
Annual report and financial statementsfor the year ended 31 December 2010

Contents

Company information	2
Performance highlights	3
Chairman's statement	4
Business review	5
Directors' report	8
Board report on Corporate Governance	14
Statement of Directors' Responsibilities	16
Independent auditors' report to the members of Totally plc	17
Consolidated income statement	18
Consolidated statement of changes in equity	19
Consolidated statement of financial position	20
Company statement of financial position	21
Consolidated cash flow statement	22
Notes to the financial statements	23
Notice of Annual General Meeting	46



Company information

Directors	Dr Michael Sinclair (Non Exec Chairman) Daniel Assor (CEO) Andrew Margolis (executive director) (appointed 2 February 2011)
Company secretary	Paul Stacey
Registered Office	Unit 611 Highgate Studios 53 -79 Highgate Road London NW5 1TL
Registration Number	3780101 (England and Wales)
Auditors	Royce Peeling Green Limited 15 Buckingham Gate London SW1E 6LB
Nominated Adviser and Broker	Merchant Securities Limited 51-55 Gresham Street London EC2V 7HQ
Bankers	National Westminster Bank Plc 9th Floor 3 Shortlands Hammersmith London W6 8DA Bank Hapoalim B M 25 Savile Row London W1S 2ES
Registrars	Share Registrars Ltd Suite E First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL

Performance Highlights

- Revenues from continuing operations £1 88m +7 per cent yr/yr (2009 £1 76m)
- Gross Profit from continuing operations £0 145m + 5 per cent yr/yr (2009 £0 138m)
- Operating Profit from continuing operations before tax £0 10m (2009 £0 14m)
- Total EBITDA from continuing operations £0 15m (2009 £0 17m)
- Total operating profit from continuing operations before tax and head office charges £0 39m (2009 £0 43m)
- Total EBITDA from continuing operations before head office charges was £0 43m (2009 £0 46m)
- Cash generated from operating activities £0 08m (2009 £0 16m)
- Basic earnings per share 0 1p (2009 0 2p per share)

Chairman's statement

Despite the ongoing recessionary pressures I am pleased to be able to report a second consecutive year of profit in 2010 and an increase in revenues of 7 per cent

The Group generated revenues from continuing operations of £1 88m (2009 £1 76m), EBITDA of £0 15m (2009 £0 17m) and an operating profit before tax from continuing operations of £0 11m (2009 £0 14m)

I believe this is a positive achievement in a challenging marketplace and is testimony to the skills of our staff and to the leadership of our business

Board, Staff and Clients

I would like to thank Totally's board and staff for their efforts over the period under review as well as our clients

Prospects

Trading since the beginning of the current financial year has, despite the continuing weak market conditions, been stable and the Board looks forward to a positive outcome for the full year

Dr Michael Sinclair
Non-Executive Chairman

27 June 2011

Business review

The Business Review should be read in conjunction with the Chairman's Statement on page 4 which includes information about the Group's business performance during the year and an indication of the Group's future prospects. A review of the Group's financial position is included in the Directors' report.

Digital Marketing "Totally Communications"



Totally Communications
Web design & technology specialists

2010 saw strong top lines sales growth of 15.2 per cent despite an uncertain market with recessionary pressures.

During the period under review, the division's three core units of website and bespoke software development, hosting maintenance & support and online marketing, delivered continued and sustainable revenue growth. 65 organisations are now secured on long-term hosting, maintenance and support contracts, which make up over 20 per cent of revenues.

Rise Digital, a dedicated Online Marketing division, was launched. Rise specialises in the delivery of Search Engine Optimisation, Pay per Click and Social Media campaigns. Rise Digital revenues represented c 10 per cent of annual revenues and long-term contracts for SME's and corporate organisations were secured.

Particularly strong growth was achieved developing websites and bespoke web-enabled software for clients in both the private and Not for Profit sectors. One contributing factor was the completion of an enterprise website management system, Pelorous, which enables development and subsequent implementation of large scale web-based propositions expediently without compromising quality or robustness. Pelorous is a result of a number of years of development and reduces the requirement for client testing of new websites and online propositions by approximately 30 per cent.

During this reporting period, Totally Communications has continued to work with a number of its long-term clients, delivering consultancy and web-enabled solutions, however as recessionary pressures in the market place have continued, a number of additional organisations have secured Totally Communications expertise and experience to deliver efficiencies by leveraging the power of the Internet.

During the reporting period, Totally Communications commercial and corporate clients included Barclays Capital, Solar Century (leading solar energy company), and The Clear Company (specialist recruiter for companies such as E O N and B T), BSB Law & Volcanoes Safaris. Totally Communications made significant progress in its position as a specialist in the third sector and highlights for the reporting period include:

Health Foundation (a not for profit organisation dedicated to clinical excellence in the UK), Totally Communications constructed a large website proposition containing an online network and online resources. This was a multi agency pitch.

Employers Forum on Disability, Totally Communications secured a large project to bring online an updated version of the clients scorecard system which is a self-help tool to allow organisations to monitor their compliance with their legal requirements covering disability.

WJR, the leading UK Jewish international agency responding to the needs of Jewish communities at risk or in crisis, outside the UK, Totally Communications was retained for a third time to upgrade their substantial website proposition which includes an ethical giving micro-site.

Philanthropy Bridge Foundation, an organisation which works to connect giving from emerging economy countries with charities around the world, Totally Communications was secured to construct a modest initial website for this new organisation working with high-profile individuals to target giving in the third world.

The Holocaust Explained, an educational portal dedicated to Key Stage 3 of the national curriculum, sponsored by Deutsche Bank and the London Grid, resulting in a high profile launch at the Foreign Office by Secretary of State for Education, Michael Gove.

Business review

(continued)

Totally Communications' ongoing support for the third sector saw significant work on its proprietary product, "Totally Giving", a new donor acquisition tool for charities. The initial prototype was launched prior to this reporting period for a charity which resulted in "54 per cent of all donations via the portal being from new donors". During the period under review the system was sold to a second charity and developed into a generic fundraising support tool to be rolled out as Totally Communications' first stand-alone product. The product has significant potential in the third sector market, as it focuses on the acquisition of data which subsequently drives new donor acquisition which continues to be a significant growth area for charities that are all facing fundraising pressures.

Post Reporting Period Events

Q1 & Q2 2011 have seen a significant increase of 25 per cent (unaudited) in revenues compared to the same period in 2010, whilst cash collection has shown an increase of nearly 50 per cent (unaudited) in this division.

As a result, Totally Communications has moved into a substantially larger office, and is currently recruiting a number of additional employees.

During the first few months of 2011, following a multi-agency pitch, Totally Communications, was delighted to be awarded a contract with the charity Crisis to construct an extensive web-enabled volunteer management system. Totally Communications reach into the third sector continued with contract wins with Parenting UK and Kusuma Trust along with ongoing work with The Health Foundation. Other notable project wins since the start of 2011 included Linked In, Le Cordon Bleu and Katie Price. Notable contract wins for Rise Digital included Ingersoll Rand (international commercial manufacturer), Homesun (solar power), Art You Grew Up With, Celebrity Group and Paulie Clothing.

Andy Margolis
Managing Director
Totally Communications Limited

Business review

(continued)

Niche Community Publishing



newspaper • magazines • online • events
www.thejgroup.com

The Jewish News & Media Group is the umbrella brand for the group's publishing business which include two trading subsidiaries, the Jewish News Limited and TotallyJewish.com Limited

The group publishes on and offline media for the UK's Jewish community including

- A weekly newspaper, 'Jewish News'
- A quarterly lifestyle magazine, 'Pulse'
- A quarterly Celebrations magazine, 'TotallyJewishSimchas'
- A community portal, 'www.TotallyJewish.com'
- An annual Wedding exhibition, 'www.TotallyJewishSimchas Live!'

Performance Highlights

- Revenues of £1,146,000, (2009 £1,130,000)
- EBITDA of £204,000 (2009 £252,000)
- Operating Profit of £177,000 (2009 £228,000)

Post Reporting Period Events

In May 2011 the business announced plans to hold a significant new community exhibition at Wembley Stadium on 18 March 2012. Jewish Living Expo is a consumer event where visitors will be invited to browse, eat, shop and engage with 175+ quality brands from across an array of industries including food, travel, education, fashion, community, lifestyle and the home. In addition live performances and educational workshops will be held throughout the day. Revenues will be derived from entrance tickets, stand sales and sponsorship.



www.jewishlivingexpo.com

Dan Assor
CEO
Jewish News & Media Group

Directors' report

The Directors present their report and the financial statements for the year to 31 December 2010

Principal activities

The Group's principal activities continue to be the provision of digital marketing services and niche community media

Totally Communications Limited is a digital marketing agency which has provided website design and development services as well as more general application development, consultancy, internet marketing and creative services

The Group's niche community media division comprises a portfolio of products and services which operate under the umbrella brand, Jewish News & Media Group, which includes the Jewish news, a weekly newspaper distributed in London, the community website www.TotallyJewish.com and its various online derivatives, Pulse and TotallyJewishSimchasMagazines, quarterly lifestyle and celebration magazines and TotallyJewishSimchasLive, an annual celebrations exhibition

Business review and future developments

The review of the year's operations, trading outlook and future developments is contained in the Chairman's statement and the Business Review on pages 4 to 7

Results and dividends

The results for the year are set out on page 17. No interim dividend has been paid and the Directors do not recommend a final dividend

Share capital

Details of the changes in the authorised and the issued share capital are set out in note 17 to the financial statements

Financial Summary

Group turnover from continuing operations in the year to December 2010 increased year on year by 7 per cent to £1 88 million (2009 £1 76 million)

Administrative expenses before non cash charges from continuing operations for amortisation and depreciation were £1 31 million (2009 1 20 million)

Group EBITDA from continuing operations for the period before head office costs was £0 43 million (2009 £0 46 million)

Group operating profit from continuing operations for the period before head office charges was £0 39 million (2009 £0 43 million)

Directors' report

(continued)

Cash flow and net debt

During the year, the Group has generated operating cash flows from continuing operations of £68k (2009 £144k). Total capital expenditure on intangible and tangible fixed assets has decreased to £19k from £35k in the previous year. Other significant cash flows in the year include a research and development tax refund of £10k (2009 £16k), and interest paid of £20k (2009 £19k). The Group's net debt at 31 December 2009 was £402k, a reduction of £39k from the previous year.

Liquidity and Funding

At 31 December 2010 the Group had net current liabilities of £363k down from £496k in the prior year. The Group maintains liquidity through the use of overdraft facilities, which are secured by a charge over the assets of the Group and by personal guarantees from two shareholders, Dr Michael Sinclair and Mr Leo Noe.

At 31 December 2010, the Group had available overdraft facilities of £750k, and therefore the Group had undrawn overdraft facilities of £348k at 31 December 2010 (2009 £309k).

The facilities are due to formally expire on 30 June 2011. The Group has been in discussions with its bankers and it has received written confirmation from Dr Sinclair and Mr Noe, that their personal guarantees will remain in place as security for the foreseeable future. Therefore it is expected that these facilities will be extended by the Group's bankers for at least another 12 months from the expiry date.

These facilities are in place to allow the Group to finance its working capital requirements.

Financial Position

Overall the net liabilities position of the Group has improved by £111k during the year to a position of £321k at 31 December 2010, which gives the Group an improved financial position to start 2011 trading.

Employee matters

Quality and integrity of personnel

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

Disabled persons

The Group is committed to equal opportunity of employment and all employment decisions are based on merit, qualifications and abilities. The Group is committed to providing a working environment that is free from all forms of discrimination and harassment. The group will employ disabled persons where they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. The number of disabled persons employed by the Group was nil (2009 nil).

Directors' report

(continued)

Health and safety

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

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

Environmental matters

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

Directors' report

(continued)

Directors and their interests

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

	Warrants to subscribe for Ordinary shares of 1p each held 31 December 2010	Ordinary shares of 1p each held 31 December 2010	Warrants to subscribe for Ordinary shares of 1p each held 31 December 2009	Ordinary shares of 1p each held 31 December 2009
Daniel J Assor (CEO)	41,504,786	2,554,214	9,080,633	2,554,214
Dr Michael J Sinclair (non-executive Chairman)*	35,000,000	14,509,791	35,000,000	14,509,791
Robin Morgan (non executive)	-	-	-	-

*Dr Sinclair's interests are held by him personally and by Sinclair Montrose Trust Limited. Sinclair Montrose Trust Limited is a company in which Dr Sinclair and his immediate family have a controlling interest.

According to the register of Directors' interests, no rights to subscribe for shares in or debentures of the Company or any other Group company were granted to any of the Directors or their immediate families, or exercised by them, during the financial year (except as indicated below)

	Number of options during the year		Exercise Price	Date from which
	At start of year	Granted/(surrendered)	At end of year	exercisable
Daniel J Assor	5,450,000	-	5,450,000	21/07/2009
Robin Morgan	1,000,000	-	1,000,000	16/05/2008

Substantial interests

The Company has been notified, as at 9 June 2011, of the following interests in 3 per cent or more of the 91,947,934 ordinary shares in issue

	Ordinary shares	Percentage
Dr Michael J Sinclair	14,509,791	15.78
Barclayshare Nominees Limited	10,904,170	11.86
Chase Nominees Limited	9,872,656	10.74
Mr Leopold Noe	6,666,666	7.25
The Zvhil-Mezbuz Rebbe, Grand Rabbi YA Korff of Boston	6,514,000	7.08
TD Waterhouse (Nominees) Europe Limited	6,452,519	7.02
Brewin Nominees	4,150,000	4.51
L R Nominees Limited	3,878,820	4.22
HSDL Nominees Limited	6,273,763	6.82
Andrew Margolis	2,772,102	3.01

Creditor payment policy

It is the Company's policy to abide by terms of payment agreed with suppliers. In many cases the terms of payment are as stated in the supplier's own literature. In other cases the terms of payment are determined by specific written or oral agreement. The number of supplier days represented by trade creditors at 31 December 2010 was 40 days (2009: 48 days).

Financial instruments

The Group's financial instruments principally comprise bank borrowings. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

Directors' report

(continued)

Principal risks and uncertainties

The main risks arising from the Group's financial instruments are interest rate risk, supply risk, credit risk liquidity risk and cash flow risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged throughout the year.

Interest rate risk

The Group finances its operations through a mixture of shareholders' funds and borrowings. The Group borrows principally in Sterling at floating rates of interest. At the year end, none of the Group's external borrowings were at fixed rates.

Newsprint Price Risk/Supply Risk

Newsprint represents a significant cost within the Group's publishing operations. Newsprint prices are subject to volatility arising from variations in supply and demand and can influence profitability significantly, depending on the prevailing economic conditions at a particular time. Generally, these variations are not large, but from time to time increases may be significant. The Group's newsprint requirements are monitored closely and where deemed advantageous, long-term arrangements are agreed with suppliers to limit the potential for price volatility. The Group has a number of newsprint suppliers to reduce dependency on any specific supplier.

Credit risk

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

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

Concentration of credit risk, with respect to trade receivables, is limited due to the Group's customer base being large and unrelated. The maximum credit risk associated with the Group's trade receivables is equal to their carrying values as set out in note 13.

Liquidity risk and cash flow risk

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

The Group would normally expect that sufficient cash is generated in the operating cycle to meet contractual cash flows through effective cash management. At 31 December 2010 the Group had borrowings in the form of bank overdrafts of £402K compared to available facilities of £750K, which can be accessed as considered necessary. These facilities are subject to annual renewal and any borrowings under them are repayable on demand.

Research and Development

Certain of the Company's subsidiary undertakings are engaged in ongoing research and development aimed at general website and software development.

Directors' report

(continued)

Post Balance Sheet events

Since the year end, Robin Morgan resigned as a non-executive director of the company to focus his full attentions on his own growing media consultancy business

Andrew Margolis was appointed to the board as Executive Director Andrew has been the Managing Director of wholly owned subsidiary, Totally Communications, for the last five years

Political and charitable contributions

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

Disclosure of information to the auditor

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

Auditors

The auditors, Royce Peeling Green Limited have indicated their willingness under Section 489 of the Companies Act 2006 to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting

By order of the Board



Dan Assor
CEO

27 June 2011

Board report on Corporate Governance

for the year ended 31 December 2010

As an AIM listed company, Totally Plc is not required to comply with the provisions of the Combined Code that apply to companies with a full London Stock Exchange Listing. The Board is accountable to the Company's shareholders for good corporate governance. This statement describes how the principles of corporate governance are applied to the Company and the Company's compliance with the Code provisions set out in Section 1 of the Combined Code prepared by the Committee on Corporate Governance.

The workings of the Board and its committees

During the year the Board comprised the non-executive Chairman, the Chief Executive and one other non-executive Director. The Board is responsible to shareholders for the proper management of the Group. A statement of the Directors' responsibilities in respect of the accounts is set out on page 16.

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

The Remuneration Committee and the Audit Committee are comprised exclusively of the non-executive Chairman and Company Secretary. During the period they were as follows:

Dr Michael Sinclair
Paul Stacey

Remuneration Committee

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

Further details of the Company's policies on remuneration and service contracts are set out on page 15.

Audit Committee

The Audit Committee provides a forum for reporting by the Group's external auditors. The Committee is responsible for reviewing a wide range of matters, including half year and annual results before their submission to the Board and for monitoring the internal controls that are in force to safeguard shareholders' investment and the Company's assets. The Committee advises the Board on the appointment of external auditors and on their remuneration for both audit and non-audit work, and discusses the nature, scope and results of the audit with the external auditors. The Committee keeps under review the cost effectiveness and the independence and objectivity of the external auditors.

Internal control and risk management

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

Board report on Corporate Governance

(continued)

The Board has overall responsibility for the Group and there is a formal schedule of matters specifically reserved for decision by the Board. Each executive Director has responsibility for specific aspects of the Group's affairs. The executive Directors constitute the management committee which meets regularly to discuss day-to-day operational matters.

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

Corporate accounting and procedures

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

Quality and integrity of personnel

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

Identification of business risks

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

Budgetary process

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

Investment appraisal

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

Going concern

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

Directors' remuneration

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

Fees

The fees for non-executive Directors are determined by the Board within the limits stipulated in the Articles of Association. The non-executive Directors are not involved in any discussions or decisions about their own remuneration. Details of amounts received by the Directors during the year ended 31 December 2010 are set out in note 7 to the financial statements.

Contracts of service

The current executive Director, Daniel Assor, has a service contract with the Company which can be terminated with a notice period of one year by either party. The Company considers that this is appropriate for the executive Directors.

Share options

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

Board report on Corporate Governance

(continued)

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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.



Dan Assor
CEO

27 June 2011

Independent auditors' report to the members of Totally plc

We have audited the financial statements of Totally PLC for the year ended 31 December 2010, which comprise the Consolidated income statement, the Consolidated statement of changes in equity, the Consolidated statement of financial position, the Company statement of financial position, the Consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2010 and of the group's profit for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRS as adopted by the EU,
- the parent company financial statements have been properly prepared in accordance with UK GAAP and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the provisions of the Companies Act 2006.

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 3 to the financial statements concerning the uncertainty as to the adequacy of the future funding of the Company and Group. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Paul Randall (Senior Statutory Auditor)
for and on behalf of Royce Peeling Green Limited
Chartered Accountants
Statutory Auditor

Royce Peeling Green Limited

27 June 2011

totally^{plc}

Consolidated income statement

for the year ended 31 December 2010

	Note	2010	2009
		£000	£000
Continuing operations			
Revenue	5	1,882	1,758
Cost of Sales		(427)	(381)
Gross Profit		1,455	1,377
Administrative expenses		(1,308)	(1,204)
Profit before interest, tax, depreciation and amortisation		147	173
Depreciation	11	(1)	(5)
Amortisation	10	(40)	(24)
Operating Profit	6	106	144
Finance costs	9	(20)	(19)
Profit before taxation		86	125
Income tax	8	10	16
Profit for the year attributable to the equity shareholders of the parent company		96	141

All comprehensive income for the current and prior year is included in the income statement above

		2010	2009
		Pence	Pence
Earnings per share			
Basic			
Continuing operations	18	0.1p	0.2p
Diluted			
Continuing operations	18	0.1p	0.2p

The accompanying notes on pages 23 to 45 form part of the financial statements

Consolidated statement of changes in equity

for the year ended 31 December 2010

	Share capital	Share premium account	Translation Reserve	Profit and loss account	Equity shareholders' deficit
	£000	£000	£000	£000	£000
At 1 January 2009	1,124	3,353	-	(5,062)	(585)
Profit for the year	-	-	-	141	141
Credit on issue of share options	-	-	-	5	5
Credit on issue of warrants	-	-	-	7	7
At 1 January 2010	1,124	3,353	-	(4,909)	(432)
Profit for the year	-	-	-	96	96
Credit on issue of share options	-	-	-	2	2
Credit on issue of warrants	-	-	-	13	13
At 31 December 2010	1,124	3,353	-	(4,798)	(321)

The accompanying notes on pages 23 to 45 form part of the financial statements

Consolidated statement of financial position

at 31 December 2010

	Note	£000	2010 £000	£000	2009 £000
Non current assets					
Intangible fixed assets	10	38		60	
Property, plant and equipment	11	4		4	
			42		64
Current assets					
Trade and other receivables	13	374		266	
Cash and cash equivalents		-		-	
			374		266
Current liabilities					
Trade and other payables	14		(335)		(321)
Financial liabilities	15		(402)		(441)
			(737)		(762)
Net current liabilities					
			(363)		(496)
Net liabilities					
			(321)		(432)
Shareholders' equity					
Called up share capital			1,124		1,124
Share premium account			3,353		3,353
Retained earnings			(4,798)		(4,909)
Equity shareholders' deficit					
			(321)		(432)

These financial statements were approved by the Board of Directors on 27 June 2011 and were signed on its behalf by

Dan Asser
Director



Totally PLC

Company registration No 3780101 (England and Wales)

The accompanying notes on pages 23 to 45 form part of the financial statements

totally^{plc}

Company statement of financial position

at 31 December 2010

	Note	£000	2010 £000	£000	2009 £000
Non current assets					
Property, plant and equipment	10		1		-
Current assets					
Debtors	13	59		224	
Cash and cash equivalents		-		-	
			59		224
Current liabilities					
Trade and other payables	14		(1,345)		(833)
Short term borrowings	15		(633)		(1,021)
Total current liabilities			(1,920)		(1,630)
Net liabilities			(1,919)		(1,630)
Shareholders' equity					
Called up share capital	20		1,124		1,124
Share premium account	20		3,353		3,353
Retained earnings	20		(6,396)		(6,107)
Equity shareholders' deficit	20		(1,919)		(1,630)

These financial statements were approved by the Board of Directors on 27 June 2011 and were signed on its behalf by


Dan Assou
Director

27 June 2011

Totally PLC

Company registration No 3780101 (England and Wales)

The accompanying notes on pages 23 to 45 form part of the financial statements

totally^{plc}

Consolidated cash flow statement

for the year ended 31 December 2010

	Note	2010 £000	2009 £000
Operating activities			
Operating profit		106	144
Option and warrants charge	18	15	12
Amortisation and depreciation	10/11	41	29
(Increase)/decrease in trade and other receivables		(108)	24
Increase/(decrease) in trade and other payables		14	(65)
Cash flow from operations		68	144
Taxation			
R&D tax credit	8	10	16
Net cash flows from operating activities		78	160
Investing activities			
Purchase of property, plant and equipment	11	(19)	(35)
Net cash flows from investing activities		(19)	(35)
Cash inflow before financing		59	125
Financing activities			
Interest paid		(20)	(19)
Net increase in cash and cash equivalents		39	106
Cash and cash equivalents at beginning of year		(441)	(547)
Cash and cash equivalents at end of year	15	(402)	(441)
Cash and cash equivalents comprise:-			
Bank overdrafts		(402)	(441)
		(402)	(441)

The accompanying notes on pages 23 to 45 form part of the financial statements

Notes to the financial statements

for the year ended 31 December 2010

1. General information

Totally Plc is a public limited company ("Company") incorporated in the United Kingdom under the Companies Act 2006 (registration number 3870101). The Company is domiciled in the United Kingdom and its registered address is Unit 611 Highgate Studios, 53-79 Highgate Road, London NW5 1TL. The Company's Ordinary Shares are traded on the AIM Market of the London Stock Exchange ("AIM").

The Group's principal activities have been niche community media and the provision of software development and digital marketing services. The Company's principal activity is to act as a holding company for its subsidiaries.

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

The Group's financial statements for the period ended 31 December 2010 were authorised for issue by the Board of Directors and the balance sheets were signed on the Board's behalf by Daniel Assor on 27 June 2011.

The Group's financial statements have been prepared with IFRS and International Financial Reporting Interpretations Committee ("IFRIC") interpretations as endorsed by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Company's financial statements have been prepared under UK GAAP and as permitted by Section 408 of the Companies Act 2006 no income statement or cash flow statement is presented for the Company. The Company incurred a loss of £304,000 for the year ended 31 December 2010 (2009 loss £17,000).

3. Basis of preparation

The financial year represents the 365 days to 31 December 2010, and the prior financial year, 365 days to 31 December 2009. The financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The accounting policies set out in note 4 have been applied consistently to all periods presented in these consolidated financial statements.

The financial statements are prepared on a going concern basis which the Directors believe to be appropriate for the following reasons. The Group currently meets its day to day working capital requirements through two overdraft facilities which are repayable on demand.

The Group has confirmed the availability of a facility of £700,000 with Bank Hapoalim which was renewed on until 30 June 2010. As security for the facility, the bank has obtained the unlimited Joint and Several Guarantees of Dr Michael Sinclair (non-executive Chairman), and Mr Leo Noe. Dr Sinclair and Mr Noe have confirmed to the Company that they will keep this guarantee in place until 31 May 2012.

In addition, a working capital facility of £50,000 has been agreed with NatWest which is secured on the Group's debtor book. This facility is due for renewal on 30 September 2011.

The Directors have prepared projected cash flow information for the period ending 12 months from the date of their approval of these financial statements.

On the basis of cash flow forecasts and discussions with the Group's bankers and guarantee holders, the Directors consider that the Group will be able to operate within the facilities currently agreed. Inherently, there can be no certainty in relation to these matters, but the Directors believe that the going concern basis of preparation continues to be appropriate.

4. Accounting policies

Basis of consolidation

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

Notes to the financial statements

(continued)

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The results of subsidiaries are included in the Group income statement from the date of acquisition until the date that such control ceases. Intercompany transactions and balances between Group companies are eliminated upon consolidation.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue represents the amounts, excluding value added tax derived from advertising, marketing and technical services. Revenue is recognised in the profit and loss account on the accruals basis.

Revenue from advertising is recognised on the date of the specific publication to which the advert is included.

Where advertising revenue is generated both via magazine advertising (print media) and online advertising, the accounting policy is to recognise revenue on the latest publication date, whether this is online or published via print media.

Revenue from technical services is recognised as contract activity progresses to the extent that revenue can be reliably measured. Hosting and maintenance income within technical services is spread on a straight line basis over the period to which the hosting or maintenance period relates.

Finance costs

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

Intangible fixed assets

Computer software is carried at cost less accumulated amortisation and any impairment loss. Externally acquired computer software and software licences are capitalised at the costs incurred to acquire and bring into use the specific software. These assets are considered to have finite useful lives and are amortised on a straight line basis over the estimated useful economic lives of each of the assets, considered to be between three and five years. Computer software is carried at cost less accumulated amortisation and any impairment loss. Costs relating to development of computer software are capitalised once the recognition criteria are met. When the software is available for its intended use, these costs are amortised over the estimated useful life of the software. The carrying values of intangible assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Property, plant and equipment

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

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

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

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

Notes to the financial statements

(continued)

Impairment of non current assets

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

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

Trade and other receivables

Trade receivables, which are generally received on end of month following terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision is made when it is likely that the balance will not be recovered in full. Balances are written off when the probability of recovery is considered remote.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and short-term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as components of cash and cash equivalents for the purposes of the cash flow statement.

Trade and other payables

Trade and other payables are recognised at original cost.

Foreign currencies transactions

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

Leased assets

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

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

Internally generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from the Group's technology development is recognised only if all of the following conditions are met:

- An asset is created that can be identified,
- It is probable that the asset created will generate future economic benefits, and
- The development cost of the asset can be measured reliably.

Internally generated intangible assets are amortised on a straight-line basis over their useful economic lives. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Notes to the financial statements

(continued)

Share-based payments

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

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

Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities based on tax rates and laws that are enacted or substantively enacted by the balance sheet 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 during the period when the liability is settled or the asset is realised, based on tax rates and laws enacted or substantively enacted at the balance sheet 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.

Use of assumptions and estimates

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

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

Change in accounting policies

a) New standards and interpretations effective from 1 January 2010

The accounting policies adopted are consistent with those of the previous financial year except for the adoption from 1 January 2010 of the following revised and improved IASs, IFRSs and IFRIC interpretations:

In the current year the Group adopted (effective for annual reporting periods beginning on or after 1 January 2010) IFRS 1 Amendments re cost of an investment in a Subsidiary, Jointly-Controlled Entity or Associate, IFRS 7 (Revised) Financial Instruments Disclosure, IFRS 8 Operating Segments, IAS 1 (Revised) Presentation of Financial Statements

Notes to the financial statements

(continued)

Change in accounting policies (continued)

(comprehensive revision), IAS 1 and 32 Amendments re Puttable Financial Instruments and Obligations Arising on Liquidation, and (effective for annual reporting periods beginning on or after 30 June 2009) Amendments to IFRIC 9 and IAS 39 Embedded Derivatives, and (effective for annual reporting periods beginning on or after 1 July 2009) IFRS 3 (Revised) Business Combination, IAS 27 (Revised) Consolidated and Separate Financial Statements, IAS 39 (Revised) Financial Instruments Recognition and Measurement. The impact of those adoptions was negligible except for IFRS 8, IAS 1 (Revised), and IFRS 3.

IFRS 8 has seen the Group re-evaluate the segments it presents and, whilst those have been found to still be appropriate, further disclosure is now required on these segments. IAS 1 (Revised) sees a change to the primary statements as presented with the consolidated statement of recognised income and expense replaced by a consolidated statement of comprehensive income, a consolidated statement of changes in equity is added which replaces the capital and reserves note to the financial statements, and the balance sheet is replaced by a consolidated statement of financial position. IFRS 3 is not applied retrospectively but on business combinations in the current year and in the future, directly attributable costs of acquisitions will not form part of the valuation of acquired goodwill and intangible assets but be expensed to the income statement in the period of the acquisition.

b) Standards, amendments and interpretations to published standards not yet effective

The following IASs and IFRICs have been issued but are not effective for the year ended 31 December 2010 and are expected to impact the Group's financial statements upon adoption -

Improvements to IFRSs 2010 - a further collection of minor amendments to a number of standards. Those which are considered to have a reasonable, possible impact on the Group, although no impact on the financial position or performance are -

- IFRS 3 "Business Combinations"
- IFRS 7 "Financial Instruments Disclosures"
- IAS 1 "Presentation of Financial Instruments"
- IAS 27 "Consolidated and Separate Financial Statements"

The following IASs and IFRICs have been issued but are not effective for the year ended 31 December 2010 and are not expected to impact the Group's financial statements upon adoption -

- IFRS 9 "Financial Instruments- effective for annual periods beginning on or after 1 January 2013
- IFRS 7 "Financial Instruments Disclosures' (amended) - transfer transactions of financial assets, effective for annual periods beginning on or after 1 July 2011
- IAS 12 "Income Taxes" (amended) - effective for annual periods beginning on or after 1 January 2012
- IAS 24 "Related party transactions" (revised) - effective for annual periods beginning on or after 1 January 2011
- IAS 32 "Financial Instruments Presentation"- classification of rights issues (amended), effective for annual periods beginning on or after 1 February 2010
- IFRIC 14 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements, and their Interaction' (amended), effective for annual periods beginning on or after 1 January 2011
- IFRIC 19 "Extinguishing Liabilities with Equity Instruments", effective for annual periods beginning on or after 1 July 2010
- IFRS 10 "Consolidated Financial Statements"
- IFRS 11 "Joint Arrangements"
- IFRS 12 "Disclosure of Interests in Other Entities"
- IFRS 10, IFRS 11 and IFRS 12 together with related updates to IAS 27 Consolidated and Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures make up a package of five new and revised standards which must be adopted simultaneously. These standards are effective from 1 January 2013.

Notes to the financial statements

(continued)

5. Segmental analysis – Operating segments

The chief operating decision maker (“CODM”) for the purpose of IFRS 8 is the executive management team – The Group Chief Executive Officer and the Directors of subsidiary undertakings. The Group operates in a number of different markets and considers that the presentation of financial results on a goods and services basis is the most appropriate way to demonstrate the performance of the Group. For the purpose of resource allocation and assessment of performance, the CODM regularly reviews information based on the goods and services at a revenue and EBITDA level. There have been no changes to the reportable operating segments in 2010 and 2009.

The Group considers there to be three reportable operating segments organised around goods and services -

Head office costs- these are central costs that are offset by internal cost recoveries from the Group’s operating businesses and by sundry income which is not attributable to any of the Group’s operations.

UK publishing- consists of the Jewish News & Media Group which publishes on and offline media for the UK’s Jewish community including a weekly newspaper ‘Jewish News’, quarterly lifestyle and Celebrations magazines, ‘Pulse’ and ‘TotallyJewishSimchas’, a community portal, ‘www.TotallyJewish.com’ and an annual Wedding exhibition, TotallyJewishSimchas Live.

Digital marketing- consists of Totally Communications’ activities which have three main service sectors being website and software design & development, consultancy & systems integration and online marketing.

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

Segmental analysis- Segment measures

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

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

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

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

With respect to geographical regions, revenue is generally allocated to countries based on the location where the goods and services are provided. Non-current assets are disclosed according to the location of the businesses to which the assets relate. In 2010 and 2009, all segments operated solely in the UK, and as a result no secondary format is provided in the financial statements.

Primary reporting format – business segments

The table below sets out information for the group’s business segments for the years ended 31 December 2010 and 2009. Segment revenue represents revenue from external customers arising from the sale of goods and services.

The type of products sold by each segment is detailed in the Business Review.

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

Notes to the financial statements

(continued)

Analysis by business segment 2010

	Head Office	UK Publishing	Digital marketing	Total
	£000	£000	£000	£000
Revenue	13	1,146	723	1,882
EBITDA	(285)	204	228	147
Depreciation	-	(1)	-	(1)
Amortisation	-	(26)	(14)	(40)
Operating (loss)/profit	(285)	177	214	106
Finance costs	(20)	-	-	(20)
(Loss)/profit before tax	(305)	177	214	86
Income tax	-	10	-	10
(Loss)/profit after tax	(305)	187	214	96

Notes to the financial statements

(continued)

5. Segmental analysis (continued)

Analysis by business segment 2009

	Head Office	UK Publishing	Digital marketing	Total
	£000	£000	£000	£000
Revenue	-	1,130	628	1,758
EBITDA	(289)	252	210	173
Depreciation	-	-	(5)	(5)
Amortisation	-	(24)	-	(24)
Operating (loss)/profit	(289)	228	205	144
Finance costs	(19)	-	-	(19)
(Loss)/profit before tax	(308)	228	205	125
Income tax	-	16	-	16
(Loss)/profit after tax	(308)	244	205	141

6. Profit on operating activities before taxation

	2010 £000	2009 £000
Profit on ordinary activities before and after taxation is stated after charging:		
Auditors' remuneration for audit services	21	26
Auditors' remuneration for non-audit services - tax services	-	3
Directors and employees share-based payments	15	12
Impairment charge/(credit) for provisions in relation to irrecoverability of trade receivables	7	(3)
Operating lease charges - land and buildings	52	46
Operating lease charges - other assets	5	5
Depreciation	1	5
Amortisation	40	24

Auditors' remuneration includes fees of £6,000 (2009 £6,000) for the Company

Notes to the financial statements

(continued)

7. Employee information

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

	Number of employees	
	2010	2009
Management	2	2
Technical and production	9	8
Editorial	6	6
Sales and marketing	5	6
Administrative	1	1
	23	23

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

	2010	2009
Wages and salaries	673	638
Social security costs	93	84
	766	722

Directors' emoluments

	2010	2009
Directors' remuneration and benefits in kind	125	125
	125	125

During the year 32,424,153 (2009 9,080,633) warrants and nil share options (2009 5,450,000) were issued to D Assor

The company was charged £25,000 (2009 £Nil) by the Sinclair Montrose Trust Ltd of which Dr M J Sinclair and his immediate family have a controlling interest

Other remuneration and benefits in kind for the year for the non-executive Directors amounted to £nil (2009 £nil)

Notes to the financial statements

(continued)

7. Employee information (continued)

Employee Benefits

Share Based Compensation

The Group operates an equity-settled share based compensation plan for Directors and executives. In accordance with IFRS 1, the Group has elected to implement the measurement requirements of IFRS 2 in respect of only those equity-settled share options that were granted after 7 November 2002 and that had not vested as at 1 January 2005. The fair value of the employee services received in exchange for the grant of options is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted at the grant date. At each balance sheet date, the Group revises its estimate of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the Statement of Consolidated Income, and a corresponding adjustment to equity over the remaining vesting period. When share options are cancelled the Group accounts for the cancellation as an acceleration of vesting and therefore recognises immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised. The fair value of share options has been assessed using the Black Scholes Model.

Termination Benefits

Termination benefits are payable when employment is terminated before normal retirement date, or whenever an employee is expected to accept voluntary redundancy in exchange for these benefits. The Group recognises these benefits when it is demonstrably committed to terminating the employment of current employees in line with a formal plan, or providing termination benefits as a result of the expected take up of an offer for voluntary redundancy.

Included in wages and salaries is a total charge for share based payments of £15,000 (2009 £12,000) which in both years arises wholly from transactions accounted for as equity settled share based payment.

8. Taxation

a) Taxation charge

	2010	2009
	£000	£000
Research and development tax credit	(10)	(16)
Total current income tax credit charged in the income statement	(10)	(16)

b) Taxation reconciliation

The current income tax credit for the period is explained below.

	2010	2009
	£000	£000
Profit before tax	86	125
Taxation at the standard UK income tax rate of 28 per cent (2009 28 per cent)	24	35
Research and Development tax credit	(10)	(16)
Utilisation of brought forward tax losses	(24)	(35)
Total income tax credited in the income statement	(10)	(16)

Notes to the financial statements

(continued)

b) Deferred tax

Estimated tax losses of approximately £3,600,000 (2009 £3,699,000) are available to relieve future profits of the Group. A deferred tax asset has not been recognised in respect of these losses due to uncertainty as to the timing and tax rate at which these losses will be utilised against future taxable profit streams.

9. Finance costs

	2010	2009
	£000	£000
On bank overdrafts	20	19

10. Intangible fixed assets

Group

	Software	Total
	£000	£000
Cost		
At 1 January 2010	493	493
Additions	18	18
At 31 December 2010	511	511
Amortisation		
At 1 January 2010	433	433
Provided in the year	40	40
At 31 December 2010	473	473
Net carrying value		
At 31 December 2010	38	38
At 31 December 2009	60	60

Notes to the financial statements

(continued)

11. Property, plant and equipment

Group

	Short leasehold property £000	Computer equipment £000	Fixtures and fittings £000	Total £000
Cost				
At 1 January 2010	54	132	51	237
Additions	-	-	1	1
Disposals				
At 31 December 2010	54	132	52	238
Depreciation				
At 1 January 2010	54	129	50	233
Provided in the year	-	1	-	1
Disposals				
At 31 December 2010	54	130	50	234
Net book value				
At 31 December 2010	-	2	2	4
At 31 December 2009	-	3	1	4

All property, plant and equipment have been pledged as security for the group's overdraft facilities

Notes to the financial statements

(continued)

11. Property, plant and equipment (continued)

Company

	Short leasehold property £000	Computer equipment £000	Fixtures and fittings £000	Total £000
Cost				
At 1 January 2010	54	7	11	72
Additions	-	-	1	1
At 31 December 2010	54	7	12	73
Depreciation				
At 1 January and 31 December 2010	54	7	11	72
Net book value				
At 31 December 2010	-	-	1	1
At 31 December 2009	-	-	-	-

12. Investments

Company

Investments in share capital of wholly owned subsidiaries	Total
Cost	£000
At beginning of year	-
Disposals	-
At end of year	-

The subsidiary companies, all of which have been consolidated at 31 December 2010 are as follows. All shares are held directly by the company.

Subsidiary undertakings held directly	Country of incorporation	Percentage of equity capital Held	Nature of business
Totally Jewish com Limited	England and Wales	100%	Online media
The Jewish News Limited	England and Wales	100%	Print media
Totally Communications Limited	England and Wales	100%	Technical and marketing services
London Jewish News Limited	England and Wales	100%	Dormant

Notes to the financial statements

(continued)

13. Trade and other receivables

Company

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Subsidiary undertakings held directly				
Trade receivables	283	200	-	-
Less provision for impairment on receivables	(8)	(1)	-	-
Trade receivables -net	275	199	-	-
Amount due from group undertakings	-	-	-	170
Other debtors	10	10	16	10
Prepayments and accrued income	89	57	43	44
	374	266	59	224

Movement on the Group and Company provision for impairment of trade receivables are as follows -

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
At 1 January 2010	1	4	-	-
Receivables written off during the year as uncollectable	(2)	(4)	-	-
Provisions made in the year	7	1	-	-
At 31 December 2010	6	1	-	-

The creation of provision for impaired trade receivables has been included in administration costs in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. There is no provision for other receivables.

As of 31 December 2010 the following trade receivables were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows -

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Under three months	249	178	-	-
Three to six months	26	21	-	-
	275	199	-	-

The group holds no collateral against these receivables at the balance sheet date and does not charge interest on its overdue receivables.

The other classes within trade and other receivables do not contain impaired assets.

Notes to the financial statements

(continued)

14. Trade and other payables

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Current				
Trade payables	107	114	31	11
Amounts owed to group undertakings	-	-	1,260	723
Other taxes and social security	92	62	-	38
Other creditors	7	10	-	-
Accruals and deferred income	129	135	54	61
	335	321	1,345	833

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

15. Financial liabilities – Borrowings

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Repayable within one year	402	441	633	1,021
Secured borrowings	402	441	633	1,021

Undrawn facilities

The undrawn facility available to the Group at the year end in respect of which all conditions precedent have been met at that date were as follows:

	Group 2010 £000	Group 2009 £000
Expiring in less than one year	348	309

Secured liabilities

The Group's financial liabilities during the year ended 31 December 2010 were represented by two overdraft facilities, both repayable in less than one year. One overdraft is secured by a debenture over the Group's trade debtors aged under 90 days, with a limit of £50,000 charging interest at 3.75 per cent above bank base rate per annum. The second facility has a limit of £700,000 charging interest at 2 per cent above bank base rate per annum. As security for the second facility, the bank has obtained the unlimited Joint and Several Guarantees of Dr Michael J. Sinclair (non-executive Chairman), and Mr Leo Noe. At 31 December 2010 there was no difference between the book and fair value of the Group's financial liabilities. There were no fixed rate liabilities during the year.

All monetary assets and liabilities at the balance sheet date are held in Sterling, the Group's functional currency.

Notes to the financial statements

(continued)

16. Financial instruments

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

Fair values of financial instruments

For the following financial assets and liabilities: long-term borrowings, short-term borrowings, trade and other payables, trade and other receivables and cash at bank and in hand, the carrying amount approximates the fair value of the instrument due to the instrument bearing interest at market rates and/or the short-term nature of the instrument.

Maturity of financial liabilities

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Amounts payable:				
Within one year	402	441	633	1,021

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

It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments should be undertaken.

Capital management risk

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

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to holders of the parent, comprising issued share capital, reserves and retained earnings. Consistent with others in the industry, the Group reviews the gearing ratio to monitor the capital. This ratio is calculated as the net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity (including capital, reserves and retained earnings). This gearing ratio will be considered in the wider macroeconomic environment. With the current restraints on availability of finance and economic pressures the Group has lowered its gearing ratio expectations and has continued to reduce its debt in the year to 31 December 2010.

Notes to the financial statements

(continued)

16. Financial instruments (continued)

Interest rate risk

The Group and Company's interest rate exposure arises mainly from the interest bearing borrowings as disclosed in note 15. Currently all of the Group's facilities are at floating rates, which expose the entity to cash flow risk.

Foreign exchange risk

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

Credit risk

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

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

Concentration of credit risk, with respect to trade receivables, is limited due to the Group's customer base being large and unrelated. The maximum credit risk associated with the Group's trade receivables is equal to their carrying values as set out in note 13.

Liquidity risk

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

The Group would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows through effective cash management. At 31 December 2010 the group had borrowings in the form of bank overdrafts of £402K compared to available facilities of £750K, which can be accessed as considered necessary. This facility is subject to annual renewal and any borrowings under it are repayable on demand.

Notes to the financial statements

(continued)

17. Share capital and reserves

	31 December 2010 £000	31 December 2009 £000
Authorised		
125,000,000 ordinary shares of 1p each (2009 125,000,000)	1,250	1,250
20,500,000 deferred shares of 1p each (2009 20,500,000)	205	205
Allotted, called up and fully paid		
91,947,934 ordinary shares of 1p each (2009 91,947,934)	919	919
20,500,000 deferred shares of 1p each (2009 20,500,000)	205	205
	1,124	1,124

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

Earnings per share

		2010 £000	2009 £000
Basic and diluted earnings	£000	86	125
Weighted average number of shares used in basic and diluted earnings per share calculations	000	91,948	91,948
Basic earnings per share	Pence	0.1	0.2
Diluted earnings per share	Pence	0.1	0.2

None of the share options or warrants in issue had a dilutive effect on earnings per share in 2010 and 2009.

Notes to the financial statements

(continued)

Share options

On 22 April 2010, 500,000 new options were issued at an exercise price of 1 pence per share. The options are exercisable from the date of issue up to 22 April 2020.

Details of all options in issue at 31 December 2010 are as follows:

Grant date	Exercise price	Outstanding at start of year	Issued in year	Surrendered in year	Residual at 31 December 2010
17 December 2002	1 5p	10,000	-	-	10,000
22 December 2004	2 88p	25,000	-	-	25,000
16 May 2005	2 375p	1,000,000	-	-	1,000,000
1 January 2006	2 38p	150,000	-	-	150,000
29 March 2007	2 25p	1,033,333	-	-	1,033,333
10 April 2007	2 88p	100,000	-	-	100,000
1 January 2008	1p	1,000,000	-	-	1,000,000
27 July 2009	1p	10,575,000	-	-	10,575,000
8 October 2009	1p	3,050,000	-	-	3,050,000
22 April 2010	1p	-	500,000	-	500,000
		16,943,333	500,000	-	17,443,333

All options granted and outstanding as shown above may be exercised from the date of grant for a period of 10 years.

Warrants currently in issue

On 13 April 2010, 32,424,153 warrants were issued at an exercise price of 1 pence per ordinary share. The warrants are exercisable from the date of issue up to 13 April 2020.

On 22 April 2010, 25,000,000 warrants were issued at an exercise price of 1 pence per ordinary share. The warrants are exercisable from the date of issue up to 22 April 2020.

Details of all warrants in issue at 31 December 2010 are as follows:

Grant date	Exercise period from grant date	Exercise price	Outstanding at start of year	Issued in year	Surrendered in year	Residual at 31 December 2010
21 May 2002	Within 10 years	5p	1,916,665	-	-	1,916,665
18 June 2004	Within 7 years	5p	4,287,143	-	-	4,287,143
4 November 2005	Within 7 years	2p	2,500,000	-	-	2,500,000
2 July 2008	Within 10 years	1 25p	4,500,000	-	-	4,500,000
30 September 2008	No expiry date	1p	70,000,000	-	-	70,000,000
27 July 2009	Within 10 years	1p	16,752,538	-	-	16,752,538
8 October 2009	Within 10 years	1p	166,666	-	-	166,666
13 April 2010	Within 10 years	1p	-	32,424,153	-	32,424,153
22 April 2010	Within 10 years	1p	-	25,000,000	-	25,000,000
			100,123,012	57,424,153	-	157,547,165

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.

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Notes to the financial statements

(continued)

18 Share-based payment

During the year ended ending 31 December 2010 the Group and Company had two share based payment arrangements as described below

a) Employee Share Options

Totally Plc Enterprise Management Incentive Plan – 10 year limit

The estimated fair value of each option has been calculated using the Black Scholes option pricing model for different options granted between 17 December 2002 and 22 April 2010. The estimated fair value of options varies between 0.7 pence and 0.04 pence. The model inputs are share price at grant date, exercise price, expected volatility of 29 per cent, no expected dividends, contractual life of three years, and a risk free interest rate of four per cent. A reconciliation of option movements over the year is shown below.

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

	Number '000s	2010 Weighted average price Pence	Number '000s	2009 Weighted average price Pence
Outstanding at 1 January 2009	16,943	1.18	12,243	2.59
Granted	500	1.00	13,625	1.00
Surrendered	-	-	(8,625)	2.93
Exercised	-	-	-	-
Expired	-	-	-	-
Outstanding at 31 December 2009	17,443	1.17	16,943	1.18

a) Employee Share Options

	2010	2009
Range of exercise price (Pence)	1.00 – 5.00	1.00 – 5.00
Weighted average exercise price (Pence)	1.17	1.18
Number of shares - '000's	17,443	16,943
Weighted average remaining life years – Expected	9	10
Weighted average remaining life years – Contractual	10	10

Notes to the financial statements

(continued)

18. Share-based payment (continued)

b) Warrants

The estimated fair value of each warrant has been calculated using the Black Scholes option pricing model for different warrants granted as outlined in Note 18. The estimated fair value of warrants varies between 0.8 pence and 0.01 pence. The model inputs are share price at grant date, exercise price, expected volatility of 29 per cent, no expected dividends, contractual life of three years, and a risk free interest rate of four per cent. A three year contractual life has been used to reflect the non-tradability of the warrants compared to the actual contractual life of seven years. The full cost of the warrants is recognised at the date of grant. Expenses charged to the profit and loss in the year in respect of share based payments are as follows for the Group and Company

	2010 £000	2009 £000
Expense arising from share option plans – equity settled	2	5
Expense arising from issue of share option warrants – equity settled	13	7

19. Company changes in equity

Company	Share capital £000	Share premium account £000	Profit and loss account £000	Equity share- holders' funds £000
At 1 January 2010	1,124	3,353	(6,107)	(1,630)
Loss for the year	-	-	(304)	(304)
Credit on issue of share options	-	-	2	2
Credit on issue of warrants	-	-	13	13
At 31 December 2010	1,124	3,353	(6,396)	(1,919)

Notes to the financial statements

(continued)

20. Commitments

a) Capital expenditure commitments

At 31 December 2010 and 2009 the Group had no capital commitments

b) Operating leases agreements

At 31 December 2010 the Group had the following aggregate minimum lease payments under non-cancellable operating lease rentals

	Group 2010 £000	Group 2009 £000	Company 2010 £000	Company 2009 £000
Land and buildings				
Within one year	34	30	8	30
Between two and five years	49	24	-	24
After more than five years	-	-	-	-
	83	54	8	54
Other assets				
Within one year	8	6	-	-
Between two and five years	16	9	-	-
After more than five years	-	-	-	-
	24	15	-	-

Notes to the financial statements

(continued)

21. Related party transactions

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

Included within current liabilities on the Company statement of financial position are amounts owed to 100% subsidiary undertakings of £1.26m (2009 £0.55m). The movement in the Company's balances with its subsidiaries reflects the group's banking facilities and arrangements operating during the year.

The following related party transactions have been carried out at arm's length and are required to be disclosed in accordance with IAS24

As set out in note 3, Dr Michael Sinclair and Mr Leo Noe have provided guarantees in respect of the Group's current overdraft facility

The company charged East Kings Ltd £12,500 (2009 £nil) for technical services provided. Dr M J Sinclair is a director of East Kings Ltd

In 2010, purchases of £nil (2009 £2,000), on an arm's length basis were made from J Margolis, mother of A Margolis who is a director of both Totally Communications Limited and TotallyJewish.com Limited. A balance of £nil (2009 £nil) is included in trade creditors at the year end

During 2010, 32,424,153 warrants (2009 9,080,633) and nil options (2009 5,450,000) have been granted to D Assor. The exercise price is 1 pence per option and 1 pence per warrant

During 2010, 17,500,000 warrants (2009 7,671,905) and nil options (2009 5,125,000) have been granted to A Margolis. The exercise price is 1 pence per option and 1 pence per warrant

During 2010, 7,500,000 warrants (2009 Nil) have been granted to B Gritz, who is a director of Totally Communications Limited. The exercise price is 1 pence per warrant

22. Contingent liabilities

The company is party to a group banking arrangement with NatWest Bank Plc which includes a debenture, unlimited corporate guarantee and letters of offset between Totally Plc, Totally Communications Limited, The Jewish News Limited and TotallyJewish.com Limited. Totally Plc has a contingent liability in respect of these borrowings which at 31 December 2010 amounted to £nil (2009 £nil)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Totally plc will be held at the offices of Totally plc, Unit 611 Highgate Studios, 53-79 Highgate Road, Kentish Town, London NW5 1TL on 28 July 2011 at 3 p.m. for the transaction of the following business

As Ordinary Business to consider and, if thought fit, pass the following resolutions which will be proposed as Ordinary Resolutions

- 1 To receive and adopt the report of the directors of the Company and the audited accounts for the Company for the year ended 31 December 2010,
- 2 To re-appoint Daniel Assor as director of the Company, who retires in accordance with Article 14 of the Company's Articles of Association,
- 3 To re-appoint Royce Peeling Green Limited as auditors of the Company and to authorise the directors to fix their remunerations

As Special Business to consider and, if thought fit, pass the following resolutions of which Resolution 4 will be proposed as an Ordinary Resolution and Resolution 5 will be proposed as a special Resolution

4 That for the purpose of section 551 of the Companies Act 2006 (the "Act") the Directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") during the period exploring at the end of the next annual general meeting of the Company to be held after the date of the passing of this resolution or, if earlier, fifteen months from the date of the passing of this resolution provided that such power be limited to

(a) the allotment of up to 157,547,165 Ordinary Shares pursuant to or in connection with warrant instruments entered into on or prior to the date of this resolution

(b) the allotment of up to 17,443,333 Ordinary Shares pursuant to or in connection with share options granted on or prior to the date of this resolution, and

(c) the allotment of relevant securities (other than pursuant to paragraphs (a) and (b) above) up to an aggregate nominal amount of £900,000, to such person or persons and on such terms as they think fit, and that the Company be and is hereby authorised to make prior to the expiry of such period referred to in this Resolution 4 any offer or agreement which would or might require shares to be allotted or Rights to be granted after the expiry of the said period and the Directors may allot shares or grant Rights in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this Resolution, provided that this resolution shall not affect the right of the Directors to allot shares or grant Rights in pursuance of any offer or agreement entered into prior to the date hereof

5 That subject to the passing of Resolution 4 set out above the Directors be and are empowered in accordance with Section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority conferred on them by that Resolution, as if Section 561 (1) of the Act did not apply to such allotment provided that the power conferred by this Resolution shall be limited to

(a) the allotment of up to 157,547,165 Ordinary Shares pursuant to or in connection with warrant instruments entered into on or prior to the date of this resolution

(b) the allotment of up to 17,443,333 Ordinary Shares pursuant to or in connection with share options granted on or prior to the date of this resolution, and

(c) the allotment of relevant securities (other than pursuant to paragraphs (a) and (b) above) up to an aggregate nominal amount of £900,000, to such person or persons and on such terms as they think fit,

Notice of Annual General Meeting

(continued)

and that this power, unless renewed, shall expire at the end of the next annual general meeting of the Company to be held after the date of the passing of this resolution or, if earlier, fifteen months from the date of the passing of this resolution but shall extend to the making, before such expiry, of an offer or agreement which would or might require equity securities to be allotted after such expiry and the conferred hereby had not expired

By order of the Board

Paul Stacey

Company Secretary
Registered Office
Unit 611, Highgate Studios
53-79 Highgate Road
London NW5 1TL
Dated 27 June 2011

Notes

- 1 Please indicate how you wish your votes to be cast in respect of the resolutions to be proposed at the said meeting. If you do not indicate how you wish your proxy to use your votes, the proxy will exercise his discretion both as to how he votes and as to whether or not he abstains from voting. Your proxy will have the authority to vote at his discretion on any amendment or other motion proposed at the meeting, including any motion to adjourn the meeting.
- 2 If you prefer to appoint some other person or persons as your proxy, strike out the words "the Chairman of the Meeting, or and insert in the blank space the name or names preferred and initial the alteration. A proxy need not be a member of the Company. Completion of a form of proxy will not preclude a member from attending and voting in person.
- 3 In the case of joint holders, the signature of the holder whose name stands first in the relevant register of members will suffice as the vote of such holder and shall be accepted to the exclusion of the votes of the other joint holders. The names of all joint holders should, however, be shown.
- 4 If a member is a corporation, this form must be executed either under its common seal or under the hand of an officer or agent duly authorised in writing. In the case of an individual the proxy must be signed by the appointer or his agent, duly authorised in writing.

This form of proxy has been sent to you by post, it may be returned by post or courier or by hand to the Company's Registrars, Share Registrars, Suite E, 1st Floor, 9 Lion and Lamb yard, Farnham, Surrey, GU9 7LL

CREST members should use the CREST electronic proxy appointment service and refer to note 5 below in relation to the submission of a proxy appointment via CREST

In each case the proxy appointment must be received not less than 48 hours before the time for the holding of the meeting or adjourned meeting together (except in the case of appointments made electronically) with any authority (or a notarially certified copy of such authority) under which it is signed

- 5 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held on the above date and any adjournment(s) thereof by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members who have appointed a voting service provider(S), who will be able to take the appropriate action on their behalf

Notice of Annual General Meeting

(continued)

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST proxy instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID RA10) by the latest time (S) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST proxy instruction in the circumstances set out in regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

- 6 Pursuant to regulation 41 (1) of the Uncertificated Securities Regulations 2001 (2001 No. 3755) the Company has specified that only those members registered on the register of members of the Company at 3pm 28 July 2011 shall be entitled to attend and vote at the AGM in respect of the number of Ordinary Shares registered in their name at the time.

Changes to the register of members after 3pm 28 July 2011 shall be disregarded in determining the rights of any person to attend and vote at the AGM.