Annual Report and Accounts 2014

What the world thinks

Fifteen years ago, YouGov began life as a challenger to the market research industry with a revolutionary methodology. We grew internationally by acquisitions, and needed a period to integrate them to become a more efficient organisation.

Today we are entering our next phase. We have a powerful brand, a global platform and now are developing a new technology and approach to data collection and analysis which will allow YouGov to fulfil its mission as a true Internet company.

Contents

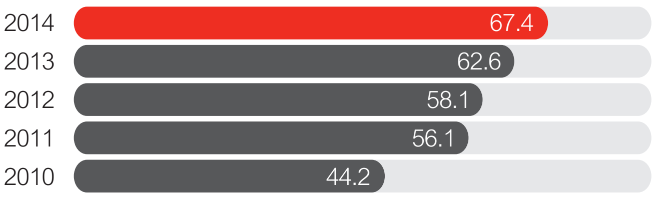
yougov.com

Operational highlights

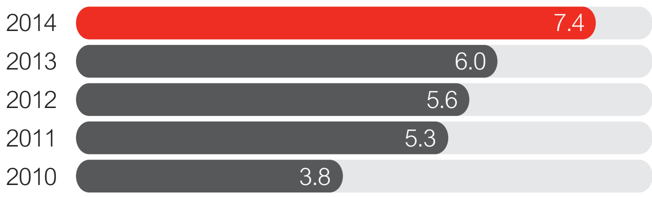
- Group revenue increased by 8% (10% in constant currency terms)
- Adjusted operating profit up by 24%
- Adjusted profit before tax up by 12%
- Adjusted earnings per share up by 11%
- Cash generated from operations (before paying interest and tax) increased to £8.9m (2013: £6.9m)
- Excellent cash conversion of 120% of adjusted operating profit (2013: 116%)
- Net cash balances of £7.2m (2013: £6.7m) after making £1.0m (2013: £2.0m) of acquisition related payments
- Recommended dividend increased by 33% to 0.8p per share
- Revenue from Data Products and Services up by 30%; now represents 29% of total (2013: 24%)
- BrandIndex revenue increased by 53% to £8.0m
- Omnibus revenue increased by 20% to £8.8m
- Revenue from Custom Research up by 1% to £47.7m
- Expanded into Asia Pacific through acquisition of Decision Fuel in January 2014
- Opigram service integrated with YouGov.com website, increasing site visits and amount of profile information
- New YouGov Profiles product developed and due to launch in November

Key financials

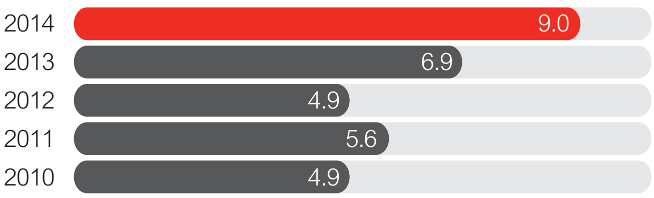
Turnover £m



Adjusted operating profit[1] £m

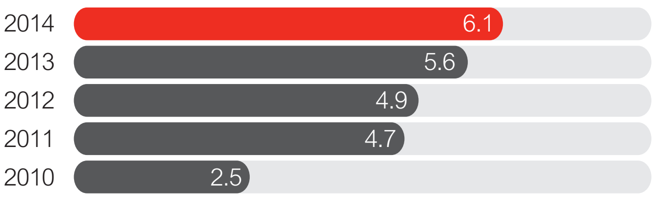


Operating cash generation £m



Adjusted profit before tax[1] £m

Adjusted earnings per share[1] pence



Statutory operating profit
£1.0m
(2013: £1.5m)

Statutory profit before tax
£0.7m
(2013: £1.5m)

1. Adjusted operating profit is defined as group operating profit before amortisation of intangibles, impairment charge and exceptional items. In the year to 31 July 2014, amortisation of intangibles was £4.0m (2013: £3.3m) and exceptional costs were £2.4m (2013: £1.2m). Adjusted profit before tax and earnings per share are calculated based on the adjusted operating profit.

YouGov at a glance

YouGov plc is an international full-service market research agency. Our core offering of opinion data is derived from our highly responsive panel of respondents. We combine this continuous stream of data with our deep research expertise and broad industry experience into a systematic research and marketing platform. This allows us to deliver data, 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.

Our suite of syndicated, proprietary data products includes: YouGov BrandIndex, the daily brand perception tracker; YouGov Reports which provide comprehensive market intelligence on a range of sectors; and YouGov Profiles, our new planning and segmentation tool. The market-leading YouGov Omnibus provides a fast and cost-effective service for obtaining answers to research questions from both national and selected samples.

Our custom research business conducts a wide range of quantitative and qualitative research, tailored by our specialist teams to meet our clients' specific requirements.

We have a panel of **3 million** people worldwide

Our panellists completed

18 million YouGov surveys

in the 12 months to 31 July 2014 (an increase of 6% over the previous year)

This year we served over **2,000** clients worldwide

24 offices worldwide, in **16 countries** covering the UK, Europe, the Nordics, the Middle East, Asia and the USA

591 employees worldwide

YouGov is the most quoted research company in the UK. In the last year, **YouGov** was quoted more than twice as often as any other market researcher in the UK.

YouGov was named one of the world's top 25 research companies by the respected Honomichl Global Top 25 Report 2013

An overview of our products and services

YouGov BrandIndex

Our daily brand perception tracker

YouGov's flagship brand intelligence service, YouGov BrandIndex, 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.

YouGov Profiles

Our new planning and segmentation tool

YouGov Profiles will improve the ability of marketers to understand the people and audiences that matter to them. It will enable media owners to identify potential advertisers and make more informed content and scheduling decisions so as to deliver the target audience that advertisers require.

YouGov Omnibus

Delivering next-day answers

The YouGov Omnibus is the perfect vehicle to find out, quickly and cost-effectively, people's opinions, attitudes and behaviours. Omnibus surveys are run daily, providing nationally representative responses to clients within a 48 hour turnaround (only 24 hours in the UK).

YouGov Pulse

Our new real-time digital behaviour tracker

YouGov Pulse enables brands and agencies to capture real-time, in-depth and actual online consumer behaviour across laptops, smartphones and tablets. Pulse makes it possible to understand the full picture of what consumers do online and the online journeys they experience.

YouGov Reports

Comprehensive market intelligence reports

The YouGov Reports division consists of market intelligence reports (previously called SixthSense reports), the HEAT economic confidence tracking study and specialist syndicated financial, media and technology trackers.

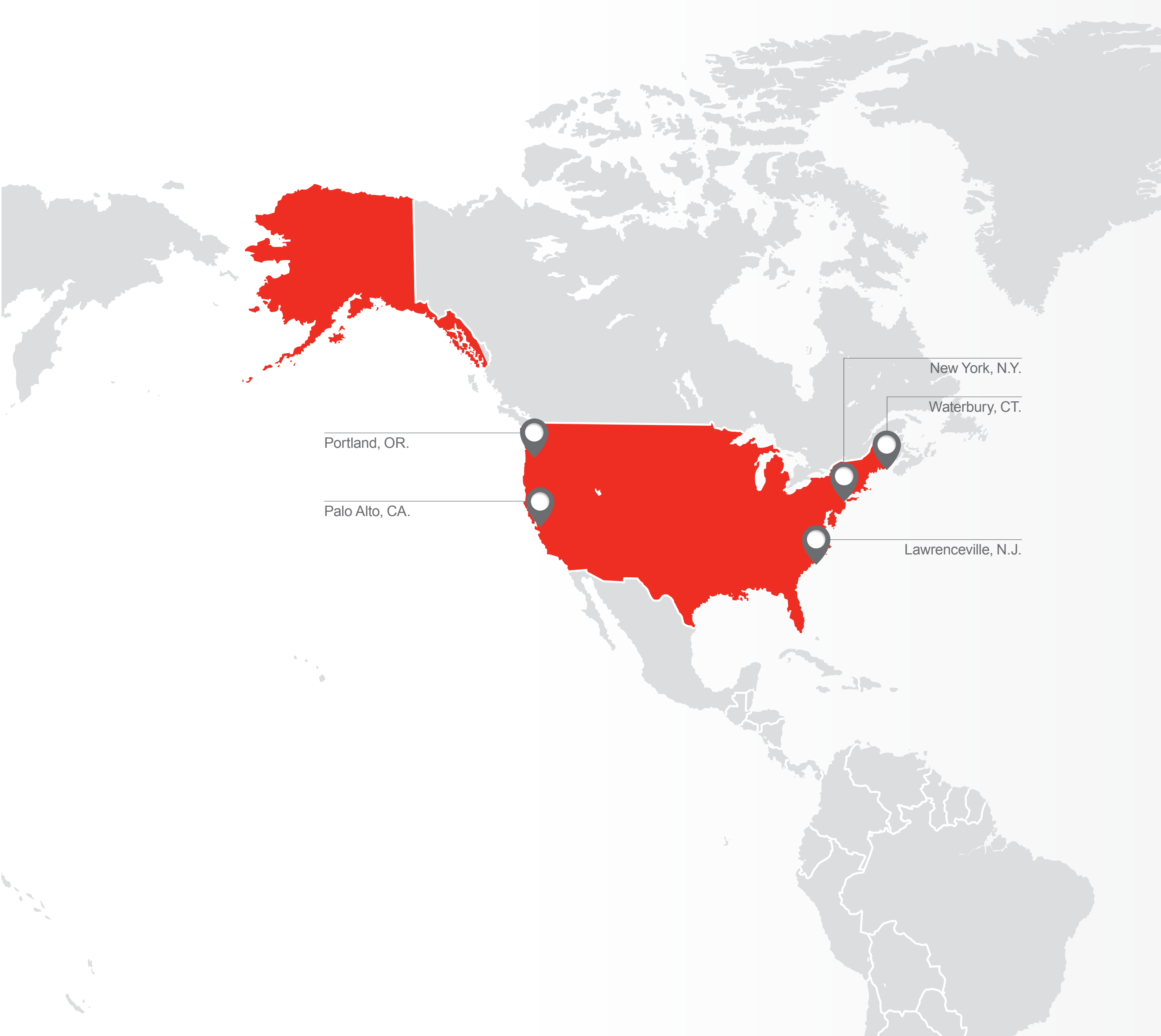
YouGov CustomResearch

Quantitative and qualitative research directed by our sector specialists

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. Our highly structured and codified profile data library (known as the YouGov Cube) allows us to enhance our custom offering by minimising the additional data collection required to answer clients' questions about the attitudes, behaviours and profiles of the population. Our expertise in combining custom research with syndicated data helps us to deliver a high degree of value for money to our clients.

Our key 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.

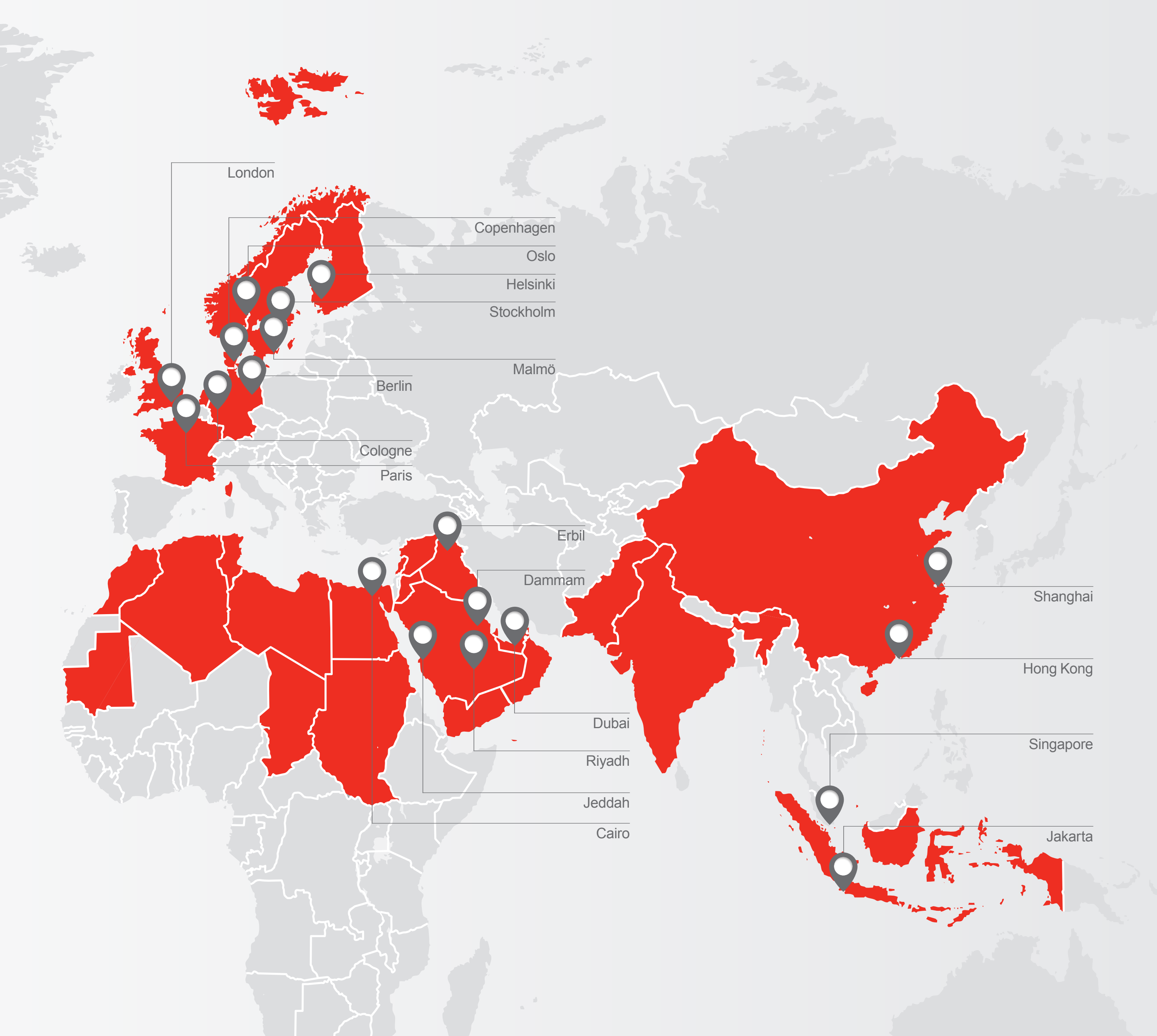
Our reach



YouGov has 24 offices worldwide, in 16 countries covering the UK, Europe, the Nordics, the Middle East, Asia and the USA.

In January 2014, YouGov acquired Decision Fuel (now YouGov Asia Pacific), gaining new offices in Hong Kong, Shanghai and Singapore (see page 23 for more detail on the acquisition). We have recently opened another office in Jakarta, Indonesia.

In the Middle East, we recently opened new offices in Cairo, Egypt and Erbil, Iraq.



YouGov has a proprietary panel of 3 million people across 33 countries.

We are rapidly growing our coverage in the Asia Pacific region and will soon have panels in Thailand and The Philippines, taking our reach to 35 countries.

Chairman's statement
for the year ended 31 July 2014

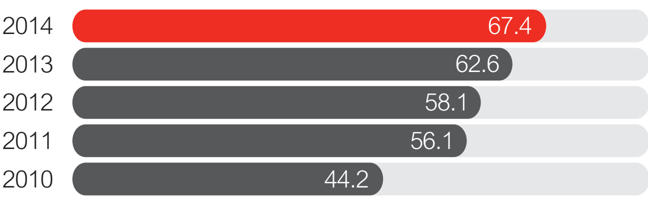
The year ended 31 July 2014 was another successful one for YouGov. We once again delivered organic revenue growth well ahead of the market research sector. We also took further strides towards the goal of our revenue from data products and services reaching parity with that from custom research services. We extended our geographic reach through the acquisition of Decision Fuel (since renamed YouGov Asia Pacific), which provides the Group with an operational base in China and South-East Asia. As the Board expected, the successful development of our business in line with our stated strategy fed through to strong growth in profits and earnings per share in the year (on an adjusted basis). We also generated a net cash inflow after funding acquisition-related payments and investments in panel, technology and other assets to support future business growth. This performance together with our continued healthy financial position enables the Board to recommend an increase of 33% in the dividend payable to shareholders.

YouGov revolutionised market research over a decade ago through our use of online data collection methods. We now aim to pioneer the development of a real-time and interactive dialogue with our panellists which, when combined with innovative data analytics, produces extremely rapid, accurate and valuable research insights for our clients. YouGov is increasingly becoming a true 'Internet company' in which panellists enjoy interacting with us online which enables us to produce data products that are valuable to businesses and other public and private organisations as well as to panellists themselves. We continue to develop our organisational structures and systems to enhance our operation as a company with outstanding digital skills, a famous worldwide brand and a unified offer of globally consistent and connected data products.

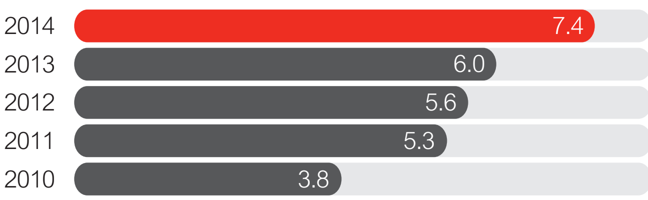
Based on this strategy, the Board has set ambitious goals for the Group with the aim of delivering substantial and consistent earnings growth. To support this, we are further developing the way that our business and its performance are managed and reported.

As previously announced, Sundip Chahal, the CEO of YouGov's Middle East and North Africa unit, was appointed in August 2014 to the newly created senior role of Chief Operating Officer, reporting to Stephan Shakespeare. He will be responsible for the continued scaling of the business globally, ensuring consistency of business processes and quality of client service delivery across the Group, as well as for overseeing the performance of the Group's geographic units.

Turnover £m



Adjusted operating profit[1] £m



> "This was another successful year for YouGov. We once again delivered organic revenue growth well ahead of the market research sector. We also took further strides towards the goal of our revenue from data products and services reaching parity with that from custom research services."

Consistent with our strategy, we are moving from our current approach of reporting performance mainly by geographic unit (which reflects past acquisitions), to a focus on consistent global products and services. To reflect this new focus, product and service segmental reporting has been introduced in the accompanying financial statements for 2013/14 as a supplementary analysis to the current geographical reporting. We intend to make it the primary analysis from 2014/15 onwards.

In the coming year, we will be concentrating our resources and headcount growth on sales, client service and analytics skills with the objective of driving revenues from data products and services and from custom research that integrates with the data generated from our panel.

The Board considers it essential for management and shareholder interests to be aligned around the creation of long-term value for shareholders. The Remuneration Committee has therefore approved a new Long Term Incentive Plan (LTIP) for the Group's Directors and senior managers, effective from 1 August 2014, which is designed to reward the participants for the achievement of highly demanding EPS growth targets over the five year period ending 31 July 2019. In addition to EPS growth, the vesting of LTIP benefits will require the Group to improve operating margins over the period and individual participants to meet specific personal goals. The Board believes that this balance of metrics will encourage the creation of long-term value and not just simply drive EPS growth, which is only one measure of success. The new stretch targets are significantly higher than those in place under the current LTIP. The terms of the new LTIP have been developed with advice received from Deloitte's remuneration consulting practice, and after consultation with Numis and several major shareholders.

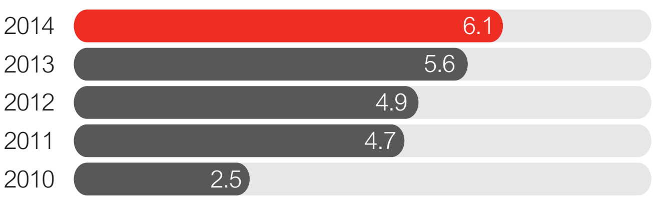
The Board expects the Group to make further investments in new technologies to accelerate the development of new data products and services, in particular of YouGov Profiles. Our focus will remain on achieving this organically although we will consider tactical acquisitions that support the delivery of our plans if the right opportunities arise.

We have started the current year well in terms of sales to new and existing clients. There is a clear understanding amongst the senior team of the very ambitious targets being set by the Board and detailed plans have been developed to support their achievement. The Board believes that we are well positioned to continue growing our share of the market research industry in a way that creates a more profitable and robust business.

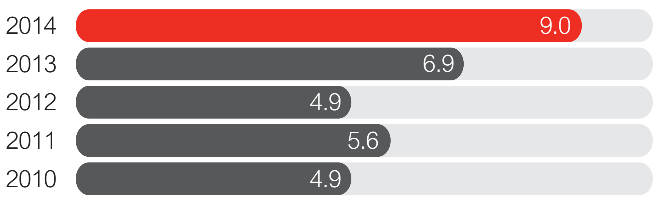
Roger Parry
Chairman

13 October 2014

Adjusted earnings per share[1] pence



Operating cash generation £m



1. Adjusted operating profit is defined as group operating profit before amortisation of intangibles, impairment charge and exceptional items. In the year to 31 July 2014, amortisation of intangibles was £4.0m (2013: £3.3m) and exceptional costs were £2.4m (2013: £1.2m). Adjusted profit before tax and earnings per share are calculated based on the adjusted operating profit.

Business model and strategy

Mission statement

It is YouGov's ambition to supply a live stream of continuous, accurate data and actionable insight into what people are thinking and doing all over the world, all of the time, so that companies, governments and institutions can better serve the people that sustain them.

Core 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 opinions polling. Our highly-responsive proprietary panel and strong reputation opened the doors for YouGov to expand quickly beyond the public service sector to much larger and more profitable commercial market research activity. YouGov's success was also boosted by our aptitude for developing innovative high-margin research products, and our sector expertise that addresses the strategic research needs of both large corporate and public sector organisations.

The key to our business is our panel. We have developed a number of procedures for recruiting, validating and sampling that enable us to use Internet samples to represent the population as a whole. We believe that Internet research is as accurate as traditional methods, while being faster and more flexible and thereby freeing up resources for the vital interpretation and implementation of results.

Today, YouGov has proprietary online panels in 33 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.

Strategy for growth

A key objective for the 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 across all our existing geographies. This involves bringing to market new products, as well as continuing to innovate with new products. In addition to making targeted investments in growing and expanding our syndicated data products and services suite, we are also continuing to explore opportunities to expand our core model geographically.

Our five key strategic objectives

- Grow our syndicated products suite
- Integrate custom and syndicated data
- Enhance our user experience
- Boost our public profile
- Expand our geographic footprint

Chief Executive's review
for the year ended 31 July 2014

"We're delivering what we set out to at the beginning of the year. Data products and services are growing well, with the profit contribution from these higher margin businesses matching custom research for the first time. Our geographies are performing to plan and we have continued to expand our footprint, allowing us to continue to leverage our products internationally."

Performance in the year

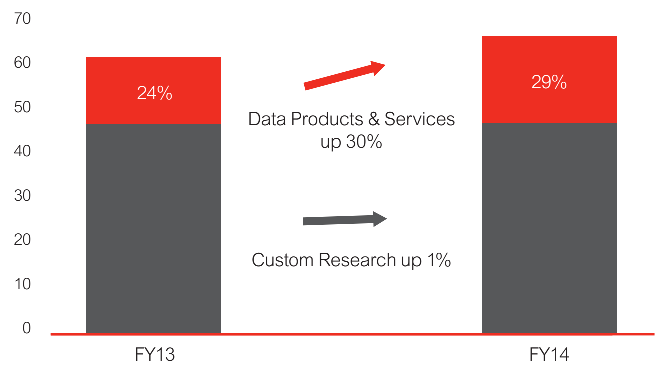
YouGov's revenue for the year ended 31 July 2014 increased by 8% to £67.4m (10% in constant currency terms). This is significantly above the estimated global market growth of between 2% and 3%. In line with our plans, revenue from data products and services increased proportionately faster, by 30% to £20m. This now represents 29% of the total Group revenue, compared to 24% in the previous year. Within this, BrandIndex grew by 53% and Omnibus by 20%. These high growth rates reflect the increased penetration of these products in their existing markets as well as their continued geographical expansion. Custom research revenue grew by 1% with some variation between regions.

I am also pleased to report a 24% increase in the Group's adjusted operating profit to £7.4m, compared to £6.0m in 2012/13 and an increase in the adjusted operating profit margin from 10% to 11%. This growth is attributable to the increase in revenues together with a 1% point improvement in gross margins (to 77%), which was driven by the higher contribution from data products and services. The operating cost ratio remained at 66% of revenue. We maintained a high cash conversion rate with cash generated from operations increasing by 29% to £8.9m, from £6.9m in the prior year. This represents a conversion rate of 120% of adjusted operating profit (2013: 116%). The strong cash generation was also reflected in a net cash inflow of £1.3m after investing £1.0m (2013: £2.0m) in acquisition-related payments and £5.8m in the purchase of tangible and intangible fixed assets, including £4.7m for the development of our panel and technology platforms.

Our adjusted profit before tax rose by 12% and our adjusted earnings per share increased by 11%. These reflected the unrealised losses within finance costs arising from the effect of £ sterling's appreciation on cash balances converted from other currencies at the year-end.

We are increasingly managing our business and driving growth through our global product and service lines: data products, data services and custom research. As we scale our business, we aim to harmonise further across all geographies our research offerings and approach to the market as well as the operational and business processes that enable efficient and effective delivery of our research data and services to clients. We also expect further operational leverage from the continued growth of data products and services. In line with this, we will increasingly report our performance in terms of our global service lines.

Changes in revenue £m



Chief Executive's review continued
for the year ended 31 July 2014

Strategy

Our clearly stated aim is to make our core offering of opinion data, derived from our highly responsive panel of respondents, into a systematic research and marketing platform. This delivers data and related analyses and reports that can be used to plan, manage and refine or adapt all types of campaigns whether they have commercial, political, social or other objectives.

YouGov has continued to pioneer change in the research industry, with a focus in the last year on developing new services for marketers that build on and extend our range of successful data products and custom research. They also incorporate more data analytics and technology with which to access and manipulate the data.

We are developing our methodology to produce a new class of connected data that allows marketers to understand their customers in greater depth, and to evaluate changing environments faster and with higher granularity. This is enabled for clients by new data-analysis technology that makes its everyday application to business needs easy and practical. By emphasising public participation in our data creation, we can achieve a unique level of completeness, connectedness and permissioned detail in our flow of information. Our best-in-class scientific custom research uses superior mathematical modelling which, together with our data products, answers the needs of clients by combining social-attitudinal, consumer-behavioural and media-usage information in a single profile of customers. We believe that this is a unique market offering in terms of its level of granularity, connectedness and speed.

We describe below the progress made in achieving our five key strategic objectives over the last year.

Grow our suite of data products and services

Data products and services have remained the main driver of YouGov's growth in FY14 and the operational leverage that they support also contributed to the significant profit growth in the year. In addition to the continued growth and development of our existing services, we have made good progress with further product innovations that are being introduced to the market. Chief among these is the YouGov Profiles product.

YouGov's recent product development has focused on harnessing the continuous stream of information that panellists share with us to provide more detailed and holistic information to marketers on the attitudes and behaviours of current and potential customers for their products and services. The continued expansion of ways in which marketing and advertising communications can be exchanged with consumers has fragmented audiences and increased the need to tailor and target advertising messages to reflect more precisely their interests and attitudes. Such targeting requires more detail and more precision in audience segmentation when planning media campaigns to identify opportunities and efficiencies. YouGov has responded to this need by developing YouGov Profiles, a ground breaking new tool for media planning and audience segmentation for use by brand owners and the agencies who serve them. YouGov Profiles is a unique offer in the industry, which combines a richer version of the information previously available to marketers with additional data on digital and social media activity. YouGov Profiles is already being tested by clients and will be launched formally in the UK in the autumn of 2014.

The UK version of YouGov Profiles is based on a database of some 120,000 separate data points on consumers, collected initially from approximately 190,000 YouGov panellists. YouGov Profiles connects data on profiles, brand, sector, media, digital and social data 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 and much more. YouGov Profiles will be offered to the market as a subscription service (like BrandIndex) with clients accessing the data through a dedicated portal. YouGov 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 will improve the ability of marketers to understand the people and audiences that matter to them and will enable media owners to identify potential advertisers and make more informed content and scheduling decisions so as to deliver the target audience that advertisers require. YouGov Profiles will be delivered through a "point and click" tool, which will give users access to a wide range of detailed and connected data and provides analytics methods with which to interrogate and interpret the data. The full UK launch will take place at the Festival of Marketing in November, followed by rollouts in the USA and Germany later in the 2014/15 financial year.

> "The launch of YouGov Profiles, a new product that allows subscribers to interrogate the rich data in the YouGov engine, marks our intent to put our unique connected data at the heart of the marketing workflow."

Expand our geographic footprint

As a result of the acquisition of Decision Fuel in January 2014, YouGov has extended its footprint into Asia Pacific where the growth of a more sophisticated consumer base is driving demand for reliable yet economically priced research data, which YouGov is well-placed to provide. The new YouGov Asia Pacific team has integrated smoothly with the wider Group. The regional operation was extended to Indonesia in September 2014, and we now have an office in Jakarta in addition to the Hong Kong, Shanghai and Singapore offices already in place at the time of the acquisition. Consistent with the rest of the Group, future growth in the region will be centred on BrandIndex and Omnibus both of which are already being rolled out there.

YouGov now has 24 offices in 16 countries and operates panels in 33 countries, giving it one of the most widespread international research networks beyond those of the four largest global research groups.

Integrate custom research and syndicated data
YouGov's integrated operations combine our own highly responsive online panels, the expertise of our researchers and our analytics and technology capabilities. These offerings enable us to meet clients' individual research needs through a combination of the 'connected data' that panellists provide and data generated from bespoke surveys. The highly structured and codified profile data library is known as the "YouGov Cube"; it underpins the new YouGov Profiles product by allowing us to enhance our custom offering and transform the way that custom research is undertaken. In simple terms, our aim is to be able to provide clients with answers to their questions about the attitudes, behaviours and profiles of the population and minimise the extent to which additional data collection is required through custom surveys. It also means add-on custom research can be better targeted and yield richer insights.

In every project we will consider how YouGov Cube can add to this – it improves the service we offer to clients and the profitability of each job that we do. The YouGov Cube enables YouGov to help clients reduce the cost of custom research, and thereby deliver more value for money to them. This responds to the challenge acknowledged by all the leading research groups of an industry whose clients are choosing to re-direct their marketing and research budgets to data-rich and more analytically based products rather than traditional bespoke surveys.

Enhance user experience
A key element of YouGov's success is the high degree of responsiveness of our panellists and their willingness to share opinions and personal data with YouGov. Maintaining this relies on our ability to keep panel members engaged and interested in being members. We therefore focus significant attention on measuring and seeking ways to improve the quality of every panellist's experience under the direction of the Group Director of User Experience, a post that was created for this purpose in 2013. As well as obtaining direct feedback from panellists on the quality of the survey experience, extensive analysis has been conducted into how survey features and complexity may affect it.

Another way in which we are extending the relationship between YouGov and our panellists is to offer more opportunities for them to share opinions and information with YouGov whenever they choose and not just in response to survey invitations. Opigram, which allows panellists to share opinions, build up their own profile of likes and dislikes and compare them with others has proved very popular with panellists. It is on track to meet the targets set as part of the acquisition of CoEditor Ltd, the company that developed Opigram, which was completed in December 2013. Thus, the number of visitors to YouGov's UK websites increased by 46% in the year to 31 July 2014, and the number of freely shared data points has grown significantly, with the monthly rate having increased five-fold during the year to over 5 million in July 2014. This measure is also significant for the cost-effective development of YouGov's data products, notably YouGov Profiles, as it means that much of the core data and all of the long-tail data points included in them can now be collected without incurring direct cost to YouGov as distinct from survey data for which panellists receive incentive payments.

To support the roll-out of YouGov Profiles, a new YouGov website including Opigram will be launched in UK and extended to the US and Germany during the 2014/15 financial year. At present, Opigram and the full YouGov Online interactive experience have been visible only to YouGov panel members. It is intended to offer non-members the ability to participate in surveys on key questions of the day and to share their opinions on the platform. This is a major shift, which will open up YouGov Online as a place for many more people to share their views and personal profiles. We expect that YouGov Online will assist organic panel recruitment and panel retention, and thus enable a reduction in expenditure on panel recruitment in the future. It also opens up the exciting possibility that, through the Opigram platform, YouGov will gain as much data from the continuous, freely-shared, structured conversation of its members on the website as we do from formal surveys.

Recent enhancements to our survey platform have also significantly improved our panellists' experience when using mobile devices and places it at the forefront of mobile-friendly market research. We expect the majority of survey participation to happen on mobile devices in the not-too-distant future and we are investing in the development of more opportunities in this area.

Boost our public profile
YouGov has continued to be the most highly cited market research agency in the UK. Our position as the most authoritative source of data on public opinion was recently demonstrated during the campaign leading up to the Scottish independence referendum. In the USA, where there has previously been significant resistance to the use of online polling methods for elections, YouGov has been appointed jointly by CBS and *The New York Times* to provide nationwide polling for the 2014 Congressional elections. The first poll which was published in August 2014 attracted widespread publicity and we expect this initiative greatly to boost the awareness of YouGov's brand in the USA, especially among corporate and public sector decision-makers. YouGov's media presence also continues to grow in our other markets including France, Denmark and Germany in all of which we are now among the top four most quoted agencies.

Under the guidance of our new Global Chief Marketing Officer, who joined the Group in December 2013, we have made good progress in developing our global marketing activities. A new brand architecture has been developed, bringing all of our products and services together within a global 'master brand supported by a new suite of marketing collateral and panel recruitment tools. We have also developed a unified approach to communicating with our digital and social media environment. The global marketing team has been further strengthened by adding experienced professionals in key positions in a number of units.

Overview of Global Products and Services

	Revenue £m	Revenue Growth %	Operating Profit (£m)	Operating Margin %
Data Products (incl. BrandIndex)	9.6	45%	1.6	17%
Data Services (incl. Omnibus)	10.1	18%	3.9	39%
Total Data Products & Services	**19.7**	**30%**	**5.5**	**28%**
Custom Research	**47.7**	**1%**	**5.5**	**12%**
Central Costs	–	–	(3.6)	
Group	**67.4**	**8%**	**7.4**	**11%**

Data Products and Services

Data Products are comprised of YouGov BrandIndex, our flagship brand intelligence tracker, which accounted for 80% of this category, and YouGov Reports, which provides market intelligence reports and sector trackers. YouGov Omnibus (including field and tab services) represents the majority of Data Services with the balance being the provision of sample-only services in the Nordic and Middle East regions.

In general, data products generate higher margins than custom research once they reach maturity as the input costs, such as data collection and analysis, are incurred only once while their outputs are sold to multiple clients. However, they also require investment in product development, analytics and sales resources during their early stages. In FY14, the overall margin of 17% reflected this mix with BrandIndex achieving significantly higher margins offset by the lower margins of the relatively newer products.

Within Data Products, BrandIndex grew revenue by 53% to £8.0m (2013: £5.3m) and passed an important milestone as it now accounts for 12% of total Group revenue, generated from over 200 subscribers in 15 markets across the world. 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 Carnival Cruise Lines, Air Berlin and Commercial Bank of Dubai.

BrandIndex's growth this year was supported by the global roll-out of an enhanced version (6.0) whose sampling methodology represents even better the consumer population in each category and which increased its reported metrics from nine to sixteen. These provide more granular measurement of paid (advertising) vs. earned (word of mouth) media, as well as enabling the consumer journey to be tracked in more stages from brand discovery through to actual purchase and brand advocacy. Version 6.1 was released in June 2014 and further extends the flexibility of BrandIndex data, enabling clients to view any BrandIndex metric through the filter of any other metric. For example, a client can now compare purchase consideration among consumers who have and have not seen recent advertising, or evaluate the percentage of its customer base who are also customers of a competitor (and vice versa).

The range of business sectors covered has also been expanded to include Hospital and Cable & Satellite TV sectors in the US, both of which attracted multiple new clients in FY14. More sectors will be added in multiple geographies in FY15 and the geographic coverage will also be expanded to include Singapore and Indonesia, supported by the growing YouGov Asia Pacific operation. The YouGov Reports business increased revenue by 17% to £1.1m. Its portfolio of market intelligence reports (previously branded as "SixthSense") comprises some 350 report titles. Financial services have become the main sector focus over the past year in response to client demand, with other sectors covered including food & drink, technology and utilities.

The Reports segment also includes HEAT, YouGov's economic confidence tracking study (covering UK, US and China) and specialist syndicated trackers on issues such as household debt, magazine consumption, smartphones and media content. Its geographic coverage includes the UK (its largest market), France, Germany and the US. The core of YouGov Reports is panel-based research data drawn from YouGov's panel which is combined with information on market sizes, brand analysis, competitive benchmarking and market forecasts to produce comprehensive analyses of a market or topic within it.

YouGov Omnibus, our online fast-turnaround service, grew revenue by 20% to £8.8m in line with our strategy of applying the successful UK model to other markets. Its non-UK revenue increased by 70% with the recently launched French and US Omnibus services, respectively trebling and doubling their revenue and the German service also growing well, in line with our plans. The UK service, which is the clear market leader, maintained solid growth of 7%. Omnibus continues to enhance its service offering with innovations designed to meet client's changing needs. These include a faster 24 hour delivery time as the standard in the UK instead of the previous 48 hour service and a new "Slides!" facility which provides an automated slide pack as the default means for delivering Omnibus survey results. Major international clients in the year included National Geographic and UNICEF. The segmental services (such as Children and Parents, Shoppers and B2B) and focused geographical samples such as Citybus, which have been successful in expanding the service in the UK, are also being rolled-out in other markets. Client demand for multi-country Omnibus projects has also grown, stimulated by targeted marketing to existing single-country users.

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 both within and between our geographic markets ranging from large-scale multinational tracking studies through to more narrowly focused one-off surveys. With evidence of reduced client demand for traditional custom research as well as previous mixed performance within our own units, our aim has been to improve custom research profitability by focusing external sales effort and internal resources into the areas that utilise fully YouGov's panel-centric methodology and exploit the strengths of our geographic network. Thus while our global custom revenue grew by only 1% in the year, in line with the global market, the adjusted operating profit grew by 7%. As expected, performance varied between regions. The Middle East business continued to build on its regional strength to grow revenue by 45% and our UK custom revenue grew by 6%, with YouGov's reputation for reporting public opinion accurately also continuing to resonate with corporate clients. US custom revenue fell slightly by 4% although this was largely in lower margin areas, while there was good growth from new and existing clients in the consumer and technology sectors as well as in political and academic work. In the Nordics, where the strategy has been to reduce the proportion of smaller, often less-profitable custom projects, custom revenue fell by 16% but operating margins increased significantly, reflecting the cost reductions undertaken in the previous year. German custom revenue fell by 13%, due partly to client consolidation reducing demand in the financial services industry and also re-orientation of work away from traditional offline methods.

We believe custom research services will continue to be a very significant part of YouGov but increasingly they will make full use of our panel and data resources rather than being one-off projects involving conventional data collection.

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 2014 and future expectations as well as its financial resources, the Board is pleased to recommend payment of a final dividend of 0.8p per share in respect of the year ended 31 July 2014, payable in December 2014. This represents an increase of 33% over the dividend paid in 2013.

> "Today we are entering our next phase. We have a powerful brand, a global platform and now are developing a new technology and approach to data collection and analysis that will allow YouGov to fulfill its mission as a true Internet company."

Prospects

Fifteen years ago, YouGov began life as a challenger to the market research industry by pioneering online data collection. We grew internationally by acquisitions, and have now integrated these to become a more efficient organisation. Today we are entering our next phase. We have a powerful brand, a global platform and now are developing a new technology and approach to data collection and analysis that will allow YouGov to fulfill its mission as a true Internet company.

What do I mean by a 'true Internet' company? I mean a company that interacts with the world online and which creates its core product from that interaction.

The constant conversation we have online with millions of people is indeed our core product. As a result, companies can access the rich connected data in different forms. It measures the world today and how it is changing, helping to predict what will happen next and reveal how to influence that direction. Crucially, the process is useful for all participants: panellists and clients alike.

The foundation of this conversation was the online survey. That is now developing into increasingly sophisticated variations including the never-ending opinion profile that is Opigram: an enjoyable, panellist-centred programme to create rich, structured, shareable, personal profiles. The aggregated, crunchable data that it generates helps to power YouGov Profiles.

The new website to be launched this autumn marks our next phase, in which our way of interacting with our panellists and what we do for our clients is visible as a single system. That is what I mean by becoming a true Internet company.

Stephen Shakespeare

Stephan Shakespeare
Chief Executive Officer

13 October 2014

Our data products and services

In addition to our fast-turnaround Omnibus service, we have a suite of syndicated, proprietary data products which includes YouGov BrandIndex, YouGov Pulse and YouGov Reports. This year, we have added two new syndicated products to our roster: YouGov Pulse, our real-time digital and mobile behaviour tracker; and YouGov Profiles, our planning and segmentation tool.

YouGov BrandIndex

YouGov 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 six years of historical data about our client and competitor brands, which is all instantly available to our clients through our user-friendly BrandIndex portal.

BrandIndex is currently available in the USA, UK, Denmark, Finland, France, Germany, Japan, Mexico, Netherlands, Norway, Saudi Arabia, Sweden, United Arab Emirates, Brazil and China. Every day we survey multitudes of consumers across these territories – conducting over 4.5 million BrandIndex interviews every year – about thousands of brands across dozens of industry segments.

Following the roll-out of a significantly enhanced version of BrandIndex last year (version 6.0), an update was released in June 2014 (version 6.1) which has further extended the flexibility of BrandIndex data, enabling clients to view any BrandIndex metric through the filter of any other metric. For example, a client can now compare purchase consideration among consumers who have and have not seen recent advertising, or evaluate the percentage of its customer base who are also customers of a competitor (and vice versa).

During FY14, the range of business sectors covered by BrandIndex was expanded to include Hospital and Cable & Satellite TV sectors in the US. More sectors will be added in multiple geographies in FY15 and the geographic coverage will also be expanded to include Singapore and Indonesia, supported by the growing YouGov Asia Pacific operation.

YouGov Omnibus

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 French, German, Middle East, Nordic and US operations. The YouGov Omnibus is the perfect vehicle to find out people's opinions, attitudes and behaviours, quickly and cost-effectively. Omnibus surveys are run daily, providing nationally representative responses to clients within a 48 hour turnaround. We now conduct over 2 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 Parent, 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.

YouGov Omnibus continues to enhance its service offering with innovations designed to meet client's changing needs. These include a faster 24 hour delivery time as the standard in the UK and the new "Slides!" facility which provides an automated slide pack as the default means for delivering Omnibus survey results.

YouGov Pulse

YouGov Pulse is our new real-time digital 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; exposure to online advertising banners; online e-commerce journeys; and applications used.

Furthermore, we collect Pulse data from up to three devices to form the full picture of their 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.

YouGov Profiles

In autumn 2014, YouGov will launch YouGov Profiles, our segmentation and media planning product for brands and their agencies. Profiles will improve the ability of marketers to understand the people and audiences that matter to them. It will enable media owners to identify potential advertisers and make more informed content and scheduling decisions so as to deliver the target audience that advertisers require.

YouGov Profiles offers the largest, most detailed and real-time consumer database in the UK, updated weekly. Powered by data collected in the YouGov Cube – our connected data vault which holds over 120,000 data points, collected from 190,000 UK YouGov members – Profiles connects data on profiles, brand, sector, media, digital and social data all in one place. For example, it provides brand usage and perception data for some 1,000 brands (plus usage for thousands more), TV show viewing for 5,000 programmes, website usage for a most active commercial websites and much more. Profiles 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 will be delivered on a subscription basis (like BrandIndex) through a dedicated online portal 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.

Our revolutionary social media analysis tool, SoMA, forms one of the backbones of YouGov Profiles. At the same time, YouGov BrandIndex acts as a complementary tool: Profiles 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.

The full UK launch of YouGov Profiles will take place at the Festival of Marketing in November 2014, followed by rollouts to US and Germany later in FY15. We believe YouGovProfiles to be unique to the research industry and of value in the daily workflow of every marketer.

YouGov Reports

The YouGov Reports division consists of market intelligence reports (previously called "SixthSense" reports), an economic confidence tracking study and specialist syndicated financial, media and technology trackers.

The market intelligence report portfolio consists of over 350 report titles covering 1,000+ topic areas ranging across the finance, technology, retail, utilities, media, legal services and food and drink sectors. Reports are currently produced for the UK, France and Germany and in 2015 they will be rolled out to China, the Nordics and the Middle East. YouGov Reports place our 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. New clients in the year include Citi Group, Ofcom and the British Library.

The Household Economic Activity Tracker (HEAT) is YouGov's economic confidence tracker. As well as presenting monthly indicators of consumer confidence based on household financial situation, job security, business activity and house prices, it provides over 70 other economic indicators including inflation expectations, propensity to save and willingness to spend across a range of categories. 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. HEAT is available in the UK, US and China as either a monthly report or via an online dashboard that is automatically updated throughout each month. The monthly report in the UK is produced by the Centre for Economics and Business Research (Cebr), who are providing additional expert macroeconomic analysis and forecasts. Unlike other trackers and indices with significant processing time or quarterly or annual results, our HEAT reports are delivered within days of month-end and we also update the online dashboard throughout the month. New clients in the year include Investec and M&G Investments.

We also have a range of other premium syndicated trackers which are updated more quickly than alternative offers in the market. These include the Smartphone, Mobile Internet eXperience (SMIX) report and tracking studies monitoring the effects of the UK Retail Distribution Review.

Opigram is a highly personalised, constantly engaging, gamified online experience – there's nothing else like it in the research industry.

"Really pleased I signed up for this, great way to hear other people's opinions on a whole range of subjects."

"Brilliant, the thinking man's Facebook."

"I spend too much time on YouGov – it's addictive."

"I like to see how many people have viewed my opinion, skipped it, rated it or made a comment."

Opigram

Opigram is a fun, panellist-centred programme to create rich, structured, shareable, personal profiles. By using Opigram, our panellists can share opinions and information with YouGov whenever they choose and not just in response to survey invitations.

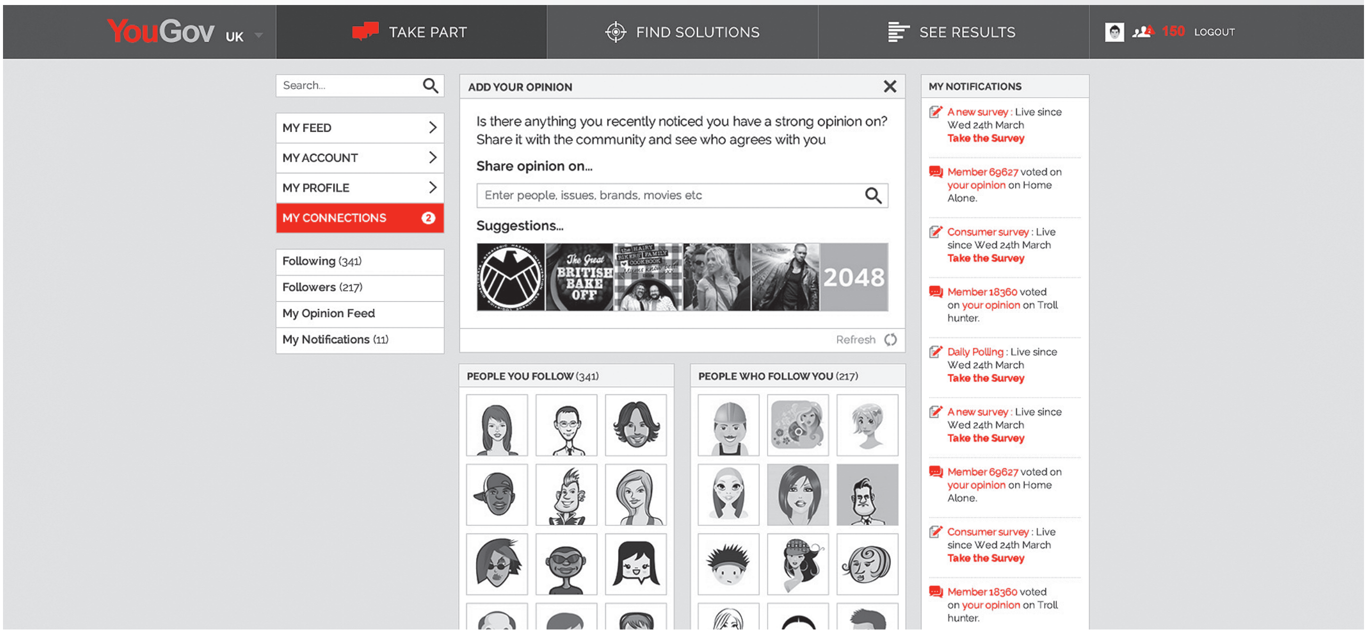
Opigram allows YouGov panellists to proactively share opinions, build up their own profile of likes and dislikes and to compare them with others. Through a combination of ratings, inputting opinions, and agreeing or disagreeing with other panellists, panellists build up a 360 degree profile of their tastes, habits and interests (their personal Opigram). At the same time, opinions come together to form detailed profiles of the fans 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.

Developed in association with CoEditor Ltd (now 100% owned by YouGov), Opigram has proven very popular among panellists and quickly become an integral part of YouGov's panel engagement and website strategies. Furthermore, the aggregated, crunchable data from Opigram helps to power our new product for marketers, YouGov Profiles (described on page 15).

The YouGov Online team is preparing the launch of a new YouGov website - featuring Opigram - in the US, the UK and Germany later this year. We expect the roll-out of Opigram to boost the engagement of our panellists in these geographies significantly. As an added bonus, we expect the roll-out to also boost organic panellist recruitment and increase the amount of data freely shared with us. The past 12 months has seen a tremendous growth in the number of freely shared data points collected from the panel via Opigram, such that in the latest complete month of August 2014, almost 6 million data points were collected from the UK panel.

Until now, Opigram and the entirety of the YouGov interactive experience has only been visible to existing YouGov panel members. Our new website is designed to allow people outside of the 3-million-strong YouGov panel to share their opinions on the platform by taking part in the key questions of the day. This is a major shift which will open up YouGov as a place for many more people to share their opinions. It also opens up the exciting possibility that, through the Opigram platform, YouGov will gain as much data from the continuous, freely shared, structured conversation of its members on the website as we do from formal surveys.

The commercial aspects of Opigram are discussed in more detail in the CEO's Report on page 11.



By connecting data from YouGov BrandIndex and YouGov Pulse with qualitative custom research, we were able to measure the effectiveness of Coca-Cola's 2013 UK 'Share a Coke' campaign across different target groups.

"I actually took a picture of myself with the billboard with my name on it and put it on Facebook."

"If I see a bottle with one of my friends name on it I'll tweet it to them."

Campaign

For the 'Share a Coke' campaign, the soft-drink giant replaced its usual branding with 150 of the UKs most popular first names. It was a multi-media effort including TV adverts, billboards and experiential marketing. Each bottle also carried the hashtag #shareacoke to encourage users to share images on social media. YouGov chose to study the innovative campaign's progression and impact with UK consumers.

Our study

We used connected data to combine actual (rather than claimed) advertising exposure with daily brand perception data to understand the impact of the advertising campaign and which elements were most effective. We also conducted online qualitative focus groups to gain a deeper understanding of how 'Share a Coke' connected with consumers. Actual exposure data comes from panellists who complete our daily media consumption surveys, allow us access to their social media feeds and let us track their web behaviour. In this case, we looked at the impact of TV, Twitter and Facebook by taking those exposed on each platform and assessing how their perceptions of Coca-Cola compared to matched samples who were not exposed. Brand perception comes from our daily brand perception tracker, YouGov BrandIndex – monitoring views on over 900 UK brands across 15 metrics each day.

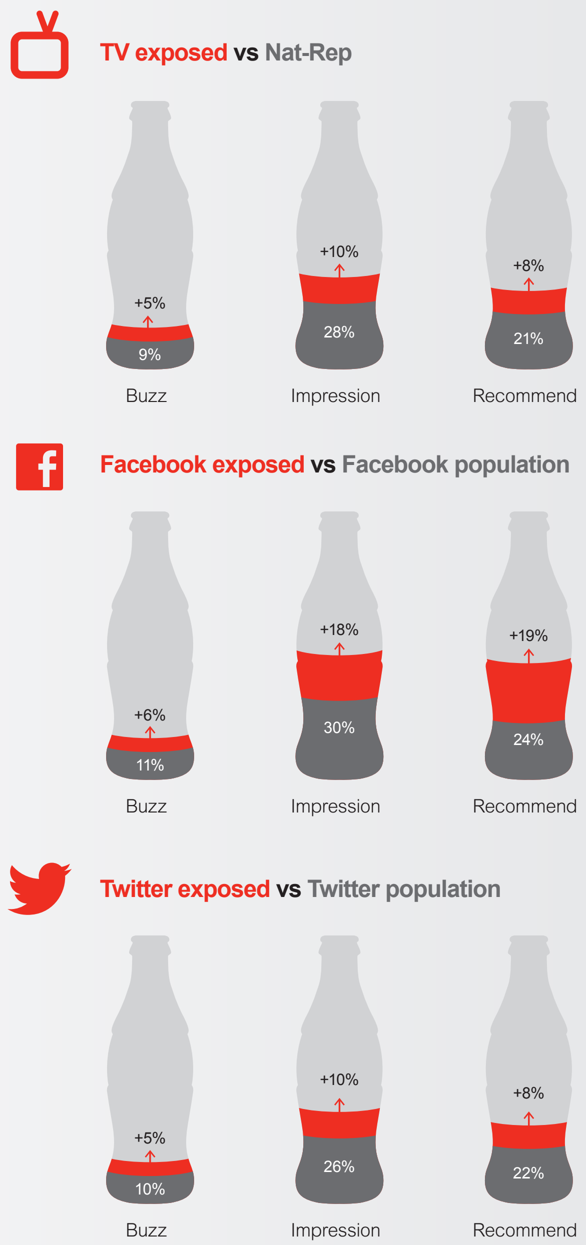
Results

We saw that consumer perception of Coca-Cola, Diet Coke and Coke Zero improved substantially on virtually every measure for those who were exposed to 'Share a Coke' TV adverts and on social media, with consumers who were exposed on Facebook showing the most dramatic improvement. While all age groups were positively affected by exposure to the campaign, 18-24-year-olds were the group most positively impacted, with the effectiveness decreasing with age.

Lessons

The campaign was so effective because it created unique and individual moments and interactions where consumers feel they have personally connected with the Coca-Cola brand and at the same time it gave them a reason to reach out to other people within their own personal network through social media. The fact that the 'Share a Coke' message was communicated through multiple modes of media also contributed to its inclusivity. While the social media elements worked best with younger consumers, older people still had a positive reaction to the TV and physical elements of the campaign. The bottom line for other brands hoping to emulate the 'Share a Coke' success is that in the age of social media, a campaign only works if it can be shared, enjoyed and interpreted by consumers in their own way.

Changes in YouGov BrandIndex measures of the Coca-Cola brand during the UK 'Share a Coke' campaign



Data from YouGov BrandIndex (daily UK sample size 4,000, September 2013)

YouGov in the press

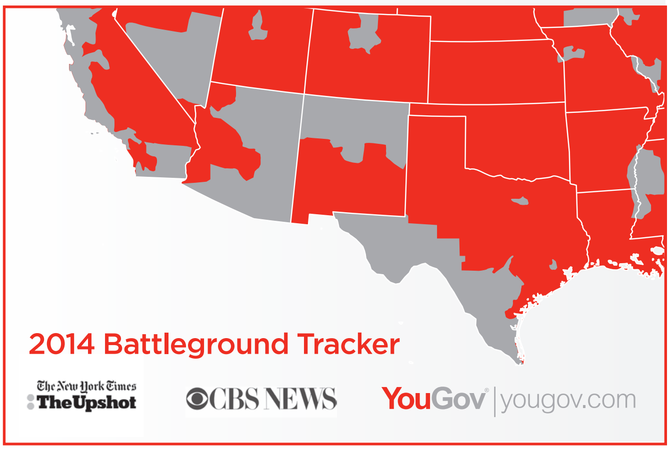
YouGov's reputation for providing accurate and authoritative information is enhanced by the strength of our public profile. YouGov conducts public opinion polls in collaboration with a number of the world's leading media organisations and academic institutions.

Partnership with The New York Times and CBS News

In the USA, where there has previously been significant resistance to the use of online polling methods for elections, YouGov has been appointed jointly by CBS News and *The New York Times* to provide nationwide polling for the 2014 Congressional elections. In August 2014, *The New York Times* "rocked the polling world" (in the words of *Washington Post* columnist Chris Cillizza*) by announcing the partnership with YouGov and CBS News. This ambitious new effort involves YouGov polling over 100,000 panellists four times during election campaign.

Our polling covers every state and all 435 congressional districts. Unlike traditional telephone polls, which usually involve samples of a thousand or so, by using our online methodology YouGov can deliver consistent, accurate and timely readings on every race throughout the election cycle. Because YouGov uses a panel methodology and most of our panellists were also interviewed during the 2012 U.S. presidential election campaign, our samples are balanced to reflect actual votes cast in the 2012 election as well as demographics. This gives us a large advantage over traditional polls which lack reliable data on past voting behaviour and are forced rely upon demographic weighting alone to achieve representativeness.

The Battleground Tracker results are published on *The New York Times*' new data visualisation and analysis website, The Upshot, as well as CBS's and YouGov's websites. In explaining why *The New York Times* chose to partner with YouGov, David Leonhardt, editor of The Upshot said that he was optimistic that "technological change usually brings more benefits than drawbacks". YouGov is leading this technological transformation in the polling world.



**The Washington Post*, 31 July 2014

YouGov-Cambridge

Now in its fourth year, the YouGov-Cambridge Programme is a unique partnership between YouGov and the Department of Politics and International Studies (POLIS) at Cambridge University. It's objectives are: to grow a YouGov hub for survey research at a world-leading University; and to support a regular programme of public-interest research and events that inform the national debate.

To those ends, the past year has been productive, generating a wide range of studies on domestic and international issues, from compulsory voting in Britain to political optimism in the Middle East and American attitudes to Medicare. YouGov practitioners have also become guest teachers and associate lecturers at the University, giving workshops, seminars and lectures as part of postgraduate teaching programmes. This now includes annual contributions to methodology courses, thereby rooting YouGov's data and expertise in the core syllabus for social science research methods at Cambridge.

The annual YouGov-Cambridge Spring event in April 2014 brought together many of the key players in the UK's household energy market, including both Secretary and Shadow Secretary of State for Energy and Climate Change, plus Big Six CEO's, the energy press, Ofgem, consumer watchdogs and Energy UK, the trade association for the energy industry. The debate focused on findings from a YouGov special report on "Energy, Politics and the Consumer", which combined extensive surveys of public and industry attitudes by Stephan Shakespeare, as well as collaborations with the POLIS Department and Energy Policy Research Group at the University. After front-page coverage by *The Times**, the survey results informed a widely reported debate.

Follow YouGov-Cambridge on Twitter
@YouGovCam

**The Times*, 31 March 2014

The New York Times rocked the polling world over the weekend

The New York Times shook up the polling world this weekend when the Upshot decided to including Internet polling – conducted by **YouGov** – in election models.

The Washington Post, 31 July 2014

YouGov's Scottish poll has investors rushing for cover

Until this week's polls, investors had largely disregarded the September 18 Scottish independence referendum, pointing to the consistently large lead enjoyed by the No camp as a reason not to worry. But yesterday's survey from **YouGov** changed that – not by suggesting the Yes camp could win but by implying such an outcome could no longer be ruled out.

The Financial Times, 3 September 2014

Americans Won't Stop Loving Amazon

Amazon, the world's largest online retailer, kept its spot as America's favorite brand in **YouGov BrandIndex's** semi-annual ranking of how US consumers feel about some of the biggest global companies.

The Huffington Post, 16 July 2014

Here are the Brands that Won the World Cup

According to **YouGov BrandIndex**, the big winners this World Cup were Pepsi, Coke, and Hyundai.

The Wall Street Journal, 16 July 2014

Großes Ranking: Diese menschen bewundert die welt!

Fünf kontinente, 13 länder, 14,000 personen und die frage des umfrageinstituts **YouGov**: welche person bewundern sie am meisten? Die antworten sind oft erwartbar – aber ebenso oft erstaunlich!

Bild, 7 February 2014

Brits say no to war in Syria

An exclusive **YouGov** survey for *The Sun* has revealed there is still strong opposition to all types of UK involvement in the bitter two year long civil war.

The Sun, 28 August 2013

UAE police forces have the trust of their residents, poll shows

The **YouGov** survey, which was commissioned by *The National* newspaper and is the first of its kind in the UAE, revealed that the vast majority of those polled felt confident in local police.

The National, 21 September 2014

Amour, Haine et Pronostics: La Coupe du Monde vue par 19 pays

YouGov, en collaboration avec *Le New York Times*, vient de publier une étude analysant l'opinion des fans de foot sur le Mondial tout autour du globe.

GQ France, 11 June 2014

Revealed: the world's most admired people

Bill Gates is the most admired person in the world, according to a global survey for *The Times* by **YouGov**.

The Times, 11 January 2014

Hver anden synes at kæresten er for tyk eller slap

"Skat, synes du, jeg er blevet tyk?" Det spørgsmål ved enhver, der nogensinde har været i et parforhold, at man skal besvare med yderst stor forsigtighed. I en helt ny undersøgelse, som **YouGov** har foretaget for *Metroxpress*, svarer danskerne dog mere frit.

Metroxpress, 4 July 2014

Review of geographic operations
for the year ended 31 July 2014

UK

	Year to 31 July 2014 £m	Year to 31 July 2013 £m	% Change
Revenue	**19.4**	17.4	11%
Adjusted Operating Profit	**5.0**	4.4	13%
Adjusted Operating Profit Margin (%)	**26%**	26%	

The UK business recorded another successful year with revenue growth of 11%, again well ahead of the overall market and adjusted operating profit increasing by 13%. As with the Group as a whole, data products and services revenue grew strongly by 16% to £9.4m and further increased its share of total UK revenue to 48%. This is a key driver of the UK's high profit margins since BrandIndex and Omnibus are both more scalable than custom research.

BrandIndex revenue grew by 61% due in part to the benefit of previous investment in sales and client services resources. The UK BrandIndex version now has 74 UK clients. It is increasingly being adopted as an important source of brand health data by leading UK as well as international brands including Intercontinental Hotels Group, LV= and PapaJohns. The UK is also beginning to follow the US business in securing multi-country contracts with its clients. Revenue from UK Omnibus grew by 7% to £6.3m, helped by good growth in the segmental omnibuses including the recently launched SME Omnibus and the Parents and Children's. The launch of the new 24 hour standard service and of the "Slides!" facility has been well received by clients and is expected to help to maintain YouGov Omnibus UK market leadership position.

YouGov Reports increased its revenue by 17% to £1.1m. It increased its focus on the financial services sector where it has achieved good penetration and the proportion of clients contracting for a package of reports also grew as planned.

UK custom research grew revenue by 6% with the specialist Reputation practice in particular winning business among major corporate clients such as Barclays and BNP Paribas. The Political team and indeed the business as a whole continued to benefit from the close partnership with News UK and the coverage of YouGov polls that this provides. The UK's major clients in the year included Asda, Bill & Melinda Gates Foundation, ITV, JUST EAT, Morrisons, Prudential and Santander.

USA

	Year to 31 July 2014 £m	Year to 31 July 2013 £m	% Change
Revenue	**21.9**	20.8	5%
Adjusted Operating Profit	**3.0**	2.3	32%
Adjusted Operating Profit Margin (%)	**14%**	11%	

Our US business has built on the progress reported at the interim stage and delivered overall revenue growth as well as a substantial improvement in profitability with adjusted operating profit increasing by 32% to £3.0m. This performance was due in part to the continued strong growth of the data products and services element whose revenue grew by 43% to £5.3m. It now represents 24% of total US revenue. Custom research revenue fell by 4% but its profitability increased significantly.

BrandIndex, for which the US remains the largest market, increased revenue by 44% to £4.4m and now has 80 US clients. New clients signed up in the year include Carnival Cruise Lines and The Weather Channel and it continues to enjoy strong relationships with agencies such as OMD, Universal McCann and Mediacom as well as corporate clients such as Bank of America and Subway.

The corrective actions taken in the custom research business over the last twelve months to improve sales effectiveness and reduce costs have succeeded in improving its performance and profitability. A number of senior roles were reduced which will yield annual savings of £1m. As a result, custom research operating margins increased to 11% from 6%. Sales orders grew by 20% compared to the prior year with the technology, electronic games and FMCG sectors performing strongly. However, sales were higher towards the end of the financial year so that the revenue effect will partly be seen in the next year. Leading clients included Coca-Cola, Sonos, Amazon and several leading global Internet companies including Facebook and Google. The traditionally strong academic and political business is already benefiting from the CBS/*New York Times* polling collaboration and the overall US business is well-positioned for future growth.

Middle East

	Year to 31 July 2014 £m	Year to 31 July 2013 £m	% Change
Revenue	**10.1**	7.3	38%
Adjusted Operating Profit	**2.2**	1.5	45%
Adjusted Operating Profit Margin (%)	**22%**	21%	

The Middle East region delivered another year of strong growth with revenue increasing by 38% and adjusted operating profit up by 45%. Custom research makes up most (90%) of the Middle East business and grew by 45%. This performance reflected the expansion of the new operation in Kurdistan as well as the continued development of the existing YouGov operation, based in the United Arab Emirates (Dubai) and Saudi Arabia. During the year, sales included major contracts from public economic development bodies, notably the Saudi Commission for Tourism and Antiquities and the Dubai Tourism Commission as well as further work from existing regional and international commercial clients such as PepsiCo, Saudi Telecom and Yahoo. In Kurdistan, major studies are being conducted for commercial and public sector clients, focused around public opinion polling. While data products and services still represent a small part of the business, more resources are being devoted to their growth in the region. Development of both parts of the business is supported by the strong reputation for quality of YouGov's regional panel, which covers 21 countries. In the coming year, an operation will be started in Egypt, largely in response to client demand. New heads have recently been appointed to manage the Dubai and Saudi operations following the promotion of the regional CEO to a Group role. Although the region's political instability is of concern, the economic strength of the countries in which YouGov is based continues to attract local and international investment. YouGov's knowledge of the region gives us the confidence that it will continue to provide opportunities for our business to grow there.

Germany

	Year to 31 July 2014 £m	Year to 31 July 2013 £m	% Change
Revenue	**8.9**	9.4	(5%)
Adjusted Operating Profit	**0.5**	0.9	(43%)
Adjusted Operating Profit Margin (%)	**6%**	9%	

While this year's decline in profitability of our German business was disappointing, especially following the progress achieved in the previous two years, the two main elements of the business performed very differently. Data products and services continued to grow well with BrandIndex increasing revenue by 35% and Omnibus by 33%. This element now accounts for 25% of total revenue and is achieving margins approaching 20%. BrandIndex now has 30 clients in Germany including Air Berlin and Plan.Net. Omnibus growth reflected the move to a full daily service at the beginning of the year and a new Qualitative Omnibus that was launched during the year. Custom research however, faced challenging market conditions and its revenue fell by 13% due both to general weakness in the German research market and changing demands among its important financial services client base and this led to a reduction in profitability. Actions were taken in the year to address this and especially to improve sales effectiveness and reduce costs. Active marketing and PR campaigns together with collaborations with leading media organisations such as the Deutsche Presse-Agentur (DPA) and Handelsblatt are helping to build more awareness of the YouGov brand in Germany. As the core YouGov offer is working well here in spite of the local market challenges, we have decided to accelerate its development through the planned launch of the new YouGov Profiles product in Germany early in 2015. These initiatives, together with the continued expansion of BrandIndex and Omnibus, are expected to lead to an improved overall performance in the coming year.

Review of geographic operations continued

Nordic

	Year to 31 July 2014 £m	Year to 31 July 2013 £m	% Change
Revenue	**8.0**	8.5	(6%)
Adjusted Operating Profit	**0.8**	0.3	139%
Adjusted Operating Profit Margin (%)	**10%**	4%	

The significant improvement in the profitability of the Nordic business, which more than doubled adjusted operating profit despite a revenue decline of 6%, reflects the success of the turnaround programme which, as previously reported, began in 2013 under an interim CEO. This included a re-organisation of the sales and research resources and a shift towards a structure that more closely reflects the UK model, including stronger focus in the region on the YouGov core services. Data products and services revenue grew significantly by 73%, driven especially by Omnibus, which more than trebled its revenue following the launch of a more frequent service. Custom research revenue fell by 16% although this reflected in part the aim of reducing the number of smaller, less profitable projects undertaken. In geographic terms, the re-organisation focused especially on the Swedish market where YouGov's position is less established. YouGov Denmark in contrast, is now the most often quoted market research agency in the media. A new CEO was appointed in February 2014, with a background in global data products and we expect the region to make further good progress in line with our strategy. Major regional clients include Carlsberg, Danske Bank, Orkla Foods and Omnicom.

France

	Year to 31 July 2014 £m	Year to 31 July 2013 £m	% Change
Revenue	**0.8**	0.3	123%
Adjusted Operating Profit	**(0.1)**	(0.1)	–

Now in its third year, our French operation doubled revenue in line with its planned development. It focuses on developing YouGov's core products in France with BrandIndex and Omnibus each accounting for approximately half the revenue. The London office provides operational support. The local team was doubled during the year to drive further strong growth in the coming year. BrandIndex clients include international groups such as KFC and OMD and a number of leading French companies including La Banque Postale. Other clients include Bic, Havas and Mercer.

Asia Pacific

YouGov Asia Pacific is reported on for the first time following the acquisition of Decision Fuel in January 2014. This business, which has offices in Hong Kong, Shanghai and Singapore, started trading in the middle of 2013 and is still in start-up mode although now fully integrated within the YouGov Group. It achieved revenue of £0.2m in the six months following the acquisition, which was as expected. This was mainly generated from custom projects using the proprietary mobile platform developed by the founders. In line with the business plan, the focus over the six months to July 2014 was on expanding sales resources in order to launch the YouGov Omnibus and to support growth of BrandIndex in the region following the launch of a Chinese version by YouGov in 2013. The team had grown to 24 by 31 July 2014 and the regional coverage was extended in September with the opening of an office in Jakarta, Indonesia. We consider the Asia Pacific unit to be well positioned to achieve its planned future growth.

Stephan Shakespeare
Chief Executive Officer

13 October 2014

Chief Financial Officer's report
for the year ended 31 July 2014

> "Group revenue for the year to 31 July 2014 of £67.4m was 8% higher than the prior year, while adjusted group operating profit increased by 24% to £7.4m compared to £6.0m in the previous year."

Key performance indicators

The Board monitors business performance via six financial key performance indicators: revenue, adjusted operating profit, adjusted earnings per share (shown on page 1), adjusted operating profit margin, revenue per head and staff costs as a percentage of revenue.

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.

Income statement review

Group revenue for the year to 31 July 2014 of £67.4m was 8% higher than the prior year.

The Group's gross profit (calculated after deducting costs of panel incentives and external data collection) increased by £4.5m to £51.6m and the gross margin increased by 1.2% points to 77% reflecting the higher proportion of survey work conducted on YouGov's proprietary panels.

Operating expenses (excluding amortisation and exceptional items) of £44.2m increased by £3.0m. The growth rate of 7% 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 76 to 578 from 502. 47 of the additional staff reflected hiring to support organic growth (an increase of 9%) while 29 of the new staff joined at the time of or following the acquisitions of YouGov Asia Pacific (added 18 staff) and CoEditor (added 11 staff). Average revenue per head fell slightly to £117,000 from £125,000, due in part to the Asia Pacific acquisition (which is still in start-up mode) and to the increase in analytics and technical resources. However, staff cost as a percentage of revenue fell by 2% points to 48% as most of the staff growth was in relatively junior positions.

Adjusted Group operating profit increased by 24% to £7.4m compared to £6.0m in the previous year. There was a net finance cost of £0.3m compared to income of £0.1m last year, primarily due to unrealised foreign exchange translation losses on cash balances. This resulted in an adjusted profit before taxation of £7.7m, an increase of 12% over the prior year. Adjusted earnings per share for the year rose by 0.5p to 6.1p.

The statutory operating profit (which is after charging amortisation of £4.0m and exceptional items of £2.4m) fell by £0.5m to £1.0m due to the higher amortisation charges and exceptional items. This was reflected in the reduction of £0.8m in statutory profit before taxation to £0.7m.

Analysis of operating profit and earnings per share

	31 July 2014 £'000	31 July 2013 £'000
Group operating profit before amortisation of intangibles, impairment & exceptional costs	**7,389**	5,982
Share-based payments	**547**	767
Imputed interest	**32**	71
Net finance income/(cost)	**(292)**	118
Share of post-tax loss in associates	**(14)**	(122)
Adjusted profit before tax	**7,662**	6,816
Adjusted profit after tax attributable to owners of the parent	**6,027**	5,312
Adjusted earnings per share (pence)	**6.1**	5.6

1. Adjusted earnings per share is calculated based on the post-tax result derived from the adjusted profit before tax.

Amortisation of intangible assets and impairment

Amortisation charges for intangible assets of £4.0m were £0.7m higher than the previous year. Amortisation of the consumer panel increased by £0.3m to £0.7m reflecting the additional investment made to grow the panel. Amortisation of software increased by £0.5m to £2.5m, partly due to amortisation on assets acquired through business combinations of £0.2m. Of the remaining software charge, £1.6m (2013: £1.3m) related to assets created through the Group's own internal development activities and £0.7m (2012: £0.6m) to separately acquired assets.

Exceptional items

Exceptional costs of £2.4m (2013: £1.2m) were incurred in the year. £1.2m of this related to acquisitions, of which £0.9m represents contingent consideration which is deemed under IFRS3 to be staff compensation costs. £0.6m of the total acquisition related cost related to CoEditor, £0.5m to YouGov Asia Pacific and £0.1m to Definitive Insights. The remaining balance of exceptional costs (£1.2m) related to the costs of restructuring, of which £0.5m was incurred in the Nordic business and £0.3m respectively, in the US and German businesses.

Cash flow

The Group generated £8.9m (2013: £6.9m) in cash from operations (before paying interest and tax) which reflected a higher cash conversion rate of 120% (2013: 116%) of adjusted operating profit, including a £1.8m (2013: £0.7m) net working capital inflow. Expenditure on investing and financing activities remained at a similar level at £6.7m (2013: £6.5m). £1.0m (2013: £2.0m) of this related to acquisitions, including the payment of deferred consideration, and £5.8m (2013: £4.0m) to capital expenditure. £1.0m (£2013: £0.4m) of the capital expenditure was spent on purchasing tangible assets including £0.5m relating to the expansion of the London office. £4.7m (£3.6m) was spent on intangible assets, of which £1.7m was for panel recruitment which increased by £1.1m reflecting the higher recruitment activity and £2.9m (2013: £2.7m) on software development of which £2.3m (2013: £1.8m) arose from internally generated assets.

Taxation

The Group had a tax charge of £0.3m (2013: £0.6m credit) on a reported basis, the current tax charge of £0.5m (2013: £0.5m) being offset by a deferred tax credit of £0.2m (2013: £1.1m). On an adjusted basis, the tax charge was £1.6m (2013: £1.5m), which represents a tax rate of 22% on the adjusted profit before tax. This was unchanged from the prior year.

Balance sheet

Total shareholders' funds decreased to £57.9m from £61.1m at 31 July 2013 and total net assets decreased to £58.0m compared to £61.1m at 31 July 2013. Net cash balances increased by £0.6m to £7.2m. Net current assets fell to £8.4m from £11.0m. Current assets decreased by £0.8m to £29.9m, with debtor days decreasing to 64 days from 68 days. Current liabilities increased by £1.8m to £21.5m, with creditor days increasing to 44 days from 31 days in 2013.

Panel development

As at 31 July 2014, the Group's online panels comprised a total of 3.0m panellists, an increase in increase of 7% from the total of 2.8m as at 31 July 2013. There was substantial investment in panellist recruitment during the year both to support development of the newer panels such as in France and Germany and to extend the coverage of more mature panels such as in the UK and USA. All the panels grew as a result although there was a small net reduction in the reported US panel numbers as the addition of 240,000 active panellists was offset by the removal of 427,000 non-active registrations from the database. The panel sizes by region were:

Region	Panel size at 31 July 2014	Panel size at 31 July 2013*
UK	**600,106**	442,100
Middle East	**388,546**	326,400
Germany	**170,775**	140,500
Nordic	**140,994**	101,700
USA	**1,526,001**	1,704,900
France	**108,723**	83,300
Asia Pacific	**61,862**	N/A
Total	**2,997,007**	2,798,900

* Restated

Corporate development activities

During the year, the Group acquired 100% of Doughty Media 2 Limited ("DM2") which owns 67% of CoEditor Limited, the company that has developed the Opigram service. YouGov already owned 30% of CoEditor and now owns 97%. This acquisition was made in two stages: 40% was acquired in September 2013 and 60% in December 2013, following the approval by shareholders at the 2013 AGM. The maximum purchase price for DM2 is £1.2m, payable in February 2015. £0.9m of this is contingent upon the achievement of performance criteria relating to the delivery of expected benefits arising from the incorporation of the Opigram technology within YouGov's online presence. As the entire deferred consideration is dependent upon Stephan Shakespeare and the other vendor (the Opigram manager) remaining in YouGov's employment, it has been treated under IFRS as an employment cost and charged to the income statement.

On 9 January 2014, the Group acquired the entire issued capital of Decision Fuel ("DF"), later renamed YouGov Asia Pacific. The initial purchase consideration payable was £0.6 million. Additional earn-out consideration is payable (in cash and/or YouGov shares, at YouGov's option) dependent on the performance of the business in the two financial years ended 31 July 2016 and 2017. The total purchase consideration in the balance sheet is expected to remain at approximately £0.6m as 97% of the deferred payment relates to the management team and is dependent on their continued employment, so this portion will be treated under IFRS as an employment cost and charged to the income statement.

In December 2013, YouGov entered into a joint development agreement with Crunch.io, a US company in which Doug Rivers (a Director of YouGov) 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. Both parties have rights to use the application. YouGov intends to use it to support delivery of services for both custom research and data products. Crunch.io intends to develop a business based on selling the application to third-parties. The benefit for YouGov is that the joint development is accelerating the delivery of costs of an application that offers important commercial benefits as well as reducing its net costs.

Proposed dividend

The Board is recommending the payment of a final dividend of 0.8p per share for the year ended 31 July 2014. If shareholders approve this dividend at the AGM, it will be paid on 15 December 2014 to all shareholders who were on the Register of Members at close of business on 5 December 2014.

Alan Newman
Chief Financial Officer

13 October 2014

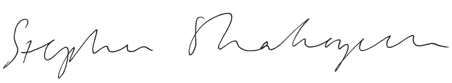
Principal risks

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

Risk	Description	Mitigation
Financial Risks*		
Currency risk	The Company is exposed to currency translation risk in the consolidation of accounting records. The main reporting currencies of Company subsidiaries are Sterling, US Dollar, Euro, Danish Kroner and Arab Emirate Dirham.	The Company 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.
Liquidity risk	The Company is exposed to liquidity risk in both its operating and investing activities.	The Company seeks to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Company currently has no general borrowing arrangement in place.
Interest rate risk	The Company is exposed to interest rate risk, which results largely from its investing activities.	Where possible, the Company manages its interest rate risk on cash balances by negotiating fixed interest rates on deposits for periods of up to three months.
Capital risk	The risk of the Company making a loss on the value of capital investments, such as acquired businesses.	The Company manages its capital to ensure that all entities within the Company are able to continue as a going concern. It undertakes a detailed investment appraisal process prior to making any material capital investments.
Operational Risks		
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.
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 Company'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 around data generated from its proprietary panels.
Technology	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. A disaster recovery plan is in place and is reviewed by the Audit Committee annually.
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 the LTIP.
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.
Acquisitions	The Directors plan to expand and develop the business through a strategy of 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.

* The financial risks facing the Group are discussed in more detail in Note 20 on pages 73 and 74.

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



Stephan Shakespeare
Chief Executive Officer

13 October 2014

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. One of the pioneers of Internet research, Stephan has been the driving force behind YouGov's innovation-led strategy. He also founded PoliticsHome.com. He was chair of the Data Strategy Board for the Department for Business, Innovation and Skills 2012-2013 and led the Shakespeare Review of Public Sector Information. He is a now a member of the Government's Public Sector Transparency Board and a trustee of the National Portrait Gallery. Stephan also sits on the Advisory Board of the Oxford-Man Institute of Quantitative Finance.

Alan Newman Chief Financial Officer

Experience:

Alan has been YouGov's Group 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.

Sir Peter Bazalgette Non-Executive Director

Roles:

Senior Independent Director, Chair of the Remuneration Committee, member of the Audit Committee.

Experience:

Sir Peter is Chair of Arts Council England and former Chair of English National Opera. He has raised funds for arts and media organisations, notably as Chair of The Crossness Engines Trust and as Deputy Chair of The National Film and Television School. He has a number of media interests, serving on the Boards of ITV and MirriAd and the Advisory Board of BBH. He is active in the television industry and is the president of The Royal Television Society, served as the Chief Creative Officer of Endemol, served on the Board of Channel 4 and devised several internationally successful television formats. He was also a Non-Executive Director of DCMS. Peter writes a regular food column for *The Financial Times*.

Nick Jones Non-Executive Director

Roles:

Chair of the Audit Committee, member of the Remuneration Committee.

Experience:

Nick is Chief Financial Officer of Achilles Group, who create global collaborative communities of trading partners. Prior to this, he was 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.

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. The Quintessentially Group operates in 60 cities globally and has 32 sister businesses in the luxury lifestyle market. Ben is the chairman of the Quintessentially Foundation. Since it was established in 2008, the Foundation has raised over four million pounds for charity. He was also proudly involved in the fundraising for Her Majesty Queen's Diamond Jubilee in 2012. Ben is Executive Producer of the award-winning feature documentary *Fire in Babylon*. Ben holds a number of non-executive board positions and was rated by *GQ* magazine as one of the top 100 most connected men in Britain, 2014.

Corporate Governance Report
for the year ended 31 July 2014

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 Company's activities – to its shareholders and other stakeholders including employees, panellists, customers, suppliers and the wider community.

As an AIM-listed company, it is up to the Board to decide which, if any, corporate governance code it wishes to adopt for the Company. 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 Company. 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 2014, 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 28 and 29.

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 Company'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 6 to 7, the Chief Executive Officer's review on pages 9 to 13 and the Chief Financial Officer's Report on pages 24 to 26. The Executive Directors meet regularly with institutional shareholders to discuss the Company'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 2013/14.

Director	Board Meetings Maximum 8	Remuneration Committee Meetings Maximum 3	Audit Committee Meetings Maximum 2
Stephan Shakespeare	8	1 (in attendance)	–
Alan Newman	8	2 (in attendance)	2 (in attendance)
Roger Parry	8	–	–
Sir Peter Bazalgette	8	3	2
Nick Jones	8	3	2
Ben Elliot	8	–	–
Doug Rivers	8	–	–

Remuneration committee

The Remuneration Committee operates under Terms of Reference agreed by the whole Board. Its members are Sir Peter Bazalgette (Chairman) 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 33 to 36.

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 Sir Peter Bazalgette. 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.

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 Company;
- 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 Company by the use of separate teams to provide such services where appropriate;
- discussion with the auditors of a written report detailing relationships with the Company 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 Company's selected advisors and can obtain independent professional advice at the Company's own expense in performance of their duties as Directors. Board committees are authorised to obtain, at the Company's expense, professional advice on any matter within their Terms of Reference. The Audit Committee works with the Company's auditor, PricewaterhouseCoopers. The Company Secretary is supported on Company Secretarial matters by Numis (NOMAD), Olswang (Solicitors) and Neville Registrars (Registrar). During the year, the Remuneration Committee engaged Deloitte to provide advice on the company's executive remuneration policy and incentive schemes. The Company's retained advisors are detailed on page 91.

Corporate Social Responsibility

Community

The Company 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

The Company's employee involvement policy and activities are outlined in the Directors' Report on page 37.

Health and safety

The Company 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

The Company 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 Company. The Company has an established Whistleblowing Procedure and Anti-Bribery Policy. The Company also maintains an awareness of human rights issues and observance of the pertinent law.

Supplier payments

The Company 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

The Company recognises that the wise 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 and production. Our operations are predominately office based, and here we try to minimise our impacts where practicable. As part of this policy we:

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

As an AIM-listed company, YouGov is not obliged to implement the new 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. Accordingly, certain disclosures have also been amended and expanded.

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 Company's stated strategic objectives (which are outlined on page 8).

This report outlines the Remuneration Committee's activities during the year, describes the Directors' remuneration policy and then sets out the payments and awards made to the Directors, detailing the link between company performance and remuneration for the year ended 31 July 2014.

During the year, the Committee conducted a review of the remuneration policy and incentive plans for the company's Executive Directors and senior managers, with advice from the remuneration consulting practice of Deloitte. Its objectives were to ensure that these plans are effective in aligning management and shareholder interests and in incentivising the personal contributions of Executive Directors and senior managers towards delivering the Company's goals. As a result of the review, the Committee approved the adoption of a new Long Term Incentive Plan for Executive Directors and senior managers and a Deferred Share Bonus Plan for a wider group of managers both of which will take effect from 1 August 2014. Details of these new plans are set out in this report for shareholders' information.

The Committee takes the views of shareholders and best practice guidance into account when setting remuneration policy. As part of its review of the Company's executive remuneration policy and incentive schemes, the Committee actively engaged with major shareholders regarding the proposed changes.

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 Company'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 Company's stated strategy and its financial performance as well as to each Director's individual role. The Remuneration Committee has made interim annual bonus awards for 2012/13 and 2013/14 based upon the Directors' performance relative to the targets and will make a final award for the year ended 2014/15 dependent on the cumulative three-year performance.

3. Shares

The Company 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 a Long Term Incentive Plan ("LTIP") in 2009, designed to reflect an individual manager's contribution to long-term value creation and this has been in operation up to and including the year ended 31 July 2014. The Remuneration Committee has recently approved a new Long Term Incentive Plan ("New LTIP") for the Company's Executive Directors and senior managers, which takes effect from 1 August 2014.

Long Term Incentive Plan ("LTIP")

Executive Directors and senior managers of the Company and its subsidiaries have been eligible to participate in the Long Term Incentive Plan first established in 2009. Under the rules of the LTIP, participants are conditionally awarded nil cost options to acquire shares (or conditional stock awards, if US residents). These awards are usually made annually. 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 ("EPS") growth and total shareholder return ("TSR") versus companies in the AIM Media Index.

The conditions applying to awards made in the year ending 31 July 2014 were as follows: the options will vest in full if adjusted earnings per share ("EPS") growth exceeds the Retail Price Index ("RPI") by 7% or more; 50% of the options will vest if adjusted EPS 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.

For the awards made in each of the three years ending 31 July 2012, the adjusted EPS growth performance conditions were as follows: the options vest in full if adjusted earnings per share growth exceeds the RPI by 5% or more; 50% of the options will vest if adjusted EPS growth exceeds RPI by 3%.

Approximately 1.6 million LTIP shares were awarded conditionally in the year ended 31 July 2014 to participants in the Plan. These will vest in 2016 dependent on the Company's performance during the three years ended 31 July 2016. These include awards to the Executive Directors of the Company as set out below. No LTIP shares were awarded in the year ended 31 July 2013.

New Long Term Incentive Plan ("New LTIP")
The new LTIP is designed to reward the participants for the achievement of highly demanding EPS growth targets over the five year period ending 31 July 2019. These growth targets are significantly higher than those which are in place under the current LTIP. The participants will be the three 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. Awards under the new LTIP will be made in the form of nil-cost options as in the current LTIP. 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 will be granted in three equal tranches over FY15 to FY17. 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 the targets for compound EPS growth 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 Company 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 EPS growth performance will be assessed against the targets set out in the table above.

The new awards (which cover five years) will be made at varying levels to participants as set out in the table below:

Role	Maximum cumulative award after 5 years as % of salary in FY15
Chief Executive Officer	850%
Executive Director	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.

Deferred Bonus Share Plan
A separate new Deferred Bonus Share Plan will be established for those senior managers in the Company who do not participate in the new LTIP. This deferred bonus plan will entitle 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 LTIP, awards of deferred bonus shares may be made annually.

Deferred Stock Scheme
As announced on 28 January 2014, 1,262,500 shares awarded under the Deferred Stock Scheme vested during the year. 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. Participants must remain employed for a fixed period determined by the Remuneration Committee at the date of grant. For the 2010 awards, this period was three years. As at 31 July 2014, 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 (currently set at £5,000 of each Non-Executive Director's annual 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, 4,057 shares each were issued to Ben Elliot and Nick Jones. (2013: 6,992 shares were issued).

Annual Report on Remuneration

A resolution will be put to the shareholders at the Annual General Meeting to be held on 10 December 2014, inviting them to consider and approve this report. The remuneration report is unaudited, except where stated.

Compliance
The constitution and operation of the Committee is in compliance with the principles and best practice provisions as set out in the UK Corporate Governance Code as if it were followed and full consideration was given to these in determining the remuneration packages for the Executive Directors for 2013/14. 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
Sir Peter Bazalgette	2 March 2005	30 days
Nick Jones	2 June 2009	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 2014 and the Company or any member of the Company.

The total aggregate remuneration (including benefits-in-kind and pension contributions) paid to the Directors by all members of the Company for the year ended 31 July 2014 amounted to £1,144,000 (2013: £946,000).

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.

Directors' Remuneration (audited)
Directors' remuneration in aggregate for the year ended 31 July 2014 was as follows:

Name	Salary £	Annual Bonus £	Benefits in kind £	Total 31 July 2014 £	Total 31 July 2013 £
Executive Directors					
Stephan Shakespeare	**226,639**	**125,456**	**1,791**	**353,886**	274,568
Alan Newman	**188,132**	**104,136**	**–**	**292,268**	226,746
Doug Rivers	**203,158**	**114,260**	**–**	**317,418**	261,645
Non-Executive Directors					
Roger Parry	**80,000**	**–**	**–**	**80,000**	89,000
Sir Peter Bazalgette	**35,000**	**–**	**–**	**35,000**	32,917
Nick Jones	**35,000**	**–**	**–**	**35,000**	32,917
Ben Elliot	**30,000**	**–**	**–**	**30,000**	27,917
Totals	**797,929**	**343,852**	**1,791**	**1,143,572**	945,710

The benefit-in-kind received consists of private health insurance. In the year ended 31 July 2013, the remuneration paid to Stephan Shakespeare, Alan Newman and Doug Rivers included bonus payments of £54,832, £45,526 and £52,329 respectively. Doug Rivers also participates in a US defined contribution pension arrangement. During the year, the Company contributed £6,095 (2013: £3,993).

Directors' share options (audited)

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

Date of grant	Earliest exercise date	Expiry date	Number at 31 July 2013	Awarded in year	Exercised in year	Number at 31 July 2014
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**
			1,188,202	262,185	–	**1,450,387**
Alan Newman						
21 July 2011	14 October 2013	20 July 2021	354,167	–	(354,167)	**–**
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**
			664,342	203,218	(354,167)	**513,393**
Doug Rivers						
21 July 2011	14 October 2013	20 July 2021	97,050	–	(97,050)	**–**
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**
			460,807	237,875	(97,050)	**601,632**

During the year ended 31 July 2014, Alan Newman exercised 354,167 options (2013: 288,557 options) which vested under the LTIP when the market price was 83p (2013: 70p) and Doug Rivers exercised 97,050 options (2013: 94,584 options) when the market price was 83p (2013: 74p).

Deferred Stock Scheme (audited)

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

Name	Number at 31 July 2013	Vested in year	**Number at 31 July 2014**
Stephan Shakespeare	162,500	–	**162,500**
Alan Newman	162,500	(162,500)	**–**
Doug Rivers	375,000	(375,000)	**–**
	700,000	(537,500)	**162,500**

The market price on the date that the above shares vested was 90.5p.

Statement of Directors' Shareholding and Share Interests

Name	Stephan Shakespeare	Alan Newman	Doug Rivers
Share options with performance conditions	635,764	513,393	601,632
Share awards without performance conditions	162,500	–	–
Scheme interests in shares	**798,264**	**513,393**	**601,632**
Vested but unexercised share options	814,623	–	–
Shares beneficially owned	5,719,110	273,657	1,806,257
Total interest in shares	**7,331,997**	**785,050**	**2,407,889**

Directors' Report
for the year ended 31 July 2014

The Directors present their report and the audited consolidated financial statements for the year ended 31 July 2014.

Operating results

The financial and operational performance of the group is discussed on pages 20 to 23.

Financial summary

The financial summary is discussed on pages 24 to 26 of the Chief Financial Officer's Report.

Key performance indicators

Performance measured against key performance indicators is shown on pages 2 and 24.

Principal risks and uncertainties

The principal risks and uncertainties are discussed on page 27.

Financial risks

The financial risks facing the Group are discussed in more detail in Note 20 on pages 73 and 74.

Dividends

A final dividend of 0.6p per share in respect of the year ended 31 July 2013 was paid on 16 December 2013, amounting to a total payment of £586,000. A dividend of 0.8p per share in respect of the year ended 31 July 2014, amounting to a total payment of £794,000 will be proposed at the Annual General Meeting on 10 December 2014.

Future developments

Future developments are discussed in more detail in the Chief Executive's review on pages 9 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:

Roger Parry (Chairman)
Stephan Shakespeare
Alan Newman
Doug Rivers
Sir Peter Bazalgette
Nick Jones
Ben Elliot

Treasury shares
The total number of shares in treasury at 31 July 2014 was £nil (2013: 954,000). The purpose of treasury shares was to satisfy future share and/or option awards.

Directors' interests in shares
The interests of the Directors in the shares of the Company 31 July 2014 and 31 July 2013 were as follows:

	31 July 2014 Number of Shares	31 July 2013 Number of Shares
Stephan Shakespeare[1]	**5,719,110**	9,069,110
Alan Newman	**273,657**	100,557
Roger Parry	**52,000**	52,000
Sir Peter Bazalgette	**293,101**	263,976
Nick Jones	**11,149**	7,092
Ben Elliot	**11,149**	7,092
Doug Rivers	**1,806,257**	1,572,617

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

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 page 36.

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 2014 the following had notified the Company of disclosable interests in 3% or more of the nominal value of the Company's shares:

Name	Shareholding	
BlackRock	12,205,800	12.29%
T Rowe Price Global Investments	10,613,209	10.69%
Kabouter Management	9,777,567	9.85%
Standard Life Investments	9,488,715	9.55%
Balshore Investments	8,029,100	8.08%
J O Hambro Capital Management	7,650,000	7.70%
Baillie Gifford	6,454,529	6.50%
Stephan Shakespeare[1]	5,719,110	5.76%
Majedie Asset Management	3,218,837	3.24%

1. Includes five ordinary shares held by Stephan'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 2014 or 2013 and £2.4m (2013: £1.9m) 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 £1.6m (2013: £1.3m).

Charitable and political contributions

Donations to charitable organisations amounted to £71,000 (2013: £73,000). This included an annual subscription of £70,000 (2013: £70,000) in respect of the "YouGov-Cambridge" programme, an academic partnership established with Cambridge University's Department of Politics and International Studies. The Group does not make political donations.

Employee involvement and communication

The Company 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 Company.

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 Company may continue.

It is the policy of the Company that training, career development and promotion 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 Company's share option schemes including the LTIP scheme. Information about the Company'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 10 December 2014 at our offices at 50 Featherstone Street, London EC1Y 8RT.

Alan Newman
Chief Financial Officer and Company Secretary
On behalf of the Board

13 October 2014

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 and Company Secretary
On behalf of the Board

13 October 2014

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

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the group's affairs as at 31 July 2014 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

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited
The group financial statements (the "financial statements"), which are prepared by YouGov plc, comprise:

- the Consolidated Statement of Financial Position as at 31 July 2014;
- 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; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation 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.

Certain disclosures required by the financial reporting framework have been presented elsewhere in the Annual Report and Accounts, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

What an audit of financial statements involves
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

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.

Opinion on other matters 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 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.

Independent Auditors' Report to the Members of YouGov plc on the Group 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 40, 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 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.

Other matter

We have reported separately on the company financial statements of YouGov plc for the year ended 31 July 2014.

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

13 October 2014

Financial statements

Consolidated Income Statement
for the year ended 31 July 2014

	Note	2014 £'000	2013 £'000
Revenue	1	**67,375**	62,551
Cost of sales		**(15,811)**	(15,440)
Gross profit		**51,564**	47,111
Operating expenses*		**(44,175)**	(41,129)
Adjusted operating profit before amortisation of intangible assets and exceptional items	1	**7,389**	5,982
Amortisation of intangibles		**(3,965)**	(3,280)
Exceptional items	4	**(2,385)**	(1,212)
Operating profit		**1,039**	1,490
Finance income	5	**171**	207
Finance costs	5	**(463)**	(89)
Share of post-tax loss in joint ventures and associates		**(14)**	(122)
Profit before taxation	1	**733**	1,486
Tax (charge)/credit	6	**(316)**	623
Profit after taxation	1	**417**	2,109
Attributable to:			
– Owners of the parent		**433**	2,042
– Non-controlling interests		**(16)**	67
		417	2,109
Earnings per share			
Basic earnings per share attributable to owners of the parent	8	**0.4p**	2.1p
Diluted earnings per share attributable to owners of the parent	8	**0.4p**	2.0p

* Total 2014 operating expenses including amortisation of intangibles and the items detailed in Note 4 are £48.250m (2013: £45.621m).

All operations are continuing.

The notes and accounting policies on pages 48 to 77 form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income
for the year ended 31 July 2014

	2014 £'000	2013 £'000
Profit for the year	**417**	2,109
Other comprehensive (loss)/income:		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	**(4,774)**	2,706
Other comprehensive (loss)/income for the year	**(4,774)**	2,706
Total comprehensive (loss)/income for the year	**(4,357)**	4,815
Attributable to:		
– Owners of the parent	**(4,338)**	4,743
– Non-controlling interests	**(19)**	72
Total comprehensive (loss)/income for the year	**(4,357)**	4,815

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.

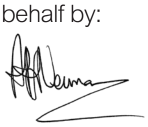
The notes and accounting policies on pages 48 to 77 form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position
for the year ended 31 July 2014

Assets	Note	31 July 2014 £'000	31 July 2013 £'000
Non-current assets			
Goodwill	10	**36,329**	38,800
Other intangible assets	11	**10,321**	9,210
Property, plant and equipment	12	**2,489**	2,256
Investments in joint ventures and associates	13	**–**	363
Deferred tax assets	19	**3,120**	2,847
Total non-current assets		**52,259**	53,476
Current assets			
Trade and other receivables	14	**21,687**	22,951
Current tax assets		**757**	834
Cash and cash equivalents	15	**7,429**	6,929
Total current assets		**29,873**	30,714
Total assets		**82,132**	84,190
Liabilities			
Current liabilities			
Trade and other payables	16	**17,530**	16,235
Provisions for other liabilities and charges	18	**3,127**	2,737
Borrowings	15	**184**	273
Current tax liabilities		**341**	128
Contingent consideration	17	**298**	301
Total current liabilities		**21,480**	19,674
Net current assets		**8,393**	11,040
Non-current liabilities			
Trade and other payables		**23**	55
Provisions for other liabilities and charges	18	**684**	770
Contingent consideration	17	**169**	250
Deferred tax liabilities	19	**1,824**	2,327
Total non-current liabilities		**2,700**	3,402
Total liabilities		**24,180**	23,076
Net assets		**57,952**	61,114
Equity			
Issued share capital	21	**199**	195
Share premium	21	**31,014**	30,961
Merger reserve		**9,239**	9,239
Foreign exchange reserve		**5,722**	10,493
Retained earnings		**11,755**	10,195
Total shareholders' funds		**57,929**	61,083
Non-controlling interests in equity		**23**	31
Total equity		**57,952**	61,114

The notes and accounting policies on pages 48 to 77 form an integral part of these consolidated financial statements.

The financial statements on pages 43 to 77 were authorised for issue by the Board of Directors on 13 October 2014 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 2014

	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 £'000	Total £'000
Balance at 31 July 2012		**195**	**30,947**	**9,239**	**7,792**	**7,776**	**55,949**	**55**	**56,004**
Changes in equity for 2013									
Exchange differences on translating foreign operations		–	–	–	2,701	–	**2,701**	5	**2,706**
Net profit recognised directly in equity		–	–	–	2,701	–	**2,701**	5	**2,706**
Profit for the year		–	–	–	–	2,042	**2,042**	67	**2,109**
Total comprehensive income for the year		–	–	–	2,701	2,042	**4,743**	72	**4,815**
Issue of shares	21	–	14	–	–	–	**14**	–	**14**
Dividends paid	7	–	–	–	–	(479)	**(479)**	(96)	**(575)**
Share-based payments	22	–	–	–	–	856	**856**	–	**856**
Total transactions with owners recognised directly in equity		–	14	–	–	377	**391**	(96)	**295**
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 (loss)/income 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	–	–	1,422	**1,184**	11	**1,195**
Balance at 31 July 2014		**199**	**31,014**	**9,239**	**5,722**	**11,755**	**57,929**	**23**	**57,952**

The notes and accounting policies on pages 48 to 77 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows
for the year ended 31 July 2014

	Note	2014 £'000	2013 £'000
Cash flows from operating activities			
Profit before taxation		**733**	1,486
Adjustments for:			
Finance income		**(171)**	(207)
Finance costs		**463**	89
Share of post-tax loss in joint ventures and associates		**14**	122
Amortisation of intangibles	2	**4,120**	3,280
Depreciation	2	**631**	539
Loss on disposal of property, plant and equipment and other intangible assets		**–**	3
Other non-cash profit items		**1,334**	866
Increase in trade and other receivables		**(1,088)**	(3,113)
Increase in trade and other payables		**2,411**	3,381
Increase in provisions		**445**	464
Cash generated from operations		**8,892**	6,910
Interest paid		**(4)**	(15)
Income taxes paid		**(287)**	(477)
Net cash generated from operating activities		**8,601**	6,418
Cash flow from investing activities			
Loan to associate		**–**	(546)
Purchase of subsidiary (net of cash acquired)	9	**(643)**	–
Acquisition of non-controlling interest in associates	13	**(28)**	–
Settlement of contingent considerations	17	**(332)**	(2,023)
Purchase of property, plant and equipment	12	**(1,048)**	(411)
Purchase of intangible assets	11	**(4,723)**	(3,638)
Proceeds from sale of plant, property and equipment		**12**	–
Interest received		**1**	34
Dividends received		**55**	41
Net cash used in investing activities		**(6,707)**	(6,543)
Cash flows from financing activities			
Proceeds from the issue of share capital		**57**	14
Proceeds from borrowings		**–**	57
Repayment of borrowings		**(32)**	(18)
Dividends paid to shareholders		**(586)**	(479)
Dividends paid to non-controlling interests		**(35)**	(96)
Net cash used in financing activities		**(596)**	(522)
Net increase/(decrease) in cash and cash equivalents		**1,299**	(647)
Cash and cash equivalents at beginning of year		**6,656**	7,150
Exchange (loss)/gain on cash and cash equivalents		**(710)**	153
Cash and cash equivalents at end of year	15	**7,245**	6,656

The notes and accounting policies on pages 48 to 77 form an integral part of these consolidated financial statements.

Principal Accounting Policies of the Consolidated Financial Statements
for the year ended 31 July 2014

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 2014. 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), International Financial Reporting Interpretations Committee (IFRIC) 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 80 to 88.

The following new amendments to standards and interpretations, which do not have a material impact, are mandatory for the first time for the financial year beginning 1 August 2013 and are relevant to the preparation of the Group's financial statements:

- Amendment to IFRS 7, 'Financial instruments: Disclosures', on asset and liability offsetting. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with other accounting frameworks.
- Annual improvements 2011. These annual improvements, address six issues in the 2009-2011 reporting cycle. It includes changes to the following standards which are relevant to the Group:
  - IAS 1, 'Financial statement presentation' – Clarification of the requirements for comparative information
  - IAS 16, 'Property plant and equipment' – Classification of servicing equipment
  - IAS 32, 'Financial instruments; Presentation' – Tax effect of distribution to holders of equity instruments
- IFRS 13, 'Fair value measurement'. IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The adoption of IFRS 13 within the Group's accounts has not materially impacted the financial statements.
- Amendments to IAS 36, 'Impairment of assets'. This amendment, issued in conjunction with IFRS 13, 'Fair value measurement', introduces additional disclosures about fair value measurements where there has been impairment or a reversal of impairment. The amendments are effective for annual periods beginning on or after 1 January 2014 and have been early adopted by the Group.

Basis of consolidation

The Group financial statements consolidate the Company and all of its subsidiary undertakings (see Note 13) drawn up to 31 July 2014. 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.

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.

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 IAS 18 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.

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. Amortisation is charged to write off the panel acquisition costs over a five year period, this being the Directors' estimate of the average active life of a panellist.

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.

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 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 machinery 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

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: 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 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 uncollectible, 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.

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 the Group's 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.

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 new standards, amendments to standards and interpretations have been issued, but are not effective (or not effective in the EU) for the financial year beginning 1 August 2013 and have not been early adopted:

- IFRS 10, 'Consolidated financial statements' is effective for accounting periods beginning on or after 1 January 2013, but has been endorsed by the EU only for periods beginning on or after 1 January 2014. It has therefore not been applied within these financial statements.
- IFRS 11, 'Joint arrangements' is effective for accounting periods beginning on or after 1 January 2013, but has been endorsed by the EU only for periods beginning on or after 1 January 2014. It has therefore not been applied within these financial statements.
- IFRS 12, 'Disclosures of interests in other entities' is effective for accounting periods beginning on or after 1 January 2013, but has been endorsed by the EU only for periods beginning on or after 1 January 2014. It has therefore not been applied within these financial statements.
- Amendment to IFRSs 10, 11 and 12 on transitional guidance. Given these standards have not been endorsed by the EU in respect of this reporting period, the Group has not applied these amendments either.
- IFRS 9, 'Financial instruments – classification and measurement of financial assets', which is effective for accounting periods beginning on or after 1 January 2018, and has not yet been endorsed for adoption in the EU.

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.

1 Segmental analysis

For internal reporting purposes the Group is organised into six operating divisions based on geographic lines – UK, Middle East, Germany, Nordic, USA and France. These divisions are the primary basis on which the Group reports its segmental information. The Group has three product lines – Custom Research, Data Products and Data Services. Supplementary segmental information has been provided on this basis.

Management has determined the operating segments based on the reports reviewed by the Board of Directors (which is the "chief operating decision-maker"). During the year ended 31 July 2014 the Board of Directors primarily reviewed information based on geographic lines but also reviewed information based on product lines. For the year ending 31 July 2015 the Board will primarily review information based on product lines with supplemental geographical information. As a result product lines will form the basis for the segmental analysis in future years.

2014	UK £'000	Middle East £'000	Germany £'000	Nordic £'000	USA £'000	France £'000	Consolidation and unallocated £'000	Group £'000
Revenue								
External sales	18,795	9,963	8,571	7,844	21,588	445	169	67,375
Inter-segment sales	564	163	374	141	270	311	(1,823)	–
Total revenue	19,359	10,126	8,945	7,985	21,858	756	(1,654)	67,375

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

	UK	Middle East	Germany	Nordic	USA	France	Consolidation and unallocated	Group
Segment result								
Gross profit	14,720	7,449	6,669	6,504	15,550	581	91	51,564
Adjusted operating profit	5,007	2,246	503	823	3,012	(121)	(4,081)	7,389
Amortisation of intangibles	681	82	91	480	702	27	1,902	3,965
Exceptional costs	152	42	273	498	394	–	1,026	2,385
Finance income								171
Finance costs								(463)
Share of results of joint ventures and associates								(14)
Profit before taxation								733
Tax charge								(316)
Profit after taxation								417
Other segment information								
Depreciation	90	129	103	42	121	1	145	631
Share-based payments	–	–	–	–	–	–	547	547
Assets								
Segment assets	31,064	7,741	15,234	12,130	32,882	1,094	(18,013)	82,132
Investments in associates								–
Total assets								82,132

1 Segmental analysis continued

2013	UK £'000	Middle East £'000	Germany £'000	Nordic £'000	USA £'000	France £'000	Consolidation and unallocated £'000	Group £'000
Revenue								
External sales	17,055	7,252	9,051	8,438	20,619	136	–	62,551
Inter-segment sales	334	63	330	54	176	203	(1,160)	–
Total revenue	17,389	7,315	9,381	8,492	20,795	339	(1,160)	62,551

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

	UK £'000	Middle East £'000	Germany £'000	Nordic £'000	USA £'000	France £'000	Consolidation and unallocated £'000	Group £'000
Segment result								
Gross profit	12,777	5,532	7,493	6,720	14,210	267	112	47,111
Adjusted operating profit	4,437	1,547	880	345	2,274	(91)	(3,410)	5,982
Amortisation of intangibles	(469)	(76)	(136)	(443)	(640)	(15)	(1,501)	(3,280)
Exceptional costs	(70)	–	(27)	(454)	(342)	–	(319)	(1,212)
Finance income								207
Finance costs								(89)
Share of results of joint ventures and associates								(122)
Profit before taxation								1,486
Tax credit								623
Profit after taxation								2,109
Other segment information								
Depreciation	74	99	105	49	65	2	145	539
Share-based payments	–	–	–	–	–	–	767	767
Assets								
Segment assets	29,992	7,847	16,898	13,392	32,788	470	(17,560)	83,827
Investments in associates								363
Total assets								84,190

Differences between the origin and destination of revenue are material to the Group. Revenue by destination is presented below.

2014	UK £'000	Middle East £'000	Germany £'000	Nordic £'000	USA £'000	France £'000	Consolidation and unallocated £'000	Group £'000
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**	**(3,126)**	**–**
Total revenue	**19,578**	**8,901**	**8,981**	**8,069**	**23,936**	**768**	**(2,858)**	**67,375**
2013								
External sales	17,683	6,071	9,080	8,441	21,036	240	–	62,551
Inter-segment sales	852	107	351	214	699	13	(2,236)	–
Total revenue	18,535	6,178	9,431	8,655	21,735	253	(2,236)	62,551

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

Supplementary information by product line

2014	Custom research £'000	Data products £'000	Data services £'000	Unallocated £'000	Group £'000
Revenue	**47,689**	**9,604**	**10,082**	**–**	**67,375**
Adjusted operating profit	**5,485**	**1,639**	**3,947**	**(3,682)**	**7,389**
2013					
External sales	47,400	6,641	8,510	–	62,551
Adjusted operating profit	5,126	834	3,246	(3,224)	5,982

2 Operating expenditure

The profit before taxation is stated after charging:

	2014 £'000	2013 £'000
Auditors' remuneration:		
Fees payable for the audit of the parent company and the consolidated financial statements	**147**	148
Audit of subsidiaries pursuant to legislation	**78**	45
Audit related assurance services	**29**	31
Tax compliance services	**27**	53
Tax advisory services	**44**	63
Other advisory services	**31**	70
Total auditors' remuneration	**356**	410
Disposals, depreciation and amortisation:		
Depreciation of property, plant and equipment (Note 12)	**631**	539
Amortisation of intangible assets per the income statement	**3,965**	3,280
Amortisation of intangible assets recognised in cost of sales	**155**	–
Loss on disposal of property, plant and equipment	**–**	3
Other operating lease rentals:		
Plant and machinery	**75**	121
Land and buildings	**1,700**	1,405
Other expenses:		
Exchange losses	**62**	47
Share-based payment expenses (Note 22)	**547**	767
Charitable donations	**71**	73

3 Staff numbers and costs

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

	2014 £'000	2013 Restated + £'000
Wages and salaries	**24,519**	24,492
Social security costs	**2,732**	2,558
Share-based payments (Note 22)	**547**	767
Pension costs	**492**	398
Other benefits	**3,113**	2,743
Acquisition cost deemed as staff compensation*	**687**	102
	32,090	31,060

+ The prior year comparative has been restated to reclassify £815,000 of staff bonuses from wages and salaries to other benefits.

* 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 £2,322,000 (2013: £1,879,000) 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.

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

	2014 Number	2013 Number
Key management personnel	**22**	19
Administration and operations	**556**	483
	578	502

3 Staff numbers and costs continued

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:

	2014 £'000	2013 £'000
Short-term employee benefits	**3,305**	2,788
Post-employment benefits	**56**	44
Share-based payments	**409**	602
Acquisition cost deemed as staff compensation	**554**	–
	4,324	3,434

Disclosure of Directors' remuneration including share options are included in the Remuneration Report on pages 33 to 36, which form part of the financial statements.

4 Exceptional items

	2014 £'000	2013 £'000
Restructuring costs	**1,192**	645
Acquisition-related costs	**1,226**	255
Change in accounting estimation – contingent consideration	**92**	35
Cost of establishing new entities	**44**	–
Gain on re-measurement of associates on acquisition of control	**(169)**	–
Employment termination	**–**	205
Panel closure costs	**–**	72
	2,385	1,212

Restructuring costs in the year are the cost of reorganising the management structure of the Nordic £498,000, US £302,000, German £284,000 and UK £108,000 businesses.Restructuring costs in the prior year primarily relate to the restructuring of the Nordic business to improve performance and the cost of reorganising the UK and Group management structures.

Acquisition related costs in the 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.

Acquisition related costs in the prior year include £102,000 of contingent consideration in respect of the Definitive Insights acquisition that is deemed under IFRS3 to be staff compensation cost, £136,000 incurred in relation to a prospective acquisition with which the Group decided not to proceed and £18,000 in respect of the acquisition of a shareholding in Doughty Media 2.

The change in estimated contingent consideration in the year is in respect of the Definitive Insights acquisition. The change in estimated contingent consideration in the prior year comprises a charge of £70,000 in respect of the acquisition of Clear Horizons, a credit of £16,000 in respect of the Harrison Group acquisition and a credit of £19,000 in respect of the Definitive Insights acquisition.

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

The Group acquired an additional 27% equity interest in CoEditor on 6 September 2013. This additional equity interest resulted in YouGov Plc acquiring control of CoEditor. Under International Financial Reporting Standard 3, 'Business Combinations' ('IFRS 3'), 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 our existing interest which has been included in exceptional items in the income statement. IFRS 3 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.

Employment termination costs in the prior year relate to redundancies in the US. Panel closure costs in the prior year arose as a result of the decision taken in the year to close the YouGov Panel in Chile.

5 Finance income and costs

	2014 £'000	2013 £'000
Interest receivable from bank deposits	–	27
Dividends received	55	41
Foreign exchange gains on cash and intra-Group loans	116	139
Total finance income	**171**	207
Interest payable on bank loans and overdrafts	9	10
Interest on obligations under hire purchase and finance leases	3	4
Other interest payable	3	–
Foreign exchange losses on cash and intra-Group loans	416	4
	431	18
Imputed interest on contingent consideration and provisions	32	71
Total finance costs	**463**	89

6 Income taxes

The taxation charge represents:

	2014 £'000	2013 £'000
Current tax on profits for the year	458	294
Adjustments in respect of prior years	57	196
Total current tax charge	**515**	490
Deferred tax:		
Origination and reversal of temporary differences	(91)	(89)
Adjustments in respect of prior years	(117)	(1,130)
Impact of changes in tax rates	9	106
Total deferred tax credit	**(199)**	(1,113)
Total income statement tax charge/(credit)	**316**	(623)

The tax assessed for the year is higher (2013: lower) than the standard rate of corporation tax in the UK.

The differences are explained below:

	2014 £'000	2013 £'000
Profit before taxation	733	1,486
Tax charge calculated at Group's standard rate of 22.3% (2013: 23.7%)	164	352
Variance in overseas tax rates	(37)	(177)
Impact of changes in tax rates	9	106
Gains not subject to tax	–	(10)
Expenses not deductible for tax purposes	225	134
Tax losses for which no deferred income tax asset was recognised	12	(123)
Adjustment in respect of prior years	(60)	(934)
Associates results reported net of tax	3	29
Total income statement tax charge/(credit) for the year	**316**	(623)

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. As deferred tax assets and liabilities are measured at the rates that are expected to apply in the periods of the reversal, deferred tax balances at 31 July 2014 have been calculated using a rate of 21% or 20%, as appropriate, giving rise to a reduction in the net deferred tax asset of £9,000 (2013: £106,000).

7 Dividend

On 16 December 2013, a final dividend in respect of the year ended 31 July 2013 of £586,000 (0.6p per share) (2012: £479,000 (0.5p per share)) was paid to shareholders. A dividend in respect of the year ended 31 July 2014 of 0.8p per share, amounting to a total dividend of £794,000 is to be proposed at the Annual General Meeting on 10 December 2014. These financial statements do not reflect this proposed dividend payable.

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.

	2014 £'000	2013 £'000
Profit after taxation attributable to equity holders of the parent company	**433**	2,042
Add: amortisation of intangible assets	**3,965**	3,280
Add: share-based payments	**547**	767
Add: imputed interest	**32**	71
Add: exceptional costs	**2,385**	1,212
Tax effect of the above adjustments and exceptional tax items	**(1,335)**	(2,060)
Adjusted profit after taxation	**6,027**	5,312

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

	2014	2013
Number of shares		
Weighted average number of shares during the period: ('000 shares)		
– Basic	**98,044**	95,639
– Dilutive effect of share options	**5,434**	7,535
– Diluted	**103,478**	103,174
The adjustments have the following effect:		
Basic earnings per share	**0.4p**	2.1p
Amortisation of intangible assets	**4.1p**	3.4p
Share-based payments	**0.6p**	0.8p
Imputed interest	**0.0p**	0.1p
Exceptional costs and impairments	**2.4p**	1.3p
Tax effect of the above adjustments and exceptional tax items	**(1.4p)**	(2.1p)
Adjusted earnings per share	**6.1p**	5.6p
Diluted earnings per share	**0.4p**	2.0p
Amortisation of intangible assets	**3.9p**	3.2p
Share-based payments	**0.5p**	0.7p
Imputed interest	**0.0p**	0.0p
Exceptional costs and impairment	**2.3p**	1.2p
Tax effect of the above adjustments and exceptional tax items	**(1.3p)**	(2.0p)
Adjusted diluted earnings per share	**5.8p**	5.1p

9 Business combinations and disposals

a) Doughty Media 2 Limited ("DM2")

During the year, YouGov acquired 100% of Doughty Media 2 ("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 purchase price of £497,000. £37,000 of this was paid in cash on completion, the remaining balance of £460,000 will be payable in YouGov shares in February 2015 contingent on Freddie Sayers' continuing employment of which £348,000 is also contingent on the achievement of certain performance criteria relating to the delivery of expected benefits arising from the incorporation of the Opigram technology within YouGov's online presence.

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

The payment due in February 2015 has been discounted to a net present value of £456,000 resulting in a finance charge of £4,000 to be taken to the income statement over the earn-out period. All of this contingent consideration is contingent upon continuing employment and therefore will be treated as staff compensation under IFRS.

Professional fees of £30,000 were incurred during the year relating to the acquisition and in accordance with IFRS3 (revised) these professional fees have been expensed in the period in which they have been incurred.

The amounts recognised for each class of CoEditor's assets recognised at the acquisition date are as follows:

	Fair value £'000
Intangible assets – software and software development	768
Property plant and equipment	15
Cash	12
Other working capital	(60)
Deferred tax liability	(62)
Net assets	673
Non-controlling interests	(11)
Attributable to owners of the parent	662
Goodwill arising on acquisition	569
Total consideration	1,231
Total consideration analysed as:	
Carrying value of investment in CoEditor	377
Re-measurement of the investment in CoEditor to fair value	169
Fair value of existing investment in CoEditor	546
Settlement of existing loan	648
Cash	37
Total consideration	1,231

The gain of £169,000 on the re-measurement of the investment in CoEditor to fair value has been recognised in the income statement as an exceptional gain in the year.

The goodwill is attributable to the benefits expected, in terms of data collection, panel recruitment and retention and new product opportunities, from the integration of the YouGov and Opigram websites.

Ownership and control passed to YouGov on 6 September 2013 and DM2 has been consolidated within the Group financial statements from that date. Since the acquisition DM2 has not contributed to Group revenue and has reduced Group adjusted operating profit by £232,000. If the acquisition had occurred on 1 August 2013 DM2 would have contributed £nil to Group revenue and would have reduced Group operating profit by £250,000.

9 Business combinations and disposals continued

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 will be £744,000, payable in YouGov shares in February 2015 contingent on Stephan Shakespeare's continuing employment, of which £521,000 is also contingent on the achievement of certain performance criteria relating to delivery of expected benefits arising from the incorporation of the Opigram technology within YouGov's online presence.

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

The payment due in February 2015 has been discounted to a net present value of £739,000 resulting in a finance charge of £5,000 to be taken to the income statement over the earn-out period. As this contingent consideration is contingent upon continuing employment it will therefore be treated as staff compensation under IFRS.

As a result of this treatment consideration for this purchase was £nil and the book value of the non-controlling interest at the transaction date was a deficit of £35,000. The difference of £35,000 has been reflected directly in reserves in accordance with IAS27 (revised).

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.

The payments due in 2017 and 2018 are estimated to total $1.5m (£0.9m) approximately 97% of this contingent consideration is contingent upon continuing employment and therefore will be treated as staff compensation under IFRS.

Professional fees of £286,000 and loyalty bonuses of £75,000 were incurred during the year relating to the acquisition and in accordance with IFRS3 (revised) these costs have been expensed in the period in which they have been incurred.

The amounts recognised for each class of DFs' assets recognised at the acquisition date are as follows:

	Fair value £'000
Intangible assets – software and software development	250
Property plant and equipment	5
Cash and borrowings	(10)
Other working capital	(258)
Deferred tax liability	(9)
Net assets	(22)
Goodwill arising on acquisition	657
Total consideration	635
Total consideration analysed as:	
Contingent consideration	27
Cash	608
Total consideration	635

Ownership and control passed to YouGov on 8 January 2014 and DF has been consolidated within the Group financial statements from that date. Since the acquisition DF has contributed £192,000 to Group revenue and has reduced Group adjusted operating profit by £268,000. If the acquisition had occurred on 1 August 2013 DF would have contributed £290,000 to Group revenue and would have reduced Group operating profit by £393,000.

10 Goodwill

	Middle East £'000	USA £'000	Nordic £'000	Germany £'000	CoEditor £'000	Asia Pacific £'000	Total £'000
Carrying amount at 1 August 2012	1,405	16,814	7,825	10,195	–	–	36,239
Exchange differences	44	523	857	1,137	–	–	2,561
Carrying amount at 31 July 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**
At 31 July 2014							
Cost	**1,306**	**15,624**	**7,890**	**12,585**	**569**	**639**	**38,613**
Accumulated impairment	**–**	**–**	**–**	**(2,284)**	**–**	**–**	**(2,284)**
Net book amount	**1,306**	**15,624**	**7,890**	**10,301**	**569**	**639**	**36,329**

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 2014 impairment review was undertaken as at 31 July 2014. 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 five years for each CGU, other than Germany, based on approved budget numbers. For Germany, more conservative projections were used as a result of recent performance, with approved budget numbers used for years one to three and EBITDA growth in years four and five assumed to be 5%.

Annual growth rates of 2.25% have been assumed in perpetuity beyond year five. The pre-tax weighted average costs of capital used to discount the future cash flows to their present values are between10% and 17% (2013: between 10% and 17%). The compound average revenue growth rates assumed for each CGU were Middle East 1%, USA 13%, Nordic 8%, Germany 7% and Asia Pacific 111%.

Management has performed a sensitivity analysis in respect of the discounted cash flow model supporting the carrying value of goodwill attributable to the Group's operations in Germany. If the growth forecasts in the model are delayed by one year, an impairment of c. £1.1m would be required. For the other CGUs 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	Development costs £'000	Total £'000
At 1 August 2012							
Cost	9,051	8,238	4,702	2,973	218	548	25,730
Accumulated amortisation	(8,440)	(5,225)	(1,425)	(1,555)	(218)	(323)	(17,186)
Net book amount	611	3,013	3,277	1,418	–	225	8,544
Year ended 31 July 2013							
Opening net book amount	611	3,013	3,277	1,418	–	225	8,544
Additions:							
Separately acquired	649	852	–	11	–	247	1,759
Internally developed	–	1,811	–	–	–	68	1,879
Amortisation charge:							
Business combinations	–	–	(479)	(332)	–	–	(811)
Separately acquired	(422)	(624)	–	(2)	–	(104)	(1,152)
Internally developed	–	(1,300)	–	–	–	(17)	(1,317)
Exchange differences	49	16	143	89	–	11	308
Closing net book amount	887	3,768	2,941	1,184	–	430	9,210
At 31 July 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**

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 2012						
Cost	1,463	384	1,951	919	73	4,790
Accumulated depreciation	(225)	(309)	(1,279)	(603)	(64)	(2,480)
Net book amount	1,238	75	672	316	9	2,310
Year ended 31 July 2013						
Opening net book amount	1,238	75	672	316	9	2,310
Additions:						
Separately acquired	–	2	328	66	15	411
Disposals	–	–	(3)	–	–	(3)
Depreciation	(49)	(17)	(378)	(89)	(6)	(539)
Exchange differences	37	4	17	18	1	77
Closing net book amount	1,226	64	636	311	19	2,256
At 31 July 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**

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 2014 or 2013 has been pledged as security against the liabilities of the Group.

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 2013						
Cost	–	–	59	35	–	94
Accumulated depreciation	–	–	(4)	(4)	–	(8)
Net book amount	–	–	55	31	–	86
At 31 July 2014						
Cost	**–**	**–**	**54**	**31**	**–**	**85**
Accumulated depreciation	**–**	**–**	**(14)**	**(6)**	**–**	**(20)**
Net book amount	**–**	**–**	**40**	**25**	**–**	**65**

13 Investments

(a) Interests in subsidiaries

The table below gives details of the Group's trading subsidiaries at 31 July 2014.

	Country of incorporation	Class of share capital held	Proportion held: By parent company	Proportion held: 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 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 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
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
CoEditor Limited	UK	Ordinary	0%	100%	Software development
Consilium Limited	Hong Kong	Ordinary	100%	100%	Market research
Decision Fuel Pte Limited	Singapore	Ordinary	0%	100%	Market research

All subsidiaries have co-terminus year ends and are included in the consolidated financial statements. The list therefore includes only those entities that have a significant impact on the revenue, profit or assets of the Group. A full list of subsidiaries will be annexed to the Company's next annual return filed with the Registrar of Companies.

(b) Interest in joint ventures and associates

	31 July 2014 £'000	31 July 2013 £'000
Investments in joint ventures and associates comprise:		
Carrying amount at 1 August	**363**	485
Acquisition of associate	**(349)**	–
Share of loss in associate	**(14)**	(122)
Interest in joint ventures and associates	**–**	363

The Group has not recognised losses amounting to £2,000 (2013: £10,000) for YouGov Centaur LLP.

At 31 July 2014 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
SMG Insight Limited	Investment	England	Ordinary	20%	20%	Market research	31 March

13 Investments continued

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

	CoEditor Limited		YouGov Centaur LLP		SMG Insight Limited	
	31 July 2014 £'000	31 July 2013 £'000	**31 July 2014 £'000**	31 July 2013 £'000	**31 July 2014 £'000**	31 July 2013 £'000
Revenue	**–**	–	**–**	–	**171**	138
Profit/(Loss) after tax	**(14)**	(122)	**(2)**	(10)	**55**	36
Non-current assets	**–**	124	**–**	1	**2**	–
Current assets	**–**	8	**42**	43	**32**	28
Current liabilities	**–**	(11)	**(162)**	(162)	**(34)**	(27)
Non-current liabilities	**–**	(199)	**–**	–	**–**	–
Net (liabilities)/assets	**–**	(78)	**(120)**	(118)	**–**	1

During the financial year YouGov acquired a100% shareholding in Doughty Media 2, the majority shareholder of CoEditor Limited, increasing its effective ownership of CoEditor Limited to 97%, as a result CoEditor is now classified as a subsidiary undertaking. More details of this business combination are disclosed in Note 9.

14 Trade and other receivables

	31 July 2014 £'000	31 July 2013 £'000
Trade receivables	**13,547**	13,564
Amounts owed by related parties	**–**	205
Loans to related parties	**–**	646
Other receivables	**786**	620
Prepayments and accrued income	**7,584**	8,066
	21,917	23,101
Provision for trade receivables	**(230)**	(150)
	21,687	22,951

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

Loans to related parties relate to amounts advanced to fund working capital, no interest is charged.

As at 31 July 2014, trade receivables of £6,081,000 (2013: £8,750,000) and amounts owed by related parties of £nil (2013: £205,000) 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 collectible. The ageing analysis of past due trade receivables which are not impaired is as follows:

	31 July 2014 £'000	31 July 2013 £'000
Up to three months overdue	**4,206**	4,959
Three to six months overdue	**960**	1,636
Six months to one year overdue	**603**	2,060
More than one year overdue	**312**	95
	6,081	8,750

14 Trade and other receivables continued

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

	2014 £'000	2013 £'000
Provision for receivables impairment at 1 August	**150**	120
Provision created in the year	**201**	128
Provision utilised in the year	**(109)**	(105)
Exchange differences	**(12)**	7
Provision for receivables impairment at 31 July	**230**	150

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 64 days (2013: 68 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 (2013: greater than £250,000)) represent 26% of trade receivables (2013:17%).

At 31 July 2014, £474,000 (DKK 4.5m) (2013: £544,000 (DKK 4.6m)) 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.

15 Cash and cash equivalents

	31 July 2014 £'000	31 July 2013 £'000
Cash at bank and in hand	**7,429**	6,929
Short-term bank deposits	**–**	–
Cash and cash equivalents (excluding bank overdrafts)	**7,429**	6,929

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 2014 £'000	31 July 2013 £'000
Cash and cash equivalents	**7,429**	6,929
Bank overdrafts	**(184)**	(273)
Cash and cash equivalents excluding overdrafts	**7,245**	6,656

Bank overdrafts are denominated in Danish Krone and bear interest at 3.5% (2013: 3.2%).

16 Trade and other payables

	31 July 2014 £'000	31 July 2013 £'000
Trade payables	**3,102**	1,991
Accruals and deferred income	**12,252**	11,965
Other payables	**2,176**	2,279
	17,530	16,235

The average length of time taken by the Group to settle payables is 44 days (2013: 31 days). The Directors consider that the carrying amount of trade payables approximates to their fair value.

Included within other creditors are £28,000 (2013: £19,000) of contributions due in respect of defined contribution pension schemes.

17 Contingent consideration

	Clear Horizons £'000	Harrison Group £'000	Definitive Insights £'000	Decision Fuel £'000	Total £'000
At 1 August 2012	306	1,114	939	–	2,359
Settled during the year	(377)	(1,126)	(520)	–	(2,023)
Provided during the year	70	–	102	–	172
Released during the year	–	(16)	(19)	–	(35)
Discount unwinding	–	25	33	–	58
Foreign exchange differences	1	3	16	–	20
Balance at 31 July 2013	**–**	**–**	**551**	**–**	**551**
Included within current liabilities	–	–	301	–	301
Included within non-current liabilities	–	–	250	–	250
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**

18 Provisions for other liabilities and charges

	Panel incentives £'000	Staff gratuity £'000	Total £'000
At 1 August 2012	2,772	178	2,950
Provided during the year	4,219	104	4,323
Utilised during the year	(3,701)	(10)	(3,711)
Released during the year	(159)	(2)	(161)
Discount unwinding	13	–	13
Foreign exchange differences	85	8	93
Balance at 31 July 2013	**3,229**	**278**	**3,507**
Included within current liabilities	2,737	–	2,737
Included within non-current liabilities	492	278	770
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**

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 2014. The provision of £3.6m represents 37% of the maximum potential liability of £9.6m (2013: £3.2m representing 34% 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 2014 (2013: £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.

19 Deferred taxation 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 2012	142	148	1,261	653	2,204
Recognised in the income statement	(47)	4	38	508	503
Recognised in other comprehensive income	–	–	(73)	–	(73)
Recognised in equity	–	–	–	91	91
Foreign exchange differences	–	1	90	31	122
Balance at 31 July 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**

£668,000 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 2014 £'000	31 July 2013 £'000
UK	**436**	243
Nordic	**670**	796
USA	**116**	165
France	**164**	112
Asia Pacific	**85**	–
	1,471	1,316

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 2012	2,375	399	2,774
Recognised in the income statement	(532)	(78)	(610)
Foreign exchange differences	136	27	163
Balance at 31 July 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**

£170,000 of the above deferred tax liabilities are expected to be recovered within one year.

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

	2014 £'000	2013 £'000
Balance at 1 August	**520**	(570)
Acquisition of subsidiary	**(71)**	–
Recognised in the income statement	**199**	1,113
Recognised in other comprehensive income	**124**	(73)
Recognised in equity	**501**	91
Foreign exchange differences recognised in other comprehensive income	**23**	(41)
Balance at 31 July	**1,296**	520

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:

	2014 £'000				2013 £'000			
	US $	**Euro €**	**Dirham AED**	**Other currencies**	US $	Euro €	Dirham AED	Other currencies
Financial assets	**11,151**	**4,833**	**1,512**	**2,434**	11,543	5,022	1,890	1,782
Financial liabilities	**(3,801)**	**(1,204)**	**(314)**	**(1,294)**	(4,110)	(1,745)	(721)	(1,569)
Short-term exposure	**7,350**	**3,629**	**1,198**	**1,140**	7,433	3,277	1,169	213
Financial assets	**–**	**–**	**–**	**–**	–	–	–	–
Financial liabilities	**(169)**	**(23)**	**–**	**–**	(252)	(52)	–	–
Long-term exposure	**(169)**	**(23)**	**–**	**–**	(252)	(52)	–	–

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:

	2014 £'000				2013 £'000			
	US $	**Euro €**	**Dirham AED**	**Other currencies**	US $	Euro €	Dirham AED	Other currencies
Net result for the year	**(19)**	**2**	**(1)**	**10**	(12)	–	(11)	4
Equity	**(33)**	**44**	**(31)**	**(12)**	(23)	28	(52)	3

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 27.

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 2014, the Group's liabilities have undiscounted contractual maturities which are summarised below:

	Current		**Non-current**	
	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**	**–**

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

	Current		Non-current	
	Within 6 months £'000	6 to 12 months £'000	1–5 years £'000	Later than 5 years £'000
Borrowings	273	–	–	–
Finance lease liabilities	17	14	55	–
Trade and other payables	4,125	114	–	–
Contingent consideration	–	301	250	–

20 Risk management objectives and policies continued

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 2014 £'000	31 July 2013 £'000
Borrowings (bank overdraft)	**(184)**	(273)
Cash and cash equivalents	**7,429**	6,929
Equity attributable to shareholders of the parent company	**(57,929)**	(61,083)
	(50,684)	(54,427)

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 £4.6m (2013: £5.3m). Management does not believe that the Group is subject to interest rate risk.

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 2014		31 July 2013	
	Book value £'000	Fair value £'000	Book value £'000	Fair value £'000
Trade and other receivables	**20,614**	**20,614**	22,069	22,069
Cash and cash equivalents	**7,429**	**7,429**	6,929	6,929
Trade and other payables	**(11,455)**	**(11,455)**	(10,062)	(10,062)
Bank overdrafts	**(184)**	**(184)**	(273)	(273)
Contingent consideration				
– Non-current	**(169)**	**(169)**	(250)	(250)
– Current	**(298)**	**(298)**	(301)	(301)

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 2014 £'000				31 July 2013 £'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	**–**	**–**	**467**	**467**	–	–	551	551

The following table presents the changes in Level 3 instruments.

Contingent consideration	2014 £'000	2013 £'000
Balance at 1 August	**551**	2,359
Acquisition of Decision Fuel	**26**	–
Recognised in the income statement	**271**	195
Recognised in other comprehensive income	**(49)**	20
Settled	**(332)**	(2,023)
Balance at 31 July	**467**	551

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 2012	97,142,017	195	30,947	31,142
Issue of shares	61,195	–	14	14
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**

22 Share-based payments

The charge in relation to the share-based payments in the year ended 31 July 2014 was £547,000 (2013: £767,000). Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

	2014 WAEP		2013 WAEP	
Approved share option scheme	**Number**	**£**	Number	£
Outstanding at the beginning of the year	**105,056**	**1.027**	129,056	0.880
Granted during the year	**–**	**–**	–	–
Exercised during the year	**(44,335)**	**0.180**	(24,000)	0.180
Lapsed during the year	**–**	**–**	–	–
Outstanding at the end of the year	**60,721**	**1.645**	105,056	1.027
Exercisable at the end of the year	**60,721**	**1.645**	105,056	1.027

	2014 WAEP		2013 WAEP	
Unapproved share option scheme	**Number**	**£**	Number	£
Outstanding at the beginning of the year	**326,835**	**0.286**	349,846	0.223
Granted during the year	**–**		–	–
Exercised during the year	**(209,200)**	**0.188**	(23,011)	0.115
Lapsed during the year	**–**		–	–
Outstanding at the end of the year	**117,635**	**0.423**	326,835	0.286
Exercisable at the end of the year	**117,635**	**0.423**	326,835	0.286

Share options exercised in the current financial year were exercised at prices between £0.180 and £0.188 (2013: between £0.099 and £0.204). The weighted average share price at the dates of exercise was £0.925 (2013: £0.713).

The options outstanding under the approved and unapproved share option schemes as at 31 July 2014 and 31 July 2013 have the following average exercise prices and expire in the following financial years.

Expiry	**Exercise price £**	**2014 Number**	2013 Number
31 July 2015	**0.180**	**–**	44,335
31 July 2017	**1.645**	**82,067**	82,067
31 August 2021*	**0.191**	**96,289**	305,489

*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 2014 was £nil (2013: £nil).

22 Share-based payments continued

During the year ended 31 July 2014, the Long Term Incentive Plan ("LTIP") for Executive Directors, Senior Executives and senior managers continued to operate. The rules governing the LTIP are summarised in the Remuneration Report on page 33. The charge in relation to the LTIP in the year ended 31 July 2014 was £479,000 (2013: £598,000). This charge was valued using a Monte Carlo simulation.

	2014	WAEP	2013	WAEP
Long Term Incentive Plan (LTIP)	**Number**	**£**	Number	£
Outstanding at the beginning of the year	**5,006,952**	**0.000**	6,512,167	0.000
Granted during the year	**1,583,499**	**0.000**	–	–
Exercised during the year	**(1,535,826)**	**0.000**	(1,047,266)	0.000
Lapsed during the year	**(70,740)**	**0.000**	(457,949)	0.000
Outstanding at the end of the year	**4,983,886**	**0.000**	5,006,952	0.000
Exercisable at the end of the year	**1,287,524**	**0.000**	651,278	0.000

The weighted average share price at the date LTIP options were exercised was £0.863.

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 34. The charge in relation to the Deferred Stock Scheme in the year ended 31 July 2014 was £68,000 (2013: £169,000). This charge was valued using a Black-Scholes model.

	2014	WAEP	2013	WAEP
Deferred Stock Scheme	**Number**	**£**	Number	£
Outstanding at the beginning of the year	**1,425,000**	**0.000**	1,500,000	0.000
Vested during the year	**(1,262,500)**	**0.000**	–	–
Lapsed during the year	**–**	**–**	(75,000)	0.000
Outstanding at the end of the year	**162,500**	**0.000**	1,425,000	0.000
Exercisable at the end of the year	**–**	**–**	–	–

The weighted average share price at the date Deferred Stock Scheme Shares vested was £0.905.

The fair value of shares and share options granted under the Deferred Stock Scheme has been calculated using the Black-Scholes option pricing model. No performance conditions were included in the fair value calculation. The fair value per option granted and the assumptions made are listed below:

Black-Scholes model assumptions:	
Share price (p)	40
Exercise price (p)	–
Estimated life (years)	3.0
Risk-free interest rate	n/a
Dividend yield	0.0%
Volatility	n/a
Basic fair value of option (p)	40
Options granted/shares awarded	1,500,000
Fair value of share options (p)	40
Vesting adjustment factor	100%
Total scheme adjusted fair value (£m)	0.6
Performance period (years)	3.0
Annual income statement charge to be applied over the performance period (£m)	0.2

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

23 Leasing commitments

The future aggregate minimum lease rentals to be paid under non-cancellable operating leases at 31 July 2014 are as follows:

	31 July 2014		31 July 2013	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
In one year or less	**1,339**	**39**	1,294	106
Between one and five years	**3,301**	**39**	2,404	127
In five years or more	**2,031**	**–**	–	–
	6,671	**78**	3,698	233

24 Capital commitments

At 31 July 2014, the Group had capital commitments of £40,000 (2013: £71,000).

25 Major non-cash transactions

During the year the Group entered into barter transactions with two parties in the Middle East with a total value of £468,000 (2013: £748,000) to exchange the provision of market research for advertising on television, on websites and in magazines.

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 year YouGov plc acquired 60% of Doughty Media 2 from Stephan Shakespeare, an Executive Director of YouGov plc, for a purchase price of £744,000 payable in YouGov shares in February 2015, contingent on the achievement of certain performance criteria. Further details are disclosed in Note 9.

At 31 July 2014 Privero Capital Advisors Inc, a company 25% owned by Stephan Shakespeare, an Executive Director of YouGov plc, owed YouGov £nil (2013: £205,000), the movement in the year relates to the writing off of the receivable.

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 £183,000 (2013: £nil) 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 the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 July 2014;
- 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The Company financial statements (the "financial statements"), which are prepared by YouGov plc, comprise:

- the Company Balance Sheet as at 31 July 2014;
- the Accounting Policies; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation 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.

Certain disclosures required by the financial reporting framework have been presented elsewhere in the Annual Report and Accounts, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

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.

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.

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 40, 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 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.

Other matter
We have reported separately on the group financial statements of YouGov plc for the year ended 31 July 2014.

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

13 October 2014

Company Balance Sheet
as at 31 July 2014

	Note	31 July 2014 £'000	31 July 2013 £'000
Fixed assets			
Intangible assets	4	**777**	296
Tangible assets	5	**683**	176
Investments	6	**41,085**	36,751
		42,545	37,223
Current assets			
Debtors	7	**27,733**	27,641
Cash at bank and in hand		**1,401**	1,486
		29,134	29,127
Creditors: amounts falling due within one year	9	**(14,855)**	(12,170)
Net current assets		**14,279**	16,957
Total assets less current liabilities		**56,824**	54,180
Non current liabilities			
Contingent consideration		**(169)**	–
Provision for liabilities	10	**(2,189)**	(1,969)
		(2,358)	(1,969)
Net assets		**54,466**	52,211
Capital and reserves			
Called up share capital	12	**199**	195
Share premium	12	**31,014**	30,961
Merger reserve	11	**9,239**	9,239
Profit and loss account	11	**14,014**	11,816
Total Shareholders' funds	11	**54,466**	52,211

The accounting policies and notes on pages 81 to 88 form an integral part of these financial statements.

The financial statements on pages 80 to 88 were approved by the Board of Directors on 13 October 2014, and signed on its behalf by:

Alan Newman
Chief Financial Officer
13 October 2014

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 uncollectible, 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.

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 2014

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 profit for the year was £1,537,000 (2013: £2,499,000). This includes audit fees for the Company of £23,000 (2013: £22,000).

2 Staff numbers and costs

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

	2014 £'000	2013 Restated + £'000
Wages and salaries	**6,662**	6,032
Social security costs	**808**	771
Share-based payments (Note 13)	**248**	364
Pension costs	**88**	55
Other benefits	**1,186**	859
	8,992	8,081

+ The prior year comparative has been restated to reclassify £815,000 of staff bonuses from wages and salaries to other benefits.

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

	2014 Number	2013 Number
Key management personnel	**10**	10
Administration and operations	**158**	126
	168	136

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:

	2014 £'000	2013 £'000
Short-term employee benefits	**1,480**	1,240
Share-based payments	**211**	312
	1,691	1,552

Disclosure of Directors' remuneration including share options are included in the Remuneration Report on pages 33 to 36.

3 Dividend

On 16 December 2013, a final dividend in respect of the year ended 31 July 2013 of £586,000 (0.6p per share) (2012: £479,000 (0.5p per share)) was paid to shareholders. A dividend in respect of the year ended 31 July 2014 of 0.8p per share, amounting to a total dividend of £794,000 is to be proposed at the Annual General Meeting on 10 December 2014. These financial statements do not reflect this proposed dividend payable.

4 Intangible assets

	Panel acquisition costs £'000	Trademarks £'000	Total £'000
Cost			
At 1 August 2013	525	127	652
Additions	658	2	660
At 31 July 2014	**1,183**	**129**	**1,312**
Accumulated amortisation			
At 1 August 2013	356	–	356
Provided in the year	179	–	179
At 31 July 2014	**535**	**–**	**535**
Net book amount at 31 July 2014	**648**	**129**	**777**
Net book amount at 31 July 2013	169	127	296

5 Tangible assets

	Fixtures and fittings £'000	Computer software and hardware £'000	Leasehold property and improvements £'000	Total £'000
Cost				
At 1 August 2013	337	827	176	1,340
Additions	65	159	404	628
Disposals	–	(225)	–	(225)
At 31 July 2014	**402**	**761**	**580**	**1,743**
Accumulated depreciation				
At 1 August 2013	273	715	176	1,164
Provided in the year	19	85	17	121
Disposals	–	(225)	–	(225)
At 31 July 2014	**292**	**575**	**193**	**1,060**
Net book amount at 31 July 2014	**110**	**186**	**387**	**683**
Net book amount at 31 July 2013	64	112	–	176

6 Fixed asset 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 2013	35,030	600	1,121	36,751
Share-based payments charge	–	–	999	999
Additions in respect of existing subsidiaries	2,459	–	–	2,459
Additions in respect of existing associates	–	28	–	28
Purchase of subsidiary	974	–	–	974
Loss on re-measurement of associates on acquiring control	–	(82)	–	(82)
Purchase of associate	610	(546)	–	64
Dividend received	(108)	–	–	(108)
At 31 July 2014	**38,965**	**–**	**2,120**	**41,085**

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 2014 £'000	31 July 2013 £'000
Trade debtors	**4,465**	4,420
Amounts owed by Group undertakings	**19,529**	18,711
Amounts owed by associates and investments	**35**	646
Other debtors	**125**	121
Prepayments and accrued income	**2,342**	2,537
Deferred taxation (Note 8)	**1,237**	1,206
	27,733	27,641

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

Notes to the Company Financial Statements continued

8 Deferred taxation assets

	Property, plant and equipment £'000	Tax losses £'000	Other timing differences £'000	Total £'000
Balance at 1 August 2012	42	384	1,050	1,476
Recognised in the income statement	16	(171)	(115)	(270)
Balance at 31 July 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**

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 2014 £'000	31 July 2013 £'000
Trade creditors	**816**	882
Amounts owed to Group undertakings	**8,098**	5,861
Amounts owed to Associates and Investments	**46**	–
Taxation and social security	**1,058**	1,030
Other creditors	**127**	134
Accruals and deferred income	**4,710**	4,263
	14,855	12,170

Some amounts owed to Group undertakings are unsecured, have no fixed date of payment and are repayable on demand.

Included within other creditors are £28,000 (2013: £19,000) of contributions due in respect of a defined contribution pension scheme.

10 Provisions for liabilities

	Panel Incentives £'000
Balance at 1 August 2013	1,969
Provided during the year	2,759
Utilised during the year	(2,539)
Balance at 31 July 2014	**2,189**

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 1 August 2012	195	30,947	9,239	9,016	49,397
Changes in equity for 2013					
Profit for the year	–	–	–	2,020	2,020
Total recognised income for the year	–	–	–	2,020	2,020
Share-based payments	–	–	–	628	628
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**

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	Share capital £'000	Share premium £'000	Total £'000
At 1 August 2012	97,142,017	195	30,947	31,142
Issue of shares	61,195	–	14	14
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**

13 Share-based payments

The charge included in the profit and loss account of the Company is £248,000 (2013: £364,000). The increase in investment in respect of subsidiaries is £298,000 (2013: £369,000).

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

	2014 WAEP		2013 WAEP	
Approved share option scheme	**Number**	**£**	Number	£
Outstanding at the beginning of the year	**105,056**	**1.027**	129,056	0.880
Granted during the year	**–**	**–**	–	–
Exercised during the year	**(44,335)**	**0.180**	(24,000)	0.180
Lapsed during the year	**–**	**–**	–	–
Outstanding at the end of the year	**60,721**	**1.645**	105,056	1.027
Exercisable at the end of the year	**60,721**	**1.645**	108,056	1.027

	2014 WAEP		2013 WAEP	
Unapproved share option scheme	**Number**	**£**	Number	£
Outstanding at the beginning of the year	**21,346**	**1.645**	21,346	1.645
Granted during the year	**–**	**–**	–	–
Exercised during the year	**–**	**–**	–	–
Lapsed 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 share price at the date of exercise of options was £0.831. The options outstanding under the approved and unapproved share option schemes as at 31 July 2014 and 31 July 2013, have the following average exercise prices and expire in the following financial years.

Expiry	**Exercise price £**	**2014 Number**	2013 Number
31 July 2015	**0.180**	**–**	44,335
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 2014, the Long Term Incentive Plan ("LTIP") for Executive Directors, Senior Executives and senior managers continued to operate. Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

	2014 WAEP		2013 WAEP	
Long term incentive plan (LTIP)	**Number**	**£**	Number	£
Outstanding at the beginning of the year	**2,674,544**	**0.000**	3,122,569	0.000
Granted during the year	**674,882**	**0.000**	–	–
Exercised during the year	**(597,295)**	**0.000**	(393,431)	0.000
Lapsed during the year	**(1,729)**	**0.000**	(54,594)	0.000
Outstanding at the end of the year	**2,750,402**	**0.000**	2,674,544	0.000
Exercisable at the end of the year	**1,117,312**	**0.000**	562,170	0.000

The weighted average share price at the dates options were exercised was £0.844.

During the year ended 31 July 2011, a Deferred Stock Scheme was introduced for Executive Directors and senior managers. Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

	2014 WAEP		2013 WAEP	
Deferred Stock Scheme	**Number**	**£**	Number	£
Outstanding at the beginning of the year	**637,500**	**0.000**	712,500	0.000
Granted during the year	**–**	**–**	–	–
Vested during the year	**(475,000)**	**0.000**	–	–
Lapsed during the year	**–**	**–**	(75,000)	0.000
Outstanding at the end of the year	**162,500**	**0.000**	637,500	0.000
Exercisable at the end of the year	**–**	**–**	–	–

The weighted average share price at the date Deferred Stock Scheme Shares vested was £0.905.

14 Leasing commitments

The Company at 31 July 2014 had annual commitments under non-cancellable operating leases expiring as follows:

	2014		2013	
	Land and buildings £'000	**Other £'000**	Land and buildings £'000	Other £'000
Within one year	**–**	**4**	–	–
Within two to five years	**–**	**3**	303	30
After five years	**497**	**–**	–	–
	497	**7**	303	30

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 10 December 2014 at 08.30am 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 2014, 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 2014.
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 Alan Newman as a Director retiring by rotation in accordance with the Company's Articles of Association.
6. To reappoint Doug Rivers as a Director retiring by rotation in accordance with the Company's Articles of Association.
7. To reappoint Sir Peter Bazalgette as a Director retiring by rotation in accordance with the Company's Articles of Association.
8. To declare a final dividend of 0.8p per ordinary share to be paid on Monday 15 December 2014 to those shareholders on the register of members as at Friday 5 December 2014.
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 £9,931 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 2015, 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 8 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 £9,931, 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 2015, 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.

On behalf of the Board

Alan Newman
Company Secretary

13 October 2014

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

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 8 December 2014.
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 8 December 2014 (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 8 December 2014. 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 £9,931 (representing in accordance with institutional investor guidelines, approximately 5% of the share capital in issue as at 31 October 2014 (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 2015, 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.

Retained advisors

The Company's retained advisors are:

Nominated Advisor and Broker
Numis Securities
The London Stock Exchange Building
10 Paternoster Square
London
EC4M 7LT

Registrar
Neville Registrars
Neville House
18 Laurel Lane
Halesowen
West Midlands
BD63 3DA

Banker
National Westminster Bank plc
130 Commercial Road
Portsmouth
Hampshire
PO1 1ES

Auditors
PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Financial Public Relations
FTI
200 Aldersgate
Aldersgate Street
London
EC1A 4HD

Solicitors
Olswang
90 High Holborn
London
WC1V 6XX

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YouGov plc
50 Featherstone Street
London EC1Y 8RT

T: +44 (0)20 7012 6000
F: +44 (0)20 7012 6001