totally plc

Annual Report

For the period ended 31 March 2019

totally plc

Addressing the challenges of the UK healthcare sector by working in partnership with the NHS to deliver an out-of-hospital care model.

Totally plc is listed on the AIM market of the London Stock Exchange (AIM:TLY)

Highlights

18 out of 20

Vocare registered services rated as 'Good' by the Care Quality Commission

£7.5m

Cash in the bank

£78m

Revenue

c£35m

New and renewed contracts

Totally's national healthcare delivery platform enables us to deliver high-quality services close to patients and commissioners from a confident, resilient position. Totally will continue to develop systems and processes to ensure that it becomes an employer of choice for healthcare staff and the partner of choice for the NHS.

- Emphasis on delivering high quality, patient centred care
- National scale to support commissioners and patients across all sectors
- Continuum of services and expansion of geographic footprint that deliver unrivalled commitment to the people we treat
- High-quality provider with exceptional depth of talent and industry relationships
- National healthcare provider with a track record of successful delivery of high quality services designed around the patients and users of our services

Totally at a glance

Our Vision

To build Totally into a leading healthcare provider to help address the significant healthcare challenges faced by the UK now and importantly, in the future.

By working to deliver preventative and responsive care across multiple delivery models, Totally's goal is to:

- provide patients with access to high-quality healthcare;
- reduce demands upon urgent healthcare services; and
- support the NHS to deliver its key performance targets by ensuring that patients receive appropriate treatment as quickly as possible.

We are focused on ensuring that when people are in need of healthcare services, they are supported to access appropriate treatment quickly and achieve the best possible health outcomes.

OUR MISSION is to provide the highest quality care to all of the patients we treat by working in partnership with the NHS and delivering shareholder value.

OUR VALUES underpin everything we do:

- support our people to deliver the very best care possible;
- provide patients with safe, reliable, timely and high-quality care;
- always try to improve the quality of the services that we provide, learning from mistakes and from what we do well;
- operate an open, honest, no-blame culture which encourages respect and supports learning and innovation; and
- recognise and value the people who work for us and with us.

totally plc

Building a leading healthcare provider in the UK

Physiotherapy Services

Physiotherapy services are delivered across the country by both **Premier Physical Healthcare** and **Optimum Sports Performance Centre**. We focus on the provision of musculoskeletal and sports injury services to the NHS, private patients, medico-legal and other public sector commissioners, including police forces, councils and prisons (for whom podiatry services are also provided). In addition, our physiotherapists provide services within our urgent care centres, promoting our ethos of ensuring that patients get access to the most appropriate care as quickly as possible.

All of our physiotherapy patients can access their clinicians and care plan via a smart app, using technology to ensure that we deliver responsive care.

Outpatient and Referral Management Services

About Health is a leading provider of dermatology outpatient services and referral management services to the NHS across England. During 2018/19 About Health secured both new and extended contracts with its commissioners and plans to expand its outpatient services into more clinical specialities. Its referral management services have expanded to include a wider range of services which support the quality improvement of patient referrals, ensuring patients can quickly access the most appropriate service. All of About Health's contracts are delivered in partnership with the NHS.

Urgent Care Services

Vocare is one of the largest and leading providers of Urgent Care Services to the NHS across the UK. It is a provider of;

- NHS 111 services;
- GP Out of Hours services;
- Urgent Care Centres;
- Urgent Treatment Centres; and
- Clinical Assessment Services to support Integrated Urgent Care services (in line with NHS England Strategy requirement, published August 2017).

For efficient delivery of the above services Vocare operates a multidisciplinary, clinically led model which includes GPs, Emergency Nurse Practitioners, Urgent Care Nurses, Paramedics, Dental Professionals, Pharmacists and Physiotherapists, along with other support service staff.

Vocare works in conjunction with the NHS and other healthcare providers offering services across England.

Vocare was a transformational acquisition for Totally plc and offers a number of opportunities for growth and expansion into new markets. Vocare also yielded the opportunity across the Group to streamline back office functions, operate best practice and reduce central overheads.

Upon completion of the acquisition we focussed on the quality of existing care delivery models, working closely with the Care Quality Commission (CQC). During our first year of ownership we ensured that our CQC ratings improved to reflect our staff's commitment to delivering excellent patient care. By March 2019, 18 out of 20 of Vocare's registered services were rated as 'Good' which is testament to our staff and our clinical quality team. Changes were also made quickly to ensure that we had clear leadership in Vocare, with new appointments to both the Managing Director and Medical Director roles.

Market Opportunity

NHS Long-term plan

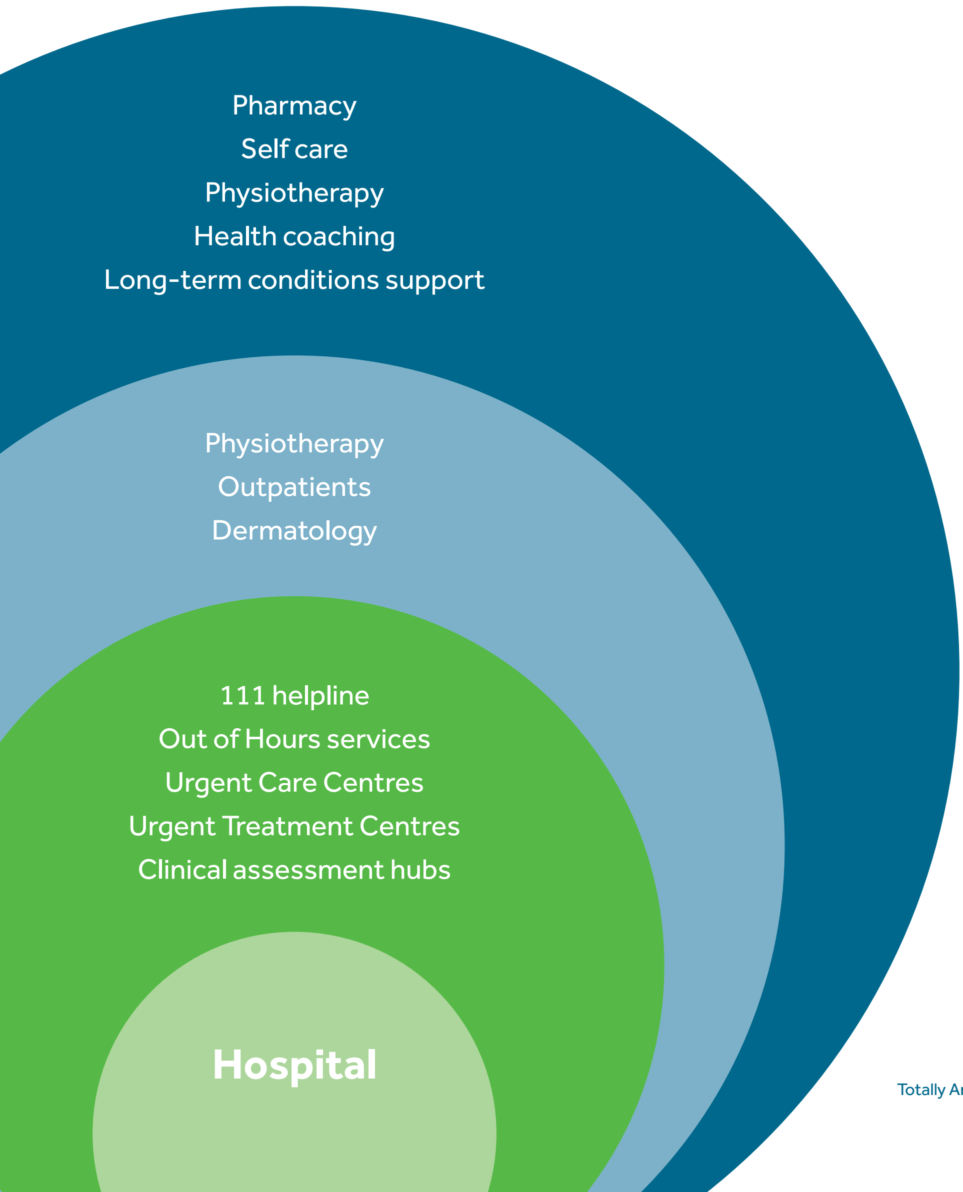
In January 2019 the NHS published its long-term plan which sets out its ambitions for the next ten years.

This, along with its Integrated Urgent Care Service Specification, published in August 2017, sets a clear blueprint for how all services will be delivered to the population of England and how demand for such services will be managed.

Demand for all healthcare services continues to rise and it is key that the NHS is able to partner with high-quality care delivery organisations which ensure that patients can access appropriate services 24 hours per day, 365 days per year.

Totally is well-placed to deliver innovative, efficient services in partnership with the NHS and other healthcare commissioning bodies across the UK.

Providing services to complement those provided by the NHS, enabling quick access to health care services



Our Strategy is to become a leading healthcare provider working in partnership with the NHS and other healthcare commissioners. We will achieve this by both acquisition and organic growth.

We have multiple levers for EBITDA growth

Core market growth

- Ageing population
- Increase in lifestyle related diseases
- Increasing demand for healthcare services

Market share gains

- Industry leader in quality and accreditation drives referral growth
- Drive untapped growth across an expanded geographic footprint

Synergies

- Improve margins & cost reductions from overhead, IT & support services Eg; HR, Finance & Business Development
- Share best practice across all organisations
- Implement new Packard pathway models reducing costs and improving quality

Partnerships

- Deliver a track record of delivering quality via partnerships
- Expand into new markets along with partners' footprint
- Leverage value proposition and unmatched national scale to pursue strong pipeline of new partners nationwide

New acquisitions

- New acquisitions in out-of-hospital healthcare
- Expand geographic reach in untapped markets
- Capitalise on highly fragmented provider base

Strategic relationships

- Emerging strategic player relationships
- Value-added services
- Preferred partner relationships
- Assisting regulators and strategists with policy development

Organic growth (Core market growth, Market share gains, Synergies, Partnerships)

Acquisition (New acquisitions)

Upside opportunities (Strategic relationships)

In 2016 the NHS estimated its spend on outsourced services to be in excess of £20bn per annum for healthcare services alone

Ensuring that our staff are treated well and enjoy coming to work means that we have less reliance on high cost agency and temporary staff, all of which enables us to grow the business and deliver a good return for our shareholders.

Chairman's statement

Bob Holt OBE
Chairman

I am pleased to report an excellent set of results for the 12 months ending 31 March 2019, with a turnover of £78.0m (2018: £42.5m) and pre-exceptional EBITDA of £1.1m (2018: £0.2m).

Cash was again well managed, with cash at year end of £7.5m. There are no further earn out payments due on any of the operating subsidiaries.

The Vocare acquisition in October 2017 brought its challenges but I'm delighted to confirm that the business is performing in line with the expectations we had when the business was acquired.

When we acquired Vocare the operational performance was less than Totally would find acceptable, I am therefore delighted that as at the year end 18 out of 20 of registered services reviewed by the Care Quality Commission (CQC) were rated as Good.

About Health, our dermatology business, has progressed well and was successful in both growing the contract base and range of services provided. The remaining businesses have continued their work with the NHS and other public sector bodies including expanding services across prison services in England.

All stakeholders will be aware of the buy and build strategy that the Group adopted some years ago. Since the year end the Group announced the acquisition of Greenbrook Healthcare, a leading provider of Urgent Care Centres in London.

I commend the employees led by Wendy Lawrence (Chief Executive Officer) in driving the growth in both quality and service provision.

Bob Holt OBE
Chairman
9 August 2019

CEO's review

Wendy Lawrence
CEO

2018/19 was another busy year for Totally, during which we set ourselves a range of operational targets across the business which were delivered on all fronts.

Work has continued across all of our businesses to ensure that we provide the highest quality of service to the patients we see. During the year we have seen our quality ratings from the Care Quality Commission (CQC) improve significantly, resulting in 18 of Vocare's 20 registered services rated as Good. This is testament to the work undertaken by everyone to ensure systems and processes are robust and support front line clinical staff to deliver safe, effective, high quality care.

During the year we have been able to announce over £35m in new and renewed business across our portfolio of companies which, again, is testament to our staff and the relationships they build with the commissioners of our services. We continue to do our utmost to ensure that we are seen as a partner of choice for the NHS and other healthcare commissioners.

Since the year end we were thrilled to announce the completion of our acquisition of Greenbrook Healthcare, who are themselves a high-quality provider of urgent care centres across Greater London. Greenbrook's services are complementary to those of Vocare. We plan to expand our urgent care businesses utilising the national footprint and existing platforms already in Totally. Roles within Totally have been agreed with some senior people previously working in Greenbrook to ensure we are positioned to grow the business and respond to new opportunities. One of these is Michael Steel, CEO at Greenbrook Healthcare, who has joined the board of Totally plc.

Our dermatology business, About Health, had a number of successes in retaining existing contracts and growing both the contract base and range of services provided. We were further pleased with the performance of our physiotherapy businesses with the retention of contracts and the continued expansion of services across prison and occupational health, working in partnership with Care UK amongst others.

Outlook

Demand for planned and urgent care services continues to rise and therefore the demands we face for our services are always increasing. January 2019 saw the publication of the NHS Long Term Plan, which reconfirmed the importance of, and reliance placed upon, partners of the NHS, as demand for services continues to increase. Urgent Care is one of the key priorities within that plan which, again, emphasises the need for a smooth transition to seeing more Integrated Urgent Care Services across the country. This is also in line with the Integrated Urgent Care Service Specification published by the NHS during August 2017. Following the acquisitions of Vocare and more recently, Greenbrook, Totally is extremely well placed to benefit from this trend.

The pipeline of new opportunities continues to be strong across the Group, as do the opportunities to look at new business streams across the UK. Given the completion of the recent acquisition of Greenbrook Healthcare, the year ahead will see us focus on organic growth as well as integrating our subsidiaries and bringing together business streams, whilst at the same time further develop the culture of Totally to ensure we can attract and retain the very best staff.

I must thank everyone in Totally for their dedication and commitment to the business and to our investors for their continued support.

Wendy Lawrence
CEO
9 August 2019

We have a clear view of Clinical Governance accountability within the Group and, as with all aspects of this work, it extends from "service to board"

- **Chief Executive** – accountable for the provision through others of sound Clinical Governance arrangements for delivering safe services.
- **Clinical Quality Director** – accountable for establishing and maintaining a clinical governance strategy and delivery framework for the Group. Oversees the rigorous application of Clinical Governance Framework making adjustment where required.
- **Subsidiary Managing Directors** – accountable for own organisation's compliance with national and local frameworks. Takes part in shared Group safety management. Promotes culture of quality through explicit messages and behaviours within their Company.
- **Clinical Governance Leads** – act as local champions and experts for patient safety and improving quality of care within subsidiaries. Report to subsidiary Board and work with staff and managers to make quality culture a reality.
- **Clinical staff** – accountable for own professional practice and adherence to Group and Subsidiary policies. Also act as the eyes and ears of the organisation at the patient's level. Have an individual responsibility for identifying and acting upon shortfalls and escalating concerns.
- **Support staff** – contribute to a caring culture in all dealings with patients. Work within local and Group policies. Raise any concerns over safety to those in charge, share ideas and suggestions.

Clinical Quality review

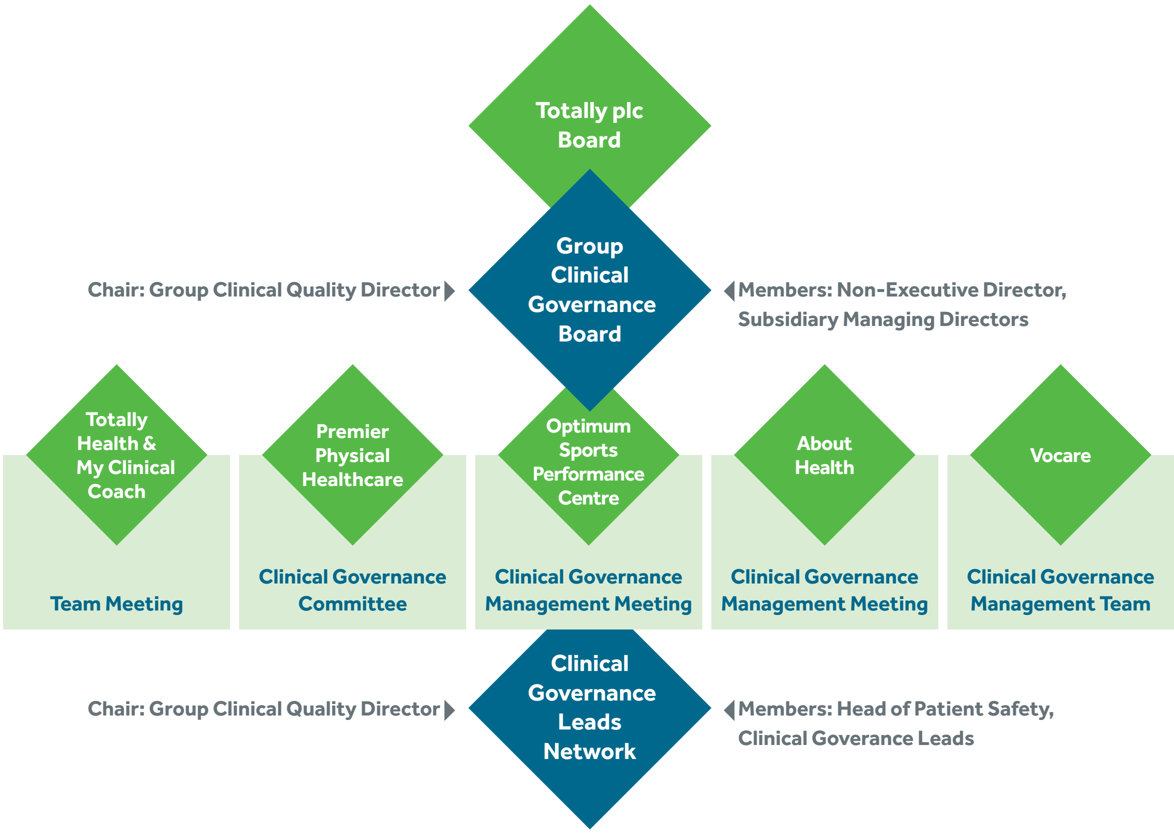
Gloria Cooke
Clinical Quality Director

The Clinical Quality Directorate continues to drive safety and quality improvements throughout the Group in support of the Board's expectations for efficient, safe services.

Our principle remains the same: getting things right the first time is the most efficient way of giving care and all our governance efforts revolve around ensuring that the inputs of care are good in the knowledge that this in turn results in patient care being as we would all wish it to be.

In the year following the acquisition of Vocare, significant focus has been placed upon strengthening their internal processes and integrating them into the Group's governance framework. Key roles within Vocare were redefined and refocused to have the most impact, then structures and processes ensuring Board visibility on clinical matters were put in place.

Our clinical governance framework showing "floor to Board" approach



Clinical Quality continued

Refocusing Vocare

This, together with the enthusiasm, energies and efforts of leaders and staff within Vocare has transformed their quality and safety profile across England. Externally, we're heartened to see that there is recognition of this change from the CQC, as witnessed in our improving inspection reports and ratings. Closer to the services themselves, we see that patient satisfaction has improved as has our responsiveness if things don't go well.

As systems and structures evolve we have established important approaches in the way learning is shared with clinicians. This is now greatly improved within Vocare, with regular updates and newsletters going to clinicians. These are full of information aimed at keeping patients safe and to make it easier for clinicians to do the right thing for patients every time.

How the Vocare CQC profile has changed through the year.

CQC Site Status	2018	Q1 2019
Good	50%	90%
Requires improvement	35%	10%
Inadequate	15%	0%

Improving our clinical effectiveness

One of our key appointments during the year was to the post of Clinical Audit and Effectiveness Manager. As our Group grows and our services develop, being sure we have a firm grip on the quality of our services through clinical audit and subsequent learning has been essential. This Manager oversees annual audit plans throughout the Group and assists, teaches and advises on audit. This, as well as designing audit tools for our new clinical service models, ensures that we build in assurance at ground level.

A no-surprises approach

The Clinical Audit and Effectiveness Manager also oversees our mock inspection process. Our services receive unannounced inspections by a small internal team, trained to use an in-house audit tool to deep dive into quality and safety of the services we run. A full inspection schedule is in place and for each inspection verbal feedback is backed-up with a formal report and the service team then produce an action plan to address any shortfalls that the inspection noted. The mock inspection team will revisit (again unannounced) and through this cycle of change and checking we are seeing steady improvements.

Although this may sound daunting for staff faced with an unexpected inspection team, in fact they have really welcomed these exercises and have wholeheartedly cooperated during the inspection itself, working hard to make their services even better.

There is plenty of work to do still but our groundwork in 2017/18 paid off as we embedded and developed this year. There is still considerable energy and commitment to delivering great care and supporting the teams who work so hard day and night throughout the year to do this.

Gloria Cooke
Clinical Quality Director
9 August 2019

Financial review

£78.0m

Revenue
Gross Margin 15.5%

£1.1m

EBITDA excluding exceptional costs

Lisa Barter BFP, ACA
Finance Director

After a year of integration, improving performance and operational restructure, the Group ended the financial year with a stable monthly run rate. Solid focus on clinical operations during the year has stabilised the business and secured the foundation for our growth plans.

Implementing a more focused operational and financial structure coupled with clear accountability has delivered a more effective and sustainable platform for national scale. Whilst some investment was required to restructure and stabilise the Vocare business, the majority of cash consumption during the year to 31 March 2019 was driven by the rectification action plans required to improve many of the Vocare clinical services.

Since the year end Totally plc has completed the acquisition of Greenbrook Healthcare for £11.5 million. This acquisition occurred following a successful placing and open offer to raise £9.7m (before expenses) at 10p in June 2019. The acquisition completed on 20 June 2019.

The Group posted an EBITDA of £1.1m excluding exceptional costs.

	12 months to 31 March 2019	15 months to 31 March 2018
Revenue	£78.0m	£42.5m
Gross profit	£12.1m	£7. 0m
EBITDA	£1.1m	£0.2m
Depreciation	(£0.6m)	(£0.3m)
Amortisation	(£2.2m)	(£1.5m)
(LBT)/PBT[1]	(£1.8m)	£2.1m
Net assets	£25.9m	£27.3m
Cash	£7.5m	£10.2m

1. (Loss)/profit before tax is stated after exceptional items.

The loss before tax of £1.8m is stated after an amortisation charge of £1.7m relating to the intangible value of contracts acquired.

The growth in revenue primarily reflects the full year effect of the Vocare acquisition which completed on 24 October 2017. Several contract extensions and retentions were announced during the 12 months to 31 March 2019 as were new contract wins in Vocare, Premier Physical Healthcare and About Health. The 'Other' business segment has organically grown revenues by £1.1m (16%) year on year. Vocare has maintained its revenues despite the mutual termination of Somerset GP OOH and 111 contracts during the year reflecting organic growth in the existing contract base and other new contract wins.

Exceptional items

	£'000
Acquisition related costs	(465)
Gain on remeasurement of contingent consideration	2,668
Impairment of goodwill	(2,000)
Other exceptional costs	(77)
	126

Acquisition costs

The acquisition costs comprise legal, professional and other related expenditure and amounted to £0.5m (2018: £1.2m).

Contingent consideration

The final earnout period for previous acquisitions expired at 31 March 2019. No performance-related earnout payments were made during the year and no further payments are due.

The remaining balance of contingent consideration is payable in respect of the Vocare acquisition and relates to monies advanced to employees during the first month of employment. The balance is payable quarterly and reflects advances recovered from employees.

As the earnout period has expired the balance of performance-related contingent consideration has been revalued to zero.

	Premier Physical Healthcare £000	About Health £000	Vocare £000	Total 2019 £000
At 31 March 2018	968	1,587	452	3,007
Paid in the period	-	-	(130)	(130)
Revaluation of contingent consideration	(1,011)	(1,657)	-	(2,668)
Discount unwind in the period	43	70	-	113
At 31 March 2019	**-**	**-**	**322**	**322**

	Vocare £000	Total 31 March 2019 £000	Total 31 March 2018 £000
Contingent consideration – current	322	322	452
Contingent consideration – non-current	-	-	2,555
	322	**322**	**3,007**

Impairment

As at 31 March 2019 the Directors agreed to impair the carrying value of goodwill relating to acquisitions made during the year to 31 December 2016. The impairment loss of £2,000,000 has been recognised as an exceptional expense in the consolidated statement of comprehensive income.

Acquisition of Greenbrook Healthcare

On 20 June 2019, the Company completed the acquisition of the entire share capital of Greenbrook Healthcare (Hounslow) Limited and the convertible loan note in Greenbrook Healthcare (Earl's Court) Limited for £11.5m on a cash-free and debt-free basis with a normalised level of working capital. The table below sets out the adjustments to the purchase price to reflect a normalised level of working capital which has resulted in an additional consideration payable of £4.8 million.

Greenbrook is one of the leading providers of urgent care centres in London. The company was acquired as part of the Group's stated 'buy and build strategy' and to bring new and complementary routes to the existing healthcare services offered by the Group. Greenbrook's urgent care services provide synergies with Totally's existing subsidiary businesses, in particular Vocare, and complements its business model of providing preventative and responsive healthcare in out-of-hospital settings in order to improve people's health, reduce NHS healthcare reliance, re-admissions and emergency admissions to hospital.

The provisional assets and liabilities as at 20 June 2019 arising from the acquisition were as follows:

	Carrying amount £000	Fair value adjustment £000	Provisional fair value £000
Property, plant and equipment	296	-	296
Trade receivables and other debtors	4,695	-	4,695
Cash in hand	2,007	-	2,007
Trade and other payables	(7,759)	(1,341)	(9,100)
Deferred tax	(34)	-	(34)
Convertible loan notes	(50)	-	(50)
Net (liabilities) acquired	(845)	(1,341)	(2,186)
Goodwill			11,521
Value of contracts			6,975
Total consideration			16,310
Satisfied by:			
Cash			13,810
Ordinary shares issued			2,500
			16,310

The goodwill is attributable to the knowledge and expertise of the workforce, the expectation of future contracts and the operating synergies that arise from the Group's strengthened market position. Any impairment charges will not be deductible for tax purposes.

Included in the fair value of Greenbrook, are provisions for additional costs or potential costs that existed at the time of acquisition.

Lisa Barter

Finance Director

9 August 2019

Principal risks and uncertainties

Business Risks

Risk	Mitigation
Staffing risk Shortage of GPs	Totally operates a multidisciplinary staffing model with no reliance on one staff group. We also invest heavily in our staff to encourage retention of talent. Investment in recruitment and retention reduces our reliance on temporary staff.
Competition and pricing pressure	We stay ahead of other providers by continually innovating and investing in our care delivery models as well as supporting the national agenda for moving to an outcome-based commissioning model.
Regulatory Risk CQC and other requirements	Regulatory requirements are closely managed by our senior team.
Business disruption Failure of information systems	Performance of systems is closely managed by our Digital team and contingency plans are in place.
Activity and patient volume exposure	Totally manages patient activity and volume data by using NHS approved patient administration systems. Actual activity is reported to the commissioners on a regular basis with quarterly reconciliation back to contracted activity and financial models. Seasonal trends and peak times are planned for and monitored carefully.
Buy and build strategy Competing resources	Acquisition and integration activities are led and performed by the Totally executive team. Priorities are managed in order to minimise the impact on the speed of change.
Liquidity risk	Cash flows are actively monitored by our finance team, managing liquidity risk whilst maintaining liquidity requirements.

Macro Risks

Risk	Mitigation
Economic risk Deteriorating public finances puts pressure on NHS budgets	Outsourced and Integrated Urgent Care solutions are sources of savings for the NHS. Totally is continually improving service efficiencies in anticipation of cost pressures.
Increasing costs Changes in the rate of the National Living Wage	Increases in the cost of labour affects both the NHS and independent sector and as such contracts will be priced and funded accordingly.
Political risk Goalposts changed as politicians intervene in the NHS	Political risk is prevalent in the NHS. Totally has a track record of working with the NHS, supporting it through a wide variety of services. Whilst the NHS continues to miss its performance targets and demand continues unmanaged, our position is considered to be secure.
Brexit Exposure to risk related to the UK's proposed exit of the European Union	Totally reviews and monitors recruitment and retention on a regular basis. Exposure to the impact on freedom of movement across the EU is managed by the senior team.

This Strategic Report was approved by the Board of Directors on 9 August 2019.

Wendy Lawrence
Chief Executive Officer

Governance

The Board is committed to ensuring that strong Corporate Governance frameworks operate throughout Totally.

Chairman's Corporate Governance Report

In line with the London Stock Exchange's recent changes to the AIM Rules requiring all AIM listed companies to adopt and comply with a recognised corporate governance code, as previously announced the Board have adopted the Quoted Companies Alliance (QCA) Corporate Governance Code (2018).

The QCA Code has 10 principles and details of how the Group complies with each of the 10 principles may be found on the Company's website at ***www.totallyplc.com/investor-relations/corporategovernance***

Further disclosure relating to each of the 10 principles can be found in other sections of the 2019 Annual Report and Accounts (the 2019 Report), as detailed in the table below :

1	Establish a strategy and business model which promotes long term value for shareholders.	Pages 5 and 19
2	Seek to understand and meet shareholder needs and experience.	Page 19
3	Take into account wider stakeholder and social responsibilities, and their implications for long term success.	Page 19
4	Embed effective risk management, considering both opportunities and threats throughout the organisation.	Pages 16 and 19
5	Maintain the Board as a well-functioning, balanced team led by the Chairman.	Page 20
6	Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.	Page 20
7	Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.	Page 21
8	Promote a corporate culture that is based on ethical values and behaviours.	Page 21
9	Maintain governance structures and processes that are fit for purpose and support good decision making by the Board.	Page 22
10	Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.	Page 23

1

Principle 1 - Strategy

Totally is a leading out-of-hospital healthcare provider. The business operates through two complimentary business segments :

- **Unplanned Care** – Urgent Care Centres (UCCs), NHS 111, GP Out-of-Hours services and Integrated Urgent Care Centres (IUCCs)
- **Planned Care** – Physiotherapy, Podiatry, Health Coaching, Dermatology, Out Patients and Referral Management Services

Totally's strategy is explained fully within our Strategic Report which is contained within pages 1 to 16 of this Report and Accounts. The Principal Risks and Uncertainties to the business are detailed on page 16 of this Report and Accounts.

2

Principle 2 – Shareholder Needs and Experience

The Board recognises the importance of active shareholder dialogue with both institutional and private shareholders, and this is led by the Chairman and the Chief Executive Officer. The detail of how the Company addresses these matters is fully contained within the Principle 2 Note in the Corporate Governance section of the website at ***www.totallyplc.com/investor-relations/corporategovernance***

3

Principle 3 – Stakeholder engagement and Corporate Social Responsibility

The Board is conscious that our long term success depends upon our interaction with our wider stakeholder base – patients, commissioning groups, staff, regulators and the wider community.

Totally operates in a heavily regulated sector where our work is subject to independent audit and review by Clinical Commissioning Groups and the Care Quality Commission. Formal or informal feedback is encouraged from staff and from other stakeholders through the Contact Us section of the Company website at ***www.totallyplc.com***

4

Principle 4 – Risk Management

Details of the risks and uncertainties faced by the Group, and actions to mitigate risk, can be found in the Principal risks and uncertainties section of this Report and Accounts at page 16. Risk management is a core focus of the Board and this is reviewed at each Board meeting. Detailed feedback is received from each operating subsidiary, together with external regulatory bodies, at these meetings. Formal risk registers for the business are reviewed on a regular basis by the Board. Operational risk and any newly identified risk to the business is also considered.

5

Principle 5 – Board

The Board, led by the Chairman, is responsible for the overall management of the Group including the approval and implementation of the Group's objectives and strategy, budgets, operational performance along with the maintenance of sound internal control and risk management procedures.

The Board of Directors comprises of a Non-Executive Chairman, two further Non-Executive Directors and four Executive Directors. All Non-Executive Directors are considered to be independent.

The work of the Board is supported by Audit, Remuneration and Nominations Committee's, membership of which is made up of the Non- Executive Directors. There is a formal Schedule of Matters reserved for the Board and this along with Board Committee Terms of Reference may be found on the Company's website at *www.totallyplc.com/investor-relations/corporategovernance*

The table below summarises the membership of the Board, the Board Committees and the attendance record of the Directors in the year ended 31 March 2019.

Director	Board scheduled meeting	Audit	Remuneration	Nomination
Executive Directors				
Wendy Lawrence	6/6	-	-	-
Lisa Barter	6/6	-	-	-
Gloria Cooke	6/6	-	-	-
Non-Executive Directors				
Bob Holt	6/6	3/3	2/2	1/1
Michael Rogers	6/6	3/3	-	-
Tony Bourne	6/6	-	2/2	1/1
Don Baladasan[1]	6/6	-	-	-

1. Don Baladasan resigned on 8 March 2019.

All Directors are required to commit sufficient time to their respective roles in order to adequately discharge their duties.

6

Principle 6 – Board composition and independence

The Board considers that there is currently an appropriate balance between sector, financial and public market skills and experience at Board level. Director's biographies can be found on pages 24 and 25 of this Report and Accounts.

Training for Non-Executive Directors is maintained through regular business updates from the Executive Directors, briefings from external advisers and attendance at Industry forums.

During the current year the Board sought advice from a variety of professional advisers regarding the acquisition of Greenbrook Healthcare, which concluded post financial year end.

The Board has considered the independence of the Non-Executive Directors and the table below sets out their appointment date and those considered to be independent.

Directors at year end	Role	Independent/ Not-Independent	Date of appointment
Bob Holt	Non-Executive Chairman	Independent	15 September 2015
Michael Rogers	Non-Executive Director	Independent	7 December 2015
Tony Bourne	Non-Executive Director	Independent	5 October 2015
Don Baladasan[1]	Non-Executive Director	Not Independent	24 October 2017
Wendy Lawrence	Chief Executive Officer	Not Independent	15 February 2013
Lisa Barter	Finance Director	Not Independent	23 October 2017
Gloria Cooke	Clinical Quality Director	Not Independent	4 December 2017
Michael Steel	Executive Director	Not Independent	20 June 2019

1. Don Baladasan resigned on 8 March 2019.

Each of the Directors is subject to either an Executive Service Agreement or a letter of appointment.

7

Principle 7 - Board evaluation

Following the Vocare acquisition, and a period of change for the Board composition, the Board has agreed to undertake an internal Board Evaluation process during the coming months. This will take into account both the requirements of the QCA Corporate Governance Code (2018) and the Financial Reporting Council's Guidance on Board Effectiveness.

There is a performance evaluation undertaken of all Directors being proposed for re-election to ensure their performance continues to be effective and in the case of Non-Executive Directors of their continuing independence and time commitment to the role is demonstrated.

8

Principle 8 – Corporate Culture

Page 2 of the current Report and Accounts sets out Totally's mission and values, all of which underpin how the Group is run. This culture is consistent with the Company's strategy, further details of which are set out within the Strategic Report section of this Report and Accounts , on pages 1 to 16.

Given the nature of the Group's activities, Totally plc is subject to significant external scrutiny from Commissioning Groups and Regulators. The business is fully compliant with all NHS requirements for governance, information security and quality management.

The Company has in place :

- formalised whistle blowing procedures for staff, contractors and agency staff to raise concerns relating to danger, fraud or other illegal or un-ethical conduct;
- a Group Anti-Slavery and Human Trafficking policy statement in relation to the Modern Slavery Act 2015;
- a Company Code of Conduct;
- an Anti-Corruption Policy relating to compliance with the Bribery Act 2010;
- measures to take appropriate actions to comply with the provisions of the Market Abuse Regulations together with a Share Dealing Policy; and
- the Group has complied with the provision of statutory information relating to the Gender Pay Gap legislation and Payment Practices regime.

9

Principle 9 – Board process and effectiveness

The Company Secretary works closely with the Chairman and the Chairmen of the various Board Committees to ensure that Board procedures, including setting agendas and the timely distribution of papers, are complied with and that there are good communication flows between the Board and its Committees, and between senior management and Non-Executive Directors.

There is a formal agenda at each Board meeting which includes an operational update from the Chief Executive Officer, financial updates from the Finance Director and a detailed Clinical Quality update, including any interface with regulators from the Clinical Quality Director. The reports from the Executive Directors cover all business units within the Group and also cover new business opportunities. Strategic issues are dealt with at each Board meeting by the Chairman.

Within the annual calendar of Board meetings there is normally an annual budget presentation at which the Executive team present their budget for the forthcoming financial year.

The Non-Executive Directors are encouraged to attend visits to the individual operating businesses to discuss performance and other issues with the management teams.

During the course of the year, other matters considered by the Board have included annual and half year results announcements, AGM resolutions, interactions with NHS England and the CQC, reports from the Group Clinical Governance Board, principal risks and uncertainties, shareholder communications and management incentivisation.

Board papers are circulated to the Directors at least three clear business days in advance of the meetings to enable proper consideration of the content of the papers.

The Chairman maintains regular contact with the Non-Executive Directors outside of formal Board meetings.

The roles of all Board members are as detailed below :

Position	Name	Responsibilities
Non-Executive Chairman	Bob Holt	Leads the Board and assists the Chief Executive Officer in developing Company strategy. Ensures an effective link between shareholders and the Board.
Chief Executive Officer	Wendy Lawrence	Assists the Chairman to develop strategy. Implements policies and strategies agreed by the Board and manages the business.
Finance Director	Lisa Barter	Develops, implements and monitors financial strategy of the business.
Clinical Quality Director	Gloria Cooke	Develops systems and manages critical clinical quality issues for the business. Manages relationships with Clinical Quality Regulators.
Executive Director	Michael Steel	Assists CEO with review of strategic matters and operational delivery.
Non-Executive Directors	Michael Rogers/ Tony Bourne	Provide constructive challenge to the Executive Directors.

All Directors have access to the support and advice of the Company Secretary as required. Directors are also able to take independent professional advice at the Company's expense in the furtherance of their duties where considered necessary.

Position	Name	Responsibilities
Group Company Secretary	John Charlton	Provides guidance on all matters of Corporate Governance. Ensures a good flow of information within the Board and it's Committees.

1. Don Baladasan resigned on 8 March 2019.

Board Committees

There are three Board Committees, all with formally delegated powers – an Audit Committee, a Remuneration Committee and a Nominations Committee. All are chaired by and comprise of the Non-Executive Directors.

The terms of reference for all Board Committees are reviewed regularly and can be found on the Company website at ***www.totallyplc.com/investor-relations/corporategovernance***

Committee Chairmen attend the Company AGM and are available to answer any questions from shareholders regarding the activities of the Committees.

10

Principle 10 – Relations with Shareholders

The Board maintains an active dialogue with institutional and private shareholders and employees – both employee shareholders and others.

The Company's website includes a specific Investor Relations section containing all RNS announcements, share price information and details of significant shareholders, Corporate Governance and annual documents available for download at ***www.totallyplc.com/investor-relations***

The website also provides details for contacting the Company on any issues.

The AGM remains an important opportunity for the Board to engage with shareholders. Formal questions may be tabled to the Board during the AGM, or asked informally in conversation after the AGM.

There is feedback to the full Board of any shareholder interaction at each Board meeting.

This year's AGM will be held on 9 September 2019 and full details of venue and resolutions proposed may be found in the Notice of Meeting enclosed with these accounts or on the Company website.

Going forward, the Company's website will display:

- the results of voting on all resolutions in future general meetings (including AGMs), including any actions to be taken as a result of resolutions for which votes against have been received from at least 20 per cent of independent shareholders; and
- historical annual reports and other governance-related material, including notices of all general meetings over the last five years.

Approved by order of the Board

Bob Holt OBE
Chairman
9 August 2019

Our Board

The Board has extensive, multi-decade experience across the healthcare and business sectors.

Bob Holt OBE
Chairman
Member of the Audit, Remuneration and Nominations Committees

Bob is an experienced manager and developer of service businesses. In a career in the service sector spanning 36 years he has an extensive track record of growing businesses and turning around underperforming companies. Bob was Chief Executive and latterly Chairman of Mears Group plc for over 23 years, until his retirement from the Board in January 2019. Bob provides experienced leadership to navigate the business through challenging market conditions whilst setting a clear strategic direction for the Group for the medium term.

Bob is currently Chairman of Sureserve Group plc and a director of a number of other businesses. Bob was awarded an OBE in January 2016.

Wendy Lawrence
CEO

Wendy has a career in both public and private healthcare that spans some 35+ years. She has a wealth of experience having worked within the NHS, BUPA, Health Dialog (a US-based company), as well as running her own company during which time she supported numerous NHS and social care organisations across England, Wales and Scotland to deliver complex change agendas.

During Wendy's NHS career, she was Chief Executive of three large Primary Care Trusts with a combined budget of £460m, here she successfully ran and delivered 100% within budget and target deliveries. Wendy led a number of projects on behalf of the Strategic Health Authority including the establishment of new commissioning models for ambulance services and NHS Direct, as well as contributions to national projects including Reforms of Urgent Care Provision and Taking Healthcare to the Patient.

Lisa Barter, BFP, ACA
Finance Director

Lisa Barter has spent 15 years leading finance in the independent healthcare sector. Prior to joining Totally plc in August 2017, Lisa was the Head of Finance for the healthcare division of Care UK and was employed by Care UK for over 10 years in a senior finance capacity. Care UK is England's largest independent provider of NHS services and has a diverse portfolio of healthcare services which include elective surgery treatment centres, provision of healthcare in UK prisons, urgent care centres, out of hours services and NHS 111.

Following a deliberate change in government policy, Independent Sector Treatment Centres (ISTCs) were set up in 2003. These were primarily designed to add capacity and reduce waiting lists for diagnostic tests and planned surgery. Lisa led the establishment of the finance function at Mercury Health Ltd in 2003, a start up company which was successful in tendering for a Wave I £250m ISTC contract. The company was acquired by Care UK in 2007. Today, the healthcare division of Care UK is a £360 million revenue business. Lisa is a qualified chartered accountant having started her finance career at Ernst & Young LLP. Lisa also held management roles at both Hewlett-Packard and Oracle Corporation.

Michael Rogers
Non-Executive Director
Chairman of the Audit Committee

Michael has over 30 years' experience in healthcare services and social care services provision. From April 2007 to June 2017 he was a non-executive director of Mears Group Plc, the provider of support services to the social housing and care sectors in the UK, which is listed on the main market of the London Stock Exchange.

In 1976, Michael was appointed as managing director of the British Nursing Association. In 1988 he became the chief executive of Nestor-BNA Plc when the group floated on the main market of the London Stock Exchange. Michael remained here until 1996, prior to founding Careforce Group Plc in 1999, which floated on AIM in 2004. Careforce Group Plc completed a number of acquisitions to become one of the UK's leading domiciliary care providers, prior to its acquisition by Mears in 2007, following which Michael joined the Mears board until his resignation in June 2017. He is currently Chairman of Eastern Fostering Services Ltd, a provider of foster care services in East Anglia.

Gloria Cooke
Clinical Quality Director

Gloria has had a forty-year career within the NHS, initially in both adult and children's nursing, practising for ten years in A&E but ultimately as Head of Nursing for a large integrated service. Her NHS management career covered a wide range of services rising to Group Operations Director for one of the largest acute trusts in the UK, managing three district general hospitals. In five years of independent practice Gloria fulfilled roles as Interim Chief Operating Officer, director of transformation and as professional consultant undertaking service reviews.

Gloria is also a non-executive director of companies operating within the retail sector where she is able to offer her considerable experience of managing change effectively and efficiently.

Michael Steel
Executive Director

Michael co-founded Greenbrook Healthcare in 2007 and has led the growth and development of the company from concept through to a £33 million turnover business (FY18) that is a market leading provider of UCCs. He is responsible for the overall quality, safety and performance of Greenbrook Healthcare's 14 services, working with commissioners and partners. Michael also leads on new business development. Prior to Greenbrook Healthcare, Michael spent 14 years in strategy consulting as a partner for Roland Berger Strategy Consultants and as a project manager for Booz Allen and Hamilton where he focused on growth strategy. He also founded and built his own 30 person consulting firm which was successfully sold to Roland Berger. Michael has an MBA from INSEAD business school and a master's degree in Economics from Oxford University.

He was appointed to the Board on 20 June 2019.

Tony Bourne
Non-Executive Director
Chairman of the Remuneration and Nominations Committees

Tony Bourne is currently a non-executive director of Barchester, one of the UK's largest operators of residential care homes and Spire Healthcare Group Plc, one of the largest private healthcare groups in the UK, a London Stock Exchange-listed company and a constituent of the FTSE 250 Index. He is also Chairman of CW+ (formerly the Chelsea and Westminster Health Charity), one of the largest NHS charities and, before that, was Chief Executive of the British Medical Association.

Previously Tony was in investment banking for over 25 years, as a partner at Hawkpoint and as the global head of the equities division and a member of the managing board of BNP Paribas. Tony has also spent 9 years as a non-executive director at Southern Housing Group and at Scope, one of the UK's largest charities, which focuses on cerebral palsy.

Our Senior Leaders across the Group

Our subsidiary businesses have highly skilled management in place, a key component to success:

Richard Benson
CEO – About Health

Richard Benson was the Operations Director of About Health from its inception in 2008 until June 2016 when he became CEO. Prior to joining About Health, Richard had a successful 15 year career in the NHS, working at Board level as a Director/Chief Executive for the majority of that time.

Richard is committed to continuous service improvement. During his NHS career, teams that he led won two prestigious national awards for innovation in older peoples' services and in medicines management. During his time at About Health, the company has been shortlisted three times for national awards for quality and innovative care delivery.

Andy Gregory
Managing Director - Vocare

Andy was appointed as Managing Director of Vocare in December 2017 and brings a wealth of executive and strategic experience in the out-of-hospital healthcare sector having had a career in the NHS spanning 26 years. In his most recent role prior to joining Vocare he was Chief Executive of NHS Hardwick CCG in Derbyshire where he specialised in leading large scale, complex business development programmes. Prior to this Andy held a number of senior positions at NHS Primary Care Trusts and Strategic Health Authorities. In his role at NHS Hardwick CCG, Andy successfully introduced proposals to develop and integrate out-of-hospital services across the county, which led to a reduction in reliance on hospital beds and activity in secondary care settings.

Emma-Jayne Perez-Chies
Director of Human Resources and Organisational Development

Emma-Jayne joined Totally in 2018. She leads the Group's teams in HR, recruitment and organisational development, providing services to all of Totally's businesses via central services and regionally based staff.

Emma-Jayne previously worked at Nottingham University Hospitals NHS Trust where she initially held the role of Directorate HR Manager (Equality, Diversity and Performance Management Trust HR lead) and latterly Head of HR and Organisational Development.

Stephen Riley
Director of Business Development

Stephen joined Totally in 2017. Working with Totally's Corporate Centre, Stephen leads a team of business development specialists who support Totally's businesses. Stephen was previously Project Director for EHS and prior to that, Head of Primary Care Recruitment Division for BBL Medical (part of BBL Group).

Nomination Committee Report

Key Responsibilities

The key responsibilities of the Nominations Committee are to :

- review the structure, size and composition of the Board, including the skills, knowledge, experience and diversity of Directors;
- develop a strategy for succession planning for both Directors and other senior executives; and
- identify and nominate for approval of the Board, candidates to fill Board and other senior vacancies.

Membership and activities of the Nomination Committee

The Nomination Committee comprises of Tony Bourne and Bob Holt. Tony Bourne became Chairman of the Committee on 24 October 2017.

Board composition has been stable during the period under review.

The work of the Committee during the period has primarily been in supporting the Executive Directors in their review of senior management positions within the business following the integration of the Vocare business.

As reported previously, the Committee has considered implementing the process of a formal Board evaluation. It was agreed that initially this would be undertaken through an internal process led by the Non-Executive Directors. This process has now commenced and will be reported in future Nomination Committee Reports.

The terms of reference for the Nomination Committee may be found at ***www.totallyplc/investor-relations***

Action Plan for 2019/20

The focus of the Committee during the coming financial year will be :

- to complete the internal Board evaluation process;
- to review the Executive / Non-Executive balance of the Board; and
- to review succession planning within the business.

Tony Bourne
Chairman of the Nomination Committee
9 August 2019

Audit Committee Report

This is the Audit Committee Report for the year ended 31 March 2019.

Committee meetings

The Committee met three times during the period. Meetings are attended by Committee members and by invitation, the Finance Director, senior management and representatives from the external auditors. Once a year, the Committee will meet separately with the external auditor, without management being present.

The members of the Committee are Michael Rogers, Non-Executive Director who acts as Committee Chairman and Bob Holt, Chairman. The Committee is comprised of financially literate members with the requisite ability and experience to enable the Committee to discharge its responsibilities.

Roles and Responsibilities

The primary function of the Audit Committee is to assist the Board in discharging its responsibilities with regard to financial reporting and external and internal controls, including:

- reviewing and monitoring the integrity of the Group's annual and interim financial statements and accompanying reports to shareholders and Corporate Governance statements;
- reporting to the Board on the appropriateness of accounting policies and practices;
- in conjunction with the Board, reviewing and monitoring the effectiveness of the Group's internal controls and risk management systems, including reviewing the process for identifying, assessing and reporting all key risks – see the Principal risks and uncertainties on page 16;
- to review the effectiveness of the Group's internal audit process and to approve the forward audit plan;
- to make recommendations to the Board in relation to the appointment and removal of the external auditor and to approve their remuneration and terms of engagement;
- to review and monitor the external auditor's independence, objectivity and the effectiveness of the audit process, taking into account relevant professional and regulatory requirements;
- reviewing and monitoring the extent of the non-audit work undertaken by the Group's external auditor, taking into account relevant professional and regulatory requirements;
- reviewing the adequacy and effectiveness of the Group's whistleblowing and anti-bribery policy and procedures; and
- reviewing the Group's Risk management procedures and monitoring actions taken during the year.

The Committee's terms of reference are available to view at ***www.totallyplc/investor-relations***

Activities of the Committee

During the period covered by this report, the Committee undertook the following :

- reviewed the key accounting considerations and judgments reflected in the Group's results for the six month period ended 30 September 2018;
- continued to support the Board with a review of accounting procedures and policies as part of the due diligence exercise undertaken on the Vocare acquisition;
- supported the Nomination Committee and Board in the appointments to the new Integrated Finance function following the acquisition of Vocare. During the course of the year a Group Central Finance team has been established at the new Derby Head Office, following the relocation of the Head Office from London;
- reviewed and agreed the external auditor's audit plan in advance of their audit for the year ended 31 March 2019;
- reviewed and approved the non-Audit assignments undertaken by the external auditor for the year ended 31 March 2019;
- reviewed Risk Management procedures within the business together with a detailed review of the Group Risk Registers; and
- considered, together with the Board , the Principal Risks and Uncertainties Review.

External auditor

RPG have remained as the Group's auditors for the period under review. The Board is aware that the effectiveness and independence of the external auditor is central to ensuring the integrity of the Group's published accounts. The Audit Committee took the following steps to ensure auditor independence was not compromised:

- reviewed the Group's relationship with RPG and assessed the levels of controls and procedures in place to ensure the required level of independence and that the Group has an objective and professional relationship with RPG; and
- the Audit Committee reviews all fees paid for the audit and all non-audit fees with a view to assessing the reasonableness of fees, and any independence issues that may have arisen or may potentially arise in the future.

Risk management and Internal controls

The Audit Committee is responsible for monitoring the financial reporting process and for reviewing the effectiveness of the Group's systems of internal controls. Any system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. The Board can only provide reasonable and not absolute assurance against material misstatement or loss.

There is an established and clear organisational structure in place, with appropriate defined authority levels. Day to day running of the Group is delegated to the Executive Directors of the Group, who meet with operational and financial management from each business area on a monthly basis. Key financial and operational measurements are reported on a monthly basis and are measured against budget and reforecasts.

The Group maintains a Group Risk Register and individual risk registers for each business within the Group. These outline the key risks faced by the Group, including their impact and likelihood and relevant mitigation controls and actions. The Group and Business unit risk registers are reviewed and updated by management on a monthly basis.

A summary of the key risks from the Group Risk Register is presented to the Audit Committee on a semi-annual basis.

The risks and uncertainties which are judged currently to have the most significant impact on the Group's long term performance and prospects are set out on page 16.

Following the year end, the Committee has met to approve the Group's Annual Report and Financial Statements.

Michael Rogers
Chairman of Audit Committee
9 August 2019

Directors' Remuneration Report

This is the Directors' Remuneration Report for the year ended 31 March 2019. Pages 30 and 31 provides details of each Director's pay and benefits in the period to 31 March 2019.

Responsibilities and work of the Remuneration Committee

The primary function of the Remuneration Committee is to review the remuneration of the Executive Directors and to monitor the remuneration of the Group's senior management. The remuneration strategy and policy for all staff is also reviewed annually by the Committee.

The year saw a period of consolidation for the Group following the acquisition of Vocare in October 2017.

During the course of the period under review the Committee reviewed the remuneration of the senior management team following the integration of roles after the Vocare acquisition, and reviewed the appointment of the Group HR Director and Medical Director at Vocare.

The full terms of reference of the Committee are available on the Company's website.

Remuneration Policy

It is the focus of the Remuneration Committee to ensure that a Director's remuneration encourages, re-inforces and rewards the growth of shareholder value whilst promoting the long term success of the Company. Remuneration Policy is intended to support business needs of the Company through ensuring the ability to attract, retain and motivate senior leaders of a high calibre whilst remaining competitive and providing an appropriate incentive for good performance.

Executive Directors remuneration should also:

- align executives with the best interests of the Company's shareholders and other relevant stakeholders through a weighting on performance related pay;
- be consistent with all regulatory and Corporate Governance requirements;
- be clear, straightforward and transparent whilst supporting the delivery of strategic objectives; and
- be consistent with the Group's risk policies and systems to guard against inappropriate risk taking.

Disclosure of Directors' Remuneration – Single Total Figure of Remuneration (audited information)

The table below reports the total remuneration received in respect of qualifying services by each Director during the period ended 31 March 2019:

	Total salary and fees		Taxable benefits		Annual bonus		Long-term incentive		Pensions-related benefits		Total remuneration	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Executive Directors												
Wendy Lawrence	140	159	2	2	-	25	-	-	21	11	163	197
Don Baladasan[1]	-	87	-	-	-	-	-	-	-	-	-	87
Lisa Barter[2]	105	65	1	-	-	-	-	-	11	5	117	70
Gloria Cooke[3]	102	28	-	-	-	-	-	-	10	4	112	32
Non-Executive Directors												
Don Baladasan[1]	23	11	-	-	-	-	-	-	-	-	23	11
Bob Holt	-	-	-	-	-	-	-	-	-	-	-	-
Tony Bourne	25	29	-	-	-	-	-	-	-	-	25	29
Mike Rogers	25	29	-	-	-	-	-	-	-	-	25	29
	420	**408**	**3**	**2**	**-**	**25**	-	-	**42**	**20**	**465**	**455**

The amounts included for the period ended 31 March 2018 relate to a 15-month period.

Notes

1. Don Baladasan was Finance Director until 24 October 2017 when he moved from an Executive role to become a Non-Executive Director. He resigned as a Non-Executive Director on 8 March 2019'
2. Lisa Barter joined Totally plc on 16 August 2017 and was appointed to the Board as Finance Director on 24 October 2017.
3. Gloria Cooke was appointed to the Board on 4 December 2017.

A summary of option scheme awards, CSOP awards and Unapproved share options

Name of Director	Scheme	Number of options as at 31.03.2019	Granted during the period	Lapsed during the period	Exercised during the period	Number of options	Date from which exercisable	Expiry date
Wendy Lawrence	EMI Approved options	250,000	-	-	-	250,000	11-Nov-18	11-Nov-25
	CSOP	74,000	-	-	-	74,000	31-Jan-21	31-Jan-28
	Unapproved options	176,000	-	-	-	176,000	31-Jan-21	31-Jan-28
	Total	**500,000**	**-**	**-**	**-**	**500,000**	**-**	**-**
Lisa Barter	CSOP	74,000	-	-	-	74,000	31-Jan-21	31-Jan-28
	Unapproved options	26,000	-	-	-	26,000	31-Jan-21	31-Jan-28
	Total	**100,000**	**-**	**-**	**-**	**100,000**	**-**	**-**
Gloria Cooke	CSOP	50,000	-	-	-	50,000	31-Jan-21	31-Jan-28
	Total	**50,000**	**-**	**-**	**-**	**50,000**	**-**	**-**
Don Baladasan	Unapproved options	100,000	-	-	-	100,000	11-Nov-18	11-Nov-25
	Total	**100,000**	**-**	**-**	**-**	**100,000**	**-**	**-**

Long term Incentive vesting

There were no long term incentive awards capable of vesting during the period reported.

Shareholder dilution

In accordance with the investor guidelines and the rules of the Company's share schemes, the Company can issue a maximum of 10% of its issued share capital in a rolling 10 year period to employees to satisfy vesting under all its share plans. Of this 10%, the Company can issue 5% to satisfy awards under discretionary or Executive plans.

Service contracts and letters of appointment

The table below summarises the service contracts of the Executive Directors and Non- Executive Directors.

	Date of contract/ letter of appointment	Notice period by Company	Notice period by Director
Executive Directors			
Wendy Lawrence	15 Feb 2013	6 months	6 months
Lisa Barter	23 October 2017	3 months	3 months
Gloria Cooke	4 Dec 2017	3 months	3 months
Michael Steel	20 June 2019	6 months	6 months
Non Executive Directors			
Bob Holt	15 Sept 2015	3 months	3 months
Mike Rogers	7 Dec 2015	3 months	3 months
Tony Bourne	5 Oct 2015	3 months	3 months
Don Baladasan[1]	24 October 2017	3 months	3 months

1. Don Baladasan resigned on 8 March 2019.

Remuneration in the wider Group

Within the wider Group employee salaries and benefit levels are set taking into account prevailing market conditions. The Group encourages share ownership by employees by offering a Sharesave (SAYE) scheme.

Tony Bourne
Chairman of the Remuneration Committee
9 August 2019

Directors' Report

The Directors present their Annual Report and the audited Consolidated Financial Statements for the year ended 31 March 2019.

General Information

The Company was incorporated as a public company limited by shares in England and Wales on 28 October 1999, with registered number 03870101. It is domiciled in the UK. The Company is listed on the AIM market of the London Stock Exchange. The Company's registered address is Cardinal Square West, 10 Nottingham Road, Derby. DE1 3QT.

Principal activities

The Group aims to become a leading out-of-hospital healthcare provider in the UK, helping to address some of the biggest challenges faced by the UK healthcare sector. Out-of-hospital services include care in the community, GP surgeries, patients' homes, prisons and other public sector organisations, places of work as well as mobile locations and urgent care solutions.

Results and dividends

The results for the period are set out in the consolidated statement of profit or loss and other comprehensive income on page 42.

The Directors do not recommend the payment of a dividend.

Directors and Directors' interests

The Directors who held office during the period and to date were as follows:

- Bob Holt;
- Wendy Lawrence;
- Don Baladasan (resigned as a Non-Executive Director on 8 March 2019);
- Lisa Barter;
- Tony Bourne;
- Michael Rogers;
- Gloria Cooke; and
- Michael Steel (appointed as an Executive Director on 20 June 2019).

Biographical details and committee membership for directors appear on pages 24 and 25.

Directors retire by rotation and the following directors will seek re-election at the Annual General Meeting to be held on 9 September 2019:

- Bob Holt
- Wendy Lawrence

The Directors who held office during the financial year had the following interests in the shares of the Company:

	31 March 2019 Ordinary shares of 10p each held	31 March 2018 Ordinary shares of 10p each held
Robert Holt	1,018,447	1,018,447
Wendy Lawrence	60,666	60,666
Donald Baladasan	107,780	107,780
Lisa Barter	5,000	5,000
Gloria Cooke	-	-
Mike Rogers	16,000	16,000
Tony Bourne	161,000	161,000

Don Baladasan resigned as a Director on 8 March 2019.

Details of Directors' emoluments and interest in share options are disclosed in the Directors' Remuneration Report on pages 30 and 31.

No director has had a material interest in any contract of significance in relation to the business of the Company, or any of its subsidiary undertakings during the financial year or had such at the end of the financial year.

Substantial shareholdings and share capital

As at 31 July 2019, being the latest practical date prior to the publication of this document, the Company has been advised of the following interests in 3% or more of the Company's ordinary share capital (based on the 182,186,111 ordinary shares in issue as at 31 July 2019).

Fund Manager	Number of shares	% of ISC
Miton Asset Management	28,575,000	15.68
Cavendish Asset Management	15,000,000	8.23
Columbia Threadneedle Investments	11,532,834	6.33
David & Monique Newlands	10,485,000	5.76
Legal & General Investment Management	8,568,351	4.70
Michael Steel	7,676,851	4.21
Liontrust Investment Partners LLP	6,000,000	3.29
Unicorn Asset Management	5,759,291	3.16
Daniel Annetts	5,619,596	3.08

The Company has one class of share in issue, being ordinary shares with a nominal value of 10p each. As at 31 March 2019 there were 59,795,172 shares in issue.

Directors Indemnity

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors and officers of the Company and the Group in respect of liabilities that they may incur in the discharge of their duties or in the exercise of their powers, including any liability relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Company and the Group.

Directors' and Officers' liability insurance is in place in respect of all the Company's directors.

Directors' Powers

As set out in the Company's Articles of Association, the business of the Company is managed by the Board who may exercise all powers of the Company.

Our People

It is the Group's policy to consider all job applications on a fair basis free from discrimination on the basis of age, sex, race, ethnicity, religion, sexual orientation or disability not related to job performance. Every consideration is given to applications for employment from disabled persons, where the requirements of the job may be adequately covered by a disabled person. Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development wherever appropriate.

The Group values the involvement of its employees and encourages the development of employee involvement in each of its operating businesses through both formal and informal meetings. The Group ensures that all employees are made aware of significant matters affecting the performance of the Group by way of employee forums, information bulletins, informal meetings, team briefings, internal newsletters and the Group's website.

Principal Risks and Uncertainties

Details of the principal risks and uncertainties faced by the Group can be found on page 16.

Future Developments

The Group remains committed to its buy and build strategy.

Details of the future developments for the Group can be found in the Strategic report on pages 1 to 16.

Financial Instruments

An explanation of the Group's Treasury policies and existing financial instruments are set out in Note 22 of the Financial Statements.

Donations

The Group made no charitable or political donations during the period.

Annual General Meeting

A separate notice convening the Annual General Meeting of the Company to be held at Cardinal Square, First Floor-West, 10 Nottingham Road, Derby, DE1 3QT on 9 September 2019 will be sent out with this Annual Report and Financial Statements.

Corporate Governance

The Company's statement on Corporate Governance can be found in the Chairman's Corporate Governance Report on pages 18 to 23. The Corporate Governance Report forms part of this Directors' Report and is incorporated into it by cross reference.

Events after the Reporting Period

Post year end, the Group announced the acquisition of Greenbrook Healthcare, a leading provider of NHS Urgent Care Centres across London. The total consideration for the acquisition was £11.5 million on a cash free and debt free basis, with a nominalised level of working capital.

£9m was raised through a placing at 10p per share and a further £740,000 pursuant to an Open Offer.

25 million ordinary shares were issued to the vendors of Greenbrook Healthcare as part of the consideration.

Michael Steel joined the Board of Directors on 20 June 2019 following the acquisition of Greenbrook Healthcare.

Independent Auditor

The auditor, RPG Crouch Chapman LLP, has indicated its willingness under Section 489 of the Companies Act 2006 to continue in office and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

Other Information

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- In so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware
- The Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

By order of the Board

John Charlton
Group Company Secretary
9 August 2019

Statement of Directors' Responsibilities

in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual 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 Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Company financial statements in accordance with UK GAAP. 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 Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, 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 Company will continue in business.

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

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

This responsibility statement was approved by the Board of Directors on 9 August 2019 and is signed on its behalf by:

Bob Holt OBE
Chairman

Lisa Barter
Finance Director

Financial Statements

Independent Auditor's Report

to the members of Totally plc for the period ended 31 March 2019

Our opinion on the Financial Statements

We have audited the financial statements of Totally plc (the 'company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the company statement of financial position, the company statement of changes in equity and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the group and of the company as at 31 March 2019 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 group and the parent 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 as applied to listed entities, 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 group's or the parent 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.

Overview of our audit approach

Overall materiality: £780,000 which was 1% of the group's revenue for the period.

Key audit risks were identified as the carrying values of non-current assets, revenue recognition and rectification and other cost accruals in Vocare.

We have assessed the components within the group and performed a combination of comprehensive and analytical procedures.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement we identified (whether or not due to fraud), including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. The matter identified was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter	How our audit addressed the key audit matter
Risk 1 – Carrying value of intangible assets	
The most significant assets of the group as at 31 March 2019 are intangible assets at £28.8m comprising £26.2m of goodwill arising on acquisition of subsidiaries and other intangibles of £2.6m. Goodwill has increased by some £1.6m in the period on finalisation of the fair value adjustments arising on acquisition. In accordance with IAS36 Impairment of Assets, entities are required to conduct annual impairment tests for goodwill and certain intangible assets. Given the subjectivity and number of estimates involved in any such assessment, we consider this to be a significant risk. As part of their annual impairment review, management have prepared cash flow models for each cash generating unit to enable comparison of their net present values and carrying values at 31 March 2019. As a consequence of these comparisons, an impairment charge of £2m has been made in the year against the carrying value of the planned care cash generating unit.	Our work involved the following: • Reviewing the impairment model provided and checking that the value in use model meets the requirements of the accounting standard; • Testing the mathematical integrity of the cash flow model in order to ensure the basis of preparation of the model; • Discussing with management the assumptions used and obtaining details to support the key assumptions; and • Challenging the assumptions used by reference to past results; and • Sensitising the cash flow for key assumptions. We have also reviewed the amounts adjusted for in the year ended 31 March 2019 and considered whether they meet the criteria for measurement period adjustments to the provisional fair value of assets acquired in the business combination with Vocare in 2017. **Key observations** Based on our audit work, we have concluded that the valuation of non-current assets is accounted for in line with the group's accounting policies and IAS 36 'Impairment of assets'. We concur with the impairment recorded by management and consider that the disclosures in note 5 and note 13 to the financial statements appropriately describes the judgements made by management.
Risk 2 – Revenue recognition at Vocare	
Vocare provides a range of services such as the NHS 111 service, urgent care services and GP out of hours services under multi year contracts with the NHS and other organisations. Many of these contracts are individually material and contain provisions for the clawback of revenue by the customer dependent on activity based key performance indicators. Although there should be annual reviews where final contract values are agreed this process can take an extended period. There are therefore significant judgements in the estimated outcomes of open contractual positions at the period end and unsettled at the date of approval of the financial statements. We therefore identified revenue recognition as a significant risk, and one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • Reconciling expected income for a sample of revenue contracts to amounts reported in the accounts; • Reviewing activity performance reports for a sample of revenue contracts against KPI requirements and assessing the adequacy of provisions recognised; and • Review of settlement of contract values after the period end. **Key observations** Based on our audit work, we have concluded that revenue has been recognised appropriately and provisions recognised for clawback related to key performance indicators are considered to be reasonable.

Key audit matter	How our audit addressed the key audit matter
Risk 3 – Rectification and other cost accruals re Vocare	
Costs of £4.2m (net of deferred tax) were accrued for in the period ended 31 March 2018, for rectification of contracts struggling to meet contractual requirements and regulatory standards together with provisions for property dilapidations and other long term operating liabilities. An additional £0.9m has been accrued in finalisation of fair value adjustments in the year ended 31 March 2019. £2.5m of this balance remains accrued at 31 March 2019.	Our audit work involved: • Review of supporting documentation and calculations for the costs provided in the year; and • Assessment of when and if the costs are likely to be payable or if there are any indications based on performance to date that additional provisions may be required. **Key observations** Based on our audit work, we have concluded that rectification and other costs accruals are not materially mis-stated at 31 March 2019.

All key matters noted above have been discussed with the Audit Committee.

Our application of materiality

The concept of materiality applies not only to monetary assets but also to other disclosures in the financial statements. The concept of materiality is applied at the planning stage and reviewed throughout the course of the audit. Misstatements below financial statement materiality will not necessarily be evaluated as immaterial as we also take into account the nature of the item identified and the circumstance of how it occurred when evaluating the effect on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as follows:

Materiality measure	Group	Parent company
Financial statements as a whole	£780,000 which was 1% of the group's revenue. This benchmark is considered to be the most appropriate as revenue is a key performance indicator of the group. Materiality for the current period is higher than the level that we determined for the period ended 31 March 2018 due to a significant increase in revenue for the current period which include twelve months activity of Vocare Limited (2018: five months).	£480,000 which was 2% of the company's gross assets. This benchmark is considered to be the most appropriate as gross assets is considered a key performance indicator for a holding company.
Performance materiality used to drive the extent of our testing	£585,000 for areas of low risk (75% of materiality) £390,000 for areas of higher risk (50% of materiality)	£360,000 for areas of low risk (75% of materiality) £240,000 for areas of higher risk (50% of materiality)
Tolerance for potential uncorrected misstatements	Above £40,000 and below £585,000 for areas of low risk (75% of materiality), below £390,000 for areas of higher risk (50% of materiality)	Above £20,000 and below £360,000 for areas of low risk (75% of materiality), below £240,000 for areas of higher risk (50% of materiality)
Communication of misstatements to the Audit Committee	£40,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds	£20,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds

For each component of the group we calculated a materiality threshold based on a percentage of revenue for trading entities and gross assets for those not trading. In considering individual account balances and classes of transactions we applied a lower level of materiality (performance materiality) in order reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality. Performance materiality for the group was set at £585,000 for low risk audit areas representing 75% of materiality based upon our assessment of expected misstatements and the control environment. Performance materiality of £390,000 was used for areas considered to be higher risk, representing 50% of overall materiality. The same percentages were applied to each component's materiality calculations. We agreed with the Audit Committee that we would report on all differences in excess of 5% of materiality relating to the group financial statements. We also report to the Audit Committee on financial statement disclosure matters identified when assessing the overall consistency and presentation of the consolidated financial statements.

An overview of the scope of our audit

The group audit was scoped by re-confirming our understanding of the business, group structure, systems and processes and the internal control environment. A full scope audit was completed by RPG Crouch Chapman LLP in respect of all components of the group.

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.

Opinions on other matters 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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the 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 the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 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.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities on page 35, 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 group's and the parent 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 group or the parent 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 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.

Martin Chatten (Senior Statutory Auditor)

For and on behalf of RPG Crouch Chapman LLP,
Statutory Auditor, 62 Wilson Street London EC2A 2BU

9 August 2019

RPG Crouch Chapman LLP is a limited liability partnership registered in England and Wales (with registered number OC375705).

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2019

Continuing operations	Note	12 months to 31 March 2019 £000	15 months to 31 March 2018 £000
Revenue	6	**78,007**	42,535
Cost of sales		**(65,939)**	(35,510)
Gross profit		**12,068**	7,025
Administrative expenses		**(10,962)**	(6,842)
Profit before exceptional items		**1,106**	183
Exceptional items	8	**126**	4,508
Profit before interest, tax and depreciation		**1,232**	4,691
Depreciation and amortisation		**(2,822)**	(1,863)
Operating (loss)/profit	9	**(1,590)**	2,828
Finance income	10	**3**	–
Finance costs	11	**(228)**	(719)
(Loss)/profit before taxation		**(1,815)**	2,109
Income tax credit/(charge)	12	**313**	(312)
(Loss)/profit for the year/period attributable to the equity shareholders of the parent company		**(1,502)**	1,797
Other comprehensive income		**–**	–
Total comprehensive (loss)/profit for the year/period net of tax attributable to the equity shareholders of the parent company		**(1,502)**	1,797

(Loss)/earnings per share	Note	12 months to 31 March 2019 Pence	15 months to 31 March 2018 Pence
From continuing operations:			
Basic	23b	**(2.51)**	3.64
Diluted	23b	**(2.51)**	3.60

Consolidated Statement of Changes in Equity

For the year ended 31 March 2019

	Share capital £000	Share premium account £000	Retained earnings £000	Equity shareholders' funds £000
At 1 January 2017	2,002	9	3,112	5,123
Total comprehensive profit for the period	–	–	1,797	1,797
Issue of share capital	3,977	16,399	–	20,376
Credit on issue of warrants and options	–	–	42	42
At 31 March 2018	5,979	16,408	4,951	27,338
Total comprehensive loss for the year	–	–	(1,502)	(1,502)
Credit on issue of warrants and options	–	–	43	43
At 31 March 2019	**5,979**	**16,408**	**3,492**	**25,879**

The Company statement of changes in equity can be found in note 25.

The accompanying notes on pages 46 to 73 form part of the financial statements.

Consolidated and Company Statements of Financial Position

As at 31 March 2019

	Note	Consolidated 31 March 2019 £000	Consolidated 31 March 2018 £000	Company 31 March 2019 £000	Company 31 March 2018 £000
Non-current assets					
Intangible assets	13	**28,824**	**31,262**	26	28
Property, plant and equipment	14	**599**	**980**	43	19
Investments in subsidiaries	15	**–**	**–**	21,835	24,503
Deferred tax	12	**158**	**646**	–	–
		29,581	**32,888**	21,904	24,550
Current assets					
Inventories	16	**68**	**78**	–	–
Trade and other receivables	17	**8,606**	**9,706**	677	886
Cash and cash equivalents		**7,520**	**10,224**	1,254	2,896
		16,194	**20,008**	1,931	3,782
Total assets		**45,775**	**52,896**	23,835	28,332
Current liabilities					
Trade and other payables	18	**(18,784)**	**(21,450)**	(5,362)	(4,722)
Contingent consideration	20	**(322)**	**(452)**	(322)	(452)
Borrowings	21	**(5)**	**(6)**	–	–
		(19,111)	**(21,908)**	(5,684)	(5,174)
Non-current liabilities					
Trade and other payables	18	**(768)**	**(1,087)**	(16)	–
Contingent consideration	20	**–**	**(2,555)**	–	(2,555)
Borrowings	21	**(3)**	**(8)**	–	–
Deferred tax	12	**(14)**	**–**	–	–
		(785)	**(3,650)**	(16)	(2,555)
Total liabilities		**(19,896)**	**(25,558)**	(5,700)	(7,729)
Net current liabilities		**(2,917)**	**(1,900)**	(3,753)	(1,392)
Net assets		**25,879**	**27,338**	18,135	20,603
Shareholders' equity					
Called up share capital	23a	**5,979**	**5,979**	5,979	5,979
Share premium account	23c	**16,408**	**16,408**	16,408	16,408
Retained earnings	23d	**3,492**	**4,951**	(4,252)	(1,784)
Equity shareholders' funds		**25,879**	**27,338**	18,135	20,603

These financial statements were approved by the Board of Directors on 9 August 2019 and were signed on its behalf by:

Wendy Lawrence
Director

Lisa Barter
Director

Totally plc
Company registration No: 3870101 (England and Wales)

The accompanying notes on pages 46 to 73 form part of the financial statements.

Consolidated Cash Flow Statement

For the year ended 31 March 2019

	Note	31 March 2019 £000	31 March 2018 £000
Cash flows from operating activities			
(Loss)/profit for the period/year		**(1,502)**	1,797
Adjustments for:			
– Options and warrants charge		**43**	42
– Depreciation and amortisation	13/14	**2,822**	1,863
– Impairment of goodwill		**2,000**	
– Impairment of development costs		**–**	739
– Tax (income)/expense recognised in profit or loss		**(313)**	312
– Finance income		**–**	–
– Finance costs		**112**	718
– Revaluation of contingent consideration	20	**(2,668)**	(6,466)
Movements in working capital:			
– Inventories		**10**	22
– Movement in trade and other receivables		**1,100**	1,092
– Movement in trade and other payables		**(3,457)**	(3,321)
Cash used for operations		**(1,853)**	(3,202)
– Income tax received/(paid)		**39**	(277)
Net cash flows from operating activities		**(1,814)**	(3,479)
Cash flow from investing activities			
Purchase of property, plant and equipment	14	**(265)**	(193)
Additions of intangible assets, net of adjustments to goodwill		**(491)**	(427)
Acquisition of subsidiaries, net of cash acquired		**–**	(860)
Contingent consideration paid	20	**(130)**	(2,378)
Accrued preference shares interest paid		**–**	(18)
Net cash flows from investing activities		**(886)**	(3,876)
Cash outflow before financing		**(2,700)**	(7,355)
Cash flow from financing activities			
Issue of share capital, net		**–**	16,646
Borrowings/invoice discounting		**–**	(56)
Finance lease rental repayments		**(4)**	(9)
Net cash flows from financing activities		**(4)**	16,581
Net (decrease)/increase in cash and cash equivalents		**(2,704)**	9,226
Cash and cash equivalents at beginning of period		**10,224**	998
Cash and cash equivalents at the end of the period/year		**7,520**	10,224

The accompanying notes on pages 46 to 73 form part of the financial statements.

Notes to the Financial Statements

For the year ended 31 March 2019

1. General information

Totally plc is a public limited company (Company) incorporated in the United Kingdom under the Companies Act 2006 (registration number 3870101). The Company is domiciled in the United Kingdom and its registered address is Cardinal Square West, 10 Nottingham Road, Derby, DE1 3QT. The Company's Ordinary Shares are traded on the AIM market of the London Stock Exchange (AIM).

The Group's principal activities are the provision of innovative and consolidatory solutions to the healthcare sector, which are provided by the Group's wholly owned subsidiaries.

The Company's principal activity is to provide management services to its subsidiaries.

2. Authorisation of financial statements and statement of compliance with IFRS

The financial statements for the year ended 31 March 2019 were authorised for issue by the Board of Directors and the Statements of financial position were signed on the Board's behalf by Wendy Lawrence and Lisa Barter on 9 August 2019.

The Group's financial statements have been prepared in accordance with IFRS and International Financial Reporting Interpretations Committee (IFRIC) interpretations as endorsed by the European Union, and bearing in mind those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework (FRS 101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006.

In preparing its financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore the Company's financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with wholly owned fellow group companies

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Totally plc. The Company's financial statements do not include certain disclosures in respect of:

- share based payments; and
- fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value).

As permitted by Section 408 of the Companies Act 2006 no income statement is presented for the Company. The Company made a loss of £2,511,000 for the period ended 31 March 2019 (2018: loss £6,941,000).

3. Basis of preparation

The consolidated and Company financial statements have been prepared on the historical cost basis and are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report on pages 1 to 16. The financial position of the Group is described in the Financial Review on pages 12 to 15.

The Group carefully manages financial resources, closely monitoring the working capital cycle. The Group has long term contracts with a number of customers and suppliers across different geographic areas within the United Kingdom and industries. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. The financial statements are prepared on a going concern basis which the Directors believe to be appropriate for the above reasons.

Notes to the Financial Statements

For the year ended 31 March 2019

4. Summary of significant accounting policies

Basis of consolidation

The Group's financial statements include the results of the Company and its subsidiaries, all of which are prepared up to the same date as the parent company.

Subsidiaries

Subsidiaries are all entities over which the Company has the ability to exercise control and are accounted for as subsidiaries. The trading results of subsidiaries acquired or disposed of during the period end are included in the income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-group transactions, balances, income and expenditure are eliminated on consolidation.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Company. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date irrespective of the extent of any non-controlling interest. The excess of cost of acquisition over the fair values of the Group's share of identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair value of identifiable net assets acquired (i.e. discount on acquisition) is recognised directly in the income statement. All acquisition expenses have been reported within the income statement immediately.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income.

Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies used in line with those used by other members of the Group.

Revenue recognition

Revenue is generated by providing clinical health coaching, supporting shared decision-making services and software solutions to the healthcare sector, physiotherapy, dermatology and urgent care services. Services are provided through short term and long term contracts.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Clinical health coaching, supporting shared decision making services and software solutions to the healthcare sector

Revenue is recognised as services are provided. Revenue is recognised in the month when the service is provided, as this is the point when revenue activity can be reliably measured.

Physiotherapy and dermatology services

Revenue represents invoiced sales of services to regional Clinical Commissioning Groups of the National Health Service. Revenue is recognised in the month when the service is provided, as this is the point when revenue activity can be reliably measured. Revenue can be subject to clawback adjustments based on performance against criteria as detailed in the individual contracts.

Urgent care services

Revenue is recognised as services are provided. Revenue is recognised in the month when the service is provided, as this is the point when revenue activity can be reliably measured. Revenue can be subject to clawback adjustments based on performance against criteria as detailed in the individual contracts.

All revenue originates in the United Kingdom.

Finance income

Finance income comprises of income related to the fair value adjustment of the contingent consideration. This fair value adjustment relates to the net present value of the contingent consideration discounted at 10%.

Finance costs

Finance costs comprise the unwinding of the fair value adjustment of the contingent consideration. It also includes interest payable on bank overdrafts and bank charges and these are recognised on an accruals basis.

4. Summary of significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any recognised impairment in value. Cost comprises the aggregate amount paid to acquire assets and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is calculated to write down the cost of the assets to their residual values by equal instalments over the estimated useful economic lives as follows:

Motor vehicles	– 3 and 5 years
Computer equipment	– 2 and 5 years
Fixtures and fittings	– 2 to 10 years
Freehold property improvements	– 3 to 10 years

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate on an annual basis. An asset is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the period that the asset is derecognised.

Inventories

Inventories are valued at the lower of cost and net realisable value. In general cost is determined on a first in first out basis and includes all direct expenditure based on a normal level of activity. Net realisable value is the price at which the stocks can be sold in the normal course of business after allowing for the costs of realisation and where appropriate for the costs of conversion from its existing state to a finished condition.

Goodwill

Goodwill represents the excess of the fair value of the consideration of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is considered to have an indefinite useful life. Goodwill is tested for impairment annually and again whenever indicators of impairment are detected and is carried at cost less any provision for impairment.

Impairment of non-current assets

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) or groups of CGUs that is expected to benefit from the synergies of the combination. These comprise urgent care and other segments and at 31 March 2019 the goodwill allocated to each amounted to £16,824,000 and £9,336,000 respectively.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

The value of the goodwill was tested for impairment during the current financial year by means of comparing the recoverable amount of each CGU or group of CGUs with the carrying value of its goodwill.

The calculation of the CGUs value in use is based on the cash flows expected to be generated using the latest budget and forecast data. Estimates of sales and costs are based on past experience and expectations of future changes in the market.

Board approved cash flow projections for three years are used and then extrapolated out assuming flat cash flows and discounted at a pre-tax rate of 10% (2018: 12% or 3.5%) over a five-year period and then into perpetuity.

Based on the operating performance of the CGUs, an impairment of goodwill of £2.0m was identified in the current financial year (2018: £nil).

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Trade and other receivables

Trade receivables, which are generally received by the end of month following terms, are recognised and carried at the lower of their original invoiced value less provision for expected credit losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits with an original maturity of three months or less.

Notes to the Financial Statements

For the year ended 31 March 2019

4. Summary of significant accounting policies (continued)

Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are recognised at original cost.

Borrowings

Borrowings are initially recognised at fair value, being proceeds received less directly attributable transaction costs incurred. Borrowings are subsequently measured at amortised cost with any transaction costs amortised to the income statement over the period of the borrowings using the effective interest method.

Foreign currencies transactions

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the period end are translated at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Leased assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases.

The Company has a short lease on its premises. This is accounted for as an 'operating lease' and the rental charges are charged to the income statement on a straight line basis over the life of the lease. Other operating leases are treated in the same manner.

Exceptional items

Exceptional items are those items that, in the Directors' view, are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the Group's financial performance.

Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities based on tax rates and laws that are enacted or substantively enacted by the period end date. Deferred income tax is recognised using the balance sheet liability method, providing for temporary differences between the tax bases and the accounting bases of assets and liabilities. Deferred income tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the period when the liability is settled and the asset is realised, based on tax rates and laws enacted or substantively enacted at the period end date.

Deferred income tax liabilities are recognised for all temporary differences, except for an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax is charged or credited to the income statement, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity. Deferred income tax assets and liabilities are offset against each other only when the Company has a legally enforceable right to do so.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Retirement benefits

The Group operates a defined contribution plan. A defined contribution plan is a pension plan under which the employer pays fixed contribution into a separate entity. Contributions payable to the plan are charged to the income statement in the period to which they relate. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Company only accounting policies

The following principal accounting policies have been applied:

Investments
Fixed asset investments are stated at cost less provisions for diminution in value.

4. Summary of significant accounting policies (continued)

Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the company statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries where the Company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

Share-based payments

The Group provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The fair value of the employee services rendered is determined by reference to the fair value of the shares awarded or options granted, excluding the impact of any non-market vesting conditions. All share options are valued using an option-pricing model (Black-Scholes). This fair value is charged to the income statement over the vesting period of the share-based payment scheme, with the corresponding increase in equity.

The value of the charge is adjusted in the income statement over the remainder of the vesting period to reflect expected and actual levels of options vesting, with the corresponding adjustment made in equity.

Standards adopted in the year

During the year, the Group adopted IFRS 9 – Financial Instruments and IFRS 15 – Revenue from contracts with customers which were effective for accounting periods commencing on 1 January 2018.

IFRS 15 is a prescriptive standard which requires a business to identify the performance obligations which are contracted with its customer base. The Directors have reviewed the requirements of IFRS 15 and updated the accounting policies as appropriate. The changes are narrative only and there has been no impact on reported results for the prior period or the current period.

IFRS 9 relates to Financial Instruments which contains the requirement for a) the classification and measurement of financial assets and financial liabilities, b) impairment methodology and c) general hedge accounting. Given the nature of the Group's financial assets and liabilities and the limited bad debt history, the adoption of IFRS 9 has had no material impact on the financial statements.

There have been no other standards adopted that have had a material impact on the financial statements and no standards adopted in advance of their implementation date.

Standards, amendments and interpretations not yet effective

IFRS 16 supersedes IAS 17 Leases and introduces a new single lessee accounting model which eliminates the current distinction between operating and finance leases for lessees. IFRS 16 will primarily affect the accounting for the group's operating leases and is effective for the next accounting period. As at the reporting date, the Group has non-cancellable operating lease commitments of £5,295,000. Under IFRS 16, the obligations to pay the future leases rentals over the expected lease term will be recognised as a lease liability (current and non-current) discounted at the incremental borrowing rate with a corresponding right of use asset also being recognised in the statement of financial position. Whilst there will be a material change in gross assets and liabilities, as a result of recognising the leases as right-of-use assets and liabilities, for the change in accounting policy, it is not anticipated that there will be a material impact on net assets. Additionally, whilst the depreciation on the right of use asset and the interest on the finance liability would be different to the present operating lease charge, it is not expected to have a material impact on the reported result in the financial statements.

There are no other standards issued not yet effective that will have a material effect on the financial statements.

Notes to the Financial Statements

For the year ended 31 March 2019

5. Significant accounting judgements, estimates and assumptions

The Group makes judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. The Group's estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Judgments

There are no judgements management has made in the process of applying the entity's accounting policies that have a significant effect on the amounts recognised in the financial statements apart from those involving estimations as noted below.

Estimates

Following the assessment of the recoverable amount of goodwill allocated to the "other" segment, to which goodwill of £9,336,000 is allocated, the Directors consider that the recoverable amount of goodwill allocated to this segment is most sensitive to the achievement of future budgets. Budgets comprise forecasts of revenue, staff costs and overheads based on current and anticipated market conditions that have been considered and approved by the Board.

The assumptions used in assessing the recoverable amount of each CGU along with a sensitivity analysis performed are presented in note 13.

6. Revenue

A breakdown of revenue by the revenue streams detailed in accounting policies is shown below:

	12 months to 31 March 2019 £000	15 months to 31 March 2018 £000
Clinical health coaching and other support	**1,112**	55
Physiotherapy and dermatology services	**7,345**	9,103
Urgent care services	**69,550**	33,377
Total	**78,007**	42,535

All revenue is recognised as the services are provided and in accordance with the accounting policies detailed in note 4.

The following table provides information on contract assets and contract liabilities from contracts with customers:

	12 months to 31 March 2019 £000	15 months to 31 March 2018 £000
Contract assets	**1,503**	1,189
Contract liabilities	**(3,341)**	(3,416)
Total	**(1,838)**	(2,227)

Contract assets and contract liabilities relate to amounts recognised in respect of accrued and deferred income for contracts with customers and are included within "trade and other receivables" and "trade and other payables" respectively on the face of the statement of financial position.

Contract assets primarily relate to the company's rights to consideration for services provided but not billed. The contract assets are transferred to trade receivables when the rights become unconditional which is upon agreement by the CCG.

Contract liabilities primarily relate to advance consideration received from customers and provision for clawback adjustments on contracts with customers based on contractual performance. Management estimates the level of revenue subject to clawback and makes a provision under the variable consideration constraint within IFRS 15. These amounts are subject to negotiation with agreement generally within 1-2 years.

6. Revenue (continued)

The significant movements in contract assets in the periods ended 31 March 2019 and 31 March 2018 are detailed below:

	12 months to 31 March 2019 £000	15 months to 31 March 2018 £000
Brought forward	**1,189**	452
Acquired	**–**	484
Provided	**5,357**	2,392
Utilised	**(5,043)**	(2,139)
Total	**1,503**	1,189

The significant movements in contract liabilities in the periods ended 31 March 2019 and 31 March 2018 are detailed below:

	12 months to 31 March 2019 £000	15 months to 31 March 2018 £000
Brought forward	**3,416**	6
Acquired	**–**	2,170
Provided	**3,645**	2,988
Utilised	**(3,720)**	(1,748)
Total	**3,341**	3,416

7. Segmental reporting

Segment information is presented in respect of the Group's operating segments. Segments are determined by reference to the internal reports reviewed by the Board.

Management has determined the operating segments based on the information provided to the executive management team (the Chief Operating Decision Maker ("CODM" for the Group) to make operational decisions on the management of the Group. Following the acquisition of Vocare in October 2017, two operating segments were identified as follows:

- Urgent care; and
- Other – innovative healthcare solutions, physiotherapy, dermatology, costs of corporate functions and group eliminations.

Management has considered the economic characteristics, similarity of services, customers, sales methods and regulatory environment of its non-urgent care services. In doing so it has been concluded that they should be aggregated into one 'Other' segment in the financial statements. This aggregated information provides users the financial information needed to evaluate the business and the environment in which it operates.

The Group's management reporting and controlling systems use the accounting policies that are the same as those referred to in note 4. There were no customers representing greater than 10% of Group revenue in either of the periods under review.

Segmental analysis – segment measures

The Group measures the performance of its operating segments through a measure of segment profit or loss which is referred to as EBITDA. This measure is reported to the CODM for the purposes of resource allocation and assessment of performance.

Interest income, interest expense and income tax expense are not included in the EBITDA profit measure which is reviewed by the CODM. Tax and treasury balances are managed centrally.

Segment assets and liabilities are not regularly reviewed by the CODM. The Group has elected, as provided under IFRS 8 – Operating Segments (amended 2009) not to disclose segment assets or liabilities as these amounts are not regularly provided to the CODM.

In the periods ended 31 March 2019 and 31 March 2018, all segments operated solely in the UK, and as a result no geographical breakdown is provided.

7. Segmental reporting (continued)

Primary reporting format – business segments

The table below sets out information for the Group's business segments for the years ended 31 March 2019 and 31 March 2018. Segment revenue represents revenue from external and internal customers arising from the sale of services.

Inter-segment revenue is recorded at values that represent estimated third-party selling prices. Transactions between segments are on an arm's length basis in a manner similar to transactions with third parties. All inter-segment trading is eliminated on consolidation.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Analysis by business segment

	12 months to 31 March 2019			15 months to 31 March 2018		
	Urgent care £000	Other £000	Total £000	Urgent care £000	Other £000	Total £000
Group revenue	**69,550**	**8,457**	**78,007**	33,377	9,158	42,535
Operating profit/(loss) before exceptional items	**2,953**	**(1,847)**	**1,106**	2,128	(1,945)	183
Acquisition related costs	**–**	**(465)**	**(465)**	–	(1,176)	(1,176)
Impairment of goodwill	**–**	**(2,000)**	**(2,000)**	–	–	–
Impairment of development costs	**–**	**–**	**–**	–	(739)	(739)
Revaluation of contingent consideration	**–**	**2,668**	**2,668**	–	6,466	6,466
Other exceptional costs	**–**	**(77)**	**(77)**	–	(43)	(43)
Operating profit/(loss) before interest, tax and depreciation	**2,953**	**(1,721)**	**1,232**	2,128	2,563	4,691
Depreciation and amortisation	**(2,749)**	**(73)**	**(2,822)**	(1,342)	(521)	(1,863)
Operating profit/(loss)	**204**	**(1,794)**	**(1,590)**	786	2,042	2,828
Finance costs	**(110)**	**(115)**	**(225)**	(1)	(718)	(719)
Profit/(loss) before tax	**94**	**(1,909)**	**(1,815)**	785	1,324	2,109
Income tax credit/(charge)	**313**	**–**	**313**	(375)	63	(312)
Profit/(loss) after tax	**407**	**(1,909)**	**(1,502)**	410	1,387	1,797

8. Exceptional items

	12 months to 31 March 2019 £000	15 months to 31 March 2018 £000
Acquisition related costs	**465**	1,176
Impairment of goodwill	**2,000**	–
Impairment of development costs	**–**	739
Revaluation of contingent consideration	**(2,668)**	(6,466)
Other exceptional costs	**77**	43
Total exceptional items	**(126)**	(4,508)
Tax credit attributable to exceptional items	**404**	866
Total exceptional items after tax	**278**	(3,642)

9. (Loss)/profit on operating activities before taxation

	12 months to 31 March 2019 £000	15 months to 31 March 2018 £000
(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting):		
Share-based payments	**43**	42
Operating lease rentals:		
– land and buildings	**1,690**	666
– other	**135**	102
Defined contribution pension schemes	**2,344**	1,140
Expenses in connection with the acquisition of subsidiaries	**465**	1,176
Depreciation and amortisation	**2,822**	1,863
Impairment loss of development costs	**–**	739
Impairment of goodwill	**2,000**	–
Revaluation of contingent consideration	**(2,668)**	(6,466)
Auditors' remuneration		
Fees payable to the Company's auditors for the audit of the parent company and consolidated financial statement	**18**	16
The audit of the Company's subsidiaries*	**106**	85
Fees payable to the Company's auditors for the other services:		
Other services	**47**	139
Tax compliance services	**8**	10

* The audit fees for the Company's subsidiaries includes VAT as some subsidiaries have a partial exemption scheme and some are not VAT registered.

10. Finance income

	12 months to 31 March 2019 £000	15 months to 31 March 2018 £000
Bank interest received	**3**	–
Total finance income	**3**	–

11. Finance costs

	12 months to 31 March 2019 £000	15 months to 31 March 2018 £000
Finance costs	**210**	718
Bank charges	**15**	1
Loan interest	**3**	–
Total finance costs	**228**	719

Finance cost relates to the unwinding of the fair value adjustment of the contingent consideration. The fair value adjustment is based on net present value of the contingent consideration, discounted at 10%.

Notes to the Financial Statements

For the year ended 31 March 2019

12. Taxation

(a) Taxation charge

	12 months to 31 March 2019 £000	15 months to 31 March 2018 £000
Current tax expense		
Current tax on (loss)/profit for the period	**–**	(43)
Adjustments in respect of prior periods	**(31)**	(25)
	(31)	(68)
Deferred tax expense		
Origination and reversal of timing differences	**(186)**	380
Adjustments in respect of prior periods	**(96)**	–
	(282)	380
Total tax charge	**(313)**	312

(b) Taxation reconciliation

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profit for the year are as follows:

	12 months to 31 March 2019 £000	15 months to 31 March 2018 £000
(Loss)/profit on ordinary activities before tax	**(1,815)**	2,109
Taxation at the standard UK income tax of 19% (2018: 19.20%)	**(345)**	405
Expenses not deductible for tax purposes	**(95)**	707
Origination and reversal of timing differences	**(186)**	–
Non taxable income	**–**	(1,241)
Losses carried forward	**464**	524
Other	**(24)**	(58)
Adjustments in respect of prior periods	**(127)**	(25)
Total tax charged in the income statement	**(313)**	312

(c) Deferred tax

Estimated tax losses of approximately £8,000,000 (2018: £7,600,000) are available to relieve future profits of the Group in respect of which no deferred tax asset has been recognised due to uncertainty as to the timing and tax rate at which these losses will be utilised against future taxable profit streams.

A deferred tax asset of £158,000 (2018: £646,000) has been recognised in relation to accelerated capital allowances and other timing differences where utilisation against future profits is considered to be more certain.

13. Intangible assets

Group	Development costs £000	Computer software £000	Intangible value of contracts £000	Goodwill £000	Total £000
Cost					
At 1 April 2018	739	1,950	5,863	26,563	35,115
Additions	–	167	–	–	167
Acquisition of Vocare	–	–	–	1,597	1,597
Disposals	–	(4)	–	–	(4)
Adjustments	–	–	–	–	–
At 31 March 2019	**739**	**2,113**	**5,863**	**28,160**	**36,875**
Amortisation					
At 1 April 2018	–	1,147	1,967	–	3,114
Amortisation charge	–	475	1,723	–	2,198
At 31 March 2019	**–**	**1,622**	**3,690**	**–**	**5,312**
Accumulated impairment losses					
At 1 April 2018	739	–	–	–	739
Impairment loss for the year	–	–	–	2,000	2,000
At 31 March 2019	**739**	**–**	**–**	**2,000**	**2,739**
Net book value					
At 31 March 2019	**–**	**491**	**2,173**	**26,160**	**28,824**
At 31 March 2018	–	803	3,896	26,563	31,262

Group	Development costs £000	Computer software £000	Intangible value of contracts £000	Goodwill £000	Total £000
Cost					
At 1 January 2017	713	–	1,239	11,362	13,314
Additions	26	401	–	–	427
Acquisition of Vocare	–	1,544	4,624	15,226	21,394
Reclassification	–	5	–	–	5
Adjustments	–	–	–	(25)	(25)
At 31 March 2018	**739**	**1,950**	**5,863**	**26,563**	**35,115**
Amortisation					
At 1 January 2017	–	–	645	–	645
Amortisation charge	–	193	1,322	–	1,515
Acquisition of Vocare	–	954	–	–	954
At 31 March 2018	–	1,147	1,967	–	3,114
Accumulated impairment losses					
At 1 January 2017	–	–	–	–	–
Impairment loss for the year	739	–	–		739
At 31 March 2018	739	–	–	–	739
Net book value					
At 31 March 2018	**–**	**803**	**3,896**	**26,563**	**31,262**
At 31 December 2016	713	–	594	11,362	12,669

13. Intangible assets (continued)

Development costs relate to the design and construction of the business to consumer service (B2C) My Clinical Coach. At 31 March 2018 the Directors decided to write off these costs as whilst the technology that has been developed is still viable it is not currently in use.

Company	Computer software £000	Total £000
Cost		
At 1 April 2018	38	38
Additions	13	13
At 31 March 2019	**51**	**51**
Amortisation		
At 1 April 2018	10	10
Amortisation charge	15	15
At 31 March 2018	**25**	**25**
Net book value		
At 31 March 2019	**26**	**26**
At 31 March 2018	28	28

Company	Computer software £000	Total £000
Cost		
At 1 January 2017	–	–
Additions	33	33
Reclassification	5	5
At 31 March 2018	**38**	**38**
Amortisation		
At 1 January 2017	–	–
Amortisation charge	10	10
At 31 March 2018	**10**	**10**
Net book value		
At 31 March 2018	**28**	**28**
At 31 December 2016	–	–

Intangible value of contracts is the discounted expected profitability of contracts acquired on acquisition. The value of these contracts is based on gross profit and directly attributable overheads. The contract values are amortised on a straight line basis over the life of the contracts.

The goodwill addition for the acquisition of Vocare comprises £785,000 provision for deferred tax on intangible value of contracts, £324,000 restructure costs, and £488,000 provision for contractual losses.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. For the periods ending 31 March 2018 and 31 March 2019, the recoverable amount of the cash generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The value in use was calculated by discounting cash flow projections based on financial budgets approved by management covering a three-year period to 31 March 2022 along with discounted cash flows into perpetuity with the assumption of no growth in EBITDA following the three year period.

Cash flows for the impairment testing at 31 March 2019 were discounted at a rate of 10% for all CGUs. The discount rates used for the period ended 31 March 2018 were 12% for Urgent Care and 3.5% for other.

13. Intangible assets (continued)

The assumptions used for the three year forecast to 31 March 2022 were as follows:

	Year ended 31 March 2020 %	Year ended 31 March 2021 %	Year ended 31 March 2022 %
Urgent care			
Revenue growth	4	5	5
Budgeted gross margin	15	16	16
% administrative expenses to revenue	11	11	11
Other			
Revenue growth	3	5	5
Budgeted gross margin	28	28	28
% administrative expenses to revenue	20	20	19

The assumptions noted above are determined by management based on past performance and current knowledge of future plans. Margins in Urgent care are forecast to increase as the restructure of that CGU comes to an end. As the Other CGU consolidates and develops, a low level of revenue growth is anticipated and the proportion of administrative costs are forecast to reduce.

A segment-level summary of the carrying value of goodwill is shown below:

	Urgent care £000	Other £000	Total £000
Goodwill			
At 1 April 2018	15,227	11,336	26,563
FV adjustments to previous acquisitions	1,597	–	1,597
Impairment loss	–	(2,000)	(2,000)
At 31 March 2019	**16,824**	**9,336**	**26,160**

The goodwill associated with other care arose from acquisitions by the Group in 2016. The segment has continued to operate on a satisfactory basis however has not been able to meet historical earnings targets. The goodwill associated with this cash generating unit was written down to its expected recoverable amount during the year ended 31 March 2019 as shown in the table above. The impairment loss of £2m has been included within exceptional items within the income statement.

Sensitivity analysis

The Group has conducted a sensitivity analysis of the impairment test to changes in key assumptions used to determine the recoverable amount for each CGU to which goodwill is allocated. The directors believe that a reasonable possible change in the key assumptions on which the recoverable amount of Urgent care CGU is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGU and therefore no impairment would be required.

As noted above, following the impairment review the carrying amount of the Other CGU was deemed to be in excess of its recoverable amount and an impairment loss was recognised during the year. The sensitivity analysis conducted for the impairment test on the Other CGU produced the following results:

A 1% underperformance in budgeted gross profit margin is considered reasonably possible based on past experience and would lead to an additional impairment charge of £1m.

A 1% decline in forecast revenue would result in an additional impairment charge of £277,000.

A 1% increase in the budgeted admin percentage against revenue would result in an additional impairment charge of £1m.

14. Property, plant and equipment

Group	Motor Vehicles £000	Freehold Property Improve-ments £000	Plant Machinery £000	Office Equipment £000	Short leasehold property £000	Computer equipment £000	Total £000
Cost							
At 1 April 2018	133	1,145	360	1,314	32	2,081	5,065
Additions	–	–	12	133	14	106	265
Disposals	–	(6)	(5)	(8)	(32)	(2)	(53)
At 31 March 2019	**133**	**1,139**	**367**	**1,439**	**14**	**2,185**	**5,277**
Depreciation							
At 1 April 2018	119	875	287	1,092	32	1,680	4,085
Disposals	–	(3)	(1)	(6)	(32)	–	(42)
Provided in the period	4	137	29	182	1	282	635
At 31 March 2019	**123**	**1,009**	**315**	**1,268**	**1**	**1,962**	**4,678**
Net book value							
At 31 March 2019	**10**	**130**	**52**	**171**	**13**	**223**	**599**
At 31 March 2018	14	270	73	222	–	401	980

The net book value of motor vehicles includes £8,000 (31 March 2018: £14,000) in relation to assets held under finance leases.

Group	Motor Vehicles £000	Freehold Property Improve-ments £000	Plant Machinery £000	Office Equipment £000	Short leasehold property £000	Computer equipment £000	Total £000
Cost							
At 1 January 2017	31	–	124	71	32	28	286
Additions	–	–	24	47	–	122	193
Acquisition of Vocare	102	1,145	212	1,194	–	1,938	4,591
Reclassification	–	–	–	2	–	(7)	(5)
At 31 March 2018	**133**	**1,145**	**360**	**1,314**	**32**	**2,081**	**5,065**
Depreciation							
At 1 January 2017	9	–	98	44	32	8	191
Acquisition of Vocare	102	811	162	953	–	1,518	3,546
Reclassification	–	–	–	1	–	(1)	–
Provided in the period	8	64	27	94	–	155	348
At 31 March 2018	**119**	**875**	**287**	**1,092**	**32**	**1,680**	**4,085**
Net Book Value							
At 31 March 2018	**14**	**270**	**73**	**222**	**–**	**401**	**980**
At 31 December 2016	22	–	26	27	–	20	95

The net book value of motor vehicles includes £14,000 (31 December 2016: £22,000) in relation to assets held under finance leases.

14. Property, plant and equipment (continued)

Company	Office equipment £000	Short leasehold property £000	Computer equipment £000	Total £000
Cost				
At 1 April 2018	2	–	31	33
Additions	23	7	7	37
At 31 March 2019	**25**	**7**	**38**	**70**
Depreciation				
At 1 April 2018	2	–	12	14
Provided in the period	2	–	11	13
At 31 March 2019	**4**	**–**	**23**	**27**
Net book value				
At 31 March 2019	**21**	**7**	**15**	**43**
At 31 March 2018	–	–	19	19

Company	Office equipment £000	Computer equipment £000	Total £000
Cost			
At 1 January 2017	–	22	22
Additions	–	16	16
Reclassification	2	(7)	(5)
At 31 March 2018	**2**	**31**	**33**
Depreciation			
At 1 January 2017	–	4	4
Reclassification	1	(1)	–
Provided in the period	1	9	10
At 31 March 2018	**2**	**12**	**14**
Net book value			
At 31 March 2018	**–**	**19**	**19**
At 31 December 2016	–	18	18

Notes to the Financial Statements

For the year ended 31 March 2019

15. Investments in subsidiaries

Company

Investments in share capital of subsidiaries.

	Total £000
Cost	
At 1 April 2018	24,503
Additions	–
Adjustment to contingent consideration*	(2,668)
At 31 March 2019	**21,835**
Net book value	
At 31 March 2019	**21,835**
At 31 March 2018	24,503

* Investments were adjusted during the year to reflect the decrease in the fair value of contingent consideration payable on acquisition of subsidiaries. Refer to note 20.

	Total £000
Cost	
At 1 January 2017	13,467
Additions	17,502
Adjustment to contingent consideration*	(6,466)
At 31 March 2018	**24,503**
Net book value	
At 31 March 2018	**24,503**
At 31 December 2016	13,467

* Investments were adjusted during the period to reflect the decrease in the fair value of contingent consideration payable on acquisition of subsidiaries.

The Directors believe that the carrying value of the investments is supported by the expected future profitability of the subsidiaries.

The subsidiary companies at 31 March 2019, all of which have been consolidated, are as follows. All shares are held directly by the Company except My Clinical Coach Ltd which is wholly owned by Totally Health Ltd., and those marked below:

Subsidiary undertakings	Country of incorporation	Percentage of equity capital held	Nature of business
Totally Health Limited	England and Wales	100%	Bespoke IT healthcare solutions
My Clinical Coach Limited	England and Wales	100%	Direct to consumer health coaching services
Premier Physical Healthcare Limited**	England and Wales	100%	Physiotherapy and podiatry service
About Health Limited	England and Wales	100%	Dermatology service
Optimum Sports Performance Centre Limited***	England and Wales	100%	Physiotherapy service
Vocare Limited****	England and Wales	100%	Urgent care service
Totally Healthcare Limited	England and Wales	100%	Hospital in-sourcing service

15. Investments in subsidiaries (continued)

** The subsidiaries of Premier Physical Healthcare Limited, all of which have been consolidated, at 31 March 2019 are as follows:

Subsidiary undertakings	Country of incorporation	Percentage of equity capital held	Nature of business
Premier Ergonomics Limited	England and Wales	100%	Provision of ergonomic risk assessment
Core Ergonomics Limited	England and Wales	90%	Provision of online health and safety risk assessments

*** The subsidiaries of Optimum Sports Performance Centre Limited, all of which have been consolidated, at 31 March 2019 are as follows:

Subsidiary undertakings	Country of incorporation	Percentage of equity capital held	Nature of business
Optimum Fitness (HCS) Limited	England and Wales	100%	Dormant
Optimum Occupational Health Limited	England and Wales	100%	Dormant
Optimum Healthcare Solutions Limited	England and Wales	100%	Dormant
Optimum Elite Fitness Limited	England and Wales	100%	Dormant
Optimum Physiotherapy Limited	England and Wales	100%	Dormant

**** The subsidiaries of Vocare Limited, all of which have been consolidated, at 31 March 2019 are as follows:

Subsidiary undertakings	Country of incorporation	Percentage of equity capital held	Nature of business
Staffordshire Doctors Urgent Care Limited	England and Wales	100%	Urgent care service
Primary Care North East Community Interest Company	England and Wales	66.67%	Urgent care service
Teesside Primary Care Community Interest Company	England and Wales	100%	Urgent care service
Tyneside Primary Care Community Interest Company	England and Wales	100%	Urgent care service
Teesside Urgent Care Community Interest Company	England and Wales	100%	Urgent care service
Yorkshire Doctors Urgent Care (YDUC) Limited	England and Wales	100%	Dormant
Somerset Doctors Urgent Care Limited	England and Wales	100%	Dormant
Northern Doctors Offender Health Limited	England and Wales	100%	Dormant
Northern Doctors Urgent Care Limited	England and Wales	100%	Dormant
Bath & North East Doctors Urgent Care Limited	England and Wales	100%	Dormant

Notes to the Financial Statements

For the year ended 31 March 2019

16. Inventories

	Group 31 March 2019 £000	Group 31 March 2018 £000
Consumables	**31**	72
Goods for resale	**37**	6
	68	78

17. Trade and other receivables

	Group 31 March 2019 £000	Group 31 March 2018 £000	Company 31 March 2019 £000	Company 31 March 2018 £000
Trade receivables	**3,156**	3,961	**153**	-
Other receivables	**718**	999	**5**	412
Taxes and other social security	**42**	219	**36**	197
Prepayments and accrued income	**4,690**	4,527	**51**	43
Amounts owed by group undertakings	**-**	-	**432**	234
	8,606	9,706	**677**	886

The creation of provision for impaired trade receivables is included in administration costs in the income statement. The ageing analysis of trade receivables is as follows:

	Group 31 March 2019 £000	Group 31 March 2018 £000	Company 31 March 2019 £000	Company 31 March 2018 £000
Under three months	**2,074**	3,689	**153**	-
Three to six months	**1,082**	272	**-**	-
	3,156	3,961	**153**	-

There has been limited experience of bad debts over the history of the Group and therefore the provision for expected credit losses in each period is immaterial. Other non-trade receivables do not contain impaired assets.

Amounts owed by group undertakings are repayable on demand with no fixed repayment date.

18. Trade and other payables

	Group 31 March 2019 £000	Group 31 March 2018 £000	Company 31 March 2019 £000	Company 31 March 2018 £000
Current				
Trade payables	**6,897**	7,910	**220**	134
Other taxes and social security	**1,233**	750	**33**	34
Other creditors	**485**	716	**176**	26
Corporation tax	**-**	88	**-**	-
Accruals and deferred income	**10,169**	11,986	**433**	28
Amounts owed to group undertakings	**-**	-	**4,500**	4,500
	18,784	21,450	**5,362**	4,722

	Group 31 March 2019 £000	Group 31 March 2018 £000	Company 31 March 2019 £000	Company 31 March 2018 £000
Non-current				
Accruals and deferred income	**768**	1,078	**16**	–
Other taxes and social security	**–**	9	**–**	–
	768	1,087	**16**	–

Trade payables and accruals principally comprise amounts outstanding from purchases and ongoing costs. The Directors consider that the carrying amount of trade payables approximates to their fair value.

Amounts owed to group undertakings are repayable on demand with no fixed repayment date.

19. Events after the reporting period

On 20 June 2019, the Company completed the acquisition of the entire share capital of Greenbrook Healthcare (Hounslow) Limited and the convertible loan note in Greenbrook Healthcare (Earl's Court) Limited for £11.5m on a cash free and debt free basis with a normalised level of working capital. The combination will be accounted for as an acquisition. The table below sets out the adjustments to the purchase price to reflect a normalised level of working capital which has resulted in an additional consideration payable of £4.8m.

Greenbrook is one of the leading providers of urgent care centres in London. The company was acquired as part of the Group's stated 'buy and build strategy' and to bring new and complementary routes to the existing healthcare services offered by the Group. Greenbrook's urgent care services provide synergies with Totally's existing subsidiary businesses, in particular Vocare, and complements its business model of providing preventative and responsive healthcare in out-of-hospital settings in order to improve people's health, reduce NHS healthcare reliance, re-admissions and emergency admissions to hospital.

19. Events after the reporting period (continued)

The provisional assets and liabilities as at 20 June 2019 arising from the acquisition were as follows:

	Carrying amount £000	Fair value adjustment £000	Provisional fair value £000
Property, plant and equipment	296	–	296
Trade receivables and other debtors	4,695	–	4,695
Cash in hand	2,007	–	2,007
Trade and other payables	(7,759)	(1,341)	(9,100)
Deferred tax	(34)	–	(34)
Convertible loan notes	(50)	–	(50)
Net (liabilities) acquired	(845)	(1,341)	(2,186)
Goodwill			11,521
Value of contracts			6,975
Total consideration			**16,310**

Satisfied by:	
Cash	13,810
Ordinary shares issued	2,500
	16,310

Net cash flow arising on acquisition:	
Cash consideration	13,810
Less: cash and cash equivalents acquired	(2,007)
	11,803

At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations had not been finalised and they have therefore only been provisionally determined based on the Directors' best estimate of the likely values.

The goodwill is attributable to the knowledge and expertise of the workforce, the expectation of future contracts and the operating synergies that arise from the Group's strengthened market position. Any impairment charges will not be deductible for tax purposes.

Included in the fair value of the assets and liabilities acquired are provisions for additional costs or potential costs that existed at the time of acquisition. The fair value was determined by management's best estimate of the costs expected to be incurred based on current knowledge and past events.

20. Contingent consideration

	Premier Physical Healthcare £000	About Health £000	Vocare £000	Total 2019 £000
At 1 April 2018	968	1,587	452	**3,007**
Paid in the period	–	–	(130)	**(130)**
Revaluation of contingent consideration	(1,011)	(1,657)	–	**(2,668)**
Discount unwind in the period	43	70	–	**113**
At 31 March 2019	**–**	**–**	**322**	**322**

	Vocare £000	Total 2019 £000	Total 2018 £000
Contingent consideration – current	322	**322**	452
Contingent consideration – non-current	–	**–**	2,555
	322	**322**	3,007

Premier Physical Healthcare and About Health have not achieved the 2019 profit and/or growth targets and consequently, amounts unlikely to be paid have been released.

The remaining balance of contingent consideration relates to salary advances repayable quarterly as and when repaid by employees.

21. Financial liabilities – borrowings

Undrawn facilities

As at 31 March 2019 and 31 March 2018 the Group had no overdraft facilities.

Other borrowings

As at 31 March 2019 and 31 March 2018 the Group had the following finance lease obligations:

	31 March 2019 £000	31 March 2018 £000
Current	**5**	6
Non-current	**3**	8
	8	14

22. Financial instruments

The Group's financial instruments comprise cash and various items, such as trade receivables and trade payables, that arise directly from the Group's activities expose the Group to a number of risks including capital management risk, credit risk and liquidity risk.

Fair values of financial instruments

For the following financial assets and liabilities: trade and other payables, trade and other receivables and cash at bank and in hand, the carrying amount approximates the fair value of the instrument due to their short-term nature.

The Group's activities expose it to a number of risks including capital management risk, credit risk and liquidity risk. The policies for managing these risks are regularly reviewed and agreed by the Board.

It is the Group's policy that no trading in financial instruments should be undertaken.

22. Financial instruments (continued)

Capital management risk

The Group's main objective when managing capital is to protect returns to shareholders by ensuring the Group will continue to trade for the foreseeable future. The Group also aims to optimise its capital structure of debt and equity so as to minimise its cost of capital. The Group in particular reviews its levels of borrowing and the repayment dates, setting these out against forecast cash flows and reviewing the level of available funds.

The capital structure of the Group currently consists of cash and cash equivalents and equity attributable to holders of the parent, comprising issued share capital, reserves and retained earnings. The Group continually looks at having the most appropriate capital structure to enable it to maximise value to all stakeholders.

In the future, as the Group executes its expansion strategy, debt may be considered as part of the most appropriate capital structure. If debt were to be introduced the Group will review the gearing ratio to monitor the capital return. This ratio would be calculated as the total borrowings divided by total capital. Total borrowings include "current and non-current borrowings" as shown in the Consolidated Statement of Financial Position. Total capital is calculated as "equity" as shown in the Consolidated Statement of Financial Position plus total borrowings. The Group remains financed by its share capital and reserves and expects to fund future working capital through equity. The below table details analysis of the Group's capital management structure.

	31 March 2019 £000	31 March 2018 £000
Debt	**(8)**	(14)
Cash and cash equivalents	**7,520**	10,224
Net cash	**7,512**	10,210
Equity	**25,879**	27,338
Debt to equity ratio	**0.03%**	0.05%

Interest rate risk

The Group's interest rate exposure arises mainly from the interest-bearing borrowings as disclosed in Note 21. All of the Group's facilities were floating rates excluding interest on finance leases, which exposed the entity to cash flow risk. As at 31 March 2019 there are no loans outstanding and no undrawn overdraft facilities available to the Group, and there is no material exposure to interest rate risk.

Foreign exchange risk

The Group operates wholly in the United Kingdom and as such the majority of the Group and Company's financial assets and liabilities are denominated in Sterling, and there is no material exposure to exchange risk.

Credit risk

The Group's credit risk primarily relates to trade and other receivables and accrued income. The amounts presented in the statement of financial position are net of allowances for doubtful receivables by the Group's management.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit management. Credit limits are established for all customers and are based inter alia on credit checks. Outstanding customer receivables are regularly monitored.

Liquidity risk

Cash balances and borrowings are managed so as to maximise interest earned and minimise interest paid, while maintaining the liquidity requirements of the business. When seeking borrowings, the Directors consider the commercial terms available and, in consultation with their advisors, consider whether such terms should be fixed or variable and are appropriate to the business.

The Group would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows through effective cash management.

23. Share capital and reserves

(a) Share capital

	2019 £000	2018 £000
Authorised		
59,795,172 ordinary shares of 10p each	**5,979**	5,979
Allotted, called up and fully paid		
59,795,172 ordinary shares of 10p each	**5,979**	5,979

The Ordinary shares carry full voting rights, the right to attend general meetings of the Company and full rights to receive dividends. The shares do not confer any right of redemption.

(b) Earnings per share

	12 months to 31 March 2019			15 months to 31 March 2018		
	Earnings £000	Basic earnings per share	Diluted earnings per share	Earnings £000	Basic earnings per share	Diluted earnings per share
Loss before exceptional items	**(1,224)**	**(2.05)p**	**(2.05)p**	(2,711)	(5.49)p	(5.43)p
Effect of exceptional items	**(278)**	**(0.46)p**	**(0.46)p**	4,508	9.13p	9.03p
(Loss)/profit attributable to owners of the parent	**(1,502)**	**(2.51)p**	**(2.51)p**	1,797	3.64p	3.60p

	2019 £000	2018 £000
Weighted average number of ordinary shares	**59,795**	49,356
Dilutive effect of shares from share options	**–**	592
Fully diluted weighted average number of ordinary shares	**59,795**	49,948

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period/year. For diluted earnings per share the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. Dilutive potential ordinary shares are those share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the period. There were no dilutive potential ordinary shares at 31 March 2019.

(c) Share premium account

The share premium account represents the amounts received by the Company on the issue of ordinary shares that are in excess of the nominal value of the issued shares. Directly chargeable issue costs are charged to the share premium account.

(d) Retained earnings

This reserve records the accumulated profits and losses of the Group less dividends paid.

23. Share capital and reserves (continued)

(e) Share options

During the year to 31 March 2019, no share options were granted. Details of all options in issue during the period are as follows:

Grant date	Exercise period	Exercise price	Outstanding at start of period	Issued in period	Surrendered/ cancelled in period	Residual at 31 March 2019
11/11/2015	10 years	44p	250,000	-	-	250,000
11/11/2015	10 years	44p	100,000	-	(100,000)	-
11/11/2016	3 years	46p	205,039	-	(127,563)	77,476
29/12/2017	3 years	27p	1,411,965	-	(66,666)	1,345,299
31/01/2018	3 years	40.5p	273,000	-	(10,000)	263,000
31/01/2018	3 years	40.5p	202,000	-	-	202,000
			2,442,004	**-**	**(304,229)**	**2,137,775**

(f) Share warrants

Details of all warrants in issue during the year to 31 March 2019 are as follows:

Grant date	Exercise period	Exercise price	Outstanding at start of period	Issued in period	Expired/exercised in period	Residual at 31 March 2019
30 September 2008	No expiry date	100p	350,000	–	–	350,000
8 October 2009	Within 10 years from grant date	100p	1,667	–	–	1,667
			351,667	**–**	**–**	**351,667**

24. Share-based employee remuneration

During the period ended 31 March 2019, the Group and Company had three share based payment arrangements as described below.

(a) Employee Share Options

In January 2018, the Company introduced the Totally plc Company Share Option Plan to replace the existing EMI Scheme. The Plan is designed to help recruit and retain employees of the Group and motivate them to achieve the Group's business objectives. The Plan allows the Company to grant tax-effective incentives to employees known as CSOP options. Options granted will vest on the third anniversary of the date of grant and will expire on the tenth anniversary of the date of the grant.

The Company also has options in issue under the Totally plc Unapproved Share Option Plan. Options granted under this scheme will vest on the third anniversary of the date of the grant and will expire on the tenth anniversary of the date of the grant.

The estimated fair value of each option has been calculated using the Black Scholes option pricing model for different options granted. The estimated fair value of outstanding options varies between 10.0 and 11.0 pence. The model inputs are share price at grant date, exercise price, expected volatility of 29 per cent, no expected dividends, contractual life of three years, and a risk free interest rate of four per cent. A reconcilation of option movements over the period is shown below and in note 23.

The volatility of the Company's share price on each date of grant was calculated as the average of the standard deviations of daily continuously compounded returns on the stock of the Company, calculated back over a period commensurate with the expected life of the option. The risk-free rate used is the yield to maturity on the date of grant, with term to maturity equal to the expected life of the option. It is assumed that options will be exercised within two years of the date on which they vest.

24. Share-based employee remuneration (continued)

	31 March 2019 Number '000s	31 March 2019 Weighted average price Pence	31 March 2018 Number '000s	31 March 2018 Weighted average price Pence
Outstanding at 1 April 2018/1 January 2017	**2,442**	**34**	785	45
Granted	**-**	**-**	1,954	30
Exercised	**-**	**-**	-	-
Surrendered/cancelled	**(304)**	**41**	(297)	(41)
Outstanding at 31 March 2019/31 March 2018	**2,138**	**33**	2,442	34

	31 March 2019	31 March 2018
Range of exercise price (Pence)	**27-46**	27-46
Weighted average exercise price (Pence)	**33**	34
Number of shares ('000s)	**2,138**	2,442
Weighted average remaining life years – Expected	**4**	4
Weighted average remaining life years – Contractual	**4**	5

(b) Warrants

The estimated fair value of each warrant has been calculated using the Black Scholes option pricing model for differing warrants granted. The estimated fair value of warrants varies between 0.01 pence and 0.49 pence. The model inputs are share price at grant date, exercise price, expected volatility of 29 per cent, no expected dividends, maximum contractual life of three years, and a risk free interest rate of four per cent. A maximum three year contractual life has been used to reflect the non-tradability of the warrants compared to the actual contractual life in any cases in excess of three years. The full cost of the warrants is recognised at the date of grant.

(c) Save As You Earn (SAYE) scheme

The SAYE scheme was introduced in December 2016 following shareholder approval. Options are granted for a period of three years. Options are exercisable at a price based on the quoted market price of the Company's shares at the time of invitation, discounted by up to 20%. Options are forfeited if the employee leaves the Group before the options vest which impacts on the number of options expected to vest. If an employee stops saving but continues in employment, this is treated as a cancellation which results in an acceleration of the share-based payment charge in the income statement.

Principal terms of SAYE scheme

Number of options	Maximum award limit under the plan will be limited to contribution of £500 per month
Exercise price	27p
Vesting period	Three years
Performance conditions	None
Expiry conditions	Options are forfeited if the employee leaves the Group before the options have vested.

The Group recognised the following share-based payment expenses during the period:

	31 March 2019 £000	31 March 2018 £000
Expense arising from issue of share options – equity settled	**10**	25
Expense arising from issue of share warrants – equity settled	**-**	-
SAYE	**33**	17
	43	42

Notes to the Financial Statements

For the year ended 31 March 2019

25. Company statement of changes in equity

Company	Share capital £000	Share premium £000	Retained earnings £000	Equity shareholders' funds £000
At 1 January 2017	2,002	9	5,115	7,126
Loss for the period	-	-	(6,941)	(6,941)
Issue of share capital	3,977	16,399	-	20,376
Share-based credit	-	-	42	42
At 31 March 2018	5,979	16,408	(1,784)	20,603
Loss for the period	-	-	(2,511)	(2,511)
Share-based credit	-	-	43	43
At 31 March 2019	**5,979**	**16,408**	**(4,252)**	**18,135**

The loss for the period dealt with in the financial statements of the parent company is shown above.

As permitted by Section 408 of the Companies Act 2006, no separate income statement is presented in respect of the parent company.

26. Employee information

The average number of persons employed by the Group (including Directors) during the period, analysed by category, was as follows:

	Number of employees	
	12 months to 31 March 2019	15 months to 31 March 2018
Operational	**1,411**	1,393
Support	**192**	169
	1,603	1,562

Staff costs for the above employees and Directors:

	12 months to 31 March 2019 £000	15 months to 31 March 2018 £000
Wages and salaries	**32,780**	17,276
Social security costs	**2,919**	1,606
Share based payments	**43**	42
Pension costs	**2,344**	1,140
	38,086	20,064

The remuneration of the Directors together with other key management personnel is set out below:

	12 months to 31 March 2019 £000	15 months to 31 March 2018 £000
Short term employee benefits	**1,497**	971
Post-employment benefits	**106**	41
Share-based payments	**12**	31
	1,615	1,043

26. Employee information (continued)

Of which Directors' remuneration is as follows:

	12 months to 31 March 2019 £000	15 months to 31 March 2018 £000
Short term employee benefits	**423**	433
Post-employment benefits	**42**	20
Share-based payments	**17**	26
	482	479

Further information about the remuneration of individual Directors is provided in the audited part of the Directors' Remuneration Report on pages 30 and 31.

The share based remuneration for employees and Directors was as follows:

	12 months to 31 March 2019				15 months to 31 March 2018			
	Directors £000	Key management personnel £000	Staff £000	Total £000	Directors £000	Key management personnel £000	Staff £000	Total £000
Share based payments	16	(4)	(3)	**9**	20	5	–	25
SAYE	1	(1)	33	**33**	6	–	11	17
	17	**(5)**	**30**	**42**	26	5	11	42

Further information about share based payments is provided in note 24.

27. Commitments

(a) Capital expenditure commitments

At 31 March 2019 and 31 March 2018 the Group had no capital commitments.

(b) Operating lease commitments

At 31 March 2019 and 31 March 2018 the Group had the following aggregate minimum lease payments under non-cancellable operating lease agreements:

	Group		Company	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Land and buildings				
Within one year	**1,249**	1,036	**69**	32
Later than one year and less than five years	**2,025**	1,730	**279**	–
After five years	**1,890**	2,157	**18**	–
	5,164	4,923	**366**	32
Other assets				
Within one year	**70**	138	**2**	3
Later than one year and less than five years	**61**	140	**–**	2
After five years	**–**	–	**–**	–
	131	278	**2**	5

27. Commitments (continued)

(c) Finance lease agreements

At 31 March 2019 and 31 March 2018, the Group was committed to making the following payments under non-cancellable finance lease agreements:

	Group		Company	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Other assets				
Within one year	**6**	6	**–**	–
Later than one year and less than five years	**3**	8	**–**	–
	9	14	**–**	–

28. Related party transactions

Group

The Group has taken advantage of the exemption available under IAS 24, "Related Party Disclosures", not to disclose details of transactions between Group undertakings which are eliminated on consolidation.

Key management compensation is shown in note 26.

Company

Funds are transferred within the Group dependent on the operational needs of individual companies and the Directors do not consider it meaningful to set out the gross amounts of transfers between companies. In the period to 31 March 2018 an impairment charge of £3.3m was made against an amount owed to the Company by a subsidiary. No such impairment has been made in the year to 31 March 2019. Amounts owed to and from subsidiary undertakings are shown in notes 17 and 18.

During the period to 31 March 2018 the Company paid subcontractors fees of £83,000 for financial and marketing consultancy to Mataxis Ltd, of which Donald Baladasan is a director. No such expenditure has occurred in the year to 31 March 2019.

As at 31 March 2019 there were no loans to Directors (2018: £nil).

COMPANY INFORMATION

Registration Number

03870101 (England and Wales)

Directors

Bob Holt (Chairman)
Wendy Lawrence (CEO)
Lisa Barter (Finance Director)
Gloria Cooke (Clinical Quality Director)
Michael Steel (Executive Director) (appointed 20 June 2019)
Don Baladasan (NED) (resigned 8 March 2019)
Tony Bourne (NED)
Mike Rogers (NED)

Group Company Secretary

John Charlton

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