YouGov

What the world thinks

Annual Report and Accounts 2015

YouGov is an international full-service market research agency. Our core offering of opinion data is derived from our highly participative panel of 4 million people worldwide. We combine this continuous stream of data with our deep research expertise and broad industry experience into a systematic research and marketing platform.

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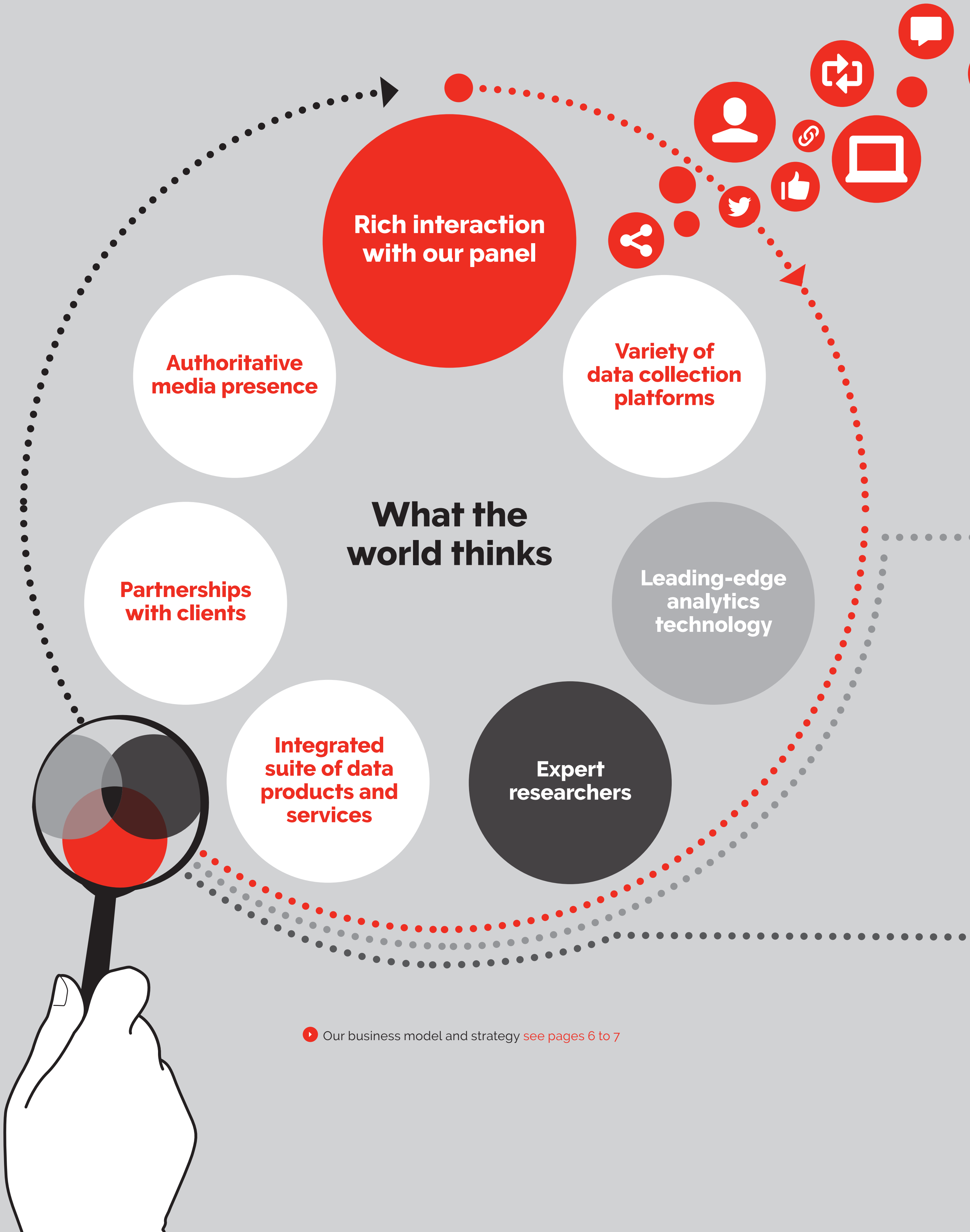
yougov.co.uk/annualreport/2015

The YouGov model



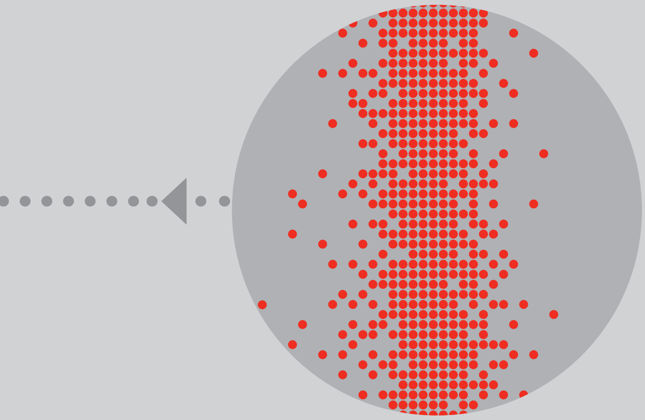
Our business model and strategy see pages 6 to 7

Our value chain

We have a panel of almost 4 million people worldwide providing us with a live, continuous stream of data...

...which we capture via our collection platforms to populate the YouGov Cube, our connected profile data library.

The Cube see the Chief Executive's review on pages 9 and 10



The YouGov Cube underpins all our products and services...

- YouGov BrandIndex
- YouGov Profiles
- YouGov Pulse
- YouGov Omnibus
- YouGov Reports
- YouGov Custom Research

Our products and services see pages 14 to 19

...which we combine with our industry-leading analytics technology and research expertise...

...to deliver to our clients analyses and reports that can be used to plan, manage and refine all types of campaigns whether they have commercial, political, social or other objectives.

Operational highlights

- Group revenue increased by 13% - organic growth of 11%
- Adjusted operating profit up by 16%
- Adjusted profit before tax up by 19%
- Adjusted earnings per share up by 14%
- Cash generated from operations (before paying interest and tax) increased by 16% to £10.3m (2014: £8.9m)
- Excellent cash conversion of 120% of adjusted operating profit (2014: 120%)
- Net cash balances of £10.0m (2014: £7.2m) after making £0.5m (2014: £1.0m) of acquisition related payments
- Recommended dividend increased by 25% to 1.0p per share
- Data Products and Services revenue up by 22% to £26.2m; now represents 34% of total (2014: 32%)
- BrandIndex revenue increased by 30% to £10.4m
- Omnibus revenue increased by 18% to £12.6m
- Revenue from Custom Research up by 9% to £49.9m
- New YouGov Profiles product launched in UK and USA
- Newest markets – Asia Pacific and France – achieving strong growth

Financial highlights

£76.1m
Turnover
2014: £67.4m

£8.6m
Adjusted operating profit[1]
2014: £7.4m

£10.3m
Operating cash generation
2014: £8.9m

£9.1m
Adjusted profit before tax[1]
2014: £7.7m

7.0p
Adjusted earnings per share[1]
2014: 6.1p

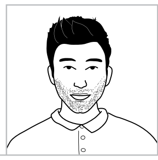
£2.9m
Statutory operating profit
2014: £1.0m

£2.7m
Statutory profit before tax
2014: £0.7m

1. Adjusted operating profit is defined as Group operating profit before amortisation of intangibles and exceptional items. In the year to 31 July 2015, amortisation of intangibles was £4.6m (2014: £4.0m) and exceptional costs were £1.1m (2014: £2.4m). Adjusted profit before tax and earnings per share are calculated based on adjusted operating profit.

OPPONENTS OF AUSTERITY CUTS – SAMPLE SIZE 7,338

Sample demographic
Gender: Female
Age: 55+
Social grade: C2DE



FANS OF THE X-FACTOR – SAMPLE SIZE 5,363

Sample demographic
Gender: Male
Age: 25-39
Social grade: C2DE

CUSTOMERS OF BMW – SAMPLE SIZE 4,198

Sample demographic
Gender: Male
Age: 25-39
Social grade: ABC1

Strategic report

SECTION CONTENT

STRATEGIC REPORT

Chairman's statement for the year ending 31 July 2015

"As we announced last year, we are now running the business with a greater focus on product type managed on a global basis rather than by geography. It is very pleasing to report that, as planned, we saw further significant growth in our Data Products and Services segment this year."

Roger Parry
Chairman

The financial year ended 31 July 2015 has been a good one for YouGov. We delivered strong organic growth in both revenues and profits. Perhaps even more importantly, we have successfully achieved the goals set for the first year of the five-year growth plan that the Board approved last year.

As we announced last year, we are now running this business with a greater focus on product type managed on a global rather than a local basis. It is very pleasing to report that, as planned, we saw a further significant growth in our Data Products and Services segment. But it is also encouraging that, in line with our increased focus on operational excellence, we have seen profits grow significantly in the USA as well as in Germany, which underperformed in the previous year, and our growth continues to outperform the market in all product lines.

Last year, we put in place a new matrix structure and appointed a Chief Operating Officer to manage international growth and deliver consistent international service quality across all markets. Early indications are that this management approach is working well.

Traditionally, market research involved the creation of a survey – designed as a one-off to answer a client's specific questions – then the interrogation of a statistically representative sample of people whose responses would provide data to help the client's decision making. In its early years, YouGov pioneered the use of the Internet as a data collection tool although at that time, largely based on this traditional research model. As the Internet and ways of using it have evolved, YouGov itself has embarked on new working methods that exploit the reach and interactivity of today's technology and fundamentally change the way that research data is collected and delivered. We have, in effect, automated the process of data collection, analysis and presentation, which provides our clients with a superior service.

We operate a panel of almost 4 million highly responsive YouGov members around the world and we constantly engage with them to seek their views on a wide range of issues and subjects. Data from this panel is collected on a daily basis and stored in a multivariate database we call The Cube. This vast, and ever expanding, data-set can then be analysed and presented to a client in any way they want using our proprietary analytics tool that we call Crunch.

This approach allows us to deliver innovative data products and insights that clients value, such as YouGov BrandIndex, which lets them track the health of their brands on a daily basis and see immediate consumer reactions to factors such as their advertising or external news stories. We are also able to offer products like YouGov Profiles – launched at the start of 2015. The consumer version of Profiles is available free to use on our website and has proved hugely popular and entertaining. The professional version, which sells on a subscription model, allows clients to obtain deep and complex profiles so as to describe and understand their actual and potential customers.

The Board is acutely aware of the need to balance our desire to invest for the future with the delivery of profit growth in the current year. Our focus remains on continuing to grow organically by opening up new territories and adding to our product range. We have invested (and will continue to invest) in new technologies to enable us to interact with our panel and ask questions in novel and engaging ways, and we are constantly improving our software platform to support our business plans.

In keeping with our progressive dividend policy, we are pleased to propose a 25% increase in the annual dividend, payable in December 2015, up to 1.0p per share.

When the business started in 2000, YouGov achieved its original fame through political polling but our clients have always used our services to gain a far broader view of how society works and of how people live their lives. An excellent example of this was the book we published during the year called *What Makes us Germans Tick*. This proved to be a media sensation going straight to the top of the non-fiction bestsellers list and generating a huge amount of public interest in Germany.

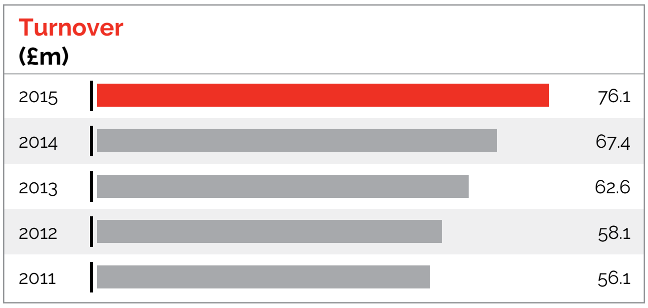
Although political polling is only a small part of YouGov's business, it is a high profile element and rightly gets a lot of attention particularly when the polls prove to be out of line with the election results, as they were in the 2015 General Election in the UK. This was a reminder to the entire industry that we must treat each result as an opportunity to learn and to adapt our methodology, and we will be making a full report on this at our annual YouGov-Cambridge conference in November.

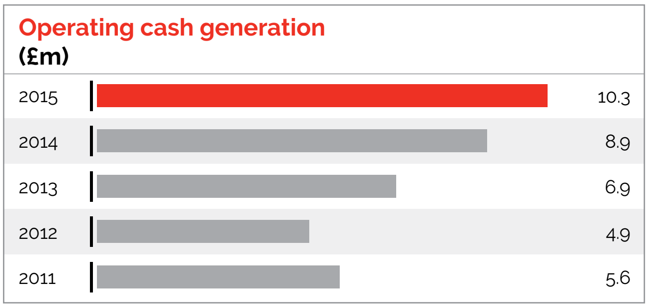
We were delighted to welcome Rosemary Leith, in February 2015, as a Non-Executive Director and Chair of the Remuneration Committee. Her global experience in commercial and academic spheres of the Internet, online data and analytics will be of great value to YouGov in our continuing international development. Rosemary replaces Sir Peter Bazalgette who stood down in May 2015 after 10 years during which time he made a huge and lasting contribution to the Company during a period of very great change.

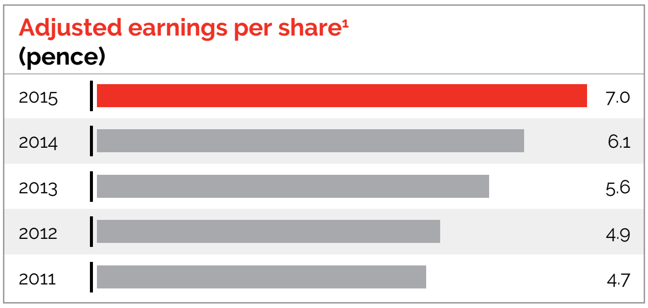
The current trading year has started well with robust trading in the first two months and a strong sales pipeline. We have set ourselves ambitious growth targets for the next five years and are focused on delivering the initiatives currently underway. We have the skilled and enthusiastic team to do this and the resources to make the right investments.

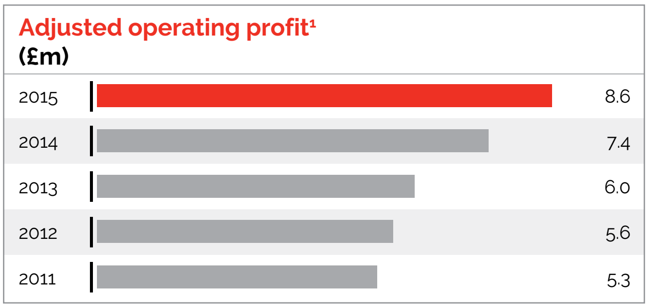
Roger Parry
Chairman

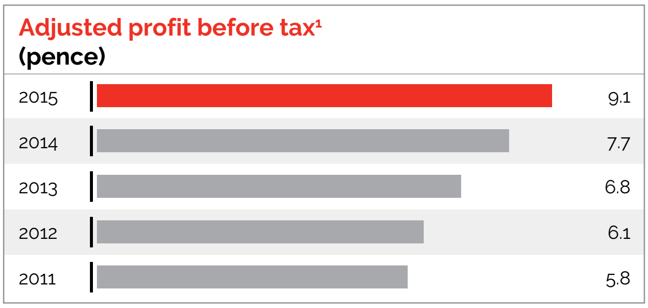
12 October 2015











1. Adjusted operating profit is defined as Group operating profit before amortisation of intangibles and exceptional items. In the year to 31 July 2015, amortisation of intangibles was £4.6m (2014: £4.0m) and exceptional costs were £1.1m (2014: £2.4m). Adjusted profit before tax and earnings per share are calculated based on adjusted operating profit.

STRATEGIC REPORT

Business model and strategy

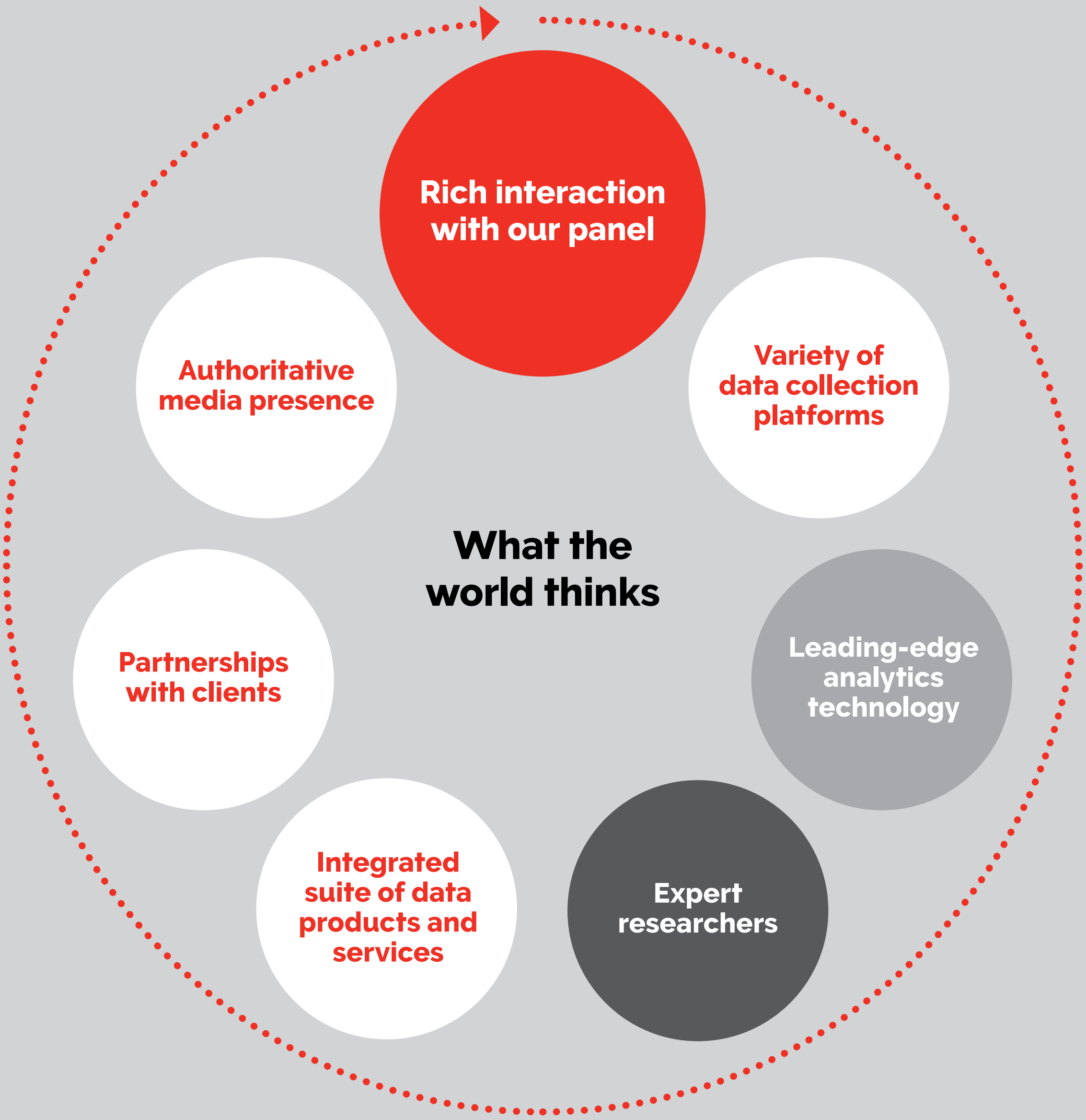
Here at YouGov, we believe in the power of participation.

From the very beginning, we have been driven by a simple idea: the more people are able to participate in the decisions made by the institutions that serve them, the better those decisions will be.

At the heart of our company is a global online community, where millions of people and thousands of political, cultural and commercial organisations engage in a continuous conversation about their beliefs, behaviours and brands.

We combine this continuous stream of data with our deep research expertise and broad industry experience, to develop the technologies and methodologies that will enable more collaborative decision making.

And provide a more accurate, more actionable portrait of what the world thinks.



Our products and services see pages 14 to 19 Our media presence see page 21

Our business model

Established in the UK in 2000 as the first online pollster, YouGov quickly developed a very strong brand widely recognised for accurate political opinion polling. Our highly-responsive proprietary panel and good reputation opened the doors for YouGov to expand quickly beyond the public service sector to much larger and more profitable commercial market research activity.

The YouGov model was founded on our belief that, done properly, Internet research is more accurate than traditional market research methods, while being faster, more flexible and richer in data. Our model has evolved – in keeping with the growth of Internet usage, the advancement of big data analytics, and the changing needs of our clients – and today we remain ahead of the curve.

Our value chain consists of innovative data collection methods, powerful analytics technology, and the delivery of high-margin syndicated data products and expert insights. We have, in effect, automated the process of data collection, analysis and presentation, thereby allowing us to deliver quicker results, smarter insights and better value for our clients than ever before.

The YouGov panel is key to our model. Our panel – and the data they contribute – makes our business possible, while our model motivates panellists to participate with us. In contrast to the one-way-street of traditional market research, our innovative data collection platforms and authoritative media presence work to facilitate a continuous conversation between YouGov panellists, clients and the media.

Our strategy

A key objective for the YouGov Group is to increase the proportion of revenue from Data Products and Services over the medium-term and bring these closer to parity with Custom Research. We are focusing on growing revenue from our core product suite by bringing our existing products to new markets, as well as continuing to innovate with new products and methodologies.

Another key objective is to integrate custom research with syndicated data and we are achieving this through the development of the YouGov Cube. The Cube is our highly-structured data library which is populated by data from our various data collection platforms. With the Cube, we can take data generated from custom research and combine it with other data from our library, or from products such as BrandIndex and Profiles, to create a more powerful offering. We are focusing on rolling-out the Cube across our geographies.

Today, YouGov has a panel across 37 countries worldwide and we continue to engage in opportunities to take our online market research core business model – of a strong brand and panel, coupled with innovative products and sector expertise – to new markets.

STRATEGIC REPORT

Chief Executive's review for the year ending 31 July 2015

"We are pleased to report another year of strong organic revenue and profit growth reflecting clients' demand for our portfolio of global data products as well as for our custom research services. Our continued market share gains result from the sophistication of our data-led products and services and their ability to meet the changing needs of our customer base."

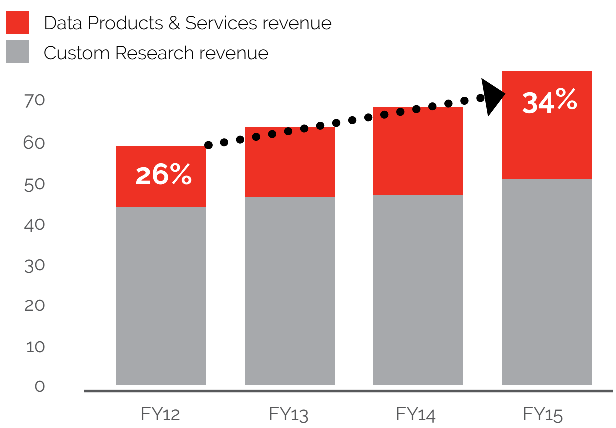
Stephan Shakespeare
Chief Executive Officer

Performance in the year

YouGov's revenue for the year ended 31 July 2015 increased by 13% to £76.1m. Our organic growth of 11% was once again well above global market growth, which we estimate at approximately 3%. The Group's adjusted operating profit increased by 16% to £8.6m, from £7.4m the previous year. This performance reflects the on-going benefits of our strategy to grow our global suite of higher margin data products and services while ensuring that our custom research business also gains market share and improves its profitability.

Revenue from Data Products and Services increased by 22% to £26.2m and revenue from Custom Research grew by 9% to £49.9m. Data Products and Services now represent 34% of total Group revenue, compared to 32% in the previous year. Within this, YouGov BrandIndex revenue grew by 30% to £10.4m and YouGov Omnibus revenue grew by 18% to £12.6m. The operating profit from Data Products and Services increased by 17% to £6.8m, which represents a margin of 26%. Custom Research operating profit grew by 24% to £6.4m with the margin increasing from 11% to 13%. Our Custom business has gained momentum thanks to the increasing awareness and traction achieved by our data products and to the ability this gives us to meet the changing needs of research buyers.

Changes in revenue (£m)



Our goal is to bring the proportion of revenue from Data Products & Services closer to parity with Custom Research.

Regionally, the US operation, our largest in revenue terms, grew by 18% so that it now accounts for one-third of Group revenue and it also significantly increased its profit contribution. Our newer Asia Pacific and French businesses grew strongly, in line with our plans. The UK also delivered strong revenue growth of 18% although planned investment in the YouGov Profiles product development and sales team restricted its profit growth. Germany and the Nordics both reported improved profits and grew revenue in constant currency terms, although reported lower figures in reported currency. Middle East revenue grew but its profitability was reduced due to previously reported changes in the Kurdistan project mix.

Year-on-year movements in foreign currency exchange rates had little impact on total group revenue but did affect individual regions. The appreciation of the US dollar led to approximately 5% higher reported revenue growth in the US and Middle East while the depreciation of the Euro meant that reported revenue in Germany, France and Nordic was 10% lower than if calculated in local currency terms.

The increase in the Group's adjusted operating profit reflects the growth in revenue as the gross profit and operating cost ratios remained constant at 77% and 66% respectively as a proportion of revenue. We maintained a high cash conversion rate (of 120% of adjusted operating profit) with cash generated from operations increasing by 16% to £10.3m, from £8.9m in the prior year. This led to a net cash inflow of £2.6m (2014: £1.3m) after investing £0.5m (2014: £1.0m) in acquisition-related payments and £5.8m (2014: £5.8m) in the purchase of tangible and intangible fixed assets. The latter included £4.6m (2014: £4.7m) for the development of our data collection and analytics platforms.

Our adjusted profit before tax rose by 19% and our adjusted earnings per share increased by 14%.

Strategy

On Monday 10 August 2015, and for several days after, YouGov generated significant coverage in the German media. Our German head of research was on the main morning television show across the full three hours and we were on the cover of most major newspapers. Below the front-page masthead of *Die Welt* there was a large German flag with a YouGov insight written across it, leading readers to a double-page spread of infographics and an article inside headlined: "The Soul of Germany". A nationwide emotional debate was sparked on how the Germans really are. This all resulted from a YouGov-authored book, *What Makes us Germans Tick* that went straight to the top of the non-fiction bestseller list and whose first two editions sold out within a few days. This book was an almanac of 550 insights into how Germans think and behave.

Nine months earlier, we had released the YouGov Profiles LITE app on our website to coincide with the UK launch of the new Profiles data product. The app allows users to type in any brand, celebrity or thing and get a detailed portrait of the fans or customers for that item. It quickly went viral on social media and for three consecutive days it was trending UK-wide on Twitter. The app received over a million searches in its first week, and was featured in almost every national television news programme and newspaper including *The Times* which ran the headline: "If you aren't addicted to YouGov Profiles yet, you soon will be".

These stories illustrate two powerful effects:

The first effect is that people love having themselves reflected back in all their glory. They want to know about themselves and their neighbours and how they compare: do they belong to the 69% of Germans who love their car or the 35% of Germans who never do sports or both or neither? What differentiates people who shop at Tesco from those who shop at Asda? How are the media consumption habits of people who start the day with cornflakes different from those who prefer muesli? And what are the favourite celebrities of those reading *The Times* as they munch their breakfast?

The second effect that these stories demonstrate is that people like to tell us about themselves. We have a panel of nearly 4 million people worldwide who provide us with a live, continuous stream of data. We have developed the YouGov Cube to make the most out of this participation. The YouGov Cube is our highly-structured, daily-updated online-crunchable database which underpins and supplements our products and services. The Cube currently holds over 100,000 variables for 250,000 of our UK panellists, 150,000 of our US panellists, and 50,000 of our German panellists. A core set of data is complete for all panellists in these three countries and every day we are increasing the number of variables held.

Chief Executive's review for the year ending 31 July 2015 continued

How did all of these data-points in the YouGov Cube get there? About two-thirds from paid surveys and one-third from Opigram, our web-based application that allows panellists to fill in details about themselves because they want to and is thus unpaid. We are increasingly making it easier for our panellists to talk to us, for example through the mobile optimisation of Opigram and through the continued roll-out of the YouGov Daily mobile app to our worldwide panels. YouGov Daily is an iPhone and Android app for daily short surveys that has been launched in beta form in the UK and Germany and has proved very popular with users during its initial testing period.

Together with advanced statistical analytics, this combination of panel participation and a technology-driven survey platform gives us revolutionary data products that provide insight and fun for the media, for our panellists, and for our commercial clients.

YouGov is reaping increasing benefits from our ongoing investments in technology, panel and media presence. The YouGov Cube produces two powerful syndicated data products: a longitudinal read of the data (YouGov BrandIndex, our daily brand perception tracker) and a landscape read (YouGov Profiles, our planning and segmentation tool through which one can identify target groups, their detailed characteristics and where they are to be found across digital and non-digital media). Profiles was launched commercially in November 2014 in the UK – where it is meeting its key objectives – and in the US and Germany in the summer of 2015.

This Cube is the foundation of a new, more powerful form of custom research. Instead of beginning every study as a blank page, with every respondent an unknown random entity, we can start from a position of deep granular information. We have rich, up-to-the-moment data relevant to the needs of most of our potential clients. This means we can approach clients with a wealth of information about their target groups and the dynamics of their markets that provides an advanced starting point for any subsequent custom research. This is a new and better way of conducting market research, offering greater value to clients than available through traditional methods in fulfilling their strategic planning and daily marketing and business work-flows.

This combination of rich, single-source (and therefore connected) syndicated data, advanced custom research building on that data, and making it work for specific client campaigns and strategies, is powerful precisely as a combination: the data is not only viewed but applied. What is more, it can be applied at great speed and with high efficiency: our clients can conduct further research on the people they care about – the same panellists who shared their original data with us – virtually in real-time. So the muesli-munching *Times* reader can be asked whether they would prefer more hazelnuts, with single-day turnaround.

We have already started to extract value from the system that we have developed and are focused now on realising its full value. Our technology, especially the cloud-based big-data statistical analytics system that we are building (called Crunch), has only just begun to deliver its first fruits to our clients. The deployment of faster custom research applications is still in the implementation stage. We are expanding our global panel and Cube resources to sustain our full data product range in all our markets. Our trajectory is clear: we are systematically creating a new kind of market research which answers vital needs of clients in markets where the speed of change is increasing and where understanding of the customer-supplier-media relationship is fracturing.

The irony of "big data" is that as companies get closer to their customers they are also becoming more confused by them, and ultimately more distant from them. Automated digital marketing systems provide significant benefits while at the same time atomising the relationship. It is YouGov's mission to use rich connected data to drive insight and restore a holistic view of the company-customer relationship leading to strategies that benefit both.

Dividend

The Board has previously indicated that it intends to follow a progressive dividend policy. Having considered the Group's performance in the year ended 31 July 2015 and future expectations as well as its financial resources, the Board is pleased to recommend payment of a final dividend of 1.0p per share in respect of the year ended 31 July 2015, payable in December 2015. This represents an increase of 25% over the dividend paid in 2014.

Prospects

Trading in the current financial year is in line with the Board's expectations.

The Board has set ambitious goals for the growth of the business and delivery of substantial earnings growth, which it believes will create long-term value for shareholders. These goals are clearly understood by the senior management and reflected in their incentive plans.

Looking ahead to the coming year, we see significant opportunities for growth for our established Data Products and Services both in YouGov's more mature markets and its newer operations. Our innovative approach to creating connected data sets also offers strong potential both for YouGov Profiles as a syndicated product and for our Custom Research services to continue winning market share. We therefore believe we remain well positioned to achieve our plans.

Overview of Global Products and Services

Revenue	Year to 31 July 2015 £m	Year to 31 July 2014 £m	% Change
Data Products	11.9	9.4*	26%
Data Services	14.3	12.1*	18%
Total Data Products & Services	**26.2**	21.5*	22%
Custom Research	**49.9**	45.9*	9%
Group	**76.1**	67.4	13%

* The segmental analysis for the year ended 31 July 2014 has been restated so as to ensure consistent treatment in all regions. The effect of the change from the reported analysis was to reduce Data Products revenue by £0.2m, increase Data Services revenue by £2.0m and to reduce Custom Research revenue by £1.8m. There were consequential minor adjustments to the segmental adjusted operating profit. This change in the basis of the comparatives was already reflected in the Interim Statement for the six months ended 31 January 2015.

Adjusted Operating Profit	Year to 31 July 2015 £m	Year to 31 July 2014 £m	% Change	Operating Margin % 2015	Operating Margin % 2014
Data Products	2.3	1.8	24%	19%	19%
Data Services	4.5	4.0	14%	32%	33%
Total Data Products & Services	**6.8**	5.8	17%	**26%**	27%
Custom Research	**6.4**	5.2	24%	**13%**	11%
Central costs	(4.6)	(3.6)	29%	**–**	–
Group	**8.6**	7.4	16%	**11%**	11%

Data Products are comprised of YouGov BrandIndex, our flagship brand intelligence tracker, which accounted for 87% of this category's revenue; YouGov Reports, which provides market intelligence reports and sector trackers; and the new YouGov Profiles product. Data Services revenue mainly comprises YouGov Omnibus (including field and tab services) (88%) with the balance being the provision of sample-only services in the Nordic and Middle East regions.

Data Products

Data products, once mature, are more profitable than custom research as the outputs are sold to multiple clients while the input costs, such as data collection and analysis, are incurred only once. However, in their early stages of development and expansion to new markets, investment is required in product development, analytics and sales resources. The overall Data Products margin of 19% reflected this mix with BrandIndex achieving significantly higher margins offset by the investment in our relatively newer products, including £1.0m in the year in relation to Profiles.

Within Data Products, BrandIndex grew revenue by 30% to £10.4m (2014: £8.0m) and now accounts for 14% of total Group revenue, generated from over 300 subscribers in 21 markets across the world. The US remained the largest BrandIndex market, accounting for 62% of the total and growing by 47% with the UK, its second largest market, growing by 28%, and the first locally generated sales being achieved in Asia Pacific as sales teams were established in the region.

BrandIndex serves major accounts among both advertising and media planning agencies on the one hand and brand owners and advertisers on the other. Its long-standing clients include OMD, Universal McCann, Bank of America, KFC and Subway. New client wins in the year include: Domino's, Emirates NBD, EDF, Reebok, Singapore Press Holdings and TeliaSonera.

BrandIndex focused on three major areas in FY15 to drive growth. First, its geographical expansion continued with launches in six new markets, including in Ireland and the Asia Pacific markets of Australia, Indonesia, Malaysia, Singapore and Thailand. All of these new markets achieved sales in the year. Second, significant enhancements were made to the consumer profiling in BrandIndex's three largest markets: US, UK and Germany. BrandIndex data in each category can now be filtered by the most relevant consumer groups for that category. For example, restaurant groups can view data by: frequency of dining out, monthly spend on dining out, frequency of takeaway orders, monthly spend on takeaway orders, frequency of dining out for breakfast, lunch, dinner or late night, etc. Finally, enhancements were made to the BrandIndex reporting tool so that it is more closely coupled with that of Profiles. For example, key consumer segments that can be identified and described in Profiles can also now be tracked on a daily basis in BrandIndex. This means that clients subscribing to the two services have an unparalleled ability to leverage the YouGov Cube so as better to plan, target, execute, track and rework advertising, media and promotional campaigns.

Looking forward, BrandIndex's coverage is expected to expand to more countries in line with client demand. We also plan to introduce more automation into the BrandIndex reporting tool, making it even easier for clients to derive value from the service, while also improving the scalability of the service for YouGov.

Chief Executive's review for the year ending 31 July 2015 continued

YouGov Profiles offers the largest, most detailed and real-time consumer database in the UK, US and Germany, updated weekly. The UK version of Profiles is based on a database of some 120,000 separate data variables on consumers, collected initially from approximately 250,000 YouGov panellists. YouGov Profiles connects data on profiles, brand, sector, and media, digital and social data all in one place combining that with attitudes, interests, views and likes. For example, it provides brand usage and perception data for some 1,000 brands (plus usage for thousands more), TV viewing for 5,000 programmes, website usage for the most active commercial websites, thousands of likes on music artists, films, personalities and much more.

YouGov Profiles is offered to the market as a subscription service (like BrandIndex) with clients accessing the data through a dedicated portal. Profiles complements BrandIndex since it allows users to define and understand their potential target customers while BrandIndex allows them to measure the effect of campaigns and other events on how their own and other brands are perceived. It improves the ability of marketers to understand the people and audiences that matter to them and enables media owners to identify potential advertisers and make more informed content and scheduling decisions so as to deliver the target audience that advertisers require. Profiles is delivered through a "point and click" tool, which gives users access to a wide range of detailed and connected data and provides analytics methods with which to interrogate and interpret the data.

Following its UK launch in November 2014, Profiles has begun to achieve traction with sales agencies including Dare and MEC and brand owners including EE, Experian, O2 and Universal Music as well as a three-year contract with a major US media corporation. The US version was launched in April 2015 and the German one in August 2015 and the first sales have been achieved in both these markets. A number of clients have bought the combined Profiles and BrandIndex product set which provides a unique suite of tools that enhances brand and customer information through the entire marketing and advertising workflow. The preparatory work is underway, in terms of structuring and collecting the connected profile data, for the roll-out to Nordic and Asia Pacific which is planned over the coming year, with China expected to be the next launch territory.

"We are well positioned to deliver the medium-term goals that we set out to shareholders last year and see significant opportunities for further growth of our existing data products and services, BrandIndex and Omnibus, as well as high potential for the YouGov Cube and YouGov Profiles."

YouGov Reports, which is currently only UK-based, increased revenue by 12% to £1.2m and expanded its portfolio of market intelligence reports to some 400 report titles. Its main sector focus and largest revenue generator continues to be financial services with other sectors covered including food and drink, legal services, media, technology and utilities. The Reports segment also includes HEAT (Household Economic Activity Tracker), YouGov's economic confidence tracking study, which covers UK, US and China, and specialist syndicated trackers on subjects such as pension reform, utility customer switching and media consumption. New clients this year include Nottingham Building Society and Swinton Insurance.

Data Services

YouGov Omnibus, our online fast-turnaround service, grew revenue by 18% to £12.6m. This performance reflected strong growth in markets where Omnibus has been launched more recently, such as France with 83% growth and USA with 44% growth, together with continued growth of 17% in the UK where Omnibus has been the market leader for a number of years. An Asia Pacific service was started during the year and is progressing as planned.

Omnibus has continued to enhance its service offering with innovations designed to meet client's changing needs. These include the new "Slides!" facility which provides an automated slide pack as the default means for delivering Omnibus survey results and segmental services such as Children, Parents and Shoppers continue to grow along with a new SME service which has helped to expand the client base as well as demonstrate the capability that YouGov's large panel provides to reach selected target respondents. Sales of multi-country Omnibus projects have also increased, supported by our growing international presence and marketing to existing clients. New clients in the year included Airbnb, Lidl, L'Oréal, Nissan Europe and Saatchi & Saatchi.

Custom Research

YouGov's Custom Research business conducts a wide range of quantitative and qualitative research, tailored by our specialist teams to meet clients' specific requirements. The scope, scale and complexity of projects varies significantly and ranges from large-scale national and multinational tracking studies, through to more one-off surveys designed to address a specific commercial, social or political issue for the client. It is recognised in the market-place that clients increasingly demand faster information from surveys that can also be connected with other data available to them on the attitudes and behaviours of their target groups, whether they be consumers, citizens or opinion-formers. Our panel-centric methodology, enhanced by recent development of the YouGov Cube, enables us to combine data generated from bespoke surveys with other data from our library or that forms part of a data product such as BrandIndex. Our global Custom business is already benefitting from our innovative approaches, as reflected in its 9% revenue growth over the past year. The highest growth was in the UK which grew by 17%, winning business from existing and new clients in a range of sectors and also reflecting the benefit of the extensive media coverage of YouGov's brand. The US grew by 16% due in part to strong revenue from polling for the mid-term Congressional Elections as well as to continued growth in the technology and consumer goods sectors. Middle East grew by 4% while Germany and Nordic both grew in local currency terms although depreciation against the £ led to small declines in £ terms.

The adjusted operating profit from Custom Research increased to £6.4m from £5.2m and the operating margin increased from 11% to 13%. This is in line with our continuing aim of improving Custom Research profitability both by exploiting the benefits of our panel-based methodology and improving the efficiency with which Custom work is delivered through for example, the automation of results and reports delivery. Initiatives planned for the coming year include the establishment of a shared services research operations facility in Romania which will reduce further our delivery costs. The new Crunch analytics tool has also been deployed to enable two major clients (one in USA, one in UK) to receive, analyse and report their data to their internal users and management. This provides revenue opportunities for YouGov as well as significant efficiency and quality gains for the client and ourselves.

Major clients in the year included Asda, Barclays, Bill and Melinda Gates Foundation and ITV (UK); Amazon, Coca-Cola, Google and Microsoft (USA); Bosch, Credit Suisse and Deutsche Telekom (Germany), Havas (France), Carlsberg and Danske Bank (Nordic); Dubai Properties and Saudi Commission for Tourism (Middle East); Blue Hive/Ford, Guangzhou Cosmetics and Singtel (Asia Pacific).

Central Costs

Central costs of £4.6m include the Group management team and central management functions together with the teams responsible for YouGov Online and for the data analytics and related activities that support the roll-out of products and services based on YouGov's profile data library. The increase in these costs of £1.0m was due to additional investment in the YouGov Online and data analytics teams and in Group management resources as well as to higher share-based payment charges.

Stephan Shakespeare

Stephan Shakespeare
Chief Executive Officer

12 October 2015

STRATEGIC REPORT

Overview of our products and services

Our suite of products and services

Our suite of syndicated data products includes YouGov BrandIndex, YouGov Pulse, YouGov Reports and our new planning and segmentation tool, YouGov Profiles. Our other services include the popular YouGov Omnibus service as well as custom research by our sector specialists.

Through the continued development of our products and services, we are building a comprehensive set of decision-making tools and resources which can support media agencies and brands owners with all stages of the marketing workflow. For example, our clients can:

- Understand a market through Reports;
- Identify target segments through Profiles;
- Track brand performance over time with BrandIndex; and
- Do a deep dive through Omnibus or Custom Research to understand why sentiments and metrics are moving.

YouGov BrandIndex
Our daily brand perception tracker

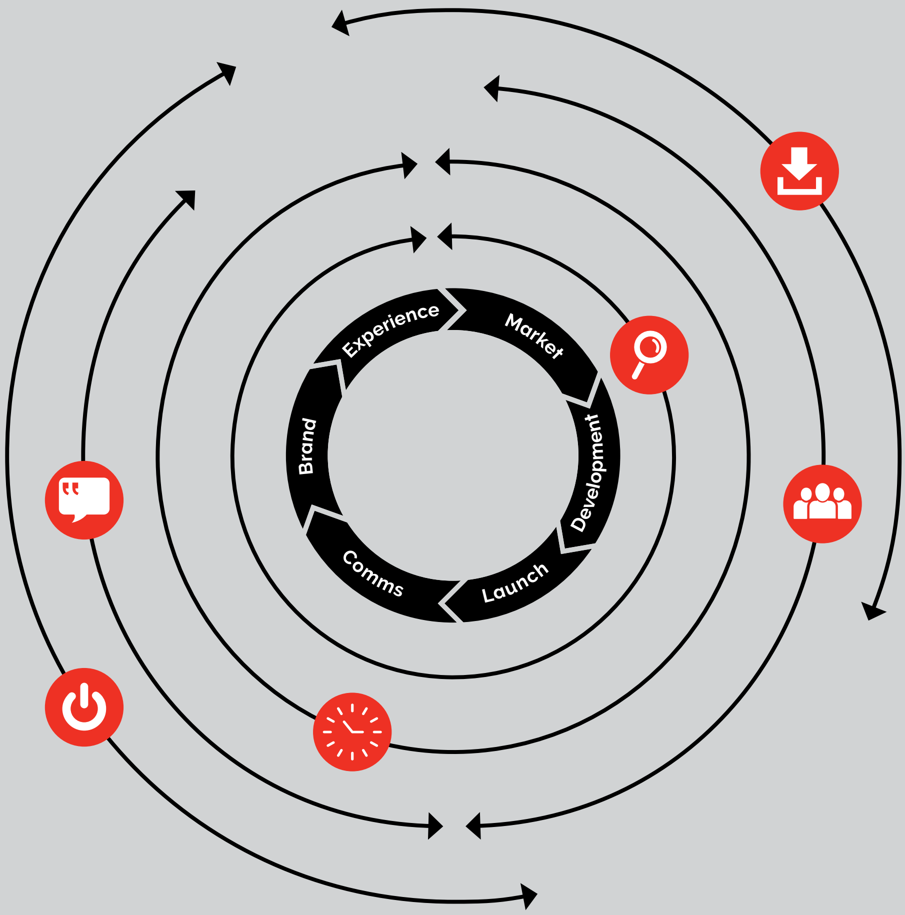
YouGov Profiles
Our new planning and segmentation tool

YouGov Pulse
Our real-time online behaviour tracker

YouGov Omnibus
Delivering next-day answers

YouGov Reports
Comprehensive market intelligence reports

YouGov CustomResearch
Quantitative and qualitative research directed by our sector specialists



YouGov BrandIndex

Our daily brand perception tracker

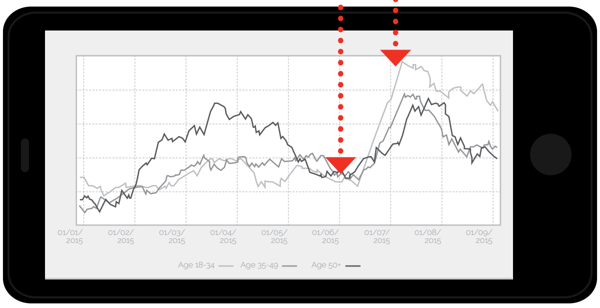
BrandIndex, YouGov's flagship brand intelligence service, tells our clients what the world thinks of their brands and their competitors at any given moment and helps our clients understand the link between their media and advertising efforts, brand perception, and consumer response. BrandIndex data is updated daily and holds up to seven years of historical data about our client and competitor brands, which is all instantly available to our clients through our user-friendly BrandIndex portal.

This year, BrandIndex was rolled out across YouGov's new Asia Pacific territories and is currently available in the Australia, Brazil, China, Denmark, Finland, France, Germany, Indonesia, Ireland, Japan, Malaysia, Mexico, the Netherlands, Norway, Saudi Arabia, Singapore, Sweden, Thailand, United Arab Emirates, United Kingdom and the United States. Every day we survey multitudes of consumers across these territories – conducting 5 million BrandIndex interviews every year – about thousands of brands across dozens of industry segments.

Example of using BrandIndex to track awareness: The AA's new ad campaign

The day before the AA launched its new UK ad campaign, just 6% of the 50+ age group recalled seeing advertising for the AA.

Four weeks after the campaign launch, awareness in this age group had risen to 19%.



During the year, significant enhancements were made to BrandIndex's consumer profiling capabilities in its three largest markets: US, UK and Germany. In these geographic versions of BrandIndex, data in each category can now be filtered by the most relevant consumer groups for that category. Enhancements were also made to the BrandIndex reporting tool so that it is more closely coupled with that of Profiles so that clients subscribing to the two services have an unparalleled ability to leverage the YouGov Cube so as better to plan, target, execute, track and rework advertising, media and promotional campaigns.

Looking forward, we plan to introduce more automation into the BrandIndex reporting tool, making it even easier for clients to derive value from the service, while also improving the scalability of the service for YouGov.

YouGov BrandIndex BestBrand

For several years YouGov BrandIndex has released mid-year and annual buzz rankings. This year, we decided to take a more formal approach and promote the semi-annual releases as "YouGov BrandIndex BestBrand". BestBrand overall and category winners are acknowledged with a personalised letter from YouGov, as well as a marketing pack that they can use in their advertising. This approach has worked well with several brands having cited placement on the BestBrand list, as intended. For example: Carnival Cruise Lines has cited its BestBrand score improvement in press releases; Amazon has cited its placement on the list in communications to investors; and Premier Inn and LV= have leveraged their rankings in their advertising.

YouGov BrandIndex
BEST BRAND
2015

STRATEGIC REPORT

Overview of our products and services continued

YouGov Profiles

Our new planning and segmentation tool

Our recent product development initiative has focused on harnessing the continuous stream of data that panellists share with us, in order to provide more detailed and holistic information on the attitudes and behaviours of current and potential customers for a brand's products and services. The result is YouGov Profiles, our ground breaking new tool for media planning and audience segmentation for use by brand owners and the agencies who serve them.

Profiles improves the ability of marketers to understand the people and audiences that matter to them. It enables media owners to identify potential advertisers and make more informed content and scheduling decisions so as to deliver the target audience that advertisers require. It allows users to profile their target audience across multi-channel data sets from a single source, with greater granularity and accuracy than ever before. Profiles offers the largest, most detailed and real-time consumer database, updated weekly.

The UK version of Profiles is based on our library of some 120,000 separate data points on consumers, collected from over 250,000 YouGov panellists. It connects data on demographics, attitudes, interests, lifestyle attributes, brand affiliation, media consumption, digital, social and mobile engagement all in one place. For example, it provides brand usage and perception data for some 1,000 brands (plus usage for thousands more), TV viewing for 5,000 programmes, website usage for the most active commercial websites, thousands of likes on music artists, films, personalities and much more.

Profiles is offered to the market as a subscription service (like BrandIndex) with clients accessing the data through a dedicated portal. The Profiles portal gives users access to a wide range of detailed and connected data and provides analytics methods with which to interrogate and interpret the data.

Profiles complements BrandIndex since it allows users to define and understand their potential target customers while BrandIndex allows them to measure the effect of campaigns and other events on how their own and other brands are perceived. This synergy improves the ability of marketers to understand the people and audiences that matter to them, while enabling media owners to identify potential advertisers and make more informed content and scheduling decisions so as to deliver the target audience that advertisers require.

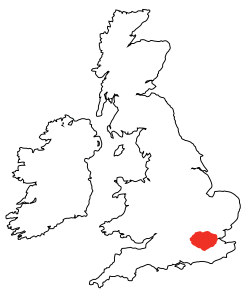
Profiles is currently available in the UK, US and Germany. Preparatory work on the YouGov Cube is underway in the Nordics and Asia Pacific, with a view to rolling out Profiles in these territories next.

Customers of Ocado

DEMOGRAPHICS
- GENDER: FEMALE
- AGE: 25-39
- SOCIAL GRADE: ABC1

PROFESSIONS
- ACCOUNTING
- FINANCE
- BUSINESS

TOP REGIONS
- LONDON
- SOUTH COAST
- MIDLANDS



YouGov Profiles LITE

To generate buzz around the launch of YouGov Profiles at the Festival of Marketing (UK) in November 2014, we also released the YouGov Profiler app on our website as a showcase for the subscription product.

The app (now called YouGov Profiles LITE) allows users to type in any brand, celebrity or thing and get a detailed portrait of the fans or customers for that item. It does this by comparing the characteristics of that specific fan/customer group with the characteristics of the rest of the population, in order to derive what is most unusual about that group.

The app was an instant hit not only with potential clients but with the general public at large. It quickly went viral, with YouGov Profiler featuring across the UK media, in all national newspapers, on TV news and talk shows. The app received over a million searches in its first week was a trending topic on Twitter.

The app remains free to use, with users searching for particular brands being asked to register with us in order to maximise the potential for lead generation for the full subscription product.

"If you aren't addicted to YouGov Profiles yet, you soon will be"

The Times, 18 November 2014

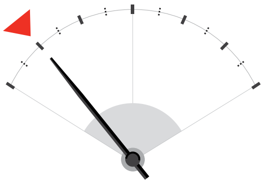
Try out the app at:

yougov.co.uk/profileslite

Now showing: What is particularly true of customers of Ocado compared to general population | Sample size: 11,811 | 9 October 2015

POLITICS

LEFT RIGHT



+ CUSTOMER OF

- MARKS & SPENCER
- GATWICK AIRPORT
- APPLE MAC
- GOOGLE NEXUS
- YODEL
- VIRGIN MEDIA
- SAFARI
- SKYPE

+ WATCHES TV FOR...

1-5 HRS P/W

+ ONLINE FOR...

50+ HRS P/W

STRATEGIC REPORT

Overview of our products and services continued

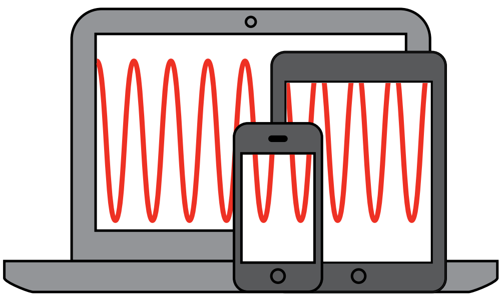
YouGov Pulse

Our real-time online behaviour tracker

YouGov Pulse is our real-time online and mobile behaviour tracker. Pulse enables brands and agencies to capture real-time, in-depth and actual online consumer behaviour across laptops, smartphones and tablets. Through Pulse, we collect information on websites visited; search-terms used; online e-commerce journeys; and applications used. Furthermore, we collect Pulse data from three devices (desktops/laptops, smartphones and tablets) to form the full picture of online behaviour.

The strength of Pulse is the relationship we have with our panellists; we have data on respondents who were already part of the YouGov community before they were asked to take part in Pulse. This means that we know all kinds of different background information, ranging from their demographics, media habits, consumption and brand affinity. Pulse makes it possible to understand the full picture of what consumers do online and the online journeys they experience.

Pulse is available as a standalone offering, while its data is also leveraged by the new Profiles product. During the year, we provided a number of clients with digital and social media research across retail, media, financial services, food and drink, political and public sectors.



YouGov Omnibus

Delivering next-day answers

YouGov's very first product, YouGov Omnibus, is now the market-leading online omnibus service in the UK and in recent years has been extended to our operations in France, Germany, the Middle East, the Nordics, the US and more recently the Asia Pacific.

Omnibus is the perfect vehicle to find out people's opinions, attitudes and behaviours, quickly and cost-effectively. Our Omnibus surveys are run daily, providing nationally representative responses to clients within a 48-hour turnaround (with 24-hour turnaround available in the UK). We now conduct over 2.5 million Omnibus surveys every year across our global operations. The service can provide clients with data from some 20 countries and client demand for multi-country Omnibus projects continues to increase.

The size and diversity of the YouGov panel has also enabled us to expand our Omnibus offering to include a number of selected target samples. Omnibus segmental services include International, Children and Parents, B2B, Independent Financial Advisors and LGBT. We also run regular Omnibus surveys covering "influential" audiences in the UK including Members of Parliament. The OmniDeepDive service provides professionally moderated online focus groups with a selection of Omnibus respondents.

We continue to develop the Omnibus service to meet client's changing needs and to make the service as fast as possible; and example of this is the new "Slides!" facility which provides an automated slide pack as the default means for delivering Omnibus survey results.

YouGov Reports

Comprehensive market intelligence reports

The YouGov Reports division consists of market intelligence reports, an economic confidence tracking study and specialist syndicated financial, media and technology trackers.

The market intelligence report portfolio consists of over 400 report titles covering 1,000+ topic areas ranging across the finance, technology, retail, utilities, media, legal services and food and drink sectors. Our Reports place the YouGov proprietary online panel at the heart of the proposition using opinions from hard to reach groups such as, for example, consumers who have made complaints to regulatory bodies, those who have switched bank accounts, or families with a relative in a care home. This results in our reports being packed with original consumer research data and analysis that can not be found anywhere else. Our reports use data from the YouGov Cube to create extra analysis and insight, allowing clients and potential clients to cut YouGov Reports data by their own customers and segments. Reports can be bought as single copies, as a package or, increasingly, for an annual subscription covering multiple topics and reports.

The Household Economic Activity Tracker (HEAT) is YouGov's economic confidence tracker. HEAT is available in the UK, US and China and subscribers receive a detailed view of macro-economic and consumer trends as well as forecasts based on the earliest indication of consumer confidence and consumer reaction to economic events.

We also have a range of other premium syndicated trackers – on subjects such as pension reform, utility customer switching and media consumption – which are updated more quickly than alternative offers in the market.

YouGov CustomResearch

Quantitative and qualitative research directed by our sector specialists

YouGov's Custom Research business conducts a wide range of quantitative and qualitative research, tailored by our specialist teams to meet clients' specific requirements. Using their in-depth sector knowledge, our custom research specialists employ both quantitative and qualitative methods to identify and analyse markets, clarify opportunities and challenges and to generate data that provides clients with actionable information.

The scope, scale and complexity of our custom research projects varies significantly and ranges from large-scale national and multinational tracking studies, through to more one-off surveys designed to address a specific commercial, social or political issue for the client. Our custom offerings include: reputation studies (measuring public and stakeholder opinion on an organisation's reputation); syndicated studies covering sector or product trends, such as our *YouGov/TIME Inc. Survey of Affluence and Wealth* (US) and *Insurance Industry Customer Satisfaction Monitor* (Germany); and our full research programme providing a range of research, often on annual contracts, including tracking studies, qualitative research and customer profiling.

Our panel-centric methodology, enhanced by recent development of the YouGov Cube, enables us to combine data generated from custom research with existing data from our library or from products such as BrandIndex and Profiles. This allows us to minimise the proactive data collection required for each new custom project while at the same time provide our clients with more connected and tailored data than ever before.

STRATEGIC REPORT

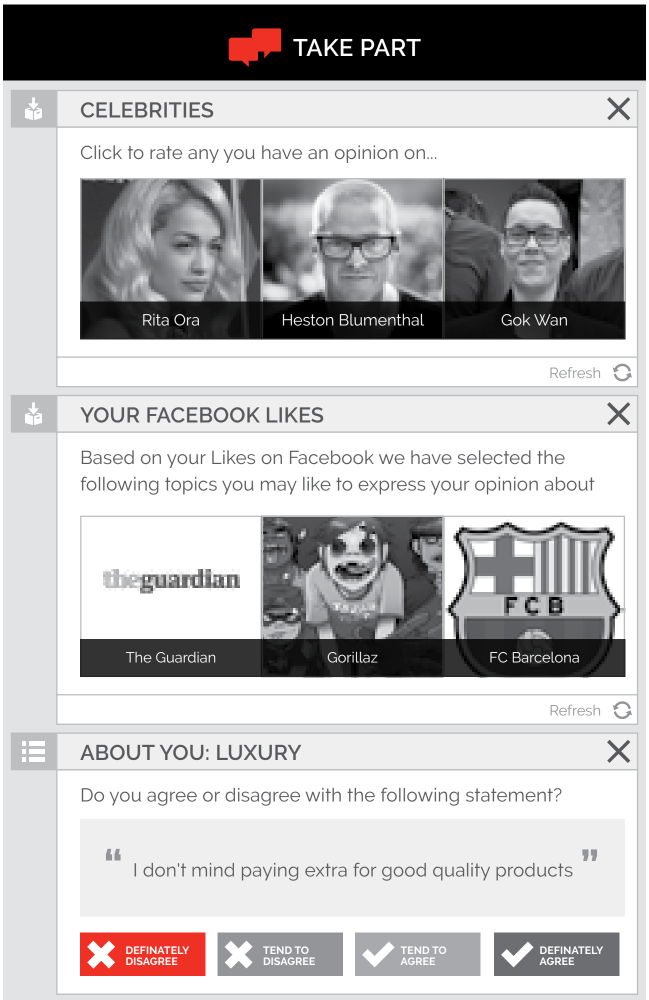
YouGov Opigram

YouGov is constantly exploring new technologies and methodologies to encourage deeper, more frequent participation. One result is Opigram.

Opigram is an online data-sharing platform through which our panellists can share their thoughts and build their personal profile on everything from movies to politics to consumer issues. By using Opigram, our panellists can share opinions and information with YouGov whenever they choose and not just in response to survey invitations. Opigram allows YouGov panellists to proactively share opinions, build up their own profile of likes and dislikes and compare them with others. Through a combination of ratings, inputting opinions, and agreeing or disagreeing with other panellists, panellists build up a 360-degree profile of their tastes, habits and interests. At the same time, opinions come together to form detailed pen-portraits of brands, movies, celebrities, books and much more. It provides people with a way to record their opinions and experiences that is organised to be useful to them, and to other people. The platform also offers a social network via which panellists can get to know one another over a shared opinion, hobby or passion.

Since its acquisition in 2013, Opigram has become an increasingly important way for us to collect data from our panel. In the UK, US and Germany, around a third of the data we collect is now collected via Opigram. This represents an increasing proportion of data that is shared voluntarily, without YouGov paying out panel incentives. The innovative format of the platform has also allowed us to collect truly "long tail" data for the first time – almost all of the 100,000 plus data points that go to make up the YouGov Cube are collected via Opigram. Since being launched in Germany in January 2015, the platform has already collected 4 million ratings by German panel members.

As we grow our data products suite, the role of Opigram is becoming increasingly important. Together with advanced statistical analytics, this combination of panel participation and unique data collection platforms gives us revolutionary data products while providing fun for our panellists.



"YouGov allows me to connect to all you lovely people :)"

"Great website. I enjoy reading the opinions of the other users on Opigram. Sometimes they infuriate me and sometimes I want to meet the member who posted the opinion and shake them by the hand."

"I enjoy using it when I get a craving to participate in a YouGov survey."

"It's a great way to broadcast your opinion, and to unleash a good rant that's been building up."

YouGov in the press

From David Cameron to Benedict Cumberbatch: New app reveals Britain's taste in astonishing detail

New 'YouGov Profiles' app hooks thousands of people a second as it reveals the types of people who prefer certain vegetables, celebrities and politicians.

The Telegraph, 17 November 2014

So Ticken die Deutschen Wirklich

YouGov-Studie *Wie wir Deutschen Ticken*: Die Deutschen sind grobschlächtige biertrinker. Wirklich? Nein, wir sind ganz anders, so das ergebnis einer großen untersuchung zum wesen des bundesbürgers. Ein überraschender blick auf unsere nation.

Die Welt, 10 August 2015

Un Français sur deux croit à un Grexit, sans forcément le souhaiter

Dans une étude réalisée par YouGov dans sept pays européens, une majorité de Français sont pessimistes quant au maintien de la Grèce dans la zone euro.

Liberation, 7 July 2015

US and UK care the least about climate change

A new YouGov survey spanning four continents and 15 countries has found that the United States and Britain are the main barriers to tackling climate change.

Forbes, 8 June 2015

Angelina Jolie is most admired woman in the world! Director, humanitarian and mother-of-six beat Malala Yousafzai, Hillary Clinton and the Queen in global poll

YouGov surveyed 25,000 people across 23 countries. Jolie, 39, is most admired female while Bill Gates is most admired man.

The Daily Mail, 1 February 2015

Spotify users happy to receive ads in return for music according to a recent YouGov study

Nine out of ten Australian users of Spotify's free music service believe it's fair to receive ads in order for artists to earn revenues, according to a recent YouGov study.

Campaign Brief, 28 January 2015

Queen of Queens... and of the Kings too

On the eve of becoming the country's longest-reigning monarch, the Queen has also been voted the greatest, ahead of Elizabeth I and Victoria. A YouGov poll for *The Sunday Times* has given her a resounding lead...

The Sunday Times, 6 September 2015

This is you, guv: how YouGov knows what you're really like

The Evening Standard, 19 November 2014

Lidl finländarnas favorit

Enligt undersökningsbyrån YouGov har Lidl under de senaste åren blivit allt populärare bland finländare.

Hufvudstadsbladet, 6 August 2015

STRATEGIC REPORT

Our reach

YouGov has a proprietary panel of almost 4 million people across 37 countries (shown in red on the map). We are rapidly growing our panel coverage in the Asia Pacific region with our newest regional panels being in Australia, Malaysia and The Philippines.

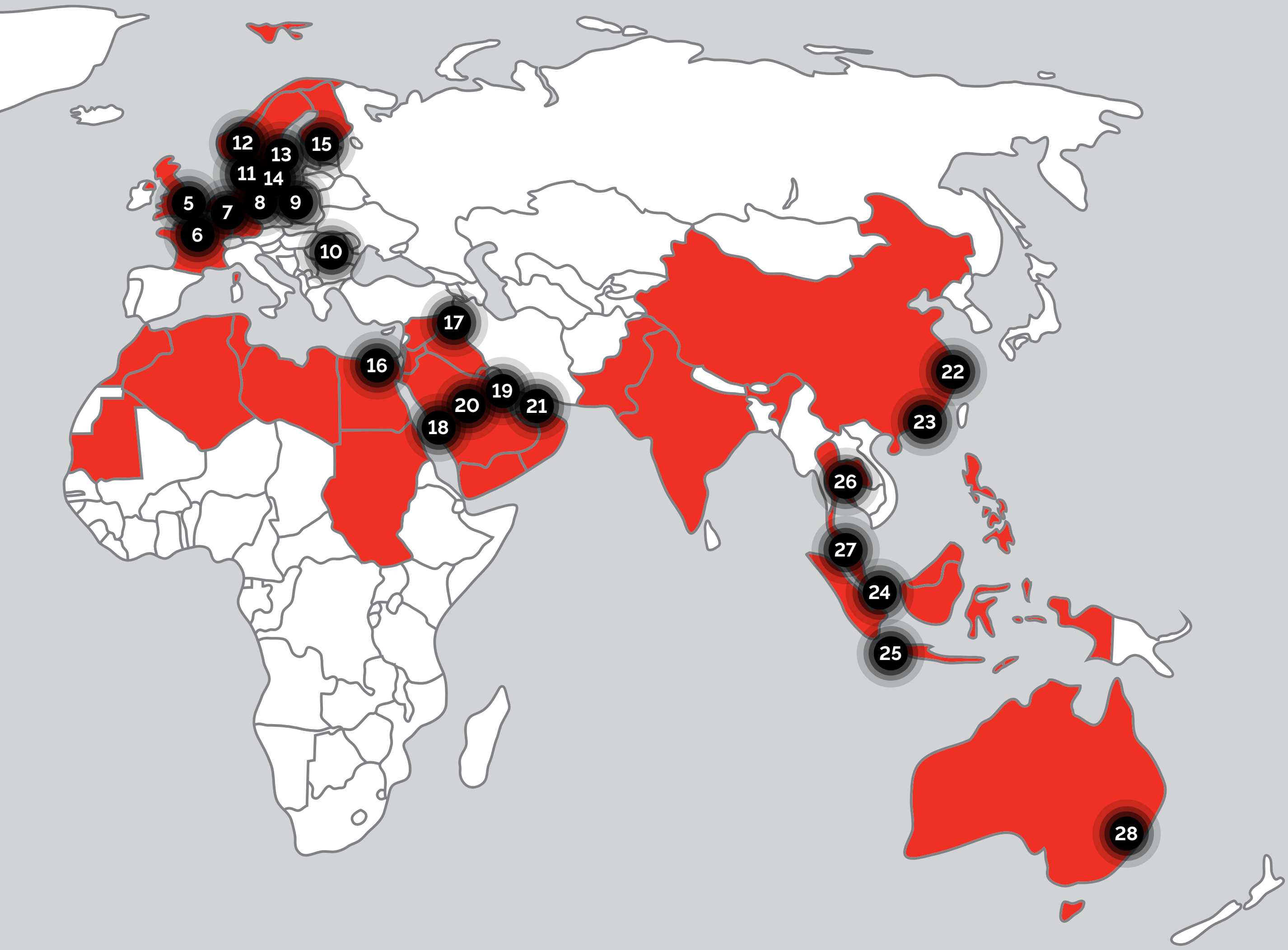
We have 28 offices worldwide in 21 countries covering Europe, Middle East and North Africa, Asia Pacific and the USA. In January 2014, YouGov acquired Decision Fuel (now YouGov Asia Pacific), gaining new offices in Hong Kong, Shanghai and Singapore. We have since expanded the Asia Pacific operations into Australia, Indonesia, Malaysia and Thailand. We recently established dedicated back office support operations in Eastern Europe: our Polish office provides support for our global online operations; while our new office in Bucharest is a shared service centre for our global data processing operations.

28

offices worldwide

1. Portland, OR.
2. Redwood City, CA.
3. New York, N.Y.
4. Waterbury, CT.
5. London
6. Paris
7. Cologne
8. Berlin
9. Warsaw
10. Bucharest
11. Copenhagen
12. Oslo
13. Stockholm
14. Malmö
15. Helsinki
16. Cairo
17. Erbil
18. Jeddah
19. Dammam
20. Riyadh
21. Dubai
22. Shanghai
23. Hong Kong
24. Singapore
25. Jakarta
26. Bangkok
27. Kuala Lumpur
28. Sydney

Review of Geographic Operations see pages 24 to 27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STRATEGIC REPORT

Review of geographic operations for the year ended 31 July 2015

USA

	Year to 31 July 2015 £m	Year to 31 July 2014 £m	% Change
Revenue	**25.9**	21.9	18%
Adjusted operating profit	**4.6**	3.0	54%
Adjusted operating profit margin (%)	**18%**	14%	

YouGov's US business has continued to develop its presence and brand awareness in the market and this led to revenue growth this year of 18% in reported currency terms (13% at constant currency). Its profitability also increased further with a 54% uplift in adjusted operating profit and an increase in the operating margin from 14% to 18%. This was due both to the higher proportion of Data Products and Services revenue and to the more efficient deployment of Custom Research resources across the nationwide office network that has been achieved over the last two years.

Data Products and Services revenue grew by 39% in reported currency terms (33% at constant currency) to £7.4m and it now represents 29% of total US revenue. BrandIndex increased revenue by 47% (40% at constant currency) to £6.5m and now has 98 US clients. Omnibus, which is still a relatively new service in USA, increased revenue by 44% (37% at constant currency).

US Custom Research revenue grew by 16% to £18.5m (10% growth at constant currency), aided by the improved awareness of the YouGov brand resulting from Congressional Election polling and growth of established client accounts. Its operating profit also increased significantly by 54% reflecting the greater operational efficiencies achieved.

UK

	Year to 31 July 2015 £m	Year to 31 July 2014 £m	% Change
Revenue	**22.9**	19.4	18%
Adjusted operating profit	**5.6**	5.0	11%
Adjusted operating profit margin (%)	**24%**	26%	

Our UK business continued to gain market share with revenue growth of 18% and also delivered 11% higher adjusted operating profit despite the planned investment of £0.5m in the sales and development team supporting the new Profiles product.

Data Products and Services revenue grew by 22% to £11m and now represents 50% of total UK revenue. This high proportion remains the key driver of the UK's high profit margins and is the model which we aim to emulate across the Group. UK BrandIndex revenue grew by 28% and its UK client base increased to 87. Revenue from UK Omnibus grew by 17% to £7.4m, aided by the widespread media coverage of Scottish Referendum and General Election polling which stimulated the flow of enquiries from a wide range of corporate and agency clients. There was also strong growth in the segmental Omnibuses, notably the recently launched SME Omnibus. The new 24-hour standard service and the "Slides!" facility first offered to clients last year have also helped YouGov Omnibus to maintain its UK market leadership position.

UK Custom Research revenue also grew strongly by 17% serving new and existing clients across many sectors.

Middle East

	Year to 31 July 2015 £m	Year to 31 July 2014 £m	% Change
Revenue	**10.7**	10.1	6%
Adjusted operating profit	**1.5**	2.2	(32%)
Adjusted operating profit margin (%)	**14%**	22%	

Middle East revenue grew by 6% overall (1% at constant currency) although the unit's profit margins fell from 22% to 14% and its adjusted operating profit was 32% lower. While revenue from the UAE (Dubai) and Saudi-based operations grew by 33% and their operating profit increased by 87%, the Kurdistan unit's revenue fell by 9% and its operating profit by 55%. The reduced profitability in Kurdistan was due to changes in the mix of project work and to investment in the local operation to support longer-term growth in response to client demand.

Custom Research continues to makes up most (88%) of the Middle East revenue but good progress was made in expanding the Data Products and Services offering whose revenue grew by 22%. BrandIndex was launched in Egypt and a suite of Omnibus products were launched to make the service better tailored to regional needs. This helped Omnibus revenue almost to double in the year.

Germany

	Year to 31 July 2015 £m	Year to 31 July 2014 £m	% Change
Revenue	**8.9**	8.9	–
Adjusted operating profit	**0.9**	0.5	76%
Adjusted operating profit margin (%)	**10%**	6%	

German revenue grew by 9% at constant currency, although static in reported terms due to the Euro depreciation. As importantly, the unit's profitability improved significantly as the actions previously taken to drive growth in higher margin areas and reduce costs, bore fruit. Custom Research revenue increased by 9% at constant currency (flat in reported terms) and it improved from virtually break-even to a profit margin of 8%. Data Products and Services revenue also grew by 10% at constant currency (although flat in reported currency) with a 21% rise in BrandIndex and a 5% rise in Omnibus.

Much groundwork has been laid this year and is continuing so as to support profitable growth based on the core YouGov model. A vigorous marketing and PR programme has helped to improve awareness of YouGov's brand and innovative offerings in Germany culminating in enormous publicity around the *What Makes us Germans Tick* book. This helped to prepare the way for the launch of the Cube and Profiles in Germany. A small office has been opened in Berlin to develop business with the many public and private organisations based in the capital, which should especially benefit Omnibus growth.

Review of geographic operations for the year ended 31 July 2015 continued

Nordic

	Year to 31 July 2015 £m	Year to 31 July 2014 £m	% Change
Revenue	**7.5**	8.0	(6%)
Adjusted operating profit	**1.0**	0.8	22%
Adjusted operating profit margin (%)	**13%**	10%	

Our Nordic business continued to make progress in improving its profitability with a 22% increase in adjusted operating profit and a 3% point increase in the margin. It also returned to revenue growth of 3% at constant currency although a decline was seen in reported currency. The Danish business (which accounts for 52%) grew revenue by 8% at constant currency and Norway by 14% while Swedish revenue was flat. Data Products and Services revenue increased by 9% at constant currency (2% in reported currency) with BrandIndex performing strongly in the region with a 24% revenue increase winning several new clients. Omnibus revenue was however relatively static with lower field and tab business although the regular Omnibus service grew faster.

France

	Year to 31 July 2015 £m	Year to 31 July 2014 £m	% Change
Revenue	**1.2**	0.8	53%
Adjusted operating profit/(loss)	**0.1**	(0.1)	–
Adjusted operating profit margin (%)	**13%**	(16%)	

The French operation continued to develop in line with expectations, achieving a further year of strong growth and delivering its first annual profits. Revenue grew by 69% at constant currency, although by only 53% in reported currency. This success is based on a model which focuses on offering BrandIndex and Omnibus to the French market, with these accounting respectively for 33% and 55% of revenue, supplemented by a small amount of Custom Research work.

Omnibus was the main growth driver in the year, with revenue 83% up on prior year, as it moved to an almost daily frequency and attracted a number of new clients especially among the digital and technology sectors. This was helped by the development of media partnerships which now include Liberation, Huffington Post and i-Télé. BrandIndex grew revenue by 20% at constant currency (8% in reported currency) both through internationally referred clients and a growing list of local clients. We will continue to invest in further expansion of the business in the coming year including recruitment of more sales and research staff.

Asia Pacific

	Year to 31 July 2015 £m	Year to 31 July 2014 £m	% Change
Revenue	**1.4**	0.2	641%
Adjusted operating loss	**(0.4)**	(0.3)	–

This is the first full year of reporting for YouGov Asia Pacific, which was acquired (as Decision Fuel) in January 2014. As planned, there has been a rapid expansion in regional coverage as well as in the staff resources and panel capacity required to support growth. The geographic footprint now extends to new locations in Bangkok, Jakarta, Kuala Lumpur and Sydney in addition to the original offices in Hong Kong, Singapore and Shanghai. The team has been boosted through new hires in business development, research and support roles bringing it to 30 staff at the year-end.

Revenue from Data Products and Services made up 83% of the total with BrandIndex, Omnibus and the locally developed proprietary mobile service all contributing. To reflect client demand, BrandIndex is now available in seven regional markets: Japan, China, Indonesia, Thailand, Singapore, Malaysia and Australia. Significant momentum has been generated for the Omnibus service which is new to the region and whose revenue was the single largest contributor in the year. Focused Omnibus products (including targeting demographics for specific use cases such as campaign effectiveness) will be launched in the year. A foundation for the regional launch of Profiles (beginning with China) is being created with the development of an Asia Pacific Cube which will be expanded as the panel size continues to grow.

STRATEGIC REPORT

Chief Financial Officer's report for the year ended 31 July 2015

"Group revenue for the year to 31 July 2015 of £76.1m was 13% higher than the prior year, while group adjusted operating profit increased by 16% to £8.6m compared to £7.4 in the previous year."

Alan Newman
Chief Financial Officer

Key performance indicators

The Board monitors business performance via six financial key performance indicators: revenue, adjusted operating profit, adjusted operating profit margin, adjusted earnings per share, revenue per head and staff costs as a percentage of revenue.

Income Statement Review

Group revenue for the year to 31 July 2015 of £76.1m was 13% higher than the prior year.

The Group's gross profit (calculated after deducting costs of panel incentives and external data collection) increased by £7.1m to £58.6m and the gross margin remained at 77%.

Operating expenses (excluding amortisation and exceptional items) of £50.1m increased by £5.9m. The growth rate of 13% was broadly in line with revenue so that the operating expense ratio stayed constant at 66% of revenue.

The average number of staff (full-time equivalents) employed during the year increased by 44 to 622 from 578. Average revenue per head increased slightly to £122,000 from £117,000 and staff costs as a percentage of revenue fell by 2% points to 46%.

Adjusted group operating profit increased by 16% to £8.6m compared to £7.4m in the previous year. There was a net finance cost of £0.2m compared to £0.3m last year, primarily due to foreign exchange translation losses. This resulted in an adjusted profit before taxation of £9.1m, an increase of 19% over the prior year. Adjusted earnings per share for the year rose by 0.9p to 7.0p.

The statutory operating profit (which is after charging amortisation of £4.6m and exceptional items of £1.1m) increased by £1.8m to £2.9m due to lower exceptional items partly offset by higher amortisation charges. This was reflected in the increase of £1.9m in statutory profit before taxation to £2.7m.

Analysis of operating profit and earnings per share

	31 July 2015 £'000	31 July 2014 £'000
Group operating profit before amortisation of intangibles, impairment & exceptional costs	**8,570**	7,389
Share-based payments	**669**	547
Imputed interest	**32**	32
Net finance income/(cost)	**(220)**	(292)
Share of post-tax loss in associates	**42**	(14)
Adjusted profit before tax	**9,093**	7,662
Adjusted taxation[1]	**(2,016)**	(1,635)
Adjusted profit after tax attributable to owners of the parent	**7,077**	6,027
Adjusted earnings per share (pence)	**7.0**	6.1

1. The adjusted taxation charge reflects the tax effect of the adjustments to reported profit before tax. For the year ended 31 July 2015, it also excludes a one-off credit of £1.2m relating to the recognition of a deferred tax asset arising from available tax losses in Germany.

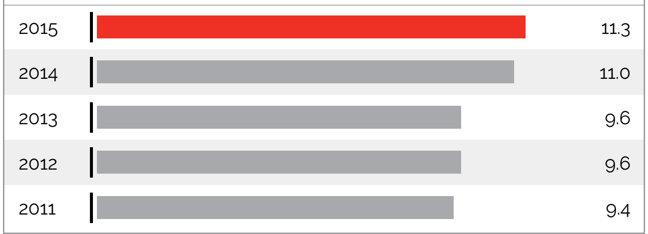
Amortisation of Intangible Assets and Impairment

Amortisation charges for intangible assets of £4.6m were £0.6m higher than the previous year. Amortisation of the consumer panel increased by £0.4m to £1.1m reflecting the additional investment made to grow the panel in the past two years. Amortisation of software increased by £0.3m to £2.7m, £1.8m (2014: £1.6m) of this charge related to assets created through the Group's own internal development activities, £0.7m (2014: £0.7m) to separately acquired assets and £0.2m (2014: £0.2m) to amortisation on assets acquired through business combinations.

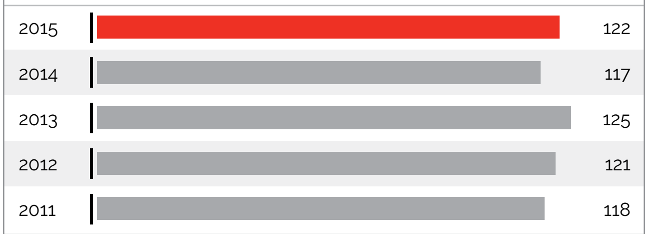
Exceptional Items

Exceptional costs of £1.1m (2014: £2.4m) were incurred in the year. £0.4m of this related to acquisitions representing contingent consideration, which is deemed under IFRS3 to be staff compensation costs. £0.5m of the total acquisition-related cost related to CoEditor Limited with a credit of £0.1m in respect of YouGov Asia Pacific. The remaining balance of exceptional costs (£0.7m) related to the costs of restructuring, of which £0.3m was incurred in the US business and £0.1m in each of the UK, Middle East and German businesses.

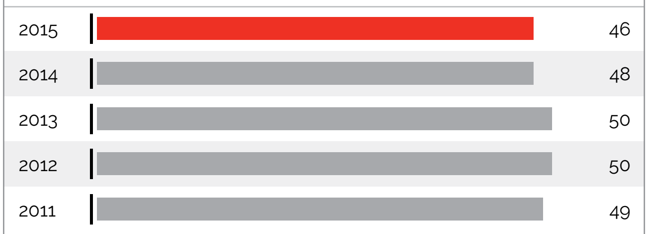
Adjusted operating profit margin (%)



Revenue per head (£'000)



Staff costs as a percentage of revenue[1] (%)



1. Staff costs are defined for this purpose as excluding the deemed remuneration element of acquisition consideration charged.

STRATEGIC REPORT

Chief Financial Officer's report for the year ended 31 July 2015 continued

"The Group generated £10.3m in cash from operations (before paying interest and tax) with the cash conversion rate remaining at 120% of adjusted operating profit."

Cash Flow

The Group generated £10.3m (2014: £8.9m) in cash from operations (before paying interest and tax) including a £1.2m (2014: £1.8m) net working capital inflow, with the cash conversion rate remaining at 120% of adjusted operating profit. Expenditure on investing and financing activities reduced to £6.2m (2014: £6.7m) of which £0.5m (2014: £1.0m) related to acquisitions, including the payment of deferred consideration, and £5.8m (2014: £5.8m) to capital expenditure. £1.1m (£2014: £1.0m) of the capital expenditure was spent on purchasing tangible assets. £4.6m (2014: £4.7m) was spent on intangible assets, of which £1.5m (2014: £1.7m) was for panel recruitment and £3.1m (2014: £2.9m) on software development including £2.3m (2014: £2.3m) arising from internally generated assets.

Taxation

The Group had a tax credit of £0.6m (2014: £0.3m charge) on a reported basis, the current tax charge was £0.7m (2014: £0.5m) with a deferred tax credit of £1.3m (2014: £0.2m). On an adjusted basis, the tax charge was £2.0m (2014: £1.6m), which represents a tax rate of 22% on the adjusted profit before tax, in line with the prior year.

Balance Sheet

Total shareholders' funds increased to £61.6m from £57.9m at 31 July 2014 and total net assets increased to £61.6m compared to £58.0m at 31 July 2014. Net cash balances increased by £2.8m to £10.0m. Net current assets increased to £10.3m from £8.4m. Current assets increased by £3.5m to £33.3m, with debtor days reducing to 56 days from 64 days. Current liabilities increased by £1.5m to £23.0m, with creditor days decreasing to 38 days from 44 days at 31 July 2014.

Panel Development

As at 31 July 2015, the Group's online panel comprised a total of 3.7m panellists, an increase of 22% from the total of 3.0m as at 31 July 2014. There was substantial investment in panellist recruitment during the year both to support development of the newer regional panels such as in France and in particular Asia Pacific and to extend the coverage of more mature panels. All the panels grew as a result and the panel sizes by region were:

Region	**Panel Size at 31 July 2015**	Panel Size at 31 July 2014
USA	**1,596,496**	1,526,001
UK	**752,277**	600,106
Middle East	**481,036**	388,546
Germany	**199,200**	170,775
Nordic	**179,589**	140,994
France	**132,876**	108,723
Asia Pacific	**312,833**	61,862
Total	**3,654,307**	2,997,007

Corporate Development Activities

As previously reported, the Group acquired 100% of Doughty Media 2 Limited ("DM2"), which owns 68% of CoEditor Limited, the company that developed the Opigram service, in the year ended 31 July 2014. The purchase consideration payable for DM2 included an element which was contingent upon certain performance criteria being achieved over the two years ended 31 January 2015 and on Stephan Shakespeare and one other vendor (the Opigram manager) remaining in YouGov's employment until 31 January 2015. These conditions were satisfied and therefore the Board (excluding Stephan Shakespeare) approved on 23 March 2015 the issue and allotment to the vendors of a total of 1,810,226 new YouGov shares in accordance with the terms of the sale and purchase agreement.

On 9 February 2015, YouGov entered into an agreement with Portent.io Limited, a start-up business specialising in research and predictive analysis for the film industry under which YouGov has made an initial investment for a 10% shareholding, increasing to a maximum of 35% if YouGov provides further investment in specified tranches over the following year. Portent.io and YouGov intend also to collaborate through the use of YouGov's opinion data in the development of Portent's products. As at 31 July 2015, YouGov's shareholding in Portent.io stood at 25%.

Proposed dividend

The Board is recommending the payment of a final dividend of 1.0p per share for the year ended 31 July 2015. If shareholders approve this dividend at the AGM, it will be paid on 14 December 2015 to all shareholders who were on the Register of Members at close of business on 4 December 2015.

Alan Newman
Chief Financial Officer

12 October 2015

Principal risks

Our approach to risk management

The Board reviews risks facing the business on a regular basis. The following paragraphs describe the principal risks and uncertainties identified.

Risk	Description	Mitigation
Operational Risks		
1. Acquisitions	The Directors may opt to expand and develop the business by making targeted acquisitions. The risk exists that integration of any acquired business will be unsuccessful or that key employees or clients of the acquired business will be lost.	Directors aim to mitigate this risk by careful due diligence and communication with the clients of target companies. The Directors also seek to communicate YouGov's strategy to staff and ensure that acquisition terms, levels of remuneration and benefits are appropriate to retain key employees.
2. Competition	YouGov faces competition both from larger international research groups with well-developed brands as well as smaller, businesses operating in each geography. Although it is a leader in Internet based research, other research organisations have adopted online methods.	The Group's strategy is to focus on business areas in which it has demonstrable competitive advantages; these include its data products and services and custom research services that are centred on data generated from its proprietary panels.
3. Internationalisation	YouGov now has wide geographical spread. Monitoring and reporting these businesses performance relies upon the operation of key controls. There is a risk that these controls may not operate effectively in each jurisdiction.	The performance of all of YouGov's units is monitored and managed through control and reporting processes that are applied consistently and supported by the use by all units of a Group-wide ERP system that includes CRM, financial reporting and budgeting and forecasting applications.
4. Projected growth	The Company's plans incorporate continued growth in the coming years. This growth will be in part dependent on the marketing and research budgets of target clients over which YouGov has little control.	This is mitigated through effective key client relationship management and continually reviewing order pipelines and sales targets.
5. Technology development	A strong software platform is essential for carrying out online research. This software must be reviewed and updated on a regular basis to ensure that it does not become superseded by newer technologies in other companies.	YouGov has an experienced team of software specialists with responsibility for developing its proprietary software systems. An Executive Director sits on the management-level Technology Board and regularly reports on developments to the Board.
6. Technology services	YouGov's products and services are reliant on our technical infrastructure. A failure in the operation of the Group's key systems or infrastructure could cause a failure of service to our customers and panellists.	The Group makes significant investment in technology infrastructure to ensure that it continues to support the growth of the business. We also continue to invest in technology to respond to the growing range of cyber-related threats and risks. Business continuity and disaster recovery plans are in place and are regularly assessed and tested.

Risk	Description	Mitigation
7. Reputation	Failure to protect the Group's reputation could lead to a loss of trust and confidence and a decline in our customer base, and also affect our ability to recruit and retain staff and panellists. Damage to our reputation and our brand name could arise from a range of events, for example from our services being of poor quality or the leak of confidential data.	We have robust internal policies on data protection, data handling and privacy across all our territories, while accuracy and quality are embedded in the Group culture. We undertake continuous improvement of our research methodologies and data security measures. In addition, YouGov proactively cultivates a strong, positive media presence and we have a marketing team whose work is focused on proactive PR.
8. Staff	The success of YouGov will be influenced by the recruitment and retention of high calibre staff. Senior staff that manage key client relationships and those with software expertise are particularly important to the continuing development and smooth running of the Company.	YouGov has built account and project management teams for key clients and larger research projects. In this way the client relationships and project-related knowledge are shared among a number of individuals rather than concentrated with one person. We also incentivise key personnel and encourage retention through participation in employee share option schemes.
Financial Risks*		
9. Currency risk	The Group is exposed to currency translation risk in the consolidation of accounting records. The main reporting currencies of Group subsidiaries are Sterling, US Dollar, Euro and Arab Emirate Dirham.	The Group aims to align assets and liabilities in a particular market. It also seeks to reduce currency risk by invoicing in local currency thus reducing exposure in normal trading.
10. Liquidity risk	The Group is exposed to liquidity risk in both its operating and investing activities.	The Group seeks to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group currently has no general borrowing arrangement in place.
11. Interest rate risk	The Group is exposed to interest rate risk, which results largely from its investing activities.	Where possible, the Group manages its interest rate risk on cash balances by negotiating fixed interest rates on deposits for periods of up to three months.
12. Capital risk	The risk of the Group making a loss on the value of capital investments, such as acquired businesses.	The Group manages its capital to ensure that all entities within the Group are able to continue as a going concern. It undertakes a detailed investment appraisal process prior to making any material capital investments.

*The financial risks facing the Group are discussed in more detail in Note 20 on pages 89 to 91.

The Strategic Report is approved by the Board and signed on its behalf by:

Stephan Shakespeare

Stephan Shakespeare
Chief Executive Officer

12 October 2015

SUPPORTERS OF STRICTER GUN LAWS – SAMPLE SIZE 9,779

Sample demographic

Gender: Male

Age: 55+

Social grade: ABC1

CONSUMERS OF LUXURY GOODS – SAMPLE SIZE 4,164

Sample demographic

Gender: Female

Age: 40-54

Social grade: C2DE

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SECTION CONTENT

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GOVERNANCE

Board of Directors

Roger Parry CBE
Non-Executive Chairman

Experience

Roger is also Chairman of Aves Enterprises, MSQ Partners and Mobile Streams. He is a Visiting Fellow of Oxford University. Roger was previously a consultant with McKinsey & Co; CEO of More Group, and Clear Channel International; Chairman of Johnston Press, Future and Shakespeare's Globe Trust. Roger was educated at the universities of Oxford and Bristol. He was awarded the CBE in 2014. He is the author of five books: *People Businesses*; *Enterprise*; *Making Cities Work*; *Delivering the Neural Nudge* and *The Ascent of Media*.

Stephan Shakespeare
Chief Executive Officer

Experience

Stephan co-founded YouGov in 2000 (in collaboration with Nadhim Zahawi). One of the pioneers of Internet research, Stephan has been the driving force behind YouGov's innovation-led strategy.
He was chair of the Data Strategy Board for the Department for Business, Innovation and Skills 2012/13 and led the Shakespeare Review of Public Sector Information. He is a member of the Government's Public Sector Transparency Board and a trustee of the National Portrait Gallery.
Stephan has an MA in English Language and Literature from Oxford University.

Alan Newman
Chief Financial Officer

Experience

Alan has been YouGov's Chief Financial Officer since 2008. Prior to joining YouGov, Alan was a Partner with Ernst & Young LLP and KPMG LLP where he led the TMT sector financial management consulting practice. Alan's previous corporate management roles include International Finance Director of Longman and Group Development Manager of MAI plc (now United Business Media). He is a Trustee of the Freud Museum London and a Director of the Quoted Companies Alliance.
Alan is a Fellow of the Institute of Chartered Accountants and has an MA in Modern Languages (French and Spanish) from Cambridge University.

Doug Rivers
Chief Scientist

Experience

Doug was CEO of YouGov's American business from 2007 to 2011, following YouGov's acquisition of Polimetrix which Doug founded in 2004. Prior to this he was CEO of Knowledge Networks. He has been a Professor of Political Science at Stanford University in California since 1989, and is a Senior Fellow at the Hoover Institution. Doug holds a PhD from Harvard University and a BA from Columbia University.

Nick Jones
Non-Executive Director

Experience


Nick is Chief Financial Officer of Attenda, the leading business critical IT company. Prior to this, he was CFO at Achilles Group and Global Head of Finance for Reuters plc where he also led the integration of Thomson and Reuters. Nick has held senior financial roles in technology and media businesses in the UK, the US and Europe including Virgin Media, Phillips Electronics and RR Donnelley. He is a Fellow of the Chartered Institute of Management Accountants and holds a BA (Hons) in Accounting and Finance.

Roles
- Senior Independent Director
- Chair of the Audit Committee
- Member of the Remuneration Committee

Rosemary Leith
Non-Executive Director

Experience


Rosemary is a Fellow at the Berkman Center for Internet & Society at Harvard University and a Founding Director of the World Wide Web Foundation. She is also a Director of Herdict (Berkman Center) that uses crowdsourcing to present a real-time view of Internet accessibility around the world. Rosemary currently advises a number of technology businesses and academic institutions in Europe and the USA. She has been the Chair of the World Economic Forum Global Agenda Council on Future of Internet Security and is a member of the Advisory Boards of Infinite Analytics (Boston and Mumbai), Queen's University School of Business, Canada, Wolfson College, Oxford and University of the Arts London. Rosemary holds a Bachelor of Commerce (Hons) in Finance and Accounting from Queen's University, Canada.

Roles
- Chair of the Remuneration Committee
- Member of the Audit Committee

Ben Elliot
Non-Executive Director

Experience


Ben Elliot is the co-founder of Quintessentially, the luxury lifestyle group and 24-hour global concierge service, which he started in London in December 2000 and which now operates in 60 cities globally. Ben is the Chairman of the Quintessentially Foundation which has raised over £6m for charity.
Ben is also a Partner in Hawthorn, a successful corporate communications business. He regularly contributes to the *Financial Times, New York Times, Tatler* and other publications. Ben was Executive Producer of the award-winning feature documentary *Fire in Babylon*. He is also a Trustee of the Margaret Thatcher Centre and the Winston Churchill Memorial Trust as well as being on the development boards of the Royal Albert Hall and Victoria & Albert Museum.

GOVERNANCE

Corporate Governance Report for the year ended 31 July 2015

The YouGov plc Board is committed to delivering high standards of corporate governance – commensurate with its size, stage of growth and the nature of the Group's activities – to its shareholders and other stakeholders including employees, panellists, customers, suppliers and the wider community.

As YouGov is an AIM-listed company, it is up to the Board to decide which, if any, corporate governance code it wishes to adopt. The Board has decided to follow the principles of the Quoted Companies Alliance Corporate Governance Code for Small and Mid-Size Quoted Companies (the QCA Code) wherever possible and as appropriate to the size, nature and resources of the Group. The Quoted Companies Alliance is the membership organisation which represents the interests of small and mid-size quoted companies, of which YouGov is a member. The QCA Code aims to apply the key elements of the UK Corporate Governance Code and other relevant governance guidance to the needs of small and medium-sized listed Plcs.

The Board

At 31 July 2015, the Board consisted of three Executive Directors and four Non-Executive Directors, including a Non-Executive Chairman. The names of the Directors and their respective responsibilities are shown on pages 36 and 37.

Board composition changes in the year include the appointment of Rosemary Leith in February 2015, and the resignation of Sir Peter Bazalgette in May 2015 after 10 years of service.

The Board operates both formally, through Board and Committee meetings, and informally, through regular contact amongst Directors. High-level decisions on such matters as strategy, financial performance and reporting, dividends, risk management, major capital expenditure, acquisitions and disposals are reserved for the Board or Board Committees. The Board receives regular information from management on the Group's performance and appropriate information relating to the agenda for formal Board and Committee meetings is sent to members in advance of those meetings.

All Directors are required to submit themselves for re-election at the first Annual General Meeting following their appointment and subsequently on a rotational basis, which ensures that each Director is submitted for re-election approximately every three years. Proposals to re-elect Directors are set out in the Notice of the Annual General Meeting.

Board evaluation

The Board undertakes an evaluation of its own performance on an annual basis. As part of this evaluation, the Chairman undertakes an individual assessment with each Director and holds a meeting with the Non-Executive Directors without the Executive Directors present. The Board meets once a year without the Chairman present to appraise the Chairman's performance. This conclusion of these assessments undertaken during the year was that the Board and its individual members continue to perform effectively.

Shareholder communications

The Board's assessment of the Company's position and prospects are set out in the Chairman's statement on pages 4 and 5, the Chief Executive Officer's review on pages 8 to 13 and the Chief Financial Officer's report on pages 28 to 31. The Executive Directors meet regularly with institutional shareholders to discuss the Group's performance and future prospects. At these meetings the views of institutional shareholders are canvassed and subsequently reported back to the Board. The Annual General Meeting is available as a forum for communication with private shareholders. The Investor Relations section of the company website is regularly updated and amended with the aim of providing information to shareholders.

Board Committees

Board and Committee attendance

The following table sets out the attendance of Directors at Board and Committee meetings during 2014/15.

Director	Board Meetings Maximum 7	Remuneration Committee Meetings Maximum 4	Audit Committee Meetings Maximum 3
Stephan Shakespeare	7	2 (in attendance)	–
Alan Newman	7	3 (in attendance)	3 (in attendance)
Doug Rivers	7	–	–
Roger Parry	7	–	–
Sir Peter Bazalgette[1]	5	4	2
Nick Jones	7	4	3
Rosemary Leith[2]	4	–	2
Ben Elliot	6	–	–

1. Sir Peter Bazalgette stepped down from the Board on 29 May 2015.
2. Rosemary Leith joined the Board on 1 February 2015.

Remuneration Committee

The Remuneration Committee operates under Terms of Reference agreed by the whole Board. Its members were Sir Peter Bazalgette (Chairman) and Nick Jones until 29 May 2015 when Sir Peter resigned from the Board; since then and to the date of this Report, its members are Rosemary Leith (Chair) and Nick Jones. The Remuneration Policy developed by the Committee and details of each Director's remuneration are presented in the Directors' Remuneration Report on pages 42 to 46.

Nomination Committee

The whole Board acts as the Nomination Committee, when the need arises, to determine the process for and make recommendations on the nomination of Directors of the Company. It operates as such under Terms of Reference agreed by the whole Board.

Audit Committee

The Audit Committee operates under Terms of Reference agreed by the whole Board and meets with the auditors to consider the Company's financial reporting in advance of its publication. Its members are Nick Jones (Chairman) and Rosemary Leith. Nick Jones has recent and relevant financial experience. The Audit Committee reports to the Board on any matters in respect of which it considers that action or improvement is needed, and makes recommendations as to the steps to be taken. In particular the Committee is responsible for:

- ensuring that the financial performance of the Group is properly monitored and reported;
- monitoring the formal announcements relating to financial performance;
- meeting the auditors and agreeing audit strategy;
- reviewing reports from the auditors and management relating to accounts and internal control systems; and
- making recommendations to the Board in respect of external auditor appointment and remuneration.

The effectiveness of the internal control systems is under constant review and a formal assessment of internal controls has been conducted. The Audit Committee will monitor the implementation of a series of detailed steps to improve the control environment.

Although there was no formal internal audit during the year, the accounting functions were subject to periodic internal review. As the business continues to grow we keep the Group's need for an internal audit function under constant review.

GOVERNANCE

Corporate Governance Report for the year ended 31 July 2015 continued

Key controls and procedures

The Board maintains full control and direction over appropriate strategic, financial, organisational and compliance issues, and has put in place an organisational structure with defined lines of responsibility and delegation of authority.

The annual budget and forecasts are reviewed by the Board prior to approval being given. This includes the identification and assessment of the business risks inherent in the Group and the media sector as a whole, along with associated financial risks.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives in addition to providing reasonable and not absolute assurance against material misstatement or loss. These include controls in relation to the financial reporting process and the preparation of consolidated accounts. These procedures have been in place during the financial year up to the date of approval of the Annual Report. This process is regularly reviewed by the Board and is in accordance with the Turnbull guidance. The key procedures include:

- detailed budgeting programme with an annual budget approved by the Board;
- regular review by the Board of actual results compared with budget and forecasts;
- regular reviews by the Board of year-end forecasts;
- establishment of procedures for acquisitions, capital expenditure and expenditure incurred in the ordinary course of business;
- detailed budgeting and monitoring of costs incurred on the development of new products;
- reporting to, and review by, the Board of changes in legislation and practices within the sector and accounting and legal developments pertinent to the Group;
- appointing experienced and suitably qualified staff to take responsibility for key business functions to ensure maintenance of high standards of performance; and
- appraisal and approval of proposed acquisitions by the Board.

Auditor independence

The Audit Committee also undertakes a formal assessment of the auditors' independence each year which includes:

- confirmation of the auditors' objectivity and independence in the provision of non-audit services to the Group by the use of separate teams to provide such services where appropriate;
- discussion with the auditors of a written report detailing relationships with the Group and any other parties that could affect independence or the perception of independence;
- a review of the auditors' own procedures for ensuring independence of the audit firm and partners and staff involved in the audit, including the regular rotation of the audit partner; and
- obtaining written confirmation from the auditors that, in their professional judgement, they are independent.

Any analysis of the fees payable to the external audit firm in respect of both audit and non-audit services during the year is set out in Note 2 to the financial statements.

Advisors

All Directors have access to all of the Group's selected advisors and can obtain independent professional advice at the Group's own expense in performance of their duties as Directors. Board Committees are authorised to obtain, at the Group's expense, professional advice on any matter within their Terms of Reference. The Audit Committee works with the Group's auditors, PricewaterhouseCoopers LLP. The Company Secretary is supported on company secretarial matters by Numis (NOMAD), Olswang (Solicitors) and Neville Registrars (Registrar).

Corporate Social Responsibility

The Board is committed to delivering high standards of corporate governance and a key element of this is managing the Group in a socially responsible way. Policies are in place to ensure that YouGov makes a positive contribution to its stakeholders, to wider society and to the environment.

Community

YouGov recognises the importance of respecting and supporting the communities in which it operates and, thus improving the positive impact of business in society.

Employee Involvement

YouGov's employee involvement policy and activities are outlined in the Directors' Report on page 48.

Health and Safety

YouGov takes all reasonable and practicable steps to safeguard the health, safety and welfare of its employees and recognises its responsibilities for the health and safety of others who may be affected by its activities.

Diversity in the Workplace

YouGov is committed to providing a working environment in which its employees are able to realise their potential and to contribute to business success irrespective of gender, marital status, ethnic origin, nationality, religion, disability, sexual orientation or age.

Ethical Behaviour

YouGov expects its employees to exercise high ethical and moral standards at all times whilst representing the Group. The Group has an established Whistleblowing Procedure and Anti-Bribery Policy. The Group also maintains an awareness of human rights issues and observance of the pertinent law.

Supplier Payments

The Group aims to pay all its suppliers within a reasonable period of their invoices being received and approved, provided that the supplier has performed in accordance with the relevant terms and conditions.

The Environment

YouGov recognises that the prudent use of resources delivers both environmental and financial benefits. As part of our overall approach to Corporate Responsibility we aim to promote the maintenance of a healthy environment through responsible and sustainable consumption. Our operations are predominantly office based, and here we try to minimise our impacts where practicable. As part of this policy we undertake:

- that all waste is stored and disposed of responsibly, and recycled where possible;
- that paper used comes from reputable managed forests;
- to comply with the relevant packaging and waste regulations; and
- to minimise air travel by utilising conference and video calling technology when appropriate.

Remuneration Report for the year ended 31 July 2015

As an AIM-listed company, YouGov is not obliged to implement the remuneration reporting requirements for premium listed companies set out in The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. However, the Remuneration Committee has taken note of those elements of the Regulations which it considers are appropriate to the Company and certain disclosures in this section reflect the requirements of the regulations.

The Remuneration Committee sets the strategy, structure and levels of remuneration for the Executive Directors and also reviews the remuneration of senior management. It does so in the context of aligning the financial interests of the Executive Directors, management and employees with the achievement of the Group's stated strategic objectives (which are outlined on page 7).

Directors' Remuneration Policy

Policy on remuneration of Executive Directors

The Remuneration Committee reviews the performance of Executive Directors and sets the scale and structure of their remuneration and the basis of their service agreements with due regard to the interests of shareholders. In determining that remuneration the Remuneration Committee seeks to offer a competitive remuneration structure to maintain the high calibre of its Executive Board. The Committee believes that maintaining the Group's business growth and profit record requires an overall compensation policy with a strong performance-related element.

The main components of the Executive Directors' remuneration are:

1. Basic salary

Basic salary for each Director is determined by the Remuneration Committee taking into account the performance of the individual and external market data. The Committee's policy is to review salaries annually.

2. Bonus scheme

The Remuneration Committee determined that the bonus scheme for the Executive Directors for the three years ended 31 July 2015 should be based on the achievement of medium-term goals over that period, linked to the Group's stated strategy and its financial performance as well as to each Director's individual role. The Remuneration Committee made interim annual bonus awards in 2012/13 and 2013/14, and a final bonus award in 2014/15, based on the performance of the Group over the three years ended 31 July 2015. The award values for 2014/15 are stated in the Remuneration Report on page 45.

3. Shares

The Board believes that share ownership by Executive Directors strengthens the link between their personal interests and those of the shareholders in respect of shareholder value. It therefore established long-term incentive plans designed to reflect an individual manager's contribution to long-term value creation.

Long Term Incentive Plan 2014 ("LTIP 2014")

The Remuneration Committee approved a new Long Term Incentive Plan ("LTIP 2014") which took effect from 1 August 2014. The participants are the Executive Directors and a small group of senior managers whom the Board considers have a key role to play in the delivery of YouGov's strategic plans. The plan is designed to reward the participants for the achievement of highly demanding earnings per share growth targets over the five-year period ending 31 July 2019. These growth targets are significantly higher than those under the previous LTIP.

Under the rules of this plan, participants are to be conditionally awarded nil cost options to acquire shares (or conditional stock awards, if US residents). These awards will be granted in three equal tranches over 2015/16 to 2017/18. Receipt of an award in each of those years will be dependent upon the achievement of specific and demanding personal targets set for that individual in the previous financial year. Vesting of awards will depend on the Group achieving the targets for compound earnings per share growth in the year ended 31 July 2015 as set out in the table below:

5 Year EPS CAGR[1]	% of Award vesting
Below 10%	Nil
10%	15%
15%	30%
25%	100%

1. EPS is defined as the adjusted earnings per share calculated in accordance with the Group's accounts (i.e. excluding the amortisation of intangible assets, share-based payments and exceptional items).

An important objective for the Group is to improve the underlying profitability of the business, in line with its plans. Thus vesting will also be subject to YouGov's average operating margin being at least 12% over the five-year period. (Average operating margin is the average of the adjusted operating profit, as defined in the accounts, divided by the revenue with each year's margin percentage being calculated first). If this underpin condition is not achieved, the shares awarded will not vest. If it is met, then the five-year earnings per share growth performance will be assessed against the targets set out in the table above.

The maximum total number of shares to be awarded to each participant over the five years of the plan is based on a percentage of their salary in the year ended 31 July 2015 and the share price at the start of the plan; the percentage levels vary by participant, as shown in the table below:

Role	Maximum cumulative award after 5 years as % of salary in FY15
Chief Executive Officer	850%
Executive Directors	500%
Senior Managers	Between 150% and 250%

In addition, the Chief Executive Officer will be entitled to an enhanced award if the Company's share price grows by more than 200% over the five-year period and if the other vesting conditions are also met in full. This additional award will equate to 255% of his annual salary in the year ended 31 July 2015. The combined maximum potential award for the Chief Executive Officer will thus be 1105% of his annual salary.

No share options were granted under this plan in the year ended 31 July 2015.

Deferred Share Bonus Plan 2014 ("DSBP")

A Deferred Share Bonus Plan was established in 2014, for senior managers in the Group who do not participate in the new LTIP. This plan entitles participants to an award of shares which must be retained for a period of two years and whose vesting is subject to their continued employment during that time. The value of the award will be linked to the assessment of performance made in determining their annual bonus. The maximum award level will normally be 10% of basic salary. As distinct from the new LTIP, awards of DSBP shares may be made annually. The first DSBP awards will be granted in the year ended 31 July 2016, based on individual performance in 2014/15.

Long Term Incentive Plan 2009 ("LTIP 2009")

In the financial years 2008/9 to 2013/14, the Executive Directors and senior managers of the Company and its subsidiaries were eligible to participate in the Long Term Incentive Plan established in 2009.

Under the rules of this plan, participants are conditionally awarded nil cost options to acquire shares (or conditional stock awards, if US residents). The number of such shares awarded is normally calculated by reference to a percentage of the participant's salary and the Company's closing share price for an appropriate reference period. The shares subject to the LTIP awards will be released to the recipients at the end of a holding period, normally three years, subject to their continued employment (with exceptions in certain circumstances). The performance criteria attached to these awards relate to earnings per share growth and total shareholder return ("TSR") versus companies in the AIM Media Index.

The conditions applying to awards made in the three years ended 31 July 2012 were as follows: the options will vest in full if adjusted earnings per share growth exceeds the RPI by 5% or more; 50% of the options will vest if adjusted earnings per share growth exceeds RPI by 3%.

The conditions applying to awards made in the year ended 31 July 2014 were as follows: the options will vest in full if adjusted earnings per share growth exceeds the Retail Price Index ("RPI") by 7% or more; 50% of the options will vest if adjusted earnings per share growth exceeds RPI by 5%. In addition, vesting is subject to total shareholder return exceeding the average growth of the AIM Media Index over the three years ending on the date that the relevant year's results are announced.

No share options were granted under this plan in the year ended 31 July 2015.

GOVERNANCE

Remuneration Report for the year ended 31 July 2015 continued

Deferred Stock Scheme 2010 ("DSS 2010")

This scheme was established in December 2010 with the aim of encouraging the retention of key employees including Executive Directors and senior managers of the Company. To receive their awards, participants are required remain employed for a fixed period determined by the Remuneration Committee at the date of grant. As at 31 July 2015, there were no conditional awards outstanding under this Scheme.

External appointments

Executive Directors are permitted to serve on other Boards. No Director received any remuneration in the year in respect of their external Non-Executive appointments.

Policy on remuneration of Non-Executive Directors

The remuneration of the Non-Executive Directors is set by the Board as a whole. The Board of Directors believes that ownership of the Company's shares by Non-Executive Directors helps to align their interests with those of the Company's shareholders. Accordingly, the Company's policy is that a proportion of the Non-Executive's fee will be paid in the form of ordinary shares in lieu of cash, save if the Non-Executive Director has an existing substantial shareholding. During the year, £20,000 of the Chairman's fee and £5,000 of the other Non-Executives' fees, were paid in shares; this amounted to 28,225 shares in total (2014: 8,114 shares) as detailed in the following table:

Name	Shares issued
Roger Parry	16,129
Nick Jones	4,032
Rosemary Leith	4,032
Ben Elliot	4,032

Annual Report on Remuneration

A resolution will be put to the shareholders at the Annual General Meeting to be held on 9 December 2015, inviting them to consider and approve this report. The remuneration report is unaudited, except where stated. This is not a remuneration report as defined by Company Law.

Directors' service contracts

The table below summarises key details in respect of each Director's contract.

Executive Directors	Contract date	Notice period
Stephan Shakespeare	18 April 2005	12 months
Alan Newman	5 June 2009	6 months
Doug Rivers	7 August 2007	90 days

Non-Executive Directors	Date of initial appointment	Notice period
Roger Parry	6 February 2007	30 days
Nick Jones	2 June 2009	30 days
Rosemary Leith	1 February 2015	30 days
Ben Elliot	2 August 2010	30 days

Save as set out above, there are no existing or proposed service contracts between any of the Directors serving at 31 July 2015 and the Company or any member of the Company.

Save as disclosed, no Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or which is or was significant in relation to the business of the Company and which was effected by the Company either: (i) during the current or immediately preceding financial year; or (ii) during any earlier financial year and which remains in any aspect outstanding or unperformed.

The total aggregate remuneration (including benefits-in-kind and pension contributions) paid to the Directors by all members of the Group for the year ended 31 July 2015 amounted to £1,557,000 (2014: £1,144,000).

Directors' Remuneration (audited)

Directors' remuneration in aggregate for the year ended 31 July 2015 was as follows:

Name	Salary £	Annual Bonus £	Pension Contribution £	Benefits-in-kind £	**Total 31 July 2015 £**	Total 31 July 2014 £
Executive Directors						
Stephan Shakespeare	235,704	237,225	7,969	2,281	**483,179**	353,886
Alan Newman	195,650	196,912	6,615	–	**399,177**	292,268
Doug Rivers	227,397	227,136	6,361	–	**460,894**	317,418
Non-Executive Directors						
Roger Parry	100,000	–	–	–	**100,000**	80,000
Sir Peter Bazalgette	29,167	–	–	–	**29,167**	35,000
Nick Jones	35,000	–	–	–	**35,000**	35,000
Rosemary Leith	20,000	–	–	–	**20,000**	–
Ben Elliot	30,000	–	–	–	**30,000**	30,000
Totals	872,918	661,273	20,945	2,281	**1,557,417**	1,143,572

The benefit-in-kind received consists of private health insurance. In the year ended 31 July 2014, the remuneration paid to Stephan Shakespeare, Alan Newman and Doug Rivers included bonus payments of £125,456, £104,136 and £114,260 respectively. Doug Rivers also participates in a US defined contribution pension arrangement to which the Company contributed £6,361 (2014: £6,095).

Directors' share options (audited)

The following unexercised nil cost options over shares were held by Directors under the LTIP 2009:

Date of grant	Earliest exercise date	Expiry date	Number at 31 July 2014	Awarded in year	Exercised in year	**Number at 31 July 2015**
Stephan Shakespeare						
29 July 2010	15 October 2012	28 July 2020	388,060	–	–	**388,060**
21 July 2011	14 October 2013	20 July 2021	426,563	–	–	**426,563**
30 July 2012	13 October 2014	29 July 2022	373,579	–	–	**373,579**
7 April 2014	17 October 2016	6 April 2024	262,185	–	–	**262,185**
			1,450,387	–	–	**1,450,387**
Alan Newman						
30 July 2012	13 October 2014	29 July 2022	310,175	–	(310,175)	**–**
7 April 2014	17 October 2016	6 April 2024	203,218	–	–	**203,218**
			513,393	–	(310,175)	**203,218**
Doug Rivers						
30 July 2012	13 October 2014	29 July 2022	363,757	–	(363,757)	**–**
7 April 2014	17 October 2016	6 April 2024	237,875	–	–	**237,875**
			601,632	–	(363,757)	**237,875**

During the year ended 31 July 2015, Alan Newman exercised 310,175 options (2014: 354,167 options) and Doug Rivers exercised 363,757 options (2014: 97,050 options) which vested under the LTIP 2009 when the market price was 125p (2014: 83p).

GOVERNANCE

Remuneration Report for the year ended 31 July 2015 continued

Deferred Stock Scheme 2010 (audited)

The following deferred shares were held by Directors under the Deferred Stock Scheme 2010:

Name	Number at 31 July 2014	Vested in year	**Number at 31 July 2015**
Stephan Shakespeare	162,500	–	**162,500**

Statement of Directors' Shareholding and Share Interests

	Stephan Shakespeare	Alan Newman	Doug Rivers
Share options with performance conditions	262,185	203,218	237,875
Share awards without performance conditions	162,500	–	–
Scheme interests in shares	**424,685**	**203,218**	**237,875**
Vested but unexercised share options	1,188,202	–	–
Shares beneficially owned	6,837,907	453,832	1,988,135
Total interest in shares	**8,450,794**	**657,050**	**2,226,010**

Directors' Report for the year ended 31 July 2015

The Directors present their report and the audited consolidated financial statements for the year ended 31 July 2015.

Operating results

The financial and operational performance of the group is discussed on page 1.

Financial summary

The financial summary is discussed on pages 28 to 31 of the Chief Financial Officer's report.

Key performance indicators

Performance measured against key performance indicators is discussed on page 28.

Principal risks and uncertainties

The principal risks and uncertainties are discussed on pages 32 and 33.

Financial risks

The financial risks facing the Group are discussed in more detail in Note 20 on pages 89 to 91.

Dividends

A final dividend of 0.8p per share in respect of the year ended 31 July 2014 was paid on 15 December 2014, amounting to a total payment of £804,000. A dividend of 1.0p per share in respect of the year ended 31 July 2015, amounting to a total payment of £1,029,000 will be proposed at the Annual General Meeting on 9 December 2015.

Future developments

Future developments are discussed in more detail in the Chief Executive's review on pages 8 to 13.

Events after the reporting date

There were no material events between the reporting date and the date of this report.

Directors

The Directors of the Company who were in office during the year and at any point up to the date of signing this report were:

Stephan Shakespeare (Executive)
Alan Newman (Executive)
Doug Rivers (Executive)
Roger Parry (Non-Executive Chairman)
Peter Bazalgette (Non-Executive) (Resigned 29 May 2015)
Nick Jones (Non-Executive)
Rosemary Leith (Non-Executive) (Appointed 1 February 2015)
Ben Elliot (Non-Executive)

Treasury shares

The total number of shares in treasury at 31 July 2015 was nil (2014: nil).

Directors' interests in shares

The interests of the Directors in the shares of the Company 31 July 2015 and 31 July 2014 were as follows:

	31 July 2015 Number of Shares	31 July 2014 Number of Shares
Stephan Shakespeare[1]	**6,837,907**	5,719,110
Alan Newman	**453,832**	273,657
Doug Rivers	**1,988,135**	1,806,257
Roger Parry	**68,129**	52,000
Nick Jones	**15,181**	11,149
Rosemary Leith	**4,032**	0
Ben Elliot	**15,181**	11,149

1. Includes 559,404 ordinary shares held by Stephan Shakespeare's wife, Rosamund Shakespeare.

GOVERNANCE

Directors' Report for the year ended 31 July 2015 continued

Directors' interests in shares continued

There have been no changes to Directors' interests in shares since the year end. The Directors' interests in share options are detailed in the Remuneration Report on pages 45 and 46.

No Director had either, during or at the end of the year, a material interest in any contract which was significant in relation to the Group's business.

Substantial shareholders

At 31 July 2015 the following had notified the Company of disclosable interests in 3% or more of the nominal value of the Company's shares:

Name	Shareholding	
T Rowe Price Global Investments	11,311,215	11.00%
BlackRock	11,226,258	10.92%
Kabouter Management	10,041,391	9.76%
Standard Life Investments	9,285,411	9.03%
Balshore Investments	8,029,100	7.81%
J O Hambro Capital Management	7,410,000	7.20%
Stephan Shakespeare[1]	6,837,907	6.65%
Baillie Gifford	6,584,958	6.40%
Charles Stanley Stockbrokers	4,145,774	4.03%
Majedie Asset Management	3,501,738	3.40%
Investec Wealth & Investment	3,213,353	3.12%

1. Includes 559,404 ordinary shares held by Stephan Shakespeare's wife, Rosamund Shakespeare.

Research and development

The Group's research and development activities centre on the development of bespoke software solutions to support and advance our online capabilities. No research and development was charged to the consolidated income statement in either 2015 or 2014. In 2015, £2.3m (2014: £2.4m) was capitalised and included within intangible fixed assets. Capitalised development is amortised to the income statement over a period of three years, the amortisation charge in respect of capitalised development was £1.9m (2014: £1.6m).

Charitable and political contributions

Donations to charitable organisations amounted to £80,000 (2014: £71,000). This included an annual subscription of £70,000 (2014: £70,000) in respect of the "YouGov-Cambridge" programme, an academic partnership established with Cambridge University's Department of Politics and International Studies. The company does not make political donations.

Employee involvement and communication

The Group has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the Group.

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the Group may continue.

It is the policy of the Group that training, career development, promotion and global internal transfer opportunities should be available to all employees.

Employees are encouraged to own shares in the Company, and many employees are shareholders and/or hold options under the Group's share option schemes.

Information about the Group's affairs is communicated to employees through regular management meetings, our newsletter, intranet and social events.

Insurance of company officers

The Company has maintained during the financial year, Directors' and Officers' liability insurance which gives appropriate cover for any legal action brought against its Directors. In accordance with Section 236 of the Companies Act 2006, qualifying third-party indemnity provisions are in place for the Directors and Company Secretary in respect of liabilities incurred as a result of their office, to the extent permitted by law. This insurance was in force at the date of signing of the financial statements.

Going concern

The Group meets its day-to-day working capital requirements through its own cash resources. The nature of the Group's business means that there is some uncertainty as to the future level of demand for the Group's products. However, the Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to continue operating without bank finance. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Independent auditors

In accordance with section 418(2) of the Companies Act 2006, each of the Company's Directors in office as at the date of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- all steps that ought to have been taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.
- the Group auditors are PricewaterhouseCoopers LLP. A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the forthcoming Annual General Meeting.

Annual General Meeting

The Annual General Meeting of the Company will be held on 9 December 2015 at our offices at 50 Featherstone Street, London EC1Y 8RT.

Tilly Heald
Company Secretary
On behalf of the Board

12 October 2015

GOVERNANCE

Directors' Responsibilities Statement

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 prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and the parent 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 the Company and of the profit or loss of the Group for that period. 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 IFRSs as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and parent company financial statements respectively;
- 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 the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Alan Newman
Chief Financial Officer
On behalf of the Board

12 October 2015

Independent Auditors' Report to the Members of YouGov plc on the Group Financial Statements

Our opinion

In our opinion, YouGov plc's group financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's affairs as at 31 July 2015 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Accounts, comprise:

- the Consolidated Statement of Financial Position as at 31 July 2015;
- the Consolidated Income Statement and the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Principal Accounting Policies of the Consolidated Financial Statements for the year then ended; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report to the Members of YouGov plc on the Group Financial Statements continued

Other matters on which we are required to report by exception

Adequacy of information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion, we have not received all the information and explanations we require for our audit. We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 50, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 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.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Accounts identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matter

We have reported separately on the Company financial statements of YouGov plc for the year ended 31 July 2015.

Julian Jenkins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

12 October 2015

FANS OF CRICKET – SAMPLE SIZE 7,058

Sample demographic

Gender: Male
Age: 55+
Social grade: C2DE

CONSUMERS OF COCA-COLA – SAMPLE SIZE 6,636

Sample demographic

Gender: Male
Age: 18-24
Social grade: ABC1

Financia stateme

SECTION CONTENT

USERS OF TWITTER – SAMPLE SIZE 16,055

Sample demographic

Gender: Female
Age: 18-24
Social grade: C2DE

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FINANCIAL STATEMENTS

Consolidated Income Statement for the year ended 31 July 2015

	Note	2015 £'000	2014 £'000
Revenue	1	**76,110**	67,375
Cost of sales		**(17,472)**	(15,811)
Gross profit		**58,638**	51,564
Operating expenses*		**(50,068)**	(44,175)
Adjusted operating profit before amortisation of intangible assets and exceptional items	1	**8,570**	7,389
Amortisation of intangibles		**(4,633)**	(3,965)
Exceptional items	4	**(1,072)**	(2,385)
Operating profit		**2,865**	1,039
Finance income	5	**422**	171
Finance costs	5	**(643)**	(463)
Share of post-tax profit/(loss) in joint ventures and associates		**42**	(14)
Profit before taxation	1	**2,686**	733
Taxation	6	**580**	(316)
Profit after taxation	1	**3,266**	417
Attributable to:			
– Owners of the parent		**3,240**	433
– Non-controlling interests		**26**	(16)
		3,266	417
Earnings per share			
Basic earnings per share attributable to owners of the parent	8	**3.2p**	0.4p
Diluted earnings per share attributable to owners of the parent	8	**3.1p**	0.4p

* Total 2015 operating expenses including amortisation of intangibles and the items detailed in Note 4 are £55.773m (2014: £50.525m).

All operations are continuing.

The notes and accounting policies on pages 61 to 94 form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income for the year ended 31 July 2015

	2015 £'000	2014 £'000
Profit for the year	**3,266**	417
Other comprehensive expense:		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	**(262)**	(4,774)
Other comprehensive expense for the year	**(262)**	(4,774)
Total comprehensive gain/(expense) for the year	**3,004**	(4,357)
Attributable to:		
– Owners of the parent	**2,982**	(4,338)
– Non-controlling interests	**22**	(19)
Total comprehensive gain/(expense) for the year	**3,004**	(4,357)

Items in the statement above are disclosed net of tax. The tax relating to each component of other comprehensive income is disclosed in Note 19.

The notes and accounting policies on pages 61 to 94 form an integral part of these consolidated financial statements.

FINANCIAL STATEMENTS

Consolidated Statement of Financial Position as at 31 July 2015

Assets	Note	31 July 2015 £'000	31 July 2014 £'000
Non-current assets			
Goodwill	10	**35,793**	36,329
Other intangible assets	11	**10,352**	10,321
Property, plant and equipment	12	**2,973**	2,489
Investments in joint ventures and associates	13	**204**	–
Deferred tax assets	19	**4,404**	3,120
Total non-current assets		**53,726**	52,259
Current assets			
Trade and other receivables	14	**22,507**	21,687
Current tax assets		**805**	757
Cash and cash equivalents	15	**10,017**	7,429
Total current assets		**33,329**	29,873
Total assets		**87,055**	82,132
Liabilities			
Current liabilities			
Trade and other payables	16	**19,042**	17,530
Provisions for other liabilities and charges	18	**3,665**	3,127
Borrowings	15	**–**	184
Current tax liabilities		**276**	341
Contingent consideration	17	**–**	298
Total current liabilities		**22,983**	21,480
Net current assets		**10,346**	8,393
Non-current liabilities			
Trade and other payables		**3**	23
Provisions for other liabilities and charges	18	**685**	684
Contingent consideration	17	**36**	169
Deferred tax liabilities	19	**1,725**	1,824
Total non-current liabilities		**2,449**	2,700
Total liabilities		**25,432**	24,180
Net assets		**61,623**	57,952
Equity			
Issued share capital	21	**206**	199
Share premium	21	**31,051**	31,014
Merger reserve		**9,239**	9,239
Foreign exchange reserve		**5,464**	5,722
Retained earnings		**15,635**	11,755
Total shareholders' funds		**61,595**	57,929
Non-controlling interests in equity		**28**	23
Total equity		**61,623**	57,952

The notes and accounting policies on pages 61 to 94 form an integral part of these consolidated financial statements. The financial statements on pages 56 to 94 were authorised for issue by the Board of Directors on 12 October 2015 and signed on its behalf by:

Alan Newman Chief Financial Officer YouGov plc Registered no. 03607311

Consolidated Statement of Changes in Equity for the year ended 31 July 2015

	Note	Attributable to equity holders of the Company							
	Note	Share capital £'000	Share premium £'000	Merger reserve £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interest in equity £'000	Total equity £'000
Balance at 31 July 2013		**195**	**30,961**	**9,239**	**10,493**	**10,195**	**61,083**	**31**	**61,114**
Changes in equity for 2014									
Exchange differences on translating foreign operations		–	–	–	(4,771)	–	**(4,771)**	(3)	(4,774)
Net loss recognised directly in equity		–	–	–	(4,771)	–	**(4,771)**	(3)	(4,774)
Profit/(Loss) for the year		–	–	–	–	433	**433**	(16)	417
Total comprehensive (expense)/gain for the year		–	–	–	(4,771)	433	**(4,338)**	(19)	(4,357)
Issue of shares	21	4	53	–	–	–	**57**	–	57
Purchase of subsidiary with a minority interest	9	–	–	–	–	–	**–**	11	11
Dividends paid	7	–	–	–	–	(586)	**(586)**	(35)	(621)
Purchase of non-controlling interest in subsidiary	9	–	–	–	–	(35)	**(35)**	35	–
Consideration for purchase of subsidiary	9	–	–	–	–	700	**700**	–	700
Share-based payments	22	–	–	–	–	1,048	**1,048**	–	1,048
Total transactions with owners recognised directly in equity		4	53	–	–	1,127	**1,184**	11	1,195
Balance at 31 July 2014		**199**	**31,014**	**9,239**	**5,722**	**11,755**	**57,929**	**23**	**57,952**
Changes in equity for 2015									
Exchange differences on translating foreign operations		–	–	–	(258)	–	**(258)**	(4)	(262)
Net loss recognised directly in equity		–	–	–	(258)	–	**(258)**	(4)	(262)
Profit for the year		–	–	–	–	3,240	**3,240**	26	3,266
Total comprehensive gain/(expense) for the year		–	–	–	(258)	3,240	**2,982**	22	3,004
Issue of shares	21	3	37	–	–	–	**40**	–	40
Dividends paid	7	–	–	–	–	(804)	**(804)**	(17)	(821)
Consideration for purchase of subsidiary	9, 21	4	–	–	–	500	**504**	–	504
Share-based payments	22	–	–	–	–	669	**669**	–	669
Tax in relation to share based payments	19	–	–	–	–	275	**275**	–	275
Total transactions with owners recognised directly in equity		**7**	**37**	**–**	**–**	**640**	**684**	**(17)**	**667**
Balance at 31 July 2015		**206**	**31,051**	**9,239**	**5,464**	**15,635**	**61,595**	**28**	**61,623**

The notes and accounting policies on pages 61 to 94 form an integral part of these consolidated financial statements.

FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows for the year ended 31 July 2015

	Note	2015 £'000	2014 £'000
Cash flows from operating activities			
Profit before taxation		**2,686**	733
Adjustments for:			
Finance income		**(422)**	(171)
Finance costs		**643**	463
Share of post-tax loss in joint ventures and associates		**(42)**	14
Amortisation of intangibles	2	**4,765**	4,120
Depreciation	2	**703**	631
Loss on disposal of property, plant and equipment and other intangible assets		**49**	–
Share-based payments		**669**	547
Other non-cash profit items		**94**	787
Increase in trade and other receivables		**(360)**	(1,088)
Increase in trade and other payables		**1,009**	2,411
Increase in provisions		**518**	445
Cash generated from operations		**10,312**	8,892
Interest paid		**(14)**	(4)
Income taxes paid		**(730)**	(287)
Net cash generated from operating activities		**9,568**	8,601
Cash flow from investing activities			
Purchase of subsidiary (net of cash acquired)	9	**–**	(643)
Acquisition of non-controlling interest in associates	13	**(140)**	(28)
Settlement of contingent considerations	17	**(330)**	(332)
Purchase of property, plant and equipment	12	**(1,123)**	(1,048)
Purchase of intangible assets	11	**(4,631)**	(4,723)
Proceeds from sale of plant, property and equipment		**–**	12
Interest received		**2**	1
Dividends received from associates		**48**	55
Net cash used in investing activities		**(6,174)**	(6,706)
Cash flows from financing activities			
Proceeds from the issue of share capital		**40**	57
Repayment of borrowings		**(28)**	(32)
Dividends paid to shareholders		**(804)**	(586)
Dividends paid to non-controlling interests		**(17)**	(35)
Net cash used in financing activities		**(809)**	(596)
Net increase in cash and cash equivalents		**2,585**	1,299
Cash and cash equivalents at beginning of year		**7,245**	6,656
Exchange gain/(loss) on cash and cash equivalents		**187**	(710)
Cash and cash equivalents at end of year	15	**10,017**	7,245

The notes and accounting policies on pages 61 to 94 form an integral part of these consolidated financial statements.

Principal Accounting Policies of the Consolidated Financial Statements for the year ended 31 July 2015

Nature of operations

YouGov plc and subsidiaries' ("the Group") principal activity is the provision of market research.

YouGov plc is the Group's ultimate parent company. It is incorporated and domiciled in Great Britain. The address of YouGov plc's registered office is 50 Featherstone Street, London EC1Y 8RT United Kingdom. YouGov plc's shares are listed on the Alternative Investment Market of the London Stock Exchange.

YouGov plc's annual consolidated financial statements are presented in UK Sterling, which is also the functional currency of the parent company.

Basis of preparation

The consolidated financial statements of YouGov plc are for the year ended 31 July 2015. They have been prepared under the historical cost convention modified for fair values under IFRS. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRS Interpretations Committee (IFRS IC) Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The policies set out below have been consistently applied to all years presented unless otherwise stated.

The parent company financial statements are prepared under UK GAAP and are detailed on pages 97 to 106.

New standards, amendments and interpretations of existing standards adopted by the Group

The following standards, interpretations and amendments, which do not have a material impact, are mandatory for the first time for the financial year beginning 1 August 2014 and are relevant to the preparation of the Group's financial statements.

- IFRS10, 'Consolidated financial statements', IFRS11, 'Joint arrangements' and IFRS12, 'Disclosure of interests in other entities'.
- Amendment to IAS32, 'Offsetting financial assets and financial liabilities'.
- Amendment to IAS39, 'Financial instruments: recognition and measurement', on novation of derivatives and hedge accounting.

Basis of consolidation

The Group financial statements consolidate the Company and all of its subsidiary undertakings (see Note 13) drawn up to 31 July 2015. Subsidiaries are entities controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated statement of financial position at their fair values, which are also used as the basis for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Acquisition-related costs are charged to the income statement in the period in which they are incurred.

The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Disposals to non-controlling interests result in gains and losses for the Group that are recorded in the Statement of Changes in Equity. Purchases of non-controlling interests are recognised directly in reserves, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

Principal Accounting Policies of the Consolidated Financial Statements for the year ended 31 July 2015 continued

Associates and joint ventures

Entities whose economic activities are controlled jointly by the Group and by other venturers independent of the Group are accounted for using the equity method. Associates are those entities over which the Group has significant influence (defined as the power to participate in the financial and operating decisions of the investee but not control or joint control over those policies) but which are neither subsidiaries nor interests in joint ventures. The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, under which investments in associates and investments in joint ventures are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of net assets of the associate or joint venture less any impairment in the value of individual investments. The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income.

However, when the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, including any unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interests in the associates or joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of associates and joint ventures have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Segmental analysis

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

During the year ended 31 July 2014 the Board of Directors (which is the "chief operating decision maker") primarily reviewed information based on geographic lines but also reviewed information based on product lines. For the year ending 31 July 2015 the Board primarily reviews information based on product lines, Custom Research, Data Products and Data Services, with supplemental geographical information. As a result product lines now form the basis for the segmental reporting with supplemental geographical information.

Revenue

Revenue is measured by reference to the fair value of consideration received or receivable by the Group for services provided, excluding Value Added Tax and trade discounts. Accrued income is the difference between the revenue recognised and the amounts actually invoiced to customers. Where invoicing exceeds the amount of revenue recognised, these amounts are included in deferred income.

Market research

Revenue arises from the provision of market research services. Within this revenue stream are syndicated and non-syndicated services.

Syndicated services

Syndicated services are the consistent provision of data over a specified period of time. Revenue is recognised from the point in time at which access passwords have been made available to the customer. Revenue is recognised in equal monthly instalments over the life of the contract.

Non-syndicated services

Non-syndicated services vary in size and complexity. Revenue is recognised on each contract in proportion to the level of services performed by reference to the project manager's estimates and time records against budgeted and assigned resource. Revenue is recognised on long-term contracts, if the outcome can be assessed with reasonable certainty, by including in the income statement revenue and related costs as contract activity progresses.

Media buying

Where we act as an agent, the revenue recorded is the net amount retained when the fee or commission is earned. Although the Group may bear credit risk in respect of these activities, the arrangements with our clients are such that we consider that we are acting as an agent on their behalf. In such cases, costs incurred with external suppliers (such as media suppliers) which are passed on to customers are excluded from our revenue.

Non-cash transactions

The Group enters into contracts for the provision of market research services in exchange for advertising rather than for cash or other consideration. When barter transactions are agreed, the value of the work provided to the counterparty is equal in value to that which would be provided in an ordinary cash transaction. As required by IAS18 the value of advertising receivable in all significant barter transactions is reliably measurable by referencing to the counterparty's rate card.

Provisions

Provisions are recognised in the consolidated statement of financial position when a Group company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Staff gratuity costs

The staff gratuity provision is a statutory obligation under UAE labour law, whereby each employee on termination of their contract is due a payment dependent upon their number of years service and nature of the termination. The liability is weighted against historical rates of resignation and redundancy.

Panel incentive costs

The Group invites consumer panel members to fill out surveys in return for a cash or points-based incentive. Although these amounts are not paid until a predetermined target value has accrued on a panellist's account, an assessment of incentives likely to be paid (present obligation) is made taking into account past panellist behaviour and is recognised as a cost of sale in the period in which the service is provided. This assessment takes into account the expected savings from the prize draw offered in various territories.

Interest

The Group receives interest income for cash funds that are held on short-term instant access deposit. Where interest receipts are received after the balance sheet date the interest due is accrued for the requisite period at the prevailing rate on the deposit.

Interest is recognised using the effective interest method which calculates the amortised cost of a financial liability and allocates the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Exceptional items

The Group's Income Statement separately identifies exceptional items. Such items are those that in the Directors' judgment are one-off in nature or need to be disclosed separately by virtue of their size and incidence. In determining whether an item or transaction should be classified as an exceptional item, the Directors' consider quantitative as well as qualitative factors such as the frequency, predictability of occurrence and significance. This is consistent with the way that financial performance is measured by management and reported to the Board. Exceptional items may not be comparable to similarly titled measures used by other companies. Disclosing exceptional items separately provides additional understanding of the performance of the Group. Examples include acquisition costs, restructuring costs and any other items that are not incurred as part of normal operating activities.

Principal Accounting Policies of the Consolidated Financial Statements for the year ended 31 July 2015 continued

Taxation

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date. The deferred tax provision is held at its current value and not discounted.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the consolidated income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Dividends

Dividends are recognised when the shareholders' right to receive payment is established.

Goodwill

Goodwill representing the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is capitalised and reviewed annually for impairment. Goodwill is carried at cost less accumulated impairment losses. If the Group's interest in the net fair value of the identifiable assets, liabilities, contingent liabilities of the acquired entity exceeds the cost of the business combination, this value is recognised immediately in the consolidated income statement.

On disposal of a business, goodwill is allocated based on calculated fair value of assets disposed and included in the calculation of the profit or loss on disposal.

Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance. Intangible assets are valued at either their directly attributable costs or using valuation methods such as discounted cash flows and replacement cost in the case of acquired intangible assets. The Directors estimate the useful economic life of each asset and use these estimates in applying amortisation rates. The Directors periodically review useful economic life estimates. Intangible assets are stated at cost net of amortisation and any provision for impairment. The Directors conduct an annual impairment review of intangible assets where necessary for assets with an indefinite life. Where impairment arises, losses are recognised in the consolidated income statement. Amortisation of intangible assets is shown on the face of the consolidated income statement, except for the amortisation of panel incentive costs incurred in product development which is recognised in cost of sales.

Intangible assets acquired as part of a business combination

In accordance with IFRS3 Business Combinations, an intangible asset acquired in a business combination is deemed to have a cost to the Group of its fair value at the acquisition date. The fair value of the intangible asset reflects market expectations about the probability that the future economic benefits embodied in the asset will flow to the Group. Where an intangible asset might be separable, but only together with a related tangible or intangible asset, the group of assets is recognised as a single asset separately from goodwill where the individual fair values of the assets in the Group are not reliably measurable. Where the individual fair value of the complementary assets is reliably measurable, the Group recognises them as a single asset provided the individual assets have similar useful lives. Intangible assets acquired as part of a business combination are typically amortised using the straight-line method over the following periods:

Intangible asset	Amortisation period
Consumer panel	5 years
Software and software development	3 – 5 years
Customer contracts and lists	10 – 11 years
Patents and trademarks	5 – 15 years
Order backlog	3 months – 1 year

Intangible assets generated internally

Internally generated intangible assets are only capitalised where they meet all of the following criteria stipulated by IAS38:

- completion of the intangible asset is technically feasible so that it will be available for use or sale;
- the Group intends to complete the intangible asset and use or sell it;
- the Group has the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits;
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- the expenditure attributable to the intangible asset during its development can be measured reliably.

Internally generated intangible assets are capitalised at their directly attributable cost. Development costs not meeting the criteria for capitalisation are expensed as incurred.

Internally generated intangible assets are amortised from the moment at which they become available for use. Amortisation rates applicable to internally generated intangible assets are typically:

Intangible asset	Amortisation period
Software and software development	3 years
Patents and trademarks	not amortised
Development costs	2 – 5 years

Consumer panel

The consumer panel is the core asset from which our online revenues are generated.

Where a consumer panel or list is acquired as part of a business combination the cost of the asset is recognised at its fair value to the Group at the date of acquisition. The fair value is calculated by management using a discounted cash flow model.

Consumer panel costs reflect the direct cost of recruiting new panel members. Consumer panel costs are split between enhancement and maintenance of the asset. Enhancement costs are capitalised whilst maintenance costs are expensed. The split is based on management estimates derived from current levels of panel churn. Amortisation is charged to write off the panel acquisition costs over a three-year period, this being the Directors' estimate of the average active life of a panellist.

Principal Accounting Policies of the Consolidated Financial Statements for the year ended 31 July 2015 continued

Software and software development

Capitalised software includes our survey and panel management software and other items including our BrandIndex platform which are key tools of our business. Software and software development also includes purchased off-the-shelf software.

Where software is acquired as part of a business combination the cost of the asset is recognised at its fair value to the Group at the date of acquisition. The fair value is calculated by management using a replacement cost model. Amortisation is charged to write off the software over a three to five year period, this being the Directors' estimate of the useful life of the software.

Where software is developed internally, directly attributable costs including employee costs are capitalised as software development. Amortisation commences upon completion of the asset. Amortisation is charged to write off the software over a three year period, this being the Directors' estimate of the useful life of software.

Customer contract and lists

Where a customer contract or list is acquired as part of a business combination the cost of the asset is recognised at its fair value to the Group at the date of acquisition. The fair value is calculated by management using a discounted cash flow model. Customer contracts and lists are amortised over a useful economic life based on Directors' estimates.

Patents and trademarks

Where a patent or trademark is acquired as part of a business combination the cost of the asset is recognised at its fair value to the Group at the date of acquisition. The fair value is calculated by management using a discounted cash flow model.

Patents acquired as part of a business combination are amortised over a useful economic life based on Directors' estimates.

Patents and trademarks acquired on an ongoing basis to protect the YouGov brand and its products are included at cost and are not amortised, as the trademarks are indefinite in their longevity through legal rights.

Development costs

Expenditure on research (or the research phase of an internal project) is recognised as an expense in the period in which it is incurred.

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

Impairment testing of goodwill, other intangible assets and property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors the related cash flows.

Goodwill, other individual assets or cash-generating units that include goodwill, other intangible assets with an indefinite useful life, and those intangible assets not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is calculated as value in use based on an internal discounted cash flow evaluation.

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Property, plant and equipment and depreciation

Property, plant and equipment is carried at cost net of depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. No depreciation is charged during the period of construction. Leasehold property is included in property, plant and equipment only where it is held under a finance lease. Borrowing costs on property, plant and equipment under construction are capitalised during the period of construction based on specific funds borrowed. Depreciation is calculated to write down the cost less estimated residual value of all property, plant and equipment over their estimated useful economic lives.

Asset	Depreciation rate
Freehold property	Straight line over 25 years
Leasehold property improvements	Straight line over the life of the lease
Fixtures and fittings	25% on a reducing balance
Computer equipment	33% per annum straight line
Motor vehicles	25% or the life of the lease

The residual values and useful lives of all assets are reviewed at least at the end of each reporting period.

Leased assets and operating leases

In accordance with IAS17, the economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any, to be borne by the lessee. A corresponding amount is recognised as a finance leasing liability.

The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the income statement on a straight-line basis over the lease term. Lease incentives are spread over the term of the lease.

Financial assets

Financial assets are divided into the following categories: Trade receivables, loans and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which they were acquired.

All financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated income statement within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the consolidated income statement.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables and other financial assets are classified as loans and receivables. Loans and receivables are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the consolidated income statement.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. As at 31 July 2015, there are no assets held in this category (31 July 2014: £nil).

FINANCIAL STATEMENTS

Principal Accounting Policies of the Consolidated Financial Statements for the year ended 31 July 2015 continued

Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

An assessment for impairment is undertaken at least at each reporting date.

A financial asset is derecognised only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Group retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the Group transfers substantially all the risks and rewards of ownership of the asset, or if the Group neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method. Financial liabilities are assigned to the different categories by management on initial recognition, depending on the purpose for which they were acquired.

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Borrowings and lease liabilities are initially recorded at the fair value which is typically the proceeds received, net of any issue costs and subsequently carried at amortised cost. Finance charges are accounted for on an effective interest method and are added to the carrying value of the instrument to the extent that they are not settled in the period in which they arise.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, with maturities no longer than three months. In addition, bank overdrafts which are repayable on demand are included for the purposes of the statement of cash flows.

Equity

Equity comprises the following:

- share capital represents the nominal value of equity shares;
- share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of incremental and directly attributable expenses of the share issue;
- merger reserve represents the excess over nominal value of the fair value of consideration received for equity shares issued/allotted directly to acquire another entity meeting the specific requirements of Section 131 of the Companies Act 2006. The conditions of the relief include:
  - securing at least 90% of the nominal value of equity of another company;
  - the arrangement provides for allotment of equity shares in the issuing company;
- foreign exchange reserve represents the differences arising from translation of investments in overseas subsidiaries;
- retained earnings represent retained profits.

Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Sterling, which is the Company's functional and presentation currency.

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction.

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the consolidated income statement in the period in which they arise.

Exchange differences on non-monetary items are recognised in the consolidated statement of comprehensive income to the extent that they relate to a gain or loss on that non-monetary item taken to the statement of changes in equity, otherwise such gains and losses are recognised in the consolidated income statement.

The assets and liabilities in the financial statements of foreign subsidiaries and associates and related goodwill are translated at the rate of exchange ruling at the reporting date. Income and expenses are translated at the actual rate. The exchange differences arising from the retranslation of the opening net investment in subsidiaries and joint ventures are taken directly to the "Foreign exchange reserve" in equity.

Employee benefits

Equity-settled share-based payment

This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions.

The Group operates a number of equity-settled share-based payment compensation plans under which the entity receives services from employees as consideration for equity instruments (options) of the Group. All equity-settled share-based payments are ultimately recognised as an expense in the consolidated income statement with a corresponding credit to retained earnings.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates.

No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Contingent consideration

Future anticipated payments to vendors in respect of earn outs are based on the Directors' best estimates of future obligations, which are dependent on the future performance of the interests acquired and assume the operating companies improve profits in line with Directors' estimates. When consideration payable is deferred, the fair value of the consideration is obtained by discounting to present value the amounts expected to be payable in the future at a rate equivalent to a UK 10 year treasury gilt (or foreign equivalent), this being, in the Directors' opinion the most appropriate barometer for a risk-free rate. Subsequent changes in the amount of contingent consideration recognised are recorded as exceptional items in the consolidated income statement.

Principal Accounting Policies of the Consolidated Financial Statements for the year ended 31 July 2015 continued

Imputed interest

When the outflow of cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is the present value of all future payments determined using an imputed rate of interest. The imputed rate of interest used is the risk-free rate, this being, in the Directors' opinion the most appropriate rate. The difference between the present value of all future payments and the nominal amount of the consideration is recognised as an interest charge. Imputed interest is shown within finance costs in the consolidated income statement.

Going concern

The Group meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty particularly over (a) the level of demand for the Group's products; and (b) the availability of bank finance for the foreseeable future. The Group's forecasts, projections and Board approved five year plan, taking account of reasonable possible changes in trading performance, show that the Group should be able to operate without bank finance. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Accounting estimates and judgements

In the process of applying the Group's accounting policies the Directors are required to make estimates and adjustments that may affect the financial statements. The Directors believe that the estimates and judgements applied in the financial statements are reasonable.

Estimates and judgements are evaluated on a regular basis and are based on historical experience (where applicable) and other factors, such as expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. These estimates, by definition, will rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Where estimates and judgements have been made, the key factors taken into consideration are disclosed in the appropriate note in these consolidated financial statements.

Revenue recognition

The Group is required to make an estimate of project completion levels on long-term contracts for revenue recognition purposes. This is based upon the project manager's estimates and available time records against budgeted and assigned resource for the initial project scope. This involves an element of judgement, and therefore differences may arise between the actual and estimated result. Where differences do arise, they are recognised in the consolidated income statement for the following reporting period.

Share-based payments

The Group is required to make estimates regarding the assumptions that are used to calculate the income statement charge for share-based payments. Inputs to the calculations include (but are not limited to) expected volatility, expected life, risk-free rate, expected dividend yield and redemption rates. Variances in any of the inputs could lead to the charge being higher or lower than appropriate. The estimates used are disclosed in Note 22.

Income taxes

The Group is subject to income taxes in various jurisdictions. Judgement is required in determining the worldwide provision for income taxes. There are many transactions/calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different to what is initially recorded, such differences will impact the income tax and deferred tax provisions. Income taxes are disclosed fully in Note 6.

Goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy. The recoverable amount is based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a suitable discount rate in order to calculate the present values of these cash flows. The estimates used in the impairment review are fully disclosed in Note 10.

All payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the consolidated income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

Other intangible assets

The Group is required to identify and assess the useful life of intangible assets and determine if there is a finite or indefinite life. Judgement is required in determining if an intangible asset has a finite life and the extent of this finite life in order to calculate the amortisation charge on the asset. The Group tests at each reporting date whether intangible assets have suffered any indicators of impairment, in accordance with the accounting policy. The recoverable amount of cash-generating units has been determined based on discounted future cash flows. These calculations require estimates to be made. Where there is no method of valuation for an intangible asset, management will make use of a valuation technique to determine the value of an intangible if there is no evidence of a market value. In doing so certain assumptions and estimates will be made. Intangible assets are fully disclosed in Note 11.

Panel incentive provision

The Group is required to assess the likelihood that panel incentives earned by consumer panel members will be redeemed and maintain a provision to cover this potential liability. Factors taken into consideration include the absolute liability, redemption rates and panel activity rates. Whilst historical data can indicate trends and behaviours it is not an indication of the future. In arriving at the carrying value of the provision certain assumptions and estimates have to be made. The estimates used in calculating the panel incentive provision are fully disclosed in Note 18.

Deferred taxation

Judgement is required by management in determining whether the Group should recognise a deferred tax asset. Management consider whether there is sufficient certainty that its tax losses available to carry forward will ultimately be offset against future earnings. This judgement impacts on the degree to which deferred tax assets are recognised. Deferred taxation is disclosed fully in Note 19.

Contingent consideration

As part of the acquisitions, contingent consideration is payable to selling shareholders based on the future performance of the businesses. Judgement is required in estimating the magnitude of contingent consideration and the likelihood of payment. Contingent consideration is disclosed fully in Note 17.

New standards and interpretations not applied

The following amendments to standards and interpretations, which do not have a material impact, are mandatory for the first time for the financial years beginning on or after 1 August 2015 and will be relevant to the preparation of the Company's financial statements:

IFRS9 'Financial instruments', on 'Classification and measurement', this is the first part of a new standard on classification and measurement of financial assets that will replace IAS39. IFRS9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss.

IFRS15 'Revenue from contracts with customers', this standard will replace both IAS18 which covers contracts for goods and services and IAS11 which covers construction contracts. The basis for IFRS15 is revenue is now recognised when control of a good or service is transferred to a customer, which replaces the existing treatment of risks and rewards. This is effective for accounting periods beginning after 1 January 2017 although has not yet been endorsed by the EU.

Amendments to IAS16 and IAS38, these amendments provide clarity that revenue-based method of depreciation or amortisation is not appropriate. These amendments are not expected to have any effect on the Group.

Amendments to IAS1, this amendment explores how financial statement disclosures can be improved by disaggregating information, reducing obscurity. Where applicable the Company will amend its disclosures.

Management will assess the impact on the Group of these standards prior to the effective date of implementation. There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group for the financial year beginning 1 August 2015. Management will assess the impact on the Group of these standards prior to the effective date of implementation. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

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Notes to the Consolidated Financial Statements for the year ended 31 July 2015

1 Segmental analysis

During the year ended 31 July 2014 the Board of Directors (which is the "chief operating decision maker") primarily reviewed information based on geographic lines but also reviewed information based on product lines. For the year ended 31 July 2015 the Board primarily reviews information based on product lines, Custom Research, Data Products and Data Services, with supplemental geographical information. As a result product lines now form the basis for the segmental analysis with supplemental geographical information also provided.

2015	Custom Research £'000	Data Products £'000	Data Services £'000	Unallocated £'000	Group £'000
Revenue	**49,901**	**11,908**	**14,301**	**–**	**76,110**
Cost of sales	**(13,181)**	**(2,083)**	**(2,208)**	**–**	**(17,472)**
Gross profit	**36,720**	**9,825**	**12,093**	**–**	**58,638**
Operating expenses	**(30,300)**	**(7,563)**	**(7,575)**	**(4,630)**	**(50,068)**
Adjusted operating profit before amortisation of intangible assets and exceptional items	**6,420**	**2,262**	**4,518**	**(4,630)**	**8,570**
Amortisation of intangible assets					**(4,633)**
Exceptional items					**(1,072)**
Operating profit					**2,865**
Finance income					**422**
Finance costs					**(643)**
Share of post-tax profit in joint ventures and associates					**42**
Profit before taxation					**2,686**
Taxation					**580**
Profit after taxation					**3,266**
Other segment information					
Depreciation	**427**	**83**	**100**	**93**	**703**

2014	Custom Research £'000	Data Products £'000	Data Services £'000	Unallocated £'000	Group £'000
Revenue	45,847	9,447	12,081	–	67,375
Cost of sales	(11,310)	(2,340)	(1,981)	–	(15,811)
Gross profit	34,357	7,107	10,100	–	51,564
Operating expenses	(29,178)	(5,289)	(6,125)	(3,583)	(44,175)
Adjusted operating profit before amortisation of intangible assets and exceptional items	5,179	1,818	3,975	(3,583)	7,389
Amortisation of intangible assets					(3,965)
Exceptional items					(2,385)
Operating profit					1,039
Finance income					171
Finance costs					(463)
Share of post-tax-loss in joint ventures and associates					(14)
Profit before taxation					733
Taxation					(316)
Profit after taxation					417
Other segment information					
Depreciation	370	68	68	145	631

Inter-segment sales are priced on an arm's-length basis that would be available to unrelated third parties.

1 Segmental analysis continued

Supplementary analysis by geography

	2015 Revenue £'000	2015 Adjusted^ operating profit/(loss) £'000	2014 Revenue £'000	2014 Adjusted^ operating profit/(loss) £'000
UK	**22,857**	**5,582**	19,359	5,007
USA	**25,867**	**4,647**	21,858	3,012
Germany	**8,904**	**887**	8,945	503
Nordic	**7,476**	**1,001**	7,985	823
Middle East	**10,718**	**1,520**	10,126	2,246
France	**1,158**	**145**	756	(121)
Asia Pacific	**1,419**	**(397)**	169	(268)
Intra-group revenues/unallocated costs	**(2,289)**	**(4,815)**	(1,823)	(3,813)
Group	**76,110**	**8,570**	67,375	7,389

^Operating profit/(loss) before amortisation of intangible assets and exceptional items.

Revenue by destination is presented below.

2015	**UK £'000**	**Middle East £'000**	**Germany £'000**	**Nordic £'000**	**USA £'000**	**France £'000**	**Asia Pacific £'000**	**Consolidation and unallocated £'000**	**Group £'000**
External sales	**21,669**	**9,327**	**8,493**	**7,373**	**26,627**	**1,361**	**1,260**	**–**	**76,110**
Inter-segment sales	**1,546**	**160**	**365**	**434**	**1,285**	**75**	**79**	**(3,944)**	**–**
Total revenue	**23,215**	**9,487**	**8,858**	**7,807**	**27,912**	**1,436**	**1,339**	**(3,944)**	**76,110**
2014									
External sales	18,507	8,770	8,647	7,822	22,634	727	268	–	67,375
Inter-segment sales	1,071	131	334	247	1,302	41	1	(3,127)	–
Total revenue	19,578	8,901	8,981	8,069	23,936	768	269	(3,127)	67,375

Inter-segment sales are priced on an arm's-length basis that would be available to unrelated third parties.

Notes to the Consolidated Financial Statements for the year ended 31 July 2015 continued

2 Operating expenditure

The profit before taxation is stated after charging:

	2015 £'000	2014 £'000
Auditors' remuneration:		
Fees payable for the audit of the parent company and the consolidated financial statements	**260**	147
Audit of subsidiaries pursuant to legislation	**61**	78
Audit related assurance services	**28**	29
Tax compliance services	**56**	27
Tax advisory services	**17**	44
Other advisory services	**36**	31
Total auditors' remuneration	**458**	356
Disposals, depreciation and amortisation:		
Depreciation of property, plant and equipment (Note 12)	**703**	631
Amortisation of intangible assets recognised in operating expenses	**4,633**	3,965
Amortisation of intangible assets recognised in cost of sales	**132**	155
Loss on disposal of intangible assets and property, plant and equipment	**49**	–
Other operating lease rentals:		
Plant and machinery	**51**	75
Land and buildings	**1,922**	1,700
Other expenses:		
Exchange losses	**836**	62
Share-based payment expenses (Note 22)	**669**	547
Charitable donations	**80**	71

3 Staff costs and numbers

Staff costs (including Directors) charged to operating expenses during the year were as follows:

	2015 £'000	2014 £'000
Wages and salaries	**26,837**	24,519
Social security costs	**2,857**	2,732
Share-based payments (Note 22)	**669**	547
Pension costs	**649**	492
Other benefits	**3,765**	3,113
Acquisition cost deemed as staff compensation*	**377**	687
	35,154	32,090

* Part of the acquisition cost relating to Definitive Insights, CoEditor and Decision Fuel is deemed as staff compensation and treated as an exceptional cost, as disclosed in Note 9.

In addition to the amounts disclosed above, staff costs totalling £2,335,000 (2014: £2,322,000) were capitalised in relation to internally developed software. Further details are provided in Note 11.

Pension costs are contributions made on behalf of employees to defined contribution pension schemes. Other benefits include staff bonuses and private healthcare insurance.

3 Staff numbers and costs continued

The monthly average number of employees of the Group during the year was as follows:

	2015 Number	2014 Number
Key management personnel	**28**	22
Administration and operations	**594**	556
	622	578

Specific disclosures in relation to compensation for key management personnel (defined as Board and Divisional, Product and Function Heads) who held office during the year was as follows:

	2015 £'000	2014 £'000
Short-term employee benefits	**4,558**	3,305
Post-employment benefits	**109**	56
Share-based payments	**477**	409
Acquisition cost deemed as staff compensation	**432**	554
	5,576	4,324

Disclosure of Directors' remuneration including share options are included in the Remuneration Report on pages 42 to 46, which form part of the financial statements.

4 Exceptional items

	2015 £'000	2014 £'000
Restructuring costs	**650**	1,192
Acquisition-related costs	**431**	1,226
Change in accounting estimation – contingent consideration	**(9)**	92
Cost of establishing new entities	**–**	44
Gain on re-measurement of associates on acquisition of control	**–**	(169)
	1,072	2,385

Restructuring costs in the year are the cost of reorganising the management structure of the US £294,000, Middle East £127,000, UK £116,000, German £67,000 and Nordic £46,000 businesses; these reorganisations have now been completed. Restructuring costs in the prior year were the cost of reorganising the management structure of the Nordic £498,000, US £302,000, German £284,000 and UK £108,000 businesses.

Acquisition related costs in the year comprise:

- £501,000 of contingent consideration that is deemed under IFRS to be staff compensation cost in relation to the acquisition of Doughty Media 2.
- A net credit of £70,000 in relation to the acquisition of Decision Fuel including a £124,000 reduction in contingent deemed staff costs, £41,000 of transaction costs and a £13,000 reduction in the fair value of acquired net assets.

Acquisition related costs in the prior year comprise:

- £729,000 in relation to the acquisition of Doughty Media 2 including £699,000 in respect of contingent consideration that is deemed under IFRS to be staff compensation costs and £30,000 of transaction costs.
- £524,000 in relation to the acquisition of Decision Fuel including £286,000 of transaction costs, £163,000 of deemed staff costs and £75,000 of loyalty bonuses.
- A credit of £27,000 in respect of prior year acquisition fees.

Notes to the Consolidated Financial Statements for the year ended 31 July 2015 continued

4 Exceptional items continued

The change in estimated contingent consideration in the year is in respect of the Decision Fuel acquisition. The change in estimated contingent consideration in the prior year is in respect of the Definitive Insights acquisition.

The cost of establishing new entities in the prior year relates to the professional and regulatory fees incurred in establishing new operations in Kurdistan, Egypt, Saudi Arabia and Indonesia.

In the prior year the Group acquired an additional 27% equity interest in CoEditor Ltd, this additional equity interest resulted in YouGov Plc acquiring control of CoEditor. Under International Financial Reporting Standard 3, 'Business Combinations' ('IFRS3'), the interest previously held by the Group has been re-measured to its fair value at the acquisition date. This has resulted in a gain of £169,000 arising on the revaluation of the Group's existing interest which was included in exceptional items in the income statement.

IFRS3 requires that the interest should be treated on the same basis as would be required if the acquirer had disposed directly of the previously held interest and then required at fair value. Prior to the acquisition the interest in CoEditor was proportionally consolidated as disclosed in the 31 July 2013 accounting policies note. The Group has shown the disposal of the previously held interest and re-acquisition within Note 9 of the financial statements.

5 Finance income and costs

	2015 £'000	2014 £'000
Interest receivable from bank deposits	**2**	–
Dividends received	**–**	55
Foreign exchange gains on cash and intra-Group loans	**420**	116
Total finance income	**422**	171
Interest payable on bank loans and overdrafts	**5**	9
Interest on obligations under hire purchase and finance leases	**2**	3
Other interest payable	**9**	3
Foreign exchange losses on cash and intra-Group loans	**595**	416
	611	431
Imputed interest on contingent consideration and provisions	**32**	32
Total finance costs	**643**	463

6 Tax charge

The taxation charge represents:

	2015 £'000	2014 £'000
Current tax on profits for the year	**714**	458
Adjustments in respect of prior years	**(44)**	57
Total current tax charge	**670**	515
Deferred tax:		
Origination and reversal of temporary differences	**84**	(91)
Adjustments in respect of prior years	**(1,350)**	(117)
Impact of changes in tax rates	**16**	9
Total deferred tax credit	**(1,250)**	(199)
Total income statement tax (credit)/charge	**(580)**	316

The tax assessed for the year is lower (2014: higher) than the standard rate of corporation tax in the UK.

The differences are explained below:

	2015 £'000	2014 £'000
Profit before taxation	**2,686**	733
Tax charge calculated at Group's standard rate of 20.67% (2014: 22.33%)	**555**	164
Variance in overseas tax rates	**331**	(37)
Impact of changes in tax rates	**16**	9
Gains not subject to tax	**(79)**	–
Expenses not deductible for tax purposes	**46**	225
Tax losses for which no deferred income tax asset was recognised	**(86)**	12
Adjustments in respect of prior years	**(1,394)**	(60)
Asset based and non income related taxes	**40**	–
Associates results reported net of tax	**(9)**	3
Total income statement tax charge for the year	**(580)**	316

On 2 July 2013, the UK corporation tax rate was reduced from 23% to 21% from 1 April 2014 and 20% from 1 April 2015. This change has been substantively enacted at the balance sheet date and, therefore, is included in these financial statements. Further changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As these changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements.

Adjustments in respect of prior periods in the year includes the recognition of £1,206,000 of tax losses incurred in prior years in Germany.

7 Dividend

On 15 December 2014, a final dividend in respect of the year ended 31 July 2014 of £804,000 (0.8p per share) (2013: £586,000 (0.6p per share)) was paid to shareholders. A dividend in respect of the year ended 31 July 2015 of 1.0p per share, amounting to a total dividend of £1,029,000 is to be proposed at the Annual General Meeting on 9 December 2015. These financial statements do not reflect this proposed dividend payable.

Notes to the Consolidated Financial Statements for the year ended 31 July 2015 continued

8 Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. Shares held in employee share trusts are treated as cancelled for the purposes of this calculation.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post-tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential Ordinary Shares.

The adjusted earnings per share has been calculated to reflect the underlying profitability of the business by excluding the amortisation of intangible assets, share-based payments, imputed interest, impairment charges, exceptional items and any related tax effects.

	2015 £'000	2014 £'000
Profit after taxation attributable to equity holders of the parent company	**3,240**	433
Add: amortisation of intangible assets	**4,633**	3,965
Add: share-based payments	**669**	547
Add: imputed interest	**32**	32
Add: exceptional costs	**1,072**	2,385
Tax effect of the above adjustments and adjusting tax items	**(2,595)**	(1,335)
Adjusted profit after taxation	**7,051**	6,027

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below.

	2015	2014
Number of shares		
Weighted average number of shares during the period: ('000 shares)		
– Basic	**100,998**	98,044
– Dilutive effect of share options	**4,051**	5,434
– Diluted	**105,049**	103,478
The adjustments have the following effect:		
Basic earnings per share	**3.2p**	0.4p
Amortisation of intangible assets	**4.6p**	4.1p
Share-based payments	**0.7p**	0.6p
Imputed interest	**0.0p**	0.0p
Exceptional costs and impairments	**1.1p**	2.4p
Tax effect of the above adjustments and adjusting tax items	**(2.6p)**	(1.4p)
Adjusted earnings per share	**7.0p**	6.1p
Diluted earnings per share	**3.1p**	0.4p
Amortisation of intangible assets	**4.4p**	3.9p
Share-based payments	**0.7p**	0.5p
Imputed interest	**0.0p**	0.0p
Exceptional costs and impairment	**1.0p**	2.3p
Tax effect of the above adjustments and adjusting tax items	**(2.5p)**	(1.3p)
Adjusted diluted earnings per share	**6.7p**	5.8p

9 Business combinations and disposals

In the previous financial year the following business combinations occurred.

a) Doughty Media 2 Limited ("DM2")

YouGov acquired 100% of Doughty Media 2 Limited ("DM2") which owned 68% of CoEditor Limited ("CoEditor"), the company which developed the Opigram service and in which YouGov already owned a 30% shareholding. This acquisition was made in two stages: 40% was acquired in September 2013 and the remaining 60% in December 2013.

i. Acquisition of 40% shareholding in DM2

On 6 September 2013, YouGov plc purchased a 40% shareholding in DM2 from Freddie Sayers, an Executive Director of CoEditor, for a maximum purchase price of £497,000. £37,000 of this was paid in cash on completion. The remaining balance of £460,000 which had been contingent on Freddie Sayers' continuing employment, of which £348,000 was also contingent on the achievement of certain performance criteria, was paid in YouGov shares in March 2015.

DM2 has a 68% shareholding in CoEditor and following this purchase, YouGov's effective interest in CoEditor increased to 57% which constituted control.

All of the contingent consideration was contingent upon continuing employment and therefore was treated as staff compensation under IFRS with a charge of £165,000 being recognised in the current financial year.

ii. Acquisition of 60% shareholding in DM2

On 20 December 2013, YouGov plc purchased the remaining 60% shareholding in DM2 from Stephan Shakespeare, an Executive Director of YouGov plc on the same terms and conditions agreed for the prior purchase of the 40% shareholding. The maximum purchase price of £744,000 was contingent on Stephan Shakespeare's continuing employment, of which £521,000 was also contingent on the achievement of certain performance criteria, was paid in YouGov shares in March 2015.

As a result of this transaction YouGov's effective interest in CoEditor increased to 97%.

All of the contingent consideration was contingent upon continuing employment and therefore was treated as staff compensation under IFRS with a charge of £336,000 being recognised in the current financial year.

b) Acquisition of Decision Fuel ("DF")

On 9 January 2014, YouGov plc purchased a 100% shareholding in Decision Fuel ("DF"), an Asian based research and technology company with offices in Hong Kong, Shanghai and Singapore. The basic purchase consideration payable is the sum of six times the EBITDA of DF in the year ending 31 July 2016 and two times EBITDA (capped at 1.5 times 2016 EBITDA) in the year ending 31 July 2017 less any working capital funding provided by YouGov to DF prior to the end of the performance period. An initial payment of $1,000,000 (£608,000) was paid upon completion and the balance will be paid in two instalments in December 2017 and December 2018. Approximately 95% of this contingent consideration is contingent upon continuing employment and therefore is being treated as staff compensation under IFRS.

The payments due in 2017 and 2018 are now estimated to total $0.2m (£0.1m) compared to $1.5m (£0.9m) at 31 July 2014 resulting in a reduction of £9,000 in the amount treated as consideration and £124,000 in the cumulative staff compensation charge both of these reductions being recognised as exceptional credits in the current year.

Professional fees of £12,000 and loyalty bonuses of £29,000 were incurred during the year relating to the acquisition and in accordance with IFRS3 (revised) these costs have been expensed in the current year.

Notes to the Consolidated Financial Statements for the year ended 31 July 2015 continued

10 Goodwill

	Middle East £'000	USA £'000	Nordic £'000	Germany £'000	CoEditor £'000	Asia Pacific £'000	Total £'000
Carrying amount at 1 August 2013	1,449	17,337	8,682	11,332	–	–	38,800
Additions through business combinations	–	–	–	–	569	657	1,226
Exchange differences	(143)	(1,713)	(792)	(1,031)	–	(18)	(3,697)
Carrying amount at 31 July 2014	1,306	15,624	7,890	10,301	569	639	36,329
Exchange differences	110	1,321	(878)	(1,142)	–	53	(536)
Carrying amount at 31 July 2015	1,416	16,945	7,012	9,159	569	692	35,793
At 31 July 2015							
Cost	1,416	16,945	7,012	9,722	569	692	36,356
Accumulated impairment	–	–	–	(563)	–	–	(563)
Net book amount	1,416	16,945	7,012	9,159	569	692	35,793

In accordance with the Group's accounting policy, the carrying values of goodwill and other intangible assets are reviewed annually for impairment. The cash-generating units (CGUs) are consistent with those segments shown in Note 1. The 2015 impairment review was undertaken as at 31 July 2015. The recoverable amounts of all CGUs have been determined based on value in use calculations. This review assessed whether the carrying value of goodwill was supported by the net present value of future cash flows derived from assets using a projection period of four years for each CGU based on approved budget numbers.

Annual growth rates of 2.25% have been assumed in perpetuity beyond year four. The pre-tax weighted average costs of capital used to discount the future cash flows to their present values are Middle East 10% (2014: 10%), USA 17% (2014: 17%), Nordic 13% (2014: 13%), Germany 15% (2014: 15%) and Asia Pacific 12% (2014: 12%). The compound average revenue growth rates assumed for each CGU were Middle East 6%, USA 14%, Nordic 5%, Germany 9% and Asia Pacific 50%.

Management has considered reasonable possible changes in key assumptions and performed sensitivity analyses under these scenarios. This analysis shows that sufficient headroom exists and would not give rise to any impairment.

11 Other intangible assets

	Consumer panel £'000	Software and software development £'000	Customer contracts and lists £'000	Patents and trademarks £'000	Order backlog £'000	Product development costs £'000	Total £'000
At 1 August 2013							
Cost	10,142	10,983	4,963	3,197	232	900	30,417
Accumulated amortisation	(9,255)	(7,215)	(2,022)	(2,013)	(232)	(470)	(21,207)
Net book amount	887	3,768	2,941	1,184	–	430	9,210
Year ended 31 July 2014							
Opening net book amount	887	3,768	2,941	1,184	–	430	9,210
Additions:							
Business combinations	–	1,014	–	–	–	–	1,014
Separately acquired	1,743	540	–	2	–	116	2,401
Internally developed	–	2,315	–	–	–	7	2,322
Amortisation charge:							
Business combinations	–	(169)	(464)	(324)	–	–	(957)
Separately acquired	(706)	(696)	–	–	–	(172)	(1,574)
Internally developed	–	(1,573)	–	–	–	(16)	(1,589)
Exchange differences	(85)	(46)	(271)	(87)	–	(17)	(506)
Closing net book amount	1,839	5,153	2,206	775	–	348	10,321
At 31 July 2014							
Cost	10,917	14,106	4,485	2,907	210	969	33,594
Accumulated amortisation	(9,078)	(8,953)	(2,279)	(2,132)	(210)	(621)	(23,273)
Net book amount	1,839	5,153	2,206	775	–	348	10,321
Year ended 31 July 2015							
Opening net book amount	**1,839**	**5,153**	**2,206**	**775**	**–**	**348**	**10,321**
Additions:							
Separately acquired	**1,455**	**762**	**–**	**38**	**–**	**41**	**2,296**
Internally developed	**–**	**2,335**	**–**	**–**	**–**	**–**	**2,335**
Amortisation charge:							
Business combinations	**–**	**(206)**	**(465)**	**(317)**	**–**	**–**	**(988)**
Separately acquired	**(1,102)**	**(683)**	**–**	**–**	**–**	**(133)**	**(1,918)**
Internally developed	**–**	**(1,842)**	**–**	**–**	**–**	**(17)**	**(1,859)**
Disposals	**–**	**(12)**	**–**	**–**	**–**	**–**	**(12)**
Exchange differences	**5**	**82**	**108**	**(30)**	**–**	**12**	**177**
Closing net book amount	**2,197**	**5,589**	**1,849**	**466**	**–**	**251**	**10,352**
At 31 July 2015							
Cost	**12,182**	**16,329**	**4,576**	**2,869**	**–**	**988**	**36,944**
Accumulated amortisation	**(9,985)**	**(10,740)**	**(2,727)**	**(2,403)**	**–**	**(737)**	**(26,592)**
Net book amount	**2,197**	**5,589**	**1,849**	**466**	**–**	**251**	**10,352**

Notes to the Consolidated Financial Statements for the year ended 31 July 2015 continued

12 Property, plant and equipment

	Freehold property £'000	Leasehold property improvements £'000	Computer equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
At 1 August 2013						
Cost	1,449	376	2,439	1,018	74	5,356
Accumulated depreciation	(223)	(312)	(1,803)	(707)	(55)	(3,100)
Net book amount	1,226	64	636	311	19	2,256
Year ended 31 July 2014						
Opening net book amount	1,226	64	636	311	19	2,256
Additions:						
Business combinations	–	–	16	4	–	20
Separately acquired	–	447	400	134	67	1,048
Disposals	–	–	(1)	–	(12)	(13)
Depreciation	(59)	(35)	(428)	(92)	(17)	(631)
Exchange differences	(119)	(8)	(37)	(24)	(3)	(191)
Closing net book amount	1,048	468	586	333	54	2,489
At 31 July 2014						
Cost	1,305	799	2,443	1,100	72	5,719
Accumulated depreciation	(257)	(331)	(1,857)	(767)	(18)	(3,230)
Net book amount	1,048	468	586	333	54	2,489
Year ended 31 July 2015						
Opening net book amount	**1,048**	**468**	**586**	**333**	**54**	**2,489**
Additions:						
Separately acquired	**–**	**337**	**468**	**294**	**24**	**1,123**
Disposals	**–**	**–**	**–**	**(37)**	**–**	**(37)**
Depreciation	**(49)**	**(130)**	**(385)**	**(117)**	**(22)**	**(703)**
Exchange differences	**88**	**3**	**2**	**3**	**5**	**101**
Closing net book amount	**1,087**	**678**	**671**	**476**	**61**	**2,973**
At 31 July 2015						
Cost	**1,416**	**1,011**	**2,376**	**1,302**	**103**	**6,208**
Accumulated depreciation	**(329)**	**(333)**	**(1,705)**	**(826)**	**(42)**	**(3,235)**
Net book amount	**1,087**	**678**	**671**	**476**	**61**	**2,973**

All property, plant and equipment disclosed above, with the exception of those items held under lease purchase agreements, are free from restrictions on title. No property, plant and equipment either in 2015 or 2014 has been pledged as security against the liabilities of the Group.

12 Property, plant and equipment continued

The net book value of assets held under finance leases is as follows:

	Freehold property £'000	Leasehold property improvements £'000	Computer equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
At 31 July 2014						
Cost	–	–	54	31	–	85
Accumulated depreciation	–	–	(14)	(6)	–	(20)
Net book amount	–	–	40	25	–	65
At 31 July 2015						
Cost	**–**	**–**	**48**	**28**	**–**	**76**
Accumulated depreciation	**–**	**–**	**(32)**	**(8)**	**–**	**(40)**
Net book amount	**–**	**–**	**16**	**20**	**–**	**36**

13 Investments

(a) Interests in subsidiaries

The table below gives details of the Group's trading subsidiaries at 31 July 2015.

			Proportion held		
	Country of incorporation	Class of share capital held	By parent company	By the Group	Nature of the business
YouGov ME FZ LLC	U.A.E.	Ordinary	100%	100%	Market research
YouGov M.E. Egypt LLC	Egypt	Ordinary	0%	100%	Market research
Iridescent Productions	Iraq	Ordinary	0%	100%	Media production
YouGov Stone Limited	UK	Ordinary	100%	100%	Dormant
YouGov Deutschland AG	Germany	Ordinary	100%	100%	Market research
Service Rating GmbH	Germany	Ordinary	0%	100%	Rating agency
BeField GmbH	Germany	Ordinary	0%	70%	CATI supplier company
YouGov Nordic and Baltic A/S	Denmark	Ordinary	100%	100%	Market research
YouGov Sweden AB	Sweden	Ordinary	0%	100%	Market research
YouGov Norway AS	Norway	Ordinary	0%	100%	Market research
YouGov Finland OY	Finland	Ordinary	0%	100%	Market research
YouGov America Holdings LLC	USA	Ordinary	100%	100%	Holding company
YouGov America Inc	USA	Ordinary	0%	100%	Market research
HG Acquisition LLC	USA	Ordinary	0%	100%	Market research
Definitive Insights Inc	USA	Ordinary	0%	100%	Market research
Intellisponse Inc	USA	Ordinary	0%	100%	Dormant
YouGov Services Limited	UK	Ordinary	100%	100%	Software development
YouGov France SASU	France	Ordinary	100%	100%	Market research
YGV Finance Limited	UK	Ordinary	0%	100%	Intra-group financing
Doughty Media 2 Limited	UK	Ordinary	100%	100%	Holding company
CoEditor Limited	UK	Ordinary	0%	97%	Software development
YouGov Poland z.o.o.	Poland	Ordinary	0%	100%	Software development
Consilium Limited	Hong Kong	Ordinary	100%	100%	Market research
Decision Fuel Pte Limited	Singapore	Ordinary	0%	100%	Market research
Determine East Marketing Consulting (Shanghai) Co Ltd	China	Ordinary	0%	100%	Market research
PT YouGov Consulting	Indonesia	Ordinary	0%	100%	Market research

All subsidiaries have coterminous year ends and are included in the consolidated financial statements.

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Notes to the Consolidated Financial Statements for the year ended 31 July 2015 continued

13 Investments continued

(b) Interest in joint ventures and associates

	31 July 2015 £'000	31 July 2014 £'000
Investments in joint ventures and associates comprise:		
Carrying amount at 1 August	–	363
Acquisition of associate	210	(349)
Share of net profit of associates	41	(14)
Dividends received from associates	(47)	–
Interest in joint ventures and associates	204	–

The Group has not recognised losses amounting to £nil (2014: £2,000) for YouGov Centaur LLP.

At 31 July 2015 the Group had interests in the following joint ventures and associates:

	Investment	Country of incorporation	Class of share capital held	Proportion held: By parent company	Proportion held: By the Group	Nature of the business	Financial year end
YouGovCentaur LLP	Joint Venture	England	Ordinary	50%	50%	Not trading	30 June
Portent.io Limited	Associate	England	Ordinary	25%	25%	Market research	31 October
SMG Insight Limited	Associate	England	Ordinary	20%	20%	Market research	31 March

The Group's share of the revenue and operating loss and assets and liabilities of joint ventures and associates are:

	CoEditor Limited		YouGovCentaur LLP		SMG Insight Limited		Portent.io Limited	
	31 July 2015 £'000	31 July 2014 £'000	31 July 2015 £'000	31 July 2014 £'000	31 July 2015 £'000	31 July 2014 £'000	31 July 2015 £'000	31 July 2014 £'000
Revenue	–	–	–	–	319	171	–	–
Profit/(Loss) after tax	–	(14)	–	(2)	88	55	(16)	–
Non-current assets	–	–	–	–	2	2	–	–
Current assets	–	–	18	42	60	32	21	–
Current liabilities	–	–	(18)	(162)	(50)	(34)	–	–
Non-current liabilities	–	–	–	–	(2)	–	–	–
Net assets/(liabilities)	–	–	–	(120)	10	–	21	–

14 Trade and other receivables

	31 July 2015 £'000	31 July 2014 £'000
Trade receivables	**13,957**	13,547
Other receivables	**1,056**	786
Prepayments and accrued income	**7,729**	7,584
	22,742	21,917
Provision for trade receivables	**(235)**	(230)
	22,507	21,687

The Directors consider that the carrying amount of trade and other receivables approximate to their fair value.

As at 31 July 2015, trade receivables of £7,408,000 (2014: £6,081,000) were overdue but not impaired. These relate to a number of customers for which there is no recent history of default or any other indication that the receivable should not be fully collectable. The ageing analysis of past due trade receivables which are not impaired is as follows:

	31 July 2015 £'000	31 July 2014 £'000
Up to three months overdue	**3,846**	4,206
Three to six months overdue	**2,186**	960
Six months to one year overdue	**954**	603
More than one year overdue	**422**	312
	7,408	6,081

Movement on the Group provision for impairment of trade receivables is as follows:

	2015 £'000	2014 £'000
Provision for receivables impairment at 1 August	**230**	150
Provision created in the year	**189**	201
Provision utilised in the year	**(194)**	(109)
Exchange differences	**10**	(12)
Provision for receivables impairment at 31 July	**235**	230

The creation and release of the provision for impaired receivables has been included in the consolidated income statement. The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

The average length of time taken by customers to settle receivables is 56 days (2014: 64 days). Concentrations of credit risk do exist with certain clients with which we have trading relationships but none has a history of default and all command a certain stature within the marketplace which minimises any potential risk of default. Material balances (defined as greater than £250,000 (2014: greater than £250,000)) represent 28% of trade receivables (2014: 26%).

At 31 July 2015, £397,000 (2014: £474,000) of the trade and other receivables of YouGov Nordic and Baltic A/S were used as security against a loan and revolving overdraft facility held by YouGov Nordic and Baltic A/S.

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Notes to the Consolidated Financial Statements for the year ended 31 July 2015 continued

15 Cash and cash equivalents

	31 July 2015 £'000	31 July 2014 £'000
Cash at bank and in hand	**10,017**	7,429
Cash and cash equivalents (excluding bank overdrafts)	**10,017**	7,429

Cash and cash equivalents are held at either variable rates or at rates fixed for periods of no longer than three months.

Cash and cash equivalents include the following for the purposes of the cash flows:

	31 July 2015 £'000	31 July 2014 £'000
Cash and cash equivalents	**10,017**	7,429
Bank overdrafts	**–**	(184)
Cash and cash equivalents including overdrafts	**10,017**	7,245

Bank overdrafts are denominated in Danish Krone and bear interest at 4.65% (2014: 3.5%).

16 Trade and other payables

	31 July 2015 £'000	31 July 2014 £'000
Trade payables	**2,354**	3,102
Accruals and deferred income	**13,574**	12,252
Other payables	**3,114**	2,176
	19,042	17,530

Included within other creditors are £45,000 (2014: £28,000) of contributions due in respect of defined contribution pension schemes.

17 Contingent consideration

	Definitive Insights £'000	Decision Fuel £'000	Total £'000
At 1 August 2013	551	–	551
Settled during the year	(314)	(18)	(332)
Provided during the year	92	189	281
Discount unwinding	18	1	19
Foreign exchange differences	(49)	(3)	(52)
Balance at 31 July 2014	**298**	**169**	**467**
Included within current liabilities	298	–	298
Included within non-current liabilities	–	169	169
Settled during the year	**(330)**	**–**	**(330)**
Released during the year	**–**	**(133)**	**(133)**
Discount unwinding	**8**	**–**	**8**
Foreign exchange differences	**24**	**–**	**24**
Balance at 31 July 2015	**–**	**36**	**36**
Included within current liabilities	**–**	**–**	**–**
Included within non-current liabilities	**–**	**36**	**36**

18 Provisions for other liabilities and charges

	Panel incentives £'000	Staff gratuity £'000	Total £'000
At 31 August 2013	3,229	278	3,507
Provided during the year	4,930	131	5,061
Utilised during the year	(4,529)	(77)	(4,606)
Released during the year	–	(10)	(10)
Discount unwinding	13	–	13
Foreign exchange differences	(125)	(29)	(154)
Balance at 31 July 2014	**3,518**	**293**	**3,811**
Included within current liabilities	3,127	–	3,127
Included within non-current liabilities	391	293	684
Provided during the year	**5,396**	**140**	**5,536**
Utilised during the year	**(4,869)**	**(143)**	**(5,012)**
Released during the year	**–**	**(6)**	**(6)**
Discount unwinding	**25**	**–**	**25**
Foreign exchange differences	**(29)**	**25**	**(4)**
Balance at 31 July 2015	**4,041**	**309**	**4,350**
Included within current liabilities	**3,665**	**–**	**3,665**
Included within non-current liabilities	**376**	**309**	**685**

The panel incentive provision represents the Directors' best estimate of the future liability in relation to the value of panel incentives that have accrued in the panellists' virtual accounts up to 31 July 2015. The provision of £4.0m represents 41% of the maximum potential liability of £10.0m (2014: £3.6m representing 37% of the total liability of £9.4m). The factors considered in estimating the appropriate percentage of the total potential liability to be provided against at each reporting date include: panel churn rates, panel activity rates, current redemption patterns and the time value of money.

The staff gratuity provision is a statutory obligation under UAE labour law, whereby each employee on termination of their contract is due a payment dependent upon their number of years' service and nature of the termination. The liability of £0.3m at 31 July 2015 (2014: £0.3m) represents the liability that the Group is obliged to pay as at the reporting date weighted against historical rates of resignation and redundancy.

Notes to the Consolidated Financial Statements for the year ended 31 July 2015 continued

19 Deferred tax assets and liabilities

Deferred tax asset	Intangible assets £'000	Property, plant and equipment £'000	Tax losses £'000	Other timing differences £'000	Total £'000
Balance at 1 August 2013	95	153	1,316	1,283	2,847
Recognised in the income statement	(31)	80	136	(378)	(193)
Recognised in other comprehensive income	–	–	124	–	124
Recognised in equity	–	–	–	501	501
Foreign exchange differences	–	(2)	(105)	(52)	(159)
Balance at 31 July 2014	**64**	**231**	**1,471**	**1,354**	**3,120**
Recognised in the income statement	**286**	**23**	**1,366**	**(445)**	**1,230**
Recognised in other comprehensive income	**–**	**–**	**(103)**	**–**	**(103)**
Recognised in equity	**–**	**–**	**–**	**275**	**275**
Foreign exchange differences	**1**	**(1)**	**(179)**	**61**	**(118)**
Balance at 31 July 2015	**351**	**253**	**2,555**	**1,245**	**4,404**

£1,052,000 of the above deferred tax assets are expected to be recovered within one year.

The deferred taxation asset in respect of income tax losses are broken down by jurisdiction as follows:

	31 July 2015 £'000	31 July 2014 £'000
UK	**296**	436
Nordic	**681**	670
Germany	**1,128**	–
USA	**167**	116
France	**146**	164
Asia Pacific	**137**	85
	2,555	1,471

Deferred tax assets have been recognised only to the extent where management budgets and forecasts show sufficient profits being generated to discharge these in the short term. Utilisation of tax losses is dependent upon future profits being generated.

Deferred tax liabilities	Intangible assets £'000	Other timing differences £'000	Total £'000
Balance at 1 August 2013	1,979	348	2,327
Acquired as a result of business combinations	71	–	71
Recognised in the income statement	(261)	(131)	(392)
Foreign exchange differences	(158)	(24)	(182)
Balance at 31 July 2014	**1,631**	**193**	**1,824**
Recognised in the income statement	**(65)**	**45**	**(20)**
Foreign exchange differences	**(55)**	**(24)**	**(79)**
Balance at 31 July 2015	**1,511**	**214**	**1,725**

£84,000 of the above deferred tax liabilities are expected to be recovered within one year.

19 Deferred tax assets and liabilities continued

The net movement on the deferred income tax account is as follows:

	2015 £'000	2014 £'000
Balance at 1 August	**1,296**	520
Acquisition of subsidiary	**–**	(71)
Recognised in the income statement	**1,250**	199
Recognised in other comprehensive income	**(103)**	124
Recognised in equity	**275**	501
Foreign exchange differences recognised in other comprehensive income	**(39)**	23
Balance at 31 July	**2,679**	1,296

20 Risk management objectives and policies

The Group is exposed to foreign currency, liquidity and interest rate risk, which result from both its operating and investing activities. The Group's risk management is co-ordinated in close co-operation with the Board of Directors, and focuses on actively securing the Group's short-to-medium-term cash flows by minimising the exposure to financial markets. The most significant financial risks to which the Group is exposed are described below. Also refer to the accounting policies.

Foreign currency risk

The Group is exposed to translation and transaction foreign exchange risk. The currencies where the Group is most exposed to volatility are US Dollars, Euro and UAE Dirham. Currently, the Group aims to align assets and liabilities in a particular market. The Group will continue to review its currency risk position as the overall business profile changes.

The presentational and transactional currency of the Group is considered to be UK Sterling.

Foreign currency denominated financial assets and liabilities, translated into UK Sterling at the closing rate are as follows:

	2015 £'000				2014 £'000			
	US $	Euro €	Dirham AED	Other currencies	US $	Euro €	Dirham AED	Other currencies
Financial assets	**14,949**	**5,266**	**1,064**	**3,120**	11,151	4,833	1,512	2,434
Financial liabilities	**(4,848)**	**(1,191)**	**(800)**	**(1,468)**	(3,801)	(1,204)	(314)	(1,294)
Short-term exposure	**10,101**	**4,075**	**264**	**1,652**	7,350	3,629	1,198	1,140
Financial assets	**–**	**–**	**–**	**–**	–	–	–	–
Financial liabilities	**(36)**	**(3)**	**–**	**–**	(169)	(23)	–	–
Long-term exposure	**(36)**	**(3)**	**–**	**–**	(169)	(23)	–	–

The effect of UK Sterling strengthening by 1% against our subsidiaries' functional currencies (US Dollar, Euro, UAE Dirham and other currencies) would have had the following impact upon translation:

	2015 £'000				2014 £'000			
	US $	Euro €	Dirham AED	Other currencies	US $	Euro €	Dirham AED	Other currencies
Net result for the year	**(16)**	**(16)**	**(3)**	**5**	(19)	2	(1)	10
Equity	**(55)**	**41**	**(43)**	**10**	(33)	44	(31)	(12)

If the UK Sterling had weakened by 1% against the US Dollar, Euro, UAE Dirham and other currencies the inverse of the impact above would apply.

The Group manages currency fluctuations as outlined in the Strategic Report on page 33.

FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements for the year ended 31 July 2015 continued

20 Risk management objectives and policies continued

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The Group currently has no general borrowing arrangement in place (although specific fixed value borrowings are held within the Group) and prepares cash flow forecasts which are reviewed at Board meetings to ensure liquidity.

As at 31 July 2015, the Group's liabilities have undiscounted contractual maturities which are summarised below:

	Current		Non-current	
At 31 July 2015	**Within 6 months £'000**	**6 to 12 months £'000**	**1–5 years £'000**	**Later than 5 years £'000**
Borrowings	**–**	**–**	**–**	**–**
Finance lease liabilities	**9**	**9**	**3**	**–**
Trade and other payables	**5,271**	**179**	**–**	**–**
Contingent consideration	**–**	**–**	**36**	**–**

This compares to the maturity of the Group's financial liabilities in the previous reporting period as follows:

	Current		Non-current	
At 31 July 2014	Within 6 months £'000	6 to 12 months £'000	1–5 years £'000	Later than 5 years £'000
Borrowings	184	–	–	–
Finance lease liabilities	13	13	22	–
Trade and other payables	5,202	50	–	–
Contingent consideration	–	298	169	–

The Group has sufficient financial risk management policies in place to ensure that all trade payables are settled within the respective credit period.

Capital risk management

The Group manages its capital to ensure that all entities within the Group are able to continue as a going concern. The Board has taken the decision at this stage to minimise external debt, whilst trying to maximise earnings from the cash currently held. Capital consists of the following items:

	31 July 2015 £'000	31 July 2014 £'000
Borrowings (bank overdraft)	**–**	(184)
Cash and cash equivalents	**10,017**	7,429
Equity attributable to shareholders of the parent company	**(61,595)**	(57,929)
	(51,578)	(50,684)

The Group has no externally imposed capital requirements.

Interest rate risk

The Group manages its interest rate risk by negotiating fixed interest rates on deposits for periods of up to three months. The average cash and cash equivalents balance, net of bank overdrafts, over the course of the year was £4.5m (2014: £4.6m). Management does not believe that the Group is subject to interest rate risk.

20 Risk management objectives and policies continued

Fair values of financial assets and financial liabilities

Where market values are not available, fair values of financial assets and financial liabilities have been calculated by discounting expected future cash flows at prevailing interest rates and by applying year end foreign exchange rates.

Primary financial instruments held or issued to finance the Group's operations:

	31 July 2015		31 July 2014	
	Book value £'000	Fair value £'000	Book value £'000	Fair value £'000
Trade and other receivables	**21,303**	**21,303**	20,614	20,614
Cash and cash equivalents	**10,017**	**10,017**	7,429	7,429
Trade and other payables	**(13,093)**	**(13,093)**	(11,455)	(11,455)
Bank overdrafts	**–**	**–**	(184)	(184)
Contingent consideration				
– Non-current	**(36)**	**(36)**	(169)	(169)
– Current	**–**	**–**	(298)	(298)

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	31 July 2015 £'000				31 July 2014 £'000			
Liabilities	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Contingent consideration	**–**	**–**	**36**	**36**	–	–	467	467

The following table presents the changes in Level 3 instruments.

Contingent consideration	2015 £'000	2014 £'000
Balance at 1 August	**467**	551
Acquisition of Decision Fuel	**–**	26
Recognised in the income statement	**(125)**	271
Recognised in other comprehensive income	**24**	(49)
Settled	**(330)**	(332)
Balance at 31 July	**36**	467

Notes to the Consolidated Financial Statements for the year ended 31 July 2015 continued

21 Share capital and share premium

The Company only has one class of share. Par value of each Ordinary Share is 0.2p. All issued shares are fully paid.

	Number of shares	Share capital £'000	Share premium £'000	Total £'000
At 1 August 2013	97,203,212	195	30,961	31,156
Issue of shares	2,105,742	4	53	57
At 31 July 2014	**99,308,954**	**199**	**31,014**	**31,213**
Issue of shares	**3,541,500**	**7**	**37**	**44**
At 31 July 2015	**102,850,454**	**206**	**31,051**	**31,257**

Share issued in the year includes 1,810,226 shares issued in consideration for the acquisition of Doughty Media 2 Limited.

22 Share-based payments

The charge in relation to the share-based payments in the year ended 31 July 2015 was £669,000 (2014: £547,000). Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

	2015 WAEP		2014 WAEP	
Approved share option scheme	**Number**	**£**	Number	£
Outstanding at the beginning of the year	**60,721**	**1.645**	105,056	1.027
Granted during the year	**–**	**–**	–	–
Exercised during the year	**–**	**–**	(44,335)	0.180
Forfeited during the year	**–**	**–**	–	–
Outstanding at the end of the year	**60,721**	**1.645**	60,721	1.645
Exercisable at the end of the year	**60,721**	**1.645**	60,721	1.645

	2015 WAEP		2014 WAEP	
Unapproved share option scheme	**Number**	**£**	Number	£
Outstanding at the beginning of the year	**117,635**	**0.423**	326,835	0.286
Granted during the year	**–**	**–**	–	–
Exercised during the year	**(14,643)**	**0.199**	(209,200)	0.188
Forfeited during the year	**(63,517)**	**0.096**	–	–
Outstanding at the end of the year	**39,475**	**1.053**	117,635	0.423
Exercisable at the end of the year	**39,475**	**1.053**	117,635	0.423

Share options exercised in the current financial year were exercised at prices of £0.199 (2014: between £0.180 and £0.188). The weighted average share price at the dates of exercise was £1.053 (2014: £0.925).

The options outstanding under the approved and unapproved share option schemes as at 31 July 2015 and 31 July 2014 have the following average exercise prices and expire in the following financial years.

Expiry	**Exercise price £**	**2015 Number**	2014 Number
31 July 2017	**1.645**	**82,067**	82,067
31 August 2021*	**0.357**	**18,129**	96,289

*The Polimetrix options expire on a monthly basis up to and including August 2021.

Expiry dates as standard are seven years from the vesting date. Vesting criteria are time based and contingent on continued employment with YouGov rather than performance based. The charge in relation to share option schemes in the year ended 31 July 2015 was £nil (2014: £nil).

22 Share-based payments continued

During the year ended 31 July 2015, the Long Term Incentive Plan 2009 ("LTIP 2009") for Executive Directors, Senior Executives and senior managers continued to operate but no new awards were made under the LTIP 2009 as it has been replaced by two new incentive plans summarised below. The rules governing the LTIP 2009 are summarised in the Remuneration Report on page 43. The charge in relation to the LTIP 2009 in the year ended 31 July 2015 was £486,000 (2014: £479,000). This charge was valued using a Monte Carlo simulation.

	2015	**WAEP**	2014	WAEP
Long Term Incentive Plan 2009	**Number**	**£**	Number	£
Outstanding at the beginning of the year	**4,983,886**	**0.000**	5,006,952	0.000
Granted during the year	**–**	**–**	1,583,499	0.000
Exercised during the year	**(1,688,406)**	**0.000**	(1,535,826)	0.000
Forfeited during the year	**(222,571)**	**0.000**	(70,739)	0.000
Outstanding at the end of the year	**3,072,909**	**0.000**	4,983,886	0.000
Exercisable at the end of the year	**1,650,140**	**0.000**	1,287,524	0.000

The weighted average share price at the date LTIP 2009 options were exercised was £1.209.

During the year ended 31 July 2011, a Deferred Stock Scheme was introduced for Executive Directors and senior managers. The rules governing the Deferred Stock Scheme are summarised in the Remuneration Report on page 44. The charge in relation to the Deferred Stock Scheme in the year ended 31 July 2015 was £nil (2014: £68,000). This charge was valued using a Black-Scholes model.

	2015	**WAEP**	2014	WAEP
Deferred Stock Scheme 2010	**Number**	**£**	Number	£
Outstanding at the beginning of the year	**162,500**	**0.000**	1,425,000	0.000
Vested during the year	**–**	**–**	(1,262,500)	0.000
Forfeited during the year	**–**	**–**	–	–
Outstanding at the end of the year	**162,500**	**0.000**	162,500	0.000
Exercisable at the end of the year	**162,500**	**0.000**	–	–

During the year two new incentive plans were introduced: a new Long Term Incentive Plan ("LTIP 2014") for the Group's directors and senior managers and a new Deferred Share Bonus Plan ("DSBP 2014") for those managers not participating in the new LTIP.

Awards under the LTIP 2014 will be made in the form of nil-cost options as with the LTIP 2009. The maximum total number of shares to be awarded to each participant will be set based on their salary in the year ended 31 July 2015 and the share price at the start of the plan. These awards are expected to be granted in three equal tranches in October 2016, 2017 and 2018. Receipt of an award in each of those years will be dependent upon the achievement of specific and demanding personal targets set for that individual in the previous financial year. Vesting of awards will depend on the Company achieving stretching targets relating to compound growth in adjusted earnings per share ("EPS") over the five years ending 31 July 2019 and on improvement in its operating margins. Part of the Chief Executive Officer's award is also subject to a Total Shareholder Return ("TSR") condition, this part of the award will only vest if the EPS performance condition is met in full and the Company's TSR has grown by 200%. The maximum number of options that can be granted under this scheme is 6,383,000 and the charge in relation to the LTIP 2014 in the year ended 31 July 2015 was £117,000 (2014: £nil).

The DSBP 2014 delivers a portion of managers' (enhanced) annual bonus in shares which must be retained for a period of two years and are subject to continued employment. The charge in relation to the DSBP 2014 in the year ended 31 July 2015 was £66,000 (2014: £nil).

The aggregate profit and loss charge for share-based payments is disclosed in Note 2.

Notes to the Consolidated Financial Statements for the year ended 31 July 2015 continued

23 Leasing commitments

The future aggregate minimum lease rentals to be paid under non-cancellable operating leases at 31 July 2015 are as follows:

	31 July 2015		31 July 2014	
	Land and buildings £'000	**Other £'000**	Land and buildings £'000	Other £'000
In one year or less	**1,556**	**41**	1,339	39
Between one and five years	**4,571**	**29**	3,301	39
In five years or more	**1,965**	**–**	2,031	–
	8,092	**70**	6,671	78

24 Capital commitments

At 31 July 2015, the Group had capital commitments of £25,000 (2014: £40,000).

25 Major non-cash transactions

During the year the Group entered into barter transactions with parties in the Middle East, Germany and Asia Pacific with a total value of £653,000 (2014: £468,000) to exchange the provision of market research for advertising on television, on websites and in magazines.

In March 2015 £1,204,000 of contingent consideration in respect of the acquisition of Doughty Media 2 Limited was paid in YouGov Shares.

26 Transactions with Directors and other related parties

Other than emoluments and the transactions set out below there have been no transactions with Directors during the year.

During the prior year YouGov plc acquired 60% of Doughty Media 2 Limited from Stephan Shakespeare, an Executive Director of YouGov plc, for a purchase price of £744,000 which was paid in YouGov shares in March 2015 following the achievement of the performance criteria. Further details are disclosed in Note 9.

As at 31 July 2015 Rosamund Shakespeare, the wife of Stephan Shakespeare, held 559,404 ordinary shares in the Company.

During the year YouGov provided £72,000 of research services to SMG Insight Limited and was charged £90,000 for research services by SMG Insight Limited. As at 31 July 2015 £52,000 was receivable from SMG Insight Limited in respect of these services and £nil payable.

As at 31 July 2015 £70,000 was payable to Portent.io Limited in respect of unpaid share capital.

On 10 December 2013, YouGov plc entered into a joint development agreement with Crunch.io, a US company in which Doug Rivers, an Executive Director of YouGov plc, has an equity interest of 40%. YouGov and Crunch.io have agreed jointly to fund the development of a cloud-based data analytics software application in which both parties have usage rights. During the year Crunch.io recharged costs totalling £60,000 (2014: £183,000) to YouGov.

Trading between YouGov plc and group companies is excluded from the related party note as this has been eliminated on consolidation.

27 Events after the reporting period

No material events have taken place subsequent to the reporting date.

Independent Auditors' Report to the Members of YouGov plc on the Parent Company Financial Statements

Our opinion

In our opinion, YouGov plc's company financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 July 2015;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Accounts, comprise:

- the Company Balance Sheet as at 31 July 2015;
- the accounting policies for the year then ended; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

FINANCIAL STATEMENTS

Independent Auditors' Report to the Members of YouGov plc on the Parent Company Financial Statements continued

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 50, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matter

We have reported separately on the group financial statements of YouGov plc for the year ended 31 July 2015.

Julian Jenkins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

12 October 2015

Company Balance Sheet
as at 31 July 2015

	Note	**31 July 2015 £'000**	31 July 2014 £'000
Fixed assets			
Intangible assets	4	**880**	777
Tangible assets	5	**903**	683
Investments	6	**40,421**	41,085
		42,204	42,545
Current assets			
Debtors	7	**28,303**	27,733
Cash at bank and in hand		**3,553**	1,401
		31,856	29,134
Creditors: amounts falling due within one year	9	**(17,546)**	(14,855)
Net current assets		**14,310**	14,279
Total assets less current liabilities		**56,514**	56,824
Creditors: amounts falling due after more than one year			
Contingent consideration		**(36)**	(169)
Provision for liabilities	10	**(2,485)**	(2,189)
		(2,521)	(2,358)
Net assets		**53,993**	54,466
Capital and reserves			
Called up share capital	12	**206**	199
Share premium account	12	**31,051**	31,014
Merger reserve	11	**9,239**	9,239
Profit and loss account	11	**13,497**	14,014
Total Shareholders' funds	11	**53,993**	54,466

The accounting policies and notes on pages 98 to 106 form an integral part of these financial statements.

The financial statements on pages 97 to 106 were approved by the Board of Directors on 12 October 2015, and signed on its behalf by:

Alan Newman
Chief Financial Officer

12 October 2015

Accounting Policies for the year ended 31 July 2015

Basis of preparation

The separate financial statements of the Company are drawn up in accordance with the Companies Act 2006 and applicable accounting standards drawn from UK generally accepted accounting principles (UK GAAP). The financial statements are prepared under the historical cost convention modified for fair values and on the going concern basis.

The Company has also taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 "Cash Flow Statement (revised 1996)". The cash flows of the Company are disclosed as part of the consolidated cash flow statement within the consolidated financial statements.

The particular accounting policies adopted are detailed below. They have all been applied consistently throughout the current year and the prior year.

Related parties

The Company has taken advantage of the exemption contained in FRS8 "Related party disclosures" and has not reported transactions with fellow Group undertakings. Further details are included in Note 26 of the consolidated financial statements.

Panel incentive costs

The Company invites consumer panel members to fill out surveys for a cash or points based incentive. Although these amounts are not paid until a pre-determined target value has accrued on a panellist's account, an assessment of incentives likely to be paid is made and is recognised as a cost of sale in the period in which the service is provided. This assessment now takes into account the likely savings expected from the prize draw.

Share-based payments

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

Where equity-settled share-based payments relate to employees of the Company these are ultimately recognised as an expense in the profit and loss account with a corresponding credit to the profit and loss reserve. Where equity-settled share-based payments relate to employees of subsidiaries of the Company these are treated as a capital contribution, increasing the value of the investment in the subsidiary with a corresponding credit to the profit and loss reserve.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options that have vested are not exercised.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

Intangible fixed assets

Panel acquisition costs reflect the direct, external cost of recruiting new panel members. A formula based on panel churn for the preceding 12 months determines the element which is enhancement and that which is maintenance. Only enhancement is capitalised as cost to the Company less accumulated amortisation. Amortisation is charged so as to write off the panel acquisition costs over three years, this being the Directors' estimate of the average active life of a panel member.

Trademark costs reflect the direct cost of trademarks acquired to protect the YouGov brand and its products. Amortisation is not charged as trademarks are infinite in their longevity. The Company conducts an annual impairment review to ensure all trademarks are carried at appropriate values.

Tangible fixed assets

Tangible fixed assets are stated at cost of the original purchase or development, net of accumulated depreciation and any provision for impairment.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by annual instalments over their estimated useful economic lives. The rates generally applicable are:

Leasehold property and improvements	Life of the lease
Fixtures and fittings on a reducing balance basis	25%
Computer software and hardware on a straight-line basis	33%
Software development costs on a straight-line basis	33%

Costs that are directly attributable to the development of new business application software and which are incurred during the period prior to the date the software is placed into operational use are capitalised as software development costs. External costs and internal costs are capitalised to the extent they generate future economic benefit for the business, whilst internal costs are only capitalised if they are incremental to the Group. Once the new business application software is operational it is depreciated at the rates set out in the above table.

Research and development

Research expenditure is charged to profits in the period in which it is incurred. Software development costs incurred on specific projects are recognised to the extent that they comply with the requirements of SSAP 13, i.e. when recoverability can be assessed with reasonable certainty and amortised in line with the expected sales arising from the projects. All other development costs are written off in the year of expenditure.

Investments

Investments are included at cost less provisions for impairment. At each balance sheet date, the Directors review the carrying values of its investments to determine whether there is any indication that the assets have suffered an impairment loss. Whenever there is an indication that the asset may be impaired an impairment loss is recognised immediately in the profit and loss account.

Leased assets – operating leases

Operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. The deferred tax provision is held at its current value and not discounted.

Financial assets

Financial assets are divided into the following categories: loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which they were acquired.

All financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated income statement within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the consolidated income statement.

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Accounting Policies for the year ended 31 July 2015 continued

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables and other financial assets are classified as loans and receivables. Loans and receivables are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the consolidated income statement.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Provision against trade receivables is made when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

An assessment for impairment is undertaken at least at each reporting date.

A financial asset is derecognised only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Company retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the Company transfers substantially all the risks and rewards of ownership of the asset, or if the Company neither retains nor transfers substantially all the risks and rewards if ownership but does transfer control of that asset.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method. Financial liabilities are assigned to the different categories by management on initial recognition, depending on the purpose for which they were acquired.

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Company becomes a party to the contractual provisions of the instrument.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Borrowings and lease liabilities are initially recorded at the fair value which is typically the proceeds received, net of any issue costs and subsequently carried at amortised cost. Finance charges are accounted for on an effective interest method and are added to the carrying value of the instrument to the extent that they are not settled in the period in which they arise.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

Notes to the Company Financial Statements for the year ended 31 July 2015

1 Profit of parent company

The parent company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent company's loss for the year was £882,000 (2014: profit of £1,537,000). This includes audit fees for the Company of £24,000 (2014: £23,000).

2 Staff numbers and costs

Staff costs (including Directors) charged to administrative expenses during the year were as follows:

	2015 £'000	2014 £'000
Wages and salaries	**7,908**	6,662
Social security costs	**976**	808
Share-based payments (Note 13)	**308**	248
Pension costs	**268**	88
Other benefits	**1,773**	1,186
	11,233	8,992

The average monthly number of employees of the Company during the year was as follows:

	2015 Number	2014 Number
Key management personnel	**12**	10
Administration and operations	**160**	158
	172	168

Specific disclosures in relation to compensation for key management personnel (defined as Board and Divisional, Product and Function Heads) who held office during the year was as follows:

	2015 £'000	2014 £'000
Short-term employee benefits	**2,124**	1,464
Share-based payments	**247**	211
Pension costs	**60**	16
	2,431	1,691

Disclosure of Directors' remuneration including share options are included in the Remuneration Report on pages 42 to 46.

3 Dividend

On 15 December 2014, a final dividend in respect of the year ended 31 July 2014 of £804,000 (0.8p per share) (2013: £586,000 (0.6p per share)) was paid to shareholders. A dividend in respect of the year ended 31 July 2015 of 1.0p per share, amounting to a total dividend of £1,029,000 is to be proposed at the Annual General Meeting on 9 December 2015. These financial statements do not reflect this proposed dividend payable.

Notes to the Company Financial Statements for the year ended 31 July 2015 continued

4 Intangible assets

	Panel acquisition costs £'000	Trademarks £'000	Total £'000
Cost			
At 1 August 2014	1,183	129	1,312
Additions	458	1	459
At 31 July 2015	**1,641**	**130**	**1,771**
Accumulated amortisation			
At 1 August 2014	535	–	535
Provided in the year	356	–	356
At 31 July 2015	**891**	**–**	**891**
Net book amount at 31 July 2015	**750**	**130**	**880**
Net book amount at 31 July 2014	648	129	777

5 Tangible assets

	Fixtures and fittings £'000	Computer software and hardware £'000	Leasehold property and improvements £'000	Total £'000
Cost				
At 1 August 2014	402	761	580	1,743
Additions	88	407	9	504
Disposals	–	(35)	–	(35)
At 31 July 2015	**490**	**1,133**	**589**	**2,212**
Accumulated depreciation				
At 1 August 2014	292	575	193	1,060
Provided in the year	38	164	82	284
Disposals	–	(35)	–	(35)
At 31 July 2015	**330**	**704**	**275**	**1,309**
Net book amount at 31 July 2015	**160**	**429**	**314**	**903**
Net book amount at 31 July 2014	110	186	387	683

6 Fixed assets investments

Total fixed asset investments comprise:

	Interest in subsidiaries £'000	Interest in joint ventures and associates £'000	Capital contributions arising from share-based payments £'000	Total £'000
At 1 August 2014	38,965	–	2,120	41,085
Additions in respect of existing subsidiaries	1	–	–	1
Share-based payments charge	–	–	361	361
Charge to subsidiaries for shares vesting	–	–	(871)	(871)
Contingent consideration treated as staff cost in subsidiaries	(123)	–	(242)	(365)
Investment in associate	–	210	–	210
At 31 July 2015	**38,843**	**210**	**1,368**	**40,421**

The value of investments is determined on the basis of the cost to the Company. The Directors believe that the carrying value of the investments is supported by their underlying net assets.

The Company's principal trading subsidiaries and joint ventures are listed in Note 13 of the consolidated financial statements.

7 Debtors

	31 July 2015 £'000	31 July 2014 £'000
Trade debtors	**3,896**	4,465
Amounts owed by Group undertakings	**20,876**	19,529
Amounts owed by associates and investments	**39**	35
Other debtors	**117**	125
Deferred taxation (Note 8)	**1,131**	1,237
Prepayments and accrued income	**2,244**	2,342
	28,303	27,733

Amounts owed by Group undertakings are unsecured, have no fixed date of payment and are repayable on demand.

8 Deferred taxation assets

	Property, plant and equipment £'000	Tax losses £'000	Other timing differences £'000	Total £'000
Balance at 1 August 2013	58	213	935	1,206
Recognised in the income statement	32	168	(169)	31
Balance at 31 July 2014	**90**	**381**	**766**	**1,237**
Recognised in the income statement	**52**	**47**	**(107)**	**(8)**
Tax losses surrendered	**–**	**(98)**	**–**	**(98)**
Balance at 31 July 2015	**142**	**330**	**659**	**1,131**

None of the above deferred tax assets are expected to be recovered within one year.

9 Creditors: amounts falling due within one year

	31 July 2015 £'000	31 July 2014 £'000
Trade creditors	**784**	816
Amounts owed to Group undertakings	**11,146**	8,098
Amounts owed to Associates and Investments	**70**	46
Taxation and social security	**1,317**	1,058
Other creditors	**78**	127
Accruals and deferred income	**4,151**	4,710
	17,546	14,855

Amounts owed to Group undertakings includes an interest bearing loan of £5,681,000 (2014: £5,472,000), other amounts owed to Group undertakings are unsecured, have no fixed date of payment and are repayable on demand. Included within other creditors are £45,000 (2014: £28,000) of contributions due in respect of a defined contribution pension scheme.

10 Provisions for liabilities

	Panel Incentives £'000
Balance at 1 August 2014	2,189
Provided during the year	2,847
Utilised during the year	(2,551)
Balance at 31 July 2015	**2,485**

FINANCIAL STATEMENTS

Notes to the Company Financial Statements for the year ended 31 July 2015 continued

11 Reconciliation of movements in shareholders' funds

	Called-up share capital £'000	Share premium £'000	Merger reserve £'000	Profit and loss account £'000	Total £'000
Balance at 31 July 2013	195	30,961	9,239	11,816	52,211
Changes in equity for 2014					
Profit for the year	–	–	–	1,537	1,537
Total recognised income for the year	–	–	–	1,537	1,537
Issue of shares	4	53	–	–	57
Dividends paid	–	–	–	(586)	(586)
Consideration for purchase of subsidiary	–	–	–	700	700
Share-based payments	–	–	–	547	547
Balance at 31 July 2014	**199**	**31,014**	**9,239**	**14,014**	**54,466**
Changes in equity for 2015					
Loss for the year	**–**	**–**	**–**	**(882)**	**(882)**
Total recognised income for the year	**–**	**–**	**–**	**(882)**	**(882)**
Issue of shares	**3**	**37**	**–**	**–**	**40**
Dividends paid	**–**	**–**	**–**	**(804)**	**(804)**
Consideration for purchase of subsidiary	**4**	**–**	**–**	**500**	**504**
Share-based payments	**–**	**–**	**–**	**669**	**669**
Balance at 31 July 2015	**206**	**31,051**	**9,239**	**13,497**	**53,993**

12 Called up share capital

The Company only has one class of share. Par value of each Ordinary Share is 0.2p. All issued shares are fully paid.

	Number of shares	Called up share capital £'000	Share premium account £'000	Total £'000
At 31 July 2013	97,203,212	195	30,961	31,156
Issue of shares	2,105,742	4	53	57
At 31 July 2014	**99,308,954**	**199**	**31,014**	**31,213**
Issue of shares	**3,541,500**	**7**	**37**	**44**
At 31 July 2015	**102,850,454**	**206**	**31,051**	**31,257**

Share issued in the year includes 1,810,226 shares issued in consideration for the acquisition of Doughty Media 2 Limited.

13 Share-based payments

The charge included in the profit and loss account of the Company is £308,000 (2014: £248,000). The increase in investment in respect of subsidiaries is £361,000 (2014: £298,000).

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

	2015 WAEP		2014 WAEP	
Approved share option scheme	**Number**	**£**	Number	£
Outstanding at the beginning of the year	**60,721**	**1.645**	105,056	1.027
Granted during the year	**–**	**–**	–	–
Exercised during the year	**–**	**–**	(44,335)	0.180
Forfeited during the year	**–**	**–**	–	–
Outstanding at the end of the year	**60,721**	**1.645**	60,721	1.645
Exercisable at the end of the year	**60,721**	**1.645**	60,721	1.645

13 Share-based payments continued

Unapproved share option scheme	2015 WAEP Number	£	2014 WAEP Number	£
Outstanding at the beginning of the year	**21,346**	**1.645**	21,346	1.645
Granted during the year	**–**	**–**	–	–
Exercised during the year	**–**	**–**	–	–
Forfeited during the year	**–**	**–**	–	–
Outstanding at the end of the year	**21,346**	**1.645**	21,346	1.645
Exercisable at the end of the year	**21,346**	**1.645**	21,346	1.645

The options outstanding under the approved and unapproved share option schemes as at 31 July 2015 and 31 July 2014, have the following average exercise prices and expire in the following financial years.

Expiry	Exercise price £	2015 Number	2014 Number
31 July 2017	**1.645**	**82,067**	82,067

Expiry dates as standard are seven years from the vesting date. Vesting criteria are time based and contingent on continued employment with YouGov rather than performance based.

During the year ended 31 July 2015, the Long Term Incentive Plan 2009 ("LTIP 2009") for Executive Directors, Senior Executives and senior managers continued to operate but no new awards were made under the LTIP 2009 as it has been replaced by two new incentive plans summarised below. The charge in relation to the LTIP 2009 in the year ended 31 July 2015 was £216,000 (2014: £218,000). Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

Long Term Incentive Plan 2009	2015 WAEP Number	£	2014 WAEP Number	£
Outstanding at the beginning of the year	**2,750,402**	**0.000**	2,674,544	0.000
Granted during the year	**–**	**–**	674,882	0.000
Exercised during the year	**(613,870)**	**0.000**	(597,295)	0.000
Forfeited during the year	**(118,961)**	**0.000**	(1,729)	0.000
Outstanding at the end of the year	**2,017,571**	**0.000**	2,750,402	0.000
Exercisable at the end of the year	**1,400,384**	**0.000**	1,117,312	0.000

The weighted average share price at the dates options were exercised was £1.21.

During the year ended 31 July 2011, a Deferred Stock Scheme was introduced for Executive Directors and senior managers. The charge in relation to the deferred bonus plan in the year ended 31 July 2015 was £nil (2014: £30,000). Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

Deferred Stock Scheme 2010	2015 WAEP Number	£	2014 WAEP Number	£
Outstanding at the beginning of the year	**162,500**	**0.000**	637,500	0.000
Vested during the year	**–**	**–**	(475,000)	0.000
Outstanding at the end of the year	**162,500**	**0.000**	162,500	0.000
Exercisable at the end of the year	**162,500**	**0.000**	–	–

FINANCIAL STATEMENTS

Notes to the Company Financial Statements for the year ended 31 July 2015 continued

13 Share-based payments continued

During the year two new incentive plans were introduced: a new Long Term Incentive Plan ("LTIP 2014") for the Group's directors and senior managers and a new Deferred Share Bonus Plan ("DSBP 2014") for those managers not participating in the new LTIP.

Awards under the LTIP 2014 will be made in the form of nil-cost options as with the LTIP 2009. The maximum total number of shares to be awarded to each participant will be set based on their salary in the year ended 31 July 2015 and the share price at the start of the plan. These awards are expected to be granted in three equal tranches in October 2016, 2017 and 2018. Receipt of an award in each of those years will be dependent upon the achievement of specific and demanding personal targets set for that individual in the previous financial year. Vesting of awards will depend on the Company achieving stretching targets relating to compound growth in adjusted earnings per share ("EPS") over the five years ending 31 July 2019 and on improvement in its operating margins. Part of the Chief Executive Officer's award is also subject to a Total Shareholder Return ("TSR") condition, this part of the award will only vest if the EPS performance condition is met in full and the Company's TSR has grown by 200%. The maximum number of options that can be granted under this scheme is 6,383,000 and the charge in relation to the LTIP 2014 in the year ended 31 July 2015 was £64,000 (2014: £nil).

The DSBP 2014 delivers a portion of managers' (enhanced) annual bonus in shares which must be retained for a period of two years and are subject to continued employment. The charge in relation to the DSBP 2014 in the year ended 31 July 2015 was £28,000 (2014: £nil).

14 Leasing commitments

The Company at 31 July 2015 had annual commitments under non-cancellable operating leases expiring as follows:

	2015		2014	
	Land and buildings £'000	**Other £'000**	Land and buildings £'000	Other £'000
Within one year	**–**	**–**	–	4
Within two to five years	**–**	**–**	–	3
After five years	**497**	**–**	497	–
	497	**–**	497	7

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of YouGov plc will be held at 50 Featherstone Street, London EC1Y 8RT on Wednesday 9 December 2015 at 12.30pm to consider and, if thought fit, pass the resolutions below.

Resolution 10 will be proposed as a Special Resolution. All other Resolutions will be proposed as Ordinary Resolutions.

Ordinary Resolutions

1. To receive the Company's annual accounts for the financial year ended 31 July 2015, together with the Directors' report and the auditors' report on those accounts.
2. To approve the Directors' remuneration report set out in the annual report and accounts for the financial year ended 31 July 2015.
3. To reappoint PricewaterhouseCoopers LLP as auditors to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which accounts are laid.
4. To authorise the Directors to fix the remuneration of the auditors.
5. To reappoint Stephan Shakespeare as a Director retiring by rotation in accordance with the Company's Articles of Association.
6. To reappoint Nick Jones as a Director retiring by rotation in accordance with the Company's Articles of Association.
7. To reappoint Rosemary Leith as a Director retiring by rotation in accordance with the Company's Articles of Association.
8. To declare a final dividend of 1.0p per ordinary share to be paid on Monday 14 December 2015 to those shareholders on the register of members as at Friday 4 December 2015.
9. To generally and unconditionally authorise the Directors (in substitution for all subsisting authorities to the extent unused, other than in respect of any allotments made pursuant to offers or agreements made prior to the passing of this resolution) for the purposes of section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company ("Shares") and grant rights to subscribe for, or to convert any security into, Shares ("Subscription or Conversion Rights") up to an aggregate nominal amount of £10,285.05 provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on 31 December 2016, whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require Shares to be allotted or Subscription or Conversion Rights to be granted after such expiry and the Directors may allot Shares and grant Subscription or Conversion Rights in pursuance of any such offer or agreement as if this authority had not so expired.

To consider and, if thought fit, pass the following resolution which will be proposed as a Special Resolution:

Special Resolution

10. That conditional on the passing of Resolution 9 above, that the Directors be and are hereby empowered in accordance with section 570 and section 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of that Act) for cash, either pursuant to the authority conferred by Resolution 9 or by way of a sale of treasury shares, as if section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited to:

    (a) the allotment of equity securities in connection with an offer of such securities:

    (i) to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares; and

    (ii) to holders of other securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in or under the laws of any territory or the requirements of any regulatory body or any stock exchange; and

    (b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to an aggregate nominal amount of £10,285.05 and shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on 31 December 2016, whichever is the earlier, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offers or agreements as if the power conferred hereby had not expired.

By order of the Board

Tilly Heald
Company Secretary

12 October 2015

Registered Office:
50 Featherstone Street,
London EC1Y 8RT
Registered in England and Wales No. 3607311

ADDITIONAL INFORMATION

Annual General Meeting notes

Notes:

1. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Neville Registrars, at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA.
2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Neville Registrars, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA no later than 12.30pm on Monday 7 December 2015.
3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 6 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
4. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, to be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 6.00pm on Monday 7 December 2015 (or, in the event of any adjournment, 6.00pm on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
6. 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 the specifications of Euroclear UK & Ireland Limited (the operator of the CREST system), and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is 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 issuer's agent (ID 7RA11) by 12.30pm on Monday 7 December 2015. 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 Application Host) from which the issuer'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.
7. 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 message. 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, 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 system service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
8. 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.
9. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that: (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above.

Explanatory Notes to the Notice of Annual General Meeting

Resolution 10 (Statutory pre-emption rights)

Under section 561 of the Companies Act 2006, when new shares are allotted, they must first be offered to existing shareholders pro-rata to their holdings. This Special Resolution renews the authorities previously granted to the Directors to: (a) allot shares of the Company in connection with a rights issue or other pre-emptive offer; and (b) otherwise allot shares of the Company, or sell treasury shares for cash, up to an aggregate nominal value of £10,285.05 (representing in accordance with institutional investor guidelines, approximately 5% of the share capital in issue as at 20 October 2015 (being the last practicable date prior to the publication of this notice)) as if the pre-emption rights of Section 561 did not apply. The authority granted by this resolution shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on 31 December 2016, whichever is the earlier.

The notes above give an explanation of the proposed Resolutions. Resolutions 1 to 9 are proposed as Ordinary Resolutions. This means that for each of those Resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolution 10 is proposed as a Special Resolution. This means that for each Resolution to be passed, at least three-quarters of the votes cast must be in favour of the Resolution.

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