

**Voyage HoldCo 2 Limited**

**Directors' report and financial  
statements**

Registered number 5752537

For the year ended 31 March 2011

TUESDAY



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## Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2011

### Principal activities

The principal activity of the company is that of an intermediate holding company. The principal activities of the Voyage group, of which the company and its subsidiaries are members, are the provision of high quality care and support services for people with learning disabilities, acquired brain injuries and other complex needs.

### Business review

The results for the year ended 31 March 2011 are set out on page 5.

### Directors

The directors who held office during the year and subsequently were as follows:

JB McKendrick	(appointed 6 September 2010)
A Winning	(appointed 28 February 2011)
DJ Quinn	(resigned 30 November 2010)
NK Moreton	(resigned 2 March 2011)

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

### Disclosure of information to auditors

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 auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditor

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

By order of the board



**P Sealey**  
*Company Secretary*

Garrick House  
2 Queen Street  
Lichfield  
Staffordshire  
WS13 6QD

11 November 2011

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

## **Independent auditor's report to the members of Voyage HoldCo 2 Limited**

We have audited the financial statements of Voyage HoldCo 2 Limited for the year ended 31 March 2011 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of Voyage HoldCo 2 Limited**  
*(continued)*

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us or
- the 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



**K MacKenzie (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

*11 November 2011*

**Profit and loss account**  
*for the year ended 31 March 2011*

	<i>Note</i>	<b>2011 £000</b>	<b>2010 £000</b>
Interest receivable and similar income	5	19,504	9,148
Interest payable and similar charges	6	(20,289)	(9,148)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		<b>(785)</b>	<b>-</b>
Tax on loss on ordinary activities	7	220	-
		<hr/>	<hr/>
<b>Loss for the financial year</b>	12	<b>(565)</b>	<b>-</b>
		<hr/>	<hr/>

There were no other recognised gains or losses other than the loss for the year

All activities for the year have been classified as continuing

Movements in reserves are set out in note 12 to the financial statements

**Balance sheet**  
*at 31 March 2011*

	<i>Note</i>	<b>2011 £000</b>	<b>2010 £000</b>
<b>Fixed assets</b>			
Investments	8	-	-
<b>Current assets</b>			
Debtors due after more than one year	9	211,598	150,328
Cash		1,500	-
		<u>213,098</u>	<u>150,328</u>
<b>Net current assets and total assets less current liabilities</b>		<b>213,098</b>	<b>150,328</b>
<b>Creditors</b> Amounts falling due after more than one year	10	(213,663)	(150,328)
		<u>(565)</u>	<u>-</u>
<b>Net liabilities</b>		<b>(565)</b>	<b>-</b>
<b>Capital and reserves</b>			
Called up share capital	11	-	-
Profit and loss account	12	(565)	-
		<u>(565)</u>	<u>-</u>
<b>Equity shareholders' deficit</b>	13	<b>(565)</b>	<b>-</b>

These financial statements were approved by the board of directors **11 November 2011** and were signed on its behalf by



**A Winning**  
 Director

Company registered no 5752537



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

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

#### ***Basis of preparation***

The financial statements are prepared under the historical cost convention and in accordance with applicable UK law and accounting standards

The company is exempt from producing a cash flow statement under FRS 1 (revised) as the company's parent company produces financial statements which are available to the public and which include a consolidated cash flow statement

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of Voyage Holdings Limited which prepares consolidated financial statements which are publicly available

#### ***Going concern***

The group, of which the company is a member, is funded through a combination of shareholder's funds, unsecured PIK notes and bank loans. These include a £273.7 million bank loan facility comprising a £207.7 million term loan facility, a £61.0 million capex facility and a £5.0 million revolving credit facility. The term loan and capex facility are fully drawn and are due to be repaid on 3 April 2014.

The bank loans are only repayable in advance of 3 April 2014 if the group does not comply with banking covenants. The Series A and B unsecured PIK notes are repayable at the earliest to occur of an exit (being sale or listing) or six months following repayment of all amounts due under the bank loan facility. The Series C and D unsecured PIK notes are repayable at the earliest to occur of an exit (being sale or listing) or ten years from date of issue. The group has entered into a Swap arrangement to hedge against interest rate risk arising.

The group's trading and cash forecasts, which take into account reasonably possible changes in trading activities, show that the group should be in compliance with all covenants and will have adequate funds to meet its liabilities, including debt servicing costs, for the foreseeable future.

The directors therefore believe it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

#### ***Investments in subsidiary undertakings***

Investments in subsidiary undertakings are stated at cost.

#### ***Related party transactions***

As a wholly owned subsidiary of Voyage Holdings Ltd, the company has taken advantage of the exemption included in the Financial Reporting Standard 8 "Related Party Disclosures" not to disclose related party transactions with group entities. There were no other related party transactions entered into by the company during the current or prior year.

## Notes (continued)

### 2 Directors' emoluments

The directors received the following emoluments in respect of their services to the subsidiaries of this company

	2011 £000	2010 £000
Emoluments	524	385
Pension contributions	75	64
	<u>599</u>	<u>449</u>

Total emoluments in the year have increased due to the overlapping service of Douglas Quinn and Bruce McKendrick during the transition of the Chief Executive role

Emoluments of the highest paid director are as follows

	£000	£000
Emoluments	179	193
Pension contributions	30	32
	<u>209</u>	<u>225</u>

Four directors active in the year accrued benefits under money purchase pension schemes. The directors received no emoluments for their services to the company in the year (2010 Nil)

Directors' emoluments were paid by a subsidiary undertaking

### 3 Staff numbers and costs

The company had no employees (2010 nil)

### 4 Audit fees

Audit fees of £1,250 (2010 £1,250) have been borne by another group undertaking

### 5 Interest receivable and similar income

	2011 £000	2010 £000
Bank interest	2	-
Interest receivable from group undertakings	19,502	9,148
	<u>19,504</u>	<u>9,148</u>

**Notes** *(continued)*

**6 Interest payable and similar charges**

	2011 £000	2010 £000
Interest payable to group undertakings	20,289	9,148

**7 Taxation on loss on ordinary activities**

	2011 £000	2010 £000
<i>UK corporation tax</i>		
Current tax credit for the year	220	-

***Factors affecting the tax credit for the current year***

The current tax credit for the year is equal to the standard rate of corporation tax in the UK of 28% (2010 28%)

	2011 £000	2010 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	785	-
Current tax at 28% (2010 28%)	220	-
Current tax credit for the year (see above)	220	-

***Factors that may affect future tax charges***

The 2011 Budget on 23 March 2011 announced that the UK corporation tax rate will reduce to 23% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% (effective from 1 April 2011) was substantively enacted on 20 July 2010, and further reductions to 26% (effective from 1 April 2011) and 25% (effective from 1 April 2012) were substantively enacted on 29 March 2011 and 5 July 2011 respectively.

This will reduce the company's future current tax charge accordingly.

## Notes (continued)

### 8 Investments

	Subsidiary undertakings £000
<i>Subsidiary undertakings</i>	
At beginning and end of year	-

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

Subsidiary	Nature of business	Country of incorporation	Holding	Proportion held %
Voyage BidCo Limited	Intermediate holding company	England	Ordinary	100
Voyage Healthcare Group Limited*	Intermediate holding company	England	Ordinary	100
VHG Management Limited*	Intermediate holding company	England	Ordinary	100
Voyage 1 Limited*	Community care	England	Ordinary	100
Voyage 2 Unlimited*	Community care	England	Ordinary	100
Voyage Recruitment Limited*	Employment services	England	Ordinary	100
Voyage Healthcare Limited*	Intermediate holding company	England	Ordinary	100
Voyage Secure Limited*	Community care	England	Ordinary	100
Voyage Limited*	Community care	England	Ordinary	100
Voyage 3 Limited*	Employment services	England	Ordinary	100
Voyage 4 Limited*	Intermediate holding company	England	Ordinary	100
Partners in Specialist Care Limited*	Community Care	England	Ordinary	100

\*Held by a subsidiary undertaking

### 9 Debtors

	2011 £000	2010 £000
Amounts due from subsidiary undertakings	211,598	150,328

The amounts receivable from group undertakings have no fixed repayment date, but are due after more than one year and bear interest at a rate based on the group's weighted average cost of capital

**Notes** (continued)

**10 Creditors amounts falling due after more than one year**

	2011 £000	2010 £000
Amounts owed to parent undertaking	213,663	150,328

The amounts payable to group undertakings have no fixed repayment date, but are due after more than one year and bear interest at a rate based on the group's weighted average cost of capital

**11 Called up share capital**

	2011 £000	2010 £000
<i>Issued and fully paid</i>		
1 ordinary share at £1 each	-	-

**12 Profit and loss account**

	£000
At beginning and end of year	-
Loss for the year	(565)
At end of year	(565)

**13 Reconciliation of shareholders' (deficit)/funds**

	2011 £000	2010 £000
Opening shareholders' funds	-	-
Loss for the year	(565)	-
Closing shareholders' (deficit)/funds	(565)	-

**14 Ultimate parent company**

The company's immediate parent undertaking is Voyage MezzCo Limited, which is registered in England and Wales

The company's ultimate holding company is Voyage Holdings Limited, which is registered in England and Wales

The consolidated financial statements of Voyage Holdings Limited are available from

The Company Secretary  
 Voyage Holdings Limited  
 Garrick House  
 2 Queen Street  
 Lichfield  
 Staffordshire  
 WS13 6QD