

Company Registration No 06545542 (England and Wales)

**ENARA GROUP LIMITED**  
**GROUP FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2011**

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**ENARA GROUP LIMITED**

**DIRECTORS AND ADVISERS**

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**Directors**

S Booty  
C Auld  
S Gray  
D Jackson  
A Hassan  
P Rattle  
A Dun

**Company number**

06545542

**Registered office**

First Floor Church Gate  
9-11 Church Street West  
Woking  
Surrey  
GU21 6DJ

**Auditors**

Hazlewoods LLP  
Windsor House  
Bayshill Road  
Cheltenham  
Gloucestershire  
GL50 3AT

**Bankers**

HSBC Bank Plc  
60 Queen Victoria Street  
London  
EC4N 4TR

**Solicitors**

Shoosmiths  
Apex Plaza  
Forbury Road  
Reading  
RG1 1SH

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**ENARA GROUP LIMITED**

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## ENARA GROUP LIMITED

### DIRECTORS' REPORT for the year ended 31 March 2011

Company Registration No. 06545542

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

#### Principal activities and review of the business

The principal activity of the company is that of a holding company

The principal activity of the group is that of the provision of domiciliary care services

#### Review of the business

During the year, the entire issued share capital of a number of companies was acquired by the group

Date of acquisition	Company name	Principal activity
6 April 2010	Village Homecare Services (Wales) Ltd	Provision of domiciliary care services
6 April 2010	Somebody Cares Ltd	Provision of domiciliary care services
6 May 2010	Care 4 Agency Ltd	Provision of domiciliary care services
28 May 2010	Bespoke Care Solutions Ltd	Provision of domiciliary care services
15 September 2010	Complete Care Services Wiltshire Ltd	Provision of domiciliary care services
11 November 2010	M Mason Holdings Limited	Dormant holding company
11 November 2010	Countryview Homecare Services Limited	Provision of domiciliary care services
2 March 2011	TLC Care Ltd	Provision of domiciliary care services

The group also acquired the trade and assets of an unincorporated business during the year

Date of acquisition	Business name	Principal activity
31 January 2011	Care Providers Care	Provision of domiciliary care services

A deed of assignment has been effected transferring the trade and assets of this business into Enara Limited, a wholly owned subsidiary undertaking, as at the date of acquisition

The results for the year, which are set out in the profit and loss account, show operating profit before exceptional items of £7,419,836 (2010 £5,039,490) At 31 March 2011 the group has intangible and tangible fixed assets valued in the financial statements at cost less amortisation/depreciation amounting to £39,611,527 (2010 £30,880,020)

#### Future outlook

Future prospects remain very strong, underpinned by both the ageing population and ongoing Government policy of promoting care in the community Whilst the short term environment is expected to remain competitive the directors remain confident that the group will continue to improve its current level of performance in the future and will continue to trade as a going concern for the reasons detailed in note 1 2 to the financial statements

#### Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks The key business risks and uncertainties affecting the group are considered to relate to the continued provision of adequate government funding and the ongoing compliance with current and future legislation affecting the sector

#### Key performance indicators

As part of the management accounts, the directors use Key Performance Indicators ('KPIs') to assist in the understanding of the development, performance and position of the business of the group The KPIs used by the group to measure its own performance include divisional revenue, adjusted operating profit, adjusted operating margin, hours of care provided, new care contracts won, Care Quality Commission (CQC) ratings and operating cashflow conversion

#### Financial instruments

The group is exposed to the usual credit and cash flow risk associated with selling on credit and manages this through credit control procedures The Board constantly monitors the group's trading results and revises projections as appropriate to ensure that the group can meet its future obligations as they fall due

The group's bank loans and loan stock are subject to price and cash flow risk as disclosed in note 16 to the financial statements

## **ENARA GROUP LIMITED**

### **DIRECTORS' REPORT for the year ended 31 March 2011**

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#### **Post balance sheet events**

On 2 April 2011, the entire issued share capital of Colvin Nursing Agency Limited was acquired by the company. On 25 July 2011, the entire issued share capital of Home Comforts Care Swansea Limited was acquired by the company. The principal activity of both of these companies is the provision of domiciliary care services.

#### **Directors**

The following directors have held office since 1 April 2010

S Booty  
C Auld  
S Gray  
D Jackson  
A Hassan  
P Rattle  
A Dun (appointed 29 December 2010)  
P Chamberlain (appointed 6 April 2010 and resigned 18 June 2010)

#### **Employee involvement**

The group encourages the involvement of employees in its management through regular departmental meetings.

#### **Disabled persons**

The group's policy is to consider the recruitment of disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

#### **Auditors**

Hazlewoods LLP have expressed their willingness to continue in office.

#### **Directors' responsibilities**

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and of the profit or loss of the group for that period. In preparing those 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

On behalf of the board

D Jackson  
Director



29 July 2011

## **ENARA GROUP LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ENARA GROUP LIMITED**

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We have audited the group and parent company financial statements (the "financial statements") of Enara Group Limited for the year ended 31 March 2011 set out on pages 5 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 auditors**

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 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 Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom 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 period for which the financial statements are prepared is consistent with the financial statements.

**ENARA GROUP LIMITED**

**INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF ENARA GROUP LIMITED**

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**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

**Andrew Brookes (Senior Statutory Auditor)**  
**For and on behalf of Hazlewoods LLP, Statutory Auditors**

**29 July 2011**

Windsor House  
Bayshill Road  
Cheltenham  
Gloucestershire  
GL50 3AT

**ENARA GROUP LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
for the year ended 31 March 2011

	Notes	2011 £	2011 £	2010 £	2010 £
Turnover	2				
Continuing operations		41,649,347		32,080,213	
Acquisitions		9,129,578		-	
Discontinued operations		-		3,730,495	
			50,778,925		35,810,708
Cost of sales	3		(32,463,839)		(22,104,876)
Gross profit			18,315,086		13,705,832
Administrative expenses	3		(11,210,031)		(9,037,478)
Other operating income	4		314,781		371,136
Operating profit before exceptional items and amortisation					
Continuing operations		5,809,090		4,116,628	
Acquisitions		1,610,746		-	
Discontinued operations		-		922,862	
			7,419,836		5,039,490
Exceptional administrative costs	5		(297,118)		(222,067)
Amortisation of goodwill			(2,210,500)		(1,636,263)
Continuing operations		3,359,239		2,258,298	
Acquisitions		1,552,979		-	
Discontinued operations		-		922,862	
Operating profit	6		4,912,218		3,181,160
Profit on sale of subsidiary companies	7		-		2,000,808
Profit on ordinary activities before interest			4,912,218		5,181,968
Interest receivable			383		424
Interest payable	8		(3,701,663)		(3,476,404)
Profit on ordinary activities before taxation			1,210,938		1,705,988
Tax on profit on ordinary activities	9		(920,696)		(311,308)
Profit for the financial year	20		290,242		1,394,680

There are no recognised gains and losses other than those passing through the profit and loss account

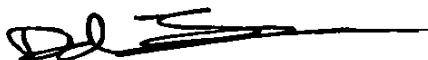


**ENARA GROUP LIMITED**

**BALANCE SHEETS**  
**at 31 March 2011**

	Notes	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
<b>Fixed assets</b>					
Intangible assets	11	38,977,974	-	30,219,185	-
Tangible assets	12	633,553	-	660,835	-
Investments	13	-	1	-	1
		<u>39,611,527</u>	<u>1</u>	<u>30,880,020</u>	<u>1</u>
<b>Current assets</b>					
Debtors	14	7,547,242	23,180	6,501,512	645,324
Cash at bank and in hand		8,065,396	-	6,067,825	-
		<u>15,612,638</u>	<u>23,180</u>	<u>12,569,337</u>	<u>645,324</u>
Creditors amounts falling due within one year	15	(8,478,816)	(344,386)	(6,667,034)	(132,617)
		<u>7,133,822</u>	<u>(321,206)</u>	<u>5,902,303</u>	<u>512,707</u>
Net current assets / (liabilities)					
		<u>7,133,822</u>	<u>(321,206)</u>	<u>5,902,303</u>	<u>512,707</u>
Total assets less current liabilities		46,745,349	(321,205)	36,782,323	512,708
Creditors amounts falling due after more than one year	16	(45,157,351)	(2,322,368)	(35,544,567)	(1,866,696)
		<u>1,587,998</u>	<u>(2,643,573)</u>	<u>1,237,756</u>	<u>(1,353,988)</u>
<b>Capital and reserves</b>					
Called up share capital	18	1,000,000	1,000,000	940,000	940,000
Profit and loss account	19	587,998	(3,643,573)	297,756	(2,293,988)
		<u>1,587,998</u>	<u>(2,643,573)</u>	<u>1,237,756</u>	<u>(1,353,988)</u>
Shareholders' funds	20				
		<u>1,587,998</u>	<u>(2,643,573)</u>	<u>1,237,756</u>	<u>(1,353,988)</u>

Approved by the board and authorised for issue on 29 July 2011 and signed on its behalf by



D Jackson  
Director

**ENARA GROUP LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 31 March 2011

	£	2011 £	£	2010 £
<b>Net cash inflow from operating activities</b>		6,568,377		3,375,217
<b>Returns on investments and servicing of finance</b>				
Interest received	383		424	
Interest and debt costs paid	(1,156,360)		(734,567)	
<b>Net cash (outflow) / inflow for returns on investment and servicing of finance</b>		(1,155,977)		(734,143)
<b>Taxation</b>		(865,407)		(204,112)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(230,348)		(691,344)	
Receipts from sales of tangible assets	18,400		1,280	
<b>Net cash outflow for capital expenditure</b>		(211,948)		(690,064)
<b>Acquisitions and disposals</b>				
Purchase of subsidiary undertakings (net of cash acquired)	(10,660,877)		(11,701,279)	
Purchase of unincorporated businesses	(475,000)		(2,852,369)	
Proceeds from sale of subsidiary undertakings (net of cash disposed)	-		7,745,655	
		(11,135,877)		(6,807,993)
<b>Net cash outflow before financing</b>		(6,800,832)		(5,061,095)
<b>Financing</b>				
Proceeds from issue of equity shares	60,000		240,000	
Long term bank loans advanced	9,313,403		14,621,000	
Long term bank loans repaid	(355,000)		(4,000,000)	
Costs of raising finance paid	(220,000)		(690,000)	
<b>Net cash inflow from financing</b>		8,798,403		10,171,000
<b>Increase in cash in the year</b>		1,997,571		5,109,905

**ENARA GROUP LIMITED**

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 31 March 2011

<b>1</b>	<b>Reconciliation of operating profit to net cash inflow from operating activities</b>	<b>2011 £</b>	<b>2010 £</b>
	Operating profit	4,912,218	3,181,160
	Loss/(profit) on disposal of tangible assets	43,070	(616)
	Depreciation of tangible assets	444,901	345,148
	Amortisation of goodwill	2,210,500	1,636,263
	Decrease/(increase) in debtors	303,514	(2,161,998)
	(Decrease)/increase in creditors within one year	(1,345,826)	375,260
	<b>Net cash inflow from operating activities</b>	<b>6,568,377</b>	<b>3,375,217</b>

<b>2</b>	<b>Analysis of net debt</b>	<b>31 March 2010</b>	<b>Cash flow £</b>	<b>Non-cash movements £</b>	<b>31 March 2011 £</b>
	Cash at bank and in hand	6,067,825	1,997,571	-	8,065,396
	Debts falling due within one year	(193,830)	335,000	(1,849,922)	(1,708,752)
	Debts falling due after one year	(33,343,067)	(9,073,403)	(539,381)	(42,955,851)
		(33,536,897)	(8,738,403)	(2,389,303)	(44,664,603)
	<b>Net debt</b>	<b>(27,469,072)</b>	<b>(6,740,832)</b>	<b>(2,389,303)</b>	<b>(36,599,207)</b>

Non-cash movements relate to the amortisation of costs of raising finance of £187,803 and prior year accrued interest on loan stock which was converted into debt during the year through an issue of payment in kind loan stock totalling £2,201,500

<b>3</b>	<b>Reconciliation of net cash flow to movement in net debt</b>	<b>2011 £</b>	<b>2010 £</b>
	Increase in cash in the period	1,997,571	5,109,905
	Cash inflow from increase in debt	(8,738,403)	(9,931,000)
	Change in net debt resulting from cash flows	(6,740,832)	(4,821,095)
	Non-cash movements	(2,389,303)	(900,552)
	<b>Movement in net debt in the year</b>	<b>(9,130,135)</b>	<b>(5,721,647)</b>
	Opening net debt	(27,469,072)	(21,747,425)
	<b>Closing net debt</b>	<b>(36,599,207)</b>	<b>(27,469,072)</b>

## ENARA GROUP LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2011

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#### **1 Accounting policies**

##### **1.1 Accounting convention**

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

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

In accordance with the Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009' the directors of all groups are now required to provide disclosures regarding the adoption of the going concern basis of accounting

Details of the group's business activities, performance and position and future development can be found in the Directors' Report on page 1 and 2 of these financial statements. This also includes disclosures regarding risks and uncertainties, including an assessment of credit risk and liquidity risk

The group has adequate financial resources available. The forecasts for the year ending 31 March 2012 predict that the group will continue to comply with its banking covenants and the management accounts prepared for the post year end period confirmed this to be the case up to the date the financial statements were approved. The directors therefore have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements

##### **1.3 Basis of consolidation**

The consolidated financial statements comprise the financial statements of Enara Group Limited and its subsidiaries made up to 31 March 2011

The results of subsidiary undertakings sold or acquired during the year are included up to or from the effective date of disposal or acquisition using the acquisition basis of accounting. Purchase consideration is allocated to assets acquired on the basis of their fair values at the date of acquisition. The group's share of profits (less losses) of these undertakings is included in the consolidated profit and loss account

##### **1.4 Turnover**

Turnover represents the amounts receivable during the year for the provision of care services. Where the amount received relates to a period which covers the balance sheet date, it is apportioned over the period to which it relates

##### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Computer equipment	15% - 33% on cost / 25% - 33% reducing balance
Fixtures, fittings & equipment	15% - 33% on cost / 15% - 25% reducing balance
Motor vehicles	25% - 33% on cost

##### **1.6 Goodwill**

Purchased goodwill is capitalised and is being written off over either 10 or 20 years. Goodwill attributable to the acquisition of subsidiary and associated undertakings is capitalised and is being written off over a period of 20 years. These periods are considered by the directors to be the economic lives of the goodwill

##### **1.7 Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

##### **1.8 Investments**

Fixed asset investments are stated at cost less provision for diminution in value

##### **1.9 Pensions**

The group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable

# ENARA GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2011

### 1 Accounting policies

#### 1.10 Deferred taxation

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 required by FRS 19

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date

#### 1.11 Finance costs

All finance costs in connection with borrowings are allocated to the profit and loss account in accordance with the Financial Reporting Standard 4 Capital Instruments, over the term of the debt. Accrued finance costs are included in accruals to the extent that they will be paid in cash in the next accounting period but otherwise are added to the carrying amount of the borrowings

### 2 Turnover

The total turnover of the group for the period has been derived from its principal activity wholly undertaken in the United Kingdom

### 3 Cost of sales and net operating expenses

	2011		Total £	2010		Total £
	Continuing £	Discontinued £		Continuing £	Discontinued £	
Cost of sales	32,463,839	-	32,463,839	19,933,210	2,171,666	22,104,876
Administrative expenses	11,210,031	-	11,210,031	8,335,651	701,827	9,037,478
Other operating income	(314,781)	-	(314,781)	(304,888)	(66,248)	(371,136)
	<u>43,359,089</u>	<u>-</u>	<u>43,359,089</u>	<u>27,963,973</u>	<u>2,807,245</u>	<u>30,771,218</u>

The amounts shown for continuing operations include the following in respect of acquisitions

	2011 £
Cost of sales	5,739,048
Administrative expenses	1,779,784
	<u>7,518,832</u>

	2011 £	2010 £
4 Other operating income		
Rental income	<u>314,781</u>	<u>371,136</u>

**ENARA GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 March 2011**

**5 Loss on disposal of fixtures, fittings and equipment and exceptional administrative costs**

During the year, company incurred £297,118 (2010 £222,067) in respect of non recurring office closure and consultancy costs

<b>6 Operating profit</b>	<b>2011 £</b>	<b>2010 £</b>
Operating profit is stated after charging		
Depreciation of tangible assets	444,901	345,148
Operating lease rentals - land and buildings	1,045,501	690,435
Auditors' remuneration - audit services	77,025	48,225
- non audit services accountancy and taxation	23,080	16,690
- non audit services due diligence work	43,200	-
	<u>1,593,707</u>	<u>1,090,498</u>

**7. Profit on sale of subsidiary undertakings**

On 25 March 2010, the group sold 100% of the share capital of First Call Care Services Limited and Everyday Angels Special Needs Care Limited for cash consideration of £8,000,000. The net effect on the 2010 financial statements was as follows

	<b>2010 £</b>
Consideration received from sale	8,000,000
Less Book value of tangible net assets disposed	(858,343)
Less Book value of goodwill disposed	(5,140,849)
	<u>2,000,808</u>
Profit on sale of subsidiary undertakings	<u>2,000,808</u>

ENARA GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
for the period ended 31 March 2011

8	Interest payable	2011 £	2010 £
	Bank interest	-	1,511
	Loan stock interest	2,201,500	2,167,650
	Bank loan interest	980,603	758,584
	Bank loans and loan note debt costs	519,560	548,659
		<u>3,701,663</u>	<u>3,476,404</u>
9	Taxation	2011 £	2010 £
	<b>Domestic current period tax</b>		
	UK corporation tax	1,150,500	320,159
	Adjustment in respect of prior years	(218,516)	14,753
		<u>931,984</u>	<u>334,912</u>
	<b>Current tax charge</b>		
	Deferred tax charge (note 17)	(11,288)	(23,604)
		<u>920,696</u>	<u>311,308</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	1,210,938	1,705,988
		<u>1,210,938</u>	<u>1,705,988</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28% (2010 28%)	339,063	477,677
		<u>339,063</u>	<u>477,677</u>
	Effects of		
	Non deductible expenses (predominantly goodwill amortisation on consolidation)	745,116	363,991
	Depreciation in excess of capital allowances	66,399	39,224
	Sale of subsidiaries not taxable	-	(560,226)
	Adjustments to previous periods	(218,516)	14,753
	Other tax adjustments	(78)	(507)
		<u>592,921</u>	<u>(142,765)</u>
	<b>Current tax charge</b>	<u>931,984</u>	<u>334,912</u>

**ENARA GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 March 2011**

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**10 Company profit and loss account**

As permitted by section 480 of the Companies Act 2006, the parent company's profit and loss account has not been included in these financial statements. The group profit for the year includes a loss of £1,349,585 dealt with in the profit and loss account of the parent company.

**11 Intangible fixed assets**

	<b>Goodwill £</b>
<b>Costs</b>	
At 1 April 2010	32,186,241
Additions	10,844,586
Fair value adjustments	124,703
	<hr/>
At 31 March 2011	43,155,530
	<hr/>
<b>Amortisation</b>	
At 1 April 2010	1,967,056
Charge for the year	2,210,500
	<hr/>
At 31 March 2011	4,177,556
	<hr/>
<b>Net book value</b>	
At 31 March 2011	38,977,974
	<hr/>
At 31 March 2010	30,219,185
	<hr/>

Fair value adjustments relate to the revision of the fair value of net assets of companies acquired during prior periods, as at the dates of acquisition.



# ENARA GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) for the year ended 31 March 2011

### 11 Intangible fixed assets (continued)

During the period, a number of incorporated companies were acquired by the group. No adjustments were considered necessary in calculating the fair values of the net assets acquired. The effect on the financial statements is as follows:

Company acquired	Village Homecare Services (Wales) Limited	Somebody Cares Limited	Complete Care Services Wiltshire Limited	Care 4 Agency Limited	Bespoke Care Solutions Limited	Countryview Homecare Services Limited	TLC Care Limited	Total
	£	£	£	£	£	£	£	£
Net profit / (loss) for the period to acquisition date	67,929	(70,231)	106,673	19,957	374,157	22,871	22,592	543,948
Consideration (including associated legal and professional fees)	5,427,584	1,157,907	1,805,341	308,961	956,775	1,546,113	700,000	11,902,681
Less: Fair value of net assets acquired								
Tangible fixed assets	212,554	19,519	2,137	-	6,206	404	7,921	248,741
Debtors	567,045	56,939	260,260	53,919	140,091	103,061	199,320	1,380,635
Bank and cash	206,699	196,828	122,989	15,069	87,170	510,173	18,322	1,157,250
Creditors	(428,951)	(147,892)	(316,659)	(78,365)	(188,876)	(120,726)	(138,640)	(1,420,109)
Provisions	(40,838)	-	-	-	(1,013)	-	(828)	(42,679)
Book and fair value of tangible net (liabilities) / assets acquired	516,509	125,394	68,727	(9,377)	43,578	492,912	86,095	1,323,838
Goodwill arising	4,911,075	1,032,513	1,736,614	318,338	913,197	1,053,201	613,905	10,578,843

Add: acquisition of unincorporated business	475,000
Add: consideration repaid relating to prior year acquisitions	(209,257)
Goodwill arising on consolidation	10,844,586

The consideration above includes deferred consideration of £480,000 (included in other creditors) and directly attributable legal and professional fees. All consideration other than deferred consideration was settled in cash. The fair value of net tangible assets acquired with the unincorporated business amounted to £nil.

**ENARA GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
for the year ended 31 March 2011

**12 Tangible fixed assets**

**Group**

	<b>Computer equipment £</b>	<b>Fixtures, fittings &amp; equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>				
At 31 March 2010	590,850	442,809	814,436	1,848,095
Acquisitions	103,571	34,718	110,452	248,741
Additions	75,346	54,341	100,661	230,348
Disposals	(178,604)	(109,083)	(55,513)	(343,200)
At 31 March 2011	591,163	422,785	970,036	1,983,984
<b>Depreciation</b>				
At 31 March 2010	407,031	303,101	477,128	1,187,260
On disposal	(143,226)	(89,672)	(48,832)	(281,730)
Charge for period	153,785	90,068	201,048	444,901
At 31 March 2011	417,590	303,497	629,344	1,350,431
<b>Net book value</b>				
At 31 March 2011	173,573	119,288	340,692	633,553
At 31 March 2010	183,819	139,708	337,308	660,835

# ENARA GROUP LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2011

### 13 Fixed asset investments Company

Shares in group  
undertakings  
£

#### Cost and net book value

At 1 April 2010 and at 31 March 2011

1

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following company

Company	Country of registration or incorporation	Class	Shares held	%
<b>Subsidiary undertakings</b>				
Enara Finance Limited	England and Wales	Ordinary		100

The principal activity of this undertaking, together with the wholly owned subsidiaries of Enara Finance Limited (listed below and all of which are incorporated in England and Wales), for the last relevant financial period was as follows

Company	Principal activity
Enara Finance Limited	Dormant investment and debt holding company
Enara Limited	Domiciliary care services
Beech Nursing and Care Agency Limited	Dormant
Freshford Home Care Limited**	Dormant
The Care Agency Limited	Healthcare recruitment services
Countryside Limited**	Dormant
Community Careline Services Limited	Dormant
Abbey Home Care Agency Limited	Domiciliary care services
Keratome Limited**	Dormant
Sophisticare Limited	Domiciliary care services
First Class Recruitment Limited	Domiciliary care services
CCL Peacehaven Limited**	Dormant
Beech Home Care Services Limited	Dormant
Marian Homecare Limited	Dormant
Sophistilearn Limited	Dormant
Village Homecare Services (Wales) Ltd	Domiciliary care services
Somebody Cares Limited	Domiciliary care services
Complete Care Services Wiltshire Ltd	Domiciliary care services
Care 4 Agency Limited**	Dormant
Bespoke Care Solutions Limited**	Dormant
Countryview Homecare Services Ltd*	Domiciliary care services
TLC Care Limited	Domiciliary care services
M Mason Holdings Limited	Dormant

\*Countryview Homecare Services Limited is indirectly owned via M Mason Holdings Limited

\*\* The trade and net assets of these companies were transferred to a fellow subsidiary, Enara Limited on 31 March 2011 and since that date these companies have remained dormant

**ENARA GROUP LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
for the year ended 31 March 2011

**14 Debtors**

	<b>Group 2011 £</b>	<b>Company 2011 £</b>	<b>Group 2010 £</b>	<b>Company 2010 £</b>
Trade debtors	3,424,662	-	3,188,527	-
Amounts owed by group undertakings	-	-	-	617,572
Other debtors and prepayments	4,109,546	23,180	3,268,560	27,752
Deferred tax	13,034	-	44,425	-
	<u>7,547,242</u>	<u>23,180</u>	<u>6,501,512</u>	<u>645,324</u>

Amounts owed by group undertakings are considered to be due in more than one year

**Deferred tax asset**

**Group**

	<b>Deferred taxation £</b>
Balance at 31 March 2010	44,425
On acquisitions	(42,679)
Movement in the period	11,288
	<u>13,034</u>
Balance at 31 March 2011	<u>13,034</u>

Deferred taxation provided in the financial statements is as follows

	<b>2011 £</b>	<b>2010 £</b>
Accelerated capital allowances	25,767	375
Other timing differences	(38,801)	(44,800)
	<u>(13,034)</u>	<u>(44,425)</u>

**15 Creditors: amounts falling due within one year**

	<b>Group 2011 £</b>	<b>Company 2011 £</b>	<b>Group 2010 £</b>	<b>Company 2010 £</b>
Bank loans	1,708,752	-	193,830	-
Trade creditors	322,562	-	381,251	-
Corporation tax	1,454,109	-	819,995	-
Taxes and social security costs	872,301	-	968,788	-
Other creditors	2,645,513	-	1,580,879	-
Accruals	1,475,579	344,386	2,722,291	132,617
	<u>8,478,816</u>	<u>344,386</u>	<u>6,667,034</u>	<u>132,617</u>

**ENARA GROUP LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 March 2011**

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

	<b>Group 2011 £</b>	<b>Company 2011 £</b>	<b>Group 2010 £</b>	<b>Company 2010 £</b>
Bank loans	17,318,084	-	9,932,089	-
Amounts owed to group undertakings	-	2,322,368	-	1,866,696
Loan stock	25,637,767	-	23,410,978	-
Accruals	2,201,500	-	2,201,500	-
	<u>45,157,351</u>	<u>2,322,368</u>	<u>35,544,567</u>	<u>1,866,696</u>

**Loan maturity analysis**

Included in bank and other loans are the following amounts due after more than five years

In more than five years	<u>35,038,293</u>	<u>29,129,694</u>
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The bank loans are secured by a debenture over the assets and undertakings of each company in the group

The loan stock is unsecured

Included in the analysis of loans not wholly repayable within 5 years by instalments are £19,026,836 (2010 £10,125,919) of bank loans (after deducting £552,567 (2010 £495,081) of costs associated with the raising of this finance which are being released to the profit and loss account over the term of the debt in accordance with FRS 4, Capital Instruments, i.e. total bank debt was £19,579,403 at 31 March 2011) repayable in six-monthly instalments, the amount of which has been agreed with the bank at a fixed percentage of the capital amount outstanding. Interest is levied at a rate of between 2.75% and 4% over LIBOR per annum, determined by the group's financial performance against banking covenants.

Included in the analysis of loans wholly repayable within 5 years other than by instalments are £25,637,767 (2010 £23,410,978) of loan stock (after deducting £151,267 (2010 £176,478) of costs associated with the raising of finance which are also being treated in accordance of FRS 4, Capital Instruments) repayable in full between May and August 2017. Interest is levied at the rate of 10% per annum.

The group has entered into a swap agreement with its bankers in respect of the bank loan, the element of the loan to be hedged determined by the bank. The interest rate applicable to the hedged loan is 7%.

**ENARA GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**for the year ended 31 March 2011**

**17 Pension costs**

**Group**

**Defined contribution**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Contributions payable by the group for the period	12,000	21,000

**18 Share capital**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Allotted and called up</b>		
1,000,000 (2010 940,000) Ordinary shares of £1 each	1,000,000	940,000

During the year, the company issued 60,000 Ordinary shares of £1 each at par for cash consideration

**19 Statement of movements on reserves**

**Group**

	<b>Profit and loss account £</b>
Balance at 1 April 2010	297,756
Profit for the financial year	290,242
Balance at 31 March 2011	587,998

**Company**

	<b>Profit and loss account £</b>
Balance at 1 April 2010	(2,293,988)
Loss for the financial year	(1,349,585)
Balance at 31 March 2011	(3,643,573)

**ENARA GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
for the year ended 31 March 2011

**20 Reconciliation of movements in shareholders' funds**

<b>Group</b>	<b>2011 £</b>	<b>2010 £</b>
Profit for the financial year	290,242	1,394,680
Issue of shares	60,000	160,000
	<hr/>	<hr/>
Net addition to shareholders' funds	350,242	1,554,680
Opening shareholders' funds	1,237,756	(316,924)
	<hr/>	<hr/>
Closing shareholders' funds	1,587,998	1,237,756
	<hr/>	<hr/>
<b>Company</b>	<b>2011 £</b>	<b>2010 £</b>
Loss for the financial year	(1,349,585)	(1,430,440)
Issue of shares	60,000	160,000
	<hr/>	<hr/>
Net depletion in shareholders' funds	(1,289,585)	(1,270,440)
Opening shareholders' deficit	(1,353,988)	(83,548)
	<hr/>	<hr/>
Closing shareholders' deficit	(2,643,573)	(1,353,988)
	<hr/>	<hr/>

**ENARA GROUP LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
for the year ended 31 March 2011

**21 Financial commitments**

**Group**

At 31 March 2011 the group had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>	
	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Operating leases which expire		
Within one year	19,816	41,747
Between two and five years	152,882	129,118
In over five years	60,000	136,115
	<u>232,698</u>	<u>306,980</u>

**22 Directors' emoluments**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Emoluments for qualifying services	320,890	700,255
Company pension contributions to money purchase schemes	12,000	21,000
	<u>332,890</u>	<u>721,255</u>
Emoluments disclosed above include the following amounts paid to the highest paid director		
Emoluments for qualifying services	99,997	285,780
Company pension contributions to money purchase schemes	6,000	-
	<u>105,997</u>	<u>285,780</u>

The number of directors for whom retirement benefits are accruing under money purchase schemes amounted to 2 (2010 2)



**ENARA GROUP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**for the year ended 31 March 2011****23 Employees****Group number of employees**

The average monthly number of employees (including directors) during the period was

	<b>2011 Number</b>	<b>2010 Number</b>
Care	2,823	2,181
Administration	270	262
	<u>3,093</u>	<u>2,443</u>

**Group employment costs**

	<b>2011 £</b>	<b>2010 £</b>
Wages and salaries	32,164,223	24,880,775
Social security costs	2,175,999	1,722,131
Other pension costs	12,000	21,000
	<u>34,352,222</u>	<u>26,623,906</u>

**24 Post balance sheet events**

On 2 April 2011, the entire issued share capital of Colvin Nursing Agency Limited was acquired by the company. The principal activity of that company is to provide domiciliary care services.

On 25 July 2011, the entire issued share capital of Home Comforts Care Swansea Limited was acquired by the company. The principal activity of that company is to provide domiciliary care services.

**25 Related party transactions**

During the year, the company paid monitoring fees to August Equity Partners II GP Limited of £331,757.

**26 Control**

The ultimate controlling parties of the company are funds managed by August Equity Partners II GP Limited, a company incorporated in England and Wales and which is considered to have no single controlling party.