FINAL

YouGov

9 October 2006

YouGov plc
Audited Preliminary Results for year to 31 July 2006

Delivering against our objectives
- strong organic growth, new products developed and geographical expansion

Highlights

- Sales more than tripled to £9.5m (£2.9m)
- Operating profit grew 302% to £3.9m
- PBT increased from £1.0m to £4.1m
- Strong performance in UK business
- Growing demand for BrandIndex
- Established profitable joint venture with Execution Limited, YGX
- Completed first acquisition – Siraj in Dubai further strengthens YouGov in Middle East
- Middle East operations continue to outperform our initial expectations with contracts secured with a number of clients
- Continued expansion of panel and extension of geographical reach
- Good start to current financial year - confident of prospects for YouGov

Commenting on the results, Nadhim Zahawi, Joint Chief Executive Officer of YouGov, said;

"YouGov has again performed extremely well reflecting our unique position in market research and our commitment to developing a representative panel. The successful launches of BrandIndex and our joint venture with Execution, YGX, demonstrate the scalability of our market research model. The acquisition of Siraj in Dubai adds significant scale to YouGov's position as the fastest growing market research agency in the Middle East.

The current financial year has started well across the business and trading is in line with our expectations. In the UK, we continue to see strong demand for sensibly priced, accurate and timely online market research and we are well positioned to capitalise on this trend. The Middle Eastern business is going from strength to strength with the integration of Siraj going to plan. As a result, the Board is confident of another successful year both financially and operationally."

YouGov plc Nadhim Zahawi, Joint CEO Katherine Lee, CFO	**Tel: 020 7618 3010**
Financial Dynamics Charlie Palmer / Nicola Biles	**Tel: 020 7831 3113**

Chairman's Statement

Introduction

The 2005/06 financial year has been an important one for YouGov. The UK business continues to perform well and we have seen our operations in the Middle East go from strength to strength. During the year we have delivered against the strategy of developing new products and growing the business through selective acquisitions and joint-ventures that we set out at the time of our IPO in 2005. We have developed and launched the new and revolutionary brand tracker, BrandIndex, set up a profitable joint venture, YGX, with Execution Limited and completed our first acquisition, Siraj, a market research agency in Dubai.

Financial Performance

The financial performance of the Group remains strong. Sales have more than tripled to £9.47m (£2.94m in 2004/05). Operating profit quadrupled from £0.96m to £3.86m and profit before tax grew from £1.0m to £4.05m. The UK operations continue to grow strongly, with reported growth at 65% against the online research sector growth of approximately 25%. Middle East has performed strongly in the year, and has contributed more than half of the group revenue and profit.

Bespoke revenue forms the largest element of our revenue at 78% (2005: 61%), with omnibus revenues at 20% (2005: 39%) and syndicated revenues at 2% (2005: 0%).

The business continues to be highly cash generative, and during the year generated £1.75m in cash. The cash position at the year end was £5.5m and net assets were £6.77m.

The directors are not recommending the payment of a dividend, which is consistent with statements made both at the time of flotation and in subsequent financial reports. This reflects the high-growth nature of the Group and the numerous opportunities that the Board has identified for further development.

Operational highlights

YouGov has achieved a great deal during the year and the speed and accuracy of the Group's full service online research offer continues to underpin YouGov's competitive advantage. This is reflected in the strength of client relationships, the high level of repeat business and the good new business performance during the year. What is perhaps the most pleasing is that the growth in the UK, international expansion and new product development all demonstrate the scalability of the YouGov model.

UK Business

Continual track record for accuracy

YouGov maintained its record for producing accurate surveys when it predicted that David Cameron would defeat David Davies by 67% to 33% in December 2005 in the contest for the leadership of the Conservative Party. The actual result was Cameron 67.6%, Davies 32.4%. By continuing to maintain our reputation for accuracy we believe that we have not only advanced YouGov's cause, but gone further to extinguish scepticism towards well-constructed online research.

UK trading

The UK operations have grown such that we now offer a daily omnibus service to customers. This means that customers can access a nationally representative sample of the UK population on a daily basis.

Revenues from our omnibus operation have grown from £1.1m to £2.0m, reflecting the move in April from a twice weekly omnibus, to a daily operation.

The growth of our bespoke revenue stream in the current year indicates our commitment to being a high quality online full service agency. Key projects in the year were undertaken for P&O, Scottish Widows and Carphone Warehouse.

BrandIndex

The formal launch of BrandIndex took place on 24 October 2005. Presentations were held on five nights at the Audi Forum on Piccadilly, London. This allowed interested parties to see the BrandIndex product, and to discuss the benefits with the BrandIndex team.

BrandIndex provides daily tracking of 1,149 consumer brands, in 32 sectors, across seven different measures of brand perception. The product, which is available via an easy-to-use online tool, is aimed at CEOs, finance directors, brand managers and the research community as well as the financial community.

We are extremely pleased with our customers' response to BrandIndex. We have sold subscriptions to a number of household names. BrandIndex is based on YouGov's proprietary technology and panel expertise and as such did not involve significant up front capital expenditure; however, it is also highly operationally geared. We have considered the other subscription based offerings available in the market, and believe that BrandIndex is a unique product and offers its users a revolutionary service. The Board is confident of the future of BrandIndex and is carefully considering the international roll-out of the offering.

Panel Expansion
Our proprietary panel continues to be at the heart of YouGov's work. Our respondents are recruited to enable YouGov to draw representative research samples. During the course of the year the number of panel members, for whom YouGov had extensive demographic information, grew to 107,000. We also increased the panel in the Middle East to 35,000 and are developing our other smaller panels in North America, Canada, and Germany. The company has devoted, and will continue to devote, substantial resources to maintaining and expanding our panels.

YouGovExecution
One of the first sales of BrandIndex was to the stock broking house, Execution Limited. Execution's analysts were convinced of the value of the data generated by BrandIndex, particularly in relation to equity prices and as a result, we established a 50:50 joint venture, called YouGovExecution Limited (YGX) in February. YGX provides primary research to the investment community. YouGov brings the market research know-how and consumer panel to Execution who can then assess the consumer-facing strategies of CEOs of listed companies.

The business has performed strongly since the outset and has started to contribute to the Group result.

YouGov Middle East
YouGov Middle East FZ LLC has continued to perform strongly. Contracts have been secured with a range of clients including PR companies, local government organisations, media partners and large multinational companies with operations in the area. We have continued to invest in our people in the Middle East and have increased the head count from 5 to 18 at 31 July 2006. The panel has increased substantially and we have reached 35,000 participants across the Middle East.

The move into the region was consistent with our prudent approach of entering new markets alongside an established client. We entered the Dubai market, having undertaken an ad-hoc project for a UK customer, HSBC, to build a specialist panel of businessmen and businesswomen across the Middle East to establish the first Middle East Business Confidence Index. On the back of our success in the local area, we established an office that was financially backed by local partners and of which YouGov holds 78%.

Siraj
Siraj, the Dubai based marketing and research boutique, was acquired by YouGov Middle East on 30 July 2006. Total consideration was £1.3m, of which £365,000 is deferred. Siraj is a traditional market research agency, offering qualitative and quantitative market research to a host of blue-chip clients. Siraj generated revenues of £0.56m in the 10 months to 31 July 2006 and profits of £0.11m.

This is a highly complementary acquisition, adding significantly to YouGov's position as the fastest growing market research agency in the Middle East. There is a clear strategic and logical rationale for this acquisition which will allow us to provide a full range of complementary services to the Group's growing client base in the region.

Future development
Products
Consistent with our organic growth strategy, YouGov has successfully launched BrandIndex and is working closely with YGX to generate new daily trackers. We are actively considering the global offering of the BrandIndex product and are seeking partners to support us in this venture.

Overseas expansion
YouGov continues to look at ways to grow the business internationally and are currently looking at a number of markets. We also seek to expand our presence in the Middle East and are considering setting up new offices in Saudi Arabia. We intend to launch BrandIndex into the Middle East within the next 12 months. Consistent with YouGov's historic approach to international expansion, any organic, joint-venture or acquisition driven expansion is subject to strict operational and financial criteria.

Acquisitions
The Board is continually assessing companies operating in the market research sector, to identify those with the most logical, commercial fit with YouGov. In addition to meeting our strict financial measures, any acquisition must meet the following three criteria;

1. Expertise and track record within specific sectors;
2. The business will benefit from being part of a larger group; and
3. It will help YouGov Group build a full service agency based on our core strength of online panel-based research.

Prospects and Outlook
ESOMAR currently estimates that the global market research market is worth $23.3billion in 2006, an increase from 2005 of 5.7%. Of this, $2.4 billion arose in the UK, up 2.8% compared with 2005. The UK online market is estimated at $137m (36% growth compared to 2005).

The current financial year has started well across the business and trading is in line with the Board's expectations. In the UK, we continue to see strong demand for sensibly priced, accurate and timely online market research and the Board believes that we are well positioned to capitalise on this trend. The Middle Eastern business is going from strength to strength, the integration of Siraj is going to plan and we are already beginning to see the benefits of the acquisition coming through. YouGov's strategy is to continue to expand by a combination of organic growth and selective acquisitions. We will continue to grow our client base, expand our product offering, expand our geographical reach and grow our panel. As a result, the Board is confident of another successful year both financially and operationally.

Management and Staff
We continue to acknowledge that the success of our business relies heavily on the ability and dedication of our key staff. We have grown our staff numbers from 25 to 59 (of which 18 are in the Middle East operations). We regard our staff as one of our greatest assets, and are happy to report that staff turnover remains extremely low.

Board of Directors
YouGov is growing rapidly and as a result the Board and I believe that it is necessary to put in place a management structure that will support the capacity to drive and manage the Group's ambitions. It is proposed that the plc Board should be supported by an operational board made up of the executive management team and the heads of the UK and Middle Eastern operations. Over time, new country or regional heads could be added to the operational board. We would also like to take this opportunity to make the plc Board more compliant with the main provisions of the Combined Code: Principles of Corporate Governance and Code of Best Practice and as a result we have appointed head hunters to recruit an independent non-executive chairman.

Once a chairman has been appointed I shall assume the role of President and remain as a non-executive director. This will enable me to continue working with media, political and other clients, and to continue to represent YouGov in the media and at academic and other conferences. It will also allow me to take on the added responsibility of developing the Group's methodologies and output in the rapidly changing market research sector.

I believe this evolution of my role comes at the right time both for me and for the company. YouGov has grown considerably in the last five years. Turnover has tripled in the last year and demand for online research continues to grow. To ensure that we are able to capitalise on the opportunities that are available to us the management structure must evolve too and I am delighted to accept the Board's invitation to become President and look forward to working with my colleagues to grow the business in the future.

Peter Kellner
Chairman

Consolidated Balance Sheet
As at 31 July 2006

	Note	2006 £'000	2005 £'000
Fixed assets			
Intangible assets			
Goodwill	9	**1,171**	-
Tangible assets	10	**158**	63
Investment in joint venture			
Share of gross assets		**123**	-
Share of gross liabilities		**(13)**	-
	11	**110**	-
		1,439	63
Current assets			
Debtors	12	**3,699**	769
Cash at bank and in hand		**5,546**	3,796
		9,245	4,565
Creditors: amounts falling due within one year	13	**(2,796)**	(870)
Total assets less current liabilities		**7,888**	3,758
Creditors: amounts falling due after more than one year	14	**(365)**	-
Provisions for liabilities	16	**(12)**	(11)
Minority interests - equity		**(743)**	-
		6,768	3,747
Capital and reserves			
Called up share capital	17	**134**	133
Share premium account	18	**2,943**	2,913
Profit and loss account	18	**3,691**	701
Shareholders' funds	20	**6,768**	3,747

The financial statements were approved by the Board of Directors on 9 October 2006

Katherine Lee

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

Consolidated Profit and Loss Account
For the year ended 31 July 2006

	Note	2006 £'000	2005 £'000
Turnover: group and share of joint ventures		9,567	2,942
Less: share of joint ventures' turnover		(95)	-
Group turnover - continuing operations	1	9,472	2,942
Cost of sales	2	(2,153)	(476)
Gross profit		7,319	2,466
Other operating income and charges	2	(3,466)	(1,505)
Group operating profit - continuing operations		3,853	961
Share of operating profit in joint venture	1	9	-
		3,862	961
Interest receivable		192	51
Interest payable		(1)	(16)
Net interest	3	191	35
Profit on ordinary activities before taxation	1	4,053	996
Tax on profit on ordinary activities	5	(542)	(305)
Profit on ordinary activities after taxation		3,511	691
Minority interests – equity		(521)	-
Retained profit on ordinary activities after taxation and minority interests	20	2,990	691
Basic earnings per share	8	22.4	5.8
Diluted earnings per share	8	21.1	5.5

The Group has no recognised gains or losses other than the profit for the period.

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

Company balance sheet
As at 31 July 2006

	Note	2006 £'000	2005 £'000
Fixed assets			
Tangible assets	10	**108**	63
Investments	11	**106**	-
		214	63
Current assets			
Debtors	12	**1,534**	769
Cash at bank and in hand		**5,107**	3,796
		6,641	4,565
Creditors: amounts falling due within one year	13	**(1,928)**	(870)
Net current assets		**4,713**	3,695
Total assets less current liabilities		**4,927**	3,758
Provisions for liabilities	16	**(12)**	(11)
		4,915	3,747
Capital and reserves			
Called up share capital	17	**134**	133
Share premium account	18	**2,943**	2,913
Profit and loss account	18	**1,838**	701
Shareholders' funds		**4,915**	3,747

The financial statements were approved by the Board of Directors on 9 October 2006

Katherine Lee

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

Consolidated Cashflow Statement

	Note	2006 £'000	2005 £'000
Net cash inflow from operating activities	19	**2,896**	1,149
Returns on investments and servicing of finance			
Interest received		**181**	51
Interest paid		**(1)**	(16)
Net cash inflow from returns on investments and servicing of finance		**180**	35
Taxation		**(318)**	(202)
Capital expenditure and financial investment			
Purchase of intangible fixed assets		**(806)**	-
Purchase of tangible fixed assets		**(133)**	(28)
Cost of investment in joint venture		**(100)**	
Net cash outflow from capital expenditure and financial investment		**(1,039)**	(28)
Equity dividends paid		**-**	(436)
Financing			
Issue of shares		**1**	3,038
Premium on issue of shares		**30**	-
Cost of issue		**-**	(306)
Purchase of own shares		**-**	(167)
Repayment of loans		**-**	(264)
Net cash inflow/outflow from financing		**31**	2,301
Increase in cash	21	**1,750**	2,819

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	
	2006	2005	**2006**	2005	**2006**	2005
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
UK	**4,849**	2,942	1,898	961	**4,809**	3,747
Middle East	**4,623**	-	1,955	-	**1,698**	-
Middle East Acquisition	**-**	-	-	-	**151**	-
	9,472	2,942	3,853	961	**6,658**	3,747
Common costs			-	-		
Operating profit			3,853	961		
Share of turnover, operating profit and net assets of joint venture	**95**	**-**	**9**	-	**110**	-
	9,567	2,942	3,862	961	**6,768**	3,747
Net interest			191	35		
Unallocated assets					-	-
Group turnover	**9,567**	2,942				
Group profit before taxation			4,053	996		
Group net assets					**6,768**	3,747

The profit on ordinary activities before taxation is stated after:

	2006 £'000	2005 £'000
Auditors' remuneration:		
Audit services	**29**	26
Non-audit services	**5**	5
Depreciation and amortisation:		
Goodwill	**-**	-
Tangible fixed assets, owned	**34**	17
Assets under hire purchase	**4**	-
Other operating lease rentals:		
Plant and machinery	**2**	2
Land and buildings	**83**	53

2 COST OF SALES AND OTHER OPERATING INCOME AND CHARGES

	2006 £'000	2005 £'000
Cost of sales	**2,153**	476
Other operating income and charges:		
Selling and marketing	**347**	43
Administrative expenses	**2,941**	1,367
Establishment costs	**178**	95
	3,466	1,505

3 NET INTEREST

	2006 £'000	2005 £'000
On other loans	**-**	(16)
Interest on hire purchase	**(1)**	-
Other interest receivable and similar income	**192**	51
	191	35

4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

The Group	2006 £'000	2005 £'000
Wages and salaries	**1,864**	812
Social security costs	**187**	97
	2,051	909

The Company	2006 £'000	2005 £'000
Wages and salaries	**1,614**	812
Social security costs	**187**	97
	1,801	909

The average number of employees of the group during the year was 42. (2005: 20).

Remuneration in respect of directors was as follows:

	2006 £'000	2005 £'000
Emoluments	**741**	**282**

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

	2006 £'000	2005 £'000
Emoluments	**175**	**98**

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2006 £'000	2005 £'000
Profit on ordinary activities before tax	**4,053**	996
Profit on ordinary activities multiplied by the standard rate of corporation tax in the year	**1,216**	299
Overseas earnings not assessable to UK corporation tax	**(710)**	-
United Kingdom corporation tax at 30% (2005: 30%)	**506**	299
Adjustment in respect of prior period	**14**	(23)
Expenses not deductible for tax purposes	**17**	22
Depreciation in excess of capital allowances	**4**	2
Marginal relief	**-**	(3)
Total current tax	**541**	297
Origination and reversal of timing differences	**1**	8
Adjustment to estimated recoverable amount of deferred tax assets	**-**	-
Total deferred tax	**1**	8
Tax on profit on ordinary activities	**542**	305

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 £1,680,000 (2005: £996,000).

7 DIVIDEND

	2006 £'000	2005 £'000
Equity dividends:		
'A' Ordinary Shares of 1p	**-**	200
'B' Ordinary Shares of 1p	**-**	92
'C' Ordinary Shares of 1p	**-**	95
'D' Ordinary Shares of 1p	**-**	49
	-	436

8 EARNINGS PER SHARE

	2006 Earnings £'000	2006 Weighted average number of shares	2006 Per share amount pence	2005 Earnings £'000	2005 Weighted average number of shares	2005 Per share amount pence
Profit attributable to shareholders	**2,990**			691		
Basic earnings per share						
Earnings attributable to ordinary shareholders		**13,358,157**	**22.4**		11,998,561	5.8
Dilutive effect of securities						
Options		**807,986**			661,578	
Diluted earnings per share						
Adjusted earnings		**14,166,143**	**21.1**		12,660,139	5.5

9 INTANGIBLE FIXED ASSETS

	The Group 2006 £'000	The Group 2005 £'000	The Company 2006 £'000	The Company 2005 £'000
Goodwill	**1,171**	-	**-**	-
	1,171	-	**-**	-

9 INTANGIBLE FIXED ASSETS (CONTINUED)

Goodwill and negative goodwill

The Group	**Goodwill on acquisition £'000**	**Total £'000**
Cost		
At 1 August 2005	-	-
Additions	1,171	1,171
At 31 July 2006	1,171	1,171
Amortisation		
At 1 August 2005	-	-
Provided in the year	-	-
At 31 July 2006	-	-
Net book amount at 31 July 2006	1,171	1,171
Net book amount at 31 July 2005	-	-

No amortisation has been provided on the goodwill acquired in the current year due to the timing of the acquisition.

10 TANGIBLE FIXED ASSETS

The Group

	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Improvement to leasehold property £'000	Total £'000
Cost					
At 1 August 2005	26	33	-	32	91
Additions	26	63	22	22	133
At 31 July 2006	52	96	22	54	224
Depreciation					
At 1 August 2005	7	14	-	7	28
Provided in the year	9	19	4	6	38
At 31 July 2006	16	33	4	13	66
Net book amount at 31 July 2006	**36**	**63**	**18**	**41**	**158**
Net book amount at 31 July 2005	19	19	-	25	63

Included within the NBV of £158,000 was £18,000 (2005: £nil) 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 £4,000 (2005: £nil).

The company

	Fixtures and fittings £'000	Computer equipment £'000	Improvement to leasehold property £'000	Total £'000
Cost				
At 1 August 2005	26	33	32	91
Additions	15	41	15	71
At 31 July 2006	41	74	47	162
Depreciation				
At 1 August 2005	7	14	7	28
Provided in the year	6	15	5	26
At 31 July 2006	13	29	12	54
Net book amount at 31 July 2006	**28**	**45**	**35**	**108**
Net book amount at 31 July 2005	19	19	25	63

11 FIXED ASSET INVESTMENTS

Total fixed asset investments comprise:

	The Group		The Company	
	2006	2005	**2006**	2005
	£'000	£'000	**£'000**	£'000
Interest in subsidiary	-	-	6	-
Interest in joint venture	-	-	100	-
	-	-	106	-

Interests in subsidiary

At 31 July 2006 the company had interests in the following subsidiary

				Proportion held		
	Subsidiary	**Country of incorporation**	**Class of share capital held**	**by parent Company**	**by the Group**	**Nature of business**
YouGovM.E. FZ LLC	Subsidiary	United Arab Emirates	Ordinary	78%	78%	Market Research

Interests in joint ventures

At 31 July 2006 the Company had interests in the following joint venture

				Proportion held		
	Joint venture	**Country of incorporation**	**Class of share capital held**	**by parent Company**	**by the Group**	**Nature of business**
YouGovExecution Limited	JV	England	Ordinary	50%	50%	Primary research for the investment community

The end of the joint ventures first reporting period is 31 July 2007. The Group took the decision to include the joint venture in the current reporting period to provide a more accurate reflection of the Group as a whole as at 31 July 2006.

The Group's aggregate share in its joint ventures comprises

	2006	2005
	£'000	£'000
Fixed assets	1	-
Current assets	122	-
Liabilities due within one year	(13)	-
Liabilities due after one year or more	-	-

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

	2006 £'000	2005 £'000
Turnover	95	-
Profit before tax	9	-
Taxation	-	-
Profit after tax	9	-
Fixed assets	1	-
Current assets	122	-
Liabilities due within one year	(13)	-
Liabilities due after one year or more	-	-

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

	2006 £'000	2005 £'000
Cost	100	-
Amounts written off	-	-
	100	-

12 DEBTORS

	The Group		**The Company**	
	2006 £'000	2005 £'000	**2006 £'000**	2005 £'000
Trade debtors	**3,547**	690	**1,395**	690
Amounts owed by Group undertakings	**-**	-	**36**	-
Amounts owed by joint ventures	**3**	-	**3**	-
Other debtors	**37**	52	**16**	52
Prepayments and accrued income	**112**	27	**84**	27
	3,699	769	**1,534**	769

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group		**The Company**	
	2006 £'000	2005 £'000	**2006 £'000**	2005 £'000
Deferred income	**361**	-	**316**	-
Trade creditors	**122**	142	**105**	142
Amounts owed to Group undertakings	**-**	-	**6**	-
Corporation tax	**527**	304	**527**	304
Social security and other taxes	**291**	115	**291**	115
Other creditors	**75**	-	**75**	-
Accruals	**1,292**	309	**608**	309
Pre-acquisition profit distribution	**110**	-	**-**	-
Amounts due under hire purchase contracts	**18**	-	**-**	-
	2,796	870	**1,928**	870

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	The Group		The Company	
	2006	2005	**2006**	2005
	£'000	£'000	**£'000**	£'000
Deferred consideration	**365**	-	-	-
	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.

15 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 2006 comprised £5.5m of cash accruing interest.

During the period 1 August 2005 – 31 July 2006 the rates applicable varied between 4.0% and 4.75%. At the year end the rate earned was per the Bank of England base rate. (2005: 4.3%/2.7%).

In the U.A.E. interest has been earned at rates between 4.675% and 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/(liabilities)		
Functional currency of operation	**Sterling**	**US Dollar**	**Total**
	£'000	**£'000**	**£'000**
31 July 2006			
Sterling	-	585	585
Other currencies	5	521	526
	5	1,106	1,111

16 PROVISIONS FOR LIABILITIES

The Group	**Deferred taxation £'000**	**Total £'000**
At 1 August 2005	11	11
Provided during year in profit and loss account	1	1
At 31July 2006	**12**	**12**

The Company	**Deferred taxation £'000**	**Total £'000**
At 1 August 2005	11	11
Provided during year in profit and loss account	1	1
At 31July 2006	**12**	**12**

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

17 SHARE CAPITAL

	2006 £	2005 £
Authorised		
20,000,000 Ordinary Shares of 1p each	**200,000**	200,000

Allotted, called up and fully paid		
At 1 August 2005 13,338,207 Ordinary Shares of 1p each	**133,381**	133,381
New shares allotted, called up and fully paid in respect of share options	**314**	-
13,369,557 Ordinary Shares of 1p each	**133,695**	133,381

31,350 ordinary shares of 1p each were issued in the period. The total nominal value of these shares was £313.50 and the total consideration received was £28,215.

Options have been granted for 1p ordinary shares

Name	Number of ordinary shares under option	Exercise period	Exercise price
Peter Kellner	379,747	Until 4 June 2013	50p
Panos Manolopoulos	226,764	Until 31 December 2014	90p
Katherine Lee	140,000	Until 31 December 2015	£1.70 / £1.475
Employees	55,067	Until 31 December 2014	90p
Total	**801,578**		

Peter Kellner, the Chairman of the Company has share options on 379,747 'A' Ordinary Shares at an exercise price of £0.50 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 of the Company, has share options over 226,764 Ordinary Shares at an exercise price of £0.90 per share. The option becomes exercisable in four equal tranches of 56,691 Ordinary Shares. The first tranche became exercisable on 31 December 2004. The other three tranches become exercisable on 31 October 2005, 31 October 2006 and 31 October 2007 respectively.

Katherine Lee, the Chief Financial Officer of the Company, has share options over 140,000 Ordinary Shares at an exercise price of £1.70 / £1.475 per share. The option becomes exercisable in four equal tranches of 35,000 Ordinary Shares. The first tranche became exercisable on 31 October 2005. The other three tranches become exercisable on 31 October 2006, 31 October 2007 and 31 October 2008 respectively.

18 SHARE PREMIUM ACCOUNT AND RESERVES

The Group

	Share premium account £'000	Profit and loss account £'000
At 1 August 2005	**2,913**	701
Retained profit for the year	-	2,990
Premium on allotment during the year	**30**	-
Cost of issue of shares	-	-
At 31 July 2006	**2,943**	**3,691**

The Company

	Share premium account £'000	Profit and loss account £'000
At 1 August 2005	**2,913**	701
Retained profit for the year	-	1,137
Premium on allotment during the year	**30**	-
Cost of issue of shares	-	-
At 31 July 2006	**2,943**	**1,838**

19 NET CASH FLOW FROM OPERATING ACTIVITIES

	2006 £'000	2005 £'000
Net cash inflow from operating activities		
Operating profit	**3,862**	961
Depreciation	**38**	17
(Increase) in debtors	**(2,930)**	(263)
Increase in creditors	**1,926**	434
Net cash inflow from operating activities	**2,896**	1,149

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £'000	2005 £'000
Profit on ordinary activities after taxation	**2,990**	691
Dividends	**-**	(436)
Profit for the financial year	**2,990**	255
Premium on issue of shares	**30**	-
Net issue of share capital	**1**	2,732
Repurchase of own share capital	**-**	(170)
Net increase in shareholders' funds	**3,021**	2,817
Opening shareholders funds	**3,747**	930
Closing shareholders funds	**6,768**	3,747

21 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2006 £'000	2005 £'000
Increase in cash in the year	**1,750**	2,819
Repayment of loans	**-**	264
Movement in net cash in the year	**1,750**	3,083
Net cash at beginning of year	**3,796**	713
Net cash at end of year	**5,546**	3,796

22 ACQUISITION

On 30 July 2006 the Group acquired the assets and trade of Siraj Marketing and Research Consultancy (Siraj) for a consideration of £1.3m in cash and deferred consideration. Goodwill arising on the acquisition has been capitalised and will be written off over its useful estimated life. The purchase of Siraj has been accounted for by the acquisition method of accounting.

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					
Debtors	218	-	-	-	218
Bank and cash	68	-	-	-	68
Total assets	288	-	-	-	288
Creditors					
Other creditors	45	-	-	-	45
Accruals	92	-	-	-	92
Total liabilities	137	-	-	-	137
Net assets	151	-	-	-	151
Purchased goodwill capitalised					1,171
					1,322
Satisfied by:					
Cash					847
Deferred consideration					475
					1,322

The results of Siraj for the period from the beginning of the subsidiary's financial year to the date of acquisition and also the comparative year to 30 September 2005 are as follows:

	1 October 2005 – 30 July 2006 £'000	Year ended 30 September 2005 £'000
Turnover	**561**	349
Operating profit	**110**	31
Profit before tax	**110**	31
Profit after tax	**110**	31

23 CAPITAL COMMITMENTS

Neither the Group nor the Company had any capital commitments at 31 July 2006 or at 31 July 2005.

24 LEASING COMMITMENTS

Operating lease payments amounting to £102,000 (2005: £55,000) are due within one year. The leases to which these amounts relate expire as follows:

	2006		2005	
	Land and buildings £'000	**Other £'000**	Land and buildings £'000	Other £'000
In one year or less	**47**	**2**	-	2
Between one and five years	**53**	**-**	53	-
In five years or more	**-**	**-**	-	-
	100	**2**	53	2

25 POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events.

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 £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 arms length and on usual commercial terms. As at 31 July 2006 Endemol UK owed YouGov plc £22,325.

During the year goods and services were procured from Hawkshead Limited totalling £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 arms length and on usual commercial terms. As at 31 July 2006 YouGov plc owed Hawkshead Limited £nil.

27 NON STATUTORY FINANCIAL INFORMATION

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined in section 240 of the Companies Act 1985.

The summarised balance sheet at 31 July 2006 and the summarised profit and loss account, summarised cash flow statement and associated notes for the year then ended have been extracted from the Group's financial statements. Those financial statements have not yet been delivered to the Registrar.