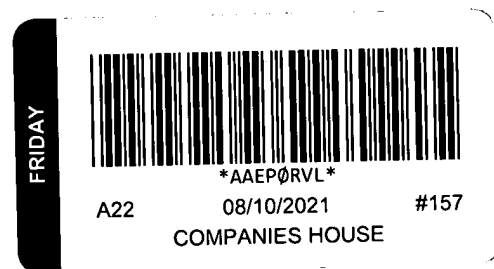


**Strategic Report, Directors' Report and  
Financial Statements for the year ended 31 March 2021**

**For**

**Solor Care (South West) Limited**



**Solor Care (South West) Limited**

**Contents of the Financial Statements  
For the year ended 31 March 2021**

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**Solor Care (South West) Limited**

**Company Information**

**For the year ended 31 March 2021**

<b>DIRECTORS:</b>	A Cannon S Parker
<b>SECRETARY:</b>	L Jordan
<b>REGISTERED OFFICE:</b>	Voyage Care Wall Island Birmingham Road Lichfield Staffordshire WS14 0QP
<b>REGISTERED NUMBER:</b>	04186320 (England and Wales)
<b>SENIOR STATUTORY AUDITOR:</b>	Stephen Ward
<b>AUDITOR:</b>	KPMG LLP, Statutory Auditor One Snowhill Snow Hill Queensway Birmingham B4 6GH

## **Solor Care (South West) Limited**

### **Strategic Report**

**For the year ended 31 March 2021**

The Directors present their Strategic Report for the year ending 31 March 2021.

#### **PRINCIPAL ACTIVITY**

The principal activities of the Company is to provide a range of services for individuals with learning disabilities, autism, brain injury rehabilitation 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. The principal activities of the Voyage Care Group (Voyage Care, the Group), of which the Company is a member, are to provide similar care services.

The Company's strategy, business model and policies are disseminated by the Group therefore the Company and the Group share the same vision, values and purpose and face similar risks and uncertainties.

#### **BUSINESS REVIEW**

The Group, of which the Company is a member, 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. The performance of the Group headed by Voyage Care HoldCo Limited, which includes this Company, is included in the Strategic Report of that company.

For the year ending 31 March 2021, Solor Care (South West) Limited reported a profit after taxation of £267k (2020: £216k). This analysis is detailed on the Statement of Profit and Loss (see page 12). Correspondingly, Solor Care (South West) Limited has net liabilities of £1,570k as at 31 March 2021 (31 March 2020: £1,836k). This analysis is detailed on the Statement of Financial Position (see page 14).

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks facing the business and the controls in place to mitigate these are similar to those of the Group as a whole and are as follows:

##### ***COVID-19 / globally transmitted diseases***

###### ***Risk***

The global outbreak of Covid-19 put significant strain on the business to maintain the high level of care for the people we support during unprecedented times. Future global pandemics could require the business to quickly adapt to operate within the limitations of the pandemic whilst minimising the impact to the people we support.

###### ***Mitigation***

The business has clear and effective business continuity plans that can be quickly enacted to react to severe threats to the business. 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.

##### ***Local Authority Funding***

###### ***Risk***

As staffing costs continue to rise through National Living Wage, workplace pension auto enrolment charges, apprenticeship levy and pandemic response costs there is a risk that the increased funding is not available to compensate for the increased costs which would erode Group profitability.

## **Solor Care London Limited**

### **Strategic Report - continued For the year ended 31 March 2021**

#### **PRINCIPAL RISKS AND UNCERTAINTIES - continued**

##### ***Local Authority Funding - continued***

###### ***Mitigation***

The sustainable funding of social care in the UK continues to be revisited by the Government, with:

- Confirmation that an additional £1 billion of funding for social care would continue for every year of the current Parliament.
- An additional grant of £300 million for adult and children's social care.
- Local authorities are able to levy a 3% adult social care precept.
- £2.1 billion of funding to local authorities through the improved Better Care Fund which is integrating NHS and social care through a single local pooled budget so that people can manage their own health and wellbeing and live independently in their communities for as long as possible.

##### ***Recruitment and retention of skilled care workers***

###### ***Risk***

The key to the Group's success is the quality of the people we employ. The Group needs to attract and recruit sufficient employees to meet our objectives. Additionally, losing key employees inhibits the strength of delivering consistently high-quality care.

###### ***Mitigation***

The Group has a bespoke system to deal with recruitment from first point of contact to employment, including Disclosure and Barring Service checks. Employee turnover is closely monitored through KPIs and exit interviews are performed to identify underlying trends impacting retention. Additionally, significant emphasis is placed on promoting employee retention.

##### ***Ensuring the provision of high quality care to the people we support***

###### ***Risk***

The Voyage Care business is built on the reputation of the high-quality care consistently delivered. A reduction in quality would harm the Group's reputation and have a negative impact on the lives of the people we support.

###### ***Mitigation***

An appropriate balance is maintained between care fees and payroll costs. Fees are always agreed with funders to reflect the care needs of the people we support to ensure that the appropriate level of care is provided. Payroll costs are controlled by regular reviews of weekly care hours, through an in-house management system.

A dedicated Quality department regularly updates Group policies in line with changing regulations and standards and manages the internal quality audit process.

Close control of agency usage is in place including weekly reporting to senior management.

The Group invested £2.0 million in training expenditure to ensure employees are fully up-to-date in the best ways of providing care for people we support (2020: £2.5 million).

##### ***Reduced financial performance***

###### ***Risk***

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 profit levels.

## Solor Care London Limited

### Strategic Report - continued For the year ended 31 March 2021

#### PRINCIPAL RISKS AND UNCERTAINTIES - continued

##### ***Reduced financial performance - continued***

###### *Mitigation*

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.

#### KEY PERFORMANCE INDICATORS

The Board use a number of financial and non-financial performance indicators to monitor the performance of the Group at a consolidated group level. The performance of the Group's key performance indicators listed below are presented in the Strategic Report of Voyage Care HoldCo Limited and include:

- Quality - % of services rated Good or Outstanding by CQC rating scheme;
- Turnover;
- Adjusted EBITDA (before non-underlying items);
- Agency usage;
- Occupancy - both absolute number and % of capacity; and
- Average weekly fee.

#### UNCERTAINTIES FACING THE BUSINESS

Notwithstanding the risks identified above there are no major operational uncertainties facing the business. The fragmented nature of the specialist care home and supported living market in the UK and increasing regulation continues to benefit high quality operators such as Voyage Care.

#### FUTURE PROSPECTS

Our 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 see 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.

No significant changes or developments in the Company's business is anticipated in the foreseeable future.

#### ON BEHALF OF THE BOARD:



.....  
S Parker - Director

Date: 30 July 2021

Wall Island  
Birmingham Road  
Lichfield  
Staffordshire  
WS14 0QP

## **Solor Care (South West) Limited**

### **Directors' Report**

#### **For the year ended 31 March 2021**

The Directors present their Annual Report and the audited financial statements for the year ended 31 March 2021.

In accordance with section 414(11) of the Companies Act 2006, information that is required to be contained in the Directors' Report has been included in the Strategic Report, specifically the future prospects of the business.

#### **RESULTS AND DIVIDENDS**

The results for the year are set out in detail on page 12.

The Directors do not recommend the payment of a dividend (2020: £Nil).

#### **GOING CONCERN**

Notwithstanding net current liabilities of £1,570k as at 31 March 2021, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Group headed by Voyage Care Holdco Limited ("the Group"), of which the Company is a member, is funded through a combination of Shareholders' Funds, Unsecured Shareholders Loans, Senior Secured Notes, Second Lien Notes and cash generated through operating profits. These comprised £215 million of 5.875% Senior Secured Notes and £35 million of 10% Second Lien Notes, due in 2023, and a Revolving Credit Facility of £45.0 million, due 2023, of which £nil was drawn at 31 March 2021. The Investor and Management Fixed Rate Unsecured Loan Notes are payable at the earlier of an exit or September 2024.

These facilities are secured by charges over assets, including those of the Company. Therefore given the Company is jointly, severally and unconditionally liable, the assessment of going concern as a Company requires an assessment of the going concern of the Group.

The Group has prepared a 2-year forecast from April 2021, together with detailed 'reasonable worst case' and 'worst case' cash flow forecasts which reflect severe but plausible downsides. These have been reviewed by the Directors. These indicate 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 to consider the impact to the Group's profitability of these severe but plausible downsides including the impact of further periods of lockdown during the winter of 2021/22 based on actual experience of operating through Covid-19 since March 2020. The impacts on the availability of cash to meet liabilities as they fall due and the Group's compliance with the debt covenant associated with the Revolving Credit Facility were also considered. In making this assessment, the Directors have also assumed that the Revolving Credit Facility will be renewed under normal commercial terms, however, the forecasts do not indicate that the Group will be reliant on this facility. The Directors have also considered the principal risks identified on page 2.

Those forecasts are dependent on Voyage Care Holdco Limited providing additional financial support during that period. Voyage Care Holdco Limited has indicated its intention to continue to make available such funds as are needed by the Company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**Solor Care (South West) Limited**

**Directors' Report - continued  
For the year ended 31 March 2021**

**EMPLOYEE INVOLVEMENT**

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

**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.

**DIRECTORS**

The Directors set out in the table below have held office during the whole of the period from 1 April 2020 to the date of this report.

A Cannon  
S Parker

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

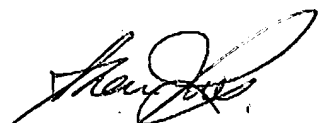
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) 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 in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**AUDITOR**

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

**ON BEHALF OF THE BOARD:**



.....  
S Parker - Director

Date: 30 July 2021

Wall Island  
Birmingham Road  
Lichfield  
Staffordshire  
WS14 0QP



## **Solor Care (South West) Limited**

### **Statement of Directors' Responsibilities For the year ended 31 March 2021**

The Directors are responsible for preparing the Strategic Report, 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), 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 Company and of its profit or loss for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- assess the 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 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and to prevent and detect fraud and other irregularities.

## **Independent Auditor's Report to the Members of Solor Care (South West) Limited**

### **Opinion**

We have audited the financial statements of Solor Care (South West) Limited ("the company") for the year ended 31 March 2021 which comprise the Statement of Profit and Loss, Statement of Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the Audit Committee, and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board and Audit Committee minutes;

## **Independent Auditor's Report to the Members of Solor Care (South West) Limited - continued**

- Considering remuneration incentive schemes and performance targets for management, directors and other employees; and
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that Company management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries with unexpected revenue and cash account combinations;
- Evaluating the business purpose of significant unusual transactions; and
- Assessing significant accounting estimates for bias.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, care quality, and certain aspects of company legislation recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

## **Independent Auditor's Report to the Members of Solor Care (South West) Limited - continued**

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

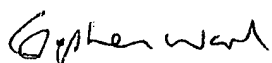
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

## **Independent Auditor's Report to the Members of Solor Care (South West) Limited - continued**

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Stephen Ward (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

One Snowhill

Snow Hill Queensway

Birmingham

B4 6GH

30 July 2021

**Solor Care (South West) Limited****Statement of Profit and Loss  
For the year ended 31 March 2021**

	Notes	2021 £'000	2020 £'000
<b>TURNOVER</b>		<b>2,584</b>	<b>2,615</b>
Operating expenses	6	<b><u>(2,172)</u></b>	<b><u>(2,211)</u></b>
<b>OPERATING PROFIT</b>		<b>412</b>	<b>404</b>
Finance income	7	<b>1,691</b>	<b>1,396</b>
Finance expense	8	<b><u>(1,826)</u></b>	<b><u>(1,542)</u></b>
<b>PROFIT BEFORE TAXATION</b>		<b>277</b>	<b>258</b>
Taxation	10	<b><u>(10)</u></b>	<b><u>(42)</u></b>
<b>PROFIT FOR THE YEAR</b>		<b><u>267</u></b>	<b><u>216</u></b>

**Solor Care (South West) Limited**

**Statement of Other Comprehensive Income  
For the year ended 31 March 2021**

	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>PROFIT FOR THE YEAR</b>	<b>267</b>	<b>216</b>
<b>OTHER COMPREHENSIVE INCOME</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u><u>267</u></u></b>	<b><u><u>216</u></u></b>

**Solor Care (South West) Limited (Registered number: 04186320)**

**Statement of Financial Position  
31 March 2021**

	Notes	2021 £'000	2020 £'000
<b>FIXED ASSETS</b>			
Tangible assets	11	2	2
<b>CURRENT ASSETS</b>			
Debtors due within one year	12	203	338
Debtors due after more than one year	12	<u>23,634</u>	<u>20,111</u>
		<b>23,837</b>	<b>20,449</b>
<b>CREDITORS</b>			
Amounts due within one year	13	<u>(76)</u>	<u>(124)</u>
<b>NET CURRENT ASSETS</b>		<b><u>23,761</u></b>	<b><u>20,325</u></b>
<i>Due within one year</i>		<b>127</b>	<b>214</b>
<i>Due after more than one year</i>		<b>23,634</b>	<b>20,111</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>23,763</b>	<b>20,327</b>
<b>CREDITORS</b>			
Amounts due after more than one year	14	<b><u>(25,333)</u></b>	<b><u>(22,163)</u></b>
<b>NET LIABILITIES</b>		<b><u>(1,570)</u></b>	<b><u>(1,836)</u></b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	-	-
Retained earnings		<b><u>(1,570)</u></b>	<b><u>(1,836)</u></b>
<b>SHAREHOLDERS' DEFICIT</b>		<b><u>(1,570)</u></b>	<b><u>(1,836)</u></b>

These financial statements were approved by the Board of Directors on 30 July 2021 and were signed on its behalf by:



.....  
S Parker - Director



**Solor Care (South West) Limited**

**Statement of Changes in Equity  
For the year ended 31 March 2021**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 April 2019</b>	-	(2,052)	(2,052)
<b>Changes in equity</b>			
Total comprehensive income	<u>-</u>	<u>216</u>	<u>216</u>
<b>Balance at 31 March 2020</b>	<u>-</u>	<u>(1,836)</u>	<u>(1,836)</u>
<b>Changes in equity</b>			
Total comprehensive income	<u>-</u>	<u>267</u>	<u>267</u>
<b>Balance at 31 March 2021</b>	<u><u>-</u></u>	<u><u>(1,570)</u></u>	<u><u>(1,570)</u></u>

## **Solor Care (South West) Limited**

### **Notes to the Financial Statements For the year ended 31 March 2021**

#### **1. STATUTORY INFORMATION**

Solor Care (South West) Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

#### **2. 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**

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 ("Adopted IFRS"), and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Voyage Care HoldCo Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Voyage Care HoldCo Limited are prepared in accordance with International accounting standards and are available to the public.

As the consolidated financial statements of Voyage Care HoldCo Limited include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following disclosures:

- a cash flow statement and related notes;
- disclosures in respect of transactions with wholly owned subsidiaries;
- the effects of new but not yet effective IFRS's;
- the requirements of paragraphs 17 and 18A of IAS 24 "Related Party Disclosures"; and
- certain disclosures required by IFRS 13 "Fair Value Measurement" and the disclosures required by IFRS 7 "Financial Instrument Disclosures".

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

##### **Tangible assets**

Tangible fixed assets 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.

## Solor Care (South West) Limited

### Notes to the Financial Statements - continued For the year ended 31 March 2021

#### 2. ACCOUNTING POLICIES – continued

##### **Tangible assets - continued**

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:

Fixtures, fittings and equipment	20%
Computers equipment	33%

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.

##### **Non-derivative financial instruments**

Non-derivative financial instruments comprise trade and other debtors, cash in hand and trade and other payables.

##### *Trade and other debtors*

Trade and other debtors are recognised at fair value less any impairment losses.

##### *Cash in hand*

Cash in hand comprises cash balances and call deposits.

##### *Trade and other payables*

Trade and other payables are stated at cost.

##### **Turnover**

Turnover in respect of the provision of care services 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.

Turnover invoiced in advance is included in deferred income, until the service is provided, whilst turnover invoiced in arrears is included in accrued income until invoiced.

##### **Finance income and expense**

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

##### **Taxation including deferred tax**

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

Tax currently payable is based on the taxable profit or loss for the year. Taxable profit or loss differs from 'profit / loss before tax' as reported in the 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.

**Notes to the Financial Statements - continued**  
**For the year ended 31 March 2021**

**2. ACCOUNTING POLICIES - continued**

**Taxation including deferred tax - continued**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the 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.

**Employee benefit costs**

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to the Statement of Profit and Loss in the period to which they relate.

**Going concern**

Notwithstanding net current liabilities of £1,570k as at 31 March 2021, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Group headed by Voyage Care Holdco Limited ("the Group"), of which the Company is a member, is funded through a combination of Shareholders' Funds, Unsecured Shareholders Loans, Senior Secured Notes, Second Lien Notes and cash generated through operating profits. These comprised £215 million of 5.875% Senior Secured Notes and £35 million of 10% Second Lien Notes, due in 2023, and a Revolving Credit Facility of £45.0 million, due 2023, of which £nil was drawn at 31 March 2021. The Investor and Management Fixed Rate Unsecured Loan Notes are payable at the earlier of an exit or September 2024.

These facilities are secured by charges over assets, including those of the Company. Therefore given the Company is jointly, severally and unconditionally liable, the assessment of going concern as a Company requires an assessment of the going concern of the Group.

The Group has prepared a 2-year forecast from April 2021, together with detailed 'reasonable worst case' and 'worst case' cash flow forecasts which reflect severe but plausible downsides. These have been reviewed by the Directors. These indicate 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 to consider the impact to the Group's profitability of these severe but plausible downsides including the impact of further periods of lockdown during the winter of 2021/22 based on actual experience of operating through Covid-19 since March 2020. The impacts on the availability of cash to meet liabilities as they fall due and the Group's compliance with the debt covenant associated with the Revolving Credit Facility were also considered. In making this assessment, the Directors have also assumed that the Revolving Credit Facility will be renewed under normal commercial terms, however, the forecasts do not indicate that the Group will be reliant on this facility. The Directors have also considered the principal risks identified on page 2.

**Notes to the Financial Statements - continued**  
**For the year ended 31 March 2021**

**2. ACCOUNTING POLICIES - continued**

***Going concern - continued***

Those forecasts are dependent on Voyage Care Holdco Limited providing additional financial support during that period. Voyage Care Holdco Limited has indicated its intention to continue to make available such funds as are needed by the Company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**3. JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

In preparing these 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 have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

***Impairment of trade debtors***

Determining the extent of the impairment requires judgement as to whether certain trade debtors are deemed doubtful although not definitely irrecoverable. The Company presents trade receivables net of allowances for impairment. The Company 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.

***Impairments of amounts due from group undertakings***

Determining whether amounts due from group undertakings have been impaired requires an estimation of the debt's value in use. The value in use calculation requires the Group to estimate expected future cash flows and suitable discount rates in order to calculate present values. The carrying amount of amounts due from group undertakings at 31 March 2021 was £23,634k (2020: £20,111k) with no impairment loss recognised for the year ended 31 March 2021 or 31 March 2020.

**4. STAFF NUMBERS**

The average number of employees during the year was as follows:

	<b>2021</b>	<b>2020</b>
Care	<b><u>72</u></b>	<b><u>65</u></b>

**Solor Care (South West) Limited****Notes to the Financial Statements - continued  
For the year ended 31 March 2021****5. DIRECTORS EMOLUMENTS**

Emoluments paid to the Directors in respect of their services to the Group including this Company:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Emoluments	<b>928</b>	666
Pension contributions	<b><u>89</u></b>	<u>100</u>
	<b><u>1,017</u></b>	<u>766</u>

The remuneration of the highest paid director was £540k (2020: £366k) and pension contributions of £64k (2020: £77k) were made to a money purchase scheme on their behalf.

One of the Directors active in the year accrued benefits under money purchase pension schemes (2020: One Director).

The Directors received no emoluments for their services to the Company in the current period (2020: £Nil).

Directors' emoluments were paid by another group company.

**6. OPERATING EXPENSES**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Direct expenses and consumables	<b>105</b>	110
Staff costs		
Wages and salaries	<b>1,495</b>	1,357
Social security costs	<b>111</b>	102
Other pension costs	<b>28</b>	28
Operating lease rentals	<b>10</b>	7
Depreciation	<b>1</b>	25
Other external charges	<b><u>422</u></b>	<u>582</u>
	<b><u>2,172</u></b>	<u>2,211</u>

**7. FINANCE INCOME**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Amounts receivable from group undertakings	<b><u>1,691</u></b>	<u>1,396</u>

**8. FINANCE EXPENSE**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Amounts payable to group undertakings	<b><u>1,826</u></b>	<u>1,542</u>

## Solor Care (South West) Limited

### Notes to the Financial Statements - continued For the year ended 31 March 2021

#### 9. AUDITOR'S REMUNERATION

	2021 £'000	2020 £'000
Audit of financial statements	<u>7</u>	<u>6</u>

The Company is not required to disclose separate information about fees for non-audit services provided to the Company because the consolidated financial statements of the Company's parent, Voyage Care HoldCo Limited, disclose such fees on a consolidated basis.

#### 10. TAXATION

##### Analysis of tax expense

	2021 £'000	2020 £'000
Current tax:		
UK corporation tax	-	40
Deferred tax:		
Origination and reversal of temporary differences	11	10
Adjustments in respect of prior periods	(1)	-
Effect of tax rate change on opening balance	<u>-</u>	<u>(8)</u>
Total tax expense in Statement of Profit and Loss	<u>10</u>	<u>42</u>

##### Factors affecting the tax expense

The tax assessed for the year is lower (2020: lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £'000	2020 £'000
Profit before income tax	<u>277</u>	<u>258</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	53	49
Effects of:		
Group relief surrendered	(42)	-
Adjustments in respect of prior periods	(1)	-
Deferred tax not recognised	-	(9)
Fixed asset differences	<u>-</u>	<u>2</u>
Tax expense	<u>10</u>	<u>42</u>

## Solor Care (South West) Limited

### Notes to the Financial Statements - continued For the year ended 31 March 2021

#### 10. TAXATION - continued

##### Factors that may affect future tax charges

The UK Finance Act 2016 was enacted during the year ended 31 March 2017, which included provisions for a reduction in the UK corporation tax rate to 17% with effect from 1 April 2020. Subsequently a change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted for IFRS purposes on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. Deferred tax has been provided at a rate of 19% recognising the applicable tax rate at the point when the timing difference is expected to reverse. A further 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. Had the rate change to 25% been substantively enacted at the balance sheet date, the impact on net deferred tax assets would have been an increase of approximately £18k.

#### 11. TANGIBLE ASSETS

	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
<b>Cost</b>			
At 1 April 2020	1,384	4	1,388
Additions	-	1	1
Disposals	-	-	-
At 31 March 2021	1,384	5	1,389
<b>Depreciation</b>			
At 1 April 2020	1,384	2	1,386
Charge for year	-	1	1
Eliminated on disposal	-	-	-
At 31 March 2021	1,384	3	1,387
<b>Net book value</b>			
At 31 March 2021	-	2	2
At 31 March 2020	-	2	2

#### 12. DEBTORS

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Trade debtors	140	270
Deferred Tax	58	68
Prepayments and accrued income	5	-
	<u>203</u>	<u>338</u>



**Solor Care (South West) Limited**

**Notes to the Financial Statements - continued**  
**For the year ended 31 March 2021**

**12. DEBTORS - continued**

Amounts falling due after more than one year:		
Amounts due from group undertakings	<u>23,634</u>	<u>20,111</u>
Aggregate amounts	<u>23,837</u>	<u>20,449</u>

The amounts due 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.

**The movement in deferred tax is attributable to the following:**

	<b>2021</b>
	<b>£'000</b>
At April 2020	68
Recognised in the Statement of Profit and Loss	<u>(10)</u>
At March 2021	<u>58</u>

**The elements of deferred tax are as follows:**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Tangible assets	<u>58</u>	<u>68</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	5	-
Other creditors	4	-
Corporation tax	-	40
Accruals and deferred income	<u>67</u>	<u>84</u>
	<u>76</u>	<u>124</u>

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due to group undertakings	<u>25,333</u>	<u>22,163</u>

The amounts repayable 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.

## Solor Care (South West) Limited

### Notes to the Financial Statements - continued For the year ended 31 March 2021

#### 15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2021 £'000	2020 £'000
Number:	Class:			
1	Ordinary share	£1	-	-

#### 16. PENSION SCHEMES

The Company contributes on a defined contribution bases to the Peoples Pension under Auto-enrolment.

The pension cost for the Company in 2021 was £28k (2020: £28k). An amount of £Nil (2020: £Nil) is included in creditors at year-end.

#### 17. CONTINGENT LIABILITIES

##### *Security granted on Revolving Credit Facility*

The Company has guaranteed the amounts due under the Revolving Credit Facility, the Senior Secured Notes and the Second Lien Notes issued by Voyage Care BondCo PLC. Security has been granted over all freehold and long leasehold property.

##### *Potential liability in relation to sleep in shifts*

On 19 March 2021, the Supreme Court announced its judgement on the Royal Mencap Society V Tomlinson-Blake case on the payment of sleep-in shifts for support workers. The Supreme Court ruled that for the purposes of National Minimum Wage, the number of hours worked excludes the hours workers are permitted to sleep unless they are awake for the purpose of working.

As a result of the judgement by the Supreme Court, the Directors of the Group consider that there is no possibility of a future liability and therefore the contingent liability disclosure has been removed (2020: £16 million).

#### 18. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking is Solor Care Holdings (3) Limited and its ultimate parent undertaking is Voyage Care HoldCo Limited, both of which are registered in England and Wales.

Copies of the Group financial statements of Voyage Care HoldCo Limited can be obtained from:

The Company Secretary  
Voyage Care HoldCo Limited  
Wall Island  
Birmingham Road  
Lichfield  
Staffordshire  
WS14 0QP