

Voyage HoldCo 2 Limited

**Directors' report and financial
statements**

Registered number 5752537

For the year ended 31 March 2012

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Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2012

Principal activities

The principal activity of the company is that of an intermediate holding company. The principal activities of the Voyage Care 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 2012 are set out on page 5.

Directors

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

JB McKendrick
A Winning

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

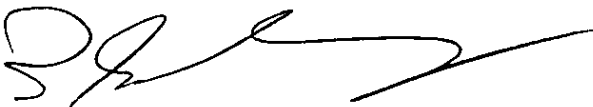
Disclosure of information to auditor

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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and 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

2 July 2012

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 2012 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.

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 2012 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

2 July 2012

Profit and loss account
for the year ended 31 March 2012

	<i>Note</i>	2012 £000	2011 £000
Interest receivable and similar income	5	22,207	19,504
Interest payable and similar charges	6	(23,163)	(20,289)
Loss on ordinary activities before taxation		(956)	(785)
Tax on loss on ordinary activities	7	249	220
Loss for the financial year	12	(707)	(565)

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 2012

	<i>Note</i>	2012 £000	2011 £000
Fixed assets			
Investments	8	-	-
Current assets			
Debtors due after more than one year	9	234,078	211,598
Cash		1,500	1,500
Net current assets and total assets less current liabilities		235,578	213,098
Creditors Amounts falling due after more than one year	10	(236,850)	(213,663)
Net liabilities		(1,272)	(565)
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	(1,272)	(565)
Equity shareholders' deficit	13	(1,272)	(565)

These financial statements were approved by the board of directors 2 July 2012 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 £265.6 million bank loan facility comprising a £199.6 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 Limited, 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.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between profits as computed for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

Notes (continued)

2 Directors' emoluments

The directors received the following emoluments in respect of their services to other member companies of the group

	2012 £000	2011 £000
Emoluments	585	525
Pension contributions	56	75
	<u>641</u>	<u>600</u>

Emoluments of the highest paid director are as follows

	£000	£000
Emoluments	383	185
Pension contributions	39	23
	<u>422</u>	<u>208</u>

Two 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 (2011 Nil)

Directors' emoluments were paid by a subsidiary undertaking

3 Staff numbers and costs

The company had no employees (2011 nil)

4 Audit fees

Audit fees of £1,250 (2011 £1,250) have been borne by another group undertaking

5 Interest receivable and similar income

	2012 £000	2011 £000
Bank interest	-	2
Interest receivable from group undertakings	22,207	19,502
	<u>22,207</u>	<u>19,504</u>

Notes (continued)

6 Interest payable and similar charges

	2012 £000	2011 £000
Interest payable to group undertakings	23,163	20,289

7 Taxation on loss on ordinary activities

	2012 £000	2011 £000
<i>UK corporation tax</i>		
Current tax credit for the year	249	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 26% (2011 28%)

	2012 £000	2011 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	956	785
Current tax at 26% (2011 28%)	249	220
Current tax credit for the year (see above)	249	220

Factors that may affect future tax charges

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012.

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
Voyage Care Limited (formerly 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

	2012 £000	2011 £000
Amounts due from subsidiary undertakings	234,054	211,598
Other debtors	24	-
	<u>234,078</u>	<u>211,598</u>

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

10 Creditors' amounts falling due after more than one year

	2012 £000	2011 £000
Amounts owed to parent undertaking	236,850	213,663

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

Notes (continued)

11 Called up share capital

	2012 £000	2011 £000
<i>Issued and fully paid</i>		
1 ordinary share at £1 each	-	-

12 Profit and loss account

	£000
At beginning of year	(565)
Loss for the year	(707)
At end of year	(1,272)

13 Reconciliation of shareholders' deficit

	2012 £000	2011 £000
Opening shareholders' deficit	(565)	-
Loss for the year	(707)	(565)
Closing shareholders' deficit	(1,272)	(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