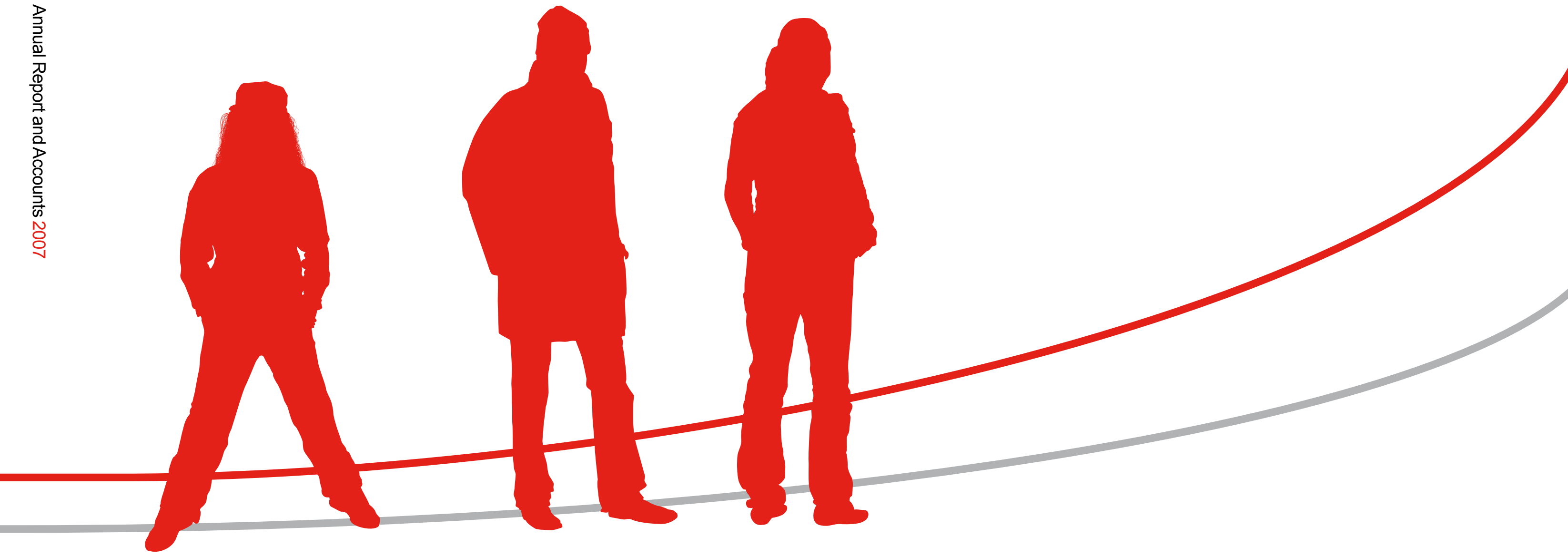
Understanding People

Annual Report and Accounts 2007

YouGov®



Understanding People

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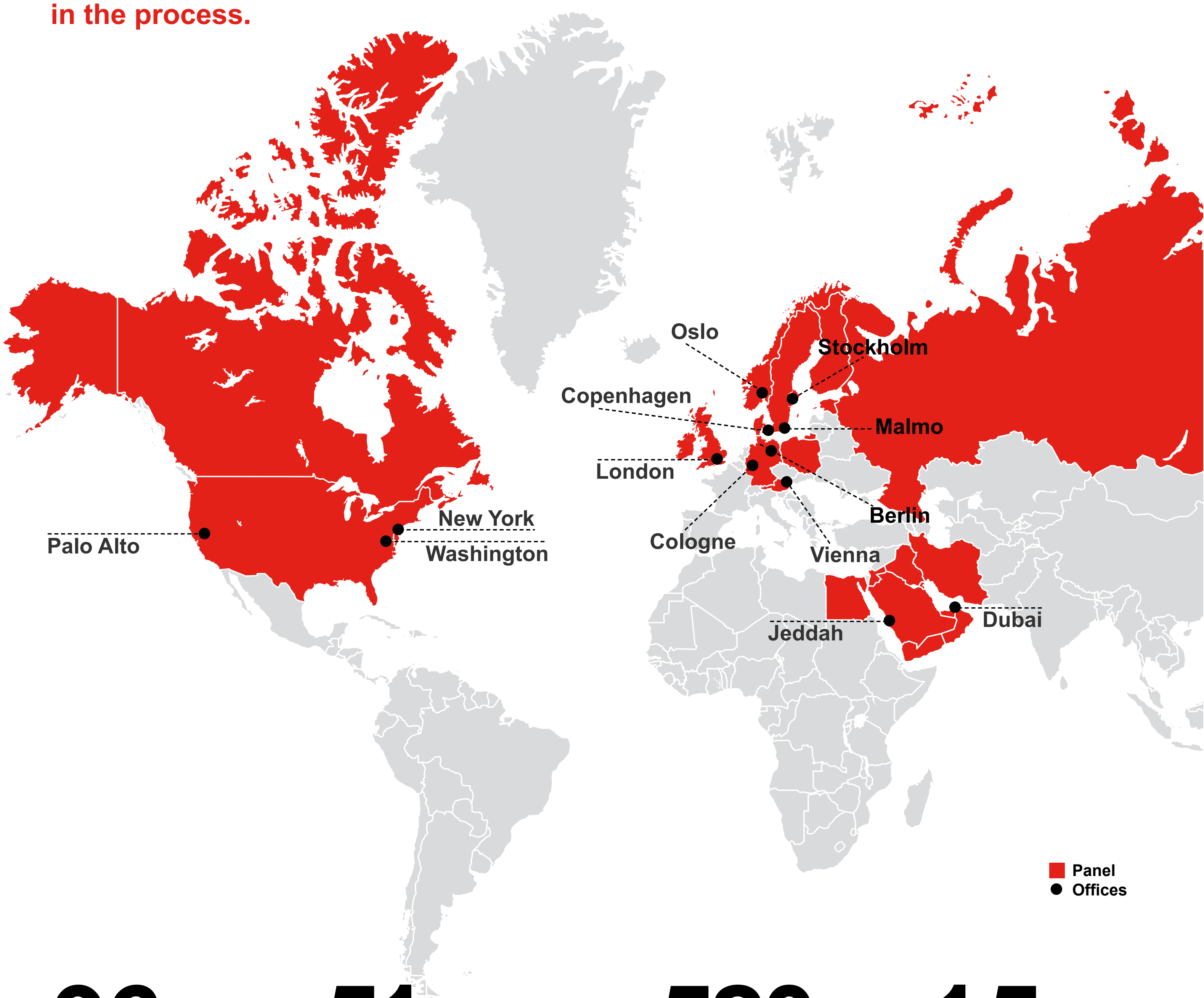
Geographic Overview

New offices in New York, Berlin, Malmo, Oslo, Palo Alto, Washington, Stockholm, Copenhagen, Cologne, Vienna and Jeddah. Relocated UK offices in February 2007, quadrupling capacity in the process.



96 employees

51% revenue growth

520 customers

1.5m total panel size

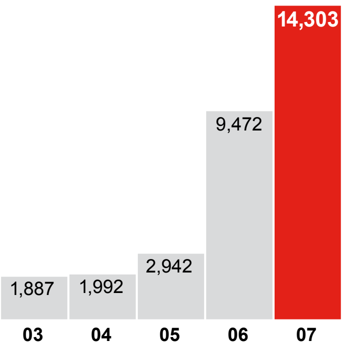
www.yougov.com

YouGov is a research company using online panels to provide research for public policy, market research and stakeholder consultation.

Financial Highlights

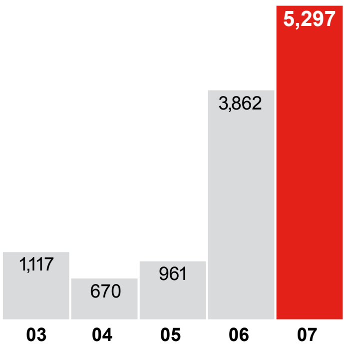
- Group turnover increased 51% to £14.3m (2006: £9.5m)
- Profit before tax and goodwill up 39% from £4.1m to £5.7m
- Earnings per share increased 36% from 4.5p to 6.1p (restated for 5:1 share split)
- Net assets increased 56% from £6.8m to £10.6m
- Operations have strong cash generation, £4.1m cash on balance sheet
- Core UK business grew turnover 65% to £7.9m
- Middle East revenues increased 39% driven by a combination of the acquisition of Siraj and new clients across the enlarged business
- Increased investment in people and infrastructure. Group headcount up from 59 to 96

Turnover £'000



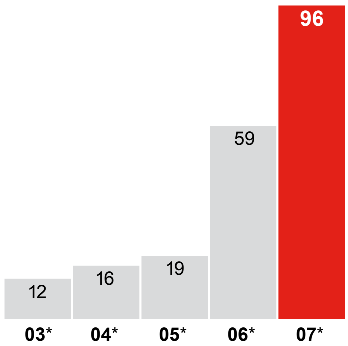
Revenues have consistently grown since 2003. 2006 increased substantially because of the success of the Middle East operations and the continual growth of the UK operations. In 2007 we have built on the success achieved in 2006 both in the UK and the Middle East.

Operating profit £'000



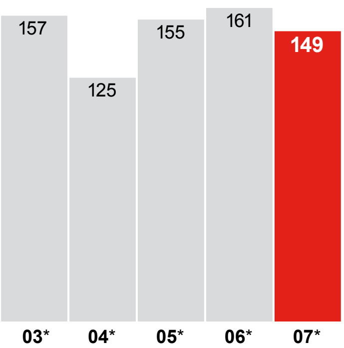
Operating profit has increased over the 5 year period. Operating profit growth reflects our revenue development.

Headcount



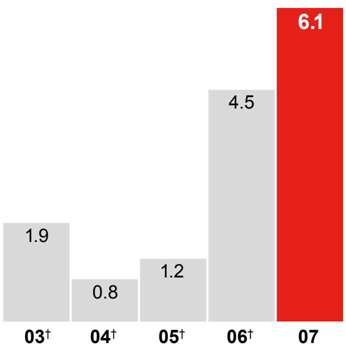
Headcount increased steadily over the period 2003–2005 before making a substantial increase in 2006. This aggressive recruitment has continued in 2007 as we have added a further 37 staff across the Group.

Revenue per head £'000



Revenue per head is a key measure of cost control and margin maintenance as staffing is the single biggest cost to the Group. The steady state of this ratio is testament to good cost control and also the ability of the Company to generate additional revenues. In 2007 we have invested in our sales function across the Group.

Earnings per share pence



Earnings per share are calculated by dividing the profit attributable to shareholders by the weighted average number of shares in issue in the period. Earnings per share grows strongly, albeit at a slower rate than sales, as we invest in the future of our businesses.

* Based on year end headcount
† Restated for the 5:1 share split on 10 April 2007

Chairman's Statement

The financial year ended 31 July 2007, has been an excellent one for YouGov with organic development and acquisitions both leading to strong growth in turnover and profits.

Group turnover for the year has increased by 51% to £14.3m (against £9.5m last year). Profit before tax and amortisation of goodwill was up 39% at £5.7m (£4.1m last year). Our headline earnings per share grew 36% to 6.1p from 4.5p.

Consistent with our plans to reinvest our cashflow into ongoing developments we are not proposing the payment of a dividend.

YouGov serves its clients by providing research insights ranging from changing consumer opinions towards brands to voting intentions in elections and attitudes towards social and commercial issues. Over the past 12 months we have increased our range of clients, broadened the number of services we have on offer and extended our geographical reach. YouGov has been one of the most successful pioneers of internet based research and this is reflected by the high demand for our products and services and by the interest shown by potential recruits.

Following our expansion during the last year and the recent post-balance sheet events we now operate through strong subsidiary companies in Europe, North America and the Middle East which will allow us to meet increasingly multi-national requirements of our clients.

Building a stronger business

In the past year we have focused on international growth and strengthening our product offering.

We successfully integrated the Siraj business which we acquired on 30 July 2006. In December 2006, we acquired an initial 32% (£3.8m) stake in our associate business Polimetrix, based in Palo Alto and Washington, USA.

In March 2007 we launched a new joint venture YouGovCentaur, a 50:50 joint venture with Centaur publishing, with 33 titles (including: The Lawyer, The Engineer etc) to create a new UK based market research agency with a focus on the business-to-business sector.

In April 2007 we announced YouGovStone, a 51% joint venture with London's 'Queen of Networking' Carole Stone, weaving prominent social and industry commentators into specialist opinion leader panels.

In addition we announced the creation of YouGovAlpha, the vehicle we have created to service clients in the investment industry, following the mutually agreed disbanding of YouGovExecution by YouGov and Execution, the 50:50 joint venture partners.

On 27 July 2007 we announced the acquisition of psychonomics AG, a leading market research agency based in Cologne, Germany, for €20.75m.

We have made a number of significant new senior appointments in our core UK business to strengthen our team as the business continues to grow.

Board changes

I was appointed as Non-Executive Chairman in January 2007 taking over from Peter Kellner who remains on the Board as President of YouGov plc and who continues in his executive role leading the development of our political and opinion research. I would like to thank Peter for handing over the Non-Executive Chairman's role at a time when the Company is in such robust good shape and with such exciting prospects.

Panos Manolopoulos has taken on the role of Managing Director International Business Development and for the time being his position as Managing Director of YouGov UK is being filled by our CEO Nadhim Zahawi.

Recent events

On 27 July 2007 we announced the first in a series of transactions; our German expansion through the acquisition of psychonomics AG. This was followed, post year end, when we made the decision to acquire the remaining 68% stake in Polimetrix, our US associate and acquired Zapera, a business based in several countries in Scandinavia. These acquisitions have been funded through a share placing, which our shareholders approved on 3 September 2007. These acquisitions will allow us to accelerate our growth and are consistent with the strategy we outlined this time last year when we started the restructuring of the Group.

Future prospects and outlook

Following the successful acquisitions in the USA, Germany and Scandinavia, our focus is on the integration of these businesses into our Group, and the development of Group wide systems and products.

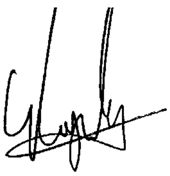
We also have numerous organic growth opportunities to pursue across the enlarged Group and will continue to look at complementary acquisitions that meet our strict criteria.

The current financial year has started well and trading is in line with the Board's expectations. As a result we are confident that 2007/08 will be another successful year for YouGov.

Conclusion

We have many exciting opportunities ahead of us and we have a growing, talented and energetic team of individuals driving and supporting the Group's development.

I take this opportunity on behalf of the Board to thank all of our teams for their hard work and I look forward to our continued success in the year to July 2008.



Roger Parry
Chairman
8 October 2007

Continuous Growth

UK

Growth in revenues continues, up 65% to £7.9m. Operating profits remain strong at £3.7m.

Middle East

YouGov ME has now been rebranded YouGovSiraj following the successful integration of Siraj. Revenue up 39% from £4.6m to £6.4m.

USA

Acquisition of 32% of Polimetrix Inc in December 2006 (remaining 68% purchased post year end). Polimetrix has similar traits to a 'young' YouGov and we believe over the coming years they will prosper as we have.

Europe

Post year end, the acquisitions of psychonomics and Zapera give YouGov presence in Germany and Scandinavia.

April 2000
YouGov Launch

YouGov launches in a blaze of publicity at the Atrium in Westminster. The event was attended by the great and good of the political world.

May 2001
British Elections

YouGov covers the British elections for the first time and starts to make a name for itself with the accuracy of its polling results.

April 2002
Daily Telegraph

YouGov in association with the Daily Telegraph launches its first monthly tracker covering political and current affairs. The success of the initial results leads to this being a regular monthly project.

April 2004
US Bespoke Project

YouGov commissions its first piece of overseas work for the National Science Foundation based at the University of Texas at Dallas.

April 2005
YouGov plc floats on AIM

YouGov places 2.25m new ordinary shares raising in the region of £3m to fund future growth.

July 2005
YouGovME
YouGov moved into the Middle East region at the request of HSBC Middle East. YouGovME is based in Dubai and has built the first online consumer panel in the region.

October 2005
BrandIndex
BrandIndex provides daily tracking of over 1,000 consumer brands, in 32 sectors, across 7 different measures of brand perception. The product which is available via an easy-to-use online tool.

July 2006
YouGovSiraj
YouGovME acquired Siraj, a traditional market research agency with a host of blue chip clients. This complementary acquisition added significantly to YouGov's position as the fastest growing market research agency in the region.

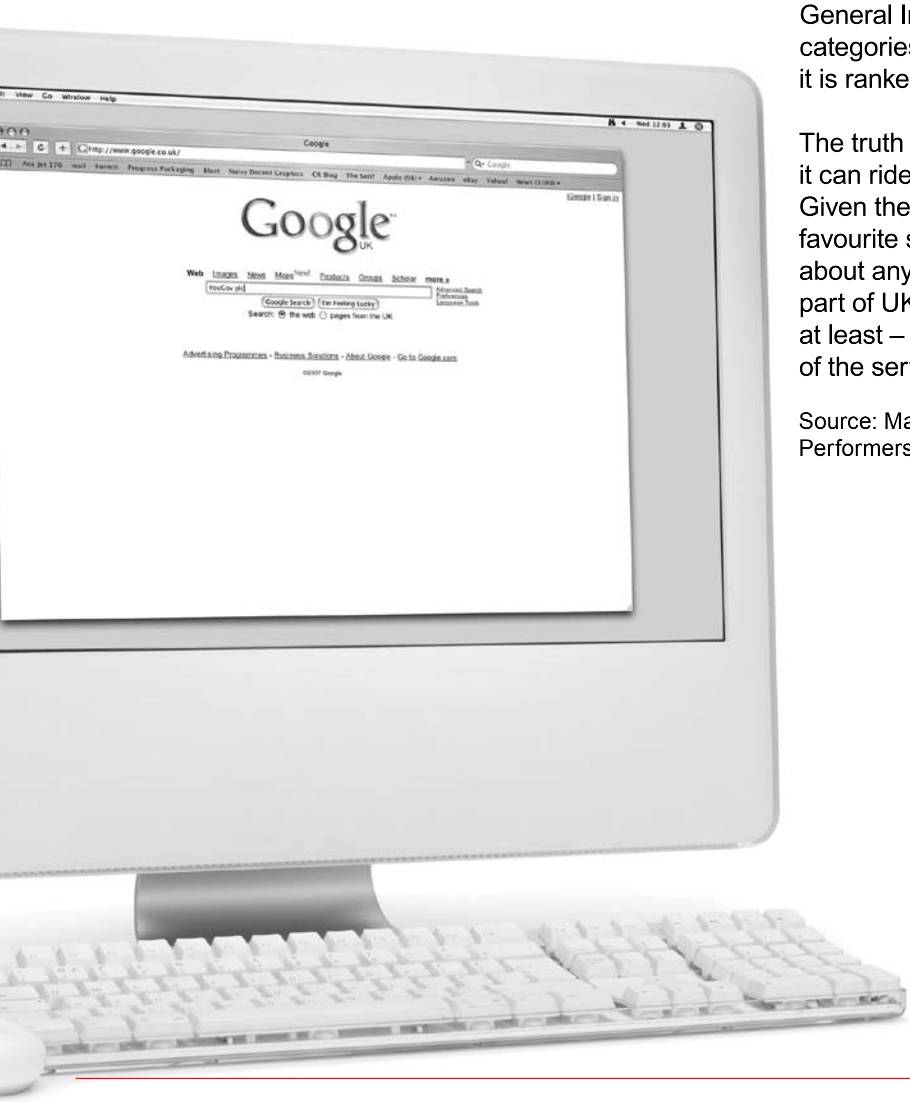
December 2006
Polimetrix
YouGov announces the acquisition of a 32% stake in Polimetrix Inc, a US based company with offices in Palo Alto, California and Washington D.C. Polimetrix is much like YouGov in its earlier years. The company has a panel of approximately 1.1m people across the US and Canada.

August 2007
£27m Institutional Placing and Acquisition
YouGov announces £27m institutional placing to support our significant international expansion. YouGov acquires Zapera, psychonomics and the outstanding 68% stake in Polimetrix.

Case Studies

Google.co.uk

Google tops the BrandIndex Top 100 table with phenomenally high scores across the board in all seven criteria. But in the spring of 2006, the picture looked like it might be a rather different one, with Google's scores plummeting in Buzz and also dropping in Corporate Reputation and General Impression. Google's potentially catastrophic decision to bow to Chinese government pressure and produce a censored version of its search engine for China was at that point causing something of a consumer backlash.



Popular perception of the brand certainly took a significant hit. When the news broke in January 2006, Google's Buzz rating fell from +39 to +14 in 4 weeks; however, by the end of February 2006, Buzz had started to recover, moving back up to +20.

Looking at Google scores over the whole of 2006, it is down in all 7 of the criteria which go to make up the overall BrandIndex. General Impression is down a massive 7 points to +61, Buzz down 4 points to +32 and Corporate Reputation down 5 points to +41. Perhaps more worrying for Google's top management will be the news that its Quality score is down 5 to +51 and its Recommend score – based on how many people would recommend it to others – is down 6 to +60.

Having said that, Google still tops the table in Buzz, General Impression, Recommend and Satisfaction categories. Its lowest position is for Quality, where it is ranked 4th, down 2 places from 2005.

The truth seems to be that if a brand is strong enough, it can ride out problems – to a certain degree, at least. Given the strength of Google's scores, the world's favourite search engine seems capable of surviving just about anything, right now. It has become such an integral part of UK consumers' lives – consumers who are online, at least – that they can forgive a lot, so long as the quality of the service it delivers remains high.

Source: Marketing Week – BrandIndex Best Brand Performers 2007

Marks & Spencer

Marks & Spencer saw its recovery continue throughout 2006, and its 3rd place in the BrandIndex Top 100 table reflects its major successes in tackling its consumer offering and its marketing in particular.

M&S has moved up a solid 7 places in the overall index – not easy for a long-established brand. Looking at the 7 criteria individually, while its Buzz factor has stayed static at +29, it has improved its scores in all the other 6 categories. Corporate Reputation is up 4 points to +38, General Impression up 5 points to +51, Quality ahead 1 point to +57, Recommended up 5 points to +42, Satisfaction up 3 points to +43 and Value ahead 7 points to +27. Although it still ranks only number 17 out of all the brands in the survey for Value, it has moved up 30 places, compared with last year's 47th position.

A lot of credit is due to the advertising. Its agency, Rainey Kelly Campbell Roalfe/Y&R, has created a series of ads featuring leading models (including 1960s icon Twiggy) wearing M&S clothing and generally having fun. The recent Christmas ad in particular was extremely clever: a homage to James Bond movies in general, it featured a slew of beautiful models making their way across a frozen landscape to a hideout worthy of a Bond villain, for a Christmas party. Dame Shirley Bassey – famous for her Bond film theme songs – belts out a cover version of Pink's 'Let's Get This Party Started' as the sound track, before appearing in an M&S gown.

Questions and Answers

How would you summarise the achievements of 2006/07?

This year has been a period of considerable organic growth, with the integration of our acquisition of Siraj, our Dubai based research agency into our existing operations and continued growth in the UK. We have also been busy in the search for new partners in our priority hubs in different regions around the world. We took our initial stake in Polimetrix in December 2006 and have cemented our investment post year end by acquiring the balance. We have also expanded through acquisition into Germany, the 2nd largest European research market and also into Scandinavia. We are now focused on integrating these great agencies into the enlarged YouGov Group.

You utilise the joint venture model more than your competitors. Why is this?

We have always been both prudent and opportunistic in our approach to new ventures. We utilise the joint venture vehicle where we believe that there is a true benefit from team-working with our partners. We do not enter joint ventures lightly, and we believe that the partnerships we have developed are important for wider strategic reasons. The lower level financial investment in joint ventures allows us to pursue opportunities that end up being extremely profitable like YouGovSiraj. During 2006/07 we set up 2 new joint ventures:

- YouGovCentaur – focusing on B2B research leveraging Centaur's active readership base.
- YouGovStone – converting Carole Stone's 30,000 panel to an online opinion formers panel.

What is the outlook for the market research sector?

Global market research turnover grew to approximately $24.6bn in 2006 (up 5.1% on 2005) and is expected to reach $25.5bn in 2007 (up 3.7% on 2006). 63% of global market research turnover is controlled by the top 25 global market research agencies. However, organic growth (excluding acquisitions) within these agencies stands at only 1.7%. This trend is expected to continue in 2007 and 2008 which points to the competitive performance of medium-sized, smaller 'boutique' agencies focused on specific methods (i.e. online or qualitative), industry sectors or research types (e.g. brand), analytics and consultancy services.

Q&A

Asia Pacific and the Middle East continue to register the highest year-on-year growth compared to all other regions, while growth rates in Europe and the US have stabilised. China has registered net growth of over 15% in 2006 and is expected to enter the top 5 markets for market research within 5 years if it continues to grow at the same rate. At the same time a number of individual Latin American markets will grow by an average of 12% over the next 2 years.

Online research accounted for 16% of global market research turnover in 2006 and is expected to exceed 18% in 2007 ($4.8bn) and reach 20% ($6bn) in 2008 registering an overall increase of about 50% in 3 years.

Has your mission changed since the beginnings of YouGov in 2000?

Our mission remains the same, to be the leader and innovator in online research. Our recent corporate activity is a stepping stone to creating an integrated global online research business.

Tell us more about your operations in America, Scandinavia and Germany

We are very excited to welcome Polimetrix, Zapera and psychonomics into the YouGov Group. Taking each one in turn:

- Polimetrix is a business broadly modelled on YouGov plc, as an online market research agency. Polimetrix boasts a panel of 1.1m panellists to date. It was founded in 2004 by Professor Doug Rivers and has focused mainly on academic and political research. The client base has been broadened in recent months by the introduction of commercial research. We are excited that Polimetrix is to be branded YouGovAmerica Inc whilst trading as YouGovPolimetrix.
- Zapera is a full service online market research agency operating from headquarters in Copenhagen, Denmark, with offices in Sweden and Norway. Zapera has online panels across the Nordic region, totalling 125,000 panellists. Zapera is to be branded YouGovZapera.
- psychonomics is a German based traditional market research agency, with an embryonic online operation. The psychonomics brand has a strong presence in the German market research industry, particularly in the area of financial services and insurance. We are working on the branding of psychonomics, which for the meantime will be ‘psychonomics, part of the YouGov Group’.

What are your plans for 2007/08?

Clearly we have a lot of work to do, to integrate the newly acquired entities, in Germany, USA and Scandinavia. We have made substantial progress to date: holding conferences for CFOs, CEOs and CTOs around the Group. We have over 300 employees as at today’s date, all of whom are as excited as we are about making the YouGov Group a success. Our initial plans include integration of our financial systems, processes and controls, our survey platform and our technological capabilities. We are also working on our branding and our service offerings so that our clients receive a global service. We manage our business through working together on our operational board.

What were the benefits of dissolving YouGovExecution and creating YouGovAlpha?

We worked well with our joint venture partners, Execution Limited, during the 18 months that the joint venture operated. However, both parties believe that their core businesses will be better served by offering independent services to core customers. We have enjoyed our joint venture and have learnt a lot from it. We remain on extremely friendly terms with Execution Limited, and look forward to a long and prosperous working relationship in the future.

How are you different from competitors?

YouGov remains the only market research company to employ panel recruitment methods that ensure we can robustly represent our communities, as well as continually testing our accuracy against real outcomes. This is essential if the client is to have confidence in the quality of the data.

Unlike other agencies, we don’t regard online as merely another data collection platform – we see it as a tool for understanding people’s opinions and behaviours in a way that is different and better than that afforded by conventional methodologies.

YouGov emphasises innovative product design that leverages the cost efficiency of the online methodology, generating data and insights with real-time applications, essential for today’s fast-changing markets.

Now that YouGov has global reach, we believe we can offer a depth, accuracy and speed of service beyond that of our competitors.

Chief Executive's Report

We believe that the future leaders of this industry are companies with great research brains and great technology.

The business and its objectives

YouGov is a full service online research agency. YouGov uses proprietary methodologies to produce accurate, cost-effective and representative research. We constantly strive to achieve better quality research using experienced researchers and smart technology. We believe that the future leaders of this industry are companies with great research brains and great technology.

Our objectives are the following:

- To provide high quality accurate research to our customers.
- To expand our offering to new clients within new business sectors.
- To roll out new products and services.
- To internationalise our products and business, thus providing our clients with a facility to use YouGov in the major business hubs of the world where they operate.

During the current financial year we operated in 3 distinct geographical areas; in the UK, the Middle East and North America through our associate Polimetrix.

Review of operations

YouGov's business performance throughout the year has been strong. In the UK we have moved to new offices, quadrupling our capacity to allow for our growth in headcount in the forthcoming financial year. We are very pleased with the business performance in the UK and the Middle East.

The YouGov brand continues to obtain substantial media coverage in both the UK and the Middle East. We continue to be the most quoted market research agency in these territories. Our brand is strong and we strive to protect it.

YouGov retains substantial intellectual capital, not only in terms of our unique technological solutions, but also in our methodology.

We maintain an ongoing programme of research and development and investment in our intellectual capital. Research and development is a priority at YouGov hence its leadership by Stephan Shakespeare co-founder and Chief Innovations Officer.

Our UK operations have grown strongly with revenues growing by 65% from £4.8m in the year ending 31 July 2006 to £7.9m in the year ending 31 July 2007. This performance reflects our focus on our complementary range of products: BrandIndex, Omnibus and our bespoke offering.

At a time of ongoing investment in the business, we have seen no margin pressure in our business overall as clients have continuously valued the quality and depth of our research to meet their business needs.

In the Middle East operations revenues have grown by 39% from £4.6m in the year ending 31 July 2006 to £6.4m in the year ending 31 July 2007. This has been driven by the acquisition of Siraj in July 2006 and the good organic growth of our client base.

At the beginning of the last financial year, we established an Operational Board which is chaired by myself, and includes our Chief Financial Officer, Chief Innovations Officer and the country representatives. This reorganisation was vital to allow us to manage our business whilst delivering growth and greater internationalisation.

We launched two new businesses in the year, YouGovCentaur and YouGovStone which are both contributing as expected.

YouGovCentaur will focus on the lucrative area of specialist panels from lawyers to engineers and marketeers. We will engage with these audiences so as to provide clients with an in depth research and product portfolio that meets their business needs.

YouGovStone focuses on opinion leader research. More and more companies and organisations are seeking ways of understanding how opinion leaders affect the world we live in.

Following the year end, we announced that we have concluded our joint venture with Execution, YouGovExecution, and launched YouGovAlpha, YouGov's 100% subsidiary to take primary research for the investment community forward.

We believe that companies are about people and I want to thank everyone who has worked so hard to make 2007 a success and look forward to a successful 2008.

Our future strategy

We are well positioned to be the premier international provider of market and opinion research. We are focused on specific industry sectors such as media, financial services, brand, health, consumer, organisational and public sector research. We will continue to recruit the best minds and apply our technological development to support our growth.

We will roll out our syndicated research with BrandIndex being launched in the USA and other geographies. Post year end, we have acquired psychonomics, a top 10 agency in Germany, and Zapera, the 'jewel of the Nordic region', in Scandinavia and exercised our option to acquire Polimetrix in the USA. This gives us a presence in 5 of our target hubs around the world.

As well as in-depth knowledge within specific industry areas, the acquisitions will extend YouGov's capability in target geographies for growth. Significant parts of the acquired businesses will be moved to YouGov's model and the staff will be retained for their sector expertise.

Ultimately we aim to provide a constant stream of primary data from strategic business hubs around the world with a global panel and a global set of syndicated products: 'The YouGov Screen'. These acquisitions are a significant step towards beginning to achieve that goal.

Nadhim Zahawi
Group Chief Executive Officer
8 October 2007

Chief Financial Officer's Report

Group revenues have grown strongly, increasing by 51% from £9.5m to £14.3m.

The financial year to 31 July 2007 has been busy in terms of organic expansion and corporate activity. Twelve months ago we operated in 2 jurisdictions, the UK and the Middle East, with a headcount of 59. At the time of writing, we now have significant operations in 3 additional jurisdictions, the USA, Germany and Scandinavia and 301 talented individuals driving our expansion strategy. This has been achieved by a commitment to our strategy of prudent organic growth, and careful acquisitions and opportunity-led joint ventures.

Results

Revenues

Group revenues have grown strongly, increasing by 51% from £9.5m to £14.3m. The core UK business grew by 65% to £7.9m from £4.8m whilst the Middle East business grew by 39% from £4.6m to £6.4m.

YouGovStone contributed £68,000 to Group revenues and YouGovExecution contributed £270,000.

Profit before tax

YouGov continues to generate strong margins across all of our operations. The Group margin was 39% compared with 43% last year, reflecting the strategic investment in infrastructure and significant revenue generating headcount across all businesses.

Taxation

Taxation reflects charges at the effective rate of 30% for UK operations and zero for our Middle East operations, which operate in the Free Zone in Dubai. The effective Group taxation rate is 11% (2006: 13%).

Assets

Tangible fixed assets have increased by 250% from £0.2m to £0.7m reflecting an ongoing investment in infrastructure such as our new survey platform iPollster.

Intangible fixed assets, including goodwill from our associate, have increased by 208% to £3.7m from £1.2m. This reflects a net increase of £2.5m relating to goodwill and £0.3m of technological infrastructure costs.

The Group's share of net assets of YouGovExecution, YouGovCentaur and Polimetrix is £111,000, £16,000 and £1.1m respectively.

Group net assets have increased by 56% from £6.8m to £10.6m.

Working capital

Debtors

Trade debtors have increased by 40% from £3.5m to £4.9m reflecting increased activity and debtor days remain consistent at 94 debtor days (2006: 90 days).

Creditors

Group creditors have increased by 32% from £2.8m to £3.7m which reflects the additional costs being borne by the business as investment is made to the infrastructure.

Cash

The Group cash position has fallen 25% from £5.5m to £4.1m as a result of investments made during the period.

Cash generation remains strong and £4.8m of funds were generated from operating activities during the period.

Facility

We have an agreement in principal with The Royal Bank of Scotland for a facility of £11.5m for working capital and acquisition finance.

Capital and equity

Share split

On 10 April 2007 the Company undertook a 5:1 share split to create greater liquidity for YouGov plc shares.

Earnings per share

Earnings per share for the year to 31 July 2007 are 6.1p, an increase of 36% from 4.5p (adjusted for the 5:1 share split on 10 April 2007) for the year to 31 July 2006. This demonstrates the success of the strategies the Board have implemented during the current year and have put in place for the future.

Shareholder return

YouGov has seen its share price rise from £0.98 (adjusted for the 5:1 share split on 10 April 2007) at 31 July 2006 to £1.49 at 31 July 2007, an increase of 52%. The graph above highlights YouGov's continued out performance against the AIM index as a whole and also the top 100 AIM companies.

Risks

Our business, as any other, faces substantial risks, which the Directors work hard to mitigate and address. Risks are discussed in greater detail on page 21.

Post balance sheet – share issue

On 6 September 2007 we undertook a placing for cash of 19,285,714 new 0.2p ordinary shares to institutional investors at £1.40 share. In addition we issued shares and granted options of an aggregate value of £11.3m. This was undertaken to fund the acquisitions outlined above.

Accounting policies

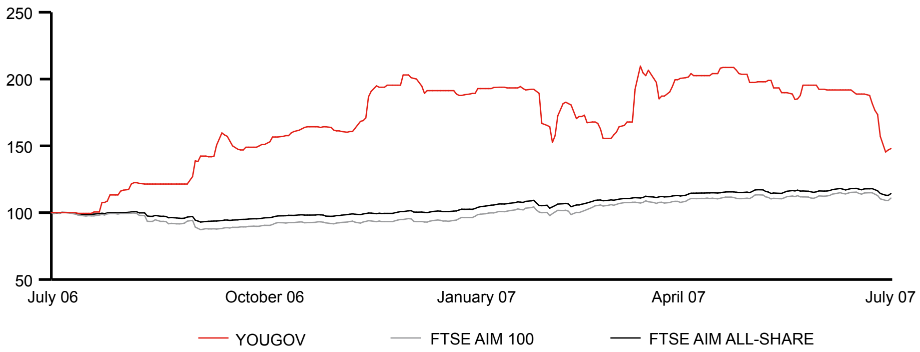
We apply a suite of regular accounting policies to assist us in reporting our financial position and results. Accounting policies are discussed in more detail on pages 24 and 25.

International Financial Reporting Standards

The Directors are aware that the Company has passed the transition date for reporting comparative figures under International Financial Reporting Standards (IFRS). The Audit Committee has a carefully defined plan to manage the implementation of IFRS.

In so doing we have considered the impact that IFRS will have upon our financial statements and the Board believes that this impact will not be material. A reconciliation from UK GAAP to IFRS will be presented with our interim report for the period to January 2008.

Share price performance



Corporate finance activity

During the period we launched two joint ventures, YouGovCentaur and YouGovStone. In March 2007 YouGov plc and Centaur plc took a 50% stake in YouGovCentaur, each contributing £30,000 capital and £70,000 in loans. YouGovStone was set up with Carole Stone, London's 'queen of networking', bringing YouGov's research expertise to Carole's existing panel of 30,000 contacts.

In December 2006 we acquired a 32% stake in a US based company, Polimetrix Inc for a consideration of $7.5m with a conditional option to acquire the remaining share capital.

Post year end we have also been busy, announcing 3 acquisitions, Polimetrix, Zapera and psychonomics and have formed a 100% owned subsidiary; YouGovAlpha.

Following the year end, YouGov acquired the remaining 68% of the share capital of Polimetrix for $2.10 per share. The total consideration is $24.1m of which $8.6m was satisfied in cash with the remaining $15.5m being satisfied by the allotment of shares and by the grant of options ($2.7m).

At the same time we acquired 100% of the share capital of Zapera, a Scandinavian online research agency, for £5.3m of which £4.9m was satisfied in cash with the remaining £0.4m being satisfied through the allotment of shares. A further £2m was used to settle liabilities and a further £2.25m may become payable to the sellers subject to certain financial hurdles for the 12 month period to 31 July 2008 being met. An earn-out has also been put in place for the 2 financial years ending 31 July 2010. Under this earn-out, based on financial targets being met, a maximum of £1.25m will be payable, 50% in cash and 50% in Ordinary Shares.

On 27 July 2007 we announced the acquisition of the entire issued share capital of psychonomics for €20.75m of which €15.75m was satisfied in cash and the remaining €5m being satisfied through the allotment of shares. The psychonomics sellers are entitled to be paid the pre-completion profits of psychonomics for the current year capped at €1.5m. An earn-out has also been put in place for the 2 financial years ending 31 December 2008. Under this earn-out, based on financial targets being met, a maximum of a further €3m will be payable, either in cash or shares. The acquisition did not become unconditional until after the period end and so was not consolidated in the current reporting period.

YouGovAlpha rose from the cessation of YouGovExecution. YouGov plc has agreed to cover working capital requirements in the short term.

Katherine Lee
Chief Financial Officer
8 October 2007

Board of Directors

Roger Parry

Non-Executive Chairman

Roger began his career as a journalist working at the BBC and ITV. He worked subsequently for McKinsey, WCRS and Aegis Group plc. He was Chief Executive of More Group plc when it was sold to Clear Channel and went on to become Chairman and CEO of Clear Channel International. Roger is currently Chairman of Johnston Press plc, Future plc, Media Square plc and Mobile Streams plc. He is also Chairman of Shakespeare's Globe Trust.

Nadhim Zahawi

Group Chief Executive Officer and Co-founder

Nadhim was educated at Kings College School and University College London (BSc Chemical Engineering), and after graduating he worked in Sales and Marketing. Nadhim has specific experience in planning and education consultation, panel recruitment and management. He co-founded YouGov in April 2000.

Katherine Lee

Group Chief Financial Officer

Katherine is responsible for the day-to-day financial stewardship of Company resources and facilitates external and internal financial reporting. She previously worked at Grant Thornton UK LLP where she worked in Transaction Services, Corporate Finance. Prior to joining Grant Thornton, Katherine qualified as a chartered accountant with PricewaterhouseCoopers in Sheffield and Leeds before being seconded to Sydney, Australia. Katherine graduated from Sheffield University with a BSc in Psychology.

Peter Bazalgette

Non-Executive Director

Peter is Chief Creative Officer of The Endemol Group where he oversees the creation of content across the international television and multimedia production company. He sits on the Endemol Group executive board. He is a former Non-Executive Director of Channel Four Television Corporation. Peter graduated with a BA in Law from Cambridge University in 1976.

Stephan Shakespeare
Group Chief Innovation Office and Co-founder
Stephan is responsible for developing new research methodologies. Stephan has an MA from Oxford University. He was a headmaster in Los Angeles and a head of special needs in a Lambeth comprehensive. He has written extensively on education policy for a variety of national newspapers. Immediately prior to setting up YouGov, he was a political campaigner.

Panos Manolopoulos
Managing Director International Business Development
Panos Manolopoulos is responsible for business development and market research services. Panos is a client-focused market research professional, with an established track record in business development, key account and project management and team leadership. He has previously worked for NOP, Taylor Nelson Sofres (TNS) and set up Lightspeed Research in Europe – the WPP online research agency. He has worked for clients in the Telecoms, IT, Financial, Travel & Leisure, FMCG, Media/New Media, Utilities, Automotive and Consumer Products verticals and has obtained an understanding of the business drivers in these industry sectors.

Anthony Foye
Non-Executive Director
Tony is Finance Director of Informa plc having joined Taylor & Francis in 1987 as Group Chief Accountant. He was made Finance Director in 1994 and remained in the role following the merger with Informa. Anthony qualified as a chartered accountant with Haines Watts in 1986 and has a BA in Accountancy Studies from Huddersfield Polytechnic.

Peter Kellner
President
During the past 30 years Peter has been a columnist on a variety of newspapers, including the Times, Sunday Times, Independent, Observer, Evening Standard and New Statesman. He has also been a regular contributor to Newsnight (BBC2), A Week in Politics (Channel Four), Powerhouse (Channel Four), Analysis (Radio Four) and election night results programmes on television and radio. He has written, or contributed to, a variety of books and leaflets about politics, elections and public affairs. Peter graduated from Cambridge with a BA.

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 July 2007.

Principal activities

YouGov carries out online research using proprietary software to produce accurate market research, political and media opinion polling and stakeholder consultation. The use of internet-based research enables YouGov to produce accurate research using larger sample sizes while keeping costs lower than traditional research companies that use telephone and face-to-face interview techniques.

Financial summary

The financial summary is discussed in the Chief Financial Officer's Report on page 12.

Future developments

Future developments are discussed in more detail in the Chairman's Statement on page 3.

Post balance sheet events

Post balance sheet events are discussed in more detail in note 25 on pages 46 and 47 and in the Chairman's Statement on page 3.

Directors

Directors at any point during the year were:
Stephan Shakespeare
Nadhim Zahawi
Katherine Lee
Panos Manolopoulos
Peter Kellner
Peter Bazalgette
Anthony Foye
Roger Parry

All Directors served throughout the year, with the exception of Roger Parry, who was appointed on 12 January 2007.

Directors' interests in shares

The interests of the Directors in the shares of the Company at 31 July 2007 and 31 July 2006 were as follows:

	31 July 2007 Number of shares	31 July 2006* Number of shares
Stephan Shakespeare[1]	**13,457,760**	13,457,760
Peter Kellner	**898,670**	1,148,670
Nadhim Zahawi[2]	**540,010**	540,010
Katherine Lee	**52,000**	52,000
Peter Bazalgette	**200,945**	168,335
Anthony Foye	**140,065**	112,565
Panos Manolopoulos	**66,910**	–
Roger Parry	**25,000**	–

* Restated to take account of 10 April 2007 share split.
1 Includes 5 Ordinary Shares held by Stephan's wife, Rosamund.
2 Includes 540,000 Ordinary Shares held by Nadhim's wife, Lana Saib.

Directors' interests in share options

Name	Number of Ordinary Shares under option	Exercise period	Exercise price
Peter Kellner	1,898,735	Until 4 June 2013	10p
Panos Manolopoulos	566,910	Until 31 December 2014	18p
Katherine Lee	700,000	Until 31 October 2015	34p and 29.5p
Total	3,165,645		

Further detail is provided in the remuneration report on page 18.

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

Employee involvement

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.

Employee involvement and communication

Employees are encouraged to own shares in the Company, and 4 employees are shareholders and/or hold options under the Company's share option schemes. Information about the Company's affairs is communicated to employees through regular management meetings, our newsletter, intranet and social events.

Policy on 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. At 31 July 2007 the number of days credit taken for purchases by the Company was 35 days (2006: 36 days).

Substantial shareholders

At 31 July 2007 the following had notified the Company of disclosable interests in 3% or more of the nominal value of the Company's shares:

Name	Shareholding	%
Directors	15,381,210	22.81
Balshore Investments	13,047,600	19.35
Fidelity Investments	6,053,870	8.98
Brewin Dolphin	3,059,667	4.54
Baillie Gifford	2,470,500	3.66
Rathbones	2,416,700	3.58
Schroder Investment Management	2,200,000	3.26

Placing of shares

On 3 September 2007, the shareholders approved the placing of 25,215,543 shares of 0.2p each to fund the acquisition of Polimetrix, psychonomics and Zapera. Following their admission to trading on 6 September 2007 the Company's share capital is 92,638,113.

Key performance indicators

Key performance indicators are discussed in more detail on page 2.

Financial risks

The financial risks facing the Group are discussed in more detail on page 21.

Social responsibility

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.

Ethical behaviour

YouGov expects its employees to exercise high ethical and moral standards at all times whilst representing the Company.

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 recycle where possible;
- ensure that paper used comes from reputable managed forests; and
- comply, where required, with the Packaging (Essential Requirements) Regulations and the Packaging Waste Regulations.

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.

Charitable and political contributions

Donations to charitable organisations amounted to £nil (2006: £5).

Donations to political organisations amounted to £nil (2006: £nil).

Insurance of Company officers

The Company has maintained insurance throughout the year for its Directors and officers against the consequences of actions brought against them in relation to their duties for the Company.

Going concern

Having made enquiries, the Directors have a reasonable expectation that the Company has sufficient resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Auditors

Grant Thornton UK LLP were appointed auditors on 30 March 2005 in accordance with section 388(1) of the Companies Act 1985. Special notice pursuant to section 388(3) having been given, a resolution to reappoint Grant Thornton UK LLP as auditors will be proposed at the Annual General Meeting to be held on 7 December 2007.

Annual General Meeting

The Annual General Meeting of the Company will be held on 7 December 2007 at 50 Featherstone Street, London EC1Y 8RT.

Katherine Lee
Chief Financial Officer and Company Secretary
On behalf of the Board
8 October 2007

Remuneration Report

The Remuneration Committee comprised at 8 October 2007 the two Non-Executive Directors, Peter Bazalgette and Anthony Foye.

Remuneration Report

A resolution will be put to the shareholders at the Annual General Meeting to be held on 7 December 2007 inviting them to consider and approve this report.

Compliance

The constitution and operation of the Committee is in compliance with the principles and best practice provisions as set out in the Combined Code, and full consideration was given to these in determining the remuneration packages for the Executive Directors for 2007/08.

This is not a Remuneration Report as defined by Company law.

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. **Share options**
   The Company believes that share ownership by non-business owner executive Directors strengthens the link between their personal interests and those of the shareholders in respect of shareholder value.

Directors' service contracts

On 18 April 2005 the Company entered into a service agreement with Peter Kellner. The contract provides for Peter to act as the President of the Company, working four days a week at a salary of £138,000 per annum. The contract has no fixed term and is terminable by 12 months' notice in writing by either party. Under the contract, Peter is entitled to 25 paid working days holiday each year. He is subject to non-competition covenants for a period of 6 months and non-solicitation covenants for a period of 12 months following termination of his employment with the Company and to a confidentiality undertaking that is without limit in time.

On 18 April 2005 the Company entered into a service agreement with Nadhim Zahawi on terms identical to those of Peter Kellner set out in the paragraph above save that Nadhim was appointed as the Chief Executive Officer of the Company working 5 days a week on a salary of £138,000.

On 18 April 2005 the Company entered into a service agreement with Stephan Shakespeare on terms identical to those of Peter Kellner save that Stephan was appointed as the Chief Innovations Officer of the Company working 5 days a week on a salary of £138,000.

On 18 April 2005 the Company entered into a service agreement with Panos Manolopoulos on terms identical to those of Peter Kellner save that Panos was appointed as the Managing Director International Business Development of the Company working 5 days a week on a salary of £109,000 and the contract is terminable by 6 months' notice in writing by either party.

On 25 July 2005 the Company entered into a service agreement with Katherine Lee on terms identical to those of Peter Kellner save that Katherine was appointed as the Chief Financial Officer of the Company working 5 days a week on a salary of £95,000 and the contract is terminable by 12 months' notice in writing by either party.

Peter Bazalgette is engaged by the Company as a Non-Executive Director on the terms of a letter of appointment dated 2 March 2005 for an initial fixed term of 3 years and terminable on 30 days' notice from either party. Peter receives a fee of £23,000 per annum.

Anthony Foye is engaged by the Company as a Non-Executive Director on the terms of a letter of appointment dated 1 March 2005 for an initial fixed term of 3 years and terminable on 30 days' notice from either party. Anthony receives a fee of £23,000 per annum.

On 12 January 2007 the Company announced the appointment of Roger Parry as Non-Executive Chairman. Roger receives a fee of £50,000 and a bonus of £25,000 at the discretion of the Board.

Save as set out above, there are no existing or proposed service contracts between any of the Directors 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 ending 31 July 2007 amounted to £1,269,000 (2006: £741,000).

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.

Policy on remuneration of Non-Executive Directors

The remuneration of the Non-Executive Directors is set by the Board as a whole.

Directors' emoluments

Directors' emoluments including benefits in kind and pension contributions paid by the Company during the financial year are disclosed below:

	2007 £'000	2006 £'000
Emoluments	**1,269**	741
	1,269	741

Peter Kellner, the President of the Company has share options on 1,898,735 Ordinary Shares at an exercise price of £0.10 per share. These options were granted in 2003 with a 10 year period and can be exercised at any time within that period.

Panos Manolopoulos, the Managing Director International Business Development, at the start of the period had share options over 1,133,820 Ordinary Shares at an exercise price of £0.18 per share. The options became exercisable in 4 equal tranches of 283,455 Ordinary Shares. On 19 January 2007 and 10 April 2007 the Company approved the exercise of the first two tranches. These shares commenced trading on 25 January 2007 and 16 April 2007 respectively. On 19 April 2007 Panos sold 500,000 shares at £1.80. Following this sale Panos owns 66,910 shares. Panos retains options for the third and fourth tranches of 283,455 shares exercisable on 31 October 2006 and 31 October 2007 respectively.

Katherine Lee, the Chief Financial Officer of the Company, has share options over 700,000 Ordinary Shares at an exercise price of £0.341 and £0.295 per share. The options became exercisable on 31 October 2005 and 31 October 2006. The other 2 tranches become exercisable on 31 October 2007 and 31 October 2008.

The amounts set out above include remuneration in respect of the highest paid Director as follows:

	2007 £'000	2006 £'000
Emoluments	**276**	175

Corporate Governance
Report

The Board
At 31 July 2007 the Board consisted of 5 Executive Directors and 3 Non-Executive Directors, including a senior Non-Executive Director. The names of the Directors and their respective responsibilities are shown on pages 14 and 15.

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. For its regular formal meetings, the Board receives appropriate information in advance from management.

The Directors can obtain independent professional advice at the Company's own expense in performance of their duties as Directors.

The Board formally approves the appointment of all new Directors. All Directors are required to submit themselves for re-election at the first Annual General Meeting following their appointment and subsequent to this at the Annual General Meeting on a rotational basis, which ensures that each Director is submitted for re-election approximately every 3 years. Proposals to re-elect Directors are set out in the Directors' Report on pages 16 and 17, and in the Notice of Annual General Meeting on page 48.

Board Committees
Remuneration Committee – The Remuneration Committee was established at the time of flotation. The composition of the Remuneration Committee is shown below and the statement of the remuneration policy developed by the Committee and details of each Director's remuneration are given within the Directors' Remuneration Report set out on pages 18 and 19.

Audit Committee – The composition of the Audit Committee is shown below. 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.

Board and committee attendance
The following table sets out the attendance of Directors at Board and committee meetings during 2006/07.

Director	Board meetings maximum 11 (incl 3 by phone)	Remuneration Committee meetings maximum 2	Audit Committee meetings maximum 3
Stephan Shakespeare	10	1	–
Nadhim Zahawi	11	–	–
Katherine Lee	11	2	3
Panos Manolopoulos	10	1	–
Peter Kellner	9	1	–
Peter Bazalgette	10	2	3
Anthony Foye	8	2	3
Roger Parry	7	–	–

Shareholder communications
The Board's assessment of the Company's position and prospects are set out in the Chairman's Statement on page 3 and the Chief Financial Officer's Report on pages 12 and 13.

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 used as a forum for communication with private shareholders.

Compliance with the Combined Code
The Board considers that the Group continues to work hard towards compliance with the Combined Code. Full compliance has not yet been achieved and the Board and Audit Committee monitor the Company's compliance on a regular basis. YouGov does not need to comply with the Combined Code due to being listed on the AIM Index. The Directors have completed a detailed review of the effectiveness of the systems of internal control, including financial, operational, compliance and risk management. This assessment has resulted in a detailed action plan, which is substantially implemented. We continue to work towards full compliance.

Audit Committee
The Audit Committee comprises the 2 Non-Executive Directors, Anthony Foye (its Chairman) and Peter Bazalgette. All members of the Committee have relevant financial experience due to the senior positions they hold or have held in the past.

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 commenced. 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 financial control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. 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; and
- appointing experienced and suitably qualified staff to take responsibility for key business functions to ensure maintenance of high standards of performance.

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 1 to the accounts.

Risk management

The Board reviews risks facing the business on a regular basis. The following paragraphs demonstrate the key areas of identified risk.

Early stage of development – Although the Company has grown substantially since it was formed 7 years ago, it remains a relatively small company in an early stage of development. The Company faces competition from both large established international companies as well as small local businesses operating in the same sector.

Middle East – We now undertake business in the Middle East region. This exposes the Group to currency risk, inflationary risk and political instability risk. In addition, we have a concentration of revenue in a small number of high value contracts. We manage those risks by investing in the local currency of Dubai and by having influential local partners. We keep abreast of the local political situation.

Projected growth – The Company's plans incorporate substantial 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.

Competition – YouGov has developed an internet based research strategy which other large and established research organisations are also beginning to adopt. Some of these more established research organisations have well developed brands and substantial resources and may be able to use these to compete very effectively in developing online panels and competing software.

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. To mitigate this risk, YouGov is building account and project management teams for key clients and larger research projects. In this way the client relationship and project related knowledge are shared among a number of individuals rather than concentrated with 1 person.

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.

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 will attempt to mitigate this risk by careful due diligence and communication with the clients of target companies. The Directors will also seek to communicate YouGov's strategy to staff and ensure that levels of remuneration and benefits are appropriate to retain key employees.

The Company may be unable to agree suitable terms with the shareholders of a target company and be forced to abandon an attempted takeover. This may happen after management have invested significant amounts of time and effort as well as accruing advisers' fees.

Integration risk – We have invested in 3 new businesses during the 2006/07 financial year. There is a risk that our integration plans fail or are delayed. We have mitigated this risk through the appointment of a specialist integration manager.

Technology and risk – 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 sought to remain competitive in this area by recruiting an experienced team of software specialists with responsibility for developing the proprietary software systems. Employees in this area must provide 3 months' notice on departure and YouGov has developed a succession planning document with sufficient detail on the structure of proprietary software applications and the IT infrastructure to assist in an orderly transition period in the event of staff leaving. A disaster recovery plan is in place and is reviewed by the Audit Committee annually.

Chairman's commitments – Our Chairman is engaged as Executive Chairman for Media Square plc. This consumes a substantial amount of Roger Parry's time, but this time commitment does not interfere with Roger's ability to be Non-Executive Chairman for YouGov plc.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial period and of the profit or loss of the Group for that period.

In preparing those financial statements, the Directors are required to select suitable accounting policies and then apply them consistently:

- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Directors are aware: there is no relevant audit information of which the Company's auditors are unaware; and the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the Board

Katherine Lee
Chief Financial Officer
and Company Secretary
8 October 2007

Report of the Independent Auditors
to the Members of YouGov plc

We have audited the Group and parent company financial statements (the 'financial statements') of YouGov plc for the year ended 31 July 2007 which comprise the principal accounting policies, the Group Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Group Consolidated and Company Balance Sheets, the Group Consolidated Cash Flow Statement, and notes 1 to 26. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether they have been properly prepared in accordance with the Companies Act 1985.

We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in: the Chief Financial Officer's Report that is cross referred from the financial summary section; the Chairman's Report that is cross referred from the future developments and the post balance sheet events sections; the key performance indicators that is cross referred from the key performance indicators section; and the Corporate Governance Report that is cross referred from the financial risks section of the Directors' Report.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report, the Chairman's Statement, the Chief Executive's Report, the key performance indicators, the Questions and Answers, the Chief Financial Officer's Report, the Remuneration Report and the Corporate Governance Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Group's and parent company financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and Company's affairs as at 31 July 2007 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
London
8 October 2007

Principal Accounting Policies

Basis of preparation
The financial information has been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention.

The principal accounting policies of the Group have been applied consistently in dealing with items which are considered material in relation to the Group's financial information.

The principal accounting policies of the Group have remained unchanged except for the adoption of Financial Reporting Standard 20 'share-based payments'.

The impact of the change in accounting policy relating to FRS 20 has been reflected in the profit and loss account and did not give rise to a material charge. A prior year adjustment has not been made as the adjustment was not material. The change in policy did not result in any change in shareholders' equity.

The impact of the revision of an accounting estimate under FRS 10 is disclosed under the heading 'goodwill and intangible fixed assets'.

Consolidation policy
The Group reports its interests using the acquisition method of consolidation and combines all of the assets, liabilities, income and expense with the equivalent items in the consolidated financial statements on a line-by-line basis.

The minority interests in the net assets of the consolidated subsidiary are identified separately from the Group's equity and consist of the amount of those interests at the date of the original business combination plus their share of changes in equity since that date.

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control whereby the strategic and operating policy decisions require the unanimous consent of the parties sharing control. The arrangements the Group has entered into involve the establishment of a separate entity in which each venturer has an interest. The Group reports its interest using the gross equity method.

Investments in associated undertakings are carried in the consolidated balance sheet at the Group's share of their net assets at the date of acquisition and of their post-acquisition retained profits or losses together with any goodwill arising on the acquisition, net of amortisation. The investors' share of the results is included within the consolidated profit and loss.

Turnover
Turnover is the total amount receivable by the Group for services provided, excluding VAT and trade discounts. Revenue is recognised on the date on which the delivery of findings is presented to a customer.

Where a contract extends over an accounting period, revenue is recognised on a proportion of completion basis. Amounts invoiced in advance are recorded as deferred revenue and are released to revenue upon the stage of completion of the contract.

BrandIndex contracts are for a period of 12 months. Revenue is recognised in equal instalments over the contract.

Polling fees
The Company invites Polling Club members to fill out polls for a cash incentive. Although these amounts are not paid until a predetermined target value has accrued on a Polling Club member'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.

Investments
Investments are included at cost less amounts written off. The carrying value is considered annually by the Directors in comparison against the potential net realisable value.

Tangible fixed assets and depreciation
Tangible fixed assets are stated at cost, net of 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 on a straight-line basis over the life of the lease	10%
Fixtures and fittings on a reducing balance basis	25%
Computer software and hardware on a straight-line basis	10%–33%
Motor vehicles on a straight-line basis	25%

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, these costs are transferred to computer software and hardware costs and depreciated at the rate set out in the above table.

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

Leased assets – finance leases
Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the inception of the lease or contract. The total finance charges are allocated over the period of the lease or contract in such a way as to give a constant periodic charge on the outstanding liability.

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 when it is more likely than not that they will be recovered. 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.

Retirement benefits
The Company did not operate a pension scheme during the period.

Foreign currencies
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 balance sheet date. The financial statements of foreign subsidiaries are translated at the rate of exchange ruling at the balance sheet date. The exchange differences arising from the retranslation of the opening net investment in subsidiaries are taken directly to reserves. Where exchange differences result from the translation of foreign currency borrowings raised to acquire foreign assets they are taken to reserves and offset against the differences arising from the translation of those assets. All other exchange differences are dealt with through the profit and loss account.

Research and development
Research expenditure is charged to profits in the period in which it is incurred. 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.

Goodwill and intangible fixed assets
Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired.

The cost of acquisitions comprises the fair value of the initial consideration, deferred consideration paid or accrued and professional and other costs directly associated with the acquisition.

Amortisation of goodwill occurs over the period in which the investment will generate value. This estimate has been revised by the Board from 5 to 20 years on review of the useful economic life over which YouGov plc expects to derive economic benefits from the asset. The change in accounting estimate has been reflected in the profit and loss account. The change in the current year is a reduction in goodwill of £168,000 from £224,000 to £56,000, for the investment in our subsidiary and a reduction in goodwill of £227,000, from £303,000 to £76,000, for the investment in our associate.

Panel acquisition costs reflect the direct 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 at cost to the Group less accumulated amortisation. Amortisation is charged so as to write off the panel acquisition costs over 5 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. We conduct an annual impairment review to ensure all trademarks are carried at appropriate values.

Share-based payments
All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 August 2006 are recognised in the financial statements.

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).

All equity-settled share-based payments are ultimately recognised as an expense in the profit and loss account with a corresponding credit to 'current liabilities'.

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.

Consolidated Profit and Loss Account
For the year ended 31 July 2007

	Note	2007 £'000	2006 £'000
Turnover: Group and share of joint ventures		**14,573**	9,567
Less: share of joint ventures' turnover		**(270)**	(95)
Group turnover – continuing operations*	1	**14,303**	9,472
Cost of sales	2	**(2,647)**	(2,153)
Gross profit		**11,656**	7,319
Other operating income and charges	2	**(6,061)**	(3,466)
Group operating profit before amortisation of goodwill		**5,595**	3,853
Amortisation of goodwill of subsidiary	8	**(56)**	
Amortisation of goodwill of associate	10	**(76)**	–
Group operating profit – continuing operations		**5,463**	3,853
Share of operating (loss)/profit in joint ventures		**(4)**	9
Share of operating loss in associate		**(172)**	–
		5,287	3,862
Other income			
Management fee		**10**	–
	1	**5,297**	3,862
Interest			
Interest receivable		**188**	192
Interest payable		**(2)**	(1)
Net interest	3	**186**	191
Share of interest in joint ventures		**1**	–
Share of interest in associate		**36**	–
		223	191
Profit on ordinary activities before taxation	1	**5,520**	4,053
Tax on profit on ordinary activities		**(623)**	(542)
Share of tax in joint ventures		**2**	–
Share of tax in associate		**(1)**	–
	5	**(622)**	(542)
Profit on ordinary activities after taxation		**4,898**	3,511
Minority interests – equity		**(794)**	(521)
Retained profit on ordinary activities after taxation and minority interests	20	**4,104**	2,990
Basic earnings per share**	7	**6.1**	4.5
Diluted earnings per share**	7	**5.8**	4.2

* All operations are continuing. The full integration of the trade and assets of Siraj Marketing and Research Agency means that acquisitions have not been reported separately.

** Restated for the 5:1 share split on 10 April 2007.

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Statement of Total Recognised Gains and Losses
For the year ended 31 July 2007

	2007 £'000	2006 £'000
Exchange difference on translation of foreign operations	**(360)**	–
Net loss recognised directly in equity	**(360)**	–
Profit for the year	**4,104**	2,990
Total recognised gains and losses for the period	**3,744**	2,990

Consolidated Balance Sheet
As at 31 July 2007

	Note	2007 £'000	2006 £'000
Fixed assets			
Intangible assets	8	**1,177**	1,171
Tangible assets	9	**699**	158
Investments general	10	**685**	–
Investment in joint ventures:			
Share of gross assets		**288**	123
Share of gross liabilities		**(161)**	(13)
	10	**127**	110
Investment in associate	10	**3,651**	–
		6,339	1,439
Current assets			
Debtors	11	**5,699**	3,699
Cash at bank and in hand		**4,061**	5,546
		9,760	9,245
Creditors: amounts falling due within one year	12	**(3,665)**	(2,796)
Total assets less current liabilities		**12,434**	7,888
Creditors: amounts falling due after more than one year	13	**(334)**	(365)
Provisions for liabilities	15	**(56)**	(12)
Minority interests – equity		**(1,460)**	(743)
	1	**10,584**	6,768
Capital and reserves			
Called up share capital	16	**135**	134
Share premium account	18	**3,026**	2,943
Profit and loss account	18	**7,423**	3,691
	20	**10,584**	6,768

The accompanying accounting policies and notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 8 October 2007

Katherine Lee
Chief Financial Officer

Company Balance Sheet
As at 31 July 2007

	Note	**2007 £'000**	2006 £'000
Fixed assets			
Intangible assets	8	**63**	–
Tangible assets	9	**603**	108
Investments	10	**820**	106
		1,486	214
Current assets			
Debtors	11	**6,758**	1,534
Cash at bank and in hand		**3,994**	5,107
		10,752	6,641
Creditors: amounts falling due within one year	12	**(5,682)**	(1,928)
Net current assets		**5,070**	4,713
Total assets less current liabilities		**6,556**	4,927
Provisions for liabilities	15	**(56)**	(12)
		6,500	4,915
Capital and reserves			
Called up share capital	16	**135**	134
Share premium account	18	**3,026**	2,943
Profit and loss account	18	**3,339**	1,838
Shareholders' funds		**6,500**	4,915

The accompanying accounting policies and notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 8 October 2007

Katherine Lee
Chief Financial Officer

Consolidated Cash Flow Statement
For the year ended 31 July 2007

	Note	2007 £'000	2006 £'000
Net cash inflow from operating activities	19	**4,806**	2,896
Returns on investments and servicing of finance			
Interest received		**234**	181
Interest paid		**(2)**	(1)
Net cash inflow from returns on investments and servicing of finance		**232**	180
Taxation		**(960)**	(318)
Capital expenditure and financial investment			
Purchase of intangible fixed assets		**(168)**	(806)
Purchase of tangible fixed assets		**(682)**	(133)
Cost of investment in subsidiary		**(5)**	–
Cost of investment in joint venture		**(34)**	(100)
Cost of investment in associate		**(3,727)**	–
Cost of investment completed post year end		**(676)**	–
Net cash outflow from capital expenditure and financial investment		**(5,292)**	(1,039)
Financing			
Issue of shares		**1**	1
Premium on issue of shares		**102**	30
Expenses offset against share premium account		**(19)**	–
Net cash inflow from financing		**84**	31
(Decrease)/increase in cash	21	**(1,130)**	1,750

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the Financial Statements

1 Turnover and profit on ordinary activities before taxation

Turnover is attributable to market research. An analysis of turnover by geographical market is given below:

	Turnover		Profit before taxation		Net assets	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000	**2007 £'000**	2006 £'000
UK	**7,880**	4,849	**2,724**	1,898	**5,160**	4,809
Middle East	**6,423**	4,623	**2,825**	1,955	**1,646**	1,698
Middle East Acquisition	**–**	–	**–**	–	**–**	151
	14,303	9,472	**5,549**	3,853	**6,806**	6,658
Common costs			**–**	–		
Operating profit			**5,549**	3,853		
Share of turnover, operating profit and net assets of joint ventures	**270**	95	**(4)**	9	**127**	110
Share of loss before tax and net assets of associate			**(248)**	–	**3,651**	–
	14,573	9,567	**5,297**	3,862	**10,584**	6,768
Net interest			**223**	191		
Unallocated assets					**–**	–
Group turnover	**14,573**	9,567				
Group profit before taxation, minority interests and extraordinary items			**5,520**	4,053		
Group net assets					**10,584**	6,768

All YouGov businesses are continuing operations. The old Siraj Marketing and Research business cannot be disaggregated from our operations in the Middle East as these have become fully integrated into our pre-existing Middle East business.

Barter transactions

YouGov entered into barter transactions in the UK totalling £237,000 (2006: £nil). In YouGovSiraj barter transactions totalled £155,000 (2006: £54,000). Barter transactions involving advertising totalling £392,000 (2006: £54,000) have been included in turnover as per UITF 26.

The profit on ordinary activities before taxation is stated after:

	2007 £'000	2006 £'000
Auditors' remuneration:		
Fees payable to the Group's auditors for the audit of the Group accounts	**28**	27
Fees payable to the Group's auditors for the audit of the subsidiary accounts	**3**	–
Fees payable to the Group's auditors for the audit of the associate accounts	**1**	–
Fees payable to the Group's auditors for the audit of the joint ventures' accounts	**1**	–
Fees payable to the Group's auditors for tax compliance fees	**7**	1
Fees payable to the Group's auditors for interim review fee	**4**	4
Fees payable to the Group's auditors for other services	**7**	1
Audit fees for the individual accounts of YouGovM.E. FZ LLC	**–**	1
Depreciation and amortisation:		
Goodwill	**132**	–
Intangible fixed assets	**9**	–
Tangible fixed assets, owned	**114**	34
Assets under hire purchase	**12**	4
Loss on the disposal of fixed assets	**13**	–
Other operating lease rentals:		
Plant and machinery	**3**	2
Land and buildings	**243**	83

Notes to the Financial Statements
continued

2 Cost of sales and other operating income and charges

	2007 £'000	2006 £'000
Cost of sales	**2,647**	2,153
Other operating income and charges:		
Selling and marketing	**1,501**	347
Administrative expenses	**4,117**	2,941
Establishment costs	**443**	178
	6,061	3,466

3 Net interest

	2007 £'000	2006 £'000
Interest on hire purchase	**(2)**	(1)
Other interest receivable and similar income	**188**	192
	186	191

4 Directors and employees

Staff costs during the year were as follows:

The Group	2007 £'000	2006 £'000
Wages and salaries	**3,596**	1,864
Social security costs	**275**	187
Share-based payments	**37**	–
Other benefits	**126**	–
	4,034	2,051

The Company	2007 £'000	2006 £'000
Wages and salaries	**2,833**	1,614
Social security costs	**271**	187
Share-based payments	**37**	–
Other benefits	**9**	–
	3,150	1,801

The average number of employees of the Group during the year was 76 (2006: 42). The average number of employees of the Company during the year was 54 (2006: 34).

Remuneration in respect of Directors was as follows:

	2007 £'000	2006 £'000
Emoluments	**1,269**	741

The amounts set out above include remuneration in respect of the highest paid Director as follows:

	2007 £'000	2006 £'000
Emoluments	**276**	175

The aggregate gain made by Panos Manolopoulos on the exercise of his share options is set out below:

	No. options	Exercise price	Market price	Gain £
Date of exercise				
19 January 2007	283,455	£0.18	£1.875	480,456
10 April 2007	283,455	£0.18	£1.885	483,291
				963,747

Directors' emoluments include the amount of £52,246 paid to West Eight Investments Limited. This company is owned and controlled by Roger Parry, our Non-Executive Chairman.

5 Tax on profit on ordinary activities

The tax charge represents:

	2007 £'000	2006 £'000
Profit on ordinary activities before tax	**5,520**	4,053
Profit on ordinary activities multiplied by the standard rate of corporation tax in the year	**1,656**	1,216
Overseas earnings not assessable for UK corporation tax	**(1,026)**	(710)
United Kingdom corporation tax at 30% (2006: 30%)	**630**	506
Adjustment in respect of prior period	**(19)**	14
Expenses not deductible for tax purposes	**12**	17
Depreciation in excess of capital allowances	**(45)**	4
Total current tax	**578**	541
Origination and reversal of timing differences	**44**	1
Total deferred tax	**44**	1
Tax on profit on ordinary activities	**622**	542

6 Profit for the financial year

The parent company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The parent company's profit for the year was £1,501,000 (2006: £1,680,000).

Notes to the Financial Statements
continued

7 Earnings per share

	2007			2006		
	Earnings £'000	**Weighted average number of shares**	**Per share amount pence**	Earnings £'000	Weighted average number of shares*	Per share amount pence*
Profit attributable to shareholders	**4,104**			2,990		
Basic earnings per share						
Earnings attributable to ordinary shareholders		**67,350,959**	**6.1**		66,790,785	4.5
Dilutive effect of securities						
Options		**3,461,575**			4,039,930	
Diluted earnings per share						
Adjusted earnings		**70,812,534**	**5.8**		70,830,715	4.2
Adjusted profit attributable to shareholders	**4,236**			2,990		
Basic earnings per share						
Earnings attributable to ordinary shareholders		**67,350,959**	**6.3**		66,790,785	4.5
Dilutive effect of securities						
Options		**3,461,575**			4,039,930	
Diluted earnings per share						
Adjusted earnings		**70,812,534**	**6.0**		70,830,715	4.2

*Restated for the 5:1 share split on 10 April 2007.

The EPS calculation above does not take account of new shares issued as consideration by way of placing to satisfy the consideration on the 3 acquisitions of Zapera, Polimetrix and psychonomics.

Reconciliation of profit and adjusted profit attributable to shareholders	**2007 £'000**	2006 £'000
Profit attributable to shareholders	**4,104**	2,990
Add: amortisation of goodwill	**132**	–
Adjusted profit attributable to shareholders	**4,236**	2,990

8 Intangible fixed assets

The Group	Goodwill £'000	Panel acquisition costs £'000	Trademarks £'000	Total £'000
Cost				
At 1 August 2006	1,171	–	–	1,171
Additions	16	124	28	168
Foreign exchange movement on retranslation	(97)	–	–	(97)
At 31 July 2007	1,090	124	28	1,242
Amortisation				
At 1 August 2006	–	–	–	–
Provided in the year	56	9	–	65
At 31 July 2007	56	9	–	65
Net book amount at 31 July 2007	**1,034**	**115**	**28**	**1,177**
Net book amount at 31 July 2006	1,171	–	–	1,171

The Company	Goodwill £'000	Panel acquisition costs £'000	Trademarks £'000	Total £'000
Cost				
At 1 August 2006	–	–	–	–
Additions	–	41	25	66
At 31 July 2007	–	41	25	66
Amortisation				
At 1 August 2006	–	–	–	–
Provided in the year	–	3	–	3
At 31 July 2007	–	3	–	3
Net book amount at 31 July 2007	**–**	**38**	**25**	**63**
Net book amount at 31 July 2006	–	–	–	–

The valuation method for intangibles is arm's length purchase price (less fair value of assets acquired, in the case of goodwill) for goodwill, panel acquisition costs and trademarks.

Notes to the Financial Statements
continued

9 Tangible fixed assets

The Group	Software development costs £'000	Fixtures and fittings £'000	Computer software and hardware £'000	Motor vehicles £'000	Leasehold property and improvements £'000	Total £'000
Cost						
At 1 August 2006	–	52	96	22	54	224
Additions	133	138	194	28	189	682
Disposals	–	(5)	(17)	–	(17)	(39)
Reclassification	–	30	–	–	(30)	–
At 31 July 2007	133	215	273	50	196	867
Depreciation						
At 1 August 2006	–	16	33	4	13	66
Provided in the year	–	31	56	13	26	126
Disposals	–	(3)	(15)	–	(6)	(24)
Reclassification	–	12	–	–	(12)	–
At 31 July 2007	–	56	74	17	21	168
Net book amount at 31 July 2007	**133**	**159**	**199**	**33**	**175**	**699**
Net book amount at 31 July 2006	–	36	63	18	41	158

Included within the NBV of £699,000 was £33,000 (2006: £18,000) relating to assets held under finance leases and hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets was £12,000 (2006: £4,000).

The Company	Software development costs £'000	Fixtures and fittings £'000	Computer software and hardware £'000	Leasehold property and improvements £'000	Total £'000
Cost					
At 1 August 2006	–	41	74	47	162
Additions	133	135	160	177	605
Disposals	–	–	(17)	(17)	(34)
Reclassification	–	30	–	(30)	–
At 31 July 2007	133	206	217	177	733
Depreciation					
At 1 August 2006	–	13	29	12	54
Provided in the year	–	27	47	23	97
Disposals	–	–	(15)	(6)	(21)
Reclassification	–	12	–	(12)	–
At 31 July 2007	–	52	61	17	130
Net book amount at 31 July 2007	**133**	**154**	**156**	**160**	**603**
Net book amount at 31 July 2006	–	28	45	35	108

10 Fixed asset investments

Total fixed asset investments comprise:

	The Group		The Company	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000
Interest in subsidiaries (a)	**5**	–	**10**	6
Interest in joint ventures (b)	**4**	–	**134**	100
Interest in associate (c)	**–**	–	**–**	–
Interest in investment completed post year end	**676**	–	**676**	–
	685	–	**820**	106

The value of investments is determined on the basis of the cost to the Group.

Interest in investment completed post year end represents a non-refundable deposit paid to psychonomics shareholders.

(a) Interests in subsidiaries

At 31 July 2007 the Company had interests in the following subsidiaries:

	Subsidiary	Country of incorporation	Class of share capital held	Proportion held by parent Company	Proportion held by the Group	Nature of business
YouGovM.E. FZ LLC	Subsidiary	United Arab Emirates	Ordinary	78%	78%	Market Research
YouGovStone Limited	Subsidiary	England	Ordinary	51%	51%	Market Research
YouGovAmerica LLC	Subsidiary	USA	Ordinary	100%	100%	Holding Co
YouGovEurope Holdings Limited	Subsidiary	England	Ordinary	100%	100%	Holding Co
YouGovAmerica Holdings Limited	Subsidiary	England	Ordinary	100%	100%	Holding Co
YouGovAlpha Limited	Subsidiary	England	Ordinary	100%	100%	Market Research

YouGovEurope Holdings Limited, YouGovAmerica Holdings Limited and YouGovAlpha Limited were not active at 31 July 2007 and have therefore been excluded from the consolidated financial statements.

All subsidiaries have co-terminous year ends.

(b) Interests in joint ventures

At 31 July 2007 the Company had interests in the following joint ventures:

	Joint venture	Country of incorporation	Class of share capital held	Proportion held by parent Company	Proportion held by the Group	Nature of business	Financial year end
YouGovExecution Limited	JV	England	Ordinary	50%	50%	Primary research for the investment community	31 July
YouGovCentaur Limited	JV	England	Ordinary	50%	50%	Specialist business to business research	30 June

Subsequent to the end of the financial year, the Board decided to cease trading in YouGovExecution. See note 25.

The Group's share of the assets and liabilities of YouGovExecution Limited was:

	2007 £'000	2006 £'000
Fixed assets	**6**	1
Current assets	**174**	122
Liabilities due within one year	**(69)**	(13)
Liabilities due after one year or more	**–**	–

The principal place of business for YouGovExecution is 2nd Floor, Block D, The Old Truman Brewery, 91 Brick Lane, London E1 6QL.

10 Fixed asset investments continued

The Group's share of the assets and liabilities of YouGovCentaur Limited was:

	2007 £'000	2006 £'000
Fixed assets	**1**	–
Current assets	**107**	–
Liabilities due within one year	**(21)**	–
Liabilities due after one year or more	**(71)**	–

The principal place of business for YouGovCentaur is 50 Poland Street, London W1F 7AX.

If the investment in joint ventures had been included at cost, they would have been included at the following amounts:

The Group and the Company	YouGov Execution £'000	YouGov Centaur £'000	Total £'000
Cost or valuation			
At 1 August 2006	100	–	100
Additions	–	34	34
At 31 July 2007	100	34	134
Amounts written off			
At 1 August 2006	–	–	–
Provided in the year	–	–	–
At 31 July 2007	–	–	–
Net book amount at 31 July 2007	**100**	**34**	**134**
Net book amount at 31 July 2006	100	–	100

(c) Interests in associate

At 31 July 2007 the Company had interests in the following associate:

				Proportion held		
	Associate	Country of incorporation	Class of share capital held	by parent Company	by the Group	Nature of business
Polimetrix Inc	Associate	USA	Ordinary	0%	32%	Market research

At 31 July 2007 YouGov held an option to acquire the balance of Polimetrix's equity at an option price of $2.10 per share. Refer to note 25 'post balance sheet events' for details of the option.

The principal place of business is 364 University Avenue, Palo Alto, CA 94301, USA.

The Group	Share of net assets £'000	Goodwill £'000	Total £'000
Cost or valuation			
At 1 August 2006	–	–	–
Additions	1,132	2,595	3,727
At 31 July 2007	1,132	2,595	3,727
Amounts written off			
At 1 August 2006	–	–	–
Provided in the year	–	76	76
At 31 July 2007	–	76	76
Net book amount at 31 July 2007	**1,132**	**2,519**	**3,651**
Net book amount at 31 July 2006	–	–	–

11 Debtors

	The Group		The Company	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000
Trade debtors	**4,917**	3,547	**2,111**	1,395
Amounts owed by Group undertakings	**–**	–	**4,012**	36
Amounts owed by joint ventures	**139**	3	**139**	3
Other debtors	**36**	37	**8**	16
Prepayments and accrued income*	**607**	112	**488**	84
	5,699	3,699	**6,758**	1,534

*Additional expenditure of £260,000 (2006: £nil) with respect to acquisition costs for investments acquired after the year end has been included within prepayments. Additional expenditure represents professional fees which will be capitalised as part of the investment on completion.

12 Creditors: amounts falling due within one year

	The Group		The Company	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000
Deferred income	**548**	361	**338**	316
Trade creditors	**490**	122	**408**	105
Amounts owed to Group undertakings	**–**	–	**2,727**	6
Corporation tax	**147**	527	**147**	527
Social security and other taxes	**377**	291	**372**	291
Other creditors	**162**	75	**162**	75
Accruals	**1,917**	1,292	**1,528**	608
Pre-acquisition profit distribution	**–**	110	**–**	–
Amounts due under hire purchase contracts	**24**	18	**–**	–
	3,665	2,796	**5,682**	1,928

13 Creditors: amounts falling due after more than one year

	The Group		The Company	
	2007 £'000	2006 £'000	**2007 £'000**	2006 £'000
Deferred consideration	**334**	365	**–**	–
	334	365	**–**	–

Deferred consideration relates to a payment to be made in respect of the acquisition of the trade and assets of Siraj. The payment will be made on 30 July 2009.

14 Financial instruments

The Company uses financial instruments, other than derivatives, comprising cash, liquid resources and various items, such as trade debtors, trade creditors etc, that arise directly from its operations. The Company has no borrowings. The main purpose of these financial instruments is to raise finance for the Company's operations.

The main risks arising from the Group financial instruments are liquidity risk and foreign exchange risk. The Board reviews and agrees policies for managing this risk and they are summarised below. This policy has remained unchanged from previous years.

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

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.

Interest rate profile
The financial assets at 31 July 2007 comprised £4.1m of cash accruing interest.

During the period 1 August 2006 to 31 July 2007 the rates applicable varied between 4.75% and 5.75%. The rates vary in line with the Bank of England base rate (2006: 4.0%–4.75%).

In the U.A.E. interest has been earned at rates between 4.375% and 5.0% (2006: 4.675%–4.75%) depending upon the length of the deposit term.

Currency risk
The Group does not hedge its exposure of foreign investments held in foreign currencies.

	Net foreign currency monetary assets			
Functional currency of operation	**Sterling £'000**	**US dollar £'000**	**Euro £'000**	**Total £'000**
31 July 2007				
Sterling	–	1,514	1,462	2,976
Other currencies	–	2,036	–	2,036
	–	**3,550**	**1,462**	**5,012**

15 Provisions for liabilities

The Group	**Deferred taxation £'000**	**Total £'000**
At 1 August 2006	12	12
Provided during year in profit and loss account	44	44
At 31 July 2007	**56**	**56**

The Company	**Deferred taxation £'000**	**Total £'000**
At 1 August 2006	12	12
Provided during year in profit and loss account	44	44
At 31 July 2007	**56**	**56**

The deferred tax charge in the current and prior period represents accelerated capital allowances on fixed assets acquired.

16 Share capital

	2007 £	2006 £
Authorised		
100,000,000 Ordinary Shares of 0.2p each	**200,000**	–
20,000,000 Ordinary Shares of 1p each	**–**	200,000

	2007 £	2006 £
Allotted, called up and fully paid		
At 1 August 2006, 13,369,557 (2005: 13,338,207) Ordinary Shares of 1p each	**133,695**	133,381
New shares allotted, called up and fully paid in respect of share options	**1,150**	314
67,422,570 Ordinary Shares of 0.2p each (2006: 13,369,557 Ordinary Shares of 1p each)	**134,845**	133,695

113,382 Ordinary Shares of 1p each were issued in the period in respect of the exercise of options by Panos Manolopoulos. The total nominal value of these shares was £1,133.82 and the total consideration received was £102,043.80. These shares were issued prior to the share split in April 2007.

7,875 Ordinary Shares of 0.2p each were issued in the period in respect of an employee exercising options. The total nominal value of these shares was £15.75 and the total consideration received was £1,417.50.

On 10 April 2007 the Company undertook a 5:1 share split which reduced the nominal value of each share from 1p to 0.2p.

17 Share-based payments

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

Approved share option scheme	**No.***	**2007 WAEP £***	No.*	2006 WAEP £*
Outstanding at the beginning of the year	**3,022,875**	**0.145**	2,729,625	0.124
Granted during the year	**121,510**	**1.645**	293,250	0.341
Exercised during the year	**(563,430)**	**0.180**	–	–
Lapsed during the year	**(166,125)**	**0.180**	–	–
Outstanding at the end of the year	**2,414,830**	**0.210**	3,022,875	0.145
Exercisable at the end of the year	**2,146,665**	**0.120**	2,802,940	0.130

Unapproved share option scheme	**No***	**2007 WAEP £***	No.*	2006 WAEP £*
Outstanding at the beginning of the year	**985,015**	**0.227**	578,265	0.180
Granted during the year	**21,346**	**1.645**	406,750	0.295
Exercised during the year	**(11,355)**	**0.180**	–	–
Lapsed during the year	**–**	**–**	–	–
Outstanding at the end of the year	**995,006**	**0.258**	985,015	0.227
Exercisable at the end of the year	**486,830**	**0.228**	113,040	0.283

Full details of the 1,898,735 share options pertaining to Peter Kellner, 566,910 share options pertaining to Panos Manolopoulos and the 700,000 share options pertaining to Katherine Lee are disclosed as part of the Remuneration Report on page 18.

Two schemes relating to employees are in place. The first covers 101,335 share options and are exercisable by employees at an exercise price of £0.18 until expiry. The second covers 142,856 share options which become exercisable in the following tranches; 47,620 on 10 April 2008, 47,618 on 10 April 2009 and 47,618 on 10 April 2010. The vesting of these shares is dependent upon specific targets being achieved. The exercise price of all 142,856 share options is £1.645.

Share options exercised in the current financial year were done so at prices between £1.875 and £2.025.

The profit and loss charge for share-based payments is disclosed in note 4.

17 Share-based payments continued

The options outstanding as at 31 July 2007 have the following average exercise prices and expire in the following financial years.

Expiry	Exercise price £*	2007 No.*	2006 No.*
31 July 2013	0.180	**57,000**	231,000
31 July 2013	0.100	**1,898,735**	1,898,735
31 July 2015	0.180	**611,245**	1,178,155
31 July 2016	0.341	**293,250**	293,250
31 July 2016	0.295	**406,750**	406,750
31 July 2017	1.645	**142,856**	–
		3,409,836	4,007,890

The fair value of equity-settled transactions is estimated at the date of grant. Fair values were determined according to the Black-Scholes option pricing model using the following:

Scheme	2007 EMI*	2007 Unapproved*	2006 EMI*	2006 Unapproved*
Number granted	**121,510**	**21,346**	293,250	406,750
Weighted average share price at grant	**£1.885**	**£1.885**	£0.341	£0.341
Weighted average share exercise price	**£1.645**	**£1.645**	£0.341	£0.295
Weighted average expected volatility	**29.9%**	**29.9%**	26.3%	26.3%
Average expected life (years)	**5**	**5**	5	5
Weighted average risk free rate	**5.2%**	**5.2%**	3.7%	3.7%
Expected dividend yield	**0.0%**	**0.0%**	0.0%	0.0%

*Restated for the 5:1 share split on 10 April 2007.

18 Share premium account and reserves

The Group	Share premium account £'000	Profit and loss account £'000
At 1 August 2006	2,943	3,691
Retained profit for the year	–	4,092
Other recognised gains and losses relating to the period	–	(360)
Premium on allotment during the year	102	–
Cost of issue of shares	(19)	–
At 31 July 2007	**3,026**	**7,423**

The Company	Share premium account £'000	Profit and loss account £'000
At 1 August 2006	2,943	1,838
Retained profit for the year	–	1,501
Premium on allotment during the year	102	–
Cost of issue of shares	(19)	–
At 31 July 2007	**3,026**	**3,339**

19 Net cash flow from operating activities

	2007 £'000	2006 £'000
Net cash inflow from operating activities		
Operating profit	**5,301**	3,862
Amortisation of intangible fixed assets	**141**	–
Depreciation of tangible fixed assets	**126**	38
Loss on disposal of fixed assets	**13**	–
(Increase) in debtors	**(2,000)**	(2,930)
Increase in creditors	**1,225**	1,926
Net cash inflow from operating activities	**4,806**	2,896

20 Reconciliation of movements in shareholders' funds

	2007 £'000	2006 £'000
Profit on ordinary activities after taxation	**4,898**	3,511
Minority interests – equity	**(794)**	(521)
Retained profits on ordinary activities after taxation and minority interests	**4,104**	2,990
Dividends	**(12)**	–
Retained profit for the financial year	**4,092**	2,990
Other recognised gains and losses relating to the period	**(360)**	–
Premium on issue of shares	**102**	30
Net issue of share capital	**1**	1
Offset expenses against share premium account	**(19)**	–
Net increase in shareholders' funds	**3,816**	3,021
Opening shareholders funds	**6,768**	3,747
Closing shareholders funds	**10,584**	6,768

21 Reconciliation of net cash flow to movement in net debt

	2007 £'000	2006 £'000
(Decrease)/increase in cash in the year	**(1,130)**	1,750
Foreign exchange difference on the retranslation of overseas entities	**(355)**	–
Movement in net cash in the year	**(1,485)**	1,750
Net cash at beginning of year	**5,546**	3,796
Net cash at end of year	**4,061**	5,546

22 Acquisitions

Siraj

On 30 July 2006 the Group acquired a 100% stake in the business, the assets and trade of Siraj Marketing and Research Consultancy (Siraj), through our subsidiary YouGovM.E. FZ LLC, for a consideration of £1.3m in cash. Goodwill arising on the acquisition has been capitalised and will be written off over its useful estimated life. The purchase has been accounted for by the equity method of accounting. We presented draft fair value estimates at 31 July 2006. No fair value adjustment was required. We have amended the value of acquisition costs capitalised. The impact of this was to increase the value of goodwill.

The assets and liabilities of Siraj acquired were as follows:

	Book value £'000	Revaluation £'000	Accounting policy adjustments £'000	Other adjustments £'000	Fair value £'000
Tangible fixed assets	2	–	–	–	2
Current assets					
Trade debtors	218	–	–	–	218
Bank and cash	68	–	–	–	68
Total assets	288	–	–	–	288
Other creditors	45	–	–	–	45
Accruals	92	–	–	–	92
Total liabilities	137	–	–	–	137
Net assets	151	–	–	–	151
Purchased goodwill capitalised					1,171
Costs of acquisition capitalised					16
Total goodwill					1,187
					1,338
Satisfied by:					
Cash					847
Deferred consideration					475
Working capital					16
					1,338

Polimetrix

On 22 December 2006 the Group acquired a 32% stake in Polimetrix for a consideration of £3.8m. Goodwill arising on the acquisition has been capitalised and will be written off over its useful estimated life. The purchase has been accounted for by the equity method of accounting. The stake held in Polimetrix was increased post year end. Full details of this are disclosed in note 25.

	Book value £'000	Revaluation £'000	Accounting policy adjustments £'000	Other adjustments £'000	Fair value £'000
Tangible fixed assets	32	–	–	–	32
Current assets					
Trade debtors	81	–	–	–	81
Other debtors	3	–	–	–	3
Bank and cash	1,254	–	–	–	1,254
Total assets	1,370	–	–	–	1,370
Trade creditors	15	–	–	–	15
Other creditors	42	–	–	–	42
Total liabilities	57	–	–	–	57
Net assets	1,313	–	–	–	1,313
Purchased goodwill capitalised					2,521
Costs of acquisition capitalised					74
Total goodwill					2,595
					3,908
Satisfied by:					
Cash					3,834
Working capital					74
					3,908

The results of Polimetrix for the period from the beginning of the subsidiary's financial year to the date of acquisition and also the comparative year to 31 December 2005 are as follows:

	1 January 2006– 21 December 2006 £'000	Year ended 31 December 2005 £'000
Turnover	**1,195**	349
Operating (loss)/profit	**(754)**	31
(Loss)/profit before tax	**(746)**	31
(Loss)/profit after tax	**(747)**	31

23 Capital commitments

The Group and the Company had an outstanding commitment to procure software to the value of £109,709 at year end. By 31 July 2007 £10,971 had been settled. The balance will be settled in equal instalments in stage payments during the financial year ending 31 July 2008. Purchase orders of £115,590 have been approved but not accrued, where they relate to the period from 1 August 2007 onward.

YouGov has committed to a non-refundable deposit to the shareholders of psychonomics of £2.1m of which £676,000 had been paid by 31 July 2007. The balance was settled in August 2007. No capital commitments existed for the Group or the Company at 31 July 2006.

Notes to the Financial Statements
continued

24 Leasing commitments
Operating lease payments amounting to £320,000 (2006: £102,000) are due within one year. The leases to which these amounts relate expire as follows:

	2007 Land and buildings £'000	**2007** Other £'000	2006 Land and buildings £'000	2006 Other £'000
In one year or less	**14**	**3**	47	2
Between one and five years	**–**	**–**	53	–
In five years or more	**303**	**–**	–	–
	317	**3**	100	2

25 Post balance sheet events
We announced on 7 August 2007 that we proposed to raise approximately £27m by means of a placing for cash of 19,285,714 new Ordinary Shares to institutional investors at £1.40 per share, and to issue shares and to grant options of an aggregate value of £11.3m. Each of the psychonomics and Zapera Acquisition agreements contain earn-out provisions which, if met, will require YouGov to pay an estimated amount of £6.5m by way of further consideration.

Polimetrix
Under the terms of the pre-existing option, YouGov and YouGovAmerica had the right to purchase the 68% of Polimetrix not currently owned by YouGovAmerica. The merger resulted in the acquisition of such 68% at a price of $2.10 per share. Agreement was reached on 7 August 2007. The total consideration payable to Polimetrix is $24.1m (approximately £11.7m) of which $8.6m (approximately £4.2m) was satisfied in cash. The remaining $15.5m (approximately £7.5m) was satisfied by the allotment of shares and by the grant of options (to the value of approximately $2.7m (£1.3m)). A proportion of the Acquisition Shares will only be issued one year following completion provided there are no claims made by YouGov under the merger agreement. The Acquisition Shares are subject to selling restrictions for a period of 12 months from the date of completion.

Zapera
Zapera is an online research agency with offices in Denmark, Sweden and Norway and specialises in healthcare, pharmaceutical and brand research.

The consideration payable on completion was £5.3m (subject to a net working capital adjustment) and is to be satisfied by a mixture of cash (£4.9m) and the allotment of 264,026 shares to the value of £400,000 (priced at 151.5p per Ordinary Share). In addition, YouGov applied £2m towards the repayment of loan capital, the acquisition of bank debt and the payment of deferred consideration pursuant to a previous acquisition made by Zapera. Additional consideration of £2.25m will become payable to the sellers subject to certain financial hurdles for the 12 month period to 31 July 2008 being met by Zapera. The 2 original founders are entitled to an earn-out payment of (in aggregate) £1.25m depending on the financial performance for the 12 month periods to each of 31 July 2009 and 2010. Any such earn-out payment to the founders will be satisfied 50% in cash and 50% in Ordinary Shares.

psychonomics
The acquisition of psychonomics was announced on 27 July 2007. psychonomics was incorporated in 1992 and has its head office in Cologne with offices in Vienna and Berlin.

The consideration payable on completion for the entire issued share capital of psychonomics was €20.75m (approximately £14.0m) and was satisfied by the issue of shares to the value of €5m (approximately £3.4m) with the balance being paid in cash. Of the initial cash consideration, €3.2m (approximately £2.1m) was paid as a non-refundable deposit. The psychonomics sellers are entitled to be paid the pre completion profits of psychonomics for the current year calculated in proportion to the number of months elapsed prior to completion. Such amount is capped at €1.5m (approximately £1m.) An earn-out has also been put in place for the 2 financial years ending 31 December 2008. Under this earn-out, based on financial targets being met, a maximum of a further €3m (approximately £2m) will be payable, either in cash or shares (priced at the average price of trading over the 30 dealing day period following publication of the audited financial statements for the financial year ending 31 December 2008). In addition to the purchase price payable, Ordinary Shares to the value of €500,000 will be issued for a psychonomics employee incentivisation programme.

YouGovExecution dissolved amicably
After 18 months of successful operations both YouGov and Execution have decided to amicably dissolve the YouGovExecution (YGX) joint venture with a view to each company independently pursuing aspects of the YGX business. We aim to complete the dissolution by the time we report our interim results for the period ended 31 January 2008.

Having established primary research services as a valuable resource for the investment community, both Execution and YouGov have agreed that it is no longer in the interests of either party to maintain an exclusive relationship with each other.

The two companies will continue to co-operate on certain existing YGX services, such as the YouGovExecution Clothing Retail Index, and in the future where there is a relevant business opportunity for both.

YouGovAlpha
YouGov created YouGovAlpha, the UK's only dedicated market research agency with services tailored to the specific needs of fund managers and investment professionals. Building on the recent success of YouGovExecution (YGX), YouGovAlpha provides a competitive advantage to its clients by using primary research to gain insights into the marketplace performance of sectors and companies ahead of trading statements and publicly available information. YouGovAlpha commenced trading on 1 August 2007.

EGM
Further to the announcement, distribution of circular and notice of EGM of YouGov plc (the 'Company') on 7 August 2007 in connection with the cash placing to raise £27m and the issue of £10m Ordinary Shares as part consideration for 3 acquisitions in the US, Germany and Denmark, the Board of the Company is pleased to announce that all resolutions required to effect the cash placing and acquisitions were duly passed at the EGM on 3 September 2007. 25,215,543 Ordinary Shares, being the Placing Shares and Acquisition Consideration Shares, were admitted to trading on AIM on 6 September 2007. YouGov announced on 14 September 2007 that the psychonomics acquisition completed on 10 September 2007 whilst the Zapera and Polimetrix acquisitions completed on 11 September 2007.

26 Transactions with directors and other related parties
There have been no transactions with directors during the year.

During the year sales were made to Endemol UK totalling £2,600 (2006: £19,000). Endemol UK is a company which Peter Bazalgette, a Non-Executive Director of YouGov plc, is a director. The sale was made at an arm's length and on usual commercial terms. As at 31 July 2007 Endemol UK owed YouGov plc £nil (2006: £22,325).

During the year goods and services were procured from IIR Limited totalling £5,293 (2006: £nil). IIR Limited is a company which Anthony Foye, a Non-Executive Director of YouGov plc, is a director. The purchases were made at an arm's length and on usual commercial terms. As at 31 July 2007 YouGov plc owed IIR Limited £nil (2006: £nil).

During the year goods and services were procured from Hawkshead Limited totalling £nil (2006: £35,240). Hawkshead Limited is a company which Peter Bazalgette, a Non-Executive Director of YouGov plc, is a director. The purchases were made at an arm's length and on usual commercial terms. As at 31 July 2007 YouGov plc owed Hawkshead Limited £nil (2006: £nil).

During the year, YouGov plc provided research services totalling £480,236 (2006: £nil) to Privero Capital, a US based investment fund. A minority stake in this fund is partially owned by Stephan Shakespeare and Balshore Investments (the family trust of Nadhim Zahawi's family), each of whom control 18.75% of the fund. At 31 July 2007 Privero owed YouGov plc £480,236 (2006: £nil).

During the year sales were made to YouGovExecution totalling £315,654 (2006: £131,220). At 31 July 2007 YouGovExecution owed YouGov plc £52,122 (2006: £nil).

During the year sales were made to YouGovStone totalling £57,166 (2006: £nil). At 31 July 2007 YouGovStone owed YouGov plc £67,170 (2006: £nil).

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

Notice of
Annual General Meeting

NOTICE IS GIVEN that the ANNUAL GENERAL MEETING of the Company will be held at 50 Featherstone Street, London EC1Y 8RT, on 7 December 2007 at 10 a.m. for the following purposes:

1. To receive, approve and adopt the Company's annual accounts for the financial year ended 31 July 2007, together with the directors' report and the auditors' report on those accounts.

2. To reappoint Grant Thornton UK LLP as auditors to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting of the Company at which accounts are laid and to authorise the Directors to fix their remuneration.

3. To reappoint Anthony Foye retiring by rotation in accordance with the Company's articles of association.

4. To reappoint Peter Bazalgette retiring by rotation in accordance with the Company's articles of association.

5. To reappoint Roger Parry who, having been appointed a Director by the Directors since the last Annual General Meeting, would in accordance with the Company's articles of association vacate office at the conclusion of this meeting unless reappointed.

To consider and, if thought fit, pass the following resolutions, of which resolution 6 will be proposed as an ordinary resolution and resolution 7 will be proposed as a special resolution:

6. THAT:
   - 6.1 the Directors be generally and unconditionally authorised under section 80 of the Companies Act 1985 (the 'Act') to exercise all the powers of the Company to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £61,758.74;
   - 6.2 this authority shall expire (unless previously revoked by the Company) on 6 December 2012;
   - 6.3 the Company may make an offer or agreement before this authority expires which would or might require relevant securities to be allotted after it has expired and the Directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding that this authority has expired; and
   - 6.4 all previous authorities to allot relevant securities, to the extent unused, be revoked.

7. THAT:
   - 7.1 subject to the passing of resolution 6, the Directors shall have the power under section 95 of the Act to allot equity securities (as defined in section 94 of the Act) for cash under the authority conferred by resolution 6 as if section 89(1) of the Act did not apply to the allotment;
   - 7.2 this power shall be limited to:
     - 7.2.1 the allotment of equity securities in connection with an offer or issue of such securities to holders of ordinary shares on the register on a date fixed by the Directors, whether by way of rights issue, open offer or otherwise, in proportion (as nearly as practicable) to their respective holdings on that date or in accordance with the rights attached to them but subject to such exclusions and other arrangements as the Directors may consider appropriate in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and
     - 7.2.2 the allotment (other than under paragraph 7.2.1 above) of equity securities having, in the case of relevant shares (as defined for the purposes of section 89), a nominal amount or, in the case of other equity securities, giving the right to subscribe for or convert into relevant shares having a nominal amount, not exceeding in aggregate £9,263.81;
   - 7.3 this power shall cease to have effect when the authority given by resolution 6 is revoked or expires;
   - 7.4 the Company may make an offer or agreement before this authority expires which would or might require equity securities to be allotted after it expires and the Directors may allot equity securities in pursuance of that offer or agreement notwithstanding that the authority has expired; and
   - 7.5 this power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 94(3A) of the Act as if in paragraph 7.1 the words 'under the authority conferred by resolution 6' were omitted.

By order of the Board

Katherine Lee
Company Secretary
8 October 2007

YouGov plc
50 Featherstone Street
London EC1Y 8RT

Notes to members

1. A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. The proxy need not be a member of the Company.

2. To be effective, the instrument appointing a proxy and any authority under which it is executed (or a notarially certified copy of such authority) must be deposited at the office of the Company's registrars, Neville Registrars, at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA not less than 48 hours before the time for holding the meeting. A form of proxy is enclosed with this notice. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting.

3. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the register of members of the Company as at 10 a.m. on 5 December 2007 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Explanation of special business at the Annual General Meeting

Resolution 6 (authority to allot) proposed as an ordinary resolution would give the directors authority to allot shares up to a maximum nominal amount of £61,758.74 representing one third of the Company's current issued share capital. The existing authority would be revoked and this new authority (unless previously revoked by the Company) would expire on 6 December 2012.

Resolution 7 (Disapplication of pre-emption rights) proposed as a special resolution, would renew the power of the Directors to allot shares for cash as though the rights of pre-emption conferred by section 89 (1) of the Act did not apply:

a) in respect of the whole of the authorised but unissued share capital in connection with an offer to existing shareholders in proportion to their existing holdings save that the directors are allowed to offer shares to existing shareholders otherwise than strictly in proportion to their holdings where, for example, overseas regulations make it difficult to offer shares pro rata to existing overseas shareholders or when dealing with fractions of shares; and
b) up to a nominal amount of £9,263.81 representing 5% of the current issued share capital of the Company (to give the directors some flexibility in financing business opportunities as they arise).

This power (unless previously revoked by the Company) would expire on 6 December 2012.

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Telephone **020 7729 9090 www.emperordesign.co.uk**

www.yougov.com

YouGov
50 Featherstone Street
London EC1Y 8RT
T. +44 (0)20 7012 6000
F. +44 (0)20 7012 6001