

Company Registration No. 06545542 (England and Wales)

ENARA GROUP LIMITED
GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

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ENARA GROUP LIMITED

DIRECTORS AND ADVISERS

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



ENARA GROUP LIMITED

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ENARA GROUP LIMITED

DIRECTORS' REPORT for the year ended 31 March 2012

Company Registration No. 06545542

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

Principal activities

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
2 April 2011	Colvin Nursing Agency Ltd	Provision of domiciliary care services
25 July 2011	Home Comforts Care Swansea Ltd	Provision of domiciliary care services
2 August 2011	First Choice Community Support Services Ltd	Provision of domiciliary care services
6 September 2011	Alpha Nursing and Care Services Ltd	Provision of domiciliary care services
7 September 2011	Caretime Services Ltd	Provision of domiciliary care services
22 December 2011	Croft Community Services Ltd	Provision of domiciliary care services
6 January 2012	Rise and Shine Care Ltd	Provision of domiciliary care services
16 January 2012	Freedom Social Care Recruitment Ltd	Provision of domiciliary care services
16 January 2012	Freedom Socialcare Ltd	Dormant holding company
9 March 2012	Premier Home Services Ltd	Provision of domiciliary care services
9 March 2012	At Home Community Care Ltd	Dormant holding company
9 March 2012	Nene Investment Group Ltd	Dormant holding company
9 March 2012	Fenland Premier Care Ltd	Provision of domiciliary care services
9 March 2012	The Care Agency (UK) Ltd	Provision of domiciliary care services

The group also acquired a 100% interest in a Limited Liability Partnership in the year

Date of acquisition	Business name	Principal activity
8 September 2011	Primary Health Care LLP	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
15 April 2011	Longacre Homecare	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 £7,923,757 (2011 £7,419,836) and loss after taxation of £833,383 (2011 profit after taxation of £290,242) At 31 March 2012, the group has intangible and tangible fixed assets valued in the financial statements at cost less amortisation/depreciation amounting to £55,936,102 (2011 £39,611,527)

ENARA GROUP LIMITED

DIRECTORS' REPORT

for the year ended 31 March 2012

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 12 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.

Post balance sheet events

On 13 April 2012, the entire issued share capital of Heart to Heart Care Limited and Delight Care Limited were acquired by the group. The principal activity of both of these companies is the provision of domiciliary care services.

On 4 May 2012, the entire issued share capital of Angels Care Services Limited was acquired by the group. The principal activity of Angels Care Services Limited is the provision of domiciliary care services.

On 16 May 2012, the entire issued share capital of Training and Care Solutions Essex Limited was acquired by the group. The principal activity of Training and Care Solutions Essex Limited is the provision of domiciliary care services.

Directors

The following directors have held office since 1 April 2011:

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

ENARA GROUP LIMITED

DIRECTORS' REPORT for the year ended 31 March 2012

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

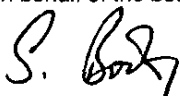
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare 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 the 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



S Booty
Director

2nd July 2012

ENARA GROUP LIMITED

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

We have audited the group and parent company financial statements (the "financial statements") of Enara Group Limited for the year ended 31 March 2012 set out on pages 6 to 24. 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 3, 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 2012 and of the group's loss 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 year 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**

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

3 July 2012

Windsor House
Bayshill Road
Cheltenham
Gloucestershire
GL50 3AT

ENARA GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2012

	Notes	2012 £	2012 £	2011 £	2011 £
Turnover	2				
Continuing operations		51,836,744		50,778,925	
Acquisitions		10,507,367		-	
			62,344,111		50,778,925
Cost of sales	3		(41,537,534)		(32,463,839)
Gross profit			20,806,577		18,315,086
Administrative expenses	3		(13,162,072)		(11,210,031)
Other operating income	4		279,252		314,781
Operating profit before exceptional items and amortisation					
Continuing operations		6,188,359		7,419,836	
Acquisitions		1,735,398		-	
			7,923,757		7,419,836
Exceptional administrative costs	5		(527,550)		(297,118)
Impairment of goodwill			(579,969)		-
Amortisation of goodwill			(2,765,977)		(2,210,500)
Operating profit					
Continuing operations		2,333,517		4,912,218	
Acquisitions		1,716,744		-	
	6		4,050,261		4,912,218
Interest receivable			1,202		383
Interest payable	7		(4,139,489)		(3,701,663)
Profit on ordinary activities before taxation			(88,026)		1,210,938
Tax on profit on ordinary activities	8		(745,357)		(920,696)
(Loss) / profit for the financial year	20		(833,383)		290,242

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

Turnover and operating profit derive wholly from continuing operations

ENARA GROUP LIMITED

BALANCE SHEETS
at 31 March 2012

	Notes	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Fixed assets					
Intangible assets	11	55,123,285	38,977,974	-	-
Tangible assets	12	812,817	633,553	-	-
Investments	13	-	-	1	1
		<u>55,936,102</u>	<u>39,611,527</u>	<u>1</u>	<u>1</u>
Current assets					
Debtors	14	8,754,233	7,547,242	803,359	23,180
Cash at bank and in hand		5,045,278	8,065,396	-	-
		<u>13,799,511</u>	<u>15,612,638</u>	<u>803,359</u>	<u>23,180</u>
Creditors amounts falling due within one year	15	(12,030,781)	(8,478,816)	(368,219)	(344,386)
		<u>1,768,730</u>	<u>7,133,822</u>	<u>435,140</u>	<u>(321,206)</u>
Net current assets / (liabilities)					
Total assets less current liabilities		57,704,832	46,745,349	435,141	(321,205)
Creditors amounts falling due after more than one year	16	(56,950,217)	(45,157,351)	(4,626,441)	(2,322,368)
		<u>754,615</u>	<u>1,587,998</u>	<u>(4,191,300)</u>	<u>(2,643,573)</u>
Capital and reserves					
Called up share capital	18	1,000,000	1,000,000	1,000,000	1,000,000
Profit and loss account	19	(245,385)	587,998	(5,191,300)	(3,643,573)
		<u>754,615</u>	<u>1,587,998</u>	<u>(4,191,300)</u>	<u>(2,643,573)</u>
Shareholders' funds	20				

Approved by the board and authorised for issue on *2nd July* 2012 and signed on its behalf by

S. Booty
S Booty
Director

ENARA GROUP LIMITED

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2012

	£	2012 £	£	2011 £
Net cash inflow from operating activities		8,605,026		6,568,377
Returns on investments and servicing of finance				
Interest received	1,202		383	
Interest and debt costs paid	(1,624,395)		(1,156,360)	
Net cash outflow for returns on investment and servicing of finance		(1,623,193)		(1,155,977)
Taxation		(1,989,234)		(865,407)
Capital expenditure				
Payments to acquire tangible assets	(512,458)		(230,348)	
Receipts from sales of tangible assets	13,500		18,400	
Net cash outflow for capital expenditure		(498,958)		(211,948)
Acquisitions and disposals				
Purchase of subsidiary undertakings (net of cash acquired)	(15,625,582)		(10,660,877)	
Purchase of unincorporated businesses	(1,974,680)		(475,000)	
		(17,600,262)		(11,135,877)
Net cash outflow before financing		(13,106,621)		(6,800,832)
Financing				
Proceeds from issue of equity shares	-		60,000	
Long term bank loans advanced	14,565,498		9,313,403	
Long term bank loans repaid	(2,822,379)		(355,000)	
Costs of raising finance paid	(1,656,616)		(220,000)	
Net cash inflow from financing		10,086,503		8,798,403
(Decrease)/Increase in cash in the year		(3,020,118)		1,997,571

ENARA GROUP LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2012

1	Reconciliation of operating profit to net cash inflow from operating activities	2012 £	2011 £
	Operating profit	4,050,261	4,912,218
	(Profit)/loss on disposal of tangible assets	(7,679)	43,070
	Depreciation of tangible assets	443,886	444,901
	Amortisation and impairment of goodwill	3,345,946	2,210,500
	Decrease in debtors	1,458,920	303,514
	Decrease in creditors within one year	(686,308)	(1,345,826)
	Net cash inflow from operating activities	8,605,026	6,568,377

2	Analysis of net debt	31 March 2011	Cash flow £	Non-cash movements £	31 March 2012 £
	Cash at bank and in hand	8,065,396	(3,020,118)	-	5,045,278
	Debts falling due within one year	(1,708,752)	-	(808,731)	(2,517,483)
	Debts falling due after one year	(42,955,851)	(10,086,503)	(1,706,363)	(54,748,717)
		(44,664,603)	(10,086,503)	(2,515,094)	(57,266,200)
	Net debt	(36,599,207)	(13,106,621)	(2,515,094)	(52,220,922)

Non-cash movements relate to the amortisation of costs of raising finance of £313,594 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

3	Reconciliation of net cash flow to movement in net debt	2012 £	2011 £
	(Decrease)/increase in cash in the period	(3,020,118)	1,997,571
	Cash inflow from increase in debt	(10,086,503)	(8,738,403)
	Change in net debt resulting from cash flows	(13,106,621)	(6,740,832)
	Non-cash movements	(2,515,094)	(2,389,303)
	Movement in net debt in the year	(15,621,715)	(9,130,135)
	Opening net debt	(36,599,207)	(27,469,072)
	Closing net debt	(52,220,922)	(36,599,207)

ENARA GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 March 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable UK 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 4 and 5 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 2013 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 2012

The results of subsidiary undertakings and limited liability partnerships 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

Freehold property	Nil
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 2012

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

1.11 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account

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

The amounts shown for cost of sales and net operating expenses include the following in respect of acquisitions

	2012 £
Cost of sales	6,896,205
Administrative expenses	1,875,764
	<u>8,771,969</u>

4 Other operating income

	2012 £	2011 £
Rental income	<u>279,252</u>	<u>314,781</u>

ENARA GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2012

5 Exceptional administrative costs

During the year, the company incurred £527,550 (2011 £297,118) in respect of non recurring office closure and consultancy costs

6 Operating profit	2012 £	2011 £
Operating profit is stated after charging		
Depreciation of tangible assets	443,886	444,901
Operating lease rentals - land and buildings	1,018,804	1,045,501
Auditors' remuneration - audit services	90,000	77,025
- non audit services accountancy and taxation	22,190	23,080
- non audit services due diligence work/acquisitions	16,250	43,200
	<u> </u>	<u> </u>

7 Interest payable	2012 £	2011 £
Loan stock interest	2,201,500	2,201,500
Bank loan interest	1,263,527	980,603
Bank loans and loan note debt costs	674,462	519,560
	<u> </u>	<u> </u>
	<u>4,139,489</u>	<u>3,701,663</u>

ENARA GROUP LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**
for the year ended 31 March 2012

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 £1,547,727 (2011 £1,349,585) dealt with in the profit and loss account of the parent company.

11 Intangible fixed assets

	Goodwill £
Costs	
At 1 April 2011	43,155,530
Additions	19,491,257
	<hr/>
At 31 March 2012	62,646,787
	<hr/>
Amortisation	
At 1 April 2011	4,177,556
Charge for the year	2,765,977
Impairment	579,969
	<hr/>
At 31 March 2012	7,523,502
	<hr/>
Net book value	
At 31 March 2012	55,123,285
	<hr/>
At 31 March 2011	38,977,974
	<hr/>

ENARA GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2012

11 Intangible fixed assets (continued)

During the period, a number of companies and an unincorporated business 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				First Choice Community Support Services Limited		Total carried forward to page 16
	Home Comforts Care Swansea Limited	Colvin Nursing Agency Limited	Alpha Nursing Services Limited	Caretime Services Limited	Rise and Shine Care Limited	Croft Community Services Limited	
	£	£	£	£	£	£	£
Net profit / (loss) for the period to acquisition date	179,289	203,514	14,902	(25,380)	75,293	112,573	598,725
Consideration (including associated legal and professional fees)	7,735,454	2,340,002	960,510	2,200,698	621,983	1,217,895	16,169,930
Less Fair value of net assets acquired							
Tangible fixed assets	-	683	912	34,343	2,965	10,857	51,881
Debtors	427,811	119,429	175,235	605,859	67,119	215,945	1,812,651
Bank and cash	2,675,321	258,934	110,858	489,095	9,958	213,841	3,758,530
Creditors	(407,715)	(196,446)	(128,456)	(740,596)	(62,211)	(345,663)	(2,022,246)
Provisions	-	-	-	-	-	-	-
Book and fair value of tangible net (liabilities) / assets acquired	2,695,417	182,600	158,549	388,701	17,831	94,980	3,600,816
Goodwill arising	5,040,037	2,157,402	801,961	1,811,997	604,152	1,122,915	12,569,114

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2012

During the period, a number of incorporated entities 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

The consideration above includes deferred consideration of £1,398,000 (included in other creditors) and directly attributable legal and professional fees. All other 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 2012

12 Tangible fixed assets

Group

	Freehold property £	Computer equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2011	-	591,163	422,785	970,036	1,983,984
Acquisitions	-	61,973	37,539	17,001	116,513
Additions	80,000	343,457	24,940	64,061	512,458
Disposals	-	-	-	(28,305)	(28,305)
At 31 March 2012	80,000	996,593	485,264	1,022,793	2,584,650
Depreciation					
At 1 April 2011	-	391,746	329,341	629,344	1,350,431
On disposal	-	-	-	(22,484)	(22,484)
Charge for period	-	200,220	55,561	188,105	443,886
At 31 March 2012	-	591,966	384,902	794,965	1,771,833
Net book value					
At 31 March 2012	80,000	404,627	100,362	227,828	812,817
At 31 March 2011	-	199,417	93,444	340,692	633,553

ENARA GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2012

13 Fixed asset investments Company

Shares in group
undertakings
£

Cost and net book value

At 1 April 2011 and at 31 March 2012

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	%
Subsidiary undertakings				
Enara Finance Limited	England and Wales	Ordinary		100

The principal activity of this undertaking, together with the wholly owned subsidiaries/LLPs 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
Colvin Nursing Agency Ltd	Provision of domiciliary care services
Home Comforts Care Swansea Ltd	Provision of domiciliary care services
First Choice Community Support Services Ltd	Provision of domiciliary care services
Alpha Nursing and Care Services Ltd	Provision of domiciliary care services
Caretime Services Ltd	Provision of domiciliary care services
Primary Health Care LLP	Provision of domiciliary care services
Croft Community Services Ltd	Provision of domiciliary care services
Rise and Shine Care Ltd	Provision of domiciliary care services
Freedom Social Care Recruitment Ltd	Provision of domiciliary care services
Freedom Socialcare Ltd	Dormant holding company
Premier Home Services Ltd	Provision of domiciliary care services
At Home Community Care Ltd	Dormant holding company
Nene Investment Group Ltd	Dormant holding company
Fenland Premier Care Ltd	Provision of domiciliary care services
The Care Agency (UK) Ltd	Provision of domiciliary care services

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

14 Debtors

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Trade debtors	4,431,814	3,424,662	-	-
Amounts owed by group undertakings	-	-	654,201	-
Other debtors and prepayments	4,204,328	4,109,546	-	23,180
Deferred tax	118,091	13,034	149,158	-
	<u>8,754,233</u>	<u>7,547,242</u>	<u>803,359</u>	<u>23,180</u>

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

Deferred tax asset

Group

	Deferred taxation £
Balance at 31 March 2011	13,034
On acquisitions	(2,356)
Profit and loss account	107,413
	<u>118,091</u>
Balance at 31 March 2012	<u>118,091</u>

Deferred taxation provided in the financial statements is as follows

	2012 £	2011 £
Accelerated capital allowances	20,213	25,767
Other timing differences	(138,304)	(38,801)
	<u>(118,091)</u>	<u>(13,034)</u>

15 Creditors amounts falling due within one year

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Bank loans	2,517,483	1,708,752	-	-
Trade creditors	855,074	322,562	-	-
Corporation tax	989,412	1,454,109	-	-
Taxes and social security costs	1,092,372	872,301	-	-
Other creditors	3,097,809	2,645,513	-	-
Accruals	3,478,631	1,475,579	368,219	344,386
	<u>12,030,781</u>	<u>8,478,816</u>	<u>368,219</u>	<u>344,386</u>

Bank loans are secured as explained in note 16 to the financial statements

ENARA GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2012

16 Creditors amounts falling due after more than one year

	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Bank loans	26,884,239	17,318,084	-	-
Amounts owed to group undertakings	-	-	4,626,441	2,322,368
Loan stock	27,864,478	25,637,767	-	-
Accruals	2,201,500	2,201,500	-	-
	<u>56,950,217</u>	<u>45,157,351</u>	<u>4,626,441</u>	<u>2,322,368</u>

Loan maturity analysis

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

	2012 £	2011 £
In more than five years	<u>27,864,478</u>	<u>35,038,293</u>

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 is £29,401,722 (2011 £19,026,836) of bank loans (after deducting £1,917,803) (2011 £552,567) 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 £31,319,525 at 31 March 2012) 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. The group has entered into a swap agreement with its bankers in respect of an element of the bank loans as at 31 March 2012 which amounted to £6,200,000. The interest rate applicable to the hedged loan is based on the maximum LIBOR rate of 3%.

Included in the analysis of loans not wholly repayable within 5 years other than by instalments is £27,864,478 (2011 £25,637,767) of loan stock (after deducting £126,056 (2011 £151,267) 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.

ENARA GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2012

17 Pension costs

Group

Defined contribution

	2012 £	2011 £
Contributions payable by the group for the period	26,500	12,000

18 Share capital

	2012 £	2011 £
Allotted and called up		
940,000 Ordinary shares of £1 each	940,000	940,000
60,000 Ordinary Z shares of £1 each	60,000	60,000
	<u>1,000,000</u>	<u>1,000,000</u>

Each class of share ranks pari passu in all respects

19 Statement of movements on reserves

Group

	Profit and loss account £
Balance at 1 April 2011	587,998
Loss for the financial year	(833,383)
	<u>(245,385)</u>
Balance at 31 March 2012	<u>(245,385)</u>

Company

	Profit and loss account £
Balance at 1 April 2011	(3,643,573)
Loss for the financial year	(1,547,727)
	<u>(5,191,300)</u>
Balance at 31 March 2012	<u>(5,191,300)</u>

ENARA GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2012

20 Reconciliation of movements in shareholders' funds

Group	2012 £	2011 £
(Loss)/Profit for the financial year	(833,383)	290,242
Issue of shares	-	60,000
	<hr/>	<hr/>
Net (reduction in)/addition to shareholders' funds	(833,383)	350,242
Opening shareholders' funds	1,587,998	1,237,756
	<hr/>	<hr/>
Closing shareholders' funds	754,615	1,587,998
	<hr/>	<hr/>
 Company	 2012 £	 2011 £
Loss for the financial year	(1,547,727)	(1,349,585)
Issue of shares	-	60,000
	<hr/>	<hr/>
Net depletion in shareholders' funds	(1,547,727)	(1,289,585)
Opening shareholders' deficit	(2,643,573)	(1,353,988)
	<hr/>	<hr/>
Closing shareholders' deficit	(4,191,300)	(2,643,573)
	<hr/>	<hr/>

ENARA GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
for the year ended 31 March 2012

21 Financial commitments

Group

At 31 March 2012 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Within one year	146,027	19,816
Between two and five years	564,975	152,882
In over five years	307,802	60,000
	<hr/>	<hr/>
	1,018,804	232,698
	<hr/>	<hr/>

22 Directors' emoluments

	2012	2011
	£	£
Emoluments for qualifying services	489,730	320,890
Company pension contributions to money purchase schemes	26,500	12,000
	<hr/>	<hr/>
	516,230	332,890
	<hr/>	<hr/>
Emoluments disclosed above include the following amounts paid to the highest paid director		
Emoluments for qualifying services	156,654	99,997
Company pension contributions to money purchase schemes	14,500	6,000
	<hr/>	<hr/>
	171,154	105,997
	<hr/>	<hr/>

The number of directors for whom retirement benefits are accruing under money purchase schemes amounted to 3 (2011 2)

ENARA GROUP LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**
for the year ended 31 March 2012**23 Employees****Group number of employees**

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

	2012 Number	2011 Number
Care	4,023	2,823
Administration	354	270
	<u>4,377</u>	<u>3,093</u>

Group employment costs

	2012 £	2011 £
Wages and salaries	45,105,263	32,164,223
Social security costs	2,825,879	2,175,999
Other pension costs	26,500	12,000
	<u>47,957,642</u>	<u>34,352,222</u>

24 Post balance sheet events

On 13 April 2012, the entire issued share capital of Heart to Heart Care Limited and Delight Care Limited were acquired by the group. The principal activity of both of these companies is the provision of domiciliary care services.

On 4 May 2012, the entire issued share capital of Angels Care Services Limited was acquired by the group. The principal activity of Angels Care Services Limited is the provision of domiciliary care services.

On 16 May 2012, the entire issued share capital of Training and Care Solutions Essex Limited was acquired by the group. The principal activity of Training and Care Solutions Essex Limited is the provision of domiciliary care services.

On 29 June 2012, the entire issued share capital of Shinedream Limited was acquired by the group. The principal activity of Shinedream Limited is the provision of domiciliary care services.

On 29 June 2012, the entire issued share capital of Extracare Limited was acquired by the group. The principal activity of Extracare Limited is the provision of domiciliary care services.

The total consideration paid by the group in respect of the above acquisitions was £6,200,000.

25 Related party transactions

During the year, the company paid monitoring fees to August Equity LLP of £333,178 (2011: £331,757).

26 Control

The ultimate controlling party of the company is 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.