REGISTERED NUMBER: 05752486 (England and Wales)

Strategic Report, Directors' Report and

Financial Statements for the year ended 31 March 2019

For

Voyage MezzCo Limited

Voyage MezzCo Limited

Contents of the Financial Statements
For the year ended 31 March 2019

Voyage MezzCo Limited

Company Information
For the year ended 31 March 2019

DIRECTORS:	A Cannon S Parker
SECRETARY:	L Jordan
REGISTERED OFFICE:	Voyage Care Wall Island Birmingham Road Lichfield Staffordshire WS14 0QP
REGISTERED NUMBER:	05752486 (England and Wales)
SENIOR STATUTORY AUDITOR:	Colin Brearley
AUDITOR:	KPMG LLP, Statutory Auditor One Snowhill Snow Hill Queensway Birmingham B4 6GH

Strategic Report
For the year ended 31 March 2019

The Directors present their Strategic Report for the year ended 31 March 2019.

PRINCIPAL ACTIVITY
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.

REVIEW OF BUSINESS
The year under review has seen further strong progress towards achieving Voyage Care's objective of becoming the market leader in the provision of high quality care services for people with learning disabilities, acquired brain injuries and other complex needs.

Voyage Care HoldCo Limited manages its operations on a divisional basis. For this reason, the Company's Directors believe that key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

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

Voyage MezzCo Limited has net assets of £17,470,000 (2018: £67,757,000) as at 31 March 2019. This analysis is detailed on the Statement of Financial Position (see page 12). Correspondingly, for the year ending 31 March 2019, Voyage MezzCo Limited reported a loss after taxation of £50,287,000 (2018: £37,548,000). This analysis is detailed on the Statement of Profit and Loss (see page 10).

PRINCIPAL RISKS
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:

Local Authority funding
Risk
The continuing financial austerity within Government increases social care funding pressures for Local Authorities. As staffing costs continue to rise through National Living Wage, workplace pension auto enrolment charges and apprenticeship levy there is a risk that the increased funding is not available to compensate for the increased costs.

Mitigation
For the financial year 18-19, 148 out of 152 Local Authorities have taken the option of charging up to an additional 6% council tax precept, entirely dedicated to social care funding which will allow local government to raise an additional c.£4.5 billion by 2020. The 'Improved Better Care Fund' additional grant funding, amounting to £1.4 billion a year in real-terms for 2019-20, has been introduced to integrate 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. 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.

PRINCIPAL RISKS - continued

Ensuring the provision of high quality care to the people we support
Risk
The Voyage 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 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 review of weekly care hours, through an in-house management system.

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

The Group invested £2,300,000 in training expenditure to ensure employees are fully up-to-date in the best ways of providing care for people we support (2018: £2,100,000).

Maintaining high occupancy levels and average weekly hours
Risk
The Group's strategy to deliver great quality care with commercial success requires the Group to have a robust financial performance. To achieve appropriate revenue performance, occupancy levels, hours delivered and the associated fees, must be maintained.

Mitigation
Admissions, leavers, weekly fees and the progress of referrals for vacancies are formally reported to senior management on a weekly basis.

The vast majority of people we support have long-life conditions and high acuity needs, which have been assessed as either "critical" or "substantial" by Local Authorities and the NHS and therefore require on-going care services to help them look after themselves. This provides us with visibility of expected care packages including occupancy and weekly care hours and provides a degree of resilience to government spending pressures.

Brexit
Risk
Britain's decision to leave the European Union may lead to more challenging employee recruitment and retention environment. The Group has a relatively low proportion of non-UK EU employees at 4% and therefore the direct impact could be low, however the indirect impact resulting from general tightening of employment markets could affect the Group's ability to recruit.

Mitigation
The Group monitors local employment markets across the UK and where necessary will implement measures to recruit the required employees. For example, during FY2019 we have introduced localised pay increases in certain employment hot spots.

We continue to diligently monitor the terms of Brexit negotiations to scrutinise any potential further impact for the Group during this time of uncertainty.

Voyage MezzCo Limited

Strategic Report - continued
For the year ended 31 March 2019

FUTURE PROSPECTS
No significant changes or development in the Company's business are anticipated in the foreseeable future.

ON BEHALF OF THE BOARD:

....
S Parker - Director

Date: ....17.... December 2019

Wall Island
Birmingham Road
Lichfield
Staffordshire
WS14 0QP

Voyage MezzCo Limited

Directors' Report
For the year ended 31 March 2019

The Directors present their Annual Report and the audited financial statements for the year ended 31 March 2019.

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.

GOING CONCERN

The Group, of which the Company is a member, is funded through a combination of Shareholders' funds, Unsecured Shareholder Loans, Senior Secured Notes and Second Lien Notes.

£215 million of 5.875% Senior Secured Notes and £35 million of 10% Second Lien Notes are due in 2023 and a Revolving Credit Facility of £45.0 million due 2023 was £23.0 million drawn at 31 March 2019. The Directors are mindful of the due date of the external financing arrangements and recognise the need to review refinancing or capital structure options at the appropriate time. The Investor and Management Fixed Rate Unsecured Loan Notes are payable at the earlier of an exit or September 2024.

Notwithstanding a loss for the year ended 31 March 2019 of £50,287,000, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have considered the cash needs of the Company for the foreseeable future and have considered the cash flow forecasts of the Group for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the Company's ultimate parent company, Voyage Care HoldCo Limited, not seeking repayment of the amounts currently due to the Group. Voyage Care HoldCo Limited has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts.

RESULTS AND DIVIDENDS

The results for the year are set out in detail on page 10.

The Directors do not recommend the payment of a dividend (2018: £Nil).

DIRECTORS

The Directors set out in the table below have held office during the whole of the period from 1 April 2018 to the date of this report unless otherwise stated.
A Cannon

Other changes in Directors holding office are as follows:

P Sealey - resigned 10/1/2019
S Parker - appointed 10/1/2019

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

The Directors who held office at the date of approval of this Report of the Directors 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 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.

Voyage MezzCo Limited

Directors' Report - continued
For the year ended 31 March 2019

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: ..17..... December 2019

Wall Island
Birmingham Road
Lichfield
Staffordshire
WS14 0QP

Statement of Directors' Responsibilities
For the year ended 31 March 2019

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 The 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

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

Independent Auditor's Report to the Members of Voyage MezzCo Limited

Opinion
We have audited the financial statements of Voyage MezzCo Limited ("the company") for the year ended 31 March 2019 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 2019 and of its loss 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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

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.

A fuller description of our responsibilities is provided on the FRC's website at 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.

Colin Brearley (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Date: 17 December 2019

Voyage MezzCo Limited

Statement of Profit and Loss
For the year ended 31 March 2019

	Notes	*2019* £'000	*2018* £'000
OPERATING PROFIT		-	-
Finance expense	4	(47,529)	(37,548)
LOSS BEFORE TAXATION		(47,529)	(37,548)
Taxation	6	(2,758)	-
LOSS FOR THE YEAR		(50,287)	(37,548)

Voyage MezzCo Limited

Statement of Other Comprehensive Income
For the year ended 31 March 2019

	2019 £'000	2018 £'000
LOSS FOR THE YEAR	(50,287)	(37,548)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	(50,287)	(37,548)

Voyage MezzCo Limited (Registered number: 05752486)

Statement of Financial Position
31 March 2019

	Notes	2019 £'000	2018 £'000
FIXED ASSETS			
Investments	7	-	-
CURRENT ASSETS			
Debtors	8	**256,185**	256,185
CREDITORS			
Amounts falling due within one year	9	**(12,252)**	(9,494)
NET CURRENT ASSETS		**243,933**	246,691
TOTAL ASSETS LESS CURRENT LIABILITIES		**243,933**	246,691
CREDITORS			
Amounts falling due after more than one year	10	**(226,463)**	(178,934)
NET ASSETS		**17,470**	67,757
CAPITAL AND RESERVES			
Called up share capital	11	-	-
Share premium		**348,208**	348,208
Retained earnings		**(330,738)**	(280,451)
EQUITY SHAREHOLDERS' FUNDS		**17,470**	67,757

The financial statements were approved by the Board of Directors on ..17..... December 2019 and were signed on its behalf by:

....

S Parker - Director

Voyage MezzCo Limited

Statement of Changes in Equity
For the year ended 31 March 2019

	Called up share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2017	-	348,208	(242,903)	105,305
Changes in equity				
Total comprehensive expense	-	-	(37,548)	(37,548)
Balance at 31 March 2018	-	348,208	(280,451)	67,757
Changes in equity				
Total comprehensive expense	-	-	(50,287)	(50,287)
Balance at 31 March 2019	-	348,208	(330,738)	17,470

1. **STATUTORY INFORMATION**

Voyage MezzCo 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.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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 Financial Reporting Standards as adopted by the EU ("Adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 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 Financial Reporting Standards adopted by the EU 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; 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.

Adoption of new and revised standards

IFRS 9 Financial Instruments
IFRS 9 Financial Instruments replaces the provisions of IAS 39 Financial Instruments: Recognition and Measurement that relate to the recognition, classification and measurement of financial assets and financial liabilities, de-recognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of IFRS 9 Financial Instruments from 1 April 2018 did not result in significant changes in accounting policies nor adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in IFRS 9 Financial Instruments, comparative figures have not been restated.

On 1 April 2018 (the date of initial application of IFRS 9 Financial Instruments), the Company's management has assessed the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 Financial Instruments categories. The main effects resulting from this reclassification are as follows:

- Trade and other receivables are now classified as 'Amortised cost' under IFRS 9 (previously 'Loans and receivables' under IAS 39). Trade receivables are subject to the new expected credit loss model in IFRS 9 Financial Instruments and therefore the Company has revised its impairment methodology.

2. **ACCOUNTING POLICIES – continued**

Adoption of new and revised standards

IFRS 15 Revenue from Contracts with Customers
The Company has adopted IFRS 15 Revenue from Contracts with Customers from 1 April 2018 which resulted in no changes in financial statement amounts or disclosures.

IFRS 16 Leases
The Company has adopted IFRS 16 Leases from 1 April 2018 which resulted in no change in financial statement amounts or disclosures.

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 a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Impairment 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 Company to estimate expected future cash flows and suitable discount rates in order to calculate present values.

Interest receivable and payable
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 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.

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.

Investments in subsidiary undertakings
Investments in subsidiary undertakings are stated at cost less provision for impairment.

2. ACCOUNTING POLICIES – continued

Going concern
The Group, of which the Company is a member, is funded through a combination of Shareholders' funds, Unsecured Shareholder Loans, Senior Secured Notes and Second Lien Notes.

£215 million of 5.875% Senior Secured Notes and £35 million of 10% Second Lien Notes are due in 2023 and a Revolving Credit Facility of £45.0 million due 2023 was £23.0 million drawn at 31 March 2019. The Directors are mindful of the due date of the external financing arrangements and recognise the need to review refinancing or capital structure options at the appropriate time. The Investor and Management Fixed Rate Unsecured Loan Notes are payable at the earlier of an exit or September 2024.

Notwithstanding a loss for the year ended 31 March 2019 of £50,287,000, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have considered the cash needs of the Company for the foreseeable future and have considered the cash flow forecasts of the Group for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the Company's ultimate parent company, Voyage Care HoldCo Limited, not seeking repayment of the amounts currently due to the Group. Voyage Care HoldCo Limited has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts.

3. EMPLOYEES AND DIRECTORS

Employees
There were no staff costs for the year ended 31 March 2019 nor for the year ended 31 March 2018.

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

	2019 £'000	2018 £'000
Emoluments	**622**	708
Compensation on loss of office	**-**	240
Pension contributions	**78**	82
	700	1,030

The remuneration of the highest paid Director was £352,000 (2018: £416,000) and pension contributions of £60,000 (2018: £60,000) were made to a money purchase scheme on their behalf.

Included in the total remuneration is a discretionary payment of £40,000 (2018: £Nil) made to one Director. Three of the Directors active in the year accrued benefits under money purchase pension schemes (2018: three Directors).

The Directors received no emoluments for their services to the Company in the current period (2018: £Nil).

Directors' emoluments were paid by another Group Company.

4. FINANCE EXPENSE

	2019 £'000	2018 £'000
Interest payable to group undertakings	**47,529**	37,548
	47,529	37,548

5. AUDITOR'S REMUNERATION

	2019 £'000	2018 £'000
Audit of financial statements	-	-

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 ultimate parent, Voyage Care HoldCo Limited, disclose such fees on a consolidated basis.

Audit fees were borne by another Group Company.

6. TAXATION

Analysis of tax expense

	2019 £'000	2018 £'000
Group relief payable	2,758	-
Total tax expense in Statement of Profit and Loss	2,758	-

Factors affecting the tax expense
The tax assessed for the year is higher (2018: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £'000	2018 £'000
Loss before income tax	(47,529)	(37,548)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	(9,031)	(7,134)
Effects of:		
Expenses not deductible for tax purposes	9,031	7,134
Transfer pricing adjustment	3,618	-
Group relief claimed	(860)	-
Tax expense	2,758	-

Factors that may affect future tax charges
The UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. Further reduction to 18% (effective 1 April 2020) was also substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Group's future current tax charge accordingly. The deferred tax asset at 31 March 2019 has been calculated based on these rates.

7. INVESTMENTS

	Shares in subsidiary undertakings £'000
NET BOOK VALUE	
On 1 April 2018 and 31 March 2019	-

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

Subsidiary	Nature of business	Country of incorporation	Holding	Proportion held %
Voyage 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
Voyage HoldCo 2 Limited	Dormant	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
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 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 Holdings (2) Limited *	Dormant	England	Ordinary	100
Solor Care Group Limited *	Community care	England	Ordinary	100
Evesleigh (East Sussex) Limited *	Community care	England	Ordinary	100
Evesleigh Care Homes Limited *	Community care	England	Ordinary	100
Primary Care (UK) Limited *	Community care	England	Ordinary	100
Skills for Living (Leicestershire) Limited *	Community care	England	Ordinary	100
Redcliffe House Limited *	Community care	England	Ordinary	100
The Cedars (Mansfield) Limited *	Community care	England	Ordinary	100
Focused Healthcare Limited *	Community care	England	Ordinary	100

*Held by subsidiary undertaking

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

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £'000	2018 £'000
Amounts due from group undertakings	256,185	256,185

The amounts due from group undertakings have no fixed repayment date and are non-interest bearing.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £'000	2018 £'000
Amounts due to group undertakings	9,494	9,494
Corporation tax	2,758	-
	12,252	9,494

The amounts repayable to group undertakings have no fixed repayment date and are non-interest bearing.

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £'000	2018 £'000
Amounts payable to group undertakings	226,463	178,934

The amounts due to group undertakings have no fixed repayment date, but are due after more than one year and it bears interest at a fixed rate.

11. CALLED UP SHARE CAPITAL

	2019 £'000	2018 £'000
Allotted, called up and fully paid:		
10,000 ordinary shares of £0.0001 each	-	-
360 "B" deferred ordinary shares of £0.0001 each	-	-
	-	-

Subject to the rights attached to any other share or class of share, the holders of the "B" deferred ordinary shares shall be entitled to be paid a dividend out of the profits available for distribution in respect of any financial year or other accounting period of the Company and determined to be paid provided that no such dividend has been declared on the ordinary shares or a dividend (excluding the amount of any associated tax credit) of less than £100,000 per ordinary share has been declared. The "B" deferred ordinary shares shall confer no further right to participate in the profits of the Company.

On a return of capital on a winding up (and for the avoidance of doubt excluding conversion or redemption or reduction of capital in accordance with the terms of issues of any share, or purchase by the Company of any share or on a capitalisation issue and subject to the rights of any other class of shares that may be issued) there shall be paid to the holders of the "B" deferred ordinary shares the nominal capital paid up or credited as paid up on such "B" deferred ordinary shares after paying to the holders of the ordinary shares the nominal capital paid up or credited as paid up on the ordinary shares held by them respectively together with the sum of £100,000 on each ordinary share.

12. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking is Voyage HoldCo 1 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