in August 2015. Prior to joining Voyage Care, Andrew was the Managing Director of Bupa Care Services, leading a team of 27,000 people across 300 residential homes and five care villages and caring for 40,000 people. Prior to this, Andrew was Director of Healthcare Delivery at Bupa, responsible for service call centres, claims (UK and India), administration services and a network of treatment "Centres of Excellence" across the UK. A qualified accountant with an MBA in European Business (distinction) and a BA Hons, Andrew's previous experience was in a variety of sectors. He has worked for British Airways, MyTravel, Greenalls and, immediately prior to Bupa, he was the Finance Director of a private-equity backed telecommunications business. In addition to his role at Voyage Care, Andrew is also a Board member of Care England, the registered charity that represents independent care providers.

Jayne Davey (Chief Operating 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 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.

Directors continued

Shaun Parker (Chief Financial Officer) is an experienced finance professional with over 25 years in Finance Director and Chief Financial Officer roles. During this time Shaun has worked for Mars Petcare in the UK and Germany, Diageo in the USA and UK, and CPP Group in the UK. Immediately prior to joining Voyage Care, Shaun was CFO of Tunstall Healthcare Group, the leading provider of alarm equipment and response solutions to support elderly and vulnerable people in their homes. Shaun has extensive experience of finance leadership in growing businesses as well as leading corporate transactions, including numerous refinancings, an IPO, and mergers and acquisitions. In addition to his role at Voyage Care, Shaun is also a non-executive Director of Spaghetti Bridge, a privately owned schools group which supports young people with a range of needs who have significant barriers to learning.

Committees of the Board

The Board of Directors of the Voyage Care Group, as explained further in the statement of corporate governance arrangements on page 33, has established a Quality, Safety and Risk Committee, an Audit Committee, a Remuneration Committee and an Investment Committee to cover each of the entities in the Group, including Vienna MidCo 1 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 3,400 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, the Chief Operating Officer, the Quality Director, the Legal Director and Investor Directors.

Committees of the Board *continued*

Quality, Safety and Risk Committee continued

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.

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 being assured 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.

Committees of the Board *continued*

Investment Committee

The purpose of the Investment Committee is to review all significant investment proposals and according to their size and the judgement of the Committee, either to decide on whether they should be pursued or to make recommendations to the Board in that respect. The Committee is responsible for ensuring that the Board is informed on the status of proposals pending and approved, reviewing selected prior investments made to evaluate returns against those anticipated and annually reviewing investment strategy and considering the best use of funds against that strategy and the returns available.

The Investment Committee is chaired by the Company's Chief Financial Officer and, in addition comprises the Group's non-executive chair, Chief Executive Officer, Chief Operating Officer, Commercial Director 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 33 to 35.

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

The Directors appointed RSM UK Audit LLP.

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

S Parker
Director

Wall Island
Birmingham Road
Lichfield
Staffordshire
WS14 0QP
14 September 2023

The Company is committed to effective corporate governance and has followed the principles contained in the Wates Corporate Governance Principles for large private companies for the period ended 31 March 2023. 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.3,500 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 formed to include a 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.

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.

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; Remuneration Committee; and Investment Committee. Pages 28 to 31 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.

Our principal risks and uncertainties are detailed on pages 6 to 10 and details of our financial risk management are explained on pages 18 and 19. They are monitored and managed by the Board and in the appropriate Board committees of the Board.

During the period, 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.

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 employees to the Remuneration Committee.

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

Senior employees 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 employees based on achieving sustainable growth for the Group.

Details of the Directors' remuneration can be found on page 64.

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.

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 VIENNA MIDCO 1 LIMITED

Opinion

We have audited the financial statements of Vienna Midco 1 Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 March 2023 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 flow 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 2023 and of the group's loss for the period 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 VIENNA MIDCO 1 LIMITED

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 period 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 directors' responsibilities statement set out on page 36, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIENNA MIDCO 1 LIMITED

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 framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- 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, FRS 101, 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; tests of control and substantive analytical procedures over revenue; focused testing of revenue transactions around the period end; tests to identify the completeness of revenue; and the application of data analytics procedures to identify specific revenue transactions for further investigation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIENNA MIDCO 1 LIMITED

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
Suite A, 7th Floor
East West Building
2 Tollhouse Hill
Nottingham
NG1 5FS

Date: 14 September 2023

Vienna MidCo 1 Limited
Consolidated Statement of Profit and Loss
For the 15 month period ended 31 March 2023

		15 month period ended 31 March 2023		
		Underlying	**Non-underlying items (2)**	**Total**
	Notes	**£000**	**£000**	**£000**
Revenue	5	375,468	-	375,468
Operating expenses	10	(366,537)	(15,433)	(381,970)
Adjusted EBITDA (1)		**46,481**	**(12,853)**	**33,628**
Depreciation and impairment of property, plant and equipment	10	(20,710)	(2,580)	(23,290)
Profit on disposal of assets	10	704	-	704
Amortisation of intangible assets	10	(17,544)	-	(17,544)
Operating profit / (loss)		8,931	(15,433)	(6,502)
Finance income	11	390	-	390
Finance expense	12	(54,035)	(2,117)	(56,152)
Loss before tax and interest on Shareholder loans		**(12,452)**	**(17,550)**	**(30,002)**
Interest on Shareholder loans	12	(32,262)	-	(32,262)
Loss before taxation		**(44,714)**	**(17,550)**	**(62,264)**
Taxation	13	3,114	1,373	4,487
Loss for the period from continuing operations		**(41,600)**	**(16,177)**	**(57,777)**
Loss attributable to equity holders of the parent		**(41,600)**	**(16,177)**	**(57,777)**

(1) Adjusted EBITDA 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.

Vienna MidCo 1 Limited
Consolidated Statement of Other Comprehensive Income
For the 15 month period ended 31 March 2023

	Notes	15 month period ended 31 March 2023 £000
Loss for the period		(57,777)
Items that will not be reclassified to profit and loss		
Remeasurements of the defined benefit liability	25	(3)
Deferred tax movement for the period	23	(1)
		(4)
Total comprehensive expense attributable to equity holders of the parent for the financial period		**(57,781)**

Vienna MidCo 1 Limited
Consolidated Statement of Financial Position
At 31 March 2023

	Notes	2023 £000	£000
Non-current assets			
Goodwill	14	135,501	
Intangible assets	15	155,561	
Property, plant and equipment	16	351,503	
			642,565
Current assets			
Trade and other receivables	18	21,132	
Corporation tax receivable		2,675	
Cash and cash equivalents	19	17,479	
		41,286	
			41,286
Total assets			**683,851**
Current liabilities			
Loans and borrowings	21	6,336	
Trade and other payables	22	39,423	
Accruals and deferred income		17,008	
Provisions	24	638	
			63,405
Non-current liabilities			
Loans and borrowings	21	617,092	
Deferred tax liabilities	23	48,929	
Provisions	24	1,107	
Employee benefits	25	181	
			667,309
Total liabilities			**730,714**
Net liabilities			**(46,863)**
Net assets excluding Shareholder loans			**313,267**
Shareholder loans	21		(360,130)
Net liabilities			**(46,863)**

Vienna MidCo 1 Limited
Consolidated Statement of Financial Position *continued*
At 31 March 2023

	Notes	2023	
		£000	£000
Equity			
Capital and reserves			
Share capital	26	10,918	
Retained earnings		(57,781)	
Total equity attributable to equity holders of the parent			**(46,863)**

These financial statements were approved by the Board of Directors on 14 September 2023 and were signed on its behalf by:

S Parker
Director

Company registered number: 13834888

Vienna MidCo 1 Limited
Company Statement of Financial Position
At 31 March 2023

	Notes	2023 £000
Non-current assets		
Investments	17	10,918
Assets		
Trade and other receivables due after more than one year	18	356,880
Total assets		367,798
Non-current Liabilities		
Loans and borrowings	21	360,130
Total liabilities		360,130
Net assets		**7,668**
Equity		
Capital and reserves		
Share capital	26	10,918
Retained earnings		(3,250)
Total equity		**7,668**

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 period for the Company is £3,250k.

These financial statements were approved by the Board of Directors on 14 September 2023 and were signed on its behalf by:

S Parker
Director

Company registered number: 13834888

Vienna MidCo 1 Limited
Consolidated Statement of Changes in Equity

For the 15 month period ended 31 March 2023

Group	**Share capital**	**Retained earnings**	**Total parent equity**
	£000	**£000**	**£000**
On incorporation	-	-	-
Transactions with owners			
Called up share capital issued	10,918	-	10,918
Transactions with owners	**10,918**	**-**	**10,918**
Total comprehensive expense for the period			
Loss for the period	-	(57,777)	(57,777)
Other comprehensive expense	-	(4)	(4)
Total comprehensive expense for the period	**-**	**(57,781)**	**(57,781)**
At 31 March 2023	**10,918**	**(57,781)**	**(46,863)**

Company	**Share capital**	**Retained earnings**	**Total parent equity**
	£000	**£000**	**£000**
On incorporation	-	-	-
Transactions with owners			
Called up share capital issued	10,918	-	10,918
Transactions with owners	**10,918**	**-**	**10,918**
Total comprehensive expense for the period			
Loss for the period	-	(3,250)	(3,250)
Other comprehensive income	-	-	-
Total comprehensive expense for the period	**-**	**(3,250)**	**(3,250)**
At 31 March 2023	**10,918**	**(3,250)**	**7,668**

Vienna MidCo 1 Limited
Consolidated Statement of Cash Flow
For the 15 month period ended 31 March 2023

	15 month period ended 31 March 2023 £000
Cash flows from operating activities	
Loss for the period	(57,777)
Adjustments for:	
Depreciation and impairment of property, plant and equipment	23,290
Profit on disposal of non-current assets	(704)
Amortisation of intangible assets	17,544
Finance income	(390)
Finance expense	56,152
Tax expense	(4,487)
Share-based payments	1,680
Movements in working capital:	
Decrease in trade and other receivables	1,948
Increase in trade and other payables	1,681
Decrease in accruals and deferred income	(2,751)
Increase in provisions, employee benefits and other financial liabilities	268
Cash generated from operating activities	36,454
Interest paid	(20,398)
Tax paid	(417)
Net cash generated from operating activities	15,639
Cash flows from investing activities	
Interest received	248
Payments to acquire property, plant and equipment	(23,630)
Payments to acquire intangible assets	(2,648)
Proceeds from sales of property, plant and equipment	2,346
Net cash outflow on business combinations	(4,303)
Cash outflow on acquisition of subsidiaries	(330,278)
Cash inflow on acquisition of subsidiaries	31,007
Net cash used in investing activities	(327,258)

Vienna MidCo 1 Limited
Consolidated Statement of Cash Flow *continued*
For the 15 month period ended 31 March 2023

	15 month period ended 31 March 2023 £000
Cash flows from financing activities	
Issue of Shareholder loan notes	327,868
Issue of share capital	10,918
Issue of new notes	250,000
Repayment of existing notes	(250,000)
Payment of transaction costs	(5,783)
Receipt of loans and borrowings	2,000
Property, vehicle and other lease payments	(5,905)
Net cash generated from financing activities	329,098
Net increase in cash and cash equivalents in the period	17,479
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	**17,479**

1 Reporting entity

Vienna MidCo 1 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"), but makes amendments where necessary in order to comply with Companies Act 2006.

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;
- 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 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 the period 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 30 for related party transaction disclosures. The further amendment, which extended the concession period, has been early adopted.

2 Basis of preparation *continued*

Going concern

Notwithstanding net liabilities of £46.9m and net current liabilities of £22.1m as at 31 March 2023 the Group financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons:

The Group 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 February 2027 and a Revolving Credit Facility of £50 million, due 2026, of which £48 million was undrawn at 31 March 2023.

The Directors have prepared cash flow forecasts in order to assess going concern for a period to 31 March 2025, which take into account sensitised cash flow forecasts and reflect severe but plausible downsides. This indicates that the Group will have sufficient funds to meet its liabilities as they fall due for that period. In preparing these forecasts, the Directors have completed extensive scenario planning, including consideration of a reduction in fee inflation, the impact of increased levels of cost inflation throughout the going concern period, the potential impact of the principal risks identified on pages 6 to 10, and compliance with the debt covenant associated with the Revolving Credit Facility.

Taking the above into consideration and the principal risks of the Group, the Directors believe that there are no material uncertainties to the Group's ability to operate as a going concern and to continue realising its assets and discharging its liabilities in the normal course of business. It is, therefore, appropriate to prepare the financial statements on a going concern basis.

3 Accounting policies

The following accounting policies have been applied consistently dealing with items which are considered material in relation to the comoanies 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 - 30 years
Brands	1 - 8 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%
Computers integral	33%
Motor vehicles	25%
Right-of-use assets	Duration of lease

Gains and losses 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.

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.

3 Accounting policies *continued*

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.

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 period 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.

Offsetting of deferred tax assets and liabilities occur when the Group realises the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3 Accounting policies *continued*

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.

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.

3 Accounting policies *continued*

Share-based payments

Equity-settled share-based payments to key management personnel and senior employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting periods, based on the Group's estimate of the number of equity instruments that will eventually vest.

The fair value of the share-based payments has been measured using the Monte Carlo simulation.

Investment in subsidiaries

Investments in subsidiaries are stated at cost less impairment.

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.

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.

3 Accounting policies *continued*

Leases continued

B. As a lessee continued

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.

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 to be confirmed); and
- Annual Improvements to IFRS Standards 2018-2020 (effective date to be confirmed).

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

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 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 2023 was £135,501k (see note 14).

Non-Underlying items
Determining whether a transaction is non-underlying requires Management judgement. Management considers the size and nature 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 costs. Expected credit losses are a probability weighted estimate of credit losses and are measured as 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.

Identification and valuation of intangible assets
Determining the identification and valuation of intangible assets in accordance with IFRS 3 Business Combinations, requires Management judgement using both quantitative and qualitative information. Management measures identifiable assets acquired and liabilities assumed as part of a business combination are measured at the acquisition date at their fair value. During the 15 month period ended 31 March 2023, the Group identified intangible assets in relation to the acquisition of Voyage Care HoldCo Limited (see note 28) and a business combination (see note 29).

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.

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.

	Segment results		
For the 15 month period ended 31 March 2023	**Registered**	**Community Based Care**	**Group**
	£000	**£000**	**£000**
Revenue	242,336	133,132	**375,468**
Adjusted EBITDA (before non-underlying items)	**36,062**	**10,419**	**46,481**
Non-underlying items			(12,853)
Adjusted EBITDA (after non-underlying items)			**33,628**
Depreciation and impairment of property, plant and equipment			(23,290)
Profit on disposal of non-current assets			704
Amortisation of intangible assets			(17,544)
Net finance expense			(55,762)
Taxation			4,487
Loss for the period			**(57,777)**

6 Non-underlying items

The Group separately identifies and discloses certain items, referred to as non-underlying items, by virtue of size and nature. This is consistent with the way that financial performance is measured by senior management and assists in providing a meaningful analysis of operating results by excluding items that may not be part of the ordinary activity of the business.

The following table details the non-underlying items that have been incurred in the period:

	Note	15 month period ended 31 March 2023 £000
Non-underlying items:		
Consultancy fees	a	1,000
Refinancing transaction	b	2,117
Covid-19 related expenditure	c	3,171
Covid-19 related reimbursements	d	(2,031)
Impairment of property, plant and equipment	e	2,580
Integration and acquisition costs	f	7,790
Project costs	g	251
Restructuring costs	h	992
Share-based payments	i	1,680
Taxation	j	(1,373)
		16,177

6 Non-underlying items *continued*

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

(a) *Consultancy fees*

For the period ended 31 March 2023, the Group incurred costs of £1,000k 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.

(b) *Refinancing transaction*

For the period ended 31 March 2023, the Group released the remaining unamortised debt costs on the existing Loan Notes of £2,117k.

(c) *Covid-19 related expenditure*

The impact of the global pandemic caused by the Covid-19 outbreak significantly increased the Group's costs during the period ended 31 March 2023 and as a result additional expenditure of £3,171k was incurred.

(d) *Covid-19 related reimbursements*

During the period 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 £2,031k for the reimbursement of costs in relation to the global pandemic.

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

For the period ended 31 March 2023, the Group recognised an impairment charge for certain property, plant and equipment due to the carrying amount of assets exceeding its recoverable amount and as a result an impairment charge of £2,580k was incurred.

(f) *Integration and acquisition costs*

For the period ended 31 March 2023, the Group incurred transaction costs in relation to the acquisition of the Voyage Care HoldCo Limited Group of £7,336k (see note 28). Also in the period ended 31 March 2023 the Group incurred costs in relation to the acquisition of the trade and assets of several Registered services and Community Base Care packages from another provider of £324k (see note 29) and integration and aborted acquisition costs of £130k.

(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 £251k were incurred.

(h) *Restructuring costs*

For the period ended 31 March 2023, the Group incurred remuneration costs of £815k in relation to restructuring its workforce and settled a pension plan with a lump-sum payment of £177k.

(i) *Share-based payments*

During the period ended 31 March 2023, the Group expensed share-based payments for key management personnel and senior employees of £1,680k.

(j) *Taxation*

During the period ended 31 March 2023, a taxation credit of £1,373k arose as a result of certain non-underlying items stated in the non-underlying table.

7 Staff numbers

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

	Number of employees 15 month period ended 31 March 2023
Administration	536
Care staff	10,107
	10,643

8 *Directors' remuneration*

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

	15 month period ended 31 March 2023 £000
Remuneration	1,516
Pension contributions	133
	1,649

The remuneration of the highest paid director was £567k and pension contributions of £73k.

9 Auditor's remuneration

	15 month period ended 31 March 2023 £000
Audit of the Group financial statements	18
Audit of financial statements of subsidiaries	305
Total audit related fees	323

10 Operating profit before taxation

Operating profit before taxation is stated after charging/(crediting):

	15 month period ended 31 March 2023 £000
Direct expenses and consumables	8,967
Staff costs:	
Wages and salaries	246,736
Social security costs	19,802
Other pension costs	5,038
Operating lease rentals:	
Other lease rentals	704
Plant and machinery	213
Depreciation of property, plant and equipment	20,710
Impairment of property, plant and equipment (see note 6)	2,580
Profit on disposal of assets	(704)
Amortisation of intangible assets	17,544
Other external charges	60,380
	381,970

11 Finance income

	15 month period ended 31 March 2023 £000
Unwinding of discount rate charge	128
Bank interest receivable	262
	390

12 Finance expense

	15 month period ended 31 March 2023 £000
Bank interest including RCF non-utilisation fees	1,311
Loan notes interest	19,375
Unamortised debt costs from existing loan notes (see note 6)	2,117
Unwinding of discount on provisions and rate charge	24
Unwinding of lease liabilities	784
Other finance costs	279
Total finance expense before shareholder loan interest	23,890
Shareholder loan interest	32,262
Total finance expense	56,152

Loan notes interest comprises interest on Senior Secured Notes of £17,882k and amortisation of issue costs and original issue discount of £1,493k.

Finance expense on Shareholder loans of £32,262k represents interest due on the Investor Unsecured Loan Notes and which is not cash settled until redemption of the loan.

13 Taxation

Recognised in the Statement of Profit and Loss	**15 month period ended 31 March 2023 £000**
Analysis of charge in the period	
Current tax:	
UK corporation tax on losses of the period	(208)
	(208)
Deferred tax:	
Origination and reversal of timing differences	(4,279)
	(4,279)
Tax on loss on ordinary activities	(4,487)

Recognised directly in Statement of Other Comprehensive Income	**15 month period ended 31 March 2023 £000**
Deferred tax recognised directly in other comprehensive income	1
	1

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

	15 month period ended 31 March 2023 £000
Loss on ordinary activities before taxation	(62,264)
Current tax at 19% (2022: 19%)	(11,830)
Effects of:	
Income not taxable for tax purposes	(5)
Expenses not deductible for tax purposes	7,373
Fixed asset depreciation / impairment charges in excess of allowances	(24)
Other items	(11)
Deferred tax not recognised	10
Total tax credit (see above)	(4,487)

Factors that may affect future tax charges
A change to the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023 was announced in the Budget on 3 March 2021, and was substantively enacted on 24 May 2021. As such deferred tax has been recognised at 25% for the period ended 31 March 2023.

14 Goodwill

	Goodwill £000
Cost	
On incorporation	-
Acquisitions (see note 28 & 29)	135,501
At 31 March 2023	135,501
Accumulated impairment charge	
On incorporation and 31 March 2023	-
At 31 March 2023	135,501

On 14 January 2022 the Group acquired 100% of the share capital of Voyage Care HoldCo Limited and all of its subsidiaries. The principal shareholder, Wren House, is a leading infrastructure investor with strong experience in investing in healthcare services and infrastructure assets globally. Goodwill of £134,990k has been recognised in relation to the acquisition (see note 28).

On 6 September 2022, the Group acquired the trade and assets of several Registered services and Community Based Care packages from another provider, with the aim to further increase Voyage's presence in the market place. Goodwill of £511k has been recognised in relation to the acquisition (see note 29).

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 period ended 31 March 2023.

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 2023 £000
Registered	83,071
Community based care	52,430
	135,501

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 7.67% for the Registered CGU and 8.63% for the Community Based Care CGU. 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, volume of chargeable hours, costs, discount rates, growth rates and 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%. The recoverable amount of £639.9 million exceeded its carrying amount by approximately £144.0 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%. The recoverable amount of £114.2 million exceeded its carrying amount by approximately £51.3 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):

	2023
Registered	
Discount rate	+1.18%
Budgeted revenue growth per year	(3.75%)
Budgeted staff costs per year	+6.22%
Community Based Care	
Discount rate	+10.18%
Budgeted revenue growth per year	(11.29%)
Budgeted staff costs per year	+14.40%

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	Brands	Total
	£000	£000	£000	£000
Cost				
On incorporation	-	-	-	-
Acquisitions (see note 28 & 29)	2,489	131,862	36,106	170,457
Additions	2,648	-	-	2,648
Disposals	(71)	-	-	(71)
At 31 March 2023	5,066	131,862	36,106	173,034
Amortisation				
On incorporation	-	-	-	-
Provided during the period	1,181	10,898	5,465	17,544
Amortisation on disposal	(71)	-	-	(71)
At 31 March 2023	1,110	10,898	5,465	17,473
Net book value				
At 31 March 2023	3,956	120,964	30,641	155,561

On 14 January 2022 the Group acquired 100% of the share capital of Voyage Care HoldCo Limited and all of its subsidiaries. The principal shareholder, Wren House, is a leading infrastructure investor with strong experience in investing in healthcare services and infrastructure assets globally. Intangible assets of £166,776k has been recognised in relation to the acquisition (see note 28).

On 6 September 2022, the Group acquired the trade and assets of several Registered services and Community Based Care packages from another provider, with the aim to further increase Voyage's presence in the market place. Intangible assets of £1,192k have been capitalised in relation to the acquisition (see note 29).

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 £000	Fixtures, fittings and equipment* £000	Motor vehicles £000	Right-of-use asset £000	Total £000
Cost					
On incorporation	-	-	-	-	-
Acquisitions (see note 28 & 29)	305,707	26,819	925	13,847	347,298
Additions	7,217	17,337	168	4,803	29,525
Disposals	(1,655)	(1,692)	(1,053)	(996)	(5,396)
At 31 March 2023	311,269	42,464	40	17,654	371,427
Depreciation and impairment					
On incorporation	-	-	-	-	-
Charge for the period	1,999	12,835	750	5,126	20,710
Impairment	2,580	-	-	-	2,580
Depreciation on disposals	(183)	(1,202)	(1,031)	(950)	(3,366)
At 31 March 2023	4,396	11,633	(281)	4,176	19,924
Net book value					
At 31 March 2023	306,873	30,831	321	13,478	351,503

* Fixtures, fittings and equipment includes Computers Integral.

For the period ended 31 March 2023 no impairment charge related to assets held for sale.

For the period ended 31 March 2023, the Group recognised an impairment charge for certain property, plant and equipment due to the carrying amount of assets exceeding its recoverable amount and as a result an impairment charge of £2,580k was incurred.

Included within freehold land and buildings is freehold land totalling £66,480k which is not depreciated.

Costs of £4,920k are included within property, plant and equipment in respect of properties in the course of being converted into care homes which are not depreciated until the properties are brought into use.

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**
On incorporation	-
Additions	10,918
As at 31 March 2023	10,918

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 %**
Vienna MidCo 2 Limited	Intermediate holding company	England	Ordinary	100
Vienna InvestCo Limited *	Intermediate holding company	England	Ordinary	100
Voyage Care HoldCo Limited *	Intermediate holding company	England	Ordinary	100
Voyage Care BidCo Limited *	Intermediate holding company	England	Ordinary	100
Voyage Care MidCo Limited *	Intermediate holding company	England	Ordinary	100
Voyage BidCo Limited *	Intermediate holding company	England	Ordinary	100
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.

17 Investments *continued*

Exemption from audit by Parent guarantee

The subsidiary companies detailed below have taken the exemption in section 479A of the Companies Act 2006 (the Act) from the requirement in the Act for their individual accounts to be audited. The guarantee given by the Company under section 479A of the Act is disclosed in note 32.

Subsidiary	Company number
Vienna MidCo 2 Limited	13835161
Vienna InvestCo Limited	13806704
Voyage Care HoldCo Limited	09141139
Voyage Care BidCo Limited	09142547
Voyage Care MidCo Limited	09142889
Voyage Healthcare Group Limited	04218481
Voyage Care Limited	04250960
Voyage 2 Unlimited	02689231
Voyage Limited	03157168
Voyage Specialist Healthcare Limited	05534994
Solor Care (South West) Limited	04186320
Solor Care London Limited	03402356
Solor Care South East (2) Limited	02486455
Solor Care West Midlands Limited	04319380
Solor Care Holdings (2) Limited	04292006
Solor Care Limited	02393938
Solor Care South East Limited	02507430
Solor Care Holdings (3) Limited	02963513
Solor Care Group Limited	04299004
Focused Healthcare Limited	06186777
Fox Elms Care Limited	05355524
Woodley House Limited	02410960
Day Opportunities Limited	04287818

18 Trade and other receivables

	2023	
	Group	**Company**
	£000	**£000**
Trade receivables	9,986	-
Impairment of receivables	(546)	-
Trade receivables (net)	9,440	-
Accrued income	8,774	-
Other receivables	712	-
Prepayments	2,206	-
Intercompany receivables	-	356,880
	21,132	356,880

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 Systems.

The Company's intercompany receivables are due after more than one year, bear interest of 8% per annum and have a repayment date of 14 January 2032.

The Group presents trade receivables net of allowances for impairment and during the period there was a credit to the consolidated Statement of Profit and Loss of £22k.

Movement in the provision for impaired receivables:

	2023
	£000
On incorporation	-
Acquisition	(568)
Decrease in provision for impaired receivables	22
At 31 March	(546)

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	3.7	7,666	285
Between 31 - 60 days	0.9	1,075	10
Between 61 - 90 days	1.8	386	7
Between 91 - 180 days	15.3	419	64
Between 181 - 365 days	35.6	374	133
Greater than 365 days	71.2	66	47
		9,986	546

Expected credit losses on intercompany receivables
The Company 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 lifetime cash shortfalls.

During the period the Company recognised a loss allowance on its intercompany receivable of £3,250k which was a debit to the Statement of Profit and Loss.

19 Cash and cash equivalents

	2023 £000
Cash and cash in hand	15,170
Cash held on behalf of people we support	123
Other restricted cash	2,186
	17,479

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 £123k exists for this amount and is included in note 22.

20 Non-current assets classified as held for sale

As at 31 March 2023, no assets were classified as held for sale.

21 Loans and borrowings

	Group 2023 £000	Company 2023 £000
Bank loans	2,000	-
Loan notes	244,567	-
Lease liability	16,731	-
Shareholder loans	360,130	360,130
	623,428	360,130

Loan notes include unamortised issue costs of £5,433k which after deducting from the loan note balance due of £250 million results in a net loan note liability of £244,567k.

As at 31 March 2023 there was accrued interest of £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:

	2023			
	Within one year £000	Between two and five years £000	After five years £000	Total £000
Bank loans	2,000	-	-	2,000
Loan notes	-	244,567	-	244,567
Lease liability	4,336	9,217	3,178	16,731
Shareholder loans	-	-	360,130	360,130
	6,336	253,784	363,308	623,428

Loan notes

On 3 February 2022, the Group completed a refinancing transaction and the gross proceeds were used to redeem in full existing £215 million Senior Secured Notes of 5.875% and £35 million Second Lien Notes of 10%. The Group now has £250 million of 5.875% Senior Secured Notes listed on the International Stock Exchange that are due February 2027. Additionally, on 3 February 2022, the Group replaced an existing £30 million Revolving Credit Facility, due 2023, with a £50 million Revolving Credit Facility, due 2026, of which £48 million was undrawn at 31 March 2023.

The fair value of the £250 million Senior Secured Loan Notes as at 31 March 2023 was £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	GBP	250,000		Feb-27
Revolving Credit				
Utilised	GBP	2,000	SONIA +3.25%	Nov-26
Non utilised	GBP	48,000		Nov-26

21 Loans and borrowings *continued*

Shareholder loans

Shareholder loans comprise the following instruments:

Fixed Rate Unsecured Loan Notes	Interest rate per annum	Interest compounds on	Principal £000	Accrued interest £000	Total £000
Fixed rate unsecured	8%	31 December	327,868	32,262	360,130
			327,868	32,262	360,130

The Fixed Rate Unsecured Loan Notes and accrued interest are payable at the earlier of an exit or 2032.

22 Trade and other payables

	2023 Group £000
Trade payables	8,596
Other taxes and social security costs	8,655
Other payables	20,636
People we support money payable (see note 19)	123
Intercompany payables	1,413
	39,423

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

Amounts due to group undertakings within on year have no fixed repayment date and are non-interest bearing.

23 Deferred tax assets and liabilities

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

Group

Deferred tax assets and liabilities are attributable to the following:

	Assets 2023 £000	Liabilities 2023 £000	Net 2023 £000
Property, plant and equipment	-	(25,945)	(25,945)
Intangible assets	-	(37,703)	(37,703)
Employee benefits	45	-	45
Un-utilised losses	6,403	-	6,403
Corporate interest restriction	7,819	-	7,819
Other	553	(101)	452
Deferred tax assets / (liabilities)	14,820	(63,749)	(48,929)
Offset of tax	(14,820)	14,820	-
Net deferred tax liabilities	-	(48,929)	(48,929)

Movements in deferred tax during the period:

	On incorporation £000	Recognised in: Profit and loss £000	Recognised in: Changes in OCI £000	Acquisition of subsidiaries £000	At 31 March 2023 £000
Property, plant and equipment	-	(3,610)	-	(22,335)	(25,945)
Intangible assets	-	4,289	-	(41,992)	(37,703)
Employee benefits	-	(23)	(1)	69	45
Un-utilised losses	-	2,209	-	4,194	6,403
Corporate interest restriction	-	1,497	-	6,322	7,819
Other	-	(83)	-	535	452
Deferred tax liabilities	-	4,279	(1)	(53,207)	(48,929)

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 £1,127k 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.

24 Provisions

Group	2023 £000
Current dilapidations	638
Non-current dilapidations	1,107
Provision	1,745

The movement in provisions were:	Dilapidations £000
On incorporation	-
Acquisition	1,509
Amounts recognised during the period	345
Provision used during the period	(5)
Discount rate change (see note 11)	(128)
Unwinding of discounted amount (see note 12)	24
At 31 March 2023	1,745

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 2023, a pre-tax discount rate of 3.75% was applied which is equal to the Government's risk free rate.

25 Employee benefits

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 Group have no ongoing liabilities in relation to these schemes.

The Defined Contribution pension cost for the Group in the period ended 31 March 2023 was £5,038k. An amount of £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 into 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 2020 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 prudent discount rate. At the date of the latest triennial actuarial valuation at 1 April 2020, the market value of the assets of the scheme was £1,219k and the actuarial value of the assets was sufficient to cover 73% of the benefits that had accrued to members, after allowing for expected future increase in earnings.

25 Employee benefits *continued*

Defined benefit plan continued

IAS 19 valuation

The pension valuation for the Voyage Retirement Benefit Scheme at 1 April 2020 has been updated by the actuary on an IAS 19 basis as at 31 March 2023. The scheme has no active members and 11 deferred members. The major assumptions used in this valuation were:

	2023
	%
Rate of increase in salaries	0.0
Rate of increase in pensions in payment	3.2
Discount rate	4.9
Inflation assumption	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: 19.4 years (male), 21.4 years (female).

Future retiree upon reaching 65: 20.6 years (male), 22.8 years (female).

At 31 March 2023, the weighted-average duration of the defined benefit obligation was 13 years.

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 2023 £000
Fair value of plan assets	
Fair value of plan assets	2,257
Present value of scheme liabilities	(1,442)
Net defined benefit asset	815
Effect of asset ceiling / minimum funding requirements	(996)
Net recognised defined benefit liability	**(181)**

25 Employee benefits *continued*

Defined benefit plan continued
Scheme assets / (liabilities) continued

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:

	2023
	£000
On acquisition	1,854
Interest expense	30
Remeasurement arising from:	
Financial	(381)
Demographic	(10)
Experience	235
Benefits paid	(286)
At 31 March	1,442

Movements in fair value of plan assets:

	2023
	£000
On acquisition	2,525
Interest income	47
Actual return on plan assets, excluding interest income	(130)
Contributions:	
By employer	99
By members	-
Benefits paid	(284)
At 31 March	2,257

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

	2023
	£000
Interest on present value of defined benefit obligation	26
Interest on fair value of plan assets	(47)
	(21)

25 Employee benefits *continued*

Defined benefit plan continued
Scheme assets / (liabilities) continued

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

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

History of plan

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

Statement of Financial Position	**2023**
	£000
Present value of scheme liabilities	(1,442)
Fair value of scheme assets	2,257
Surplus	815

The Company expects to contribute approximately £99k to its defined benefit plan in the next financial year.

Share-based payments

During the period, the Group established a share programme that entitles key management personnel and senior employees to purchase shares in the VC Healthcare Topco Limited, the ultimate parent company in the Group. Under the programme, holders of vested options are entitled to purchase shares at the market price of the share at grant date.

At the establishment date, the Group issued 493,000 equity-shares and on 28 April 2022, the Group granted 149,000 equity-settled shares to key management personnel and senior employees. The equity-settled shares vest after five, six or seven years of service dependent on the share valuation at the respective points. As at 31 March 2023, the weighted average remaining contractual life of the options was 4.8 years and the ultimate share rights expire at the end of the seven year period.

Fair value

The fair value of the equity-shares has been measured using the Monte Carlo simulation. The enterprise value of the Group at the grant date was determined by discounting future cash flows with the most significant inputs being: forecast of future cash flows, risk free rate of 1.62% - 1.70% , expected dividend yield of Nil% and volatility of 20%.

Expected volatility has been based on an evaluation of the historical enterprise volatility of a set of comparable companies operating in a similar area. The fair value excludes the effect of non-market-based vesting conditions.

During the period, the Group recognised total expenses of £1,680k related to equity-settled share-based payment transactions.

26 Share capital

Group and Company	2023 £000
Allotted and called up:	
10,917,749 Ordinary Shares of £1 each	10,918
	10,918

Each Ordinary Share holder has one vote for each Share.

27 Net debt reconciliation

A summary of the Group's external borrowings excluding shareholder loans of £360,130k, cash balances and net debt is shown below:

	2023 £000
Borrowings	
Senior Secured Loan Notes	250,000
Revolving Credit Facility	2,000
Lease liability	16,731
Gross debt	**268,731**
Cash and cash equivalents	(17,479)
Restricted cash and cash equivalents	2,309
Net debt (excluding lease liabilities)	**236,830**
Net debt (including lease liabilities)	253,561

28 Voyage Care HoldCo Acquisition

On 14 January 2022 the Group acquired 100% of the share capital of Voyage Care HoldCo Limited and all of its subsidiaries. The principal shareholder, Wren House, is a leading infrastructure investor with strong experience in investing in healthcare services and infrastructure assets globally.

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

	Book value	Fair value adjustment	Fair value
	£000	£000	£000
Intangible assets	2,489	-	2,489
Property, plant and equipment	383,989	(39,589)	344,400
Trade and other receivables	23,056	-	23,056
Corporation tax	2,686	-	2,686
Cash and cash equivalents	31,007	-	31,007
Trade and other payables	(36,063)	-	(36,063)
Accruals and deferred income	(20,196)	-	(20,196)
Finance leases	(17,049)	-	(17,049)
Loan notes	(247,119)	-	(247,119)
Deferred tax	(14,977)	(37,932)	(52,909)
Provisions	(1,509)	-	(1,509)
Employee benefits	(281)	-	(281)
Net assets	**106,033**	**(77,521)**	**28,512**
Goodwill			134,990
Customer relationships			130,670
Brands			36,106
			330,278
Satisfied by:			
Cash			330,278
Total cost of acquisition			**330,278**

From the acquisition date to 31 March 2023 the acquired undertakings contributed revenue of £372,604k and a loss after tax of £50,997k. The revenue and loss after tax is reported within the Group's results for the period ended 31 March 2023.

Goodwill amounting to £132,113k was recognised on acquisition and is underpinned by a number of elements, which individually could not be quantified. Most significant amoungst these is the well positioned business in the market with a skilled workforce and established reputation.

The Group incurred acquisition costs of £7,336k which have been expensed as a non-underlying item in the Statement of Profit and Loss.

29 Business combination

On 6 September 2022, the Group acquired the trade and assets of several Registered services and Community Based Care packages from another provider, with the aim to further increase Voyage's presence in the market place.

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

	Fair value
	£000
Property, plant and equipment	2,898
Deferred tax	(298)
Net assets	**2,600**
Customer relationships	1,192
Goodwill	511
	4,303
Satisfied by:	
Cash	4,303
Total cost of acquisition	**4,303**

The acquisition cost comprises of cash consideration of £4,303k.

From the acquisition date to 31 March 2023 the business combination contributed revenue of £2,864k and a profit after tax of £553k. The revenue and profit after tax is reported within the Group's results for the period ended 31 March 2023.

The Group incurred acquisition costs of £324k which have been expensed as a non-underlying item in the Statement of Profit and Loss.

30 Related party transactions

During the period, 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:

	2023 £000
Short-term employee benefits	832
Compensation on loss of office	29
Post-employment benefits	29
	890

On 28 April 2022, the Group established a share programme that entitled key management personnel and senior employees to purchase shares in VC Healthcare TopCo Limited, the ultimate parent company in the Group. Under the programme, share-based payments of £1,230k were expensed in the period to 31 March 2023 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.

31 Capital commitments

Significant capital expenditure contracted for at the year end but not recognised as liabilities is as follows:

	2023 £000
Property, plant and equipment	580

32 Contingent Liability

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

Subsidiary accounts audit exemption

In order for the subsidiary companies, which are detailed in note 17, to take the audit exemption in section 479A of the Companies Act 2006, the Company has guaranteed all outstanding liabilities of those subsidiary companies as 31 March 2023 until those liabilities are satisfied in full.

33 Controlling party

The Company's immediate parent undertaking is VC Healthcare TopCo Limited which is registered in Jersey. 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 VC Healthcare TopCo Limited's financial statements are available from 3rd Floor, 44 Esplanade, St Helier, JE4 9WG, Jersey.