Improving healthcare

Totally plc
Annual Report for the year ended 31 March 2023

Improving healthcare

Our vision is to improve healthcare outcomes across the UK and Ireland by helping to tackle the biggest challenges facing healthcare today.

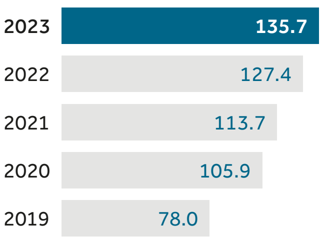
Contents

Operational progress

Financial highlights

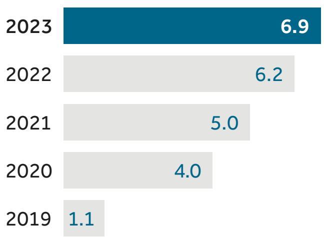
Revenue
Total revenues generated by the Group.

£135.7m +6.5%



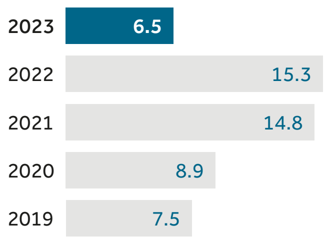
Underlying EBITDA
Adjusted for exceptional items as disclosed in note 8 of the financial statements.

£6.9m +11.3%



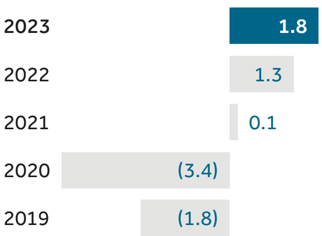
Cash
Total of all cash held across the Group at 31 March 2023.

£6.5m -57.5%



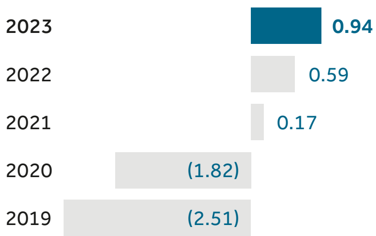
Profit before tax
After exceptional items.

£1.8m +38.0%



Earnings per share
After exceptional items and tax.

0.94p +59.6%



Operational highlights

- All Care Quality Commission ("CQC") registered services continue to be rated as "Good".
- Ensured c. two million patients were able to access the appropriate urgent care services and treated c. 120,000 patients from elective care waiting lists.
- First, and only, provider to fully mobilise on NHS England's Single Virtual Contact Centre model ("SVCC"), enabling rapid mobilisation of additional NHS 111 services where required and strengthening our position when tendering for NHS 111 contracts.
- New contract to provide NHS 111 resilience services worth c. £10 million.
- Retendered and mobilised a five-year contract for the delivery of two urgent treatment centres in Bromley, where we have delivered services since 2013.
- New contracts awarded to Energy Fitness Professionals ("EFP") for corporate wellbeing services, including Adidas and expansion of existing long-term contract with Royal Mail.
- Restructured our operational services to bring together all of our healthcare services under one operational team focusing on urgent and elective care.

Our strategic roadmap

Our purpose

Totally was established to help address the increasing demand for healthcare services. We are here to help the NHS and other healthcare providers be the best they can be, and we do this in two ways. We deliver high quality urgent and elective services which ensure that patients can access the most appropriate care quickly and efficiently, all free to the patient so that the NHS can focus on treating those only it can treat. We work with corporate employers to help their staff stay fit and healthy, reducing demand on the healthcare system where possible.

Our values

Demonstrating accountability

- Taking ownership for what we do
- Communicating and responding promptly
- Holding others to account
- Acting on inappropriate behaviours
- Learning from our mistakes

Being respectful

- Looking after others
- Maintaining confidentiality
- Showing empathy
- Treating others with dignity
- Welcoming ideas

Acting with courage

- Embracing simplicity
- Being open and honest
- Working as one team
- Challenging the status quo
- Embracing new ways of working

Delivering excellence

- Building on relationships
- Delivering high quality services
- Leading by example
- Developing others and ourselves
- Showing compassion and care

Read more on pages 33 and 34

Our strategic approach

- Deliver services and solutions which improve healthcare outcomes across the UK and in Ireland
- Become a partner of choice in healthcare through a focus on quality, safety and efficiency
- Ensure our operations are efficient and sustainable, adding value for commissioners and shareholders alike
- Invest in our current and future workforce to become a great place to work and an employer of choice
- Identifying opportunities to grow both organically and through acquisition

Read more on pages 18 and 19

Our sustainable pillars

- Creating social value

Read more on page 35

- Empowering our people

Read more on pages 33 and 34

- Operating responsibly

Read more on pages 36 and 37

Our investment case

The number of people on waiting lists for elective care across the UK and Ireland remains higher than ever before and continues to increase; demand for urgent care outstrips available capacity, and corporate employers are increasingly seeking ways to support employees with their health and wellbeing in a changing world. Totally delivers high quality services and solutions within these growing markets.

1 A dedicated and passionate team

We attract and retain the best talent across all disciplines. We use our expertise, passion and commitment to excellence to deliver services that make a difference to our patients and the organisations we work with.

2 Experienced leadership

Our leadership team has significant experience of delivering quality services within the NHS and healthcare and fitness industries, enabling us to design and deliver high quality, robust services that are responsive to demand, strengthen operational delivery and drive positive change.

3 Differentiated services

We deliver responsive services that address the challenges faced in healthcare across the UK and Ireland. We deploy high quality care delivery models in the highly regulated healthcare sector, which are proven to deliver a step change in performance, and corporate fitness and wellbeing services, which reduce pressure on the healthcare system through improved health and wellbeing.

4 Significant market opportunities

The healthcare challenge is momentous. There are growing demands on urgent care services and the number of people awaiting referral and treatment across the UK and Ireland is higher than ever before. Our buy and build strategy maximises our ability to respond to growing and emerging demand.

5 Driving innovation

We help drive innovation by developing new models of care, more quickly than the NHS is able to do alone, enabling test-and-learn and longer-term pilots. This can lead to better outcomes for patients and improved patient satisfaction.

6 Strong long-term relationships

We have developed strong, long-term relationships with Integrated Care Boards, trusts, hospitals and corporate customers.

7 Strong performance and operational excellence

We deliver growth through a focus on customer demand, emerging market opportunities, efficient operations and quality care.

Improving healthcare across the UK and Ireland

We focus on providing care to those who need it and keeping those who don't, fit and healthy.

Our services

Urgent care

Our urgent care services help healthcare commissioners ensure patients have access to the right care, at the right time, in the right place, both in hours and out of hours. We support Integrated Care Boards with the delivery of NHS 111, urgent treatment centres, GP out of hours and acute visiting services and are NHS England's chosen partner for NHS 111 resilience.

Elective care

We help commissioners, trusts and hospitals maximise accessibility to good quality, safe care which supports the reduction of waiting lists. Our elective care services include:

- Insourcing and outsourcing services, community and secondary dermatology, "Choose and book" via Any Qualified Provider status; and
- Physiotherapy, podiatry and occupational health services within healthcare and other settings such as GP surgeries and prisons.

Corporate wellbeing

Totally provides a range of corporate fitness, wellbeing and occupational health services both on site and digitally to help corporate customers improve the health and wellbeing of their workforce. Services include gym design and management, wellbeing services, physiotherapy, occupational health and a range of drop-in services to enhance employers' existing corporate wellbeing offerings.

We achieve better outcomes by:

Keeping the country healthy and fit

We deliver a range of healthcare services on behalf of the NHS, ensuring access to care, at no cost to the patient.

c. 1 million
patients seen face to face

NHS 111 call answered every
36 seconds

c. 120, 000
patients treated from waiting lists

We work with corporate employers such as Royal Mail and Electronic Arts ("EA") to support their employees with their physical fitness and wellbeing.

61
gyms managed

c. 14,000
gym members

Delivering quality services

Feedback is an important measure of the quality of our services.

Services rated "Good" or "Very Good" by patients

Totally Elective Care

100%
Insourcing services

88%
Planned care services

Totally Urgent Care

96%
UTC and GPOOH services

79%
NHS 111 services

Services rated "Good" by CQC

100%

Inspected and rated
Good
CareQuality Commission

Engaging our committed team

Our loyal and dedicated team are key to the success of the business.

1,668
employed colleagues

58%
engagement levels

25
apprenticeships supported

34
mental health first aiders

Continued growth and good organisational progress

I am pleased to report a further year of continued growth as we rebalanced our portfolio towards higher margin business, and made significant organisational progress across the Group.

Revenues were £135.7 million (2022: £127.4 million) with underlying EBITDA (excluding exceptional items) of £6.9 million (2022: £6.2 million). Gross cash as at 31 March 2023 stood at £6.5 million (31 March 2022: £15.3 million), net cash was £4.0 million.

During the year we continued to support the NHS and other healthcare providers with the management of increasing demand whilst consolidating recent acquisitions and rebalancing our portfolio to higher margin business. As a provider of both urgent care and elective care services, we are uniquely positioned to respond to the changing needs of the NHS and maximise potential in higher margin markets.

Following the acquisition of Pioneer Healthcare ("Pioneer") in March 2022, we invested in the business to grow our insourcing and outsourcing capability and respond to increases in demand. The urgent care market has proven more challenging as individual Integrated Care Boards ("ICBs") and trusts focused on their response to operational challenges. We invested in NHS England's new SVCC model and focused on urgent care contracts which enabled sufficient staffing and an acceptable margin.

Our corporate wellbeing business, Energy Fitness Professionals, has performed well during the year as demand for services rebounded post-pandemic. The corporate wellbeing market continues to present huge potential for the future.

I remain indebted to our teams and their ongoing commitment to quality and safety. We have now completed the difficult task of restructuring our business to ensure that we remain fit for the challenge at hand. The NHS is under extreme pressure to provide its services where demand continues to rise in excess of the available capacity. As an independent sector partner, we encounter challenges on a daily basis and I thank everyone who continues to deliver our services and those who have left the business, for their engagement and commitment to patient care during the year.

Bob Holt OBE
Chairman
31 July 2023

"We have made good organisational progress in what has been a challenging year for delivering healthcare services.

Bob Holt OBE
Chairman

Feedback from patients and corporate gym members

"Doctor came to our house in the middle of the night and promptly diagnosed and medicated my husband, calming down his symptoms.

"I took my niece to urgent care. Patient care was excellent and we did not have to wait for a long time before being seen. The professional was very knowledgeable and gave us enough information to make a decision.

"The classes he runs are excellent, including spinning, core and circuits classes, with a great variety of exercises within each. The summer circuits classes outdoors, which include Frisbee and tag rugby elements, are particularly popular.

"What a fantastic service! Anne on reception was welcoming on arrival. Maria was a fantastic doctor, knowledgeable and caring and went above and beyond to provide reassurance about my baby's health. Thank you.

"Very clear, precise information. Easy to use, very quick to get through! From ringing to hanging up the phone it was about 15 minutes all in all which is brilliant! Saved having to go to A&E and wasting the precious time of doctors when others need it a lot more.

"Excellent. Did not have an appointment so the receptionist advised I call 111, then spoke to a 111 adviser for me to arrange an appointment for my son. Went above and beyond to help, much quicker than A&E.

"The operator I spoke to was very lovely and patient. She carried out the assessment professionally and helped me articulate things properly when I was unsure how to describe my symptoms.

"The staff in minor injuries were superb, very caring, the receptionists in out of hours very nice, doctor fantastic.

Prepared to respond to future opportunities

The NHS is in crisis and we continue to operate in what are exceptionally challenging conditions which see the NHS facing unrelenting pressure. Our continued focus on delivering excellent quality and safe services, alongside close attention to cost management and the generation of shareholder value, means we are announcing a robust set of results, with good revenue growth versus the prior year, profit in line with previously revised market expectations and a restructured business responding to the opportunities presented.

All of our CQC registered services continue to be rated as "Good" and we enabled millions of people across England and Ireland to access the care and treatment they needed during the year.

Nevertheless, we have not been immune to the challenges facing all businesses in the UK and the impact of well-publicised pressure within the healthcare sector including an NHS in crisis. We have been required to make difficult decisions as increased demand, workforce shortages and inflationary challenges impacted our business in exactly the same way as the NHS and other providers of NHS services. Until the NHS resolves pay disputes and strike action no longer impacts services, we expect some ongoing disruption to service provision. We have now completed a range of actions taken to integrate Pioneer into the Group, remove duplication within services, manage costs and reduce our reliance on agency staff. Our restructured business brings together all healthcare services under one healthcare delivery business focused on urgent care and elective care.

This new structure enables the realisation of economies of scale and removes duplicated services and costs following the acquisition of Pioneer, meaning that we can deliver highly efficient services which benefit from a single management and governance structure and greater adoption of best practice.

We remain confident in the quality of our services, our ability to deliver and the opportunities available for independent providers in this sector.

Financial performance in line with revised consensus

Totally delivered good revenue growth against the prior year at £135.7 million (FY22: £127.4 million). The continued growth of NHS waiting lists saw revenue for elective services almost double to £35.2 million. Excluding the impact of acquired revenue from Pioneer in March 2022, growth was 21%.

Within urgent care, revenue reduced as additional COVID-19 services fell away and as certain contracts in North West London came to an end. The Group was awarded a new contract with NHS England in January 2023 for the delivery of NHS 111 resilience support and mobilised new five-year contracts for the delivery of two urgent treatment centres in Bromley.

Demand for corporate wellbeing services, delivered by EFP, rebounded and exceeded pre-pandemic levels as we onboarded exciting new customers including sportswear brand Adidas, and expanded relationships with existing customers such as global video game developer Electronic Arts, Royal Mail and Network Rail.

Following actions to integrate Pioneer into the Group, remove duplication within services, manage and control costs driven by the high inflation economy and national workforce challenges, we are reporting EBITDA for FY23 in line with our revised forecast announced in March. At year end, the Company had gross cash of £6.5 million (31 March 2022: £15.3 million) with net cash at the same date of £4.0 million.

A detailed update on financial performance is included on page 22 of this report from our Chief Financial Officer, Lisa Barter.

> We exited the financial year with an increasingly focused organisation; stronger and ready to respond to the vast opportunities available to support healthcare services across the UK and Ireland as waiting lists continue to increase.

Wendy Lawrence
Chief Executive Officer

Strategic progress

During the year, as we exited the period directly impacted by COVID-19, we focused on positioning the Group effectively for all future opportunities growth.

We invested in our recent acquisitions, Pioneer and EFP to enable further growth and ensure that our broader operations benefited from our larger footprint and enhanced expertise within the business. Our healthcare business restructure also means that we have our best people in key roles to drive growth and quality services.

Following work undertaken in the previous year, we substantially completed activity to rationalise our IT infrastructure and ensure compliance with Cyber Essentials Plus, a new and key requirement for all NHS tenders and frameworks. We were also the first provider to fully mobilise on NHS England's SVCC framework, which means that Totally can respond more quickly than other providers to support requests for NHS 111 services due to the associated rapid onboarding capabilities the system provides, strengthening our position when tendering for additional NHS 111 contracts.

Following the relaunch of our websites in early 2022, we have continued to develop this important communication channel, enhancing our patient-facing information and career-focused areas to ensure that both audiences can access the information they need easily. We have also continued the development of our all-people intranet, My Totally and we are currently trialling an app to increase ease of accessibility further.

Healthcare and corporate wellbeing markets remain full of opportunity

We support healthcare commissioners and providers to respond proactively and robustly to changes in demand for services and to provide new models of care as required. The opportunities that are presented by recent operational progress, achieved during the year, are huge. The Totally management team is working closely with healthcare commissioners to support the reduction of record waiting lists for elective care and help meet or beat waiting time targets in urgent care.

Our newly centralised business development team for all healthcare services is achieving good levels of success in response to high levels of tender activity as the NHS and other providers continue to seek ways to stem the challenges within the healthcare sector.

Elective care continues to present a significant opportunity for the organisation and we have recently confirmed positions on frameworks which facilitates the rapid tendering of new contracts for insourcing and outsourcing support. We have also expanded the services we provide in the Republic of Ireland, helping to reduce waiting lists and waiting times.

Within urgent care, we are NHS England's only named resilience partner and the first and only provider to have fully mobilised on the new SVCC framework, enabling rapid onboarding of further NHS 111 contracts, and helping to further strengthen our relationship with NHS England. The service is delivering better than national average performance, and provides much-needed additional capacity to ensure that people from across England can access the care they need. We also mobilised a new five-year contract for the delivery of two urgent treatment centres in Bromley, where we have been delivering services since 2013, maintaining our position as a long-term provider for urgent treatment centres.

Within corporate wellbeing, new business opportunities continue to be driven by employers wanting to entice employees back into the workplace and have refocused on core bricks and mortar fitness centres. Our on-site services are supported by a flexible digital offering, which has been enhanced during the year by a new licensing agreement with Les Mills, market leaders in class instruction, to provide digital classes to all EFP members. EFP, which celebrated 25 years in corporate wellbeing in June 2023, is a well-respected provider within this growing sector.

Our people

Our people are our greatest asset and what makes Totally unique in its flexibility to respond quickly and professionally to every demand faced. We continue to invest in our workforce, seeking to increase the number of clinicians who choose to work solely for Totally, but also provide flexible working for those clinicians who want to work across NHS and independent provider roles. This flexibility is a key reason why many choose to work for us.

We are very aware of the workforce challenges which the healthcare sector faces and continue to support the development of the next generation of NHS clinical staff through the development of postgraduate doctors in training by providing hands on experience within our services.

Attracting the best people remains a top priority for Totally, hence the time, effort and resources we dedicate to this important function, which ensures that we have the people in place to provide high quality, safe services.

Outlook

In line with our buy and build strategy, we remain acquisitive where opportunities enhance our ability to deliver increased shareholder returns and broaden services for commissioners.

In the year ahead, we will remain focused on making further progress with our growth strategy whilst ensuring we maintain the delivery of high quality services and manage our costs. We expect the coming year to be challenging as the NHS continues to operate in crisis and faces ever-increasing demand across all services.

The Board remains very confident in that the number of opportunities for the Company continue to grow and we are ready and prepared to further support the NHS as it continues to focus on the recovery and embedding of sustainable services able to cope with continuing higher levels of demand and the reduction of waiting times and waiting lists.

I thank all of our shareholders for their support during this challenging year. We will continue to focus on driving business growth, both within existing operations and through sensible acquisitions.

Wendy Lawrence
Chief Executive Officer
31 July 2023

Well positioned for future opportunities

Healthcare

We provide urgent and elective care services to healthcare commissioners and other corporate organisations, the police and the prison services.

During the year, we brought all healthcare operations together under one leadership structure which will enable economies of scale, the reduction of duplication, increased opportunities to drive best practice and a simplification of branding for our customers.

Urgent care services continue to be delivered under the Totally Urgent care brand and include all services which were previously awarded to and delivered by Vocare and Greenbrook Healthcare, including urgent treatment centres, NHS 111, clinical assessment services, GP out of hours and acute visiting services.

Elective care services make up a range of services previously provided under the Pioneer Healthcare, Totally Healthcare, Totally Planned Care, About Health and Premier Physical Healthcare brands. All services are focused on tackling growing waiting lists and accessibility to services, including:

- Working with hospitals and trusts to help support the reduction of waiting lists through insourcing, outsourcing and a range of extended primary and secondary care collaborative partnerships through our Any Qualified Provider ("AQP") status;
- Provision of community outpatient services including specialist dermatology and referral management services; and
- Therapy services, with a focus on physiotherapy and podiatry across a number of settings, including GP practices, prisons and health centres.

In March 2023, we achieved accreditation for Cyber Essentials Plus, a new accreditation requirement for tendering NHS contracts, which was fast-tracked by the NHS in response to the increased threat of cyber-attacks worldwide.

Urgent care services

Urgent care services help healthcare commissioners ensure patients have access to the right healthcare service, at the right time, in the right place, both in hours and out of hours. Our services aim to reduce emergency admissions and unnecessary attendances at hospitals to reduce pressure on the overall healthcare system. Each year we support around two million patients who are seeking treatment or advice.

Our clinical team is made up of experienced doctors, nurses and paramedics, who can provide detailed assessments, advise on treatment options, support patients to care for themselves at home and arrange urgent care if required.

	2023	2022	2021	2020
Revenue (£m)	**98.8**	109.2	105.4	96.5
Gross margin	**17.6%**	17.7%	17.8%	17.5%

Following inspections during the year by the CQC of our urgent treatment centres in London, we are pleased to confirm that all our CQC registered services continue to be rated "Good" overall.

Demand for urgent care services remained high during the period. Our experienced management team worked closely with healthcare commissioners to respond to these challenges and maintain service delivery. In total, our Urgent Care teams responded to the needs of around two million patients either through NHS 111, at urgent treatment centres or within other services.

Over the course of the 12-month period, the Urgent Care team secured and mobilised new long-term contracts worth c. £77 million, the most significant being a new five-year contract for the continued delivery of two urgent treatment centres in Bromley, where we have delivered services since 2013.

As part of a new contract for the delivery of NHS 111 resilience services on behalf of NHS England, Totally was also the first and only provider to date to fully mobilise on NHS England's SVCC model. This strategic investment also enables the mobilisation of new, additional contracts for the delivery of NHS 111 services to be undertaken at the click of a button, strengthening our position when tendering for additional NHS 111 contracts.

Case study

Mobilisation on NHS England's SVCC model

We are the first and only provider to have fully mobilised NHS England's new, flexible platform for delivering NHS 111 services. The Single Virtual Contact Centre ("SVCC") solution has been adopted alongside a new contract for the delivery of NHS 111 resilience services on behalf of NHS England. The successful, full, mobilisation on the SVCC platform also enables the mobilisation of new, additional contracts for the delivery of NHS 111 services to be undertaken at the click of a button, strengthening Totally's position when tendering for additional NHS 111 contracts.

The cloud-based model is a gold-standard platform for managing NHS 111 calls and provides significant benefits to NHS England and individual trusts' commissioning services, including:

- Seamless call re-routing to Totally's network of health advisers to support any trust within England as part of the NHS resilience plan;
- Real-time data on waiting times and call-handling capacity instantly available to commissioners, enabling additional capacity to be accessed when needed;
- Reduced onboarding costs and rapid mobilisation at the click of a button for new contracts; and
- Improved business continuity delivered via the flexible cloud infrastructure.

The system also decreases reliance on hardware and legacy infrastructure, enabling agile working across multiple sites including the ability to move seamlessly to a work from home model if required.

Healthcare continued

Urgent care services continued

In addition to these new contracts, nine services due for contract renewal during the year, collectively valued at c. £20 million, were extended for further periods.

A further ten services, with an overall contract value of c. £12.5 million, which were due for renewal on 31 March 2023 have also since also been extended.

Elective care

All our services focus on helping commissioners, trusts and hospitals maximise accessibility to good quality, safe elective care which helps support the reduction of waiting lists.

	2023	2022	2021	2020
Revenue (£m)	**35.2**	17.8	8.3	9.4
Gross margin	**19.8%**	18.4%	24.8%	23.3%

Revenue for elective care services almost doubled during the year, primarily driven by the full year contribution from Pioneer which benefited from a rapid increase in demand for insourcing and outsourcing services. Waiting lists for elective care increased significantly during the COVID-19 pandemic and are now 67% higher than in March 2020 and continue to grow as industrial action impacts elective procedures further.

During the year, we saw a continued increase in demand for insourcing and outsourcing services. Totally Elective Care provides resilient capacity to deliver much-demanded insourcing and outsourcing services across a wide range of surgical and medical patients, free at the point of delivery to NHS patients. Most recently, we have broadened activity with the Saolta Hospital Group in Ireland for the provision of urology services and successfully tendered for a position on a key new framework in Wales to support with waiting lists, enabling rapid procurement of services to enable trusts to respond to increasing demand.

Healthcare – the year ahead

We expect the coming year to be challenging but still see increasing potential within the market. The NHS is in crisis, struggling to manage demand and workforce issues; and demand for all services continues to outstrip all available capacity. As a partner to the NHS, we will continue to identify and act upon all opportunities to support the delivery of quality patient care, which enables Totally to grow and continue to build its reputation as that partner of choice.

Corporate wellbeing

EFP was acquired by Totally in December 2021 and works with a growing number of high profile organisations across the UK, including large corporate companies, central government departments, universities and colleges to provide workplace wellbeing and corporate fitness services.

EFP manages 61 gyms on behalf of corporate customers and also offers gym design alongside digital services to support employee wellbeing in the workplace.

	2023	2022[1]	2021	2020
Revenue (£m)	**1.7**	0.3	—	—
Gross margin	**41.5%**	31.9%	—	—

1. Figures relate to the period from 16 December 2021 to 31 March 2022.

During the year, corporate wellbeing demand exceeded pre-pandemic levels and revenues rose strongly (up 40% on a like-for-like basis) with the addition of new contracts, including Adidas, Codemasters and Oxford University Press, and equipment installations for existing customers such as Electronics Arts (“EA”) and Network Rail. EFP also confirmed a new five-year contract to support Royal Mail, extending this relationship to more than 20 years.

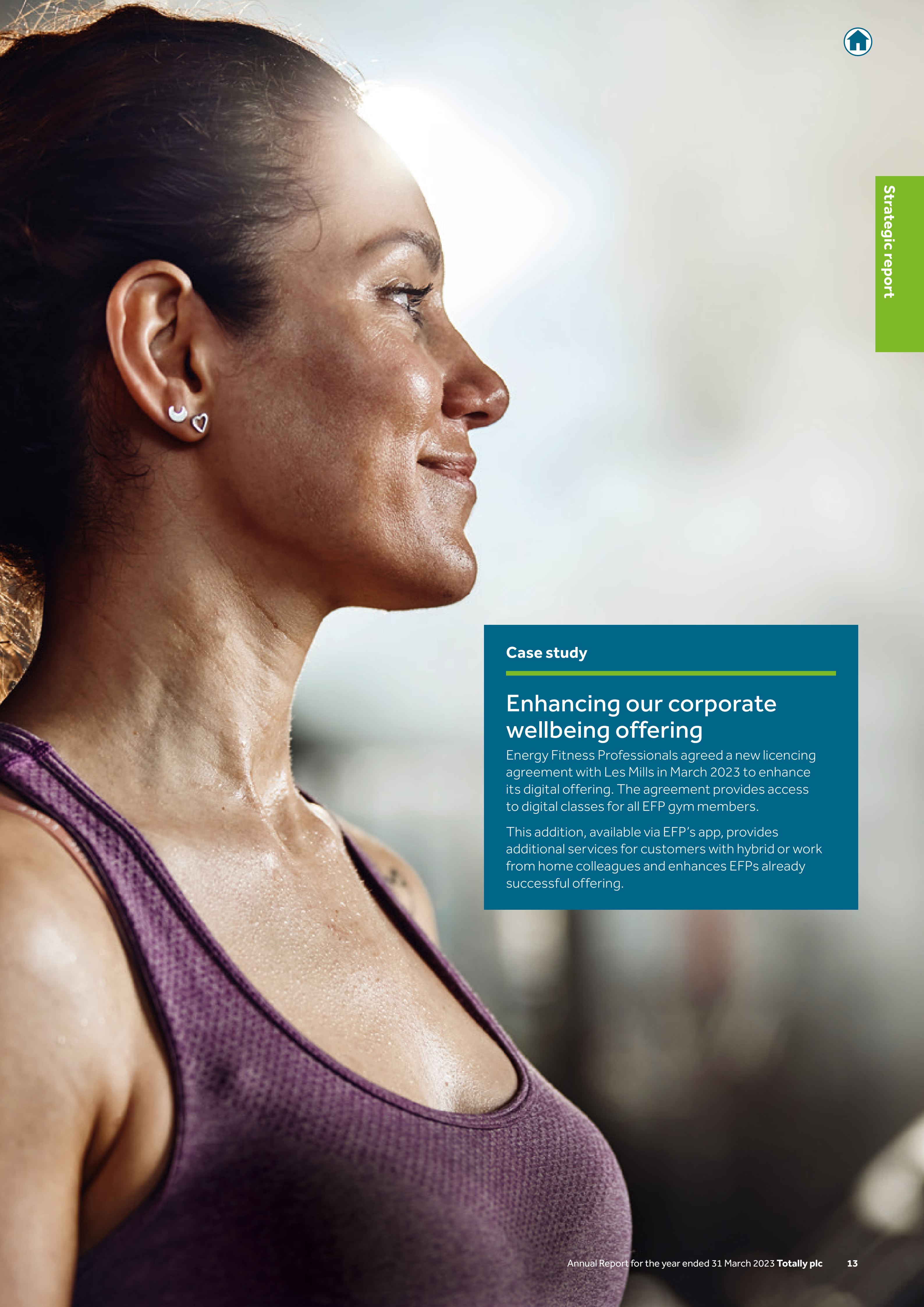
New business opportunities continue to be driven by employers wanting to entice employees back into the workplace and have refocused on core bricks and mortar fitness centres, supported by a flexible digital offering.

In March, EFP agreed a new licensing agreement with Les Mills, the market leaders in class instruction, to provide digital classes to all EFP members, providing additional options for customers with hybrid or work from home colleagues.

Corporate wellbeing – the year ahead

There are still significant opportunities for growth as corporate wellbeing becomes a priority for more and more corporate employers looking to enhance their workplace and encourage employees back to the office environment.

During the year we invested in additional business development capacity to help respond to the increasing opportunities available and we will be investigating new opportunities for growth, including the cross-selling of services from across the Totally Group, in the coming year.



Case study

Enhancing our corporate wellbeing offering

Energy Fitness Professionals agreed a new licencing agreement with Les Mills in March 2023 to enhance its digital offering. The agreement provides access to digital classes for all EFP gym members.

This addition, available via EFP's app, provides additional services for customers with hybrid or work from home colleagues and enhances EFPs already successful offering.

Our markets

Totally helps address the challenges of increased demand for healthcare services. Demand for urgent care is driving well-publicised long waits in A&E and urgent care facilities, waiting lists for elective care are at all-time highs and corporate customers are returning to bricks and mortar solutions for employee health and wellbeing to entice staff back to the office.

Urgent care

The growing and ageing population, alongside challenges accessing primary care, result in continued strong demand for urgent care services.

Market drivers

- Ageing population and greater prevalence of long-term conditions continue to put pressure on the UK's healthcare resources and will present the NHS with huge challenges for years to come.
- Primary care and NHS secondary care services continue to struggle to respond to the increased demand following the COVID-19 pandemic. Patients are choosing urgent care services to access care.
- NHS 111 positioned as first contact for all healthcare via online and telephony services. NHS England introduced a SVCC model to enable flexible response to national and regional fluctuations in demand.

Our response

- Delivery of UTC services target reduction of waiting times in hospital by streaming cases at the door and directing to the most appropriate care.
- We are the first and only provider to date to have fully mobilised on NHS England's SVCC model, supporting rapid mobilisation of new contracts to ensure resilience of regional services. We are also NHS England's single contracted partner for national resilience services.

Links to strategy 1 2 3 4 5

Elective care

Thousands of patients are waiting more than 18 months for treatment as waiting lists, which reached all-time highs following the COVID-19 pandemic, continue to be impacted by industrial action.

Market drivers

- Patients "undiagnosed" during the pandemic drive further growth in numbers of patients waiting for care and length of wait.
- Hundreds of thousands of appointments cancelled due to NHS staff industrial action with no resolution agreed.
- Cutting waiting lists is one of the government's top five priorities and there is cross-party commitment to get the NHS back on its feet.
- In England alone, more patients are waiting, and waiting longer for treatment than the same time last year. More than 7.2 million people are on waiting lists for treatment; 362,498 are waiting for more than 12 months, 29,778 more than 18 months and 1,038 waiting more than two years.†
- Utilising NHS facilities out of hours alone will no longer create enough capacity to tackle waiting lists for the long term.

Our response

- Successfully applied for key insourcing framework for NHS in Wales for rapid procurement of services.
- Invested in insourcing and outsourcing capabilities to ensure response to demand.
- Centralised business development team to manage increased tender opportunities.

† NHS waiting list times data for February 2023 published 13 April 2023.

Links to strategy 1 2 3 4 5

Links to strategy key

1. Deliver services and solutions which improve healthcare across UK and in Ireland
2. Become a partner of choice in healthcare through a focus on quality, safety and efficiency
3. Ensure our operations are efficient and sustainable, adding value for commissioners and shareholders alike
4. Invest in our current and future workforce to become a great place to work and an employer of choice
5. Identifying opportunities to grow both organically and through acquisition

Corporate wellbeing

Corporate employers are increasingly seeking to support their employees with their health and wellbeing, ultimately reducing pressure on the healthcare system.

Market drivers

- The onset and ongoing impact of the COVID-19 pandemic brought about an increased focus on physical and mental health and employee wellbeing.
- Today's workplace has been changed by the pandemic and although hybrid working has been widely accepted and is likely to become the norm in many industries, employers continue to entice staff back to the office with "bricks and mortar" fitness and wellbeing solutions.

Our response

- Focus during the year has been on supporting corporate customers with bricks and mortar health and wellbeing solutions as well as the refurbishment of five gyms for existing customers.
- EFP's digital offering, which supplements on-site services, has been enhanced by a new licensing agreement with Les Mills, market leaders in class instruction, to provide digital classes to all EFP members.

Links to strategy 1 3 4 5

Case study

New opportunities to support with the reduction of waiting lists in Wales

As of December 2022, waiting lists in Wales[1] stood at a record 735,000 open patient pathways, 59% higher than in February 2020 with patients waiting on average 22 weeks for an appointment, more than double the pre-COVID-19 waiting time. Totally is positioned well to support the NHS and other healthcare providers with these challenges.

Pioneer Healthcare successfully tendered to be included on a key framework agreement with NHS Wales for the delivery of insourcing services in the region. The framework agreement enables rapid procurement for insourcing services over a period of four years with an option to extend for up to a further four years, subject to Welsh government approval.

This new and important framework agreement reflects increased demand from health boards for support which creates additional capacity clinical, surgical and diagnostics procedures for a broad range of specialities including dermatology, ear nose and throat ("ENT"), endoscopy (including cystoscopy) and urology.

This is the first time that Totally has secured the potential to support with waiting list reduction in Wales and this new framework creates significant new opportunities to grow our insourcing services.

1. Waiting lists numbers for Wales are as published on the Senedd Cymru website on 28 February 2023.

A sustainable, responsive business model for the long term

Our key resources

Highly skilled people
Our people are our greatest asset. We use our expertise, passion and commitment to excellence to deliver services that make a difference to our patients and the organisations we work with.

Experienced leadership
Our leadership team has significant experience within the NHS and healthcare and fitness industries, enabling us to design and deliver high quality robust services that are responsive to demand, strengthen operational delivery and drive positive change.

Strong relationships
Solid, robust and honest relationships are key to delivering excellent services and driving future growth. We have long-term, deep relationships with commissioners, trusts and corporate customers alike.

What we do

We provide frontline healthcare, elective care, corporate fitness and wellbeing services across the UK and in Ireland.

Urgent care
Our urgent care services help healthcare commissioners ensure patients have access to the right healthcare service, at the right time, in the right place, both in hours and out of hours. Patients can access our services at urgent treatment centres, which manage the "front door" to emergency departments, through NHS 111, GP out of hours services, and clinical assessment services, which give over-the-phone access to multidisciplinary teams of clinicians, and acute visiting services as part of an integrated care system.

Elective care
We offer a range of elective care services on behalf of the NHS and other healthcare organisations, all free to the patient at the point of treatment:

- We work with hospitals and trusts to help support the reduction in waiting lists through insourcing, outsourcing and a range of extended primary and secondary care collaborative partnerships through our Any Qualified Provider status;
- We provide community outpatient services including specialist dermatology and referral management systems in partnership with the NHS to improve GP referrals; and
- We deliver physiotherapy and podiatry services alongside health coaching which supports long-term condition management and early discharge.

Corporate wellbeing
Totally provides a range of corporate fitness, wellbeing and occupational health services to the employees of corporate customers, both on-site and through digital services.

Totally has a sustainable and responsive business model enabling it to adapt to changes and challenges in the market and ensure that it can be there to support the delivery of healthcare and wellbeing services for the long term. This approach is reflected in the strength and depth of relationships, built on quality care and reliable services to patients and corporate customers.

What makes us different

Experienced leadership
Our leadership team has significant experience within the NHS, healthcare and fitness industries. We understand the challenges the NHS and other organisations face and can therefore design and deliver high quality robust services that are responsive to demand, strengthen operational delivery and drive positive change.

Responsive to customer needs
We pride ourselves on being responsive to the needs of our customers, whether those are healthcare commissioners facing increased demand or corporate customers seeking to offer flexible wellbeing support to a changing workforce.

Extensive experience
We have delivered healthcare services on behalf of the NHS for nearly three decades, and managed gyms and provided corporate fitness services to employees of corporate customers for 25 years.

Differentiated offering
Our unique combination of healthcare expertise and physical wellbeing experience creates the opportunity to deliver a range of holistic solutions that reduce reliance on the healthcare system and ensure that every patient can access quality healthcare quickly and efficiently.

How we create value

Our commissioner, trust and hospital partners
We deliver high quality, efficient services within complex, highly regulated systems that help commissioners, trusts and hospitals meet their targets and focus on those patients that only they can treat.

Our patients and customers
We provide our patients and customers with access to safe, high quality healthcare and wellbeing services when they need it.

Our people
We invest in our culture and develop our people to help grow their careers, grow our business and deliver exceptional services for our customers.

Our shareholders
Investing in Totally enables shareholders to support real change within healthcare across the UK and in Ireland, including the reduction of waiting lists and development of new models of care, in an environment where demand constantly outstrips commissioners' capacity.

Our regulators
We ensure the delivery of good governance practice by adopting the principles of the QCA Code and work in partnership with the Clinical Quality Commission ("CQC") to contribute to the ongoing national healthcare improvement narrative.

Our strategy for sustainable growth

We seek to improve the health and wellbeing of people across the UK and in Ireland by helping to tackle the biggest challenges facing healthcare today. Our focus is on the delivery of efficient, responsive healthcare and wellbeing services that reduce reliance on the healthcare sector, ensure access to high quality care and increase access to wellbeing services in the workplace.

During the year, we refreshed our strategy to drive long-term growth through a focus on service excellence, efficiency and quality. All this will help us focus on delivering a strong financial performance with a particular emphasis on cash generation, improving our return on capital and delivering strong shareholder returns.

Deliver services and solutions which improve healthcare across the UK and in Ireland

- Deliver urgent care services to help tackle increased demand in urgent care.
- Create additional capacity for healthcare commissioners and hospitals to support with the reduction of waiting lists.
- Respond to the new emerging markets such as mental health, wellness and self-care and physical health to reduce future reliance on healthcare services.

Our achievements

- First and only provider to fully mobilise on NHS England's SVCC model.
- Successful mobilisation of a new contract for the delivery of two urgent treatment centres in Bromley.
- Three new gyms opened to support corporate customers.

Focus for the future

- Contribute and influence NHS England strategy for the future of healthcare.
- Continue to invest in insourcing and outsourcing capabilities to help tackle growing waiting lists in England, Ireland and Wales.
- Respond to new and emerging demand through the development of new models of care.
- Remain proactive with buy and build strategy.

Links to risks 3 4 6 7

Become a partner of choice in healthcare through a focus on quality, safety and efficiency

- Build strong, long-term relationships through a reputation for delivering accessible, quality services which are resilient and able to respond to changes in demand.
- Maintain "Good" or "Outstanding" CQC rating for all registered services and achieve good patient feedback.
- Keep patients and customers at the heart of all our decision making.
- Effective floor-to-Board governance reporting system with an embedded learning culture.

Our achievements

- All CQC registered services achieved "Good" rating.
- Implemented new Datix incident reporting system and policy management system.
- Appointed Medical Director at Board level to drive focus on quality across all services and lead on medical innovation.

Focus for the future

- Expand current service models and continue to respond to new and emerging demand through the development of new models of care.
- Implement increased focus on patient feedback to identify and respond to early indicators for service quality.

Links to risks 2 7

Links to risks key

1. Loss or inappropriate use of data or systems
2. The impact of workforce supply and demand
3. New legislation or changes in regulatory enforcement
4. Change in government and/or NHS policy
5. Macroeconomics
6. Pandemic from a new pathogen
7. Patient safety and clinical quality
8. Cyber security threats

Ensure our operations are efficient and sustainable, adding value for commissioners and shareholders alike

- Focus on continuous improvement and commercial management to maximise value for customers and shareholders alike.
- Exploit the unique position of supporting both healthcare commissioners and corporate customers.
- Champion sustainability across all our services and operations.
- Introduce effective systems and processes to drive efficiencies.

Our achievements

- Substantially completed major IT programme to bring together systems, drive efficiencies and reduce risk.
- Achieved Cyber Essentials Plus accreditation for data security.
- Restructured healthcare operations under one leadership structure, to drive out duplication and increase opportunities for best practice.

Focus for the future

- Review infrastructure for efficiencies or growth opportunities.
- Identify opportunities to cross-sell new and existing services to customers and commissioners.
- Increase engagement with commissioners on actions to ensure the sustainability of services in relation to climate change.
- Focus on "Right First Time" systems and processes.

Links to risks 1 2

Invest in our current and future workforce to become a great place to work and an employer of choice

- Become an employer of choice within the healthcare sector by taking a total reward approach, enhancing our benefit position, and offering competitive remuneration and hybrid/flexible working where possible.
- Increase our substantive employee base, reducing reliance on agency staff.
- Help build the next-generation healthcare workforce by training NHS clinicians within Totally's services.

Our achievements

- Recruited more than 250 employees into NHS 111 centres of excellence to support delivery of NHS 111 national resilience service.
- Supported the development of 90 postgraduate doctors in training.
- Supported 25 colleagues through apprenticeships.

Focus for the future

- Innovate new recruitment and development routes to assist growing our workforce.
- Roll out all-people culture programme "Right First Time".
- Roll out corporate wellbeing offering to all employees.
- Expand network of Mental Health First Aiders.

Links to risks 2

Identify opportunities to grow both organically and through acquisition

- Seek out sensible opportunities for acquisition which expand or enhance our proposition and enhance earnings for shareholders.
- Ensure buy and build activity is not limited to the services currently provided and remain open to emerging market opportunities.
- Invest in existing operations and new business development to facilitate organic growth when market potential justifies.

Our achievements

- Invested in Pioneer to effectively respond to opportunities within insourcing and outsourcing.
- Centralised our business development team to drive increased focus on new opportunities for growth.

Focus for the future

- Maximise potential in the elective care market.
- Develop digital technologies to accelerate growth and improve services.
- Seek out new earnings-enhancing acquisition opportunities.

Links to risks 3 4 5

Case study

Developing the next generation of doctors

We support a vocational Postgraduate Doctors in Training programme which helps develop new doctors through training around 90 trainees each year. The course is a key building block in their GP training and offers exposure to Totally's healthcare services, providing invaluable hands-on experience.

As part of the programme, the doctors are taken through an extensive induction, giving them in-depth knowledge of a range of healthcare services provided by Totally, including urgent care and out of hours services. The trainees are then given the opportunity to utilise their knowledge during a four-hour amber shift, supervised by an accredited general practitioner, who works directly with the graduate under remote supervision to enable them to fully experience the services that Totally provides.

The postgraduate doctors gain first-hand experience by undertaking a range of telephone consultations, supporting appointments at our centres and participating in home visits. Following each amber shift, the trainees are given a full debriefing so that they can take learnings forward to the next stage of the training. Trainees stay with Totally to work a further four green shifts giving them an additional 24 hours of real-world training across a variety of shift patterns including weekdays and weekends, enabling them to experience both busy and quiet times in the service.

Monitoring our performance

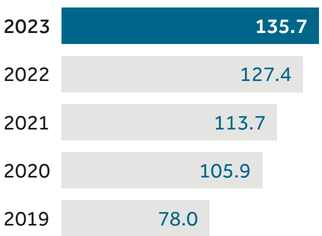
Our business has key performance indicators ("KPIs") which are closely monitored by the organisation and individual commissioners. During the year, we reinitiated performance-related data-monitoring following a pause during the COVID-19 pandemic.

Financial KPIs

Revenue

Total revenues generated by the Group.

£135.7m +6.5%



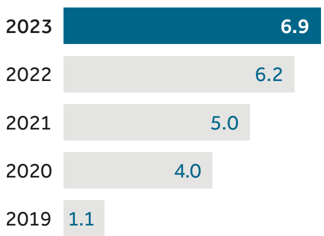
Links to strategy

1 2 3 5

Underlying EBITDA

Adjusted for exceptional items as disclosed in note 8 of the financial statements.

£6.9m +11.3%



Links to strategy

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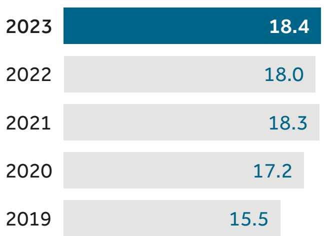
Gross margin

Revenue less cost of sales.

18.4% +2.2%



Links to strategy

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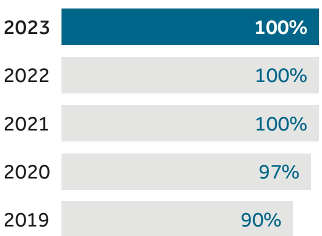
Non-financial KPI

CQC ratings

We aim for all our CQC registered services to be rated as "Good" or "Very Good".

100%



Links to strategy

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Links to strategy key

1. Deliver services and solutions which improve healthcare across the UK and in Ireland
2. Become a partner of choice in healthcare through a focus on quality, safety and efficiency
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5. Identify opportunities to grow both organically and through acquisition

Further growth within challenging operating environment

The NHS and other healthcare providers remain under significant pressure as the impact of long waiting lists and delays in treatment for many millions of people continues. During the year we responded to the needs of this challenging market and an NHS in crisis, which experienced economic, political and operational pressure. We continued to support our commissioners, trusts and hospitals across England with services which enabled them to focus on patients only they could see and ensured patients accessed the most appropriate service to meet their needs.

Alongside this, we undertook planned activity to begin to rebalance our portfolio towards higher market elective care and corporate wellbeing business, maximising the potential of new acquisitions, Pioneer and EFP, by creating additional capacity for patients to be seen via insourcing and outsourcing agreements, the delivery of clinics and other care in community settings, and helping corporate customers ensure their employees remain fit and healthy.

Totally delivered revenue growth against the prior year and in line with revised market forecasts issued on 2 March 2023. Overall revenue for the Group increased by 6.5% year on year at £135.7 million (2022: £127.4 million), supported by increased demand for services to reduce elective care waiting lists, which increased 21% in real terms, and the recognition of a full year's trading for Pioneer.

High inflation and a competitive workforce environment have been key themes across the period and, like the NHS, we have been required to take difficult decisions as we sought to deliver quality services under contracts which had been procured in a significantly different economy, and a pre-pandemic healthcare system.

As at 31 March 2023, the Company held £6.5 million in cash (2022: £15.3 million) with net cash at the same date of £4.0 million. Cash consumption in the year of £8.9 million includes £(7.0) million on investing activities, including £4.9 million contingent consideration paid, and £(1.6) million outflow in working capital as a new normalised position settles, £(0.3) million corporation tax and £(0.3) million outflow from financing activities. This includes the cost of the dividend of £(1.9) million. During the period, the Company utilised half of the £5.0 million rolling credit facility which was secured in the previous year to support working capital requirements.

The Group generated a profit before tax of £1.8 million (2022: £1.3 million), up 42% against prior year. Underlying EBITDA was lower than anticipated but in line with revised guidance issued in March 2023, up 11% at £6.9 million (2022: £6.2 million), excluding exceptional items of £0.6 million.

The Company accordingly made the distribution of its interim dividend in February 2022. The Board recommends to shareholders a final dividend of 0.125p per share. The intention remains to consider future dividend payments based upon the trading performance of the Group.

Trading performance

Growth in revenue was primarily driven by an increase in revenue from our electives services (previously reported as Planned Care, Totally Healthcare and Pioneer Healthcare). Revenue for Elective Care almost doubled to £35.2 million (2022: £17.8 million), as hospitals and trusts continued to seek support to tackle increasing waiting lists. The full year effect of the acquisition of Pioneer was c. £11.3 million revenue.

Urgent Care revenue decreased 10% to £98.8 million (2022: £109.2 million) as COVID-19-related demand fell away, and contracts expired. As previously disclosed, this includes four urgent treatment centres in North West London.

> We continued to deliver quality services under contracts which had been procured in a significantly different economy, and a pre-pandemic healthcare system.

Lisa Barter FCA
Chief Financial Officer

Revenue from EFP totalled £1.7 million (2022: £0.3 million for the period 15 December 2021 to 31 March 2022), up 40% on a like-for-like basis as demand exceeded pre-pandemic levels driven by a focus on bricks and mortar fitness and wellbeing services as employers sought to entice employees back to the office. The full year effect of the acquisition of EFP was £0.9 million.

The Group secured a number of new contracts for urgent care services during the financial year totalling c. £77 million, including a five-year contract retention for the provision of two urgent treatment centres in Bromley and a contract for the delivery of NHS 111 national resilience services which together deliver annualised income of c. £18 million. Additionally, contract extensions for urgent care services worth c. £20 million were secured within the period, reflecting long-term relationships with healthcare commissioners and service quality. A further ten services, with an overall contract value of c. £12.5 million, which were due for renewal on 31 March 2023 have also been extended.

At the end of the period, the business was restructured to bring all healthcare operations under a single leadership team with centralised business development. We continue to actively tender for new business across healthcare and corporate wellbeing.

Gross margin increased slightly to 18.4% (2022: 18.0%) largely as a result of delivering more higher margin elective care and corporate wellbeing services.

On 2 March 2023, the Group updated shareholders on current trading and the impact of inflationary and workforce challenges. Following multiple actions taken to manage costs and reduce reliance on agency staff, the Group posted an underlying EBITDA of £6.9 million (2022: £6.2 million) excluding exceptional items of £(0.6) million (2022: £(0.2) million). The profit before tax of £1.8 million (2022: £1.3 million) is stated after an amortisation charge of £1.5 million relating to the intangible value of contracts acquired.

	31 March 2023	31 March 2022
Revenue	**£135.7m**	£127.4m
Gross profit	**£25.0m**	£22.9m
EBITDA	**£6.9m**	£6.2m
Exceptional items	**(£0.6m)**	(£0.2m)
Depreciation	**(£2.0m)**	(£1.9m)
Amortisation	**(£2.2m)**	(£2.6m)
PBT	**£1.8m**	£1.3m
Net assets	**£37.1m**	£35.4m
Cash	**£6.5m**	£15.3m

Exceptional items

Exceptional items, amounting to £0.6 million, related to costs incurred in the restructure of operational and management teams. Prior year exceptional items were acquisition related.

Cash flow statement

	31 March 2023	31 March 2022
Net cash flows from operating activities	**(£1.6m)**	£11.2m
Net cash flows from investing activities	**(£7.0m)**	(£7.6m)
Net cash flows from financing activities	**(£0.3m)**	(£3.1m)
Net increase in cash and cash equivalents	**(£8.9m)**	£0.5m
Cash and cash equivalents at the beginning of the year	**£15.3m**	£14.8m
Cash and cash equivalents at the end of the year	**£6.5m**	£15.3m

Contingent consideration

	EFP £000	Pioneer £000	Vocare £000	Total £000
At 31 March 2022	300	6,100	236	6,636
Paid in the period	—	(4,888)	(8)	(4,896)
Settled through shares	—	(1,212)	—	(1,212)
At 31 March 2023	**300**	**—**	**228**	**528**

The remaining balance of the Vocare contingent consideration relates to monies advanced to employees during the first month of employment. The balance is payable quarterly and reflects advances recovered from employees when they leave. The consideration related to EFP is expected to be paid during the third quarter of the current financial year following the audit of FY23 performance.

Dividend

We remain committed to the payment of dividends as we believe this reflects our continued confidence in the Company's future prospects. The Board is, therefore, pleased to be recommending to shareholders a final dividend of 0.125p per share. This, together with the interim dividend of 0.50p paid in February 2023, makes a total dividend for the year of 0.625p per share. The final dividend will be satisfied by dividends distributed by subsidiaries to the parent prior to the Annual General Meeting. Subject to approval by shareholders at the Annual General Meeting to be held on 1 September 2022, the final dividend will be paid on 11 October 2023 to shareholders on the register as at the close of business on 8 September 2023. The shares will be marked ex-dividend on 7 September 2023.

Outlook

Following our review at the end the final quarter of FY23 we revised our forecasts to recognise increasingly challenging operating conditions. For the forthcoming year, we are confident that there is further ever-increasing opportunity which we believe cannot be satisfied without the support of existing independent sector capacity. Our pipeline of opportunities remains considerable.

We are working closely with ICBs, trusts and NHS England and continue to build our reputation as a reliable and responsive partner of choice so that we can respond quickly when they seek to procure additional services.

Lisa Barter, FCA
Chief Financial Officer
31 July 2023

Engaging with our stakeholders

Customers

Why they are important

Our customers include commissioners across the NHS and other healthcare organisations, and corporate customers, including a number of "blue-chip" organisations. We seek to build strong client relationships through exceptional contract delivery. Our reputation as a partner of choice is hugely important to us.

How we do this

- Build and maintain strong relationships with senior decision makers.
- Hold regular review meetings with agreed agendas.
- Do what we say we are going to do and never walk away from difficult situations.
- Engage with local services to understand what is needed from us and how we can best serve local people.

Outcomes during 2022/23

- Rapidly mobilised a new contract for the delivery of NHS 111 resilience services for NHS England. This mobilisation included full mobilisation of NHS England's new Single Virtual Contact Centre model.
- Expanded services offered within Bromley as part of a new contract for the delivery of two urgent treatment centres.

Links to strategy

1 2 3

Patients

Why they are important

The quality of care and services that we deliver is of paramount importance. We are supporting patients at a challenging moment in their life, when they may already be stressed or worried. We focus our efforts on getting this right every time and ensuring that each engagement is an opportunity to improve that patient's healthcare outcome.

How we do this

- Engage with patients throughout their care and seek to involve them in key decisions.
- Use a framework of customer and patient surveys which cover our major touchpoints with patients and review and respond to feedback.

Outcomes during 2022/23

- Delivered services to two million patients including treating c. 120,000 patients on elective care waiting lists.
- Centralised feedback mechanisms for patient experience surveys and migrated online, enabling a holistic view of care to be provided by the organisation.
- Positive patient feedback:
  - Elective Care – Insourcing: 100%, Planned Care: 88%.
  - Urgent Care – UTCs and GPOOH: 96%, NHS 111: 79%.

Links to strategy

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Links to strategy key

1. Deliver services and solutions which improve healthcare across the UK and in Ireland
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5. Identifying opportunities to grow both organically and through acquisition

People

Why they are important

Our people are key to Totally's success. We are committed to investing in our people on our journey to become an employer of choice.

How we do this

- Annual employee engagement survey.
- Regular team meetings.
- Regular Group-wide employee communications via our all-people intranet, My Totally, face-to-face forums and email.
- Leadership open-door policy.
- Regular appraisals with a focus on training and development.

Outcomes during 2022/23

- Continued investment in communications and engagement including introduction of "all-hands" calls and further development of all-people intranet, My Totally.
- All-people engagement survey undertaken. Engagement levels across the overall organisation were 58%, providing a benchmark for future years.
- Staff are offered individual clinical advice during periods of absence via the sickness absence management service ("SAMS").
- We provide a competitive range of benefits to staff including access to a standalone benefits platform "My Totally Rewards" providing discounts, access to GP online services, a cycle to work scheme, the holiday purchase, and more.

Links to strategy

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Shareholders

Why they are important

Our investors help to ensure we have access to the resources, support and finances we need to develop and grow the business.

How we do this

- Regular institutional and retail investor meetings.
- Annual Report and Accounts.
- Annual General Meetings.
- The investor section of the Totally plc website.
- Results presentations.
- Stock exchange announcements and press releases.
- All investor meetings through "Investor Meet Company".

Outcomes during 2022/23

- CEO and CFO held individual investor meetings and additional Investor Meet Company sessions for all investors to update on significant events and financial results.
- The Board worked closely with advisers, investors and brokers to maintain a strong understanding of investors' viewpoints.
- Delivered regular regulatory news updates to announce new and extended contracts and other significant news.
- Continued to pay dividends to shareholders during the year.
- Kept the Company website, www.totallyplc.com, updated.

Links to strategy

1 2 3 4 5

Stakeholder engagement continued

Links to strategy key

1. Deliver services and solutions which improve healthcare across the UK and in Ireland
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5. Identifying opportunities to grow both organically and through acquisition

Regulators

Why are they important

We are regulated by a range of financial, clinical, health and safety, legal, competition and markets regulators.

How we do this

- Regular dialogue with healthcare regulators through clinical leadership teams.
- Focused contact between service leads and inspection teams pre, during and post-formal inspections.
- Development of improvement plans in response to feedback from regulators, where necessary.
- Regular interactions with the CQC to understand the changing face of regulation, and to provide assurance of action being taken to improve safety and quality and share good practice.
- We proactively work with all advisers to ensure full compliance with regulators.
- Commitment to operating in line with the principles of the QCA Code.
- We are independently assessed by the British Standards Institution ("BSI"), the national standards agency.

Outcomes during 2022/23

- All our CQC registered services continue to be rated as "Good".
- During 2022/23, the Group (excluding Pioneer and EFP) was successfully assessed against our continued ISO 27001: 2013 (international standard to manage information security) accreditation. Most recently Pioneer has been recommended for addition to the Group certification.
- Currently working towards ISO 27001:2022 standard.

Links to strategy

1 2 5

Communities

Why are they important

We provide essential services within the communities we serve but see our role as broader than providing healthcare services. Engaging with initiatives that generate social value is key for the long-term success of our business.

How we do this

- We provide essential access to urgent and elective care services, improving healthcare outcomes for patients in the communities we serve.
- We are committed to employing and sourcing products locally wherever possible.
- We work with local healthcare education providers to promote opportunities to join our services.
- We offer flexible working arrangements and training designed to fit around our employees.
- We offer a broad range of apprenticeships for those joining us from unemployment or education.
- We support local charities within our communities.
- We co-locate with other healthcare organisations where possible to bring income to the healthcare economy.

Outcomes during 2022/23

- During the year we undertook a series of flyer drops and worked with universities to promote local recruitment.

Links to strategy

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Section 172 statement

It is vital to our business that we build and maintain a strong reputation as a reliable, trusted partner for all stakeholders.

It is the quality and depth of relationships with each of our stakeholder groups which enable us to deliver our strategy by continuing to develop and grow services that are responsive to the needs of patients, are high quality and reliable for our commissioners and delivered in a sustainable way.

Recognising and understanding our stakeholders enables the Group's Directors to satisfy their duties under Section 172 of the Companies Act 2006 and to take into consideration the interests of stakeholders and other matters in their decision making.

When determining what is most likely to promote the success of the Group and its constituent parts, the Directors consider the potential impact on these stakeholder groups, communities, the environment and the Group's reputation.

Key Board decisions made during the year

Below is a list of some key topics that have been a focus for the Board during the year alongside consideration of stakeholder interests and their influence on decision making.

Key area of activity	Matters considered	Outcomes	Stakeholder group considered
Governance	As Totally grows and the services provided change the Board discusses appropriate skills required at a Board level to ensure proper oversight is maintained to ensure quality services for commissioners and patients.	The Board discussed the need for greater medical oversight as a result of the acquisition of Pioneer and increase in level of elective care services provided to ensure that high-quality and safe services could be maintained during a period of growth. The Board defined a new Board position of Medical Director and undertook activity to recruit into the role, appointing Mr John McMullan with effect from 1 January 2023.	
Operating model	As part of its buy-and-build strategy, the Board discusses Totally's operating model to ensure that value from new acquisitions is captured, delivering returns for shareholders and providing efficient value for money services for commissioners.	The Board discussed changes to Totally's operating model following the acquisition of Pioneer Healthcare in March 2023. The Board agreed a new streamlined model for the delivery of healthcare services and appointed a new operational leadership team focused on driving quality, best practice, and efficiencies and removing duplication.	
Environment	The Board considers the position of all stakeholders in its discussions related to Totally's approach to climate change and its journey to net zero.	During the year the Board reviewed and confirmed Totally's principal risks as part of quarterly discussions. As part of broader conversations related to emerging risks including climate risk, the Board agreed milestones towards net zero in line with NHS commitments.	

Stakeholder group key

Customers

Patients

People

Shareholders

Regulators

Communities

Getting it right first time, every time

The five standards of the Clinical Quality Commission ("CQC") are: safe, effective, caring, responsive and well led. Quality is the demonstrable and objective achievement in these areas. Within the sphere of clinical governance and quality, all our activity and the data generated is designed to fall clearly into these domains, so that attainment of ultimately an excellent standard becomes routine and demonstrable.

Our goals

- 100% of our inspected services achieve "Good" or "Outstanding" ratings from CQC (or equivalent in Scotland and Wales).
- To innovate within the boundaries of the NHS framework to promote greater patient access.
- To be sector leaders in demonstrating the high quality of our care.
- To be a dynamic employer offering support and development to all employees.

Our goals are underpinned by our values, demonstrating accountability, being respectful, acting with courage, and delivering excellence.

Our performance

Progress during 2022/23

- Two regulatory inspections during the year – with 100% of inspected services maintaining their "Good" rating by CQC.
- Feedback mechanisms for patients' experiences migrated online and centralised, enabling a holistic view of care provided by the organisation for 2023/24.
- Fully rolled out new single instance of Datix incident reporting, with a web-based system allowing central visualisation of all events and single approach to risk analysis.
- Fully rolled out single web-based policy library ("Policystat") with all policies accessible through the Totally's intranet enabling a consistent model of care across the organisation.

Priorities for 2023/24

- Establish a Group-wide approach to meeting the requirements of the Patient Safety Incident Response Framework ("PSIRF").
- Implement a Group-wide appraisal process so that every employee has meaningful and productive performance reviews leading to clear professional development goals aligning with Company needs.
- Build on the web-based patient satisfaction questionnaire to record feedback across the entire organisation providing data relevant to improving patient care and individual performance.

"Our focus is on delivering high quality care, putting the patient at the centre of our approach and maintaining clinical excellence with verified high quality outcomes.

John McMullan
Medical Director

Delivering outstanding clinical quality

Outstanding clinical quality demands that the CQC's five standards are embedded in the organisation, and achievement of these goals is demonstrable both within the organisation and to the outside world.

We are uncompromising on patient safety. We work hard to ensure all our staff, and consultants, have the skills and support they need to improve patient safety across our entire organisation.

We have tight feedback loops on patient safety incidents and can respond quickly to every and any incident as we focus on the best possible care.

We already conform with most of the elements of NHS England's new PSIRF and are confident that we will be able to demonstrate complete compliance with all aspects before its universal adoption.

Safety, quality, effectiveness and patient experience underpin everything we do, with a focus on getting it "Right First Time". This is an essential part of delivering on our purpose to improve healthcare access and outcomes across the UK and in Ireland.

At a clinical level, we are committed to delivering excellent care, with "Good" or "Outstanding" CQC ratings (or equivalent in Wales) across all of our inspected services and a focus on good patient engagement and feedback. 100% of our inspected services are rated as "Good" by the CQC.

The healthcare sector faces and will continue to face considerable challenges. Year on year there is increased demand which we respond to against a backdrop of staff shortages and increasing cost. We have processes in place to support services when challenges are faced, and mechanisms to share learning across the Group. This framework is being simplified by the restructure of the business, bringing together all our healthcare operations under one leadership, helping us achieve consistently high standards.

A framework for continuous improvement

At an organisational level, we have a clear Quality Assurance Framework, based on the domains of quality outlined. To ensure standards are met, the Group Clinical Governance Board, a sub-committee of Totally's Board, oversees this assurance. It is chaired by the Medical Director and, for further Board assurance, joined by a Non-Executive Director.

Work to bring our healthcare operations together will be completed in the 2023/24 year and simplifies and strengthens the governance framework, maximising the ability to drive best practice across the organisation.

The Clinical Governance Board's key responsibilities are to:

- Set standards for clinical governance within the Group;
- Give guidance and direction for service delivery;
- Drive standardisation of approach in policy, process and infrastructure;
- Set expectations for development or recovery and set timescales for delivery;
- Ensure that a clinical governance structure which monitors key quality indicators ("KQIs") is in place; and
- Hold operational leaders to account in matters of clinical governance.

The work of the Group Clinical Governance Board is underpinned by:

1. Subject matter experts

Subject matter experts ("SMEs") work across the Group to ensure we meet national standards for their area of expertise.

- **Infection prevention and control ("IPC"):**
  High quality infection prevention and control processes are mandatory in delivering safe healthcare. Our IPC programme is led by a Clinical Nurse Specialist who monitors our approach to IPC, ensures we meet and exceed mandatory requirements and supports SERCLE/relevant audit studies.
- **Safeguarding:**
  Safeguarding is about protecting a citizen's health, wellbeing and human rights to enable them to live free from harm, abuse and neglect. It is a legal, contractual and moral duty of all healthcare providers, and we have worked hard to ensure that our structures, staff and expertise deliver safe systems.

> "All our CQC registered services continue to be rated "Good" and patient feedback is in line with national standards.

A framework for continuous improvement continued

1. Subject matter experts continued

Across the Group, staff have access to safeguarding training, weekly group supervision sessions and regular safeguarding content through our all-people intranet, My Totally, providing updates on work within the Group and, importantly for clinicians, legal and national updates. We continue to enhance our training content and schedule, and recent staff feedback confirmed the relevance, depth and delivery of training for clinicians.

One important part of the work of the safeguarding team, led by our Named Nurse and Doctor for safeguarding, is monitoring the quality of our referrals into social services and local safeguarding teams. Assessing the quality of those referrals feeds an improving standard of practice across the Group.

- Medicines management:
  Medicines management is an evidence-based approach in prescribing, procurement, storage, distribution, administration, and disposal of medicines. The intention is to balance the safety, tolerability, effectiveness, cost, and simplicity of treatments based on current evidence, national guidelines and relevant local policy. Good medicines management ensures that patients receive better, safer, cost-effective, and convenient care.

  Medicines management across the Group is provided by our subject matter expert pharmacists and a team of pharmacy technicians, working with local teams to ensure the appropriate storage, use and prescribing of medication and prescription stationery.

  Important workstreams undertaken during the year included the correct application of Controlled Drugs and Waste Management legislation, NHS/CQC requirements and wider oversight of antimicrobial use, in line with UK government and NHS England antimicrobial resistance ("AMR") strategies.

2. Clinical audit

Clinical audit is a way to find out if healthcare is being provided in line with standards and lets providers and patients know where their service is doing well and where there could be improvements.

As a minimum, clinical audit seeks to provide assurance of compliance with contractual and clinical standards (whether these are national, professional or statutory). It identifies suspected or hidden risk, clarifies underlying activities involving waste and inefficiencies, identifies opportunities for the improvement of care and patient outcomes and supports the re-validation process for clinical staff.

In the last year we have completed in excess of 10,000 audit cycles in 45 audit areas. In all cases the audit showed our processes to be fully compliant against national standards and exceeded required performance.

Examples of audits undertaken include NHS 111 call review, NHS 111 welfare ambulance review calls, controlled drug prescribing, compliance with safeguarding referral and level 3 training and ongoing case notes review audits in specific clinical areas.

3. Internal review ("SERCLE")

Our internal SERCLE review process carries out regular inspections of our services. The process is matched against CQC's inspection criteria and identifies opportunities to capture best practice across equivalent services or, where there are shortfalls, address them with the local teams.

4. Patient feedback

This includes patient feedback and complaints, reporting of adverse incidents, monitoring of risk and the engagement of frontline staff in quality, service provision and personal development.

Totally utilises the NHS-led Friends and Family Test ("FFT") to monitor patient experience, which is carried across all services. The FFT asks two simple, standardised questions:

- **"Overall, how was your experience of our service?"** with a five point scale, ranging from "Very Good" to "Very Poor", with the sixth option "Don't know".
- **"How likely are you to recommend our service to friends or family?"** a five point scale ranging from "Very Likely" to "Very Unlikely" with the "Don't know" option also available.

During 2022/23, data was collected by the organisation as follows:

Elective Care

- Insourcing data collected annually from over 600 patients; 100% positive outcome.
- Planned care services received responses from more than 1,000 patients; 88% positive response on satisfaction and 72% would recommend the service.

Urgent Care

- GPOOH and urgent treatment centres received positive satisfaction ratings from 96% of responders.
- NHS 111 services received positive satisfaction responses from 79% of those submitting feedback.

FFT results are monitored through monthly reports and services are able to access patient comments relevant to their area via an online dashboard. Totally is committed to maintaining good positive scores for FFT to ensure a positive patient experience in all services.

Complaints

Totally values complaints as an important source of patient feedback. We provide a range of ways in which patients and families can raise concerns or make complaints. All concerns, whether they are presented in person, in writing, by telephone or email are assessed and acknowledged within three working days wherever possible and all complaints are investigated.

Formal complaints are rare. All such complaints are investigated and learnings developed and shared.

We aim to respond to informal concerns quickly. If the concern or issue cannot be dealt with informally or if the enquirer remains concerned, the issue is always categorised as a formal complaint and processed accordingly. During 2022/23, 755 formal complaints were received. The number of formal complaints received by Totally was made up as follows:

- NHS 111 services: 125 complaints (65,4710 patient contacts – 0.02%).
- Other urgent care services: 706 complaints (1,209,681 patient contacts – 0.06%).
- Elective care: 24 complaints (9,377 patient contacts – 0.25%).

Focus on patient experience
We speak with patients every day and want to know about the care that they have received from us. We use online feedback tools with direct feedback loops to individual services so that we can learn across all of our services and monitor complaints to identify all opportunities for improvement. Over the next year, there will be focus on improving the rates of feedback to make the information representative and informative for the organisation. It is recognised that many patients do not feel especially motivated to give feedback and so we will be running a more hands on approach, with person-to-person interaction and interviews.

5. Risk monitoring
Clinical risk is defined as one of our principal risks as defined on pages 41 to 45.

Clinical risk is the assessed chance and severity of an adverse event occurring to a patient or group of patients. All clinical activity carries risk.

Appropriate identification of areas of risk is of vital importance and requires assimilation of raw performance data as well as incidents identified from Datix, complaints and litigation. It also requires attention to external events, policy changes and anything that impacts on the provision of healthcare.

Risks are identified at every level of the organisation, they are recorded and graded on risk registers with a plan formulated to minimise or where possible to eliminate them entirely. Every service area carries its own risk register with risks seen as relating to the wider organisation being promoted centrally.

As part of the reorganisation, the management of risk registers is being co-ordinated with a central database of all documents, so that there can be central oversight of all identified risks and ensure that there is proactive management of the risk.

6. Engagement of frontline staff in quality, service provision and personal development

- Engagement:
  Regular "all clinician" calls are recorded and hosted for on-demand viewing on our all-people intranet, My Totally, to ensure that all clinicians can stay up to date with the latest essentials on patient safety.
- **Training and development of the clinical workforce:**
  Our clinical workforce is our face to the world and the team which patients come into contact with when they need our services.

  The main groups of staff are wholly employed clinical staff (including doctors, nurses, therapists, call handlers and pharmacy support), contracted staff (including doctors, nurses, therapists and theatre technicians) and administrative staff. All play key roles in providing high quality clinical care. We believe that all employed staff should have an annual appraisal and this forms the bedrock of their engagement in the Group's quality programme. Good appraisal allows individuals to understand their own perspective and how their role supports continuous quality improvement at the individual level at the service level and Group-wide. Contracted individuals receive concise consolidated feedback on their engagement with quality processes which will be submitted as part of their appraisal process.

Ensuring quality through change
The integration of Pioneer Healthcare into Totally has resulted in a steady increase in work within the elective care area. There is a growing need for additional capacity in elective care, in part to deal with the ongoing backlog from COVID-19, but also to manage the increased demand from the population. Our elective care services have benefited from an increasingly centralised approach to quality, including audit, patient feedback, management of complaints and actioning the response to incidents.

We continue to innovate in this area with an increasing number of day cases and remote consultation. As we restructure the business we are focused on ensuring that quality is maintained across every service.

Focus for the future
During 2023/24 we are rolling out a Group-wide all-people culture programme focused on getting it "Right First Time". For clinicians we will reconfirm this focus through regular all-clinical calls focused on "getting it right" and "being nice", both of which are fundamental to delivering excellent services and the best way in which we can show our respect to our commissioners and our patients.

John McMullan
Medical Director
31 July 2023

Our sustainability priorities

Empowering our people

The wellbeing and development of our employees is a core priority to ensure that they can contribute fully to the services we provide and realise their full potential.

Building social value

Our aim is to make a positive and lasting contribution in the areas that we operate. We recognise the role we play within these communities – as an employer, as a provider of essential services and as a large organisation.

Operating responsibly

We recognise our responsibility across our wide range of stakeholders including our employees, our suppliers, the environment and the communities in which we operate.

Empowering our people

The wellbeing and development of our employees is a core priority to ensure that they can contribute fully to the services we provide and realise their full potential.

Our values

At Totally, our values form the bedrock of our organisation, guiding our decisions, actions, and interactions. They define who we are and how we conduct ourselves as a team and play a pivotal role in shaping our success and culture. We developed our values, focused on courage, accountability, respect and delivering excellence, in 2021 in conjunction with our people, and these values form an important part of our recruitment, appraisal and engagement.

You can see our values in full on page 2.

Employee engagement

During the year, we undertook an employee engagement survey. Between April and May 2022, surveys were made available via online links to employees. Each survey carried 20 statements, relating to key topics and grounded in our values. Responses to statements used the Likert scale from “5 = strongly agree” to “1 = strongly disagree” and statements were divided into five key areas associated with employee engagement and corresponding to the Group’s published sustainability targets.

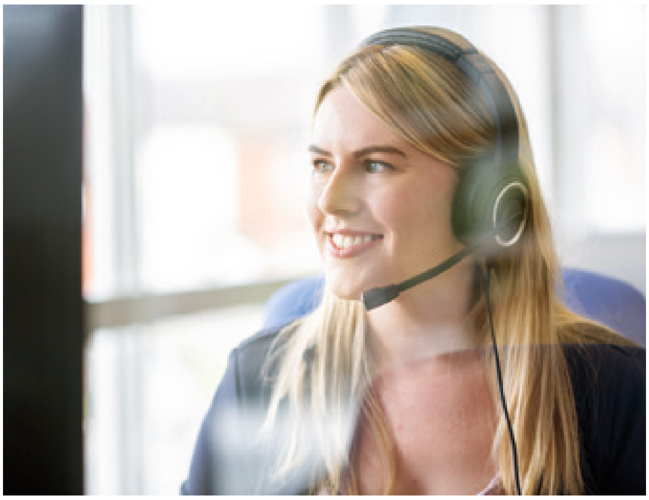
Key areas sought to understand employees’ perception of their role, team, manager, development and the organisation as well as understanding views about wellbeing support in place, how they felt about raising concerns, safety in the workplace, recognition and their experience during COVID-19.

Overall staff engagement was measured based on each respondent’s answer to eight questions set by the business; scores fell between 0-10, where the higher score indicated more engaged staff. The scores were produced at a range of levels across the Group. The average score was 6.2 with the highest division scoring 7.2. During 2023/24 we are rolling out activity to build on this position.

In addition to this activity, we undertake a new starter and leaver survey to support ongoing development of the processes which influence our workforce.

Equality, diversity and inclusion

Creating a supportive environment where everyone can excel in their profession and reach their full potential is vital to our strength and resilience. We prioritise equality and diversity in our workforce, reflecting the communities we serve. This commitment is evident in how we deliver our services to partners, clients and customers.



During the year, we launched a new ED&I forum focused on driving forward activities to support employees who identify as LGBTQIA+, are from culturally diverse backgrounds, beliefs and religions, or work with a disability. The forum, which reports to our People Committee, is made up of a diverse set of talented people from across our businesses, each determined to create and improve our culture, policies and systems and ensure we provide best practice for all our people. During the forthcoming year, we aim to develop sub-groups and communities on our intranet to drive increased focus.

> I found the whole process from application to onboarding through to training and starting the job gave a real sense of total acceptance of me being transgender. Everyone has approached me with dignity, understanding and respect. There is truly the culture of acceptance of diversity at Totally.
>
> **Rolf Larsen, NHS 111**

Empowering our people continued

Equality, diversity and inclusion continued

In November 2022, all colleagues were invited to complete an anonymous survey for equality and diversity monitoring. 255 colleagues responded to this survey. Due to the low response rate, the results were not deemed to be representative of the overall workforce, yet provides a baseline for further work to be undertaken in 2023.

Health and wellbeing

We are committed to the good health and wellbeing of our teams.

We are a Mindful Employer, working towards better mental health in the workplace. We support the mental wellbeing of our staff by signing up to the following six values:

- To provide non-judgemental and proactive support to staff experiencing mental ill-health;
- To not make assumptions about a person with a mental health condition and their ability to work;
- To be positive and enabling towards all employees and applicants with a mental health condition;
- To support line managers in managing mental health in the workplace;
- To ensure fairness in the recruitment of new staff in accordance with the Equality Act (2010); and
- To make it clear that people who have experienced mental ill-health will not be discriminated against, and that disclosure of a mental health conditions will enable both the employee and employer to assess and provide the right level of support or adjustment.

We encourage healthy behaviours and knowledge sharing on our intranet, My Totally, through regular wellbeing initiatives such as Mental Health Awareness Week.

For colleagues in need of support with their health and wellbeing, we have an established Mental Health First Aider network of 34 Mental Health First Aiders and offer a confidential and accessible one-to-one support service that is available 24/7, online or over the phone, at no cost to employees. Details on how to access this system are provided during onboarding and are available through our Company intranet. Our HR teams and line managers across all our businesses also ensure this information is readily available.

Our sickness and absence management service ("SAMS") is also available for all staff to support them through mental and physical health issues. The service receives excellent feedback from users.

> **In my previous jobs we have never had anything like this when I have been off ill. I believe a lot more companies should have this. It really makes you feel you are valuable to the Company and that the Company is concerned about its employees.**
>
> **Feedback on Totally's SAMS**

Flexible working

Flexible working policies are in place and reasonable adjustments are made to help our employees with their responsibilities outside of work, such as childcare or carer responsibilities.

Training and development

Our training and development team helps to prepare the Company to meet both today's training demands and tomorrow's operational challenges. We are committed to developing and identifying potential within our business, to generate exciting career opportunities and a consistent quality talent pipeline to meet the growing demands within healthcare and ensure the long-term sustainability of our business.

We supported 25 people on apprenticeships during the year and offered 20 non-clinical and 10 clinical apprenticeships providing the opportunity to learn whilst working alongside experienced professionals, and ensuring colleagues have pertinent up-to-date industry experience as soon as they pass the necessary qualifications.

During the year, every employee undertook statutory and mandatory training and we also supported the career development of our people through in-house training and short courses.

Building social value

Engaging with initiatives that generate social value is key for the long-term success of our business. We want to leave a positive lasting legacy in the areas where we operate and deliver services. Our business undertakes a wide range of activities to build social value within the areas where we operate and deliver services.

Supporting local people

We are committed to employing locally based people wherever possible. We always advertise locally and work with local healthcare education providers to promote opportunities to join our services. We are committed to upskilling our local workforce and will actively develop staff to access and train for opportunities. We offer flexible working arrangements and training designed to fit around our employees as well as childcare vouchers for qualifying staff to support continued attendance.

We use competency-based job progression to increase the skills of our workforce; for example, HCAs are encouraged to undertake our treatment room competencies to widen the range of their role. This also attracts a higher pay rate for those individuals.

Helping local people into employment

We offer a broad range of apprenticeships to those working with us and for those joining our services from unemployment or education.

Armed Forces Covenant

We are signatories of the Armed Forces Covenant demonstrating continued support for ex-service men and women into places of work across our businesses, as well as encouraging those who serve, or have served, into employment with the Group. The Group is proud to support ex-Forces personnel and reservists in rewarding, long-term careers across our businesses. We recognise the valuable experience and skills offered by ex-service men and women.

Ex-service men and women hold a number of key leadership roles within our organisation including (as pictured) Kat Dalby-Welsh, Director of nursing and quality for our healthcare organisation.

> I joined Totally because it is all about the culture. Totally for me chimes with my personal ethos and values of courage, accountability, respect and excellence. To work with those who daily demonstrate their care for patients is what drew me.
>
> **Jill Winters, NHS 111**

Supporting local charities

We have adopted a range of local charities within the communities we work. One example is "Changing Faces", the UK's leading charity for people who have scars, marks or conditions on their bodies.

Supporting the local economy

Our services are hosted locally and we employ locally, supporting local businesses. We co-locate with other healthcare organisations where possible (for example local general practice) bringing income, increased footfall and room utilisation. In addition, we seek to source products locally and generally order local anaesthetics and other supplied medications from local pharmacies. Elsewhere, we use NHS Supplies for our medical supply chain. NHS supplies is ISO 14001 (International Environmental Management System Standard) accredited at each of its UK distribution centres. It also applies an ethical procurement strategy and adds labour standards assurance systems into all its tenders. This is further strengthened by a supplier code of conduct.

Pictured – Kat Dalby-Welsh

Operating responsibly

We recognise the responsibilities we have to our stakeholders in relation to minimising our impact on the environment.

Required reporting for 2022/23

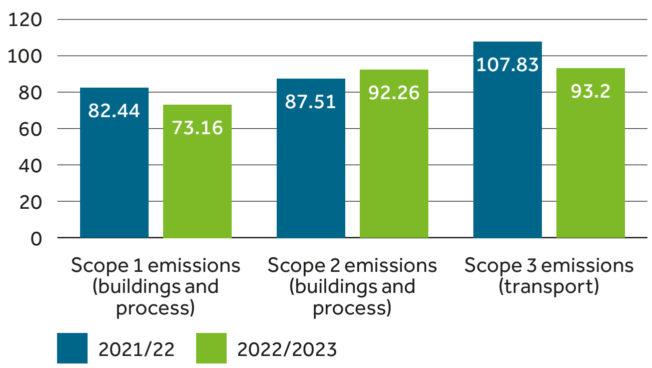
SECR disclosures are mandatory for listed and large unlisted UK companies with reporting cycles beginning on or after 1 April 2019. This report summarises our energy usage, associated emissions, energy efficiency actions and energy performance under the government policy Streamlined Energy and Carbon Reporting ("SECR"). This is implemented by the Companies and Limited Liability Partnerships Regulations 2018.

As Totally is listed on the AIM market it is only mandated to include energy consumption, emissions, intensity metrics and energy efficiency improvements implemented in our most recent financial year. For the year ended 31 March 2023 in scope operations includes subsidiaries Vocare Limited and Greenbrook Healthcare Limited.

Year 4

Totally's Scope 1 and 3 direct emissions (combustion of natural gas and transportation fuels) for the year ended 31 March 2023 are 166.37 tCO_2e, resulting from the direct combustion of 804,897 kWh of fuel. This represents a carbon increase of 5.43% from last year.

Scope 2 indirect emissions (purchased electricity) are 92.26 tCO_2e, resulting from the consumption of 477,100 kWh of electricity purchased and consumed in day to day business operations. This represents a carbon increase of 16% from last year reflecting continued efforts to decrease carbon offset by the impact of staff returning to the office following an extended period of working from home and the move to a hybrid vehicle fleet.



Our operations have an intensity metric of 1.90 tCO_2e per £m turnover for this reporting year. This represents a reduction in operational carbon intensity of 12.8% from our previous reporting year.

Total consumption of energy supplies (kWh)

Utility and scope	Scope	2022/23 UK consumption (kWh)	2021/22 UK consumption (kWh)
Gaseous and other fuels	1	**400,808**	450,125
Grid supplied energy	2	**477,110**	412,150
Transportation	3	**404,089**	457,607
		1,282,007	1,319,881

Total emissions from energy usage (CO_2)

Utility and scope	Scope	2022/23 UK consumption (tCO_2e)	2021/22 UK consumption (tCO_2e)
Gaseous and other fuels	1	**73.16**	87.51
Grid supplied energy	2	**92.26**	82.44
Transportation	3	**93.20**[1]	107.83[1]
		258.62	277.78

1. Estimated by invoice based on actual usage for the year.

Note 1

Scope 1 – Consumption and emissions related to direct combustion of natural gas, and fuels utilised for transportation operations, such as company vehicle fleets.

Scope 2 – Consumption and emissions related to indirect emissions from the consumption of purchased electricity in day to day business operations.

Scope 3 – Consumption and emissions related to emissions resulting from sources not directly owned by Totally plc. This relates to grey fleet (business travel undertaken in employee-owned vehicles) only.

Intensity metric

Intensity metric	Tonnes CO_2e per £m revenue
2022/23	**1.90**
2021/22	2.18

Reporting methodology

This report (including the Scope 1, 2 and 3 consumption and CO_2e emissions data) has been developed and calculated using the *GHG Protocol – A Corporate Accounting and Reporting Standard* (World Business Council for Sustainable Development and World Resources Institute, 2004); *Greenhouse Gas Protocol – Scope 2 Guidance* (World Resources Institute, 2015); ISO 14064-1 and ISO 14064-2 (ISO, 2018; ISO, 2019a); and *Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance* (HM Government, 2019). Government Emissions Factor Database 2022 version 1 has been used, utilising the published kWh gross calorific value ("CV") and $kgCO_2e$ emissions factors relevant for the reporting period.

Totally has direct control over, pays for, and has access to impact 2% of the total energy consumption data for the sites we occupy. 98% of the sites we occupy are part of landlord supplies within buildings, including hospitals managed by the NHS.

This report makes use of estimated emissions based on projected consumption for the period. These full-year estimations were applied to three electricity supplies and two gas supplies. Estimations equated to 100% of reported consumption.

Intensity metrics have been calculated using total tCO_2e figures, and the selected performance indicator agreed for the relevant period:

- Total turnover in 2022/23 (2021/22) **£135.7 million** (£127.4 million).

Total emissions from energy usage (CO_2)

2022/23

258.62

(tCO_2e/£m)

2021/22

277.78

(tCO_2e/£m)

Actions taken during the year

We are committed to identifying ways to support the reduction of our carbon footprint and although the majority of our costs are people related, we continue to seek new ways to reduce our impact on the environment.

A register of energy efficiency measures has been compiled (ESOS Phase 2) with a view to implementing these measures by 2026. No new major energy efficiency actions were undertaken during the period. However, we are now looking to introduce an environmental accreditation as part of our journey towards net zero.

All our hybrid vehicles and air conditioning are serviced and maintained in accordance with the manufacturers' intervals to ensure they continue to operate effectively and efficiently.

Sustainable progress has also been made on encouraging employees to be more environmentally aware in the undertaking of our business, for example the reduction of printing, and single-use plastics and increased recycling.

Future steps

Data collation actions to support the full disclosure of Scopes 1, 2 and 3 in line with ESOS Phase 3 are on track for the 3 December 2023 deadline.

Falu Bharmal
Group Director of Corporate Assurance
31 July 2023

Reducing our impact on the environment

The Board makes its statement of compliance with TCFD disclosures as required by Listing Rule (LR 9.8.6 R(8)) below.

1 Governance: The role of the Board and management in the oversight, assessment and management of climate risks and opportunities

Board oversight of climate-related risks and opportunities

The Board has ultimate oversight of climate-related risks and opportunities facing us and exercises that oversight through:

- Reports from the Audit Committee related to the principal risks, as explained on page 41;
- Annual review of emerging risks with the executive management team through the Audit Committee; and
- Review of all major capital expenditure projects that affect sustainability.

Management's role in assessing and managing climate-related risks and opportunities

The Executive Committee, chaired by Wendy Lawrence, CEO, and comprising Lisa Barter, CFO, and John McMullan, Medical Director, retains overall responsibility for assessing climate-related risks and opportunities. The Committee receives a quarterly report on the principal risks and the overall risk profile of the Group prior to this going to the Audit Committee and Board. The principal risk report analyses the principal risks for probability and impact and details current and planned risk mitigations and sources of assurance. This report, in conjunction with other management information, ensures that the Executive Committee understands and can act on its assessment of climate-related risks. The Committees also reviews global trends for emerging risks on an annual basis, prior to this going to the Audit Committee.

The Executive Committee receives data and information from the senior leadership group to help it collate its overall view of the climate-related risks and opportunities facing the Group. The senior leadership group discusses risks to the business, including climate-related risks, on at least a quarterly basis. The majority of climate-related risks and opportunities, to date, have been identified in the physical assets of the estate such as vehicles, and to a lesser extent, leased buildings, as detailed on pages 36 to 37.

2 Strategy: The impact of climate-related risks and opportunities on business, strategy and financial planning

Climate-related risks and opportunities identified in the short, medium and long term

The Board recognises that climate-related risks and opportunities emerge over very long timeframes and well outside the normal five-year strategic planning horizon. Its review of concern and viability is undertaken as part of the risk management process.

Physical risks and transitional risks

From a climate change perspective, the Board considers our operations as one business unit because all of our operations are within the UK, and similar in nature. An initial exercise to identify physical and transitional risks has been completed as part of our emerging risk process and during 2023, further work will be conducted to build out the risk assessments related to physical risks from climate change and their impact on services.

The physical risks we have identified could impact our services in the short term (1–3 years). Transitional risks are likely to materialise over a longer timeframe (up to the next ten years).

Physical risks – initial assessment

Risk title	Description	Potential impact	Timeframe
Acute weather event	Risk of damage to physical assets from acute weather events, e.g. flooding.	Higher, more intense rainfall and stronger winds, especially in the North West*, may cause damage to hospitals where we operate some services.	**Short to long term**
Chronic weather event	Risk of operational disruption from chronic weather events e.g. sustained heatwaves.	UK is likely to incur longer dry and hot spells, especially in the South East*, where we operate a number of urgent treatment centres. This may cause interruption within the hospitals where we deliver services.	**Medium to long term**

* Per Met Office climate change model.

2 Strategy: The impact of climate-related risks and opportunities on business, strategy and financial planning continued

As the majority of our services are operated within sites owned and maintained by the NHS, we recognise the importance of open conversations with trusts and ICBs related to risks identified and actions required for sites where we provide services. During 2023 we aim to increase engagement with NHS trusts on this matter in order to align activity, increase cohesion and reduce potential for duplicated effort.

Transitional risks

The main transitional risk we have identified is a failure to move to net zero carbon emissions. The move to net zero carbon emissions is also an opportunity for us to reduce our energy costs by a reduction in absolute levels of consumption, and to position ourselves positively in the market.

- **Energy costs** – As the majority of our services are delivered within the NHS estate, we are somewhat protected from the short-term fluctuations in energy prices driven by political events and in the longer term by rising carbon costs imposed on power generators, and increases in tax at the point of consumption.
- **New technologies** – A strategy in our decarbonisation plan requires replacing high emission energy sources with lower emission sources; this includes our use of vehicles as well as, to a lesser extent, buildings (as we largely operate from NHS owned estate and leased locations).
- **Market risk** – Commissioners are increasingly requesting evidence of action against climate change within tenders. We are currently progressing initial work to establish accreditation within this important area and will be progressing this at pace in 2023.
- **Reputation risk** – Increasingly, the business is operating in an environment of consumer awareness around climate change, which risks damage to Totally's reputation if we contribute detrimentally to, or do not take actions to reduce our impact on, climate change.
- **Legal and regulatory** – This type of risk is relevant to us due to the potential cost of compliance with existing contracts, new legislation, and potential financial impact of litigation as well as the reputational impact of non-compliance, which could result in negative impacts to earnings potential. As a listed company, we are open to scrutiny in these areas from regulators and our other stakeholders as described on page 26 and at risk of penalties and legal action due to non-delivery of contracted services and non-compliance with legislation such as SECR, ESOS, MCBP and MEES.

Impact of climate-related risks and opportunities on the financial statements

To date, the Board has not identified any climate-related risks or opportunities that would have a material impact on the assets or liabilities of the Group, and, therefore, has not adjusted financial balances for climate-related risks or opportunities.

Opportunities

The NHS is already under pressure. Predicted climate-related impacts on health including an increased respiratory and cardiovascular disease, and injuries and illness related to extreme weather events will create further pressure. We are in a position to provide additional support where needed to ensure continued access to quality healthcare services.

Impact of climate-related risks and opportunities on our business, strategy and financial planning

We do not consider that climate-related risks and opportunities will have a material impact on our revenues, operating costs, acquisitions, divestments and access to capital over the short to medium term.

Other impacts on our business, strategy and financial planning

We have already replaced our fleet of vehicles with hybrid alternatives and will consider the electrification of our fleet when this becomes commercially viable.

During 2022/23, there was no significant change to our approach of identifying climate-related risks and opportunities, or our mitigation strategies against the risks we have identified. The process of risk management is described on page 41. During 2023/24 we will continue to review our mitigations through our normal risk management process, identify requirements for climate-related accreditation and taking advantage of additional opportunities as we identify them and they arise.

Resilience of Totally's strategy, including a 2°C or lower scenario

We will undertake further work on climate risks in 2023 including the consideration of a range of different climate scenarios in line with the recommendations of the TCFD to identify exposed locations and assets most at risk.

3 Risk management: How we identify, assess and manage climate-related risks

Process for identifying and assessing climate-related risks

On page 41 we describe our risk management process and its governance. We use the same process to identify and assess climate-related risks. The relative importance of climate-related risks is established through the same method of estimating the range of potential impacts and the likelihood. We have set out on pages 38 and 39 what we believe are the climate-related risks that are specific to our circumstances. The scenario analysis we will carry out in 2023 will further deepen our understanding of the potential longer-term risks we may face from climate change.

Process for managing climate-related risks

On page 41 we describe the governance of risks including climate-related risks. Our governance structure results in three levels of management of our climate-related risks and opportunities depending on the materiality of the activity as shown in the figure below.

Board and Executive Committee: Strategic direction, including approval of large-scale investment programmes reserved as a matter for the Board

Senior leadership team: Group-wide tactical management

Site level leadership: Local strategies and tactical implementation

Integration of processes for identifying, assessing and managing climate-related risks into our approach to risk management

As the responsibility for identifying and managing risks, including climate-related risks, is with the Board, and the Executive Committee and then through senior and local site-wide leadership, management of climate-related risks is entirely integrated in our normal management processes. We have not built a separate management process to manage climate change-related risks and opportunities.

4 Metrics and targets used to assess and manage relevant climate-related risks and opportunities

Metrics used to assess climate-related risks and opportunities

In our risk management process, we assess all risks against a range of impacts including financial, reputational and patient safety, amongst others. In relation to climate change, the main strategic risk and opportunity that we have developed metrics for is the decarbonisation of our operations. We track progress for gas and electricity consumption against targets plus associated carbon emissions on an annual basis.

We report Scope 1 and 2 emissions in full, and some of the Scope 3 emissions, being grey fleet (business travel undertaken in employee-owned vehicles only).

Scope 1, Scope 2 and Scope 3 greenhouse gas (“GHG”) emissions, and their related risks

We disclose our GHG emissions, on page 36-37 .There has been no change to the methodology applied to calculate our emissions for 2022/23.

Targets to manage climate-related risks and opportunities and performance against targets

As we work closely with the NHS to support the delivery of its services, we have signed up to matching or beating the NHS climate change targets.

The NHS has set two targets:

- For the emissions we control directly (the NHS Carbon Footprint), we will reach net zero by 2040, with an ambition to reach an 80% reduction by 2028 to 2032 (compared with a 1990 baseline).
- For the emissions we can influence (our NHS Carbon Footprint Plus), we will reach net zero by 2045, with an ambition to reach an 80% reduction by 2036 to 2039 (compared with a 1990 baseline).

As Totally was established after 1990 we have adjusted the targets to remain challenging, yet realistic, for our journey to net zero:

- For the emissions we control directly, we will reach net zero by 2040, with an ambition to reach a 50% reduction by 2028 to 2032 (compared with a 2020 baseline).
- For the emissions we can influence (our NHS Carbon Footprint Plus), we will reach net zero by 2045, with an ambition to reach a 50% reduction by 2036 to 2039 (compared with a 2020 baseline).

This target includes elements of Scope 3 emissions, but it does not include Scope 3 emissions from our supply chain, including energy transmission, hotels and waste. We report our progress and the initiatives to deliver against those targets on page 36-37.

Our risk management process

The Board is responsible for maintaining and reviewing the effectiveness of our risk management activities from a strategic, financial, clinical, regulatory and operational perspective. These activities are designed to identify and manage, rather than eliminate, the risk of failure to achieve business objectives or to successfully deliver our business priorities.

The delivery of our strategic priorities to drive sustainable growth and long-term shareholder value is dependent on effective risk management. We regularly face business uncertainties and it is through a structured approach to risk management that we can mitigate and manage these risks and embrace opportunities when they arise.

The risk management process is designed to identify, assess, respond to, report on and monitor the risks that threaten our ability to achieve our business priorities and objectives, within our risk appetite.

Our risk identification process follows a dual approach:

- A bottom-up approach at a business unit or service level which identifies the risks that threaten an individual service or activity. These risks are consolidated at regional and Group level, then escalate to the senior leadership team for visibility.
- A top-down approach at the Group level which identifies the principal risks that threaten the delivery of our strategy (see pages 18 and 19), our principal risk profile and trends in the threat levels (on a net/residual risk basis) since the last reporting period.

Totally's senior leadership and their teams evaluate and manage the risks they face, on a timely basis, to ensure compliance with relevant legislation, their business principles and Group policies.

Risk assessments are performed to consider materiality, risk controls and specific local risks relevant to the services or functions they manage. These discussions are wide ranging and consider operational, environmental and other external risks. These risks and their impact on business performance are regularly considered as part of senior management responsibilities. Group functional leads across the business provide input to this process, sharing with the leadership their view of key risks and what assurances are in place or planned to mitigate them. A combination of these perspectives with the business risk assessments creates a consolidated view of the Group's risk profile. A risk summary is discussed with the Group's executive leadership as needed, and at least annually.

The Chief Executive Officer and Executive Directors provide an assessment of the status of risk management across the Group, discussing key and emerging risks, relevant policy and the adequacy of mitigating actions. The Board confirms the Group's principal risks, those which could prevent Totally from delivering its strategic objectives, and detail the formal updates and progress reports they will require throughout the year.

Our risk appetite

The Board sets our overarching risk appetite for principal risks across the risk categories that we face in the normal course of business. We assess the level of risk against the risk appetite to ensure we focus our efforts appropriately. We target risks for assessment based on gross risk and measure them based on net risk using a risk and control assessment methodology. We then prioritise them for mitigation. The Board and Audit Committee review the principal risks on an ongoing basis, as does local management. We use a variety of information sources to show if we are working within our tolerance for these risks and whether or not any of them require additional Executive attention. Our main risk activities can be set out as strategic risk, financial risk, regulatory/compliance risk, clinical risk and operational risk.

Our risk culture

The Board is committed to maintaining a culture that emphasises the importance of managing risk and encourages transparent and timely risk reporting. We work to align employees' behaviours, attitudes and incentives with our risk appetite and with our risk management and other governance policies. Our risk governance process reinforces and facilitates appropriate ownership, accountability, escalation and management of our principal risks. This process includes: well-defined roles and responsibilities across our three lines of defence model; assigning accountability for risk taking when making key business decisions; documenting clear boundaries and behavioural expectations in policies and standards; and creating an environment that reinforces adherence and accountability. Our developing governance structure is designed to be agile in both managing existing risks and reacting to any newly identified risks. Material risks are discussed in one or more of our governance forums, and ad-hoc meetings are held when needed, to quickly assess and determine appropriate risk responses.

Our current areas of focus

Our risk landscape continues to change as both business and regulatory environments evolve.

During the last year, we completed an external review of our operational risk management programme. While no material gaps were identified in terms of the areas of focus, we have increased the robustness of our processes to identify and manage principal risks through a combination of best-in-class risk practices and greater engagement across the business. We continuously review our risk-related policies locally to ensure they are in line with current risk management expectations. We expect to make further progress on recommendations from the review during the next financial year.

Principal risks and uncertainties

The following summarise our principal risks and uncertainties with mitigating actions for each as identified by the Board for the year ended 31 March 2023.

During 2022 we expanded this list to more fully represent the changing environment in which we work. This list is, nevertheless, not exhaustive and may change during the next financial year, as the risk landscape evolves further.

Principal risks

1 Loss or inappropriate use of data or systems:

Principal risk

We hold and manage sensitive information that increases our exposure and susceptibility to cyber-attacks or other unauthorised access to data, either directly through our internal systems or indirectly through our partners or third-party contractors.

Risk type

Potential impact

Unauthorised access to patient or colleague data could result in material loss of business, substantial legal liability, regulatory enforcement actions and/or significant harm to our reputation. The impact of this risk, if it materialises, will typically be felt in the short to medium term.

Mitigation in place

Examples of control mitigation:

- Physical and technological security measures, combined with monitoring and alerting for suspicious activities.
- An information security programme to identify, protect against, detect and respond to cyber security risks and support recovery from cyber security incidents.
- Contractual security requirements imposed on suppliers, partners and other third parties that use our data, complemented by periodic reviews of third-party controls.

2 The impact of workforce supply and demand:

Principal risk

There is a well-documented shortage of clinical practitioners. As an independent healthcare provider, we are subject to the same challenges as all healthcare providers, including the NHS. Our ability to attract and retain clinical and non-clinical staff has been affected recently by:

- Permanent employees looking for more flexibility.
- Cost-of-living challenges, which affect employees with lower salary levels to a greater extent.
- Short-term sickness absence higher than historical norms.

Risk type

Potential impact

In the short term, we continue to be able to provide safe patient care, but wage inflation and resource scarcity have impacted profits during the financial period. Actions are in place to address this, but this continues to be a risk in the short to medium term.

Mitigation in place

A robust plan is in place to mitigate this risk including a strengthened approach to workforce planning. We also seek to retain colleagues through:

- A common purpose and positive workforce culture.
- Competitive pay and reward benefits.
- Offering greater flexibility in employees' roles and encouraging them to join our staff bank if they are leaving permanent employment.
- Offering apprenticeship programmes to support development.
- Increasing brand awareness.
- Use of agency, bank and sub-contractor workers to manage short-term challenges.

Risk type key

Operational risk

Financial risk

Strategic risk

Clinical risk

Information risk

Compliance risk

Reputational risk

3 New legislation or changes in regulatory enforcement:

Principal risk

We operate in an increasingly complex environment and many of our activities and services are subject to legal and regulatory influences. New laws, new interpretations of existing laws, changes to existing regulations and heightened regulatory scrutiny could affect how we operate.

Risk type

Potential impact

We may suffer increased costs or reduced revenue resulting from modified business practices, adopting new procedures, self-regulation or litigation or regulatory actions resulting in liability, fines and/or changes in our business practices. The impact of this risk, if it materialises, will typically be felt in the short term.

Mitigation in place

Examples of control mitigation:

- We use internal and external resources to monitor planned and realised changes in legislation.
- We work with advocates, industry groups, our clients and other stakeholders in the public policy debate.
- We use compliance monitoring, which directs the structure, documentation, tools and training requirements to support compliance on an ongoing basis.

4 Change in government and/or NHS policy:

Principal risk

Totally provides multiple NHS services across urgent and elective care. There is currently cross-party agreement on the need to take whatever actions are required to reduce waiting lists; nevertheless, funding for the NHS continues to be a major factor in its ability to engage with independent providers to create additional capacity required to reduce waiting lists.

Risk type

Potential impact

Any change in public policy (government or regulatory) or NHS commissioning models could influence the demand for, and profitability of, our services.

Mitigation in place

- We actively engage with our customers and regulators to understand how public policy may change and to help ensure better outcomes for our customers, patients and the Company.
- Although the majority of income is directly through the NHS, this is split across multiple commissioners which builds in some natural protection. During 2022/23, we have also undertaken contracts directly with NHS England.

5 Macroeconomics:

Principal risk

After turbulence of UK economic policy in 2022, there now seems to be a growing stability. Nevertheless, the wider economic outlook for the UK remains volatile. The Bank of England forecasts inflation reducing from recent levels (c. 10%–11% on the CPI measure) during the second half of 2023 but is still expected to raise interest rates to c. 4%–5% during the year.

Risk type

Potential impact

Erosion of profit margin through inflation – cost of workforce and service delivery not staying in line with NHS rate increases.

Mitigation in place

- External factors such as bank interest rates, agency rates and other costs are monitored via monthly reporting to the Performance and Strategy Board.
- Actions have been undertaken to reduce reliance on agency workforce and increase the substantive workforce to manage costs.

Principal risks and uncertainties continued

Principal risks continued

6 Pandemic from a new pathogen:

Principal risk

The emergence of a new biological pathogen leading to an uncontrollable global pandemic, resulting in increased demand for Totally to assist in efforts and/or disruption/staff shortages.

Risk type

Potential impact

A future pandemic could create risk and opportunity with cessation of elective activity balanced with additional contracts with healthcare providers to deliver increased capacity for an extended period of time.

Additional impacts include colleagues, patients and consultants impacted by the pandemic illness. Following any pandemic, waiting lists for elective surgeries would be expected to increase.

Mitigation in place

- Lessons learned from COVID-19 have been reviewed and implemented across the business appropriate to the current environment.
- EPRR plans submitted to NHS England which dovetail with Totally's Business Continuity Plans ensure transparency for our people and regulators.

7 Patient safety and clinical quality:

Principal risk

There is a risk to the provision of high quality patient care due to:

- A shortage in skilled workforce.
- Clinical and non-clinical staff and consultants failing to follow guidelines, standards and policies.
- Failing to learn from incidents, complaints, mortality reviews, patient feedback and patient notification exercises in a timely manner.
- Failure to act on findings from audits, peer reviews and external inspections.

Risk type

Potential impact

Reputation and financial loss could occur if we fail to adequately address issues identified by incidents, audits, complaints, workforce feedback or Care Quality Commission inspections.

Mitigation in place

We maintain the following controls to mitigate risks in patient safety and clinical quality:

- A reporting culture of openness and shared learning at all levels.
- Incident reporting via Datix with central oversight and development of actions to ensure learning.
- Continued monitoring of clinical standards via the Board's clinical quality group.
- Integrated quality reporting based on a quality assurance framework.
- Board assurance framework to assess risks against clinical and medical strategic objectives.
- A schedule of robust and regular service audits ("SERCLE").
- Standard operating procedure for patient notification exercises that include learning and continuous improvement methodologies.
- Colleague induction, clinical competencies requirements and mandated training.
- Reporting on clinical outcomes with workforce and clinicians to drive safety and improved performance.

8 Cyber security threats:

Principal risk	Potential impact	Mitigation in place
Criminals may attempt to access our IT systems to steal or utilise Company data, patient data, or plant malware or phishing viruses, in order to access sensitive data and/ or damage our reputation and brand. **Risk type** Operational risk, Information risk, Reputational risk	Reputation and financial loss.	• We are Cyber Security Plus certified and have introduced additional automated controls to protect our data and critical IT services. • We encourage a cyber aware culture by regularly undertaking activities such as employee phishing exercises, computer-based training and regular communications about specific cyber threats through our interactive intranet portal, My Totally.

Risk type key

Operational risk
Financial risk
Strategic risk
Clinical risk
Information risk
Compliance risk
Reputational risk

Case study

Ensuring cyber security

In today's world, cyber security has become a critical issue for every organisation and the healthcare sector is no exception. With the growing dependence on technology and data, it has become essential for healthcare organisations to ensure the security of their IT environment.

During the year, Totally achieved Cyber Essentials and Cyber Essentials Plus accreditation, a certification scheme which helps organisations implement cyber security controls to mitigate the risk of common cyber-attacks.

By achieving Cyber Essentials Plus accreditation, we can provide assurances that our IT environment is secure and that we have a framework in place to significantly reduce the risk of cyber-attacks. As a partner to the NHS, delivering services on its behalf, we manage large quantities of patient data. Cyber Essentials Plus accreditation reflects our commitment to protecting patient data and to building patient trust and confidence in our organisation.

As well as covering off a key risk, the accreditation also opens up new business opportunities for Totally. Cyber Essentials Plus accreditation is a new a requirement to bid for new work or contracts with the NHS so this accreditation supports our growth strategy and protects our ability to tender for new business to expand our services and support more patients.

Committed to improving healthcare outcomes

Our well-established Board continues to provide the necessary skills and strong leadership required to succeed.

Robert (Bob) Holt OBE

Chairman

A N R

Bob joined the Board as Chairman in September 2015 and works closely with the CEO to deliver the Company's buy and build strategy.

Bob is an experienced manager and developer of businesses, having successfully established and grown numerous businesses during his long career. Bob provides experienced leadership to the Board and helps with the navigation of complex and challenging market conditions.

Experience
Bob has successfully managed and developed service sector business opportunities, from both a financial and general management perspective.

Bob was chairman of Mears Group plc for 23 years and later Sureserve Group plc. He currently holds executive and non-executive roles in a number of companies including CEO at Revolution Beauty.

As part of his philanthropic work, Bob leads The Footprints Foundation which coordinates teams of volunteers to work on projects that have a life-changing impact for tens of thousands of individuals both in the UK and overseas. He was awarded his OBE in 2016.

Wendy Lawrence

Chief Executive Officer

Wendy was appointed as Chief Executive Officer in February 2013 and has since successfully led the Group through numerous successful acquisitions and a global pandemic, delivering significant growth.

Wendy recognises the importance of quality services and the need to recruit talented individuals to help drive the business forward. She is passionate about delivering continuous improvement to ensure patients can access appropriate services quickly and receive the best possible care from every part of the Totally Group.

Experience
Wendy has worked in healthcare for almost 40 years, 23 of which were within the NHS. She built her experience in frontline clinical roles with Derbyshire Ambulance Service before moving into NHS leadership roles where she was CEO for three primary care trusts and part of numerous national strategic projects supporting the NHS to ensure services were developed to address the changing needs of the population of England and Wales. Wendy ran her own business, working with US-based healthcare organisations and BUPA before joining Totally as CEO in 2013.

Working as part of Totally's Board to deliver its buy and build strategy, Wendy has successfully acquired eight businesses to date whilst delivering upon Totally's organic growth strategy.

Lisa Barter

Chief Financial Officer

Lisa joined the Board in October 2017. She is responsible for finance, IT and digital services alongside contracting, PMO and procurement.

Lisa is a highly experienced finance leader and has delivered multiple complex acquisition and integration projects. She is passionate about continuous improvement across all areas of the business.

Experience
Lisa has been a chartered accountant for 25 years and has extensive finance experience built over 20 years working in finance within the independent healthcare sector. She has worked on numerous M&A projects and the subsequent integration of those acquisitions.

Lisa started her finance career at Ernst & Young in 1990 where she qualified as a chartered accountant. She has also held financial management roles at PPG, Hewlett Packard and Oracle.

John McMullan

Medical Director

John was appointed Medical Director for Totally with effect from 1 January 2023. This role provides leadership across the Group for our medical and clinical staff as well as providing strategic advice to the Board on future growth opportunities. John also ensures that clinical quality remains a priority across the organisation.

John joined Totally as Joint Managing Director of Pioneer following the acquisition of Pioneer Healthcare in 2022 and provided day to day operational guidance to the team.

Experience
John is an adult neurosurgeon with a special interest in spinal surgery and paediatric neurosurgery.

John was previously the head of department of neurosurgery at Sheffield Teaching Hospital, one of the biggest neurosurgery departments in the UK. He is a member of a number of peer review committees in England including the Paediatric Brain Tumour Registry and the Paediatric Head Injury Group.

Anthony (Tony) Bourne

Non-Executive Director

N R

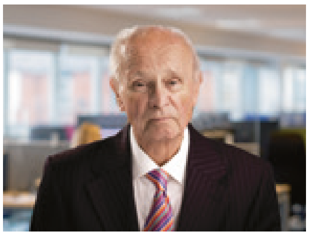
Tony joined the Board in October 2015 and has chaired the Remuneration Committee since that time. Tony has extensive business, healthcare and finance experience.

Experience

Tony is also a non-executive director of Barchester, one of the UK's largest operators of residential care homes. At the recent AGM, Tony stepped down from the board of Spire Healthcare, the FTSE 250 leading private hospital group, having served three terms of three years each.

Tony is chairman of CW+ (formerly Chelsea and Westminster Health Charity), one of the largest NHS charities. He was also chief executive of the British Medical Association from 2005 until 2013.

Previously, Tony worked in investment banking for over 25 years.



Michael (Mike) Rogers

Non-Executive Director

A

Mike joined the Board in 2016 and has since served as Chairman of the Audit Committee. Mike has extensive business and healthcare delivery experience and remains a mentor and coach to senior individuals working in healthcare.

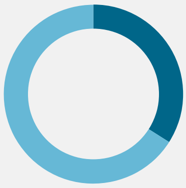
Experience

Mike has more than 30 years' experience in healthcare services and care services provision. He has worked with numerous organisations including Mears Group plc, the provider of support services to the social housing and care sectors in the UK, which is listed on the Main Market of the London Stock Exchange. Michael is also a former health and social care adviser to Morgan Stanley Private Equity.

Mike's previous roles include chief executive for Nestor-BNA plc and founder of Careforce Group plc.

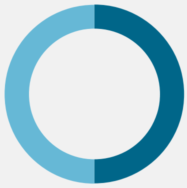
Diversity, independence and experience

Gender



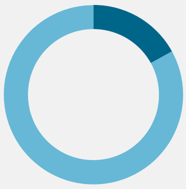
- Female **34%**
- Male **66%**

Board composition



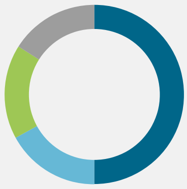
- Executive **50%**
- Non-Executive **50%**

Tenure



- 1–4 years **17%**
- 5–8 years **83%**

Sector experience



- Healthcare **50%**
- Business **17%**
- Finance **17%**
- Governance **16%**

Key to Committees

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- Chairman of Committee

The right people, in the right roles

Prasad Godbole
Chief Operating Officer

Alan Gallacher
Managing Director,
Energy Fitness Professionals

Jayne Storey
Director of People
and Transformation

Owain Jones
Director of IM&T
and Procurement

Our delivery businesses are led by two highly experienced leaders with significant experience in their fields:

Prasad Godbole was appointed as Chief Operating Officer for Totally's healthcare operations in 2022, having joined the organisation as joint-managing director of Pioneer Healthcare in March 2022. Until January 2023, Prasad was a consultant paediatric urologist and honorary senior lecturer at the University of Sheffield and deputy medical director of Sheffield Children's Hospital NHS Foundation Trust, responsible for all governance, quality and safety issues. Since becoming COO, Prasad has put in place a focused leadership team for all healthcare operations to ensure the delivery of quality services which increase access to healthcare and drive best practice across everything we do.

Alan Gallacher is Managing Director of Energy Fitness Professionals which delivers all of Totally's corporate wellbeing services. Alan joined Totally in December 2021 during the acquisition of Energy Fitness Professionals, which he co-founded in 1998. Alan has a wealth of experience in corporate fitness and is supported by a strong and dedicated team.

Our operational leaders are supported by a strong corporate team, including:

Jayne Storey leads people and transformation including HR, recruitment, and learning and development. Jayne has more than 25 years' experience within the NHS, private healthcare and AIM-listed companies. Her expertise includes strategy, reward, culture change and transformation, contractor services, shared services, organisational design and development and L&D.

Owain Jones leads IM&T and Procurement. He is a strategically focused IM&T Director with a technical background and substantial experience of IT programmes and project management. He has more than 15 years' experience in healthcare IT roles.

Delivering business performance with a strong focus on corporate governance

I am pleased to introduce the Company's 2023 Corporate Governance Report.

The operational challenges faced by the business in the last financial year have not lessened and I remain in awe of the way our people have responded to the exceptional challenges placed upon them. With the growth in NHS backlogs, as we move into a post-COVID-19 environment, demands on our business will remain heightened.

The corporate governance structure has remained robust during the year.

The Company applies the governance principles of the Quoted Companies Alliance Corporate Governance Code 2018 ("the QCA Code"), on the basis that it is the most appropriate governance code for the Group, having regard to its strategy, size, stage of development and resources. The QCA Code is based around ten principles and a set of disclosures. Details of how the Company complies with each of the ten principles of the QCA Code may be found within the Board Committee reports, throughout this report and on the Company's website at www.totallyplc.com.

Strong corporate governance is fundamental to effective management of the business and delivery of long-term shareholder value, and is for the wider benefit of the Company, its employees, customers and suppliers.

The Board remains certain that the future success of the Company is dependent upon a commitment to a strong governance framework throughout the business.

Board structure has been further strengthened this year with the appointment of John McMullan as Medical Director, a role which is fundamental to the future growth of the business.

Despite the operational challenges brought about by the continuing pressures within the NHS structure, the business remains well placed to capitalise on opportunities for growth.

Bob Holt OBE
Chairman
31 July 2023

> Corporate governance remains at the forefront of everything we do as a business, both in terms of the effective management of the business and the delivery of long-term shareholder value.

Bob Holt OBE
Chairman

Statement of application of the QCA Corporate Governance Code

The Board has adopted the principles of the QCA Corporate Governance Code. We set out how we comply with these below.

Deliver growth

Principle 1 – Establish a strategy and business model which promote long-term value for shareholders

Read more about our strategy on pages 18 and 19

www.totallyplc.com/about-us/our-strategy

Totally is a leading independent healthcare provider. We seek to improve the health and wellbeing of people across the UK and in Ireland by helping to tackle the biggest challenges facing healthcare today. Our focus is on the delivery of efficient, responsive healthcare and wellbeing services that reduce reliance on the healthcare sector, ensure access to high quality care and increase access to wellbeing services in the workplace.

Totally is strategically aligned with current NHS policy. Its business model is supported by cross-party agreement on the use of independent providers to support the NHS as it recovers services and reduces waiting lists following the COVID-19 pandemic.

The business currently operates within the following structure:

Healthcare

- **Urgent Care:** urgent treatment centres ("UTCs") which manage the "front door" to A&E departments, NHS 111, GP out of hours services, clinical assessment services ("CAS") providing telephonic access to multidisciplinary teams of clinicians, and acute visiting services ("AVS") as part of an integrated care system.
- **Elective Care:** working with hospitals and trusts to help support the reduction of waiting lists through insourcing, outsourcing and a range of extended primary and secondary care collaborative partnerships through its Any Qualified Provider status. Provision of community outpatient services including specialist dermatology and referral management. Physiotherapy (from first contact practitioners delivering full musculoskeletal services at GP surgeries, to health centres, prisons and gym environments), as well as podiatry services.

Corporate wellbeing

- **Energy Fitness Professionals:** corporate fitness, wellbeing and occupational health services, both on site and through digital services.

The Company's focus remains on helping patients avoid hospital and protecting emergency departments. This is delivered through a focus on providing care to those who need it and keeping those who don't fit and healthy.

Further details of the Group's strategy, business model and principal risks and uncertainties to the business, together with mitigating factors that the Board has identified, can be found within the Strategic Report.

Principle 2 – Seek to understand and meet shareholder needs and expectations

Read more about our engagement with shareholders on page 25

www.totallyplc.com/investors/corporate-governance

The Board recognises the importance of active shareholder dialogue with both institutional and private shareholders, and this is led by the Chairman and the Chief Executive Officer.

Following both the annual and interim results announcements, meetings are held with analysts, private investors and institutional investors of the Company. The Company's website also has details of public announcements, Annual and Interim Reports and investor presentations.

The Company has also hosted a series of investor presentations open to all shareholders through the Investor Meet Company platform, which have been well attended and served as a useful method of engagement with retail shareholders.

The Annual General Meeting of the Company remains a key opportunity to meet with shareholders and to give an update on the Company's performance. It also provides shareholders with the opportunity to ask questions of the Directors, either in the formal AGM proceedings or informally after the event.

Principle 3 – Take into account wider stakeholder and social responsibilities and their implications for long-term success

Read more about stakeholder engagement on pages 24 to 27

www.totallyplc.com

Further detail of the Company's engagement with the wider stakeholder community can be found on pages 24 to 27.

The Board is conscious that our long-term success depends upon our interaction with our wider stakeholder base: patients, commissioners and corporate customers, our people, regulators and the wider community.

Totally operates in a heavily regulated sector where our work is subject to independent audit and review by ICBs and the Care Quality Commission. Formal or informal feedback is encouraged from employees and from other stakeholders. Employees are able to provide feedback through channels such as the employee survey, regular "all-hands" calls, 121s and by email direct to the Chief Executive Officer and other members of the leadership team. Patients can provide feedback through our website and friends and family feedback forms which are well promoted within all of our centres and on the Company website. Other stakeholders can provide feedback through, amongst other routes, the Contact section of the Company website.

Employee engagement is fostered by regular Group-wide communication with all employees through regular employee meetings (including monthly "all-hands" calls), and internal communication through email and all-people intranet, My Totally.

Compliance with all central legislation around bribery and corruption and modern slavery is maintained.

Principle 4 – Embed effective risk management, considering both opportunities and threats, throughout the organisation

Read more about risk management on pages 41 to 45

www.totallyplc.com

Full details of the risks and uncertainties faced by the Group, and actions to mitigate risk, can be found in the Principal Risks and Uncertainties section of this Annual Report and Accounts on pages 41 to 45.

The business operates in a highly regulated market with activities complying with NHS operational and administrative procedures. Additional measures, implemented as part of the Group's response to COVID-19, remain where appropriate during the period.

Risk management is a core focus for the Board and this is reviewed at each Board meeting. Detailed feedback is received from each delivery business, together with external regulatory bodies, at these meetings. Formal risk registers for the business are reviewed on a regular basis by the Board. Operational risk and any newly identified risk to the business are also considered.

Management of risk is embedded across the Group through the Risk Management Strategy and Board Assurance Framework, comprising the Group's systems of governance, risk management processes and risk appetite framework.

The Group Clinical Governance Board meets on a regular basis and reports from that Committee are circulated to the Group Board.

Regular dialogue is maintained with ICBs, the CQC, NHS England and insurers.

The Company maintains appropriate levels of insurance cover.

Maintain a dynamic management framework

Principle 5 – Maintain the Board as a well-functioning, balanced team led by the Chair

Read more about our Board on pages 46 and 47

www.totallyplc.com/about-us/our-leadership

The Company has a strong and experienced Board of Directors with appropriate financial and healthcare sector experience.

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

Whilst the Board may delegate day to day management to the Executive Directors, subject to formal delegated authority limits, certain matters are reserved for full Board approval. Details of matters reserved for the Board and the terms of reference for each of the Board Committees may be found on the Company website.

The Board of Directors comprises a Non-Executive Chairman, two further Non-Executive Directors and three Executive Directors. Gloria Cooke, Clinical Quality Director, retired from Totally and resigned from the Board on 31 December 2022. John McMullan, previously joint managing director of Pioneer Healthcare, was appointed to the Board with effect from 2 January 2023 in the broader role of Medical Director. Other than this change, the composition of the Board remained stable. All Non-Executive Directors are considered to be independent.

Details of the Directors, including brief biographies, Committee membership, key strengths and experience, skills and qualifications, can be found in this Annual Report on pages 46 and 47 and on the Company website.

The work of the Board is supported by Audit, Remuneration and Nomination Committees, membership of which is made up of the Non-Executive Directors. The table below summarises the membership of the Board and the Board Committees and the attendance record of the Directors.

Directors	Board scheduled meetings	Audit	Remuneration	Nomination
Executive Directors				
Wendy Lawrence	6/6	—	—	—
Lisa Barter	6/6	—	—	—
Gloria Cooke[1]	3/3	—	—	—
John McMullan[2]	3/3	—	—	—
Non-Executive Directors				
Bob Holt	6/6	3/3	2/2	1/1
Michael Rogers	6/6	3/3	—	—
Tony Bourne	6/6	—	2/2	1/1

1. Gloria Cooke resigned from the Board with effect from 31 December 2022.
2. John McMullan was appointed to the Board with effect from 2 January 2023.

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

Directors retire by rotation and are subject to re-election at the Annual General Meeting of the Company.

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

Each of the Directors is subject to either an executive service agreement or a letter of appointment.

Directors during the year	Role	Independent/ not independent	Date of appointment
Bob Holt	Non-Executive Chairman	Independent	15 September 2015
Michael Rogers	Non-Executive Director	Independent	7 December 2015
Tony Bourne	Non-Executive Director	Independent	5 October 2015
Wendy Lawrence	Chief Executive Officer	Not independent	15 February 2013
Lisa Barter	Chief Financial Officer	Not independent	23 October 2017
Gloria Cooke[1]	Clinical Quality Director	Not independent	4 December 2017
John McMullan[2]	Medical Director	Not Independent	2 January 2023

1. Gloria Cooke resigned from the Board with effect from 31 December 2022.
2. John McMullan was appointed to the Board with effect from 2 January 2023.

Maintain a dynamic management framework continued

Principle 6 – Ensure that between them, the Directors have the necessary up-to-date experience, skills and capabilities

Read more about our Directors on pages 46 and 47

www.totallyplc.com/about-us/our-leadership

The Board considers that there is currently an appropriate balance between healthcare sector, financial and public market skills and experience at Board level. Directors' biographies including details of their key strengths and experience and their skills and qualifications can be found in this Annual Report on pages 46 and 47.

The Directors are mindful of the need to maintain gender and equality balance on the Board.

Sector-specific training for the Directors is maintained through regular business updates from the Executive Directors and briefings from external advisers.

External professional advice has only been sought for routine business matters.

Principle 7 – Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

Read more about Board evaluation on page 54

A formal Board review evaluation process was concluded during the financial year by an independent, external evaluator. The conclusions were that the Board was well-governed and well-led, working in an open and direct way.

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

Principle 8 – Promote a corporate culture that is based on ethical values and behaviours

Read more about our values on page 2

www.totallyplc.com/about-us

The Strategic Report within the current Annual Report sets out how the Group is run. Totally's values can be found on page 2.

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

Compliance with laws:

- Formalised whistleblowing procedures for staff, contractors and agency staff to raise concerns relating to danger, fraud or other illegal or unethical conduct.
- A Group anti-slavery and human trafficking policy statement in relation to the Modern Slavery Act 2015.
- A Company Code of Conduct.
- An anti-corruption policy relating to compliance with the Bribery Act 2010.
- Measures to take appropriate actions to comply with the provisions of the Market Abuse Regulation together with a share dealing policy.
- The Group has complied with the provision of statutory information relating to the gender pay gap legislation and payment practices regime.
- Energy usage, associated emissions, energy efficiency actions and energy performance for Totally are reported under the government policy Streamlined Energy and Carbon Reporting ("SECR") as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Principle 9 – Maintain governance structures and processes that are fit for purpose and support good decision making by the Board

Read more about governance structure on pages 41 to 59

www.totallyplc.com/investors/corporate-governance

Details of how the Board, its Committee structure and governance structures operate can be found at www.totallyplc.com/investors/corporate-governance/board-committees.

The Totally Board held six meetings during the year.

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

There is a formal agenda for each Board meeting which includes an operational update from the Chief Executive Officer, financial updates from the Chief Financial Officer and a detailed clinical governance update, including any interface with regulators from the Medical Director. The reports from the Executive Directors cover all delivery businesses within the Group and new business opportunities.

Strategic issues are dealt with at each Board meeting by the Chairman.

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

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

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

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

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

The roles of all Board members are as detailed below:

Position	Name	Responsibilities
Non-Executive Chairman	Bob Holt	Leads the Board and assists the Chief Executive Officer in development of Company strategy. Ensures an effective link between shareholders and the Board.
Chief Executive Officer	Wendy Lawrence	Assists the Chairman with development of strategy. Implements policies and strategies agreed by the Board and manages the business.
Chief Financial Officer	Lisa Barter	Develops, implements and monitors financial strategy of the business.
Medical Director	John McMullan	Develops systems and manages critical clinical quality issues for the business. Manages relationships with clinical quality regulators.
Non-Executive Directors	Michael Rogers/ Tony Bourne	Provide constructive challenge to the Executive Directors.

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

Group Company Secretary	John Charlton	Provides guidance on all matters of corporate governance. Ensures a good flow of information within the Board and its Committees.

Board Committees

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

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

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

Build trust

Principle 10 – Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Read more about stakeholder engagement on pages 24 to 27

www.totallyplc.com/investors/results-reports-and-presentations

In the year to 31 March 2023, the Executive Directors and members of the Board met and had dialogue with a large number of shareholders and investors.

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

The Company's website includes a specific Investor Relations section containing all RNS announcements, share price information and details of significant shareholders, corporate governance and annual documents available for download at www.totallyplc.com/investors.

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

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

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

This year's AGM will be held on 1 September 2023 and full details of venue and resolutions proposed may be found in the Notice of Meeting enclosed with these accounts or on the Company website.

Approved by order of the Board.

Bob Holt OBE
Chairman
31 July 2023

Report of the Nomination Committee

Tony Bourne
Chairman of the Nomination Committee

Committee members

Tony Bourne **Chairman**
Independent Non-Executive Director

Bob Holt OBE **Member**
Independent Non-Executive Chairman

Allocation of time

Review Board structure
25%

Review of incentivisation measures for the Executive Directors
40%

Review of individual senior management roles
20%

QCA Board Effectiveness Review
15%

This is the Nomination Committee Report for the year to 31 March 2023.

Membership and attendance

The Nomination Committee comprises Tony Bourne, Non-Executive Director, and Bob Holt OBE, Non-Executive Chairman. Both served during the year. Tony Bourne became Chairman of the Committee on 24 October 2017. Details of attendance records during the period can be found on page 51.

Key responsibilities

The key responsibilities of the Nomination Committee are to:

- Review structure, size and composition of the Board, including skills, knowledge, experience and diversity;
- Develop a strategy for succession planning for Directors and other senior Executives;
- Identify and nominate, for approval of the Board, candidates to fill Board and other senior vacancies; and
- Keep under review the leadership needs of the organisation.

The terms of reference of the Nomination Committee are available at www.totallyplc.com/investors/corporate-governance/board-committees.

Activities during the year

Board composition changed during the year following the retirement of Gloria Cooke as Clinical Quality Director in December 2022. The Committee reviewed the approach to clinical governance at Board level resulting in the appointment of John McMullan to a new role of Medical Director in January 2023.

The Committee also supported Executive Directors with the reorganisation of the Group into two distinct delivery businesses, enabling further back-office consolidation and the rationalisation of the legal entity structure. There was a detailed review of senior management roles, leading to a new structure for Group-wide operational and service delivery.

Awards were exercised during the year under the Company's Long-term Incentive Plan ("LTIP"), details of which had been contained in the admission document published in May 2019 relating to the acquisition of Greenbrook Healthcare. Awards were made to Wendy Lawrence, Lisa Barter and Gloria Cooke through the Totally Employee Benefit Trust. Further details may be found in the Remuneration Report within this report.

Management incentives for key Executive Directors and members of the senior management team, in order to ensure alignment with the creation of shareholder value, have remained under review and it is anticipated that a further LTIP will be put in place during the current financial year.

The need to attract and retain high performing staff remains a priority and work continues with the Executive team to review senior management and all-employee benefits to ensure a motivated pool of candidates is available to fill management vacancies as they become available.

A further Sharesave Scheme was offered to all employees during the year.

The Board acknowledges that diversity extends beyond the boardroom and supports management efforts to build a diverse organisation building upon strong policies on equality and diversity. When considering the optimum composition of the Board, it is believed all appointments should be made on merit, whilst ensuring an appropriate balance of skills and experience. The Committee keeps Board structure under continual review.

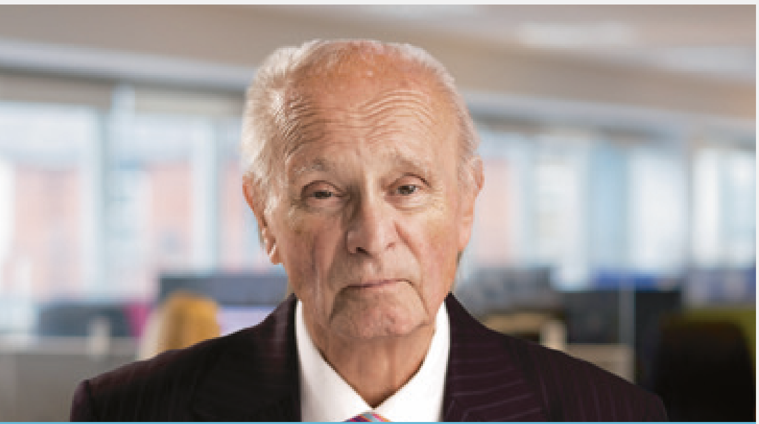
A formal external Board review evaluation process, in line with the requirements of the Quoted Companies Alliance Code, was completed during the year by an external evaluator. The summary concluded that the Board was well governed, well-led and was effective.

Action plan for 2022/23

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

- A continued review of incentivisation arrangements for Executive Directors and senior management teams; and
- Review of Board structure and succession planning at Executive Director and Non-Executive Director level.

Tony Bourne
Chairman of the Nomination Committee
31 July 2023



Michael Rogers
Chairman of the Audit Committee

Committee members

Michael Rogers **Chairman**
Independent Non-Executive Director

Bob Holt OBE **Member**
Independent Non-Executive Chairman

Allocation of time

Review of Final Audit Findings Report for the year ended March 2022 and key accounting judgements
40%

Review of accounting considerations for the interim results to September 2022
30%

Consideration of external auditor's plan for the March 2022 audit
10%

Review of risk management procedures and risk registers
10%

Supported Board decision-making and new operating executive structure and consolidation of Group finance function roles
10%

This is the Audit Committee Report for the year ended 31 March 2023.

Membership and attendance

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

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

The Committee's terms of reference are available to view at www.totallyplc.com/investors/corporate-governance/board-committees.

Key responsibilities

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

- Reviewing and monitoring the integrity of the Group's annual and interim financial statements and accompanying reports to shareholders;
- Reporting to the Board on the appropriateness of accounting policies and practices. In conjunction with the Board, reviewing and monitoring the effectiveness of the Group's internal controls and risk management systems, including reviewing the process for identifying, assessing and reporting all key risks. The principal risks and uncertainties for the Group are detailed on pages 42 and 45;
- Reviewing the effectiveness of the Group's internal audit process and approving the forward audit plan;
- Making recommendations to the Board in relation to the appointment and removal of the external auditor and approving its remuneration and terms of engagement;
- Reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process, taking into account relevant professional and regulatory requirements;
- Reviewing and monitoring the extent of the non-audit work undertaken by the Group's external auditor, taking into account relevant professional and regulatory requirements;
- Reviewing the adequacy and effectiveness of the Group's whistleblowing and anti-bribery policy and procedures; and
- Reviewing the Group's risk management procedures and monitoring actions taken during the year.

Activities during the year

During the period, the Committee undertook the following:

- Reviewed the key accounting considerations and judgements reflected in the Group's results for the six-month period ended 30 September 2022;
- Supported the finalisation of the new fully integrated Group finance function at the Derby head office;
- Reviewed and agreed the external auditor's audit plan in advance of its audit for the year ended 31 March 2023;
- Reviewed and approved the non-audit assignments undertaken by the external auditor for the year ended 31 March 2023;
- Reviewed risk management procedures within the business and the overall Group risk register following review by the Executive Committee; and
- Considered, together with the Board, the principal risks and uncertainties review.

External auditor

Following a review of the Group's relationship with RPGCC, the Committee recommended that RPGCC be reappointed for the 2023 audit. This is the second year for which the current engagement partner has acted for the Group. The Audit Committee took the following steps to ensure auditor independence was not compromised:

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

Risk management and internal controls

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

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

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

The risks and uncertainties which are judged currently to have the most significant impact on the Group's long-term performance and prospects are set out in the Principal Risks and Uncertainties section on pages 42 and 45.

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

Michael Rogers
Chairman of the Audit Committee
31 July 2023

Tony Bourne
Chairman of the Remuneration Committee

Committee members

Tony Bourne **Chairman**
Independent Non-Executive Director

Bob Holt OBE **Member**
Independent Non-Executive Chairman

Allocation of time

Review of aspects of long-term incentive arrangements for Executive Directors and senior management

40%

Assistance with remuneration packages for new central function roles

10%

Consideration of annual bonus awards for Executive Directors and senior management against 2021/22 financial plan

30%

Employee benefit review

20%

This is the Directors' Remuneration Report for the year ended 31 March 2023.

Pages 58 and 59 provide details of each Director's pay and benefits in the period to 31 March 2023.

Membership and attendance

The Committee is chaired by Tony Bourne with Bob Holt OBE as a member. Both are independent Non-Executive Directors of the Company and are recognised by the Board as bringing independent judgement to the matters considered by the Committee. Wendy Lawrence, as Chief Executive Officer of the Company, attended, as required. The Committee met three times during the year.

Key responsibilities

The full terms of reference of the Committee are available on the Company's website at www.totallyplc.com/investors/corporate-governance/board-committees.

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

The key responsibilities of the Remuneration Committee are to:

- Develop remuneration packages which motivate Directors and support the delivery of business objectives in the short, medium and longer term;
- Align the interests of the Executive Directors with the interests of long-term shareholders;
- Encourage Executives to operate within the risk parameters set by the Board; and
- Ensure that the Company can recruit and retain high quality Executives through packages which are fair and attractive, but not excessive.

Activities during the year

The work of the Committee during the course of the financial year was focused around the following areas:

- The Committee assisted with reviewing aspects of the remuneration for new senior management roles within the new operational structure.
- Further work was also undertaken with the continuing review of management roles within the Planned Care Division and the appointment of senior roles within centralised functions covering HR, IT and finance. Remuneration strategies were developed to reflect the new leadership roles within each of these areas.
- A review was undertaken during the year of Executive and Non-Executive remuneration.
- The Committee continues to review Executive, Senior management and employee incentive arrangements and intends to put in place new arrangements once agreed, in the current financial year.

Remuneration Policy

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

Executive Directors' remuneration should also:

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

The Committee seeks external guidance and benchmarking of remuneration strategies to assist formulation of the Group Remuneration Policy.

Disclosure of Directors' remuneration – single total figure of remuneration (audited information)

The table below reports the total remuneration received in respect of qualifying services by each Director during the period ended 31 March 2023:

	Total salary and fees		Taxable benefits		Annual bonus		Long-term incentive		Pensions-related benefits		Total remuneration	
	2023 £000	2022 £000	**2023 £000**	2022 £000	**2023 £000**	2022 £000	**2023 £000**	2022 £000	**2023 £000**	2022 £000	**2023 £000**	2022 £000
Executive Directors												
Wendy Lawrence	**238**	230	**1**	1	**—**	220	**—**	—	**44**	42	**283**	493
Lisa Barter	**180**	173	**1**	1	**—**	99	**—**	—	**25**	24	**206**	297
John McMullan[1]	**42**	—	**—**	—	**—**	—	**—**	—	**—**	—	**42**	—
Gloria Cooke[2]	**108**	132	**2**	2	**—**	72	**—**	—	**—**	—	**110**	206
Non-Executive Directors												
Bob Holt	**60**	57	**—**	—	**—**	—	**—**	—	**—**	—	**60**	57
Tony Bourne	**40**	37	**—**	—	**—**	—	**—**	—	**—**	—	**40**	37
Michael Rogers	**40**	37	**—**	—	**—**	—	**—**	—	**—**	—	**40**	37
	708	666	**4**	4	**—**	391	**—**	—	**69**	66	**781**	1,127

1. John McMullan was appointed to the Board with effect from 2 January 2023.
2. Gloria Cooke resigned from the Board on 31 December 2022.

Annual bonus

No bonuses were paid during the year.

EMI approved options, CSOP and unapproved option schemes

No awards were made to Executive Directors under the above schemes during the financial year.

Long-term Incentive Plan (2019) ("LTIP")

The Totally plc LTIP (2019) was established during financial year 2019/20. The purpose of the plan was to recognise the importance in retaining certain key individuals in order to drive the integration and development of the business for the future. Shareholders approved the LTIP arrangements with effect from the Greenbrook Admission Document. Full details of the plan arrangements can be found from page 126 of the Greenbrook Admission Document, which can be found at www.totallyplc.com/investors/results-reports-and-presentations.

During the financial year Wendy Lawrence, Lisa Barter and Gloria Cooke all exercised awards made under the Totally plc LTIP (2019) which had vested during the financial year.

No further awards were made under the plan during the current financial year.

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

Name of Director	Scheme	Number of options as at 31.03.2022	Granted during the period	Lapsed during the period	Exercised during the period	**Number of options as at 31.03.2023**	Date from which exercisable	Expiry date
Wendy Lawrence	EMI approved options	250,000	—	—	—	**250,000**	11 Nov 18	11 Nov 25
	CSOP	74,000	—	—	—	**74,000**	31 Jan 21	31 Jan 28
	Unapproved options	176,000	—	—	—	**176,000**	31 Jan 21	31 Jan 28
	LTIP	3,000,000	—	(1,600,313)	(1,399,687)	**—**	20 Jun 22	20 Dec 25
	Total	**3,500,000**	**—**	**(1,600,313)**	**(1,399,687)**	**500,000**		
Lisa Barter	CSOP	74,000	—	—	—	**74,000**	31 Jan 21	31 Jan 28
	Unapproved options	26,000	—	—	—	**26,000**	31 Jan 21	31 Jan 28
	LTIP	1,500,000	—	(800,157)	(699,843)	**—**	20 Jan 22	20 Dec 25
	Total	**1,600,000**	**—**	**(800,157)**	**(699,843)**	**100,000**		
Gloria Cooke[1]	CSOP	50,000	—	(50,000)	—	**—**	31 Jan 21	31 Jan 28
	LTIP	1,500,000	—	(800,157)	(699,843)	**—**	20 Jan 22	20 Dec 25
	Total	**1,550,000**	**—**	**(850,157)**	**(699,843)**	**—**		

1. Gloria Cooke resigned 31 December 2022.

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

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

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

	Date of contract/ letter of appointment	Notice period by Company	Notice period by Director
Executive Directors			
Wendy Lawrence	15 Feb 2013	6 months	6 months
Lisa Barter	23 Oct 2017	3 months	3 months
John McMullan	1 Jan 2023	3 months	3 months
Non-Executive Directors			
Bob Holt	15 Sep 2015	3 months	3 months
Michael Rogers	7 Dec 2015	3 months	3 months
Tony Bourne	5 Oct 2015	3 months	3 months

Remuneration in the wider Group
Throughout the Group, base salary and benefit levels are set, taking into account prevailing sector conditions. Differences between Executive Director pay policy and other employee terms reflect the seniority of the individuals and the nature of responsibilities. The key difference in policy is that for Executive Directors a greater proportion of total remuneration is based on performance-related incentives.

The Group encourages share ownership by employees by offering an annual Sharesave or Save As You Earn ("SAYE") scheme.

Tony Bourne
Chairman of the Remuneration Committee
31 July 2023

Directors' report

The Directors present their Annual Report and the audited consolidated financial statements for the year ended 31 March 2023.

General information

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

Principal activities

The Group is a leading independent healthcare provider in the UK and Ireland, helping to address some of the biggest challenges facing healthcare today. Totally works in partnership with the NHS, other healthcare providers and corporate customers to deliver efficient, responsive healthcare and wellbeing services that reduce reliance on the healthcare sector, ensure access to high quality care and increase access to wellbeing services in the workplace.

Results and dividends

The results for the period are set out in the Consolidated Statement of Profit and Loss and Other Comprehensive Income on page 67.

The Directors recommend the payment of a final dividend of 0.125p per share on 11 October 2023, subject to approval at the Annual General Meeting on 1 September 2023, with a record date of 8 September 2023. The final dividend will be satisfied by dividends distributed by subsidiaries to the parent prior to the Annual General Meeting.

Directors and Directors' interests

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

- Bob Holt OBE
- Wendy Lawrence
- Lisa Barter
- Tony Bourne
- Michael Rogers
- Gloria Cooke[1]
- John McMullan[2]

1. Gloria Cooke retired from Totally and resigned from the Board with effect from 31 December 2022.
2. John McMullan was appointed to the Board on 2 January 2023.

Biographical details and Committee membership for Directors appear on pages 46 and 47.

Directors retire by rotation in line with the Articles of Association and the following Directors will seek re-election at the Annual General Meeting to be held on 1 September 2023:

- Lisa Barter
- John McMullan

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

	31 March 2023 Ordinary shares of 10p each held	31 March 2022 Ordinary shares of 10p each held
Bob Holt	**1,500,000**	1,399,810
Wendy Lawrence	**872,965**	148,123
Lisa Barter	**688,639**	133,000
Gloria Cooke[1]	**—**	50,500
John McMullan[2]	**2,944,966**	—
Tony Bourne	**161,000**	161,000
Mike Rogers	**260,000**	—

1. Gloria Cooke resigned as at 31 December 2022.
2. John McMullan was appointed to the Board on 2 January 2023.

Details of Directors' emoluments and interests in share options are disclosed in the Directors' Remuneration Report on pages 57 to 59.

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

Substantial shareholdings and share capital

As at 27 July 2023, being the latest practical date prior to the publication of this document, the Company has been advised of the following interests in 3% or more of the Company's ordinary share capital based on the 196,507,200 ordinary shares in issue at 27 July 2023.

Fund manager	Number of shares	% of ISC
Stonehage Fleming Investment Management Limited	24,035,000	12.23%
Richard Sneller	17,667,500	9.00%
Columbia Threadneedle Investments	14,621,737	7.44%
Liontrust Investment Partners LLP	9,572,615	4.87%
Premier Milton Group plc	7,398,077	3.76%
David and Monique Newlands	6,275,000	3.19%
Trafalgar Capital Management	6,184,229	3.15%
Canaccord Genuity Wealth Management	6,000,000	3.05%

The Company has one class of shares in issue, being ordinary shares with a nominal value of 10p each. As at 31 March 2023, there were 196,096,800 shares in issue.

Directors' indemnity

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

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

Directors' powers

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

Our people

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

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

Participation in the growth of Totally plc is encouraged by offering all eligible employees the opportunity to participate in the Company's Save As You Earn ("SAYE") scheme.

Principal risks and uncertainties

Details of the principal risks and uncertainties faced by the Group can be found in the Strategic Report on pages 42 to 45.

Future developments

The Group remains committed to its buy and build strategy. Details of the future developments for the Group can be found in the Strategic Report on pages 1 and 45.

Financial instruments

An explanation of the Group's treasury policies and existing financial instruments is set out in note 24 of the financial statements.

Donations

The Group made charitable donations in the period of £10,630. The Group made no political donations during the period.

Annual General Meeting

A separate notice convening the Annual General Meeting of the Company to be held at Cardinal Square, First Floor-West, 10 Nottingham Road, Derby DE1 3QT on 1 September 2023 will be sent out with this Annual Report and Financial Statements.

Corporate governance

The Company's Statement on Corporate Governance can be found in the Chairman's Introduction to Governance and the Corporate Governance Report on pages 50 to 53. The Corporate Governance Report forms part of this Directors' Report and is incorporated into it by cross-reference.

Section 172 Statement

The required statement under Section 172 of the Companies Act 2006 is contained within the Strategic Report on page 27.

Events after the reporting period

There will have been no reportable events.

Independent auditor

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

Statement as to disclosure of information to the auditor

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

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

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

By order of the Board.

John Charlton
Group Company Secretary
31 July 2023

Statement of Directors' responsibilities

For the year ended 31 March 2023

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year.

Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards ("IFRSs") as applied in accordance with the provisions of the Companies Act 2006 and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 AIM.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with IFRSs, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Website publication

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

This responsibility statement was approved by the Board of Directors on 31 July 2023 and is signed on its behalf by:

Bob Holt OBE
Chairman

Lisa Barter FCA
Chief Financial Officer

Independent auditor's report

to the members of Totally plc for the year ended 31 March 2023

Our opinion on the financial statements

We have audited the financial statements of Totally plc (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023 which comprise the Consolidated statement of profit or loss and other comprehensive income, the Consolidated statement of financial position, the Consolidated statement of changes in equity, the Consolidated statement of cash flows, the Company statement of financial position, the Company statement of changes in equity and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards as adopted in the United Kingdom (IFRS). The Company financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards, including FRS 101 Reduced Disclosure Framework (UK GAAP).

In our opinion:

- The financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2023 and of the Group's profit for the year then ended;
- The Group financial statements have been properly prepared in accordance with IFRS;
- The Company financial statements have been properly prepared in accordance with UK GAAP; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Review budgets and cash flows projections up to 30 September 2024;
- Comparison of budget to past performance;
- Sensitise cash flows for variations in trading performance and working capital requirements;
- Consider if there is any other information brought to light during the audit that would impact on the going concern assessment; and
- Review of working capital facilities and assess headroom available in the projections.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Totally plc's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit

In planning our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to issue an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

We performed full-scope audits of the material components of the Group, being Totally plc, Vocare Limited, Greenbrook Healthcare (Hounslow) Limited and Pioneer Healthcare Limited. The remaining components of the Group were considered non-significant and we performed limited review procedures as deemed necessary.

Key audit matters

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

Carrying value of intangible assets

The most significant asset of the Group at 31 March 2023 were £48.2 million of intangible assets, primarily goodwill and customer relationships acquired as a result of business combinations.

In accordance with IAS 36, "Impairment of Assets", entities are required to conduct annual impairment tests for certain intangible assets.

Given the subjectivity and number of estimates involved in any such assessment, we consider this to be a key audit matter.

Our work included:

- Reviewing the impairment model provided and checking that the value in use model is appropriate;
- Testing the integrity of the cash flow model;
- Discussing with Management the assumptions used and obtaining details to support the key assumptions;
- Sensitising the cash flows for key assumptions; and
- Comparing the market capitalisation of the Group with the reported equity funds in the financial statements.

Revenue recognition

Revenue recognition has a presumed risk of fraud under International Auditing Standards. Most of the Group's major revenue contracts are recurring, but a significant number of these allow for clawback based on performance.

Although there should be annual reviews where final contract values are agreed this process can take an extended period. There are therefore significant judgements in the estimated outcomes of open contractual positions at the period end and unsettled at the date of approval of the financial statements. We have therefore identified revenue recognition as a key audit matter.

Our audit work included:

- Reconciling expected income for a sample of contracts to amounts reported in the accounts;
- Reviewing activity performance reports for a sample of contracts against KPI requirements and assessing the adequacy of clawback provisions recognised;
- Reviewing settlement of contract values after the period end; and
- Where no post year end settlement has occurred, for amounts agreed in the period consider the accuracy of past estimates.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

We have based materiality on 1% of revenue for the operating components, which is consistent with the prior year. This benchmark is considered to be the most significant determinant of the Group's financial performance used by the users of the financial statements. Overall materiality for the Group as a whole was set at £1.4 million (2022: £1.3 million). For each component, the materiality was set at a lower level. For the Company materiality was set at £1.0 million (2022: £0.9 million), based on 1.5% of gross assets (2022: 1.5%) as that is deemed the considered the most appropriate measure for a holding company.

We agreed with the Audit Committee that we would report on all differences in excess of 5% of materiality relating to the Group financial statements. We also report to the Audit Committee on financial statement disclosure matters identified when assessing the overall consistency and presentation of the consolidated financial statements.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities on page 62, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks within which the Company/Group operates focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and relevant taxation legislation.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Wilson MA FCA
Senior Statutory Auditor
for and on behalf of RPG Crouch Chapman LLP
Statutory Auditor, Chartered Accountants
5th Floor
14-16 Dowgate Hill
London
EC4R 2SU

31 July 2023

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

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 March 2023

Continuing operations	Note	31 March 2023 £000	31 March 2022 £000
Revenue	6	**135,696**	127,373
Cost of sales		**(110,695)**	(104,504)
Gross profit		**25,001**	22,869
Administrative expenses		**(18,113)**	(16,730)
Other income		**2**	26
Profit before exceptional items		**6,890**	6,165
Exceptional items	8	**(562)**	(179)
Profit before interest, tax and depreciation		**6,328**	5,986
Depreciation and amortisation		**(4,249)**	(4,516)
Operating profit	9	**2,079**	1,470
Finance income	10	**26**	1
Finance costs	11	**(321)**	(211)
Profit before taxation		**1,784**	1,260
Income tax credit/(charge)	12	**—**	(179)
Profit for the year attributable to the equity shareholders of the parent company		**1,784**	1,081
Other comprehensive income		**—**	—
Total comprehensive profit for the year net of tax attributable to the equity shareholders of the parent company		**1,784**	1,081

Profit per share	Note	31 March 2023 Pence	31 March 2022 Pence
From continuing operations:			
Basic	25b	**0.94**	0.59
Diluted	25b	**0.93**	0.58

Financial statements

Consolidated statement of changes in equity

For the year ended 31 March 2023

	Note	Share capital £000	Share premium £000	Retained earnings £000	Equity shareholders' funds £000
At 1 April 2021		18,219	2	15,753	33,974
Total comprehensive profit for the year		—	—	1,081	1,081
Issue of share capital		504	1,051	—	1,555
Dividend payment		—	—	(1,367)	(1,367)
Credit on issue of warrants and options		—	—	167	167
At 31 March 2022		18,723	1,053	15,634	35,410
Total comprehensive profit for the year		—	—	1,784	1,784
Issue of shares, net of share issue expenses	25a	887	892	—	1,779
Dividend payment	13	—	—	(1,908)	(1,908)
At 31 March 2023		**19,610**	**1,945**	**15,510**	**37,065**

The Company statement of changes in equity can be found in note 27.

The accompanying notes on pages 71 to 97 form part of the financial statements.

Consolidated and Company statements of financial position

As at 31 March 2023

		Consolidated		Company	
	Note	**31 March 2023 £000**	31 March 2022 £000	**31 March 2023 £000**	31 March 2022 £000
Non-current assets					
Intangible assets	14	**48,210**	48,935	**721**	675
Property, plant and equipment	15	**1,218**	1,139	**11**	20
Right-of-use assets	16	**1,362**	2,336	**106**	166
Investments in subsidiaries	17	**—**	—	**53,880**	53,145
Deferred tax	12	**242**	242	**—**	—
		51,032	52,652	**54,718**	54,006
Current assets					
Inventories	19	**75**	74	**—**	—
Trade and other receivables	20	**13,680**	14,099	**15,596**	2,121
Cash and cash equivalents		**6,451**	15,311	**4,645**	10,865
		20,206	29,484	**20,241**	12,986
Total assets		**71,238**	82,136	**74,959**	66,992
Current liabilities					
Trade and other payables	21	**(28,057)**	(36,629)	**(42,298)**	(43,573)
Contingent consideration	22	**(528)**	(6,636)	**(528)**	(6,636)
Borrowings	23	**(2,500)**	—	**(2,500)**	—
Lease liabilities	16	**(275)**	(446)	**(63)**	(62)
		(31,360)	(43,711)	**(45,389)**	(50,271)
Non-current liabilities					
Trade and other payables	21	**(140)**	(22)	**—**	(22)
Lease liabilities	16	**(1,661)**	(1,981)	**(48)**	(112)
Deferred tax	12	**(1,012)**	(1,012)	**—**	—
		(2,813)	(3,015)	**(48)**	(134)
Total liabilities		**(34,173)**	(46,726)	**(45,437)**	(50,405)
Net current liabilities		**(11,154)**	(14,227)	**(25,148)**	(37,285)
Net assets		**37,065**	35,410	**29,522**	16,587
Shareholders' equity					
Called up share capital	25a	**19,610**	18,723	**19,610**	18,723
Share premium	25c	**1,945**	1,053	**1,945**	1,053
Retained earnings	25d	**15,510**	15,634	**7,967**	(3,189)
Equity shareholders' funds		**37,065**	35,410	**29,522**	16,587

These financial statements were approved by the Board of Directors on 31 July 2023 and were signed on its behalf by:

Wendy Lawrence
Director
Totally plc

Lisa Barter FCA
Director
Totally plc

Company registration no: 3870101 (England and Wales)

The accompanying notes on pages 71 to 97 form part of the financial statements.

Consolidated cash flow statement

For the year ended 31 March 2023

	Note	31 March 2023 £000	31 March 2022 £000
Cash flows from operating activities			
Profit before taxation		**1,784**	1,260
Adjustments for:			
– options and warrants charge	26	**—**	167
– depreciation and amortisation	14–16	**4,249**	4,516
– finance income	10	**(26)**	(1)
– finance costs	11	**321**	211
– loss on disposal of non-current assets		**33**	—
Movements in working capital:			
– inventories		**(1)**	26
– movement in trade and other receivables		**419**	(2,382)
– movement in trade and other payables		**(8,106)**	7,366
Cash used for operations		**(1,327)**	11,163
Income tax paid		**(280)**	—
Net cash flows from operating activities		**(1,607)**	11,163
Cash flows from investing activities			
Purchase of property, plant and equipment	15	**(730)**	(418)
Additions of intangible assets	14	**(665)**	(1,085)
Acquisition of subsidiaries, net of cash acquired	18	**(735)**	(6,071)
Contingent consideration paid	22	**(4,896)**	(22)
Net cash flows from investing activities		**(7,026)**	(7,596)
Cash flows from financing activities			
Issued share capital	25a	**567**	22
Expenses attached to equity issue		**—**	(70)
Borrowings		**2,500**	—
Dividends paid to the holders of the parent	13	**(1,908)**	(1,367)
Net interest paid		**(295)**	(126)
Payments on lease liabilities	16	**(1,091)**	(1,512)
Net cash flows from financing activities		**(227)**	(3,053)
Net increase in cash and cash equivalents		**(8,860)**	514
Cash and cash equivalents at the beginning of year		**15,311**	14,797
Cash and cash equivalents at the end of the year		**6,451**	15,311

The accompanying notes on pages 71 to 97 form part of the financial statements.

1. General information

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

The Group's principal activities are the provision of innovative and consolidatory solutions to the healthcare sector, which are provided by the Group's wholly owned subsidiaries. Information on the Group structure is provided in note 17. Information on other related party relationships of the Group is provided in note 29.

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

2. Authorisation of financial statements and statement of compliance

The consolidated and Company financial statements for the year ended 31 March 2023 were authorised for issue by the Board of Directors and the statements of financial position were signed on the Board's behalf by Wendy Lawrence and Lisa Barter on 31 July 2023.

The consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements of the Company have been prepared in accordance with the Companies Act 2006 and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice) ("FRS 101").

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, "Share-based Payment" (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, "Financial Instruments: Disclosures".
- Paragraphs 91 to 99 of IFRS 13, "Fair Value Measurement" (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, "Presentation of Financial Statements" – comparative information requirements in respect of:
  - Paragraph 79(a)(iv) of IAS 1;
  - Paragraph 73(e) of IAS 16, "Property, Plant and Equipment"; and
  - Paragraph 118(e) of IAS 38, "Intangible Assets" (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, "Presentation of Financial Statements":
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 111 (statement of Cash Flows information); and
  - 134-136 (capital management disclosures).
- IAS 7, "Statement of Cash Flows".
- Paragraphs 30 and 31 of IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, "Related Party Disclosures" (key management compensation).
- The requirements in IAS 24,"Related Party Disclosures", to disclose related party transactions entered into between two or more members of a group.

As permitted by Section 408 of the Companies Act 2006 no income statement is presented for the Company. The Company made a profit of £13,064,000 for the year ended 31 March 2023 (2022: loss of £4,962,000).

3. Basis of preparation

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

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 to 45. The financial position of the Group is described in the Financial Review on pages 22 to 23 and the Group's approach to risk is detailed on pages 41 and 45 and in note 24.

The Group has consistently had net current liabilities in recent reporting periods which reflects the nature of the contractual terms with customers and suppliers. The Group carefully manages financial resources, closely monitoring the working capital cycle and has long-term contracts with a number of customers and suppliers across different geographic areas within the United Kingdom and industries.

The Group and Company meet the day to day working capital requirements through its cash reserves and borrowings. Based on the existing cash balances, underlying performance and cash flows generated from operating activities, the Directors believe that the Group has sufficient financial resources to be able to meet its obligations as they fall due for a period of at least 12 months from the date of this financial information and are comfortable that it is a going concern.

4. Summary of significant accounting policies

Basis of consolidation

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

Subsidiaries

Subsidiaries are all entities over which the Company has the ability to exercise control and are accounted for as subsidiaries. The trading results of subsidiaries acquired or disposed of during the period end are included in the income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. There were no acquisitions or disposals during the period.

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

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

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

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

Revenue recognition

Revenue is generated by providing urgent care services (including UTCs, GP out of hours, NHS 111), elective care services (including insourcing, outsourcing, AQP, community dermatology, physiotherapy, podiatry) and corporate wellbeing services. Services are provided through short-term and long-term contracts.

The IFRS 15 five step revenue recognition criteria is applied as follows: identifying the contracts with customer, identifying performance obligation, determine the transaction price, allocate the transaction price to the performance obligation and the satisfying of performance obligation. This applies to all contracts with customers, except where they fill in the scope of other standards.

Elective care services

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

4. Summary of significant accounting policies continued

Revenue recognition continued

Urgent care services

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

Corporate wellbeing services

Revenue arises from provision of management services for corporate gyms and upfront monthly membership fees for gyms paid by individuals. Both are recognised in the month to which they relate.

Revenue primarily originates in the United Kingdom. A small amount that has been deemed to be immaterial for geographical segment disclosure arose from the Republic of Ireland during the year.

Finance income

Finance income comprises bank interest received, recognised on an accruals basis.

Finance costs

Finance costs comprise bank charges, interest on leases recognised under IFRS 16 and interest on the revolving credit facility utilised.

Property, plant and equipment

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

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

Motor vehicles	–	3 and 5 years
Computer equipment	–	2 and 5 years
Plant and machinery and office equipment	–	2 to 5 years
Freehold property improvements and short leasehold property	–	3 to 10 years

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

Inventories

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

Intangible assets other than goodwill

Intangible assets other than goodwill comprise development costs, computer software and customer contracts and relationships.

Computer software is recognised at cost and subsequently amortised over its expected useful economic life of three years.

Customer contracts and the related customer relationships were acquired in business combinations and recognised separately from goodwill. They are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, these assets are amortised over the expected life of contracts and reported at cost less accumulated amortisation and accumulated impairment losses. Assets are reviewed for impairment on at least an annual basis and the estimates used in this review are discussed in note 5.

Goodwill

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

4. Summary of significant accounting policies continued

Impairment of non-current assets

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") or groups of CGUs that is expected to benefit from the synergies of the combination.

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

The value of the goodwill was tested for impairment during the current financial year by means of comparing the recoverable amount of each CGU or group of CGUs with the carrying value of its goodwill; see note 14.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Trade and other receivables

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

Cash and cash equivalents

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

Trade and other payables

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

Borrowings

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

Foreign currency transactions

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

Leased assets

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed lease payments. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset with similar terms, security and conditions.

Lease payments are allocated between principal and finance costs. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, and any initial direct costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of assets considered low value are recognised as an expense in profit or loss on a straight-line basis. Short-term leases are leases with a lease term of 12 months or less.

Exceptional items

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

4. Summary of significant accounting policies continued

Income taxes

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

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

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

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

Retirement benefits

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

Company-only accounting policies

The following principal accounting policies have been applied:

Investments

Fixed asset investments are stated at cost less provisions for impairment.

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 nor taxable profit; and
- Investments in subsidiaries where the Company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

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

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

Share-based payments

The Group provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares. The fair value of the employee services rendered is determined by reference to the fair value of the shares awarded or options granted. Share options are valued using the Black Scholes pricing model, or the Monte Carlo model where performance-based market vesting conditions apply. 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.

4. Summary of significant accounting policies continued

New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year. New or amended financial statements or interpretations adopted during the year are detailed below:

Standard	Description	Effective date
IFRS 9	Annual Improvements to IFRS Standards 2018-2020 Cycle	1 January 2022
IFRS 3	Amendments to IFRS 3 updating certain references to the Conceptual Framework for Financial reporting	1 January 2022

No material impact has arisen as a result of applying these standards.

Standards, interpretations and amendments not yet effective

The following standards, amendments and interpretations, which are effective for reporting periods beginning after the date of these financial statements and have not been early adopted:

Standard	Description	Effective date
IAS 1	Amendments regarding the classification of liabilities	1 January 2023
IAS 1	Amendments to defer the effective date of the January 2020 amendments	1 January 2023
IAS 1	Amendments regarding the disclosure of accounting policies	1 January 2023
IAS 8	Amendments regarding the definition of accounting estimates	1 January 2023
IAS 12	Amendments regarding deferred tax on leases and decommissioning obligations	1 January 2023
IFRS 17	IFRS 17 supersedes IFRS 4	1 January 2023
IFRS 16	Amendment regarding lease liabilities in a sale and lease back transaction	1 January 2024
IAS 1	Amendment regarding non-current liabilities with covenants	1 January 2024

In reviewing the above standards, the company does not believe that there will be a material impact on the financial statements.

5. Significant accounting judgements, estimates and assumptions

Estimates

Following the assessment of the recoverable amount of goodwill allocated, the Directors consider that the recoverable amount of goodwill allocated to this segment is most sensitive to the achievement of future budgets. Budgets comprise forecasts of revenue, staff costs and overheads based on current and anticipated market conditions that have been considered and approved by the Board. A significant proportion of the cost allocated to both CGUs is staff costs, hence the Group's commitment to its staff and patients. The sensitivity analysis in respect of the recoverable amount of each CGUs is presented in note 14.

Fair value assets and liabilities arising on business combination

During the prior year, the Group completed the acquisition of Energy Fitness Professionals Limited and Pioneer Health Care Limited. This was been accounted for as a business combination which requires the fair valuation of assets and liabilities at the acquisition date and can involve the identification of further intangible assets which were not recognised in the acquired entities' books. As at 31 March 2023, Pioneer Healthcare Limited recognised £380,000 liabilities relating to the fair valuation of the liabilities at acquisition.

Intangible value of customer contracts

The intangible value of contracts estimate the expected value to arise from all the contracts at acquisition and a sample of the contracts is used to determine the minimum value that can be recognised at the point of acquisition.

6. Revenue

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

	31 March 2023 £000	31 March 2022 £000
Elective care services	**35,205**	17,868
Urgent care services	**98,788**	109,174
Corporate wellbeing	**1,703**	331
Total	**135,696**	127,373

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

6. Revenue continued

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

	31 March 2023 £000	31 March 2022 £000
Contract assets	**4,524**	945
Contract liabilities	**(8,457)**	(5,767)
Total	**(3,933)**	(4,822)

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

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

Contract liabilities primarily relate to advance consideration received from customers and provision for clawback adjustments on contracts with customers based on contractual performance. Management estimates the level of revenue subject to clawback and makes a provision under the variable consideration constraint within IFRS 15. These amounts are subject to negotiation with agreement generally within one to two years; however, management does not consider these to be a significant estimate given the status of negotiations.

The significant movements in contract assets in the periods ended 31 March 2023 and 31 March 2022 are detailed below:

	31 March 2023 £000	31 March 2022 £000
Brought forward	**945**	2,425
Provided	**37,733**	16,471
Utilised	**(34,154)**	(17,951)
Total	**4,524**	945

The significant movements in contract liabilities in the periods ended 31 March 2023 and 31 March 2022 are detailed below:

	31 March 2023 £000	31 March 2022 £000
Brought forward	**5,767**	3,725
Provided	**10,573**	12,597
Utilised	**(7,883)**	(10,555)
Total	**8,457**	5,767

7. Segmental reporting

Segment information is presented in respect of the Group's operating segments. Segments are determined by reference to the internal reports reviewed by the Board. The Group's management reporting and controlling systems use the same accounting policies 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 executive management team (the Chief Operating Decisions Maker ("CODM") for the Group) for the purposes of resource allocation and assessment of performance.

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

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

In the years ended 31 March 2023 and 31 March 2022, all segments operated solely in the UK, and as a result no geographical breakdown is provided.

7. Segmental reporting continued

Primary reporting format – business segments

The table below sets out information for the Group's business segments for the years ended 31 March 2023 and 31 March 2022. Segment revenue represents revenue from external and internal customers arising from the sale of services.

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

Intersegmental transactions comprise recharged wages costs and miscellaneous head office costs. All amounts are recharged at cost.

	31 March 2023				
	Urgent care £000	Elective care £000	Corporate wellbeing £000	Unallocated £000	Total £000
Group revenue	98,788	35,205	1,703	—	135,696
Operating profit/(loss) before exceptional items	7,367	4,074	69	(4,620)	6,890
Restructure costs	—	(251)	—	(311)	(562)
Operating profit/(loss) before interest, tax and depreciation	7,367	3,823	69	(4,931)	6,328
Depreciation and amortisation	(2,236)	(299)	(20)	(1,694)	(4,249)
Operating profit/(loss)	5,131	3,524	49	(6,625)	2,079
Finance income	—	—	—	26	26
Finance costs	(74)	(72)	(7)	(168)	(321)
Profit/(loss) before tax	5,057	3,452	42	(6,767)	1,784
Income tax credit	—	—	—	—	—
Profit/(loss) after tax	5,057	3,452	42	(6,767)	1,784

	31 March 2022				
	Urgent care £000	Elective care £000	Corporate wellbeing £000	Unallocated £000	Total £000
Group revenue	109,174	17,868	331	—	127,373
Operating profit/(loss) before interest, tax and depreciation	9,349	1,614	(26)	(4,772)	6,165
Acquisition-related costs	—	—	—	(179)	(179)
Operating profit/(loss) before interest, tax and depreciation	9,349	1,614	(26)	(4,951)	5,986
Depreciation and amortisation	(4,267)	(145)	(20)	(84)	(4,516)
Operating profit/(loss)	5,082	1,469	(46)	(5,035)	1,470
Finance income	—	—	—	1	1
Finance costs	(79)	(20)	(7)	(105)	(211)
Profit/(loss) before tax	5,003	1,449	(53)	(5,139)	1,260
Income tax credit	(6)	(173)	—	—	(179)
Profit/(loss) after tax	4,997	1,276	(53)	(5,139)	1,081

8. Exceptional items

	31 March 2023 £000	31 March 2022 £000
Restructure costs	562	—
Acquisition-related costs	—	179
Total exceptional items	562	179
Tax credit attributable to exceptional items	(107)	(34)
Total exceptional items after tax	455	145

9. Profit/(loss) on operating activities before taxation

	31 March 2023 £000	31 March 2022 £000
Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):		
Share-based payments	—	167
Defined contribution pension schemes	3,096	3,312
Expenses in connection with the acquisition of subsidiaries	—	179
Depreciation and amortisation	4,249	4,516
Auditor's remuneration:		
– fees payable to the Company's auditor for the audit of the parent company and consolidated financial statements	47	47
– the audit of the Company's subsidiaries*	140	131
Fees payable to the Company's auditor for the other services:		
– acquisition accounting	—	68
– tax compliance services	—	—

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

10. Finance income

	31 March 2023 £000	31 March 2022 £000
Bank interest received	26	1
Total finance income	26	1

11. Finance costs

	31 March 2023 £000	31 March 2022 £000
Bank charges	225	94
Interest on lease liabilities	68	84
Loan interest	28	—
Other finance costs	—	33
Total finance costs	321	211

12. Taxation
(a) Taxation charge

	31 March 2023 £000	31 March 2022 £000
Current tax (credit)/expense		
Current tax on profit/(loss) for the period	—	166
Foreign tax	—	142
Double taxation relief	—	(142)
Adjustments in respect of prior periods	—	—
	—	166
Deferred tax (credit)/expense		
Origination and reversal of timing differences	(249)	(186)
Effect of change in tax rate on opening balance	249	229
Adjustments in respect of prior periods	—	(31)
	—	13
Total tax (credit)/expense	—	179

12. Taxation continued

(b) Taxation reconciliation

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

	31 March 2023 £000	31 March 2022 £000
Profit/(loss) on ordinary activities before tax	1,784	1,260
Taxation at the standard UK income tax rate of 19% (2022: 19%)	339	239
Expenses not deductible for tax purposes	(96)	387
Origination and reversal of timing differences	(237)	44
Deferred tax assets not recognised	(16)	(460)
Adjustments in respect of prior periods	10	(31)
Total tax credited in the income statement	—	179

(c) Deferred tax assets and liabilities

Group	2023 £000	2022 £000
Assets		
Trading losses	242	242
Depreciation on excess of capital allowances	—	—
Short-term timing differences	—	—
Total deferred tax asset	242	242

Group	2023 £000	2022 £000
Liabilities		
Accelerated capital allowances	114	114
Short-term timing differences	898	898
Total deferred tax liability	1,012	1,012

No deferred tax assets or liabilities have been recognised in the Company at 31 March 2023 (2022: £nil).

Estimated tax losses of approximately £1,124,000 (2022: £2,764,000) are available to relieve future profits of the Group in respect of which a deferred tax asset of £280,000 (2022: £242,000) has been recognised and offset against deferred tax liabilities.

A net deferred tax asset of £482,000 (2022: £114,000) has been recognised in relation to depreciation in excess of capital allowances and other timing differences.

13. Ordinary dividends

Group and Company	31 March 2023 £000	31 March 2022 £000
Interim dividend paid for the year	937	911
Final dividend for the prior year	971	456
Amounts recognised as distributions to owners of the parent	1,908	1,367

No final dividend has yet been approved for the year ended 31 March 2023 as at the date of approval of these financial statements.

14. Intangible assets

Group	Development costs £000	Computer software £000	Customer contacts and relationships £000	Goodwill £000	Total £000
Cost					
At 1 April 2022	739	3,972	15,247	46,992	66,950
Additions/acquisitions	—	685	—	735	1,420
Reallocation	—	(20)	—	—	(20)
At 31 March 2023	**739**	**4,637**	**15,247**	**47,727**	**68,350**
Amortisation					
At 1 April 2022	—	2,550	11,226	—	13,776
Amortisation charge	—	666	1,459	—	2,125
At 31 March 2023	**—**	**3,216**	**12,685**	**—**	**15,901**
Accumulated impairment losses					
At 1 April 2022	739	—	—	3,500	4,239
Impairment loss for the year	—	—	—	—	—
At 31 March 2023	**739**	**—**	**—**	**3,500**	**4,239**
Net book value					
At 31 March 2023	**—**	**1,421**	**2,562**	**44,227**	**48,210**
At 31 March 2022	—	1,422	4,021	43,492	48,935

Group	Development costs £000	Computer software £000	Customer contacts and relationships £000	Goodwill £000	Total £000
Cost					
At 1 April 2021	739	2,917	15,217	34,010	52,883
Additions	—	1,055	30	—	1,085
Acquisition of Energy Fitness Professionals Limited	—	—	—	1,119	1,119
Acquisition of Pioneer Healthcare Limited	—	—	—	11,863	11,863
At 31 March 2022	739	3,972	15,247	46,992	66,950
Amortisation					
At 1 April 2021	—	2,228	8,948	—	11,176
Amortisation charge	—	322	2,278	—	2,600
At 31 March 2022	—	2,550	11,226	—	13,776
Accumulated impairment losses					
At 1 April 2021	739	—	—	3,500	4,239
At 31 March 2022	739	—	—	3,500	4,239
Net book value					
At 31 March 2022	—	1,422	4,021	43,492	48,935
At 31 March 2021	—	689	6,269	30,510	37,468

14. Intangible assets continued

Company	Computer software £000	Total £000
Cost		
At 1 April 2022	729	729
Additions	339	339
At 31 March 2023	**1,068**	**1,068**
Amortisation		
At 1 April 2022	54	54
Amortisation charge	293	293
At 31 March 2023	**347**	**347**
Net book value		
At 31 March 2023	**721**	**721**
At 31 March 2022	675	675

Company	Computer software £000	Total £000
Cost		
At 1 April 2021	244	244
Additions	485	485
At 31 March 2022	729	729
Amortisation		
At 1 April 2021	50	50
Amortisation charge	4	4
At 31 March 2022	54	54
Net book value		
At 31 March 2022	675	675
At 31 March 2021	194	194

Customer contracts and relationships represent the acquired contracts and relationships on the respective acquisitions. They have been recognised at the discounted expected profitability of contracts over the expected life, including anticipated contract renewals. The projected profitability has considered historic gross profit and directly attributable overheads. The contract values are amortised on a straight-line basis over the life of the contracts as per note 4.

The Group tests goodwill annually for impairment, or more frequently if there are any indications that goodwill might be impaired. For the periods ending 31 March 2023 and 31 March 2022, the recoverable amount of the cash-generating units ("CGUs") was determined based on value in use calculations which require the use of assumptions. The value in use was calculated by discounting cash flow projections based on financial budgets approved by management covering a four-year period to 31 March 2027 along with discounted cash flows into perpetuity with the assumption of at least 2% growth in EBITDA following a four-year period.

Cash flows for the impairment testing at 31 March 2023 and 31 March 2022 were discounted at a rate of 6.4% for all CGUs.

14. Intangible assets continued

The assumptions used in the four-year forecast to 31 March 2027 were as follows:

	Year ended 31 March 2024 %	Year ended 31 March 2025 %	Year ended 31 March 2026 %	Year ended 31 March 2027 %
Urgent care				
Revenue growth	(7)	8	7	7
Budgeted gross margin	16	16	16	16
% administrative expenses to revenue	7	7	7	7
Elective care				
Revenue growth	42	16	13	13
Budgeted gross margin	18	18	17	17
% administrative expenses to revenue	13	13	13	14
Corporate wellbeing				
Revenue growth	45	50	60	60
Budgeted gross margin	38	43	48	48
% administrative expenses to revenue	5	20	12	12

The assumptions noted above are determined by management, based on past performance and current knowledge of future plans. As the Elective Care CGU consolidates and develops, revenue growth is anticipated and the proportion of administrative costs is forecast to remain stable.

A segment-level summary of goodwill is shown below:

	Urgent care £000	Elective care £000	Corporate wellbeing £000	Total £000
Goodwill				
At 1 April 2022	22,674	19,699	1,119	43,492
Acquisitions of Pioneer Healthcare Limited	—	735	—	735
At 31 March 2023	**22,674**	**20,434**	**1,119**	**44,227**

Sensitivity analysis

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

15. Property, plant and equipment

Group	Motor vehicles £000	Leasehold property improvements £000	Plant machinery £000	Office equipment £000	Short leasehold property £000	Computer equipment £000	Total £000
Cost							
At 1 April 2022	103	1,139	530	2,029	16	3,332	7,149
Additions	28	—	219	91	—	392	730
Disposals	—	—	(4)	(42)	—	(27)	(73)
At 31 March 2023	**131**	**1,139**	**745**	**2,078**	**16**	**3,697**	**7,806**
Depreciation							
At 1 April 2022	103	1,098	383	1,688	16	2,722	6,010
Provided in the period	1	4	229	81	—	303	618
Eliminated on disposal	—	—	(4)	(21)	—	(15)	(40)
At 31 March 2023	**104**	**1,102**	**608**	**1,748**	**16**	**3,010**	**6,588**
Net book value							
At 31 March 2023	**27**	**37**	**137**	**330**	**—**	**687**	**1,218**
At 31 March 2022	—	41	147	341	—	610	1,139

The net book value of motor vehicles includes £nil (31 March 2022: £nil) in relation to assets held under finance leases.

Group	Motor vehicles £000	Freehold property improvements £000	Plant machinery £000	Office equipment £000	Short leasehold property £000	Computer equipment £000	Total £000
Cost							
At 1 April 2021	103	1,139	377	1,925	103	3,068	6,715
Additions	—	—	18	106	—	292	416
Acquisitions	—	—	135	39	—	6	180
Disposals	—	—	—	(41)	(87)	(34)	(162)
At 31 March 2022	103	1,139	530	2,029	16	3,332	7,149
Depreciation							
At 1 April 2021	103	1,094	360	1,523	51	2,501	5,632
Provided in the period	—	4	23	199	10	255	491
Eliminated on disposal	—	—	—	(34)	(45)	(34)	(113)
At 31 March 2022	103	1,098	383	1,688	16	2,722	6,010
Net book value							
At 31 March 2022	—	41	147	341	—	610	1,139
At 31 March 2021	—	45	17	402	52	567	1,083

15. Property, plant and equipment continued

Company	Office equipment £000	Short leasehold property £000	Computer equipment £000	Total £000
Cost				
At 1 April 2022	57	8	51	116
Additions	13	—	—	13
At 31 March 2023	**70**	**8**	**51**	**129**
Depreciation				
At 1 April 2022	43	8	45	96
Provided in the period	16	—	6	22
At 31 March 2023	**59**	**8**	**51**	**118**
Net book value				
At 31 March 2023	**11**	**—**	**—**	**11**
At 31 March 2022	14	—	6	20

Company	Office equipment £000	Short leasehold property £000	Computer equipment £000	Total £000
Cost				
At 1 April 2021	44	8	51	103
Additions	13	—	—	13
At 31 March 2022	57	8	51	116
Depreciation				
At 1 April 2021	28	6	40	74
Provided in the period	15	2	5	22
At 31 March 2022	43	8	45	96
Net book value				
At 31 March 2022	14	—	6	20
At 31 March 2021	16	2	11	29

16. Right-of-use assets and lease liabilities

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets;
- Leases with a duration of 12 months or less; and
- Licence arrangements falling under the scope of IFRIC 12.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

16. Right-of-use assets and lease liabilities continued

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for lease payments made at or before commencement of the lease.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Right-of-use assets

	Group				Company	
	Leasehold property £000	Plant machinery £000	Computer equipment £000	Total £000	Leasehold property £000	Total £000
Cost						
At 1 April 2022	6,569	62	15	6,646	348	348
Additions	—	—	—	—	—	—
Revaluation	532	—	—	532	—	—
Disposals	—	—	—	—	—	—
At 31 March 2023	**7,101**	**62**	**15**	**7,178**	**348**	**348**
Depreciation						
At 1 April 2022	4,294	5	11	4,310	182	182
Eliminated on disposal	—	—	—	—	—	—
Provided in the period	1,498	5	3	1,506	60	60
At 31 March 2023	**5,792**	**10**	**14**	**5,816**	**242**	**242**
Net book value						
At 31 March 2023	**1,309**	**52**	**1**	**1,362**	**106**	**106**
At 31 March 2022	2,275	57	4	2,336	166	166

	Group				Company	
	Leasehold property £000	Plant machinery £000	Computer equipment £000	Total £000	Leasehold property £000	Total £000
Cost						
At 1 April 2021	5,959	—	15	5,974	348	348
Additions	773	—	—	773	—	—
Acquisitions	—	62	—	62	—	—
Disposals	(251)	—	—	(251)	—	—
Reclassification	88	—	—	88	—	—
At 31 March 2022	6,569	—	15	6,646	348	348
Depreciation						
At 1 April 2021	3,039	—	8	3,047	121	121
Provided in the period	1,418	5	3	1,426	61	61
Elimination on disposal	(251)	—	—	(251)	—	—
Reclassification	88	—	—	88	—	—
At 31 March 2022	4,294	5	11	4,310	182	182
Net book value						
At 31 March 2022	2,274	57	4	2,336	166	166

16. Right-of-use assets and lease liabilities continued

Lease liabilities

	Group				Company	
	Leasehold property £000	Plant machinery £000	Computer equipment £000	Total £000	Leasehold property £000	Total £000
At 1 April 2022	2,351	3	73	2,427	174	174
Revaluation	532	—	—	532	—	—
Interest expense	65	—	3	68	3	3
Lease payments	(1,071)	(3)	(17)	(1,091)	(66)	(66)
At 31 March 2023	**1,877**	**—**	**59**	**1,936**	**111**	**111**

	Group				Company	
	Leasehold property £000	Computer equipment £000	Motor vehicles £000	Total £000	Leasehold property £000	Total £000
At 1 April 2021	2,990	6	—	2,996	234	234
Additions	772	—	—	772	—	—
On acquisitions of subsidiaries	—	—	87	87	—	—
Interest expense	81	—	3	84	6	6
Lease payments	(1,492)	(3)	(17)	(1,512)	(66)	(66)
At 31 March 2022	2,351	3	73	2,427	174	174

Maturity analysis

	2023		2022	
	Group £000	**Company £000**	Group £000	Company £000
Up to 3 months	**207**	**62**	134	15
Between 3 and 12 months	**69**	**49**	312	47
Between 1 and 2 years	**281**	**—**	298	63
Between 2 and 5 years	**563**	**—**	693	49
Over 5 years	**816**	**—**	990	—
	1,936	**111**	2,427	174

	2023 £000	2022 £000
Short-term lease expense	**275**	279
Low value lease expense	**13**	17
Aggregate undiscounted commitments for short-term leases	**34**	48

17. Investments in subsidiaries

Company

Investments in share capital of subsidiaries:

	Total £000
Cost	
At 1 April 2022	53,631
Additions	735
At 31 March 2023	**54,366**
Impairment	
At 1 April 2022	(486)
Recognised in the year	—
At 31 March 2023	**(486)**
Net book value	
At 31 March 2023	**53,880**
At 31 March 2022	53,145

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17. Investments in subsidiaries continued

Company continued

	Total £000
Cost	
At 1 April 2021	38,149
Additions	15,482
At 31 March 2022	53,631
Impairment	
At 1 April 2021	(486)
Recognised in the year	—
At 31 March 2022	(486)
Net book value	
At 31 March 2022	53,145
At 31 March 2021	37,663

The subsidiary companies at 31 March 2023, all of which have been consolidated, are as follows. All shares are held directly by the Company except My Clinical Coach Ltd, which is wholly owned by Totally Health Ltd, and those marked below:

Subsidiary undertakings	Country of incorporation	Percentage of equity capital held	Nature of business
Totally Health Limited	England and Wales	100%	Bespoke IT healthcare solutions
My Clinical Coach Limited	England and Wales	100%	Direct to consumer health coaching services
Premier Physical Healthcare Limited[1]	England and Wales	100%	Physiotherapy and podiatry service
About Health Limited	England and Wales	100%	Dermatology service
Optimum Sports Performance Centre Limited	England and Wales	100%	Physiotherapy service
Vocare Limited[2]	England and Wales	100%	Urgent care service
Totally Healthcare Limited	England and Wales	100%	Hospital insourcing service
Greenbrook Healthcare (Hounslow) Limited[3]	England and Wales	100%	Urgent care service
Energy Fitness Professionals Limited	England and Wales	100%	Fitness services
Pioneer Healthcare Limited	England and Wales	100%	Hospital insourcing service

1. The subsidiaries of Premier Physical Healthcare Limited, all of which have been consolidated, at 31 March 2023 are as follows:

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

2. The subsidiaries of Vocare Limited, all of which have been consolidated, at 31 March 2023 are as follows:

Subsidiary undertakings	Country of incorporation	Percentage of equity capital held	Nature of business
Staffordshire Doctors Urgent Care Limited	England and Wales	100%	Urgent care service
Primary Care North East Community Interest Company	England and Wales	66.67%	Urgent care service
Teesside Primary Care Community Interest Company	England and Wales	100%	Urgent care service
Tyneside Primary Care Community Interest Company	England and Wales	100%	Urgent care service
Teesside Urgent Care Community Interest Company	England and Wales	100%	Urgent care service

3. The subsidiary of Greenbrook Healthcare (Hounslow) Limited, which has been consolidated, at 31 March 2023 is as follows:

Subsidiary undertakings	Country of incorporation	Percentage of equity capital held	Nature of business
Greenbrook Healthcare (Surrey) Limited	England and Wales	100%	Urgent care service

17. Investments in subsidiaries continued

Company continued

The Company also has an investment in a convertible loan note in Greenbrook Healthcare (Earl's Court) Limited which transfers significant control over the entity to Totally plc. Greenbrook Healthcare (Earl's Court) Limited has therefore been consolidated 31 March 2023.

18. Business combinations

Energy Fitness Professionals Limited

At the end of year ended 31 March 2022, the Company completed the acquisition of the entire share capital of Energy Fitness Professionals Limited ("EFP") for a consideration of £1.3 million on a cash free and debt free basis with a normalised level of working capital. A contingent consideration of £300,000 (2022: £300,000) arose which remains outstanding as at 31 March 2023 as it is based on the audited financial performance of Energy Fit-Pro for the financial year ending 31 March 2023. Goodwill has been assessed for impairment as at 31 March 2023 and no impairment to goodwill has been recognised.

Pioneer Healthcare Limited

At the end of year ended March 2022, the Company completed the acquisition of the entire share capital of Pioneer Healthcare Limited ("Pioneer") for a consideration of up to £13 million on a cash free and debt free basis with a normalised level of working capital. No fair value adjustments were recognised as at acquisition but remeasured prior to 31 March 2023 within the adjustment period, and £380,000 liabilities relating to acquisition fair value adjustments were recognised. This resulted in the adjustment of the net asset valuation at acquisition.

£6.1 million contingent cash consideration was payable as at 31 March 2022 based on the audited financial performance of Pioneer for the financial year ending 31 March 2022 with a further £262,000 additional working capital adjustment paid during 31 March 2023 financial year. A similar adjustment to the consideration paid in shares was made for 201,577 shares at 22.5p per share which was in reference to the working capital adjustment agreed during the period.

There were no acquisitions in the year ended 31 March 2023.

19. Inventories

	Group	
	31 March 2023 £000	31 March 2022 £000
Consumables	**75**	74
	75	74

20. Trade and other receivables

	Group		Company	
	31 March 2023 £000	31 March 2022 £000	**31 March 2023 £000**	31 March 2022 £000
Trade receivables	**6,415**	8,828	**174**	—
Other receivables	**1,347**	2,245	**1,171**	698
Social security and other taxes	**—**	295	**—**	295
Prepayments and accrued income	**5,918**	2,731	**309**	403
Amounts owed by Group undertakings	**—**	—	**13,942**	725
	13,680	14,099	**15,596**	2,121

The creation of provision for impaired trade receivables is included in administration costs in the income statement.

The ageing analysis of trade receivables is as follows:

	Group		Company	
	31 March 2023 £000	31 March 2022 £000	**31 March 2023 £000**	31 March 2022 £000
Under three months	**5,194**	7,948	**174**	—
Three to six months	**1,221**	880	**—**	—
	6,415	8,828	**174**	—

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

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

21. Trade and other payables

	Group		Company	
	31 March 2023 £000	31 March 2022 £000	**31 March 2023 £000**	31 March 2022 £000
Current				
Trade payables	**9,485**	11,593	**482**	532
Social security and other taxes	**2,489**	1,924	**199**	202
Other creditors	**607**	647	**407**	54
Corporation tax	**111**	371	**—**	—
Accruals and deferred income	**13,629**	20,865	**716**	777
Provisions	**1,736**	1,229	**—**	—
Amounts owing to Group undertakings	**—**	—	**40,494**	42,008
	28,057	36,629	**42,298**	43,573
Non-current				
Accruals and deferred income	**140**	22	**—**	22
	140	22	**—**	22

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

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

22. Contingent consideration

	Energy Fitness Professionals Limited £000	Pioneer Healthcare Limited £000	Vocare £000	Total 2023 £000
At 31 March 2021	300	6,100	258	6,658
Paid in the period	—	—	(22)	(22)
At 1 April 2022	300	6,100	236	6,636
Paid in the period	—	(4,888)	(8)	(4,896)
Settled through shares	—	(1,212)	—	(1,212)
At 31 March 2023	**300**	**—**	**228**	**528**

EFP contingent consideration of £300,000 (2022: £300,000) arose which remains outstanding as at 31 March 2023 as it is based on the audited financial performance of EFP for the financial year ending 31 March 2023.

The remaining balance of Vocare contingent consideration relates to salary advances repayable quarterly as and when repaid by employees, and is all classed as current in both years.

23. Financial liabilities – borrowings

Undrawn facilities

As at 31 March 2023 the Group had a revolving credit facility with National Westminster Bank plc of up to £5 million. During the year ended 31 March 2023, the Group has drawn down £2.5 million on this facility. As at 31 March 2023, the Group had no overdraft facilities.

Other borrowings

As at 31 March 2022 and 31 March 2021 the Group had the following finance lease obligations, including leases on right-of-use assets recognised under IFRS 16:

	31 March 2023 £000	31 March 2022 £000
Current	**275**	446
Non-current	**1,661**	1,981
	1,936	2,427

Maturity of financial liabilities

The maturity of discounted lease liabilities relating to right-of-use assets is shown in note 16.

24. Financial instruments

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

Fair values of financial instruments

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

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

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

Capital management risk

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

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

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

	31 March 2023 £000	31 March 2022 £000
Lease liabilities	**(1,936)**	(2,427)
Borrowings	**(2,500)**	—
Cash and cash equivalents	**6,451**	15,311
Net cash	**2,015**	12,884
Equity	**37,065**	35, 410
Debt to equity ratio	**11.97%**	6.85%

Interest rate risk

The Group's interest rate exposure arises mainly from the interest-bearing borrowings as disclosed in notes 16 and 22. All of the Group's facilities were floating rates excluding interest on finance leases, which exposed the entity to cash flow risk. As at 31 March 2023, there is a revolving credit facility with National Westminster Bank as detailed in note 23. There are no loans outstanding as at 31 March 2023. Repayments and inferred interest rates applicable to leases recognised on right-of-use assets under IFRS 16 are fixed and there is no material exposure to interest rate risk.

Foreign exchange risk

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

Credit risk

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

The majority of the Group's customer base relates to Clinical Commissioning Groups and the provision for credit losses is therefore considered to be immaterial. Ageing of debtors is shown in note 20.

24. Financial instruments continued

Liquidity risk

Cash balances and borrowings are managed so as to maximise interest earned and minimise interest paid, while maintaining the liquidity requirements of the business. When seeking borrowings, the Directors' consider the commercial terms available and, in consultation with their advisers, 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.

The following table analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	31 March 2023				31 March 2022		
	Trade and other payables £000	**Lease liabilities £000**	**Borrowings £000**	**Total £000**	Trade and other payables £000	Lease liabilities £000	Total £000
Less than one year	**28,057**	**276**	**2,500**	**30,833**	36,629	446	37,075
Between one and two years	**—**	**281**	**—**	**281**	—	298	298
Between two and five years	**140**	**563**	**—**	**703**	22	693	715
Over five years	**—**	**816**	**—**	**816**	—	990	990
	28,197	**1,936**	**2,500**	**32,633**	36,651	2,427	39,078

25. Share capital and reserves

(a) Share capital

	2023	2022
196,096,800 ordinary shares of 10p each	**19,610**	18,723
Allotted, called up and fully paid (2022: 187,228,802)		
196,096,800 ordinary shares of 10p each	**19,610**	18,723

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

- In June 2022, 11,538 employee share options were exercised with a nominal value of 10p for consideration of £1,154.
- In August 2022, 124,500 employee share options were exercised with a nominal value of 10p for consideration of £12,450 and another 9,790 employee share options were exercised with a nominal value of 10p for a consideration of £1,400.
- In December 2022, 3,955,423 shares were exercised with a nominal value of 10p for consideration of £395,542 for the Pioneer Healthcare Limited acquisition.
- In January 2023, 1,384,671 employee share options were exercised with a nominal value of 10p for consideration of £138,467.
- In February 2023, 2,704,902 employee share options were exercised with a nominal value of 10p for consideration of £270,490 and 25,174 employee share options with a nominal value of 10p were exercised for £3,600.
- In March 2023, 612,000 shares were issued with a nominal value of 10p for cash consideration of £61,200.

(b) Earnings per share

	31 March 2023			31 March 2022		
	Earnings £000	**Basic earnings per share**	**Diluted earnings per share**	Earnings £000	Basic earnings per share	Diluted earnings per share
Profit before exceptional items and tax credits	**2,346**	**1.23p**	**1.22p**	1,226	0.67p	0.66p
Effect of exceptional items	**(562)**	**(0.29)p**	**(0.29)p**	(145)	(0.08)p	(0.08)p
Profit attributable to owners of the parent	**1,784**	**0.94p**	**0.93p**	1,081	0.59p	0.58p

25. Share capital and reserves continued

(b) Earnings per share continued

	2023 000	2022 000
Weighted average number of ordinary shares	**190,836**	182,553
Dilutive effect of shares from share options	**3,238**	3,753
Fully diluted weighted average number of ordinary shares	**194,074**	186,306

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. Dilutive potential ordinary shares are those share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the period. For diluted earnings per share the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares unless there is a loss before exceptional items.

(c) Share premium account

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

(d) Retained earnings

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

(e) Share options

During the year to 31 March 2023, 2,261,088 share options were granted under a SAYE scheme. Details of all options in issue during the period are as follows:

Grant date	Exercise period	Exercise price	Outstanding at start of period	Issued in period	Exercised in the period	Surrendered/ cancelled in period	Residual at 31 March 2023	Exercisable at 31 March 2023	Exercisable from	Exercisable to
11/11/2015	10 years	44.0p	250,000	—	—	—	**250,000**	**250,000**	11/11/2018	11/11/2025
31/01/2018	3 years	40.5p	263,000	—	—	(50,000)	**213,000**	**213,000**	31/01/2021	31/01/2028
31/01/2018	3 years	40.5p	202,000	—	—	—	**202,000**	**202,000**	31/01/2021	31/01/2028
20/06/2019	3 years	0.0p	6,000,000	—	(2,799,373)	(3,200,627)	**—**	**—**	20/06/2022	20/12/2025
31/12/2019	3 years	10.0p	2,948,400	—	(2,236,700)	(78,100)	**633,600**	**453,600**	01/02/2023	01/08/2023
09/12/2020	3 years	14.3p	2,040,132	—	(46,502)	(518,413)	**1,475,217**	**134,682**	01/02/2024	01/08/2024
15/12/2021	3 years	28.6p	836,530	—	—	(130,398)	**706,132**	**88,110**	01/02/2025	01/08/2025
14/12/2022	3 years	25.0p	—	2,261,088	—	(228,240)	**2,032,848**	**28,800**	01/02/2026	01/08/2026
			12,540,062	2,261,088	(5,082,575)	(4,205,778)	**5,512,797**	**1,370,192**		

(f) Share warrants

Details of all warrants in issue during the year to 31 March 2023 are as follows:

Grant date	Exercise period	Exercise price	Outstanding at start of period	Issued in period	Expired/ exercised in period	Residual at 31 March 2023
30/09/2008	No expiry date	100p	350,000	—	—	**350,000**

26. Share-based employee remuneration

During the period ended 31 March 2023, the Group and Company had four share-based payment arrangements as described below.

(a) Company share option plans

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

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

26. Share-based employee remuneration continued

(a) Company share option plans continued

The estimated fair value of each option has been calculated using the Black Scholes option pricing model for the different options granted.

	31 March 2023		31 March 2022	
	Number	Weighted average price Pence	Number	Weighted average price Pence
Outstanding at 1 April	**715,000**	**42**	715,000	42
Granted	**—**	**—**	—	—
Exercised	**—**	**—**	—	—
Surrendered/cancelled	**—**	**—**	—	—
Outstanding at 31 March	**715,000**	**42**	715,000	42

	31 March 2023	31 March 2022
Range of exercise price (pence)	**41–44**	41–44
Weighted average exercise price (pence)	**42**	42
Weighted average remaining life (years – expected)	**5**	5
Weighted average remaining life (years – contractual)	**5**	5

(b) Warrants

The estimated fair value of each warrant has been calculated using the Black Scholes option pricing model for differing warrants granted. The estimated fair value of warrants varies between 0.01p and 0.49p. The model inputs are share price at grant date, exercise price, expected volatility of 29%, no expected dividends, maximum contractual life of three years, and a risk-free interest rate of 4%. A maximum three-year contractual life has been used to reflect the non-tradability of the warrants compared to the actual contractual life in any cases in excess of three years. The full cost of the warrants is recognised at the date of grant.

(c) Save As You Earn ("SAYE") scheme

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

Principal terms of SAYE schemes

Number of options	Maximum award limit under the plan will be limited to contribution of £500 per month
Exercise price	10p, 14.3p, 25p, 27p, 28p and 46p
Vesting period	Three years
Performance conditions	None
Expiry conditions	Options are forfeited if the employee leaves the Group before the options have vested

The estimated fair value of each option has been calculated using the Black Scholes option pricing model. The model inputs for the 2023 scheme are share price at grant date, exercise price, expected volatility of 48% (2022: 57%), contractual life of three years and a risk-free interest rate of 3.0%. A reconciliation of option movements over the period is shown in note 25.

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

26. Share-based employee remuneration continued

(c) Save As You Earn ("SAYE") scheme continued

	31 March 2023		31 March 2022	
	Number	Weighted average price Pence	Number	Weighted average price Pence
Outstanding at 1 April	**5,825,062**	**13**	6,087,280	13
Granted	**2,261,088**	**—**	849,117	—
Exercised	**(2,283,202)**	**—**	(107,511)	—
Surrendered/cancelled	**(955,151)**	**—**	(1,003,824)	—
Outstanding at 31 March	**4,847,797**	**13**	5,825,062	13

	31 March 2023	31 March 2022
Range of exercise price (pence)	**10–28.6**	10–28.6
Weighted average exercise price (pence)	**17**	14
Weighted average remaining life (years – expected)	**2**	2
Weighted average remaining life (years – contractual)	**2**	2

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

	31 March 2023 £000	31 March 2022 £000
Expense arising from issue of share options – equity settled	**—**	—
Expense arising from issue of share warrants – equity settled	**—**	—
SAYE	**—**	167

(d) Long-term Incentive Plan (2019) ("LTIP")

The purpose of the LTIP was to recognise the importance in retaining certain key individuals to drive the integration and development of the business for the future. Shareholders approved the LTIP arrangements with effect from the Greenbrook Admission Document. Awards will vest on a sliding scale dependent on the achievement of share price hurdles measured at the vesting date from 25% of any award at a share price of 35p to 100% at 55p per share. Full details of the LTIP arrangements can be found from page 126 of the Greenbrook Admission Document, which can be found at www.totallyplc.com/investor-relations/reports-documents.

The estimated fair value of each option has been calculated using the Monte Carlo option pricing model for the different options granted. The model inputs are share price at grant date, exercise price, expected volatility of 56.1%, expected dividends expressed as a dividend yield of 2.5%, contractual life of three years, and a risk-free interest rate of 0.57%. A reconciliation of option movements over the period is shown in note 25.

	31 March 2023		31 March 2022	
	Number	Weighted average price Pence	Number	Weighted average price Pence
Outstanding at 1 April	**6,000,000**	**—**	6,000,000	—
Exercised	**(2,799,373)**	**—**	—	—
Surrendered/cancelled	**(3,200,627)**	**—**	—	—
Outstanding at 31 March	**—**	**—**	6,000,000	—

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27. Company statement of changes in equity

Company	Share capital £000	Share premium £000	Retained earnings £000	Equity shareholders' funds £000
At 1 April 2021	18,219	2	3,154	21,375
Loss for the period	—	—	(5,143)	(5,143)
Share issue	504	1,120	—	1,624
Expenses attached to share issue	—	(69)	—	(69)
Dividend paid	—	—	(1,367)	(1,367)
Share-based credit	—	—	167	167
At 31 March 2022	18,723	1,053	(3,189)	16,587
Profit for the period	—	—	13,064	13,064
Share issue	887	892	—	1,779
Dividend paid	—	—	(1,908)	(1,908)
At 31 March 2023	**19,610**	**1,945**	**7,967**	**29,522**

The profit/(loss) for the period, dealt with in the financial statements of the parent company, is shown above.

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

28. Employee information

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

	Number of employees	
	31 March 2023	31 March 2022
Operational	**1,260**	1,372
Support	**211**	207
	1,471	1,579

Staff costs for the above employees and Directors:

	31 March 2023 £000	31 March 2022 £000
Wages and salaries	**38,758**	41,160
Social security costs	**3,863**	4,023
Share-based payments	**123**	167
Pension costs	**3,096**	3,312
	45,840	48,662

Pension contributions outstanding at 31 March 2023 were £262,000 (31 March 2022: £551,000).

The Group received £nil (2022: £967,000) of government grants obtained relating to supporting the payroll of the Group's employees. The Company has elected to present this as reducing the related payroll expense.

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

	31 March 2023 £000	31 March 2022 £000
Short-term employee benefits	**1,428**	2,383
Post-employment benefits	**229**	168
Share-based payments	**13**	22
	1,670	2,573

28. Employee information continued

Of which Directors' remuneration is as follows:

	31 March 2023 £000	31 March 2022 £000
Short-term employee benefits	**708**	1,061
Post-employment benefits	**69**	66
Share-based payments	**1**	11
	778	1,138

Further information about the remuneration of individual Directors is provided in the audited part of the Directors' Remuneration Report on pages 57 to 59.

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

	31 March 2023				31 March 2022			
	Directors £000	Key management personnel £000	Staff £000	Total £000	Directors £000	Key management personnel £000	Staff £000	Total £000
SAYE	**13**	**1**	**—**	**14**	11	11	101	123
	13	**1**	**—**	**14**	11	11	101	123

Further information about share-based payments is provided in note 26.

29. Related party transactions

Group

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

Key management compensation is shown in note 28.

The Chairman of the Group, Bob Holt OBE, is also Chairman of the charity "The Footprints Foundation". A donation of £10,000 was made to the charity during the year ended 31 March 2023 (31 March 2022: £10,000).

Company

Funds are transferred within the Group dependent on the operational needs of individual companies and the Directors do not consider it meaningful to set out the gross amounts of transfers between companies. In the year to 31 March 2023, an impairment charge of £nil was made against an amount owed to the Company by a subsidiary (31 March 2022: £nil). Amounts owed to and from subsidiary undertakings are shown in notes 20 and 21.

As at 31 March 2023, there were no loans to Directors (2022: £nil).

30. Analysis of net debt

Group

	At 1 April 2022 £000	Cash flows £000	New liability recognised £000	Accrued interest £000	At 31 March 2023 £000
Cash at bank and in hand	15,311	(8,860)	—	—	**6,451**
Borrowings	—	2,500	—	—	**2,500**
Lease liabilities	(2,427)	1,091	(532)	(68)	**(1,936)**
Total	12,884	(5,269)	(532)	(68)	**7,015**

	At 1 April 2021 £000	Cash flows £000	New lease liability recognised £000	Accrued interest £000	At 31 March 2022 £000
Cash at bank and in hand	14,797	514	—	—	15,311
Lease liabilities	(2,996)	1,512	(859)	(84)	(2,427)
Total	11,801	2,026	(859)	(84)	12,884

Company information

Company information

Registration number

03870101 (England and Wales)

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Wendy Lawrence (Chief Executive Officer)
Lisa Barter ACA (Chief Financial Officer)
John McMullan (Medical Director)
Tony Bourne (Non-Executive Director)
Mike Rogers (Non-Executive Director)

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