

ENARA GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

ENARA GROUP LIMITED

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ENARA GROUP LIMITED

Company Information

Directors	J Baker F D Porter J Vellacott
Registered office	Regus Central Boulevard Shirley Solihull Birmingham B90 8AG
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

ENARA GROUP LIMITED

Strategic Report for the Year Ended 31 March 2020

The directors present their strategic report for the year ended 31 March 2020.

Principal activity

The principal activity of the company is as a holding company.

Fair review of the business

The results for the year, which are set out in the profit and loss account, show an operating profit of £nil (2019 - £nil). At 31 March 2020, the company had net assets of £2,167,000 (2019 - £2,167,000). The directors consider the performance for the year and the financial position at the year end to be satisfactory.

Principal risks and uncertainties

The company manages its risks within the Group Risk Framework and register. The directors have reviewed the financial risk management objectives and policies of the company in the light of the Group Risk Framework. The directors do not believe there to be any significant risks other than those detailed below.

Market Risk – The group regularly monitors and reviews changes to Government policy and CQC regulations, in addition to developments of all relevant legislation relating to employees, clients and sector, implementing changes to process and controls as required.

Credit risk from private clients – Mitigated via robust credit control procedures and timely and accurate invoicing.

Key risks include:

Strategic Risks

Changes in the market and to the economic conditions : The company is exposed to UK market conditions. Company performance and resourcing requirements may be impacted by any changes in the market. We have an ability to recognise and adapt to any change in requirement for services and are well placed to adapt to policy changes. We are closely monitoring the outcomes of the European Union exit negotiations and any resulting policy changes to determine the impact on future contract opportunities and availability of resources.

Financial Risks

Reliance on material counterparties : The company depends on a number of significant counterparties, including the bank, clients and suppliers, to maintain its business. The failure of a key business partner could affect the business. This risk is mitigated by limiting dependency on any one partner.

Operational Risks

Significant health, safety or environmental incident : The potential to cause harm to employees, clients, or to damage the environment exists and is mitigated by an extensive Quality, Health, Safety and Environmental (QHSE) programme that is monitored closely.

System, process or control failure : Increased reliance on business systems dictates a robust governance framework and set of processes. Failure of the framework could impact on operational performance. Policies are subject to reviews which underpin the mitigation activity for this risk. These reviews are carried out alongside regular, formal, documented testing of business critical systems.

Attracting and retaining skilled people : Failure to attract new talent and develop existing employees could impact growth. The company utilises career development, recruitment and talent management programmes to ensure that it attracts and retains key people.

Approved by the Board on 9 November 2020 and signed on its behalf by:

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J Baker
Director

ENARA GROUP LIMITED

Directors' Report for the Year Ended 31 March 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors of the company

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

J Baker

F D Porter

J Vellacott

Financial instruments

Objectives and policies

The board constantly monitors the company's trading results and revise projections as appropriate to ensure that the company can meet its future obligations as they fall due.

Price risk, credit risk, liquidity risk and cash flow risk

The company is exposed to the usual credit and cash flow risks associated with selling on credit and manages this through credit control procedures.

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

The company has sufficient resources available and the directors have prepared forecasts for the next 12 months that indicate that this will continue to be the case and that these cash flows will be sufficient for the company to meet its financing commitments as they fall due. The directors therefore have a reasonable expectation that the company 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.

Future developments

The directors expect the general level of activity to remain challenging in the forthcoming year. This is as a result of the external environment, which will be impacted by the Government's social care policies, and is expected to remain competitive going forward.

Going concern

The company's business activities, together with the factors likely to affect its future development and position are set out in the Strategic Report.

The group is going through a period of change and has a number of measures in place to improve profitability. The group will be supported by its ultimate controlling party, Apposite Healthcare II GP LLP, upto a point that it can generate positive cash flows on its own account.

The directors, having assessed the responses of the directors of the company's ultimate parent MC Care Holdings Limited to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the MC Care Holdings group to continue as a going concern.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of MC Care Holdings Limited, the company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

ENARA GROUP LIMITED

Directors' Report for the Year Ended 31 March 2020

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 company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 9 November 2020 and signed on its behalf by:

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J Baker
Director

ENARA GROUP LIMITED

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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 profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

ENARA GROUP LIMITED

Independent Auditor's Report to the Members of Enara Group Limited

Opinion

We have audited the financial statements of Enara Group Limited (the 'company') for the year ended 31 March 2020, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its results 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ENARA GROUP LIMITED

Independent Auditor's Report to the Members of Enara Group Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

ENARA GROUP LIMITED

Independent Auditor's Report to the Members of Enara Group Limited

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Martin Howard (Senior Statutory Auditor)

For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House

Bayshill Road

Cheltenham

GL50 3AT

10 November 2020

ENARA GROUP LIMITED

Profit and Loss Account for the Year Ended 31 March 2020

	2020 £	2019 £
Turnover	-	-
Profit/(loss) before tax	-	-
Taxation	-	-
Profit/(loss) for the financial year	-	-

The above results were derived from continuing operations.

The company has no other comprehensive income for the year.

The notes on pages 12 to 14 form an integral part of these financial statements.

ENARA GROUP LIMITED

(Registration number: 06545542)
Balance Sheet as at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	<u>4</u>	<u>1</u>	<u>1</u>
Current assets			
Debtors	<u>5</u>	<u>2,166,999</u>	<u>2,166,999</u>
Net assets		<u>2,167,000</u>	<u>2,167,000</u>
Capital and reserves			
Called up share capital	<u>6</u>	1,000,001	1,000,001
Share premium reserve		9,450,000	9,450,000
Profit and loss account		<u>(8,283,001)</u>	<u>(8,283,001)</u>
Total equity		<u>2,167,000</u>	<u>2,167,000</u>

Approved and authorised by the Board on 9 November 2020 and signed on its behalf by:

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J Baker
Director

The notes on pages 12 to 14 form an integral part of these financial statements.

ENARA GROUP LIMITED**Statement of Changes in Equity for the Year Ended 31 March 2020**

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 April 2019 and at 31 March 2020	<u>1,000,001</u>	<u>9,450,000</u>	<u>(8,283,001)</u>	<u>2,167,000</u>

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 April 2018 and at 31 March 2019	<u>1,000,001</u>	<u>9,450,000</u>	<u>(8,283,001)</u>	<u>2,167,000</u>

The notes on pages 12 to 14 form an integral part of these financial statements.

ENARA GROUP LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Regus
Central Boulevard
Shirley
Solihull
Birmingham
B90 8AG

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Name of parent of group

These financial statements are consolidated in the financial statements of MC Care Holdings Limited.

The financial statements of MC Care Holdings Limited may be obtained from the company's registered office.

Group accounts not prepared

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirements to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of MC Care Holdings Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company..

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Judgements and estimation uncertainty

These financial statements do not contain any significant judgements or estimation uncertainty.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

ENARA GROUP LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2020

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Staff costs

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Directors	3	3

4 Investments in subsidiaries

Subsidiaries	£
Cost and carrying amount	
At 1 April 2019 and 31 March 2020	1

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2020	2019
Subsidiary undertakings				
Enara Finance Limited	England and Wales	Ordinary	100%	100%
Angels Care Services Limited *	Northern Ireland	Ordinary	100%	100%
Care Connect Homecare Services Limited *	England and Wales	Ordinary	100%	100%
Caretime Services Limited *	England and Wales	Ordinary	100%	100%
Complete Care Services Wiltshire Limited *	England and Wales	Ordinary	100%	100%
Delight Care Limited *	England and Wales	Ordinary	100%	100%
Extracare Limited *	England and Wales	Ordinary	100%	100%
Freedom Socialcare Limited *	England and Wales	Ordinary	100%	100%

Freedom Socialcare Recruitment Limited *		Ordinary	100%	100%
	England and Wales			
Home Comforts Care Swansea Limited *		Ordinary	100%	100%
	England and Wales			
Heart To Heart Care Limited *		Ordinary	100%	100%
	England and Wales			
MiHomecare Limited *		Ordinary	100%	100%

ENARA GROUP LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2020

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
	England and Wales			
Shinedream Limited *		Ordinary	100%	100%
	England and Wales			
The Care Agency Limited *		Ordinary	100%	100%
	England and Wales			
Two Counties Community Care Limited *		Ordinary	100%	100%
	England and Wales			
Village Homecare Services (Wales) Limited *		Ordinary	100%	100%
	England and Wales			

* - held indirectly via Enara Finance Limited

5 Debtors

	2020 £	2019 £
Amounts owed by group undertakings	2,166,999	2,166,999

6 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	970,001	970,001	970,001	970,001
Ordinary Z shares of £1 each	30,000	30,000	30,000	30,000
	1,000,001	1,000,001	1,000,001	1,000,001

7 Parent and ultimate parent undertaking

The company's immediate parent is MC Care Holdings Limited, incorporated in England and Wales.

The ultimate controlling party is Apposite Healthcare II GP LLP, a limited liability partnership incorporated in England and Wales

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.