totally plc

Financial statements

For the year ended 31 December 2015

totally plc

Totally PLC is listed on London's Alternative Investment Market (ticker "TLY").

Totally PLC is addressing some of the biggest challenges our country faces in terms of healthcare and the growing demands facing our NHS.

As the population of the UK increases, with people living longer as well as the growth in the number of people living with a Long Term Condition, the demand for high quality, accessible health care services increases. The UK market for NHS outsourced services of this kind is £20 billion.

It is our aim to become the leading provider of out of hospital care.

Website: www.totallyplc.com
Twitter: @totallyplc

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PERFORMANCE OVERVIEW

Totally Plc

- Major changes at Board level with the appointment of Bob Holt as Chairman and the subsequent appointment of Tony Bourne and Mike Rogers as Non Executive Directors
- Undertaken a complete strategic review and refocus of the company
- Secured new investment into the Company from major institutional investors to support the implementation of our strategy
- Completed our first two acquisitions – Premier Physical Healthcare and About Health

Totally Health

- Continued delivery of excellent results across all NHS contracts impacting positively on the lives of people we have worked with and saving the NHS money across all sectors of unplanned care
- Launched first service in partnership with the British Lung Foundation supporting people in Somerset following their discharge from hospital
- Continued with the investment and development of our direct-to-consumer programme – My Clinical Coach which was launched as a pilot in March 2016 and full launch is targeted for late June 2016
- Agreed a major partnership deal with HealthWise USA to support our B2B and B2C services

Our aim is to become the leading provider of out of hospital and Clinical Health Coaching Services in the UK. These are services that support people to manage their own health better to avoid reliance on urgent GP and hospital services and to support the NHS to meet its targets by providing the highest quality out of hospital care.

Totally Health provides an innovative model of medically driven, and personalised Clinical Health Coaching to help support patients with long term health conditions, improve outcomes and reduce healthcare costs. The service delivers sustainable behavioural changes enabling patients to be educated and confident to self-manage their conditions. This in turn aids long term behavioural change and reduces healthcare reliance, re-admissions and emergency admissions. Totally Health provides the leading Clinical Health Coaching service in England to NHS patients via a number of programmes commissioned by CCGs, using a model that is proven to complement and support existing health care pathways.

My Clinical Coach is a new direct-to-consumer health-coaching service for people with long-term health conditions. Individuals or their families can choose to subscribe to the service, which is a personal, professional, clinically focused and patient-centered service, tailored for each individual. The service was launched in early 2016.

Premier Physical Healthcare provides a comprehensive range of treatments and advice for musculoskeletal injuries and conditions, delivering physiotherapy and podiatry to NHS patients. Premier also undertakes contracts with various police forces and prisons; as well as providing occupational health and ergonomic services to corporate clients, such as display screen equipment assessments; post-injury returns to work suitability assessments; podiatry treatment; and sports massage services. The business also has an expanding network of clinics located in health and fitness centres.

About Health provides high quality community based health services under contract to the NHS, and is a leader in the provision of dermatology and referral management services. Established in 2008, About Health has an excellent track record of service delivery covering a population of almost 3 million people from Lancaster to Poole to Bournemouth. Its reputation for quality has been recognised and it has been shortlisted for three consecutive years as primary/community care provider of the year at the Health Investor Awards.

CHAIRMAN'S STATEMENT

Bob Holt
Chairman

I am pleased to announce results for the year to 31 December 2015 which showed an operating loss of £0.36 million (2014: loss £0.44 million) and turnover from continuing operations of £0.58 million (2014: £0.61 million).

I was appointed in September 2015 to implement a new strategy for the Group. Outsourced services from the NHS is a £20 billion market per year and we intend to build a Group to provide a wide range of out of hospital services. We have a clear buy and build strategy which is in its infancy. These results represent the period prior to the implementation of that strategy.

I am pleased to report that today the Group has acquired About Health Limited, a leading provider of dermatology and referral management services to the NHS.

The Group completed its first acquisition in April 2016 of Premier Physical Healthcare Limited a provider of treatments and advice for musculoskeletal injuries and conditions. I am delighted with the progress of Premier since acquisition. In late April, we announced its success in winning nine new prison service contracts with Care UK, covering 21 locations around the UK.

The existing business of clinical coaching to the NHS is working alongside the acquired businesses to provide a holistic approach to individuals with long term conditions identified by the NHS as being most critical.

At the time of my appointment, the Group announced that its plans to expand the clinical coaching business to provide those services to the consumer directly by way of a subscription based service. The investment in this business is significant and followed research which highlighted a significant need and therefore commercial opportunity. The business is now up and running. I look forward in my future statements to reporting the level of business gained.

All four business units are now supported by a strengthened central corporate team ensuring the operating businesses are given every opportunity to build their businesses.

Shareholders have invested to provide the resources for the strategy to be implemented and I am pleased with our progress to date. The opportunity is vast and my senior colleagues and I are committed to delivering the strategy in the future.

I would like to thank all employees and stakeholders for their commitment and I look forward to bringing you news of further developments soon.

Bob Holt
Chairman
bob.holt@totallyplc.com

CEO's STATEMENT

Wendy Lawrence
CEO

2015 was an eventful year for Totally PLC with the appointment of our new chairman, Bob Holt, along with two new Non-Executive Directors who, between them, have a vast knowledge of the healthcare sector, as well as building their own successful companies. We have also seen significant investment which allows us to implement our strategy. Since their appointment, the Board have focused on building a strong corporate team of people, preparing for the launch of our direct-to-consumer Clinical Health Coaching business – My Clinical Coach and embarking on our 'buy and build' strategy – all of this in addition to continually developing the services provided by Totally Health to the healthcare market and private business sectors.

It is well-documented that people with long term health conditions use a significant proportion of health care services (50% of all GP appointments, 70% of days spent in hospital beds and 70% of hospital and primary care budgets in England). The considerable and increasing impact of long term conditions on morbidity, mortality, quality of life and healthcare costs are significant. In addition, healthcare providers have the difficult task of trying to manage chronic disease care in complex service systems that are poorly designed to motivate, equip and empower patients to make behavioural change. Totally Health is an award winning organisation specialising in clinical health coaching – a highly effectively model of care delivered by experienced clinicians designed to empower patients to proactively manage their diagnosed conditions. The service effectively reduces healthcare reliance, re-admissions and emergency admissions.

Since we launched our Clinical Health Coaching services to the NHS back in December 2012 we have delivered:

- Over 35,000 coaching sessions
- 59% average reduction in GP Appointments (most achieved in a CCG was 70%)
- 48% average reduction in Community Matron appointments (most achieved in a CCG was 57%)
- 72% average reduction in Out of Hours (most achieved in a CCG was 89%)
- 72% average reduction in Unplanned Admissions (most achieved in a CCG was 75%)
- 50% reduction in MSK referrals for secondary care management

The next step for Totally Health is the full launch of My Clinical Coach, a direct-to-consumer service, in June 2016.

Premier Physical Healthcare Limited became part of the Totally PLC group in March 2016, the first acquisition as part of our newly focused strategy. Premier has a great leadership team who bring new dimensions to the Group and many opportunities for our future expansion. Increased levels of hip or knee replacements associated with an aging population should position physiotherapy as a key service for patient recovery and effective discharge from hospitals. Given the mobility constraints that accompany these procedures, it is likely that such services will need to be provided close to a patient's home, which is in line with the strategy of providing care in smaller NHS premises, or otherwise via community-based care.

According to the Nuffield Trust, in 2012/2013, NHS spending in England on musculoskeletal system disorders was among the largest five programme budgeting disease categories, with the NHS in England spending £105 per head of population per annum on musculoskeletal system disorders.

There is an increasing demand from the NHS for physiotherapy services which is linked to long term conditions, such as diabetes and heart disease, both of which are already supported by care models provided by Totally Health.

We have recently completed our second acquisition of About Health which is a leading provider of community dermatology services across the UK.

We are excited about the prospects provided by both acquisitions and will ensure that we continue to implement our buy and build strategy, identifying high quality organisations with great reputations for delivering the highest quality services, whilst also integrating them into the Group to improve efficiency and develop new business models and opportunities whenever possible.

The Board at Totally are committed to our future strategy which will be delivered via organic growth and acquisitions. The opportunities are significant.

I would like to thank everyone for their support to date, our people are dedicated to providing the best possible services to the people we work with and as we grow we will ensure we continue to invest wisely.

Wendy Lawrence
CEO
wendy.lawrence@totallyplc.com

FUTURE GROWTH

The demands on the NHS increase year-on-year as people live longer and the number of people living in the UK increases. Over 70% of people living in the UK today are already diagnosed with at least one Long Term Condition such as Diabetes, Asthma and COPD and many of them suffer from on-going Musculo-Skeletal conditions and will undergo surgery. Many will be diagnosed with new conditions including cancers, which are on the increase due to our lifestyle options. The impact of these conditions can be enormous, for both patients and the health care system.

At Totally, we believe we have a key role in ensuring that people receive the best treatment possible, as quickly as possible and as close to home as possible. We will do this by extending our current services across the UK and expanding the range of services to address the increasing demand.

We work very closely with the NHS and it is our continued ambition to ensure that Totally are recognised as partners, to assist them to improve lives and to enable the NHS to meet its targets for quality, waiting times and of course financial performance.

We appreciate that the tasks ahead are challenging but we are excited about the prospects and opportunities that these present. The people who work across Totally are all committed to ensuring that we continue to deliver the very best services possible. We ensure our staff are supported to grow as individuals and teams; and that we continually increase shareholder value.

OUR PEOPLE

A major factor behind Totally's success is our commitment to the training and development of our staff. We recognise our staff as our greatest asset and that is why our employees are skilled in both delivering an excellent service whilst showing a strong customer service ethos and an empathy for the people we support.

Without the commitment of everyone within Totally, we couldn't deliver the quality of services that are needed to make that real difference to people's lives.

A significant number of our staff work every day with patients across the UK, and it is testament to their skill, care and professionalism that the businesses receive numerous compliments and positive testimonials from happy and well-cared for patients and clients.

Recent patient testimonials included:

"The benefit of coaching for me was knowing that there was somebody that I could talk to about things I couldn't talk to anybody else about. Without the help and support I've had I probably wouldn't be as well as I'm doing now. I feel now I'm very positive and they have enhanced that." COPD patient

"What I really like is having one person that I can contact to discuss my condition. I don't currently have a central point or person that I can call to discuss anything with… it's very good." Diabetes patient

"It's like having an expert friend that you can talk to". COPD patient

And our staff enjoy getting such positive feedback:

"When you talk to a patient over a number of months and then they tell you that they have quit smoking or that they feel 'better than they have done in years' and that you have been a part of that is the most satisfying part of the job". Totally Health Clinical Coach

Robert (Bob) Holt OBE, Chairman, aged 61

Bob Holt has a background in developing support service businesses in the service sector since 1981, initially in a financial capacity then moving into general management. In 1996 Bob bought a controlling interest in Mears Group PLC ("Mears"), the support services group focused on social housing and domiciliary care services. Bob was instrumental in Mears' growth and oversaw the Company's flotation on AIM and subsequent listing on the Main Market of the London Stock Exchange. Bob is Chairman of Mears. He is also Non-Executive Chairman of energy procurement consultant Inspired Energy plc, Non-Executive Chairman of independent logistics and parcel distribution company DX (Group) plc and a director of a number of other businesses, including Seneca Partners Limited, an independent investment management and corporate advisory business for high net worth individuals and small and medium-sized enterprises.

Bob has been Chairman of Totally since September 2015.

Wendy Jayne Lawrence, Chief Executive Officer, aged 54

Wendy Lawrence has worked with the NHS for over 20 years, with the last 12 years being director level posts. She has a wealth of experience having previously worked for BUPA Health Dialog, leading the Client Delivery Team on a range of projects, from complex Framework for External Support for Commissioners deliveries through to individual Primary Care Trust specific contracts across the UK. Previously, Wendy ran her own company, working closely with numerous NHS and social care organisations across England, Wales and Scotland supporting delivery of many complex change agendas.

During Wendy's NHS career she was Chief Executive of three large Primary Care Trusts. 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.

Wendy has been Chief Executive Officer of Totally since May 2013.

Donald (Don) Ahelan Baladasan, Finance Director, aged 42

Don Baladasan is a Chartered Management Accountant with over 18 years of international experience including finance function formation, mergers and acquisitions, raising debt and equity for private and public companies and delivering on operational plans. Having been trained at the Financial Times, Don went on to found Mataxis Ltd, a consultancy that provides outsourced FD services to SMEs and start-ups. Mataxis works with a wide range of clients covering many different sectors which include fund management, property, technology, healthcare and telecoms. He has extensive experience of working within companies with venture capital, private equity and family office funding.

Prior to founding Mataxis, Don was Head of Accounting Development at Stemcor, at the time the UK's third largest private company and the world's largest independent steel trader with a turnover of £6bn. His main responsibility was evaluating the next generation finance system and executing and integrating a global "buy and build" strategy from a finance strategy perspective. Don has also worked as a regional Financial Controller for BUPA Hospitals and Financial Controller of FTMarketwatch.com.

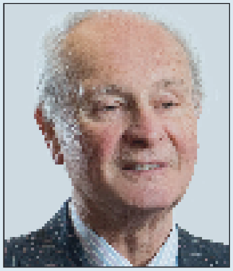
Don has been Chief Finance Officer of Totally since November 2012.

Anthony (Tony) Rhys Bourne, Non-Executive Director, aged 62

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. Tony is also Chairman of Chelsea and Westminster Health Charity, one of the largest NHS charities. He was previously Chief Executive of the British Medical Association from the beginning of 2005 until late 2013.

Tony was in investment banking for over 25 years including as a partner at Hawkpoint and as global head of the equities division and a member of the managing board of Paribas. Tony has also previously served as a non-executive director of Southern Housing Group from 2004 to 2013 and Scope, which focuses on cerebral palsy and is one of the UK's largest charities.

Tony has been a non-executive director of Totally since October 2015.



Michael (Mike) Greig Rogers, Non-Executive Director, aged 73

Mike Rogers has over 30 years' experience in healthcare-services and care-services provision. He is currently a non-executive director of Mears Group PLC, the support services group focused on social housing and domiciliary care services which is listed on the main market of the London Stock Exchange. Mike is also a health and social care adviser to Morgan Stanley Private Equity and a member of the investment advisory board of private equity provider Bestport Ventures LLP.

In 1976, Mike 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. Mike remained there 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 Mike joined the Mears board.

Mike has been a non-executive director of Totally since December 2015.

SENIOR LEADERS WITHIN THE TOTALLY GROUP

Emma Jane Roberts, Chief Operating Officer of Totally Health & Managing Director, My Clinical Coach

Emma Jane brings over 20 years' experience in successfully delivering strategic and operational management and consultancy services across all areas of the healthcare sector. Since January 2012, Emma Jane has worked with Leicester City CCG, which plans and manages most healthcare services for people living in Leicester and is an existing client of Totally Health. Her roles at Leicester City CCG have varied from Head of Implementation to Deputy Director of Strategy and Implementation, where she has a consistent track record of delivering a complex range of primary, community, urgent and planned care. She also delivered transformational service developments which have been recognised nationally and won several awards. In addition to this, Emma Jane had past successes in leading complex change management programmes and, prior to Leicester City CCG, was Managing Director at AR Associate UK Ltd.

Emma Jane has an MSc in Health Care Management from the University of Birmingham and a BSc. (Hons.) in Industrial Management from Nottingham Trent University as well as several other qualifications including a Post Graduate Diploma in Health Care Management.

Emma Jane has been Chief Operating Officer of Totally Health since November 2015.

Wayne Llewellyn CEO of Premier Physical Healthcare

Wayne entered the private physiotherapy market after qualifying in 1989 with a second degree in Physiotherapy following the completion of an earlier Sport Science degree at Brighton Polytechnic in 1984. He studied Physiotherapy at Guys Hospital Medical School.

Following a short spell of private practice in 1991, he moved back to work in fitness centre based clinics both privately and in the corporate sector. Over the next seven years he developed his knowledge and skills of clinical physiotherapy and corporate healthcare and founded Premier with Raphael Leal in 1997. Wayne's understanding of the Health and Fitness industry within business has helped develop a team of physiotherapists for the NHS, private practice and occupational health over the past 17 years.

Wayne has been a director of Premier since 1997.

Richard Benson CEO of About Health

Richard had a 15-year career in the NHS, more than half of which was at Board level. His key portfolios were in the areas of commissioning and service redesign. In developing his experience in this field Richard has been involved in the Institute for Healthcare Improvement initiatives in the UK and organised and led a study tour to Sweden to review service improvement projects in the Swedish Health Service.

Richard's work on establishing new and improved care pathways has been recognized by two national awards and an appointment as an Associate of the NHS Modernisation Agency, the forerunner to the NHS Institute for Innovation and Improvement.

Since leaving the NHS, Richard's role has involved consultancy with NHS and private sector health organisations and leadership roles in a number of new start up commissioning and clinician led provider organisations. Richard joined About Health in 2008. As About Health's Operations Director, Richard's key responsibilities were to secure NHS contracts through successful tendering and to set up and run the portfolio of clinical services offered by About Health and its partners.

On completion of the acquisition in June 2016, Richard became the CEO of About Health.

As an AIM quoted company, Totally PLC is not required to comply with the Corporate Governance Code of June 2010 (the Code) or the updated 2012 Code, however we are committed to implementing and upholding the highest standards of corporate governance. The Board is accountable to the Company's shareholders for good corporate governance. This statement describes how the principles of corporate governance considered by the Board to be appropriate to a group of this size have been applied.

The workings of the Board and its committees

During the year the Board comprised Dr Michael Sinclair (Non-executive Chairman, resigned 15 September 2015), Mrs Wendy Lawrence, Mr Andrew Margolis (Chief Operating Officer resigned 28 September 2015), Mr Donald Baladasan, Mr Jack Clipsham (Non-executive director, resigned 25 September 2015), Mr Robert Holt (Chairman, appointed 15 September 2015), Mr Anthony Bourne (Non-executive director, appointed 5 October 2015) and Mr Michael Rogers (Non-executive director, appointed 7 December 2015). The Board is responsible to shareholders for the proper management of the Group. A statement of the Directors' responsibilities in respect of the accounts is set out on page 16.

The Board has a formal schedule of matters specifically reserved to it for decision. It meets at least ten times a year, reviewing trading performance, ensuring adequate funding, setting and monitoring strategy, examining acquisition opportunities, overseeing the system of risk management and reporting to shareholders. The non-executive Chairman has a particular responsibility to ensure that the strategies proposed by the executive directors are fully considered and also ensures that the directors take independent professional advice as required. The majority of directors attended all of the Board meetings.

Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board, within agreed terms of reference, on the Company's framework of executive remuneration and its cost. The Committee determines the contract terms, remuneration and other benefits for each of the executive directors, including performance-related bonus schemes, grant of share options, pension rights and compensation payments. The Board itself determines the remuneration of the non-executive directors and Company Secretary.

The remuneration committee meets as and when necessary to review the salaries of Board directors and any senior staff over £70,000.

Members of the remuneration committee are Anthony Bourne, who acts as chairman of the committee, and Robert Holt.

Audit Committee

The Audit Committee provides a forum for reporting by the Group's external auditors. The Committee is responsible for reviewing a wide range of matters, including half year and annual results before their submission to the Board and for monitoring the internal controls that are in force to safeguard shareholders' investment and the Group's assets.

The Committee advises the Board on the appointment of external auditors and on their remuneration for both audit and non-audit work, and reviews the nature, scope, results and cost effectiveness of the audit and the independence and objectivity of the external auditors.

The audit committee meets not less than four times in a financial year. Members of the audit committee are Michael Rogers, who acts as chairman of the committee, and Robert Holt.

Nominations Committee

The Company has established a nomination committee. The nomination committee meets not less than once a year to: (i) identify individuals qualified to become Board members and select the director nominees for election at general meetings of the shareholders or for appointment to fill vacancies; (ii) determine director nominees for each committee of the Board; and (iii) consider the appropriate composition of the Board and its committees. In addition, each Director's performance will be reviewed annually by the chairman of the Nominations Committee and the chairmanship of the Nominations Committee will be assessed by the remaining directors. Members of the Nominations committee are Don Baladasan, who will acts as chairman of the committee, and Robert Holt.

Internal control and risk management

The Board is responsible for establishing and maintaining the Group's financial and non-financial controls. Internal control systems are designed to meet the particular needs of the Group and the risks to which it is exposed and by their nature can provide reasonable but not absolute assurance against material misstatement or loss.

Each executive director has responsibility for specific aspects of the Group's affairs. The executive directors constitute the management committee which meets regularly to discuss day-to-day operational matters.

The key procedures which the Directors have established with a view to providing effective internal control are set out below.

Corporate accounting and procedures

Responsibility levels are communicated throughout the Group, setting out the ethos of the Group, delegation of authority and authorisation levels, segregation of duties and other control procedures together with accounting policies and procedures.

Quality and integrity of personnel

The competence and integrity of personnel are ensured through high recruitment standards and subsequent training. High quality of personnel is seen as an essential part of the control environment.

Identification of business risks

The Board is responsible for identifying the major business risks faced by the Group and for determining the appropriate course of action to manage those risks.

Budgetary process

Each year the Board approves the annual budget and key risk areas are identified. Performance is monitored and relevant action taken throughout the year through the monthly reporting to the Board of variances from budget, updated forecasts for the year and information on the key risk areas.

Investment appraisal

Capital expenditure is regulated by the budgetary process and authorisation levels.

Going concern

The Directors have prepared the financial statements on a going concern basis, as explained in Note 3 to the financial statements.

Directors' remuneration

The Board is responsible for an overall remuneration package for executive directors and other senior executives capable of achieving the Group's objectives and approved by the remuneration committee. Remuneration packages are designed to attract, retain and motivate directors of the right calibre.

Fees

The fees for non-executive directors are determined by the Board within the limits stipulated in the Articles of Association. The non-executive directors are not involved in any discussions or decisions about their own remuneration. Details of amounts received by the Directors during the year ended 31 December 2015 are set out in note 7 to the financial statements.

Contracts of service

The current executive directors, Wendy Lawrence and Donald Baladasan, have service contracts with the Company which can be terminated with a notice period of six months by either party. The Board considers that this is appropriate.

Share options

Details regarding share options are set out in notes 17 and 18 to the financial statements.

Communications with shareholders

The Directors consider that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

The Directors present their report and the financial statements for the year to 31 December 2015.

Don Baladasan
CFO

Principal activities

- The Group's principal activities are the provision of out of hospital care. In 2015 this was primarily done through Totally Health Limited.
- Totally Health Limited provides bespoke healthcare solutions for the management of long term conditions. Solutions offered include clinical health coaching, innovative software solutions and supporting shared decision making.
- During 2015 Totally Health continued its business development based on its core suite of products of patient decision aids (Web, Mobile & Print), SDM programme and Clinical Health Coaching. Patient decision aids are evidence-based, clinically relevant resources to supplement clinical consultations; supported by Health Coaching they help patients make informed decisions about their treatment options. Totally Health has a clinical health coaching team which has a pivotal role in managing long term conditions. Our health coaches educate and encourage patients to take an active role in their own health, building confidence and skills to become better informed about their condition.
- During 2015 Totally Health continued developing different routes to market for its core products. These routes being the NHS, Private Medical Insurance, Third Sector including charities, Pharma companies and Direct to Consumer. In addition to these routes The Group is looking at strategic alliances and acquisitions which will complement current offerings within the Group.
    - In 2015 Totally Health established a strategic partnership with British Lung Foundation to provide services to the NHS in Somerset which started in April 2016.
    - In September 2015 new capital was raised to accelerate the Direct to Consumer offering through the wholly owned subsidiary My Clinical Coach. Through the final quarter of 2015 extensive development was done on the direct to consumer offering.
    - In addition to the current business development the Group continued developing its acquisition strategy by establishing key relationships with potential acquisitions. This resulted in Heads of Terms being signed with Premier Physical Healthcare in December 2015. The acquisition was completed on 1 April 2016.

Business review and future developments

The review of the year's operations, trading outlook and future developments is contained in the statements from Chairman & CEO and future growth on pages 3 to 5 respectively.

Results and dividends

The results for the year are set out on page 18. No interim dividend has been paid and the Directors do not recommend a final dividend.

Share capital

Details of the changes in the share capital are set out in note 17 to the financial statements.

Financial summary

Group turnover from continuing operations in the year to 31 December 2015 was £0.58 million (2014: £0.61 million).

Group EBITDA from continuing operations for the period was £(0.36) million (2014: £(0.43) million).

Group operating loss from continuing operations for the period was £0.36 million (2014: loss of £0.44 million).

Cash flow and net debt

The Group cash flow statement is set out on page 22. Highlights include cash improvement in the Group's net funds position at 31 December 2015 to £359,000 in hand from £190,000 at 31 December 2014.

Liquidity and funding

The Group maintains liquidity through the careful management of the working capital cycle generated through normal business activities.

Financial position

Overall the net liabilities position of the Group has decreased by £631,000 during the year to a position of £492,000 at 31 December 2015.

Employee matters

Quality and integrity of personnel

The Group has a core of key employees with strong market and product knowledge. It has always sought to position itself as not reliant on individuals by ensuring that the knowledge and responsibilities are shared. Our business still depends, however, on the quality of our staff and this involves risks of retention and of being able to recruit at our current high standards. We mitigate this risk by seeking to provide the environment and assistance that will aid the development of our employees and improve the retention prospects, which we also seek to do through employee benefits, incentive schemes, share plans and career opportunities where possible.

Disabled persons

The Group is committed to equal opportunity of employment and all employment decisions are based on merit, qualifications and abilities. The Group is committed to providing a working environment that is free from all forms of discrimination and harassment. The Group will employ disabled persons where they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. The number of disabled persons employed by the Group was Nil (2014: Nil).

Health and safety

It is the objective of the Group to ensure the health and safety of its employees and of any other persons who could be affected by its operations. It is the Group's policy to provide working environments which are safe and without risk to health and to provide information, instruction, training and supervision to ensure the health and safety of its employees.

As a minimum, all Group companies are required to comply with all applicable local legislation in employment matters.

Environmental matters

The Group is committed to supporting best practice and complying with all relevant legislation in relation to the production of its products and to environmental issues. The Group is in regular dialogue with suppliers in relation to new products and processes, and environmental issues are considered in the decision-making process.

Directors

Mr Robert Holt (Non-executive chairman, appointed 15 September 2015)

Mrs Wendy Lawrence (Executive Director)

Mr Donald Baladasan (Executive Director)

Mr Anthony Bourne (Non-executive director, appointed 5 October 2015)

Mr Michael Rogers (Non-executive director, appointed 7 December 2015)

Dr Michael Sinclair (Non-executive Chairman, resigned 15 September 2015)

Mr Andrew Margolis (Executive Director, resigned 28 September 2015)

Mr Jack Clipsham (Non-executive director, resigned 25 September 2015)

Dr Steve Laitner (Non-executive director, appointed 8 January 2015, resigned 6 November 2015)

Directors and their interests

The interests of the Directors who held office at the year end in the share capital of the Company were as follows:

	Warrants to subscribe for Ordinary shares of 10p each held 31 December 2015	**Ordinary shares of 10p each held 31 December 2015**	Warrants to subscribe for Ordinary shares of 0.1p each held 31 December 2014	Ordinary shares of 0.1p each held 31 December 2014
Wendy Lawrence	8,333	16,666	833,334	1,666,668
Donald Baladasan	–	67,780	–	6,778,000
Robert Holt	–	600,000	–	–

	Number of options				
	At start of year	Granted/ (surrendered)	At end of year	Exercise price Pence	Date from which Exercisable
Wendy Lawrence	–	250,000	250,000	44p	11/11/2018

According to the Register of Directors' interests, no rights to subscribe for shares in or debentures of the Company or any other Group company were granted to any other Directors or their immediate families, or exercised by them, during the financial year.

Substantial interests

The Company has been notified, as at 20 May 2016, of the following interests in 3 per cent or more of the 19,994,953 ordinary shares in issue:

	Ordinary shares	Percentage
The Bank of New York (Nominees) Limited	6,667,200	33.34
Chase Nominees Limited	3,028,726	15.15
Share Nominees Ltd	2,804,074	14.02
Jim Nominees Limited	1,502,768	7.52
Robert Holt	800,000	4.00
Platform Securities Nominees Limited	744,127	3.72

Creditor payment policy

It is the Company's policy to abide by terms of payment agreed with suppliers. In many cases the terms of payment are as stated in the supplier's own literature. In other cases the terms of payment are determined by specific written or oral agreement. The number of supplier days represented by trade creditors at 31 December 2015 was 38 days (2014: 62 days).

Financial instruments

As at 31 December 2015 the Group has no bank borrowing.

Principal risks and uncertainties

The Board sets out below the principal risks and uncertainties that the Directors consider could impact the business. The Board continually reviews the potential risks facing the Group and the controls in place to mitigate any potential adverse impacts. The Board also recognises that the nature and scope of risks can change and that there may be other risks to which the Group is exposed and so the list is not intended to be exhaustive.

Potential change in government policy

A key driver of the Enlarged Group's business is the level of UK Government spending relating to the delivery of healthcare services. In light of pronouncements from the current UK Government focusing on reducing the public sector budgetary deficit, the rate of growth in expenditure on healthcare may reduce significantly.

However, the Directors believe the Enlarged Group is well placed to benefit from targeted healthcare spend due to the potential for the NHS to generate efficiency savings through the use of its services. The Board continue to keep abreast of current thinking on policy issues relating to the Group's services.

The Directors are further mitigating this risk by diversifying the services offered by the Group and by looking to provide services to other sectors such Corporate, Private Medical Insurers and other Non NHS Public sector providers such as the Police and prison services.

Execution of Buy and Build Strategy

The Group's strategy involves expanding its business through acquisitions of other businesses and establishing new businesses. Acquisitions are made following extensive relevant due diligence by the Board and its professional advisors. Acquisitions will also require the integration of new operations into the Group's business to realise the expected benefits. The Group has mitigated this by the appointment of an experience Board and senior management team who have experience of executing buy and build strategies.

Success of new services and products

The Group expects much of its growth to come from the expansion of existing business into new areas such as Totally's new direct-to-consumer services.

To mitigate the risk of below expectation growth, the Board and the senior management team undertake extensive market research and intelligence before expanding into new areas. This analysis includes pricing and costing models based on estimated demand from available statistics, studies of disease area and likely pay model and uptake.

Potential failure to win new tenders

Totally and Premier currently have a number of tenders in progress for new business across various NHS and other public sector departments and councils. The ability to win new contracts with these organisations is material to the Enlarged Group's future growth.

To improve the chance of success of new tenders the Board has approved the expansion of the Bid and Tender team.

Information Technology Risk

It is Group policy to adopt technological development to best facilitate the delivery of the Group's services and administration. This reliance on technology brings risks that could affect delivery. To mitigate this the Group has a dedicated and experienced IT function which oversees Group IT resourcing and services. This includes the analysis of new and existing technology.

All new projects are scoped in detail including cost budgets and are closely project managed. In addition all supplier and partners are vetted and have defined service level agreements. This coordinated approach at group level mitigates risk from disparate systems and affords the Group better management of technological risk and costs.

Staff Recruitment and Retention

The Group has a detailed HR policy that sets out the recruitment procedure and protocols for recruitment of staff. All staffing levels required to deliver the Group's business plan are reviewed by senior management regularly with staff being recruited at the appropriate level and time.

Data Management and Protection

The Group has access to and manages a large amount of confidential and business critical data. To mitigate risk from data loss or misuse the Group has secure data storage and back -ups and has ISO27001 accreditation. The policies and procedures are regularly monitored in accordance with Group policy and accreditation. All Group companies are audited and brought into line with the accreditation.

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, estimated 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 and cash flow risk

Cash balances and the working capital cycle are managed so as to maximise interest earned and minimise interest paid, while maintaining the liquidity requirement 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 contractual cash flows through effective cash management. The Directors continually monitor the situation through the careful management of creditors and working capital

Research and development

As at 31 December 2015 the Group was engaged in research and development in design and developing the new infrastructure and service for the My Clinical Coach, the direct-to-consumer Clinical Health Coaching service.

Events after the reporting period

(a) On 15 March 2016 the Company announced an acquisition of the entire issued share capital of Premier Physical Healthcare Limited for a maximum consideration of £6.75 million, but subject to adjustment based on the financial performance of Premier over the next three years. Premier is a provider of physical healthcare services to both public and private patients.

(b) In March 2016 the Company raised gross proceeds of £6.2 million by way of a subscription of 10,000,000 New Ordinary Shares at a price of 62 pence per each share with new and existing investors.

(c) On 31 March 2016 the Company announced the completion of acquisition of the Premier Physical Healthcare Limited.

(d) On 31 March 2016 Totally Health launched the direct-to-customer clinical health coaching service "My Clinical Coach" supporting anyone diagnosed with a long-term condition.

(e) On 20 April 2016, Premier Physical Healthcare Limited, a wholly owned subsidiary of Totally PLC, secured nine additional prison contracts covering 21 locations around the UK. These contracts are for a minimum of five years, with a total value of £300,000 per annum.

(f) On 21 April 2016 Totally PLC and Healthwise announced a 3-year agreement that gives people of the United Kingdom immediate access to award-winning videos, interactive tools and decision aids to help them make better health decisions and health behaviour changes.

(g) On 15 June 2016 Totally PLC completed the acquisition of the entire issued share capital of About Health Limited. The maximum consideration of acquisition is £7.7 million, subject to adjustment based on the financial performance of About Health over the next three years. About Health is a provider of dermatology services to the NHS.

Political and charitable contributions

The Company made neither political contributions, nor donations to charities, during the year.

Disclosure of information to the auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board

Donald Baladasan
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual report, Strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 101 "Reduced Disclosure Framework". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 the group financial statements 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;
- state whether the company financial statements have been prepared in accordance with applicable UK accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the entity will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 Company and 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.

Donald Baladasan
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOTALLY PLC

We have audited the financial statements of Totally PLC for the year ended 31 December 2015, which comprise the Consolidated income statement, the Consolidated statement of changes in equity, the Consolidated statement of financial position, the Company statement of financial position, the Consolidated statement of cash flows and the related notes. 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 preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (UK GAAP) including FRS 101 Reduced Disclosure Framework applicable in the UK and Republic and Ireland.

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 and our engagement letter. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2015 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with UK GAAP; and
- the financial statements have been prepared in accordance with the provisions of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company's 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 of the information and explanations we require for our audit.

Martin Chatten (Senior Statutory Auditor)
for and on behalf of RPG Crouch Chapman LLP
Chartered Accountants
Statutory Auditor
62 Wilson Street, London EC2A 2BU
15 June 2016

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

Continuing operations	Note	2015 £000	2014 £000
Revenue	5	**577**	609
Cost of sales		**(184)**	(180)
Gross profit		**393**	429
Administrative expenses		**(752)**	(855)
Loss before interest, tax and depreciation		**(359)**	(426)
Depreciation	10	**(4)**	(11)
Operating loss	6	**(363)**	(437)
Share issue costs	7	**(49)**	–
Finance costs	9	**(1)**	(1)
Loss before taxation		**(413)**	(438)
Income tax	8	**–**	–
Loss for the year from continuing operations		**(413)**	(438)
Profit for the year from discontinued operations	21	**–**	96
Total comprehensive loss for the year net of tax attributable to the equity shareholders of the parent company		**(413)**	(342)

Earnings per share	Note	2015 Pence	After reorganisation of share capital 2014 Pence	Before reorganisation of share capital 2014 Pence
Basic and diluted				
Continuing operations	16	**(15)**	**(13)**	(0.13)
Discontinued operations	16	**–**	**3**	0.03
Total		**(15)**	**(10)**	(0.10)

In September 2015 the Company reorganised its share capital. Every 100 existing ordinary shares of 0.1 pence was consolidated into 1 new ordinary shares of 10 pence. As a result, EPS is calculated by adjusting basic earnings per ordinary shares from 0.1 pence to 10 pence.

The accompanying notes on pages 23 to 39 form part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital £000	Share premium account £000	Profit and loss account £000	Equity shareholders' deficit £000
At 1 January 2014	2,373	3,847	(6,439)	(219)
Total comprehensive loss for the year	–	–	(342)	(342)
Issue of share capital	80	300	–	380
Credit on issue of warrants	–	–	42	42
At 1 January 2015	2,453	4,147	(6,739)	(139)
Total comprehensive loss for the year	–	–	(413)	(413)
Issue of share capital	602	387	–	989
Credit on issue of warrants	–	–	55	55
At 31 December 2015	**3,055**	**4,534**	**(7,097)**	**492**

The balance of the share premium account may not legally be distributed under section 831 of the Companies Act 2006.

The Company statement of changes in equity can be found in note 19.

The accompanying notes on pages 23 to 39 form part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2015

	Note	2015 £000	2015 £000	2014 £000	2014 £000
Non current assets					
Intangible fixed assets		218		–	
Property, plant and equipment	10	6		6	
			224		6
Current assets					
Trade and other receivables	13	78		152	
Cash and cash equivalents		359		190	
			437		342
			661		348
Current liabilities					
Trade and other payables	14		(169)		(487)
Borrowings	15		–		–
			(169)		(487)
Net current assets/(liabilities)			268		(145)
Net assets/(liabilities)			492		(139)
Shareholders' equity					
Called up share capital	17		3,055		2,453
Share premium account	17		4,534		4,147
Retained earnings	17		(7,097)		(6,739)
Equity shareholders' funds/(deficit)			492		(139)

These financial statements were approved by the Board of Directors on 15 June 2016 and were signed on its behalf by:

Wendy Lawrence
Director

Donald Baladasan
Director

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

The accompanying notes on pages 23 to 39 form part of the financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2015

	Note	2015 £000	2015 £000	2014 £000	2014 £000
Non current assets					
Investments	11	–		–	
Property, plant and equipment		1		–	
			1		–
Current assets					
Trade and other receivables	13	1,067		691	
Cash and cash equivalents		336		158	
			1,403		849
Current liabilities					
Trade and other payables	14		(53)		(155)
Borrowings	15		–		–
Total current liabilities			(53)		(155)
Net assets			1,351		694
Shareholders' equity					
Called up share capital	19		3,055		2,453
Share premium account	19		4,534		4,147
Retained earnings	19		(6,238)		(5,906)
Equity shareholders' funds	19		1,351		694

These financial statements were approved by the Board of Directors on 15 June 2016 and were signed on its behalf by:

Wendy Lawrence
Director

Donald Baladasan
Director

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

The accompanying notes on pages 23 to 39 form part of the financial statements

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £000	2014 £000
Cash flows from operating activities			
Loss for the year		**(413)**	(342)
Adjustments for:			
– Options and warrants charge	(6)	**55**	42
– Amortisation and depreciation	10/11	**4**	11
– Profit on disposal of subsidiary		**–**	–
Movements in working capital:			
– Movement in trade and other receivables		**74**	(88)
– Movement in trade and other payables		**(318)**	15
Net cash flows from operating activities		**(598)**	(362)
Cash flow from investing activities			
Purchase of property, plant and equipment	10	**(4)**	(1)
Development of intangible assets		**(218)**	
Net cash flows from investing activities		**(222)**	(1)
Cash outflow before financing		**(820)**	(363)
Cash flow from financing activities			
Issue of share capital, net		**989**	380
Net cash flows from financing activities		**989**	380
Net increase in cash and cash equivalents		**169**	17
Cash and cash equivalents at beginning of year		**190**	173
Cash and cash equivalents at end of year	15	**359**	190

The accompanying notes on pages 23 to 39 form part of the financial statements.

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 Lighterman House, 26-36 Wharfdale Road, London N1 9RY. The Company's Ordinary Shares are traded on the AIM market of the London Stock Exchange ("AIM").

The Group's principal activities have been the provision of innovative solutions to the healthcare sector, provided by the subsidiary Totally Health. The Company's principal activity is to act as a holding company for its subsidiary.

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

The financial statements for the period ended 31 December 2015 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 Don Baladasan on 15 June 2016.

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 Totally PLC 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. This is the first time that the Company has prepared its financial statements in accordance with FRS 101. The Company's financial statements are presented in Sterling.

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these 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 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 £387,000 for the year ended 31 December 2015 (2014: loss £260,000).

3. Basis of preparation

The financial year represents the 365 days to 31 December 2015, and the prior financial year, 365 days to 31 December 2014. The consolidated 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 accounting policies set out in note 4 have been applied consistently to all periods presented in these financial statements.

The financial statements are prepared on a going concern basis which the Directors believe to be appropriate for the following reasons.

As part of the fund raising process for the acquisition of Premier Physical Healthcare Limited, the Directors prepared trading and working capital forecasts for the enlarged group which they believe to be realistic and achievable. These forecasts were updated in June 2016 to take into account the proposed acquisition of About Health Limited.

The Directors believe that the updated trading and working capital forecasts are realistic and that revenues from future contracts and the My Clinical Coach B2C business stream will be achieved, and accordingly, the financial statements have been prepared on a going concern basis.

4. Summary of significant accounting policies

Basis of consolidation

The Group's financial statements include the results of the Company and its subsidiary, all of which are prepared up to the same date as the parent company. Uniform accounting policies are adopted by all companies in the Group.

Subsidiaries

Subsidiaries are all entities over which the Group has the ability to exercise control and are accounted for as subsidiaries. The results of subsidiaries are included in the Group income statement from the date of acquisition until the date that such control ceases. Intercompany transactions and balances between Group companies are eliminated upon consolidation.

Revenue recognition – innovative solutions for healthcare

Turnover is generated by providing clinical health coaching, supporting shared decision making services and software solutions to the healthcare sector. The revenue is generated through services that are provided on short term and long term contracts.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the income statement turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

Finance costs

Finance costs comprise interest payable on bank overdrafts and bank charges and are recognised on an accruals basis.

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:

Computer equipment	–	2 and 5 years
Fixtures and fittings	–	2 and 3 years
Short leasehold property	–	lease term

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.

Intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Development expenditure is capitalised only if all of the following conditions are met:

- development costs can be measured reliably;
- the project is technically and commercially feasible;
- future economic benefits are probable; and
- the Group has sufficient resources available to complete development and use the asset.

The expenditure capitalised includes only (i) the cost of gross direct labour that is directly attributable to preparing the asset for its intended use or (ii) third party costs incurred directly on the development activities above. The Company estimates the proportion of salaries cost that is directly attributable in respect of development costs.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. Other research and development expenditure not meeting the above criteria is recognised in the income statement as incurred.

Impairment of non current assets

At each balance sheet date, the Group reviews amounts of its intangible fixed assets and property, plant and equipment to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset, which is the higher of its fair value less costs to sell and its value in use, is estimated in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. For non current assets excluding goodwill, the CGU is deemed to be cash generating asset or the trading company whichever is the smaller CGU. For goodwill, the CGU is deemed to be the business acquired.

An impairment charge is recognised in the income statement in the period in which it occurs. Where an impairment loss subsequently reverses due to a change in its original estimate, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods.

4. Summary of significant accounting policies continued

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 and recoverable amount. Provision is made when it is likely that the balance will not be recovered in full. Balances are written off when the probability of recovery is considered remote.

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. Bank overdrafts that are repayable on demand and form an integral part of cash management are included as components of cash and cash equivalents for the purposes of the cash flow statement.

Trade and other payables

Trade and other payables are recognised at original cost.

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 year 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 Group 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.

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.

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 year 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 year 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, effects 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.

Use of assumptions and estimates

The Group makes judgements, estimates and assumptions that effect 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 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 effects only that period, or in the period of revision and future periods if the revision effects both current and future periods.

4. Summary of significant accounting policies continued

The estimates and assumptions that have a significant effect on the amounts recognised in the financial statements are those related to establishing depreciation and amortisation periods and the estimates in relation to future cash flows and discount rates utilised in the impairment testing of intangible and tangible fixed assets.

The Group has estimated the proportion of salaries directly attributable to development costs, which were capitalised during the year 2015.

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.

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 and jointly controlled entities where the Group 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

Where share options are awarded to employees, the fair value of the option at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting

conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where share options are cancelled, their remaining unamortised fair value is fully written off through the Statement of Comprehensive Income.

Change in accounting policies

A number of new standards and interpretations have become effective for the first time for the financial year beginning 1 January 2015, albeit with no significant impact on accounting policies or disclosure.

No new standards or interpretations have been adopted early in these financial statements. The following new standards, amendments to standards and interpretations will be mandatory for the first time in future financial years.

- IFRS 9 Financial Instruments (IASB effective date 1 January 2018)
- IFRS 14 Regulatory Deferral Accounts (effective 1 January 2016)
- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2018)
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (IASB effective date 1 January 2016)
- Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38 (IASB effective date 1 January 2016)
- Annual Improvements to IFRSs 2012-2014 Cycle (effective 1 January 2016)
- Amendments to IAS 16 and IAS 41: Bearer Plants (effective 1 January 2016)
- Amendments to IAS 27: Equity Method in Separate Financial Statements (effective 1 January 2016)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (effective 1 January 2016)

The revised standards will be adopted when effective in the Group's consolidated financial statements, although are not expected to have a significant impact on the Group.

5. Segmental analysis – operating segments

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.

The chief operating decision maker ("CODM") for the purpose of IFRS 8 is the executive management team. For the purpose of resource allocation and assessment of performance, the CODM regularly reviews information based on the goods and services at a revenue and EBITDA level.

The Group considers innovative solutions to the healthcare sector and the head office costs to be the only two reportable operating segments.

Innovative solutions to the healthcare sector represents Totally Health's activities.

Head office costs – these are central costs that are offset by internal cost recoveries from the Group's operating business.

No operating segments have been aggregated to form the above reportable segments. The Group's management reporting and controlling systems use the accounting policies that are the same as those referred to in Note 4.

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 provided to the CODM. The Group has elected, as provided under IFRS 8 "Operating Segments" (amended 2009) not to disclose a measure of segment assets or liabilities where these amounts are not regularly provided to the CODM.

Inter-segment revenue is recorded at values that represent estimated third-party selling prices.

With respect to geographical regions, revenue is generally allocated to countries based on the location where the goods and services are provided. Non-current assets are disclosed according to the location of the businesses to which the assets relate. In 2015 and 2014, all segments operated solely in the UK, and as a result no secondary format is provided in the financial statements.

Segmental analysis – major customers

During the year there were 2 customers (2014: 2) which separately comprised 10% or more of revenue.

	2015 £'000	2014 £'000
Major customer 1	**62**	106
Major customer 2	**55**	84
	117	190

Primary reporting format – business segments

The table on page 24 sets out information for the Group's business segments for the years ended 31 December 2015 and 2014. Segment revenue represents revenue from external customers arising from the sale of goods and services.

The type of products sold by each segment is detailed in the Strategic Report. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5. Segmental analysis – operating segments continued

Analysis by business segment 2015

	Innovative solutions for healthcare £000	Head Office £000	Total continuing operations £000	Discontinued operations £000	Total £000
Revenue	577	–	577	–	577
EBITDA	(29)	(330)	(359)	–	(359)
Depreciation	(4)	–	(4)	–	(4)
Operating (loss)/profit	(33)	(330)	(363)	–	(363)
Profit from discontinued operations	–	–	–	–	–
Share issue costs	–	(49)	(49)	–	(49)
Finance costs	–	(1)	(1)	–	(1)
(Loss)/profit before tax	(33)	(380)	(413)	–	(413)
Income tax	–	–	–	–	–
(Loss)/profit after tax	(33)	(380)	(413)	–	(413)
Segment assets	74	363	437	–	437
Segment liabilities	(99)	(70)	(169)	–	(169)

Analysis by business segment 2014

	Digital solutions for healthcare £000	Head Office £000	Total continuing operations £000	Discontinued operations £000	Total £000
Revenue	609	–	609	–	609
EBITDA	(79)	(347)	(426)	–	(426)
Depreciation	(11)	–	(11)	–	(11)
Operating loss	(90)	(347)	(437)	–	(437)
Profit from discontinued operations*	–	–	–	96	96
Finance costs	–	(1)	(1)	–	(1)
(Loss)/profit before tax	(90)	(348)	(438)	96	(342)
Income tax	–	–	–	–	–
(Loss)/profit after tax	(90)	(348)	(438)	96	(342)
Segment assets	178	170	348	–	348
Segment liabilities	(323)	(164)	(487)	–	(487)

* The profit from discontinued operations in 2014, related to the disposal of The Jewish New Ltd in 2012.

6. Loss on operating activities before taxation

	2015 £000	2014 £000
Loss on ordinary activities before and after taxation is stated after charging:		
Auditors' remuneration for audit services	18	22
Auditors' remuneration for non-audit services	5	2
Share-based payments (See note 18(b))	55	42
Impairment charge for provisions in relation to irrecoverability of trade receivables	–	–
Operating lease charges – land and buildings	29	25
Depreciation	4	11
Amortisation	–	–

Auditors' remuneration includes fees of £4,000 (2014: £2,000) for the Company.

7. Employee information

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

	Number of employees	
	2015	2014
Management and finance	5	8
Sales and marketing	1	–
Administrative	1	–
Health coaches and project managers	6	7
Non-executive directors	3	3
	16	18

Staff costs for the above employees during the year amounted to:

	2015 £000	2014 £000
Wages and salaries	644	520
Social security costs	61	60
Share based payments	55	1
	760	581

7. Employee information continued

Directors' emoluments

	2015				
	Salaries & fees £000	Bonus £000	Benefits in kind £000	**2015 £000**	2014 £000
Executive directors					
A Margolis	51	–	–	**51**	48
W Lawrence	93	–	–	**93**	95
D Baladasan	75	–	–	**75**	61
Non-Executive directors					
M J Sinclair	30	–	–	**30**	25
G Rolls	–	–	–	**–**	2
J Clipsham	29	–	–	**29**	6
T Bourne	4	–	–	**4**	–
M Rogers	1	–	–	**1**	–
R Holt	–	–	–	**–**	–
S Laitner	17	–	–	**17**	–
	300	–	–	**300**	237

During 2015, the directors listed below terminated their employment contracts and severance payments included in director's emoluments above are as follows:

Dr. M J Sinclair – £12,500
A Margolis – £30,000
J Clipsham – £6,250

These sums amounting to £48,750 are shown as non operating share issue costs in the Consolidated Income Statement as changes to the Board were a condition of the share subscription in September 2015 and the change in strategic direction of the Group.

Employee benefits

Share based compensation
The Group operates an equity-settled share based compensation plan for Directors and executives. In accordance with IFRS 1, the Group has elected to implement the measurement requirements of IFRS 2 in respect of only those equity-settled share options that were granted after 7 November 2002 and that had not vested as at 1 January 2005. The fair value of the employee services received in exchange for the grant of options is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted at the grant date.

At each year end date, the Group revises its estimate of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the Statement of Consolidated Income, and a corresponding adjustment to equity over the remaining vesting period. When share options are cancelled the Group accounts for the cancellation as an acceleration of vesting and therefore recognises immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. The fair value of share options has been assessed using the Black Scholes Model.

Included in wages and salaries is a total charge for share based payments of £43,794 (2014: £1,011) arising from transactions accounted for as equity settled share based payments.

8. Taxation

(a) Taxation charge

	2015 £000	2014 £000
Total current income tax charged in the income statement	–	–

(b) Taxation reconciliation

The current income tax charge for the period is explained below:

	2015 £000	2014 £000
Loss before tax	(413)	(342)
Taxation at the standard UK income tax rate of 20.75 per cent (2014: 21.5 per cent)	86	74
Non deductible expenses	(14)	(9)
Losses carried forward	(72)	(65)
Total income tax charged in the income statement	–	–

(c) Deferred tax

Estimated tax losses of approximately £3,006,000 (2014: £2,659,000 – restated) are available to relieve future profits of the Group. A deferred tax asset has not been recognised in respect of these losses due to uncertainty as to the timing and tax rate at which these losses will be utilised against future taxable profit streams.

9. Finance costs

	2015 £000	2014 £000
On bank overdraft facilities	–	–
Bank charges	1	2
Total finance costs	1	2

10. Property, plant and equipment

Group	Short leasehold property £000	Computer equipment £000	Total £000
Cost			
At 1 January 2015	32	2	34
Additions	–	4	4
At 31 December 2015	32	6	38
Depreciation			
At 1 January 2015	26	2	28
Provided in the year	3	1	4
At 31 December 2015	29	3	32
Net book value			
At 31 December 2015	3	3	6
At 31 December 2014	6	–	6

11. Investments

Company

Investments in share capital of wholly owned subsidiaries.

	Total £000
Cost	
At 1 January 2015	–
Additions	–
At 31 December 2015	–
Net book value	
At 31 December 2015	–
At 31 December 2014	–

The subsidiary companies, all of which have been consolidated, at 31 December 2015 are as follows. All shares are held directly by the company.

Subsidiary undertakings held directly	Country of incorporation	Percentage of equity capital held	Nature of business
Totally Health Limited	England and Wales	100%	Bespoke IT healthcare solutions

12. Intangible fixed assets

Group	Development costs £000
Cost	
At 1 January 2015	–
Additions	218
At 31 December 2015	218
Amortisation	
At 1 January 2015	–
Provided in the year	–
At 31 December 2015	–
Net book value	
At 31 December 2015	218
At 31 December 2014	–

Development costs relate to the design and construction of the business to consumer service (B2C) My Clinical Coach. As at 31 December 2015 the B2C service was still in the development phase and therefore no amortisation has been recognised in the income statement. Management estimates the useful economic life of the system to be 5 years once development has been completed.

13. Trade and other receivables

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Trade receivables	**33**	52	**–**	–
Less: provision for impairment of receivables	**–**	–	**–**	–
Trade receivables – net	**33**	52	**–**	–
Directors' loans	**6**	67	**–**	4
Prepayments, deferred costs and other	**39**	33	**27**	15
Amounts owed by group undertakings	**–**	–	**1,057**	672
	78	152	**1,084**	691

The creation of provision for impaired trade receivables is included in administration costs in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering further cash. There is no provision for other receivables. As of 31 December 2015 no trade receivables were past due but not impaired. The ageing analysis of trade receivables is as follows:

	2015 £000	2014 £000	2015 £000	2014 £000
Under three months	**33**	52	**–**	–
Three to six months	**–**	–	**–**	–
Over six months	**–**	–	**–**	–
	33	52	**–**	–

The Group holds no collateral against these receivables at the year end date and does not charge interest on its overdue receivables. The other classes within trade and other receivables do not contain impaired assets.

14. Trade and other payables

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Current				
Trade payables	**92**	168	**50**	108
Amounts owed to group undertakings	**–**	–	**–**	–
Other taxes and social security	**20**	30	**–**	–
Other creditors	**11**	11	**-**	–
Accruals and deferred income	**45**	278	**20**	47
	168	487	**70**	155

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.

15. Financial liabilities – borrowings

Undrawn facilities

As at 31 December 2015 and 31 December 2014 the Group had no undrawn overdraft facilities.

16. Financial instruments

The Group's financial instruments comprise cash and various items, such as trade receivables and trade payables, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

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 the short-term nature of the instrument.

The Group's activities expose the Group 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.

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 in 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 the Group 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 net debt divided by total capital. Net debt would be calculated as total borrowings less cash and cash equivalents.

Interest rate risk

The Group and Company's interest rate exposure arises mainly from the interest bearing borrowings as disclosed in note 15. All of the Group's facilities were at floating rates, which exposed the entity to cash flow risk. As at 31 December 2015 there are no loans outstanding and no undrawn overdraft facilities available to the Group.

Foreign exchange risk

The Group and Company operates principally 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 risks.

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, estimated 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 requirement 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.

17. Share capital and reserves

(a) Share capital

	31 December 2015 £000	31 December 2014 £000
Authorised		
9,994,953 ordinary shares of 0.1p each (2014: 397,617,450 of 0.1p each)	**1,000**	398
228,402,392 deferred shares of 0.9p each (2014: 228,402,392 of 0.9p each)	**2,055**	2,055
	3,055	2,453
Allotted, called up and fully paid		
9,994,953 ordinary shares of 0.1p each (2014: 397,617,450 of 0.1p each)	**1,000**	398
228,402,392 deferred shares of 0.9p each (2014: 228,402,392 of 0.9p each)	**2,055**	2,055
	3,055	2,453

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 rights of redemption.

The Deferred Shares carry no voting rights, no rights to attend general meetings of the Company, and no rights to receive dividends. The Deferred Shares do carry a right to participate in any return of capital to the extent of 0.01 pence per Deferred Share but only after each Ordinary Share has received in aggregate capital repayments totalling £1,000,000 per Ordinary Share.

Number of ordinary shares	2015	2014
Balance at 1 January pre consolidation	**397,617,450**	317,617,450
Issue of shares – pre consolidation – see below	**1,499,212**	80,000,000
Total balance pre consolidation	**399,116,662**	–
Total balance post consolidation	**3,991,166**	–
Issue of shares – see below	**6,003,787**	–
Balance at 31 December	**9,994,953**	397,617,450

(1) In February, May, August and October 2015, 403,266; 525,210; 570,776 and 3,787 new shares were issued in satisfaction of fees payable to Jack Clipsham for the period ended 12 November 2015.
(2) In August 2015 the Company reorganised its share capital. Every 100 existing ordinary shares of 0.1 pence each was consolidated into one new ordinary shares of 10 pence.
(3) In September 2015 the Company issued 6,000,000 new ordinary shares of 10p each.

(b) Earnings per share

Earnings per share	2015	2014
Basic and diluted earnings (continuing operations) (£000)	**(413)**	(438)
Basic and diluted earnings (discontinued operations) (£000)	**–**	96
Weighted average number of shares used in basic and diluted earnings per share calculations (continuing operations) (000) pre consolidation	**282,874**	348,728
Weighted average number of shares used in basic and diluted earnings per share calculations (discontinued operations) (000)	**–**	–
Weighted average number of shares used in basic and diluted earnings per share calculations (continuing operations) (000) post consolidation*	**2,828**	3,487
Basic earnings per share (continuing operations) (Pence)	**(15)**	(13)
Basic earnings per share (discontinued operations) (Pence)	**–**	3

* The weighted average number of shares and prior year earnings per share data has been restated to reflect share consolidation in 2015.

17. Share capital and reserves continued

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

None of the share options or warrants in issue had a dilutive effect on earnings per share in 2015 and 2014.

(c) Share options

Details of all options in issue during 2015 are as follows:

Grant date	Exercise period	Exercise price	Outstanding at start of year	Issued in year	Expired in year	Residual at 31 December 2015
27/07/2009	10 years	1p	5,125,000		(5,125,000)	**0**
20/01/2015	10 years	0.5p	–	5,000,000	(5,000,000)	**0**
20/01/2015	10 years	0.5p	–	3,000,000	(3,000,000)	**0**
20/01/2015	10 years	0.5p	–	6,000,000	(6,000,000)	**0**
20/01/2015	10 years	0.5p	–	10,000,000	(10,000,000)	**0**
20/01/2015	10 years	0.5p	–	2,500,000	(2,500,000)	**0**
20/01/2015	10 years	0.5p	–	2,500,000	(2,500,000)	**0**
20/01/2015	10 years	0.5p	–	1,000,000	(1,000,000)	**0**
11/11/2015	10 years	44p	–	250,000		**250,000**
11/11/2015	10 years	44p	–	100,000		**100,000**
11/11/2015	10 years	44p	–	50,000		**50,000**
11/11/2015	10 years	44p	–	50,000		**50,000**

In January 2015 the Company granted 30,000,000 new share options of 0.1 pence each to certain directors and senior management.

In November 2015 the Company granted 450,000 new share options of 10 pence each to existing directors and senior management.
350, 000 Options have been granted under the Company's existing EMI scheme and 100,000 Options have been granted as unapproved share options. All of Company's previous share options, including share options granted at January 2015, have either been superseded by this grant of options or lapsed.

(d) Share warrants

Details of all warrants in issue during 2015 are as follows:

Grant date	Exercise period	Exercise price*	Outstanding at start of year*	Issued in year	Expired in year	Residual at 31 December 2015
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**
11 June 2013	Within 3 years from grant date	120p	56,838	–	–	**56,838**
26 September 2013	Within 1.5 years from grant date	100p	1,000,000	–	(1,000,000)	**–**
26 September 2013	Within 3 years from grant date	60p	19,125	–	–	**19,125**
8 August 2014	Within 1.5 years from grant date	100p	651,833	–	(651,833)	**–**
			2,079,463	–	1,651,833	**427,630**

*During 2015 no warrants were issued.

* The share warrants exercise price and outstanding share warrants at start of year have been restated to reflect share consolidation in 2015.

(e) 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.

(f) Retained earnings

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

17. Share capital and reserves continued

(g) Managing capital

Our objective in managing the capital structure is to ensure that the Group has the financial capacity, liquidity and flexibility to support the existing business and to fund opportunities as they arise.

18. Share-based payments

During the year ended 31 December 2015 the Group and Company had two share based payment arrangements as described below.

(a) Employee Share Options

Totally PLC Enterprise Management Incentive Plan – 10 year limit

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 9.6 and 10.9 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 reconciliation of option movements over the year is shown below.

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 would be exercised within two years of the date on which they vest.

	2015 Number '000s	**2015 weighted average price Pence**	2014 Number '000s	2014 weighted average price Pence
Outstanding at 1 January	5,125	1	8,775	1.02
Granted	30,450	–	–	–
Exercised	–	–	–	–
Expired/surrendered	(35,125)	–	(3,650)	(1.05)
Outstanding at 31 December	450	44	5,125	1.00

	2015	2014
Range of exercise price (Pence)	**44**	1
Weighted average exercise price (Pence)	**44**	1
Number of shares (000's)	**450**	5,125
Weighted average remaining life years – Expected	**5**	5
Weighted average remaining life years – Contractual	**10**	5

(b) Warrants

The estimated fair value of each warrant has been calculated using the Black Scholes option pricing model for different warrants granted as outlined in Note 17. The estimated fair value of warrants varies between 0.49 pence and 0.01 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. Comparatives are based on ordinary shares of 0.1 pence. Expenses charged to the profit and loss in the year in respect of share based payments are as follows for the Group and Company:

	2015 £000	2014 £000
Expense arising from issue of share option/warrants – equity settled	**55**	42

19. Company statement of changes in equity

Company	Share capital £000	Share premium account £000	Profit and loss account £000	Equity share-holders' deficit £000
At 1 January 2014	2,373	3,847	(5,688)	532
Loss for the year	–	–	(260)	(260)
Issue of share capital	80	300	–	380
Credit on issue of share warrants	–	–	42	42
At 31 December 2014	2,453	4,147	(5,906)	694
Loss for the year	–	–	(387)	(387)
Issue of share capital	602	387	–	989
Credit on issue of share options	–	–	55	55
At 31 December 2015	**3,055**	**4,534**	**(6,238)**	**1,351**

The loss for the year 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.

20. Commitments

(a) Capital expenditure commitments

At 31 December 2015 and 2014 the Group had no capital commitments.

(b) Operating leases agreements

At 31 December 2015 and 2014 the Group had the following aggregate minimum lease payments under non-cancellable operating lease rentals:

	Group		Company	
	2015 £000	2014 £000	**2015 £000**	2014 £000
Land and buildings				
Within one year	**81**	16	**–**	–
Between two and five years	**7**	–	**–**	–
After more than five years	**–**	–	**–**	
	88	16	**–**	–

In February 2015 the Company renewed the lease agreement and according to the new sublease agreement as at 31 December 2015, payments of £67,428 (payable within one year) and of £5,619 (payable between two and five years) should be paid by the sub-tenant.

21. Related party transactions

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.

Included within current liabilities in the Company statement of financial position are amounts owed to 100% subsidiary undertakings of £1m (2014: £0.7m). The movement in the Company's balances with its subsidiaries reflects the Group's banking facilities and arrangements operating during the year.

As at 31 December 2015 the following related party transactions are required to be disclosed in accordance with IAS 24:

(a) The Group paid subcontractors fees of £63,732(2014: £39,000) to Totally Communications Ltd and £30,000 (2014: nil) to Quantum Contracts Ltd, companies in which Andrew Margolis is a director and shareholder.

(b) The Group paid subcontractors fees of £106,868 (2014: £54,511) for financial and marketing consultancy to Mataxis Ltd of which Donald Baladasan is director. Of which £74,538 (2014: £54,511) is included within Director's emoluments shown in Note 7.

A director's loan of £6,000 is included in other receivables in Note 13.

Details of directors' emoluments can be found in Note 7.

22. Events after the reporting period

(a) On 15 March 2016 the Company announced an acquisition of the entire issued share capital of Premier Physical Healthcare Limited for a maximum consideration of £6.75 million, based on the financial performance of Premier over the next three years. Premier is a provider of physical healthcare services to both public and private patients.

(b) In March 2016 the Company raised gross proceeds of £6.2 million by way of a subscription of 10,000,000 New Ordinary Shares at a price of 62 pence per each share with new and existing investors.

(c) On 31 March 2016 the Company announced the completion of the acquisition of Premier Physical Healthcare Limited.

(d) On 31 March 2016 Totally Health launched the direct-to-customer clinical health coaching service "My Clinical Coach" supporting anyone diagnosed with a long-term condition.

(e) On 20 April 2016, Premier Physical Healthcare Limited, a wholly owned subsidiary of Totally PLC, secured nine additional prison contracts covering 21 locations around the UK. These contracts are for a minimum of five years, with a total value of £300,000 per annum.

(f) On 21 April 2016 Totally PLC and Healthwise announced a 3 year agreement that gives people of the United Kingdom immediate access to award-winning videos, interactive tools and decisions aids to help them make better health decisions and health behaviour changes.

(g) On 15 June 2016 Totally PLC completed the acquisition of the entire issued share capital of About Health Limited. The maximum consideration of acquisition is £7.7 million, subject to adjustment based on the financial performance of About Health over the next three years. About Health is a provider of dermatology services to the NHS.

23. Ultimate controlling party

There is no single ultimate controlling party.

24. FRS 101 transition

This is the first time that the company has adopted FRS 101 having previously applied applicable UK accounting standards.

The date of transition to FRS 101 was 1 January 2014.

There were no changes in financial information compared with that reported under existing UK GAAP as at the transition date.

COMPANY INFORMATION

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Wendy Lawrence (CEO)

Donald Baladasan (Finance Director)

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