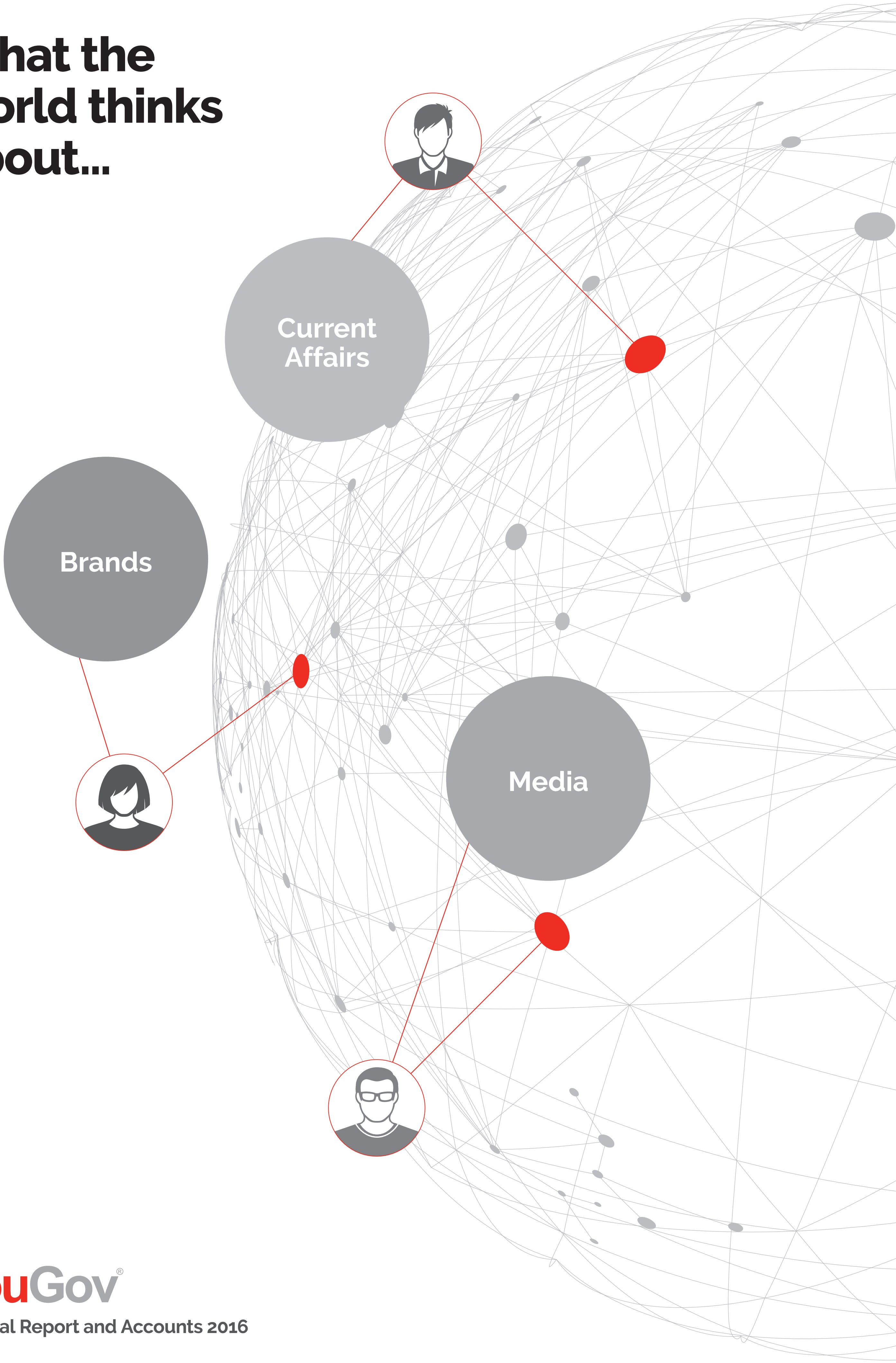
What the world thinks about...



YouGov

Annual Report and Accounts 2016

Property

Travel

Fashion

Work

Celebrities

Current Affairs

Relationships

Leisure

Brands

Politics

Television

Technology

Sport

Film

Media

Human Rights

Education

Business

Health

YouGov®
What the world thinks

Ethics

Money

Shopping

Annual Report and Accounts 2016

YouGov is an international data and analytics group. Our core offering of opinion data is derived from our highly participative panel of 5 million people worldwide. We combine this continuous stream of data with our deep research expertise and broad industry experience into a systematic research and marketing platform.

For more information visit:
yougov.co.uk/about/investors

Operational highlights

- Group revenue increased by 16% (12% on a constant currency basis)
- Data Products and Services revenue up by 32% to £34.5m; now represents 38% of Group total (2015: 34%)
  - BrandIndex revenue increased by 39% to £14.5m
  - Omnibus revenue increased by 30% to £16.4m
- Revenue from Custom Research up by 9% to £54.3m
- Adjusted operating profit up by 27%, adjusted profit before tax up 46% and adjusted earnings per share up by 26%
- Cash generated from operations (before paying interest and tax) increased by 37% to £14.1m (2015: £10.3m)
- Excellent cash conversion of 130% of adjusted operating profit[1] (2015: 120%)
- Net cash balances of £15.6m (2015: £10.0m)
- Recommended dividend increased by 40% to 1.4p per share
- US largest market by revenue; both core and newer markets continue to perform well
- Current trading in line with the Board's expectations

Financial highlights

Turnover (£m)
£88.2m 2015: £76.1m

Adjusted operating profit[1] (£m)
£10.9m 2015: £8.6m

Operating cash generation (£m)
£14.1m 2015: £10.3m

Adjusted profit before tax[1] (£m)
£13.3m 2015: £9.1m

Adjusted earnings per share[1] (p)
8.8p 2015: 7.0p

Statutory profit before tax (£m)
£5.5m 2015: £2.7m

Statutory operating profit (£m)
£4.3m 2015: £2.9m

1. Defined in the explanation of non-IFRS measures on page 37.

Strategic report

Section content

Chairman's statement
pages 04–05

"The financial year ended 31 July 2016 has seen another strong performance by our Company in both revenue and profit growth. YouGov is delivering well against the ambitious five-year plan that the Board set out in 2015."

Roger Parry
Chairman

Chief Executive's review
pages 26–33

"YouGov has delivered strong growth in revenue and profit. We remain well positioned to continue to grow our business in line with our goals and to exploit the tremendous potential of YouGov's connected data system."

Stephan Shakespeare
Chief Executive Officer

Chairman's statement

for the year ended 31 July 2016

Roger Parry
Chairman

"Group revenue of £88.2m increased by 16% from the previous year, once again growing well ahead of the research market."

The financial year ended 31 July 2016 has seen another strong performance by our Company in both revenue and profit growth. YouGov is delivering well against the ambitious five-year plan that the Board set out in 2015 with our adjusted earnings per share rising by 26% in the year. We are on track with our planned transition from being a market researcher to becoming a data and analytics business.

Group revenue of £88.2m increased by 16% from the previous year, once again growing well ahead of the research market, and the adjusted operating profit of £10.9m was up by 27% reflecting improved margins as we move our product mix from traditional market research to data products and services. BrandIndex revenues, for example, were up 39%.

These results demonstrate the continuing success of our strategy of focussing the business on providing in-depth data derived from our digitally interactive panel to clients. We are selling this data increasingly as a subscription based service and using our technology and methods to transform the way that custom research can be designed and delivered.

YouGov has continuously advanced its business since it started in 2000 and pioneered the use of the internet as a means of collecting survey data. This has now been widely adopted by the industry as the standard research method. YouGov has now developed into a global data and analytics business. This is exemplified by the use of our technology and interactive panel to create a proprietary, multi-dimensional database ("the YouGov Cube") that allows the storage and analysis of thousands of data points relating to our panellists, and the creation of ground-breaking syndicated data products drawing on this connected data set.

Our global capability now includes the panel comprising of almost 5 million people worldwide and a network of 31 offices in 21 countries. Our largest market is now the USA where the awareness of YouGov's quality, methodologies and products is growing rapidly. This expanding US presence and its increasing share of Group earnings is a particular strength at a time when the economic outlook in the UK as well as the Eurozone appears more challenging.

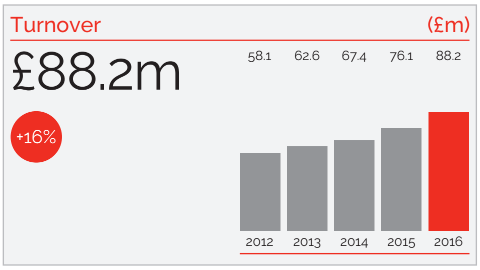
YouGov's strong cash position provides us with the means to continue to invest to support growth, including in our product development, technology and panel. While the delivery of our strategy remains firmly centred on organic growth, we also have the capacity to consider bolt-on acquisition opportunities that may arise to accelerate our development in line with that strategy.

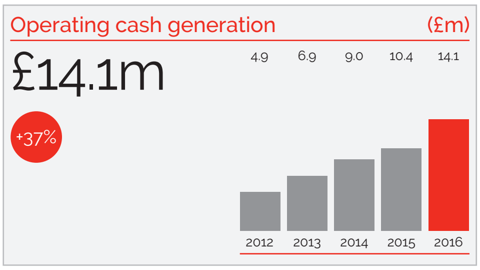
In keeping with our progressive dividend policy, we are pleased to propose a 40% increase in the annual dividend to 1.4p per share, payable in December 2016.

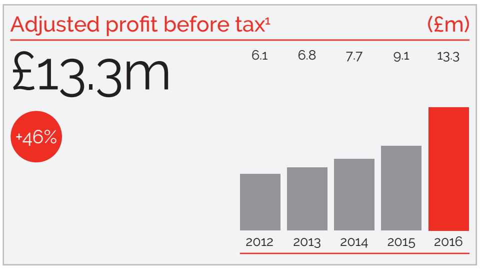
Trading in the current year is in line with the Board's expectations. The Board considers that YouGov remains well positioned to maintain its successful progress towards the achievement of its long-term targets.

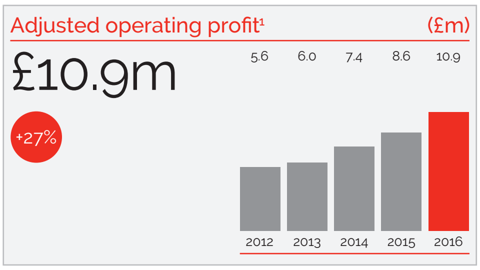
Roger Parry
Chairman

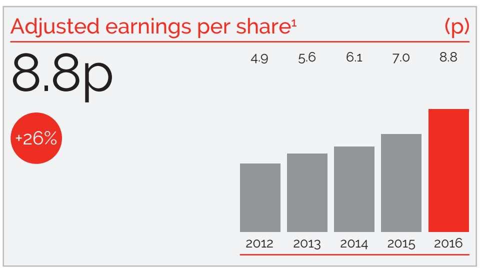
10 October 2016











1. Defined in the explanation of non-IFRS measures on page 37.

Our business model

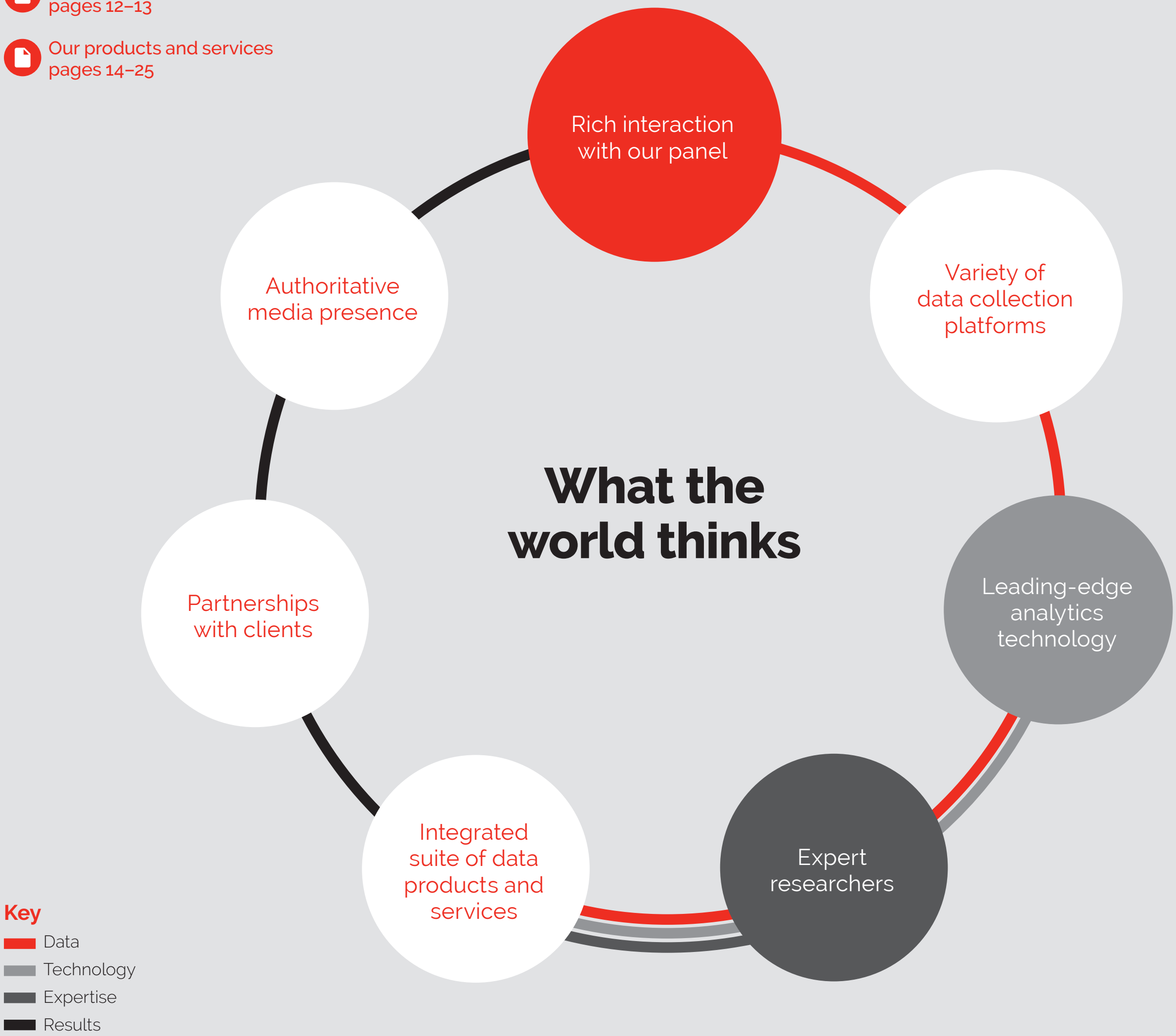
We don't just collect data, we connect data

YouGov is an international data and analytics group. Our value chain is a virtuous circle consisting of a highly engaged online panel, innovative data collection methods, powerful analytics technology, delivery of high-margin syndicated data products, expert insights and an authoritative media presence.

Our core offering of opinion data is derived from our highly participative panel of 5 million people worldwide who provide us with live, continuous streams of data. We capture these streams of data via our variety of data collection platforms and collect them together in the YouGov Cube, our unique connected data library. We maximise the value of all this connected data through the application of leading-edge analytics technology and strong research expertise in order to deliver to our clients an innovative and systematic research and marketing platform which can be used to plan, manage and refine all types of campaigns.

Our media presence pages 12–13

Our products and services pages 14–25



Our strategy

From a market research company to a data and analytics group

History

Traditional market research involved a client specifying an enquiry (e.g. *"What proportion of Brits prefer brown bread to white bread?"*), a market research company devising the survey methodology, the collection of the survey information by the chosen method (be it clipboard, focus group or telephone), analysis of the data and the presentation of the results. The whole process could take weeks.

In the early 2000s, then a fledgling UK-based market research firm, YouGov pioneered the use of the internet to collect survey information. The YouGov model was founded on our belief that, done properly, internet research is more accurate than traditional market research methods, while being faster, more flexible and richer in data. Our traditional competitors have, mostly, recognised this and also moved to internet-based research.

Evolution

Our business model has evolved in keeping with the growth of internet usage, the advancement of big data analytics, and the changing needs of our clients. In 2012 we outlined five key strategic objectives (see diagram below) selected to help YouGov to transition from being a market research company that used the internet, to being an internet company that delivers business critical market data.

We have been investing in line with these objectives and have achieved much.

In order to significantly grow our syndicated data products suite, and better integrate our syndicated data resources with our Custom Research services, we have invested in both the foundation and the shop-window (that is, in advanced data collection, analysis and reporting techniques).

We have created the YouGov Cube, our proprietary, multi-dimensional database that allows the storage and analysis of thousands of data points. The Cube is now one of the largest connected data sets available relating to a defined set of people. It underpins YouGov's data products suite as well as providing the foundation for a new, more powerful form of Custom Research.

We have invested in Crunch, our cutting edge data analytics and visualisation technology which our employees and clients can use to mine and interrogate our data stores.

We have invented YouGov Profiles, our ground-breaking tool for media planning and audience profiling.

We have cultivated an engaged digital panel of 5 million people worldwide, expanded our global footprint to 31 offices across 21 countries, and grown our reputation as an authority on opinion across the world.

Our strategy continued

We have boosted YouGov's profile in the USA in particular, a territory which has been slower to accept internet-based market research methodologies. The consistent high quality of commentary on the YouGov website along with our deepening partnerships with *CBS News*, *The Economist* and *The Huffington Post* has led to a big increase in web traffic and media mentions. A few years ago, YouGov was the fourth most quoted source in the US media; we are now the second most.

Earlier this year, the world-renowned US-based Pew Research Center published the results of a major study into the reliability of online survey data. On almost all of the measures of accuracy, YouGov came first of the nine different vendors examined. The report concluded that "vendor choice matters", with YouGov showcased as the notably superior choice; this led to *The Washington Post* running a column on the report with the headline "Has someone cracked the code on making Internet polls more accurate?".

"Has someone cracked the code on making Internet polls more accurate?"

The Washington Post, 2 May 2016

#2

YouGov is the second-most quoted market research source in the USA

Today

Our financial results show that we have the right strategy, our implementation is effective, and our product and technology investment is paying off. We will continue in the coming year to focus the Group's resources on the areas of strategic importance, while also maintaining our pace of investment in technology and other enablers.

As businesses are increasingly looking for smarter alternatives to traditional market research, YouGov is evolving from being a market research company into a global data and analytics company. 38% of our revenue is now generated by Data Products and Services and in the coming year we aim to accelerate progress towards reaching the 50% mark. An increasing proportion of this business is contracted for more than one year, with 15% of sales arising from these in the last year.

Neither traditional market research nor "big data" provides the best solution to suit the needs of businesses in developing their marketing strategies and constructing campaigns, nor for the kinds of monitoring that allows for swift tactical adaptation. However, YouGov's connected data – with which insights on attitudes, motivations, lifestyles and cultures can be connected through specific individuals into behavioural tracking – provides the new systematic solution to fit the needs of today's marketers.

Our product-based, technology-driven, integrated system (which includes BrandIndex, Profiles, Pulse, Crunch and the new Collaborative Insights) generates over 1 million new connected data points a day through 65,000 daily automated interviews (as well as through passive digital tracking). It delivers the outputs on a revolutionary analytics platform, and will in future allow users to design self-service surveys targeted at specific groups. This adds up to a new connected data system for understanding change in markets and for planning, monitoring and adapting campaigns.

Further, with our new conception of the traditional "Field and Tab" service, augmented with high-scope background data available from the Cube, we are redefining Custom Research surveys to become "re-contact studies", creating a new industry standard for speed, quality and richness of detail.

The next phase

Our stated strategy is to increase significantly the higher margin Data Products proportion of our business, moving from mainly Custom Research to mainly data systems. For our next phase of evolution, we are committed to accelerating this shift and building out our full offer of systematic connected data so that it is available to clients across all our territories. This offer is already available and being used in "alpha" versions by some lead clients in the UK and USA. Key elements of the system which will be delivered in this next phase include:

Growth and increased engagement of panel

We are increasing the engagement of our panel in two ways: by making it as easy as possible for our panellists to talk to us and by giving them entertaining and interesting content to consume and interact with. As part of a push to boost our editorial content, we have rolled out new websites across all our territories and are now focussing on releasing a constant stream of topical data and associated commentaries through our YouGov Daily Agenda initiative. We have expanded our editorial content and production team and are now investing further in technological enhancements to our data archive so that our past data returns increased value to panellists and the wider community as well as to clients.

Further interactive mobile data collection platforms

One of the ways that we are making it easier for our panellists to talk to us is by making more of our platforms available on-the-go. All our websites are now fully mobile-optimised and we now have our first mobile app in the market: "YouGov Daily" (called "First Verdict" in the US) provides users with daily short surveys with instant feedback of results and the data from these surveys feeds into the YouGov Daily Agenda described above. During the coming year, we will be launching a new native mobile app which will offer users even more of the full YouGov experience. This is intended to streamline and intensify our efforts both for interactivity (panel engagement) and visibility (public profile).

24/7 global data processing and analytics resources

We are building the capacity to provide 24-hour data processing and analytics support through the newly established shared services data operations centre in Romania to which work is initially being transferred from the existing European and Middle Eastern operations teams.

Improved delivery through advanced analytics technology

Crunch, the online data analytics platform, is increasingly being integrated into our customer-facing online offer, making data processing faster and more accurate and enabling clients to obtain increased value through easy-to-use analytics tools. Several clients are now using this new platform to combine and analyse data from other sources as well as data supplied by YouGov.

> "Our financial results show that we have the right strategy, our implementation is effective, and our product and technology investment is paying off."

Self-service survey design tool

We are currently testing our new self-service tool ("Collaborative Insights") in the UK which automates and speeds up the process of designing and scripting surveys both for the Omnibus service and also for general Custom Research. The first development phase enables rapid conversion of plain language text into scripted and formatted surveys and supports online sharing of information between the client and YouGov staff. This makes the interaction between them much more efficient. Future development is planned to automate further the entire survey ordering cycle.

More product-aligned custom trackers and services

Recurring, single or multi-country custom trackers (contracted for one or more years), whose data is delivered through Crunch, are a form of Custom Research that is highly aligned with YouGov's strategic focus. Trackers meet clients' needs for longitudinal monitoring and can provide company-specific information which even clients using our BrandIndex and Profiles syndicated products may require in order to supplement the information provided by the product. Another form of customised information linked to Profiles data is the re-contact study, usually conducted via the Omnibus platform which enables client specific questions to be addressed to a sample selected using Profiles. Connecting our data products and services with custom trackers and re-contact studies creates an integrated system of market research which YouGov is uniquely placed to provide.

Stephan Shakespeare
Chief Executive Officer

Our reach

5m
panellists across
38
countries

31
offices
worldwide

YouGov has one of the world's top 10 international market research networks

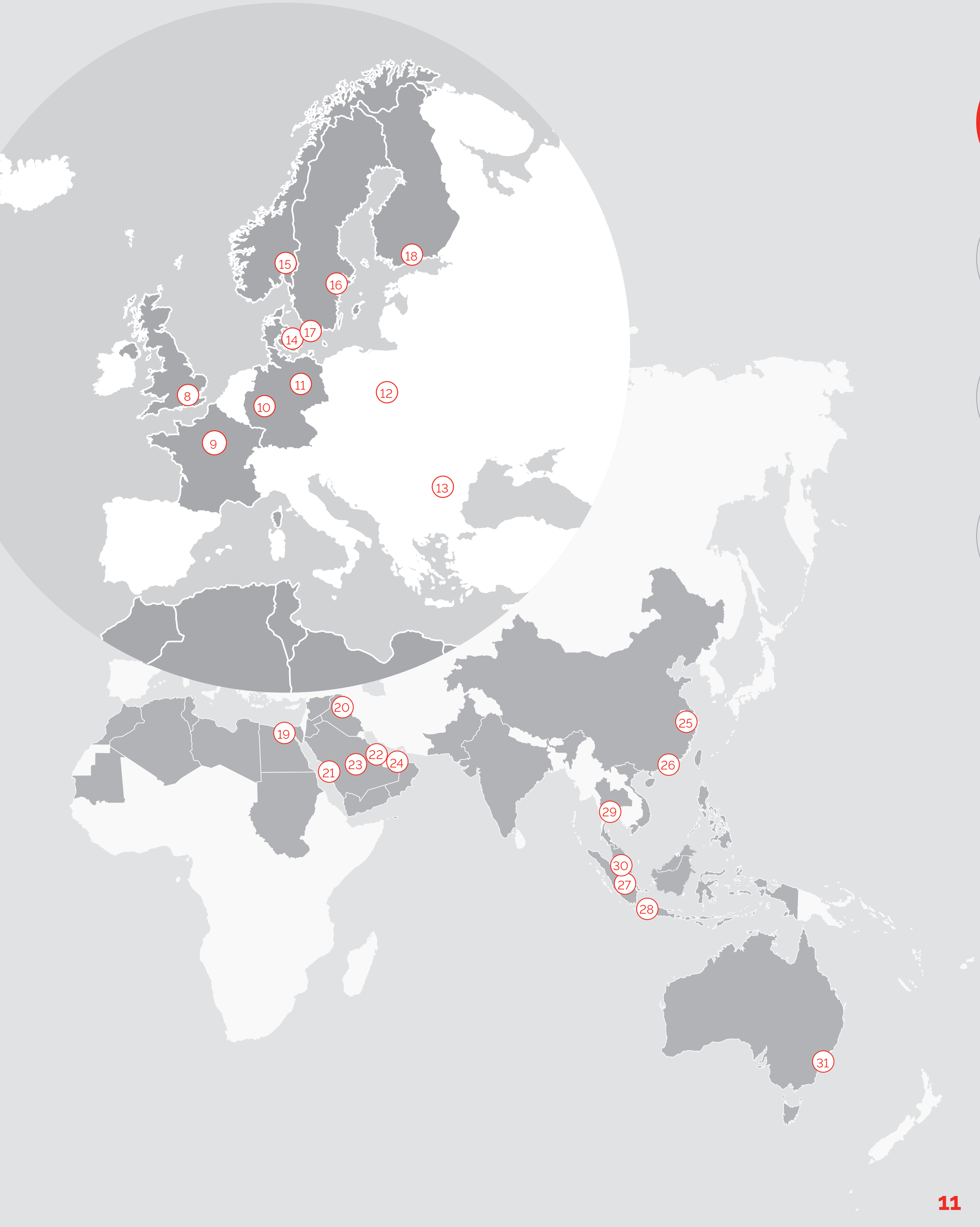
YouGov's proprietary panel consists of 5 million people across 38 countries (shown in dark grey on the map).

We have 31 offices in 21 countries covering the USA, UK, France, Germany, Nordics, Middle East and Asia Pacific. Our three newest offices – in Chicago, San Francisco and Washington D.C. – strengthen our presence in the USA where we now have a total of seven offices.

We have also set up back office support operations in Eastern Europe: our Warsaw office provides support for our global online presence and related technology development and we have a shared service centre in Bucharest providing scripting and data processing services to all our businesses globally.

Key

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

Smartwatches seize quarter of wearable device market after Apple Watch launch

Ownership of smartwatches in the UK has more than doubled year-on-year, from 320,000 to 720,000, according to research from YouGov. Its quarterly study found that over the past three months, total wearable-device ownership has grown from 2.85m to 3.6m.

Campaign,
18 March 2016

Pour quelles entreprises la génération Y veut-elle travailler?

A l'heure où le digital fait partie intégrante de notre société, Google figure en haut du classement des entreprises préférées des Français, âgés de 18-34 ans, pour travailler, d'après une enquête réalisée par l'institut de sondage YouGov.

Grazia,
25 May 2016

Vi dropper kjøtt og fisk av helt ulike årsaker

Ifølge rapporten, Food & Health 2016, som YouGov nettopp har offentliggjort, sier hver femte forbruker (SE 22%, DK 17%, NO 22% og FI 16%) at de har redusert sitt samlede kjøttinntak det siste året.

Dagligvarehandelen,
25 April 2016

Angelina Jolie and Vladimir Putin among world's top 20 most admired

Angelina Jolie has been voted as the most admired woman in the world, surpassing the likes of UK's Queen Elizabeth and Democratic Party front-runner Hillary Clinton while Russian President Vladimir Putin jumped passed the likes of Pope Francis and Facebook's Mark Zuckerberg, according to a YouGov poll.

Al Arabiya,
8 May 2016

More British women than men think a wife's role is to "look after her husband"

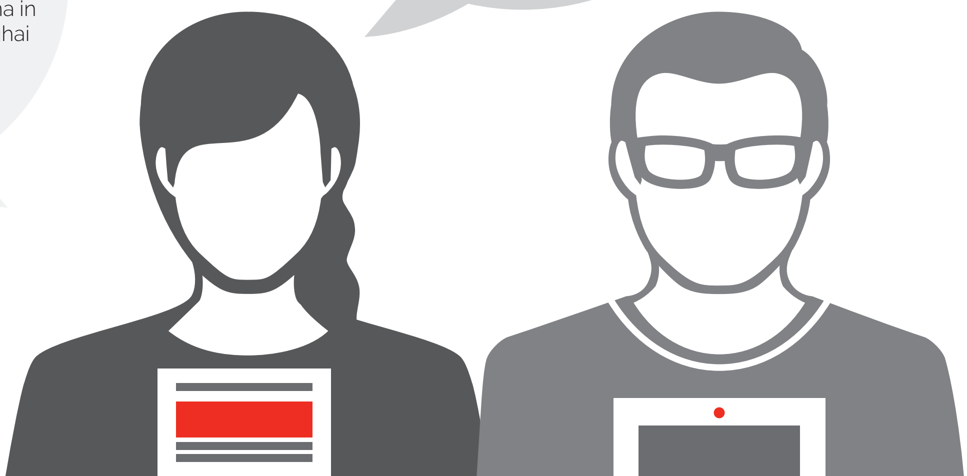
Women in Britain think a wife's main role is to "look after her husband" a major new study has found. The research, by YouGov, surveyed 42,000 people in 24 countries on their attitudes to gender equality.

The Telegraph,
12 November 2015

Shanghai Disneyland opens with hopes cash will rain down

YouGov, a market research firm, said 44% of people it surveyed in China in May said they plan to visit Shanghai Disneyland within a year.

CBS News,
16 June 2016



#1
YouGov is the most quoted market research source in the UK

The Most Admired Men and Women in America

YouGov conducted extensive research to determine the world's most admired people and among Americans at least, the Obamas are on top. Barack Obama topped the list of the most admired men with a score of 10.3%, ahead of Pope Francis and Bill Gates. Donald Trump also makes the list; he came eighth with 4.1%.

Forbes,
10 May 2016

Mehrheit der Deutschen wünscht sich das Grundeinkommen

Die Idee des bedingungslosen Grundeinkommens findet in Deutschland immer mehr Anhänger: Die Mehrheit der Bürger findet das Modell gut, wie das Umfrageinstitut Yougov ermittelt hat.

The Huffington Post,
11 February 2016

London Mayoral elections: Sadiq Khan poised to win City Hall race, final poll shows

In the final run-off, according to the YouGov survey exclusively for the *Evening Standard*, Mr Khan is heading for a victory that would make him the capital's first Muslim mayor by a clear 57 to 43 margin.

The Evening Standard,
5 May 2016

Facebook is Egypt's most "positively" perceived brand for second year running

YouGov, a global market research company, announced in a press release Sunday that Facebook occupied the first place in its 2016 Mid-Year BrandIndex as the most "positively" perceived brand in Egypt.

Daily News Egypt,
17 July 2016

Our products and services

Our suite of products and services

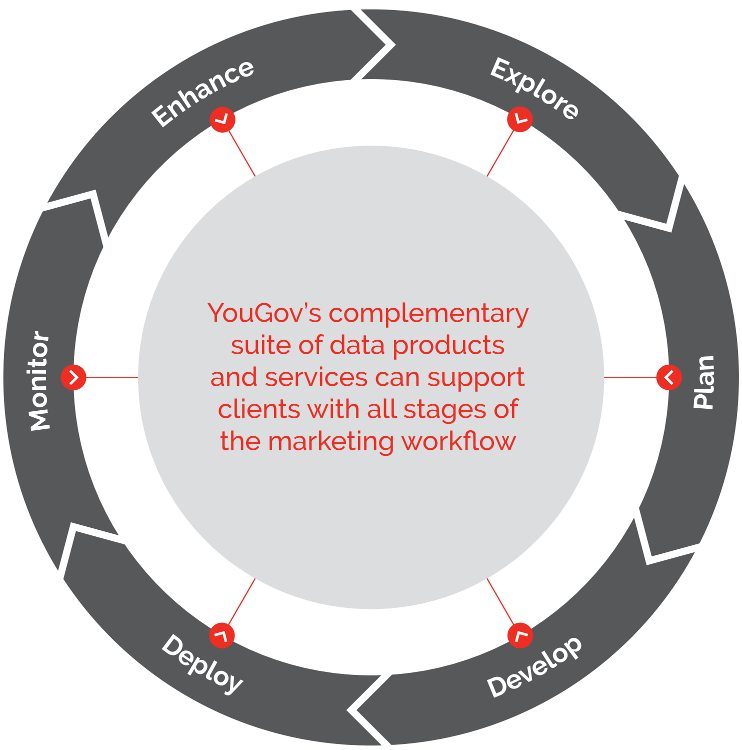
YouGov's suite of products and services is made up of syndicated data products (YouGov BrandIndex, YouGov Profiles, YouGov Pulse and YouGov Reports); data services including the popular YouGov Omnibus; and Custom Research by our sector specialists. All of our products and services are underpinned by the YouGov Cube, our unique connected data library.

Through the continued expansion of this suite, we are developing a complementary portfolio of proprietary decision-making tools and resources which can support media agencies and brands owners through all stages of the marketing workflow. For example, our clients can:

- Identify target segments through Profiles;
- Track brand performance over time with BrandIndex;
- Understand the consumer online journey through Pulse;
- Explore trends and marketing challenges through Reports; and
- Do a deep dive through Omnibus or Custom Research to understand why consumer sentiments and indicators are changing.

See page

YouGov BrandIndex	Our daily brand perception tracker	16
YouGov Profiles	Our planning and segmentation tool	20
YouGov Pulse	Our digital behaviour trackers	24
YouGov Reports	Showcasing YouGov's connected data	24
YouGov Omnibus	Delivering next-day answers	25
YouGov Custom Research	Quantitative and qualitative research	25



Case study

O2 (Telefónica UK)

Harnessing the power of multiple streams of connected data to support the marketing workflow

Like many major brands in the UK, O2 is faced with the challenge of understanding exactly how its marketing spend is affecting outcomes, whether it be winning new customers or retaining existing ones. Last year, O2's Marketing Effectiveness team was looking for ways to obtain a faster, real-time picture of how the brand's marketing activity is performing against its KPIs. The client's vision was to develop a new internal tool to deliver campaign feedback to marketing and communication stakeholders across the UK business much more quickly than its existing brand tracking resources.

YouGov's connected data strategy has enabled this vision to become a reality. By taking data from YouGov's connected suite of data products – which includes YouGov BrandIndex, YouGov Profiles and YouGov Pulse – and piping it into O2's internal tool, O2 now has a dashboard tool that offers its management a real-time view of brand health and campaign effectiveness.

Using daily brand perception data from YouGov BrandIndex overlaid with key audience segments from YouGov Profiles, O2 can understand and assess the effectiveness of advertising campaigns on the target audiences almost immediately as they are run. This constant flow of YouGov data allows the O2 team to make actionable recommendations on live campaigns.

Part of O2's digital strategy is to make its online messaging more personalised in order to build greater brand loyalty. With the addition of YouGov's new pixel tracking technology to YouGov Pulse offering, O2 is able accurately to pin-point those panellists who have been exposed to O2's personalised messaging including when they saw it and on what digital platform. By overlaying online behaviour data from Pulse with brand perception data from BrandIndex, O2 can then follow the online journeys of those panellists and track any changes in their perception of its brand since they were exposed to the messaging.

With YouGov's live stream of connected data within its reach, O2 can now obtain a faster insight into which part of its marketing campaigns are working and which are not. It can use this information to make timely decisions so as boost the effectiveness of live campaigns and fine-tune its forthcoming campaigns.

"YouGov's ability to understand our challenge as a business and then to implement an effective and valuable solution has had a very positive impact on our decision-making processes."

Nick Milne
Head of Marketing Effectiveness,
O2 (Telefónica UK)

Our products and services continued

YouGov BrandIndex

Our daily brand perception tracker

BrandIndex, YouGov's flagship brand intelligence service, tells our clients what the world thinks of their brands and their competitors at any given moment and helps our clients to understand the link between their media and advertising efforts, brand perception, and consumer response. BrandIndex data is updated daily (or weekly in some developing markets) and includes up to nine years of historical data which is all instantly available to our clients through our user-friendly BrandIndex portal.

During the year, BrandIndex was rolled out in three new markets (Russia, Hong Kong and South Korea) and is now available in 27 markets including Australia, Brazil, China, Denmark, Finland, France, Germany, Indonesia, Ireland, Japan, Malaysia, Mexico, Netherlands, Norway, Saudi Arabia, Singapore, Sweden, Thailand, United Arab Emirates, UK and the USA. Every day we survey multitudes of consumers across these territories – conducting more than 5 million BrandIndex interviews every year against YouGov's proprietary panel – about thousands of brands across dozens of industry segments.

This year we introduced enhanced reporting capabilities in the online tool that clients use to access BrandIndex data. These allow clients to pool data over non-overlapping time periods and perform statistical significance testing on the fly. This has allowed our clients further to embed BrandIndex data into their standard workflow. Additionally, we launched a "beta" version of a new templated reporting capability that enables users to create, store and update standardised periodic reports (e.g. weekly/monthly scorecards, brand health reports etc.). This capability makes it easier for users to download, present and circulate BrandIndex data in management report formats, while also improving the scalability of the product.

The beer that Americans buzz about the most

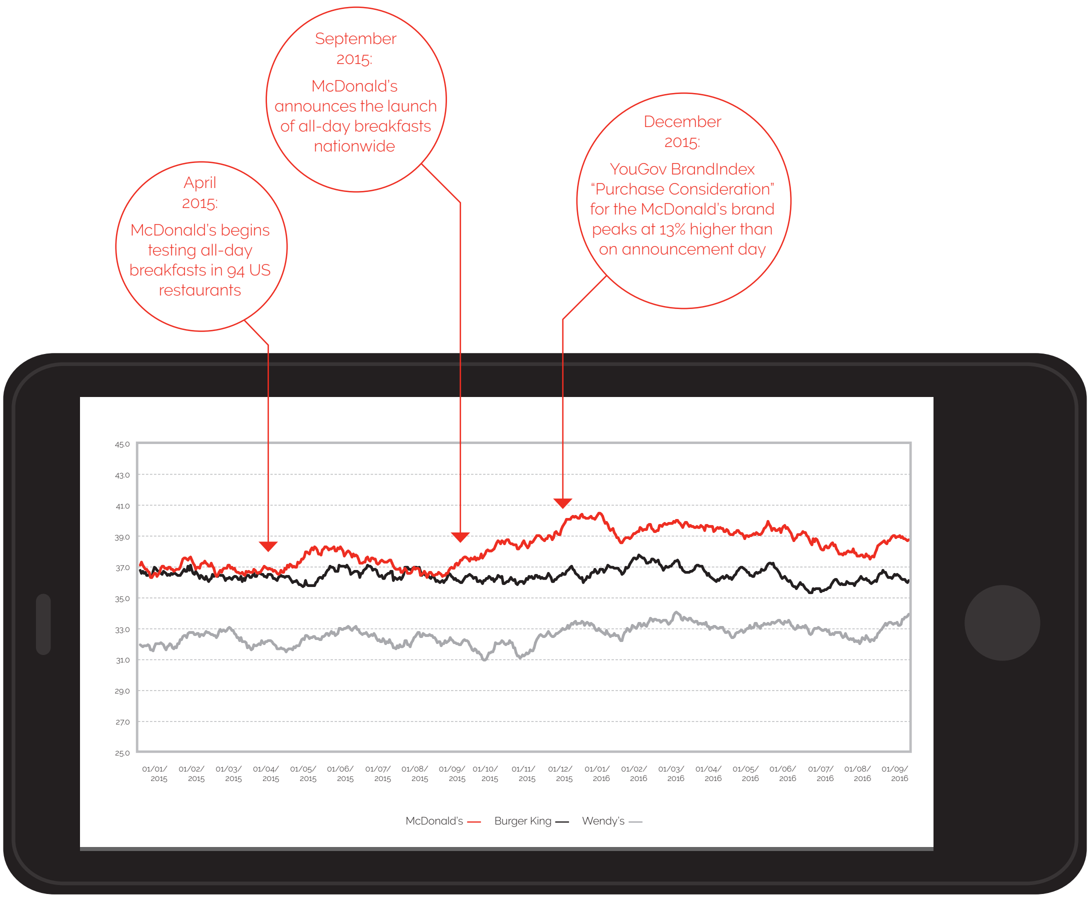
"The beer brand that Americans say they hear most about is Samuel Adams, which earned the highest "buzz score" of 13.4 from YouGov BrandIndex, which tracks brand perception for consumer products like beer and cars. The score is based on the number of people over the age of 21 saying they've heard something about the beer, whether that's positive or negative, in recent months."

CBS News,
17 March 2016

Over
9,000
brands indexed

Example of using YouGov BrandIndex to track changes in consumer purchase consideration

North American launch of McDonald's all-day breakfast menu



Available across

27

markets

Our products and services continued

YouGov BrandIndex continued

Example of using YouGov BrandIndex to demonstrate marketing strategy effectiveness

Domino's Pizza takes naming rights to French Football Ligue 2

In April 2016, Domino's Pizza and the French Football League announced their new partnership with the renaming of the second division league to "Domino's Ligue 2". Although the selling of event naming rights is not a common practice in France, it is a well proven strategy for boosting brand awareness. For example, the European Rugby Cup is now better known by its sponsorship name, the Heineken Cup. Through the lens of YouGov BrandIndex, we can see just how successful the strategy has proved for the Domino's Pizza brand in France.

The announcement of the new partnership did not pass without controversy, as the French Football League received some criticism for its choice of sponsor. However, as shown by YouGov BrandIndex data, the partnership has had an overall positive impact on perceptions of Domino's Pizza. From mid-February, when rumours of the partnership began to circulate, YouGov BrandIndex indicated a significant increase in the Advertising Awareness metric for the Domino's Pizza brand across all age groups (particularly among young people). There were also increases in the Purchase Consideration and Buzz metrics for the brand.

While it remains to be seen if this sets a precedent for naming rights to become a popular French marketing strategy, BrandIndex data shows that the risky move of being the first business to sponsor a French sports championship was clearly a winning strategy for the Domino's Pizza brand.

YouGov BrandIndex
BEST BRAND
2015

YouGov BrandIndex BestBrand

For several years YouGov BrandIndex has released mid-year and annual buzz rankings. Last year, we decided to take a more formal approach and promote the releases as "YouGov BrandIndex BestBrand". BestBrand overall and category winners are acknowledged with a personalised letter from YouGov, as well as a marketing pack which they can use in their advertising. This approach has worked well with several brands having cited placement on the BestBrand list or other public BrandIndex Top 10 releases in external communications. For example: McDonald's and Amazon cited placements on the BestBrand list in the US; Aldi and Jet cited YouGov BrandIndex data in advertisements in Germany; in the UK, Premier Inn and LV= cited BestBrand data in advertisements; and Carnival Cruise Lines, Skechers and Subway have leveraged BrandIndex data in press releases.

"Aldi has once again come out top in YouGov's annual BrandIndex poll, with rival discounter Lidl snapping at its heels."

The Drum,
13 January 2016

"Yorkshire Tea made a surprise appearance in YouGov BrandIndex's top UK brands list this week.

YouGov BrandIndex measures the public's perception of brands on a daily basis across a range of measures, including value, buzz and satisfaction. The annual results were compiled using buzz scores from across the year, measuring whether people have heard good or bad news about a brand during the previous two weeks."

Marketing Week,
16 January 2016

"When it comes to brands, familiarity doesn't breed contempt, at least according to YouGov BrandIndex, which released its midyear rankings of best-perceived brands today.

According to the study, the most well-regarded brands are ones consumers interact with on a daily basis. For the first half of 2016, consumers held new media and technology brands in high regard. Amazon, which has stayed in the top spot for the past two years, once again topped the list, with Netflix, YouTube and Google remaining close behind."

Ad Week,
13 July 2016

Our products and services continued

YouGov Profiles

Our media planning and audience segmentation tool

YouGov Profiles is our ground-breaking tool for audience profiling and segmentation for use by brand owners and the agencies who serve them. The product allows users to profile their target audience across multi-channel data sets from a single source, with greater granularity and accuracy than ever before.

Profiles offers the largest, most detailed and real-time consumer database updated weekly. Leveraging the YouGov Cube, Profiles connects data on demographics and lifestyle, brand, sector, and media, digital and social data all in one place, combining that with attitudes, interests, views and likes. For example, it provides brand usage and perception data for some 1,000 brands (plus usage for thousands more), television viewing for 5,000 programmes, website usage for the most active commercial websites, "likes" on thousands of music artists, films, personalities, and much more.

Profiles was launched in the UK in late-2014 and the UK database now holds some 200,000 separate data variables collected from 250,000 YouGov panellists.

"YouGov Profiles make me look like the smartest guy in the room."

David Jackson
Strategy Director, FCB Inferno

YouGov Profiles LITE

YouGov Profiles LITE app, free to use on the YouGov website, allows users to type in any brand, celebrity or product to receive a detailed portrait of the fans or customers for that item. The app does this by comparing the characteristics of that specific fan/customer group with the characteristics of the rest of the population in order to derive what is most unusual about the fan/customer group. Users are asked to register online in order for us to maximise the potential for lead generation from these users for the full YouGov Profiles subscription.

When it was launched in November 2014, the app was an instant hit not only with potential clients but with the general public at large. It quickly went viral, featuring across the UK media; in all national newspapers, on TV news and talk shows. The app received over a million searches in its first week and was a trending topic on Twitter. It continues to attract several thousand active users every week.

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

The Times,
18 November 2014

Try out the app at:
yougov.co.uk/profileslite

"I never have to worry about whether I'll find something useful or relevant in YouGov – I always feel confident that I'll uncover actionable insights that will tell me, and my clients, something that they don't already know about their audiences."

Amy Green
Insights Analyst, 360i

During 2015, the product was launched in the US and Germany and in 2016 it was rolled out to Asia Pacific with launches in China, Indonesia and Malaysia. Preparatory work on the YouGov Cube is currently underway in France, the Nordics and other parts of Asia Pacific with a view to rolling out Profiles in these territories soon.

Profiles improves the ability of marketers to understand the people and audiences that matter to them, while enabling media owners to identify potential advertisers and make more informed content and scheduling decisions so as to deliver the target audience that advertisers require. In this respect, Profiles can support programmatic advertising processes and this use is proving increasingly popular with our UK and US digital media agency clients.

During the year, we introduced a new Profiles "re-contact" service which allows subscribers to obtain deep-dive information on specific issues through additional questions to panellists. The resulting data is combined with Profiles data on the same respondents, to provide a more-in depth understanding based on the selected criteria.

We also introduced a dynamic segmentation offering, allowing clients to run segmentations that are full of colour and continually updated when combined with their Profiles subscription.

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

Profiles is proving a popular complement to BrandIndex: while Profiles allows users to define and understand their potential target customers, BrandIndex allows users to measure the effect of campaigns and other events on how their own and other brands are perceived by customers.

Customers of ASOS

Now showing: What is particularly true of customers of ASOS compared to the general population.

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

TYPICAL PROFESSIONS
- Media and Publishing
- Advertising/Marketing/PR
- Fashion Design

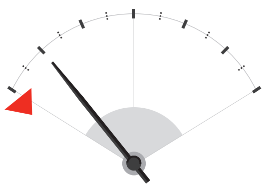
WATCHES TV FOR...
1-5 HRS P/W

TOP MOBILE APPS
- Shazam
- Twitter
- Draw Something
- Words With Friends
- Instagram

TOP REGIONS
- London
- Central Scotland
- Northern Scotland

POLITICS

LEFT RIGHT



ONLINE FOR...
50+ HRS P/W

TOP WEBSITES VISITED
- asos.com
- zara.com
- uniladmag.com
- topman.com
- urbanoutfitters.com
- hm.com
- watchseries.it
- riverisland.com

Our products and services continued

Case study

RBS and YouGov Profiles

Harnessing power of connected data to build bridges between brands and agencies

One of the ways that the YouGov Profiles tool can be used is to help agencies and their brands with market segmentation strategies. "Segmentation" is a key component of brand marketing and involves defining the potential consumer-base then breaking it down into different groups – based on criteria such as demographics, behaviours, attitudes or interests – which can then be targeted with specific propositions, advertising and communications.

Last year, the marketing team at the RBS had just gone through a process of updating their attitudinal segmentation for consumers and were looking for ways to best understand their newly defined segments. RBS was already a YouGov BrandIndex subscriber and offered YouGov the opportunity to pitch our newest solutions. As a result, RBS took up a subscription to YouGov Profiles.

The YouGov Profiles solution involved mapping RBS' attitudinal criteria against the YouGov Profiles database in order to offer access to the tool with the bank's chosen segments pre-populated as bespoke filters. Now, through the YouGov Profiles tool, RBS has immediate online access to sample data for each of its customer segments, including their demographics, attitudes, interests, lifestyle attributes, brand affiliation, media consumption, digital, social and mobile engagement.

After this successful implementation we were asked to open up access to YouGov Profiles to the bank's media agency, ZenithOptimedia, so it could use the tool for programmatic buying purposes. The end result is a seamless connection between brand and agency: the connected data set that is used for planning digital campaigns is the same one that is used for actioning the campaigns programmatically.

Helen Rose
Head of Insight, the7stars

"Profiles has become a valuable tool and go-to resource for certain types of audience interrogation and building of bespoke audience segments."

"YouGov Profiles gives us rapid access to a wealth of current audience insights; the kind that underpin the strategic and tactical approach governing everything we do."

Warren Zanin
Technical Director, Steak

Simon Crunden
Managing Director, Republic of Media

"YouGov Profiles has moved audience insight on significantly with weekly updates, passive website data and a large and varied sample. It has rapidly become our benchmark for target audience analysis."

YouGov Profiles continued

Partnership with JCDecaux

In April 2016, JCDecaux became the first outdoor media owner to access YouGov Profiles and take advantage of the tool's hyper-local data on consumer audiences. YouGov took up the opportunity afforded by this new relationship to add to the Profiles database a specific set of "outdoor media" questions provided by JCDecaux. This now enables YouGov Profiles' data to be analysed from an outdoor media perspective, delivering a truly cross-media picture for media agencies and their clients.

To launch the partnership, JCDecaux and YouGov unveiled a nationwide media campaign directing audiences to a mobile and online game, Locate that Landmark, which was specially designed to highlight the granular level of YouGov Profiles data. Agencies, clients and the public were invited to "Play the Game" using their knowledge of British landmarks and win a place on the national leader-board.

Play the game at:
locatethatlandmark.com

"If you want to know about how Britain works, then we have access to the database that really matters – YouGov Profiles. Now brands will be able to plan their outdoor media campaigns even more effectively, driving consumer engagement with tailored locational messaging."

Chris Felton,
Head of Agency Marketing, JCDecaux

Our products and services continued

YouGov Pulse

Our digital behaviour trackers

YouGov continues to invest in new forms of data, with one of the most exciting forms being passive data: data collected without any proactive questioning of panellists. Passive data can be collected in a variety of ways and during the last year we added pixel tracking technology to the already established Pulse.

YouGov Pulse is our real-time online and mobile behaviour tracker. Pulse makes it possible to understand the full picture of what consumers do online and the online journeys they experience. It enables brands and agencies to capture real-time, in-depth and actual online consumer behaviour across laptops, smartphones and tablets. Through Pulse, we collect information on websites visited, search-terms used, online e-commerce journeys and applications used across multiple devices to form the full picture of online behaviour. A key strength of the offering is the relationship YouGov has with our panellists; we have data on respondents who were already part of the YouGov community before they were asked to take part in Pulse. This means that we know all kinds of different background information, ranging from their demographics, media habits, consumption and brand affinity. Pulsea is available as a standalone offering, while its data is also leveraged by Profiles.

With pixel tracking, we have added a further capability to help our clients understand the reach of their digital campaigns. The technology allows us to know which of our panellists have seen a client's paid and owned digital resource (typically a specific web page or advertisement). With evidence in hand of which panellists have seen a specific resource, we can then use Cube data to profile those panellists and see how the exposure may have changed behaviours or perceptions. This is proving to be a powerful adjunct to other campaign measures available through BrandIndex and Profiles.

YouGov Reports

Showcasing YouGov's connected data

Building on the traditional market intelligence report format, the new YouGov Reports offering is designed to bring to life the YouGov Cube, Profiles and BrandIndex in a single showcase for YouGov's data, methodology and insight. The new format is currently available in the UK and Germany with further geographic expansion planned for the coming year.

The new style YouGov Reports offer a slice of YouGov's existing data relevant to a central hypothesis, question or trend. Using a highly-visual format, we illustrate the breadth, depth and quality of the data which is available to buy through our suite of data products and services, the intelligence of our expert analyses and the quality of our methodology.

Through the application of story-telling techniques as well as the conveyance of conventional market intelligence, YouGov Reports demonstrate the value of connected data in helping our clients to address commercial marketing challenges. Example reports include a study of the Pokémon-Go trend, consumer profiles of "Millennials", and a study on the effectiveness of social media advertising. Each report is packed with high-quality data, expert analyses and real business recommendations exploring a number of areas such as market overview, consumer profiles, commercial hurdles and actionable insights (for example, brand tie-ins).

We have launched a new online Reports portal providing advanced search, analysis and translation functionality as well as the ability to buy reports as single copies, in a package, or for an annual subscription. Some sample content is available to download for free, with users asked to register with us in order to maximise the potential for lead generation. Clients wanting to further explore these topics can either buy the full data set behind the report, subscribe to the Profiles or BrandIndex tools, or commission a Custom Research re-contact study. The online sales process is designed in keeping with our strategy to take our clients through a purchase path from samples reports data through to full subscriptions of BrandIndex and Profiles.

Check out the new style YouGov Reports at: reports.yougov.com/clients

YouGov Omnibus

Delivering next-day answers

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

Omnibus is the perfect vehicle to find out people's opinions, attitudes and behaviours, quickly and cost-effectively. Our Omnibus surveys are run daily, providing nationally representative responses to clients within a 48-hour turnaround (with 24-hour turnaround available in the UK). We now conduct over 3 million Omnibus surveys every year across our global operations. The service can provide clients with data from some 20 countries and client demand for multi-country Omnibus surveys continues to increase.

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

We continue to develop the Omnibus service to meet our clients' changing needs and to make the service as fast as possible. An example of this is the "Slides!" facility which provides an automated slide pack as the default means for delivering Omnibus survey results. Further planned enhancements include the introduction of a self-service tool to add automation to the process of clients submitting their survey questions to YouGov, which will make the turnaround from the client's initial question generation to the survey results delivery even faster.

"YouGov Omnibus surveys help us to develop informed, impactful stories that keep our clients at the forefront of any debate. Their people understand our business and the need for both extreme accuracy and the shortest achievable deadlines."

Ivan Ristic
President, Diffusion PR US

YouGov Custom Research

Quantitative and qualitative research

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

The scope, scale and complexity of Custom Research projects varies significantly and ranges from large-scale national and multinational tracking studies, through to more one-off surveys designed to address a specific commercial, social or political issue for the client. Our custom offerings include: reputation studies (measuring public and stakeholder opinion on an organisation's reputation); syndicated studies covering sector or product trends; and a full research programme providing a range of research, often on annual contracts, including tracking studies, qualitative research and customer profiling.

The YouGov model allows us to minimise the proactive data collection required for each new custom project while at the same time provide our clients with more connected and tailored data than ever before. With every research project we undertake drawing on – as well as building on – the existing data stores that we already hold in the Cube and in our data products such as BrandIndex and Profiles, we are redefining the very nature of Custom Research.

Chief Executive's review

for the year ended 31 July 2016

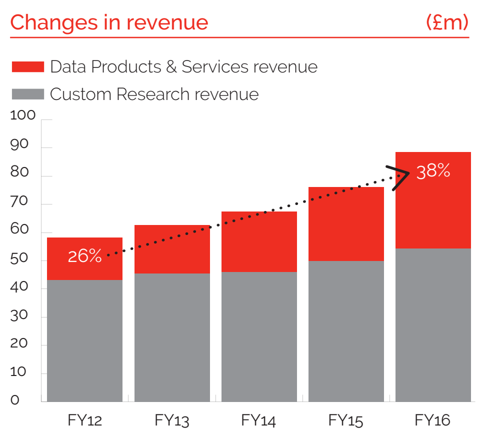
Stephan Shakespeare
Chief Executive Officer

> "The expansion in our global data products and services demonstrates their stand-alone strength and also the further potential benefits to clients that we can offer by bringing all of our data together in the YouGov Cube."

Performance in the year

YouGov's revenue for the year ended 31 July 2016 increased by 16% to £88.2m and by 12% on a constant currency basis. This organic growth continued to be well above global market growth, which is estimated at approximately 4%. In line with our strategy, over two-thirds of the revenue growth was generated by our higher margin Data Products and Services which grew by 32% from £26m to £35m, although Custom Research also grew ahead of the market at 9% from £50m to £54m. As a result, the Group's adjusted operating profit increased by 27% from £8.6m to £10.9m and the adjusted operating margin increased by 1% point to 12%, mostly attributable to Data Products and Services.

Revenue from Data Products and Services now represents 38% of total Group revenue, compared to 34% in the previous year. Within this segment, YouGov BrandIndex revenue grew by 39% to £14.5m, YouGov Omnibus revenue grew by 30% to £16.4m and the new YouGov Profiles product achieved revenue of £1.4m in its first full financial year and now has over 75 subscribers worldwide. Data Products and Services operating profit increased by 43% to £9.7m and its profit margin went up from 26% to 28% as previous investments in product development and sales resources fed through into higher sales and revenue.



Custom Research operating profit grew by 7% to £6.9m (2015: £6.4m). A significant part of this growth has been generated by multi-wave custom tracking studies, including a number for major UK and US technology and media clients whose results are delivered through our new analytics platform, Crunch.

Regionally, the US operation, our largest in revenue terms, accounted for 42% of overall revenue growth with a 20% increase in £ terms (12% in local currency) to £31m. Its operating profit grew by 29% to £6m. This was largely driven by continuing strong growth in Data Products including the US launch and roll out of Profiles. UK revenue increased by 9% and its operating profit grew by 28%. Our Middle East business grew revenue and profits significantly across all its regional markets. The relatively new Asia Pacific business maintained its rapid growth with BrandIndex and Omnibus both doubling their regional revenue. France which has a similar focus on these two core products also grew strongly. Revenue in our Northern European businesses (Germany and Nordic), which now operate under a single management team, was static in overall terms although in both markets BrandIndex and Omnibus revenue grew well while Custom Research revenue declined as the business focus continued to shift towards the core YouGov model.

Outlook

Over the past few years, we have been consistently implementing the strategy that the Board laid out to our Shareholders and as a result have delivered recurring revenue and profits growth. As planned, YouGov has been transforming itself in response to the needs of the market to become increasingly a global data and analytics business. In the coming year, we aim to maintain our progress in the same direction in pursuit of the goals that we have set ourselves.

We recognise, however, that the UK's "Brexit" vote has created a more uncertain economic and political environment, especially for UK and European businesses, although the international spread of our revenues (with a significant US element) means that our Group can also benefit in the short term if £ Sterling rates remain relatively low compared to other major trading currencies.

Taking both the macro-environment and our own plans into account, the Board is confident that YouGov remains well-placed to exploit opportunities for growth, especially in our Data Products and Services business, in both our more mature markets and our newer operations.

"We are continuing our journey towards becoming a global data and analytics business and this will remain the focus of our investment in our technology and staff resources."

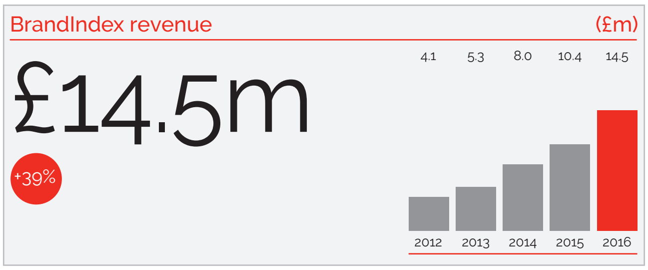
Chief Executive's review

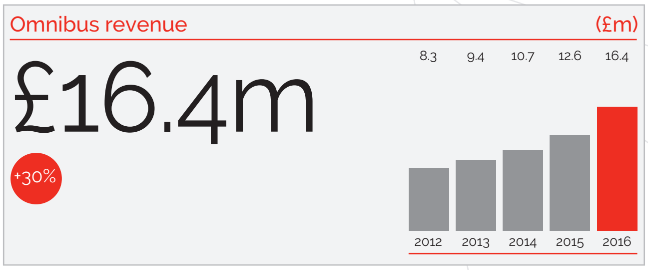
for the year ended 31 July 2016 continued

Overview of global products and services

Revenue	Year to 31 July 2016 £m	Year to 31 July 2015 £m	% Change	% Change at Constant Currency
Data Products (incl. BrandIndex)	16.6	11.9	40%	34%
Data Services (incl. Omnibus)	17.9	14.3	25%	24%
Total Data Products & Services	**34.5**	26.2	**32%**	**29%**
Custom Research	**54.3**	49.9	**9%**	**5%**
Eliminations	(0.6)	–	–	–
Group	**88.2**	76.1	**16%**	**12%**

Adjusted Operating Profit	Year to 31 July 2016 £m	Year to 31 July 2015 £m	% Change	Operating Margin % 2016	Operating Margin % 2015
Data Products (incl. BrandIndex)	4.5	2.3	99%	27%	19%
Data Services (incl. Omnibus)	5.2	4.5	15%	29%	32%
Total Data Products & Services	**9.7**	6.8	**43%**	**28%**	**26%**
Custom Research	**6.9**	6.4	**7%**	**13%**	**13%**
Central Costs	(5.7)	(4.6)	(22%)	–	–
Group	**10.9**	8.6	**27%**	**12%**	**11%**





Data Products

Data Products are comprised of YouGov BrandIndex, our flagship brand intelligence tracker, which accounted for 87% of this category's revenue in the year; YouGov Profiles, the segmentation and planning product and YouGov Reports, which currently provides market intelligence reports and sector trackers in the UK.

Data products, once they are mature, have a higher profit margin than Custom Research as the outputs are sold to multiple clients while the input costs, such as data collection and analysis, are incurred only once. However, in their early stages investment is required in areas such as product development, analytics and sales resources in order to launch and expand the products to new markets. This year the 99% increase in the overall Data Products profit and its margin improvement from 19% to 27%, reflected this as YouGov Profiles began to achieve significant revenue on the cost base established in the prior year and BrandIndex also increased its revenue while maintaining its higher margins.

Within Data Products, BrandIndex grew revenue by 39% to £14.5m (2015: £10.4m) and now accounts for 16% of total Group revenue, generated from 500 subscribers in 27 markets across the world. The US remained the largest BrandIndex market, accounting for 62% of the total and growing by 39% (in £ terms, 30% in local currency) with the UK, its second largest market, growing by 25%. Germany, the third largest BrandIndex market with 8% of Group revenue, grew by an impressive 71% in 2016. And our Asia Pacific region grew by nearly 150%, albeit from a smaller base.

BrandIndex serves major accounts among both advertising and media planning agencies on the one hand and brand owners and advertisers on the other. Its current clients include OMG, Universal McCann, Bank of America, KFC and Subway. New client wins in the period included Viacom, Airbnb, Amedia, Volkswagen, IKEA, SunTrust and O2 (Telefónica UK).

BrandIndex continued to focus on three major areas in FY16 to drive growth: geographic expansion, product enhancements and further integration and interoperability with Profiles.

Geographical expansion continued with launches in three new markets: Russia, Hong Kong and South Korea. Our strategy for new market entry is to secure at least one charter subscriber – typically, a client that already subscribes to BrandIndex in its existing markets – which guarantees a minimum initial revenue from that new market.

We introduced enhanced reporting capabilities in the BrandIndex tool that support advanced statistical significance testing and provide more flexible time period analyses. These make it easier for subscribers to embed BrandIndex data into their normal workflow. A "beta" version of a templated reporting capability has been launched that will enable users to create, store and update standardised periodic reports (e.g. weekly scorecards, monthly brand health reports etc). This makes it easier for users to download, present and circulate BrandIndex data in management report formats in an efficient way while also improving scalability of the service from YouGov's perspective.

YouGov Profiles offers the largest, most detailed and real-time consumer database updated weekly in the UK, US, Germany, China, Indonesia and Malaysia. Profiles was first launched in the UK in November 2014, rolled out to the USA and Germany in 2015 and to the Asia Pacific region in 2016. Its growth is progressing as planned with Group sales exceeding £3m in the financial year under review and revenue reaching well over £1 million. YouGov Profiles now has over 50 subscribers in the UK and more than 75 worldwide. The next stage of the global roll-out will be to France and the Nordic region.

Profiles clients include agencies such as MEC, OMG and the7stars, and brand owners such as Experian, O2 (Telefónica UK) and Universal Music. New clients in the period include JCDecaux, RBS, City A.M. and OMD in the UK and Crossmedia, Beiersdorf and Miles & More in Germany. In the US, the combined offering of BrandIndex and Profiles is doing particularly well with joint sales in the period to clients such as Viacom, MediaCom and Crossmedia.

The UK version of Profiles is based on a database of some 200,000 separate data variables on consumers, collected initially from approximately 250,000 YouGov panellists. The tool connects data on profiles, brand, sector, and media, digital and social data all in one place combining that with attitudes, interests, views and likes. For example, it provides brand usage and perception data for some 1,000 brands (plus usage for thousands more), TV viewing for 5,000 programmes, website usage for the most active commercial websites, thousands of "likes" on music artists, films, personalities and much more.

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

Chief Executive's review

for the year ended 31 July 2016 continued

This year we have introduced further functionality for utilising Profiles data in programmatic advertising processes and this use is proving increasingly popular with our UK and US digital media agency clients. We have also introduced a dynamic segmentation offering, allowing clients to run segmentations that are full of colour and continually updated when combined with their Profiles subscription.

YouGov Profiles is offered to the market as a subscription service (like BrandIndex) with clients accessing the data through a dedicated portal. It is delivered through a "point and click" tool, which gives users access to a wide range of detailed and connected data and provides analytics methods with which to interrogate and interpret the data. It is planned to migrate the product delivery onto the Crunch analytical tool.

YouGov BrandIndex and YouGov Profiles share a range of data sets from within the YouGov Cube database. Profiles complements BrandIndex since it allows users to define and understand their potential target customers while BrandIndex allows them to measure the effect of campaigns and other events on how their own and other brands are perceived.

In the three main markets where YouGov Profiles is available so far (UK, USA and Germany) extensive profiling in each BrandIndex category is available to subscribers of both products. We therefore believe that clients can obtain the maximum benefit in terms of their marketing and sales activities by subscribing to both products. In these territories, our product marketing and sale strategy is thus designed to maximise the number of joint subscriptions sold. An example of this joint use is in the "dining" category, where the YouGov database captures critical data such as frequency of dining out, monthly spend on dining out, frequency of takeaway orders, monthly spend on takeaway orders and type of meal ordered or eaten out. In Profiles, clients are able to look at these key consumer segments, and use the data to develop content that will appeal to them as well as to plan their media campaigns and placements so as to reach their target groups more effectively. In BrandIndex, the response and attitudes of these same key consumer groups can be tracked in order to assess the effectiveness of campaigns once they have been run.

YouGov Reports, which publishes a suite of market intelligence reports using YouGov's data, has been a UK-only business up to now. We are refocusing this segment into a more international offering centred more directly on YouGov Cube data complemented by informed analysis and commentaries. These reports will be made available through an online portal which provides advanced search, analysis and translation functionality as well as the ability to buy reports online through the portal. This initiative is being led by a new global head, appointed in March 2016. Revenue from the UK Reports business contracted by 37% in the year just ended as the number of titles published was reduced in anticipation of the re-organisation.

Data Services

Data Services revenue largely comprises YouGov Omnibus (including Field and Tab services) (92%) with the balance being the provision of sample-only services in the Nordic and Middle East regions.

YouGov Omnibus, our online fast-turnaround service, increased its revenue globally by 30% to £16.4m. It continued to grow (by 7%) ahead of the market in the UK where it is the recognised market leader, while growing strongly in markets where it has been established more recently. The US achieved 52% growth in £ terms (42% in local currency terms), Nordic, the second largest market, grew by 30% and Germany by 15%. Our newer and smaller Omnibus markets, France and Asia Pacific grew revenue by 49% and 234% respectively. This revenue growth flowed through to an increase of 15% in the total Data Services profit, from £4.5m to £5.2m.

As well as expanding geographically, Omnibus has continued to extend the range of specialised YouGov Omnibus services which offer access to more narrowly defined sample segments. This diverse range includes Children and Parents, Shoppers and Citybus on the consumer side and a fast-growing SME service, now available in all YouGov Omnibus markets which enables clients to conduct B2B research among Small and Medium Enterprise owners.

The growing footprint of the Omnibus network is attracting more multi-national clients, leading to more multi-country projects being run across our Group platform. Major international clients in the period included Handelsblatt, Johnson & Johnson, VISA and NBC Universal International Television.

We have also continued to improve the quality of Omnibus deliverables, with slides now being provided as standard in most markets. Over the coming year, further enhancements planned include automation of the way that clients submit survey questions which will make the turnaround from the client's initial question generation to YouGov's survey results delivery even faster and smoother for both clients and staff.

Custom Research

Our global Custom Research business continued to gain market share with growth of 9% in the past year, taking its revenue to £54.3m.

YouGov's Custom Research business conducts a wide range of quantitative and qualitative research, tailored by our specialist teams to meet clients' specific requirements. The scope, scale and complexity of projects varies significantly and ranges from one-off surveys designed to address clients' specific information needs at a given time through to large-scale national and multinational tracking studies. YouGov's panel-centric methodology and ability to collect and analyse data rapidly, now enhanced by delivery of results through the Crunch analytics platform, are well-suited to meeting clients' needs for faster and more continuous tracking data. Our tracking offering is being further developed through the YouGov Cube which enables survey data to be connected with other data from our library or that forms part of a data product such as BrandIndex or Profiles. Revenue from tracking contracts now comprises approximately 12% of total Custom Research revenue. Many of these projects are contracted for on an annual basis and also provide opportunities for further renewals.

Among our major Custom Research markets, Middle East achieved 30% revenue growth with clients in Saudi Arabia and Dubai such as San Miguel and Ford as well as extending the large contracts in Kurdistan. The UK grew by 7% winning new contracts with clients such as HSBC and Vevo as well as continuing to serve commercial clients such as Asda, Barclays and ITV and increasing its public sector roster. The US grew by 9% (2% in local currency terms) mainly through expanding the work won from its West Coast based technology clients. Custom revenue fell in Germany by 5% due partly to weakness in the regional financial services market. At the end of the year, a re-organisation was undertaken to refocus staff resources further towards the data products and services business and scale the Custom business down to a profitable core offering. Nordic Custom Research revenue also fell by 20%, partly due to the non-renewal of some major contracts and as in Germany, in contrast to growth in the Data Product and Services business.

The adjusted operating profit from Custom Research increased by 7% to £6.9m from £6.4m although the adjusted operating margin remained static at 13%. Our aim has been to improve Custom Research profitability by exploiting the benefits of our panel-based methodology and improving the efficiency with which Custom work is delivered. The new shared services data operations facility in Romania was set up during the financial year and began to take on work from the local units, notably Germany and Nordic, where a number of posts were made redundant at the end of the year. This new approach will start to yield net cost savings in the coming year. The new Crunch analytics tool has also been deployed to a number of major clients in USA, UK and Nordic who are now able to access and analyse survey data and generate reports on it using this advanced cloud-based analytical engine.

Major clients in the year included Asda, Barclays, ITV, HSBC and Vevo (UK); Google, Sun Products and Blizzard Entertainment (USA); Thomas Cook, Readers Digest and Deutsche Telekom (Germany), Pernod-Ricard and Burger King (France); TDC Group and Aarhus University (Nordic); Ford and San Miguel (Middle East); and Starcom and Tesco (Asia Pacific).

Central costs

Central costs of £5.7m include the Group management team and central management functions together with the teams responsible for YouGov's online presence and the development and roll-out of the products and services based around the YouGov Cube.

Chief Executive's review

for the year ended 31 July 2016 continued

Overview of geographic operations

Revenue	Year to 31 July 2016 £m	Year to 31 July 2015 £m	Revenue Growth %	Revenue Growth at Constant Currency %
UK	**24.9**	22.9	9%	9%
USA	**31.0**	25.9	20%	12%
Germany	**9.1**	8.9	2%	2%
Nordic	**7.6**	7.5	1%	1%
Middle East	**13.9**	10.7	30%	22%
France	**1.7**	1.2	46%	45%
Asia Pacific	**2.8**	1.4	100%	98%
Intra-Group Revenues	**(2.8)**	(2.4)	–	–
Group	**88.2**	76.1	16%	12%

Adjusted Operating Profit	Year to 31 July 2016 £m	Year to 31 July 2015 £m	Operating Profit Growth %	Operating Margin 2016	Operating Margin 2015
UK	**7.2**	5.6	28%	**29%**	24%
USA	**6.0**	4.6	29%	**19%**	18%
Germany	**0.7**	0.9	(21%)	**8%**	10%
Nordic	**0.9**	1.0	(6%)	**12%**	13%
Middle East	**2.4**	1.5	60%	**17%**	14%
France	**0.1**	0.1	(8%)	**8%**	13%
Asia Pacific	**(0.6)**	(0.4)	48%	**–**	–
Unallocated Costs	**(5.8)**	(4.7)	22%	**–**	–
Group	**10.9**	8.6	27%	**12%**	11%

USA, our largest unit in revenue terms, grew revenue by 20% in reported terms and 12% in constant currency terms, increasing its operating profit by 29% and its operating margin to 19%. This positive performance reflected the continuing high growth in US Data Products and Services whose revenue grew by 46% in £ terms (37% in local currency) and now represents 35% of the total. The launch of Profiles has added to the existing strength of BrandIndex in the US market and has led to a number of combined sales while Omnibus has also expanded its US client base. Awareness of YouGov's brand name has also benefitted from the more prominent media exposure received for our US political polling as well as continued coverage of BrandIndex data in the business media. A new office was opened in San Francisco and two more are planned during the coming year (Chicago and Washington D.C.) to help us to exploit the potential for YouGov to expand our business further in the US market.

UK grew revenue by 9% in total with Data Products and Services growing by 11% and representing 50% of the total. Within this BrandIndex grew by 25% while Profiles doubled its revenue in its first full financial year, securing renewals from all its initial subscribers and gaining further traction among new clients. Omnibus grew revenue by 6%. This good growth was partly offset by a reduction of 24% in Reports revenue as the product portfolio is being redesigned and repositioned. Custom Research grew revenue by 7%. The adjusted operating profit margin increased from 24% to 29%.

Our Middle East operations performed well, delivering revenue growth of 30% in reported terms (22% in local currency) and a 60% increase in operating profit. This reflected expansion in the Custom Research business (which represents 88% of the total) across the region especially of work from existing clients which utilised existing resources as well as some uplift (54% growth) in BrandIndex (with new subscriptions in Egypt) and Omnibus services.

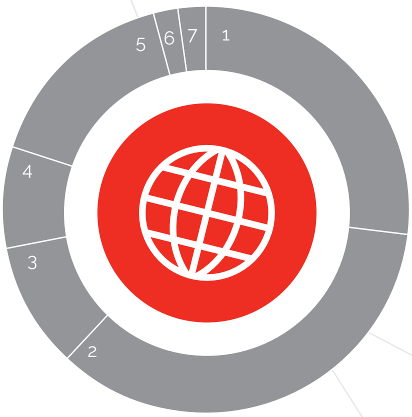
Germany returned to revenue growth this year and while this was only 2%, the business mix continued to shift as planned towards Data Products and Services which grew by 36% while Custom revenue declined by 5%. Data Products and Services now make up 34% of total revenue. BrandIndex grew by 71% with 36 new subscribers and the newly launched Profiles achieved sales of £0.2m although only minimal revenue was earned in this year. Omnibus also grew well with a 15% increase. YouGov's public profile in Germany continued to become more prominent benefitting from an active media partnership with Handelsblatt, the leading business newspaper, and a YouGov-Cambridge conference on the EU Referendum in Berlin whose speakers included leading German politicians. The operating profit fell by £0.2m to £0.7m largely due to the fall in custom revenue and some investment in Data Products. A rationalisation of the Custom and Operations teams was undertaken at the end of the year resulting in a reduction of 16 posts and a redeployment of resources to support further growth in Data Products and Services in the coming year.

A similar re-orientation towards Data Products is under way in the Nordic business which with Germany is now under a single Northern Europe management team. Data Products and Services grew there by 58% and Omnibus by 30% while Custom Research fell by 20%. The regional operating profit fell slightly to £0.9m reflecting revenue. Actions taken to restructure the Custom and Operations areas towards the end of the year, including redundancies whose costs are included in exceptional items, are expected to have a positive impact in the coming year.

Our French business further expanded its client base and delivered a 46% revenue increase, in line with plans with Omnibus growing by 49% and BrandIndex by 37% with 10 new subscribers. The operating profit remained static reflecting an increase of 110% in the staff numbers to support this growth.

The Asia Pacific unit doubled its revenue to £2.8m both through growth in its existing operations (China, Hong Kong, Indonesia and Singapore) and expansion to Australia and Thailand. This growth was driven by BrandIndex and Omnibus which together make up 86% of the total. The regional launch of Profiles (beginning with China) is also underway with the development of an Asia Pac Cube which will be expanded as the panel size continues to grow. The YouGov team across the region has now expanded by 45% to 48 staff. As a result of these investments, the operating loss increased slightly to £0.6m.

Revenue by region (%)



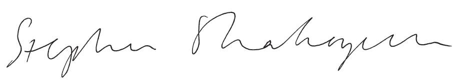
Key

1. UK 27%
2. USA 35%
3. Germany 10%
4. Nordic 8%
5. Middle East 16%
6. France 2%
7. Asia Pacific 2%

Panel development

As at 31 July 2016, the Group's online panel comprised a total of 4.8m panellists, an increase of 30% from the total of 3.7m as at 31 July 2015. There was substantial investment in panellist recruitment during the year both to support development of the newer regional panels such as in France and in particular Asia Pacific and to extend the coverage of more mature panels. All the panels grew as a result and the panel sizes by region were:

Region	Panel Size at 31 July 2016	Panel Size at 31 July 2015
UK	**882,700**	752,300
USA	**1,972,000**	1,596,500
Middle East	**728,500**	481,000
Germany	**235,500**	199,200
Nordic	**221,800**	179,600
France	**163,500**	132,900
Asia Pacific	**561,500**	312,800
Total	**4,765,500**	3,654,300



Stephan Shakespeare
Chief Executive Officer

10 October 2016

Chief Financial Officer's report

for the year ended 31 July 2016

Alan Newman
Chief Financial Officer

"Group revenue for the year to 31 July 2016 of £88.2m was 16% higher than the prior year."

Key performance indicators

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

Income statement review

Group revenue for the year to 31 July 2016 of £88.2m was 16% higher than the prior year.

The Group's gross profit (calculated after deducting costs of panel incentives and external data collection) increased by £10.1m to £68.7m. The Group's adjusted operating profit margin increased by 1% to 12%, due to improved gross margins from 77% to 78% reflecting a higher proportion of work undertaken on the Group's own panels. Our business continues to be highly cash generative with the profit conversion rate increasing to 130% from 120%.

Operating expenses (excluding amortisation and exceptional items) of £57.8m increased by £7.7m. The growth rate of 15% was slightly lower than revenue so that the operating expense ratio reduced by 0.3% point to 65.5% of revenue.

The average number of staff (full-time equivalents) employed during the year increased by 70 to 692 from 622. Average revenue per head increased to £128,000 from £122,000 and staff costs as a percentage of revenue increased by 3% points to 50%.

Adjusted group operating profit increased by 27% to £10.9m compared to £8.6m in the previous year. There was a net finance income of £1.2m compared to a cost of £0.2m last year, primarily due to foreign exchange translation gains. This resulted in an adjusted profit before taxation of £13.3m, an increase of 46% over the prior year. Adjusted earnings per share for the year rose by 1.8p (26%) to 8.8p.

The statutory operating profit (which is after charging amortisation of £5.5m and exceptional items of £1.1m) increased by £1.5m to £4.3m. This was slightly less than the increase in adjusted group operating profit due to higher amortisation charges. Statutory profit before taxation increased by £2.8m to £5.5m reflecting the increase in operating profit and a net foreign exchange translation gain of £1.2m compared to a loss of £0.2m in the prior year.

Analysis of operating profit and earnings per share:

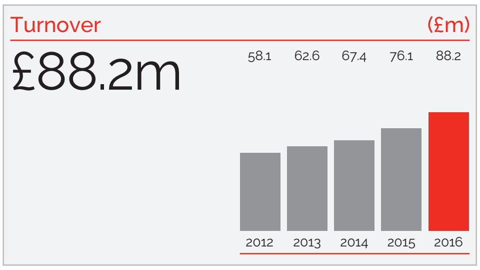
	31 July 2016 £'000	31 July 2015 £'000
Adjusted operating profit[1]	**10,917**	8,570
Share-based payments	**1,111**	669
Imputed interest	**27**	32
Net finance income/(cost)	**1,199**	(220)
Share of post-tax loss in associates	**(4)**	42
Adjusted profit before tax[1]	**13,250**	9,093
Adjusted taxation[1,2]	**(4,099)**	(2,016)
Adjusted profit after tax[1]	**9,151**	7,077
Adjusted earnings per share (pence)[1]	**8.8**	7.0

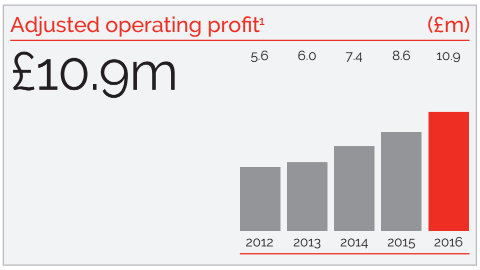
Amortisation of intangible assets and impairment

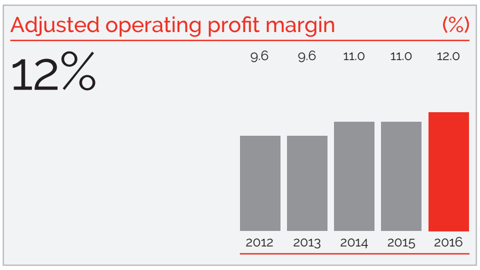
Amortisation charges for intangible assets of £5.5m were £0.8m higher than the previous year. Amortisation of the consumer panel increased by £0.5m to £1.6m reflecting the additional investment made to grow the panel in the past two years. Amortisation of software increased by £0.5m to £3.2m, £2.5m (2015: £1.8m) of the total charge related to assets created through the Group's own internal development activities, £0.6m (2015: £0.7m) to separately acquired assets and £0.1m (2015: £0.2m) to amortisation on assets acquired through business combinations.

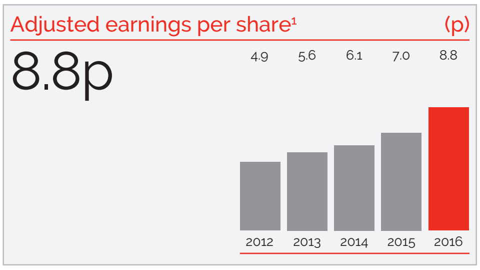
Exceptional items

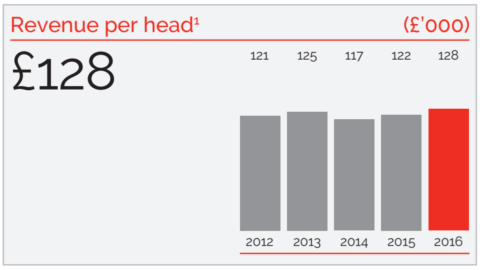
Exceptional costs of £1.1m (2015: £1.1m) were incurred in the year. £0.7m of this related to costs incurred in restructuring the German business, with a further £0.2m of restructuring costs arising in the Nordics, and £0.2m in other units. In addition, £0.1m of exceptional costs were incurred in relation to the territorial expansion in Asia Pacific. There was an exceptional credit of £0.1m in relation to the acquisition of Decision Fuel (Asia Pacific) as a result of the writing back of the contingent consideration and other related accruals.

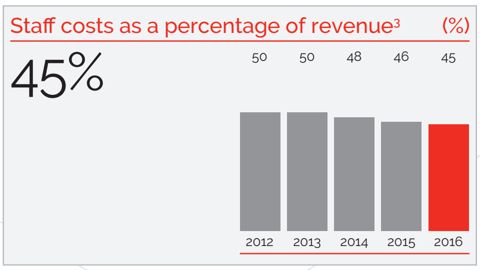












1. Defined in the explanation of non-IFRS measures on page 37.
2. The year ended 31 July 2015 excluded a one-off credit of £1.2m relating to the recognition of a deferred tax asset arising from available tax losses in Germany.
3. Staff costs are defined for this purpose as excluding the deemed remuneration element of acquisition consideration charged.

Chief Financial Officer's report

for the year ended 31 July 2016 continued

Cash flow

The Group generated £14.1m (2015: £10.3m) in cash from operations (before paying interest and tax) including a £2.3m (2015: £1.2m) net working capital inflow. The cash conversion rate (percentage of adjusted operating profit converted to cash) increases by 10% points to 130% of adjusted operating profit.

Expenditure on investing activities reduced to £6.0m (2015: £6.2m) of which £6.1m (2015: £5.8m) was on capital expenditure, £1.0m (2015: £1.1m) on purchasing tangible assets and £5.1m (2015: £4.6m) of investment in intangible assets and £nil (2015: £0.5m) related to acquisitions, including the payment of deferred consideration. Expenditure on intangible assets included £2.0m (2015: £1.5m) on panel recruitment and £3.0m (2015: £3.1m) on software development, £2.6m (2015: £2.3m) of which related to internally generated assets.

Expenditure on financing activities increased by £0.4m to £1.2m including the dividend payment of £1.0m (2015: £0.8m) and £0.2m (2015: £nil) acquiring additional non-controlling interests in subsidiaries and associates.

There was a net cash inflow of £4.5m (2015: £2.6m) which combined with an exchange gain of £1.0m (2015: £0.2m) resulted in year-end net cash balances increasing by £5.5m to £15.6m.

Currency

As well as achieving robust growth in constant currency terms, the Group's results benefitted from the year-on-year depreciation of the £, especially against the US$ and its related currencies, which accelerated after the UK's EU Referendum. This added a further 4% to the Group's overall revenue growth. The appreciation of the US Dollar led to approximately 8% higher reported revenue growth in the US, Middle East and Asia Pacific while the Euro appreciation meant that reported revenue in Germany, France and the Nordics was 1% higher than if calculated in local currency terms. Although the foreign exchange effect on costs largely matched that on revenue, the translation gains realised on profits generated in the US and the Middle East added a further £0.5m and 6% points to the 21% increase in Group adjusted operating profit calculated in constant currency terms.

Taxation

The Group had a tax charge of £2.1m (2015: £0.6m credit, after recognising £1.2m of tax losses in Germany). On a reported basis, the current tax charge was £2.3m (2015: £0.7m) with a deferred tax credit of £0.2m (2015: £1.3m). On an adjusted basis, the tax charge was £4.1m (2015: £2.0m), which represents a tax rate of 31% on the adjusted profit before tax which was 9% points higher than last year reflecting the profit growth in the US.

Balance sheet

Total Shareholders' funds increased to £74.1m from £61.6m at the prior year-end and total net assets increased to £74.1m compared to £61.6m at 31 July 2015. Net current assets increased to £17.5m from £10.3m. Current assets increased by £12.0m to £45.3m, with debtor days increasing to 59 days from 56 days. Current liabilities increased by £4.8m to £27.8m, with creditor days decreasing to 28 days from 38 days at 31 July 2015. Current liabilities includes £7.2m of deferred revenue in respect of subscriptions (an increase of £1.8m from 31 July 2015), which contributed to the increase in net cash balances in the year. Non-current liabilities increased by £3.3m to £5.8m partly due to the reassessment of the likely timing of the redemption of panel incentives.

Proposed dividend

The Board is recommending the payment of a final dividend of 1.4p per share for the year ended 31 July 2016. If Shareholders approve this dividend at the AGM (scheduled for Wednesday 7 December 2016), it will be paid on Monday 12 December 2016 to all Shareholders who were on the Register of Members at close of business on Friday 2 December 2016.

Alan Newman
Chief Financial Officer

10 October 2016

Explanation of Non-IFRS measures

Financial Measure	How we define it	Why we use it
Adjusted operating profit	Operating profit excluding amortisation of intangible assets charged to operating expenses and exceptional items	Provides a more comparable basis to assess the year-to-year operational business performance
Adjusted operating profit margin	Adjusted operating profit expressed as a percentage of revenue	
Adjusted profit before tax	Profit before tax before amortisation of intangible assets charged to operating profit, share-based payment charges, imputed interest and exceptional costs	
Adjusted taxation	Taxation due on the adjusted profit before tax, thus excluding the tax effect of amortisation and exceptional items	Provides a more comparable basis to assess the underlying tax rate
Adjusted tax rate	Adjusted taxation expressed as a percentage of adjusted profit before tax	
Adjusted profit after tax	Adjusted profit before tax less adjusted taxation	Facilitates performance evaluation, individually and relative to other companies
Adjusted profit after tax attributable to owners of the parent	Adjusted profit after tax less profit attributable to non-controlling interests	
Adjusted earnings per share	Adjusted profit after tax attributable to owners of the parent divided by the weighted average number of shares. Adjusted diluted earnings per share includes the impact of share options	
Constant currency revenue change	Current year revenue change compared to prior year revenue in local currency translated at the current year average exchange rates	Shows the underlying revenue change by eliminating the impact of foreign exchange rate movements
Cash conversion	The ratio of cash generated from operations to adjusted operating profit	Indicates the extent to which the business generates cash from adjusted operating profits

Principal risks

Our approach to risk management

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

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

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

* The financial risks facing the Group are discussed in more detail in Note 20 on page 94.

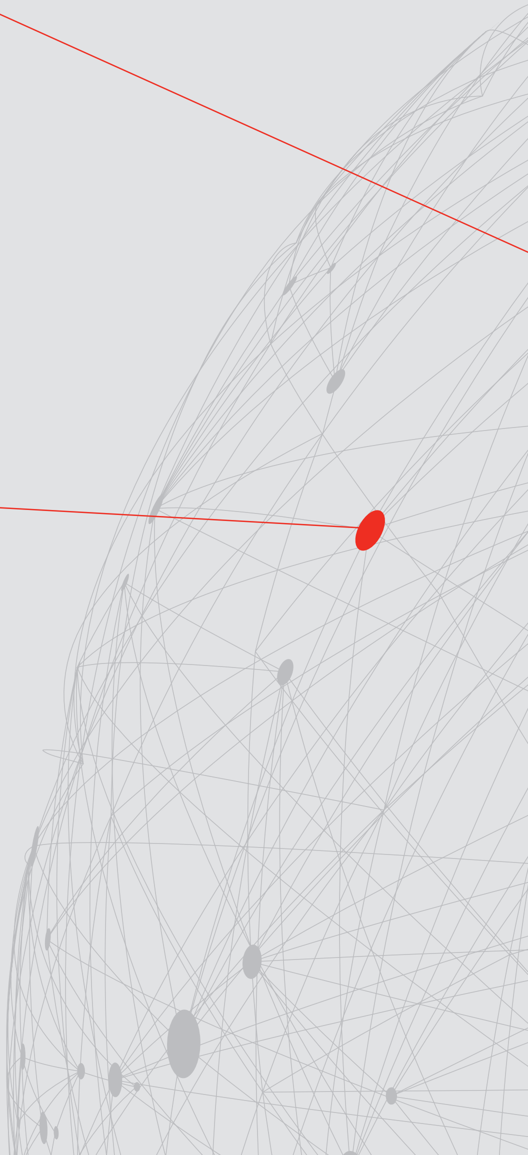
The Strategic Report is approved by the Board and signed on its behalf by:

Stephan Shakespeare
Chief Executive Officer

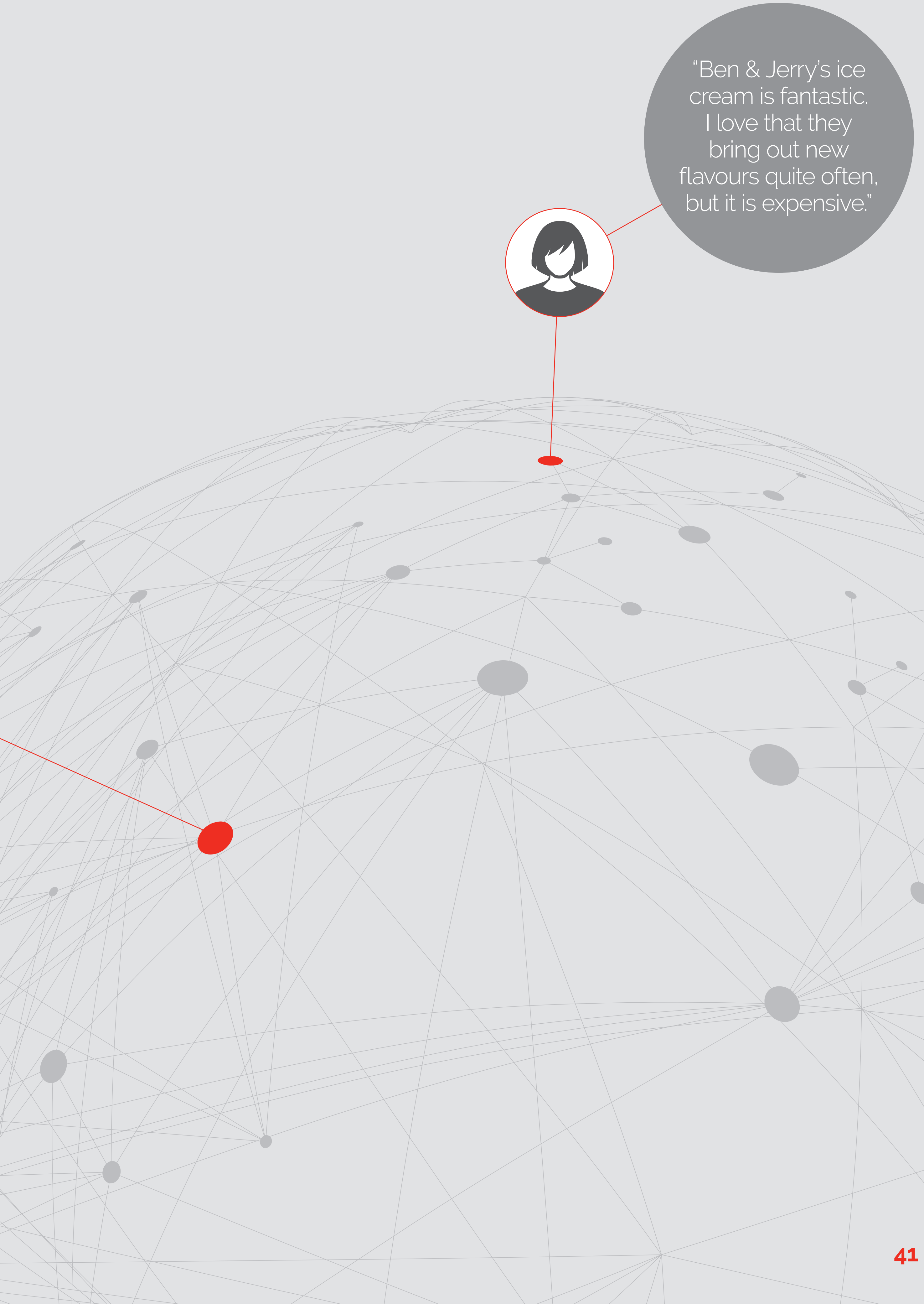
10 October 2016

Section content

Governance



"Coffee shops should start using recyclable cups."


"Ben & Jerry's ice cream is fantastic. I love that they bring out new flavours quite often, but it is expensive."

Board of Directors

Roger Parry CBE
Non-Executive Chairman

Experience

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

Stephan Shakespeare
Chief Executive Officer

Experience

Stephan founded YouGov in 2000 (with Nadhim Zahawi). One of the pioneers of internet research, Stephan has been the driving force behind YouGov's innovation-led strategy. He was Chair of the Data Strategy Board for the Department for Business, Innovation and Skills 2012–2013 and led the Shakespeare Review of Public Sector Information. He sits on the Advisory Board of the Oxford-Man Institute of Quantitative Finance. During the year, he was appointed as commissioner for the Social Metrics Commission, an independent charity dedicated to helping UK policy makers and the public understand and take action to tackle poverty. Stephan has an MA in English Language and Literature from Oxford University.

Alan Newman
Chief Financial Officer

Experience

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

Doug Rivers
Chief Scientist

Experience

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

Nick Jones
Non-Executive Director
S A R

Experience

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

Rosemary Leith
Non-Executive Director
A R

Experience

Rosemary is a Fellow at the Berkman Center for Internet & Society at Harvard University and a Founding Director of the World Wide Web Foundation. Rosemary works as an advisor and investor in a number of technology businesses and academic institutions in Europe and North America. She has been the Chair of the World Economic Forum Global Agenda Council on Future of Internet Security, is a Trustee of the National Gallery (London) and is a member of the Advisory Boards of Infinite Analytics (Boston and Mumbai), Glasswing Ventures (Boston), Queen's University School of Business, Canada, Wolfson College, Oxford and University of the Arts London. Rosemary holds a Bachelor of Commerce (Hons) in Finance and Accounting from Queen's University, Canada.

Ben Elliot
Non-Executive Director

Experience

Ben Elliot is the Co-Founder of Quintessentially, the world's leading source of intelligence, access to and curated lifestyle services for the global premium audience. Ben is the Chairman of the Quintessentially Foundation which has raised over £8m for charity since 2008. He is also a Partner in Hawthorn, a successful corporate communications business. He regularly contributes to *The Financial Times*, *The New York Times*, *Tatler* magazine and other publications. In 2010, Ben executively produced the BAFTA nominated feature documentary *Fire in Babylon*, which won the Best Historical Documentary at The Grierson Awards, 2011. He also acts as a Trustee for The Eranda Rothschild Foundation as well as being on the Development Boards of the Royal Albert Hall and Victoria & Albert Museum.

Key

- Chair of Committee
- S Senior Independent Director
- A Audit Committee member
- R Remuneration Committee member

Corporate Governance Report

for the year ended 31 July 2016

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

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

The Board

At 31 July 2016, the Board consisted of three Executive Directors and four Non-Executive Directors, including a Non-Executive Chairman. The names of the Directors and their respective responsibilities are shown on pages 42 and 43. There were no changes to the Board composition during the year.

The Board operates both formally, through Board and Committee meetings, and informally, through regular contact amongst Directors. High-level decisions on such matters as strategy, financial performance and reporting, dividends, risk management, major capital expenditure, acquisitions and disposals are reserved for the Board or Board Committees.

The Board receives regular information from management on the Group's performance and appropriate information relating to the agenda for formal Board and Committee meetings is sent to members in advance of those meetings. All Directors are required to submit themselves for re-election at the first Annual General Meeting following their appointment and subsequently on a rotational basis, which ensures that each Director is submitted for re-election approximately every three years. Proposals to re-elect Directors are set out in the Notice of Annual General Meeting on page 124.

Board evaluation

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

Shareholder communications

The Executive Directors meet regularly with institutional Shareholders to discuss the Group's performance and future prospects. At these meetings the views of institutional Shareholders are canvassed and subsequently reported back to the Board. The Annual General Meeting is available as a forum for communication with private Shareholders. The Investor Relations section of the company website is regularly updated and amended with the aim of providing information to all Shareholders.

Board Committees

Board and Committee attendance

The following table sets out the attendance of Directors at Board and Committee meetings during 2015/16.

Director	Board Meetings Maximum 8	Remuneration Committee Meetings Maximum 4	Audit Committee Meetings Maximum 3
Stephan Shakespeare	7	2 (in attendance)	–
Alan Newman	8	4 (in attendance)	3 (in attendance)
Doug Rivers	8	–	–
Roger Parry	8	–	–
Nick Jones	8	4	3
Ben Elliot	8	–	–
Rosemary Leith	8	4	3

Remuneration Committee

The Remuneration Committee operates under Terms of Reference agreed by the whole Board. Its members are Rosemary Leith (Chair) and Nick Jones. The Remuneration Policy developed by the Committee and details of each Director's remuneration are presented in the Directors' Remuneration Report on pages 48 to 52.

Nomination Committee

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

Audit Committee

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

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

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

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

Key controls and procedures

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

The annual budget and forecasts are reviewed by the Board prior to approval being given. This includes the identification and assessment of the business risks inherent in the Group and the media sector as a whole, along with associated financial risks. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives in addition to providing reasonable and not absolute assurance against material misstatement or loss. These include controls in relation to the financial reporting process and the preparation of consolidated accounts. These procedures have been in place during the financial year up to the date of approval of the Annual Report. This process is regularly reviewed by the Board and is in accordance with Financial Reporting Council guidance. The key procedures include:

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

Corporate Governance Report

for the year ended 31 July 2016 continued

Auditor independence

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

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

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

Advisors

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

Corporate Social Responsibility

The Board is committed to delivering high standards of corporate governance and a key element of this is managing the Group in a socially responsible way. We are mindful of the Group's impact on our all our stakeholders including employees, panellists, clients, suppliers, Shareholders, local communities, wider society and the environment. We have in place a number of company policies covering the corporate social responsibility spectrum, with the principle areas noted below.

Community

YouGov recognises the importance of respecting and supporting the communities in which it operates, and of making a positive contribution to society through its work.

Employee involvement

YouGov's employee involvement policy and activities are outlined in the Directors' Report on page 53.

Health and safety

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

Diversity in the workplace

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

Ethical behaviour

YouGov expects its employees to exercise high professional, ethical and moral standards at all times whilst representing the Group. The Group maintains an awareness of human rights issues and observance of pertinent law and this is reflected in our suite of company policies including our Anti-Slavery Statement, Anti-Bribery Policy and Whistleblowing Procedure.

Supplier payments

YouGov 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.

Data privacy and protection

YouGov is committed to upholding data privacy and takes seriously its duties under national data protection laws. YouGov expects its employees to exercise high rigour when it comes to safeguarding the personal data of all stakeholders including panellists, suppliers, customers and our employees. The Group has established Data Protection and IT Security Policies.

The environment

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

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

Remuneration Report

for the year ended 31 July 2016

The Remuneration Committee sets the strategy, structure and levels of remuneration for the Executive Directors and also reviews the remuneration of senior management. It does so in the context of aligning the financial interests of the Executive Directors, management and employees with the achievement of the Group's stated strategic objectives (which are outlined on page 07).

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

Directors' Remuneration Policy

Policy on remuneration of Executive Directors

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

The main components of the Executive Directors' remuneration are:

1. Basic salary

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

2. Bonus scheme

The Remuneration Committee sets bonus targets linked to the Group's stated strategy and tailored to each Director's individual role. These include financial and non-financial objectives. It assesses their overall performance against those indicators and generally in determining the level of bonus payable.

The Remuneration Committee adopted a new annual bonus scheme for the Executive Directors for 2015/16, to replace the previous three-year bonus plan which came to a close in 2014/15. The new bonus scheme is focussed on the achievement of the Group's short-term objectives and is designed to complement the LTIP 2014 which is focussed on the achievement of the Group's long-term objectives. The cash award values for 2015/16 are stated in the Remuneration Report on page 51.

3. Shares

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

Long Term Incentive Plan 2014 ("LTIP 2014")

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

Under the rules of this plan, participants are to be conditionally awarded nil cost options to acquire shares (or conditional stock awards, if US residents). The awards are to be granted in three equal tranches over 2015/16 to 2017/18. Receipt of an award in each of these years is dependent upon the achievement of specific and demanding personal targets set for that individual in the previous financial year.

The award vesting conditions include earnings per share growth targets and an operating profit margin target (detailed below) and the Remuneration Committee's assessment of the Group's underlying financial performance over the plan period.

Vesting of awards is dependent on the Group achieving the targets for compound earnings per share growth in the plan period as set out in the table below:

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

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

Vesting of awards is also dependent on the Group's average operating margin being at least 12% over the five-year period. (Average operating margin is the average of the adjusted operating profit, as defined in the accounts, divided by the revenue with each year's margin percentage being calculated first.) If this underpin condition is not achieved, the shares awarded will not vest. If it is met, then the five-year earnings per share growth performance will be assessed against the targets set out in the table above.

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

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

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

2,460,676 share options were granted under this plan in the year ended 31 July 2016. These included conditional awards to the Executive Directors of the Company, including the CEO's enhanced award, as set out in the below Annual Report on Remuneration.

Deferred Share Bonus Plan 2014 ("DSBP")

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

274,135 share options were granted under this plan in the year ended 31 July 2016.

Long Term Incentive Plan 2009 ("LTIP 2009")

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

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

The conditions applying to the awards made in 2013/2014 were as follows: the options will vest in full if adjusted earnings per share growth exceeds the Retail Price Index ("RPI") by 7% or more; 50% of the options will vest if adjusted earnings per share growth exceeds RPI by 5%. In addition, vesting is subject to Total Shareholder Return exceeding the average growth of the AIM Media Index over the three years ending on the date that the relevant year's results are announced.

No share options were granted under this plan in the year ended 31 July 2016.

Remuneration Report

for the year ended 31 July 2016 continued

Deferred Stock Scheme ("DSS 2010")

This scheme was established in December 2010 with the aim of encouraging the retention of select senior managers including the Executive Directors. To receive their awards, participants are required remain employed for a fixed period determined by the Remuneration Committee at the date of grant.

As at 31 July 2016, there were no conditional awards outstanding under this Scheme.

External appointments

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

Policy on remuneration of Non-Executive Directors

The remuneration of the Non-Executive Directors is set by the Board as a whole. The Board of Directors believes that ownership of the Company's shares by Non-Executive Directors helps to align their interests with those of the Company's Shareholders. Accordingly, the Company's policy is that a proportion of the Non-Executive's fee will be paid in the form of Ordinary Shares in lieu of cash, save if the Non-Executive Director has an existing substantial shareholding. During the year, £20,000 of the Chairman's fee and £5,000 of the other Non-Executives' fees, were paid in shares; this amounted to 25,549 shares in total (2015: 28,225 shares) as detailed in the following table:

Name	Shares issued
Roger Parry	14,599
Nick Jones	3,650
Ben Elliot	3,650
Rosemary Leith	3,650

Annual Report on Remuneration

A resolution will be put to the Shareholders at the Annual General Meeting to be held on 7 December 2016, inviting them to consider and approve this report. The remuneration report is unaudited, except where stated. This is not a remuneration report as defined by Company Law.

Directors' service contracts

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

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

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

Save as set out above, there are no existing or proposed service contracts between any of the Directors serving at 31 July 2016 and the Company or any member of the Company.

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

The total aggregate remuneration (including benefits-in-kind and pension contributions) paid to the Directors by all members of the Group for the year ended 31 July 2016 amounted to £1,597,000 (2015: £1,557,000).

Directors' remuneration (audited)

Directors' remuneration in aggregate for the year ended 31 July 2016 was as follows:

Name	Salary £	Annual Bonus £	Pension Contribution £	Benefits-in-kind £	**Total 31 July 2016 £**	Total 31 July 2015 £
Executive Directors						
Stephan Shakespeare	241,179	241,970	5,511	2,219	**490,879**	483,179
Alan Newman	200,194	200,850	3,978	–	**405,022**	399,177
Doug Rivers	246,989	246,989	7,409	–	**501,387**	460,894
Non-Executive Directors						
Roger Parry	100,000	–	–	–	**100,000**	100,000
Nick Jones	35,000	–	–	–	**35,000**	35,000
Ben Elliot	30,000	–	–	–	**30,000**	30,000
Rosemary Leith	35,000	–	–	–	**35,000**	20,000
Totals	888,362	689,809	16,898	2,219	**1,597,288**	1,528,250

The benefit-in-kind received consists of private health insurance.

In the year ended 31 July 2015, the remuneration paid to Stephan Shakespeare, Alan Newman and Doug Rivers included bonus payments of £237,225, £196,912 and £227,136 respectively.

Remuneration Report

for the year ended 31 July 2016 continued

Directors' share options (audited)

The following unexercised nil cost options over shares were held by Directors under the LTIP 2009 and LTIP 2014:

Date of grant	Earliest exercise date	Expiry date	Number at 31 July 2015	Awarded in year	Exercised in year	**Number at 31 July 2016**
Stephan Shakespeare						
29 July 2010	15 October 2012	28 July 2020	388,060	–	(388,060)	**–**
21 July 2011	14 October 2013	20 July 2021	426,563	–	(426,563)	**–**
30 July 2012	13 October 2014	29 July 2022	373,579	–	(373,579)	**–**
7 April 2014	17 October 2016	6 April 2024	262,185	–	–	**262,185**
9 December 2015[1]	14 October 2019	8 December 2025	-	544,976	–	**544,976**
9 December 2015	14 October 2019	8 December 2025	-	575,253	–	**575,253**
			1,450,387	1,120,229	(1,188,202)	**1,382,414**
Alan Newman						
7 April 2014	17 October 2016	6 April 2024	203,218	–	-	**203,218**
9 December 2015	14 October 2019	8 December 2025	-	295,664	–	**295,664**
			203,218	295,664	–	**498,882**
Doug Rivers						
7 April 2014	17 October 2016	6 April 2024	237,875	–	–	**237,875**
9 December 2015	14 October 2019	8 December 2025	-	332,491	–	**332,491**
			237,875	332,491	–	**570,366**

1. LTIP 2014 CEO's enhanced award, as described on page 49.

During the year ended 31 July 2016, Stephan Shakespeare exercised 1,188,202 nil cost options (2015: nil) which vested under the LTIP 2009 when the market price was 1.16p.

Deferred Stock Scheme 2010 (audited)

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

Name	Number at 31 July 2015	Vested in year	**Number at 31 July 2016**
Stephan Shakespeare	162,500	162,500	**–**

During the year ended 31 July 2016, 162,500 shares (2015: nil) under the DSS 2010 were released to Stephan Shakespeare when the market price was 1.155p.

Statement of Directors' Shareholding and Share Interests

	Stephan Shakespeare	Alan Newman	Doug Rivers
Share options with performance conditions	1,382,414	498,882	570,366
Share awards without performance conditions	–	–	–
Scheme interests in shares	**1,382,414**	**498,882**	**570,366**
Vested but unexercised share options	–	–	–
Shares beneficially owned	7,438,609	453,832	1,488,135
Total interest in shares	**8,821,023**	**952,714**	**2,058,501**

Directors' Report

for the year ended 31 July 2016

The Directors present their report and the audited consolidated financial statements for the year ended 31 July 2016.

Operating results

The financial and operational performance of the Group is discussed on page 01.

Financial summary

The financial summary is discussed on pages 34 to 36 of the Chief Financial Officer's report.

Key performance indicators

Performance measured against key performance indicators is discussed on page 34.

Principal risks and uncertainties

The principal risks and uncertainties are discussed on pages 38 and 39.

Financial risks

The financial risks facing the Group are discussed in more detail in Note 20 on pages 94 to 96.

Dividends

A final dividend of 1p per share in respect of the year ended 31 July 2015 was paid on 14 December 2015, amounting to a total payment of £1,042,485. A dividend of 1.4p per share in respect of the year ended 31 July 2016, amounting to a total payment of £1,460,000, will be proposed at the Annual General Meeting on 7 December 2016.

Prospects

The Board's assessment of the Company's position and prospects are set out in the Chairman's statement on pages 04 and 05, the Chief Executive Officer's review on pages 26 to 33 and the Chief Financial Officer's report on pages 34 to 36.

Future developments

Future developments are discussed in more detail in the Chief Executive's review on pages 26 to 33.

Events after the reporting date

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

Directors

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

Stephan Shakespeare (Executive)

Alan Newman (Executive)

Doug Rivers (Executive)

Roger Parry (Non-Executive Chairman)

Nick Jones (Non-Executive)

Ben Elliot (Non-Executive)

Rosemary Leith (Non-Executive)

Treasury shares

The total number of shares in treasury at 31 July 2016 was nil (2015: nil).

Directors' Report

for the year ended 31 July 2016 continued

Directors' interests in shares

The interests of the Directors in the shares of the Company 31 July 2016 and 31 July 2015 were as follows:

Name	**31 July 2016 Number of Shares**	31 July 2015 Number of Shares
Stephan Shakespeare[1]	**7,438,609**	6,837,907
Alan Newman	**453,832**	453,832
Doug Rivers	**1,488,135**	1,988,135
Roger Parry	**82,728**	68,129
Nick Jones	**18,831**	15,181
Ben Elliot	**18,831**	15,181
Rosemary Leith	**7,682**	4,032

1. Includes 559,404 Ordinary Shares held by Stephan Shakespeare's wife, Rosamund Shakespeare.

There have been no changes to Directors' interests in shares since the year end. The Directors' interests in share options are detailed in the Remuneration Report on page 52.

Substantial Shareholders

At 31 July 2016 the following had notified the Company of disclosable interests in 3% or more of the nominal value of the Company's shares:

Name	Shareholding	
BlackRock	12,822,898	12.30%
Kabouter Management	10,412,235	9.98%
T Rowe Price Global Investments	10,137,926	9.72%
Standard Life Investments	9,958,596	9.55%
Balshore Investments	8,029,100	7.70%
Stephan Shakespeare[2]	7,438,609	7.13%
Baillie Gifford	6,084,958	5.83%
JO Hambro Capital Management	4,570,000	4.38%
Charles Stanley Stockbrokers	4,541,204	4.35%
Investec Wealth & Investment	3,535,322	3.39%

2. Includes 559,404 Ordinary Shares held by Stephan Shakespeare's wife, Rosamund Shakespeare.

Research and development

The Group's research and development activities centre on the development of bespoke software solutions to support and advance our online capabilities. No research and development was charged to the consolidated income statement in either 2016 or 2015. In 2016, £2.5m (2015: £2.3m) was capitalised and included within intangible fixed assets. Capitalised development is amortised to the income statement over a period of three years, the amortisation charge in respect of capitalised development was £2.3m (2015: £1.9m).

Charitable and political contributions

Donations to charitable organisations amounted to £76,000 (2015: £80,000). This included an annual subscription of £64,000 (2015: £70,000) in respect of the "YouGov-Cambridge" programme, an academic partnership established with Cambridge University's Department of Politics and International Studies. The Company does not make political donations.

Employee involvement and communication

The Group has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the Group. Information about the Group's affairs is communicated to employees through regular management meetings, newsletters, intranet and social events. It is the policy of the Group that training, career development, promotion and global internal transfer opportunities should be available to all employees. Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the Group may continue. Employees are encouraged to own shares in the Company, and many employees are Shareholders and/or hold options under the Group's share option schemes.

Insurance of company officers

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

Going concern

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

Independent auditors

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

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

Annual General Meeting

The Annual General Meeting of the Company will be held on Wednesday 7 December 2016 at our offices at 50 Featherstone Street, London EC1Y 8RT.

Tilly Heald
Company Secretary
On behalf of the Board

10 October 2016

Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

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

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

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Alan Newman
Chief Financial Officer
On behalf of the Board

10 October 2016

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

Our opinion

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

- give a true and fair view of the state of the Group's affairs as at 31 July 2016 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

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

- the Consolidated Statement of Financial Position as at 31 July 2016;
- the Consolidated Income Statement and the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended; and
- the Notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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

Opinion on other matter prescribed by the Companies Act 2006

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

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

Other matters on which we are required to report by exception

Adequacy of information and explanations received

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

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 56, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

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

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

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

Other matter

We have reported separately on the parent company financial statements of YouGov plc for the year ended 31 July 2016.

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

10 October 2016

"Never was a great Bond fan previously but Daniel Craig has breathed new life into the franchise."

Financial statements

Section content

"I really enjoyed the Olympics themselves. However I didn't find the opening and closing ceremonies very interesting."

"I would be interested in learning coding."

Consolidated Income Statement for the year ended 31 July 2016

	Note	2016 £'000	2015 £'000
Revenue	1	**88,202**	76,110
Cost of sales		**(19,476)**	(17,472)
Gross profit		**68,726**	58,638
Operating expenses		**(64,395)**	(55,773)
Operating profit	1	**4,331**	2,865
Amortisation of intangibles	2	**5,478**	4,633
Exceptional items	4	**1,108**	1,072
Adjusted operating profit	1	**10,917**	8,570
Finance income	5	**2,144**	422
Finance costs	5	**(945)**	(643)
Share of post-tax (loss)/profit of associates		**(4)**	42
Profit before taxation	1	**5,526**	2,686
Taxation	6	**(2,111)**	580
Profit after taxation	1	**3,415**	3,266
Attributable to:			
– Owners of the parent		**3,401**	3,240
– Non-controlling interests		**14**	26
		3,415	3,266
Earnings per share			
Basic earnings per share attributable to owners of the parent	8	**3.3p**	3.2p
Diluted earnings per share attributable to owners of the parent	8	**3.2p**	3.1p

All operations are continuing.

The notes and accounting policies on pages 67 to 101 form an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income for the year ended 31 July 2016

	2016 £'000	2015 £'000
Profit for the year	**3,415**	3,266
Other comprehensive income/(expense)		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	**8,271**	(262)
Other comprehensive income/(expense) for the year	**8,271**	(262)
Total comprehensive income for the year	**11,686**	3,004
Attributable to:		
– Owners of the parent	**11,667**	2,982
– Non-controlling interests	**19**	22
Total comprehensive income for the year	**11,686**	3,004

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

The notes and accounting policies on pages 67 to 101 form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position as at 31 July 2016

Assets	Note	2016 £'000	2015 £'000
Non-current assets			
Goodwill	10	**42,401**	35,793
Other intangible assets	11	**10,739**	10,352
Property, plant and equipment	12	**3,568**	2,973
Investments in associates	13	**242**	204
Deferred tax assets	19	**5,416**	4,404
Total non-current assets		**62,366**	53,726
Current assets			
Trade and other receivables	14	**28,643**	22,507
Current tax assets		**1,143**	805
Cash and cash equivalents	15	**15,553**	10,017
Total current assets		**45,339**	33,329
Total assets		**107,705**	87,055
Liabilities			
Current liabilities			
Trade and other payables	16	**25,839**	19,042
Provisions	18	**1,592**	3,665
Current tax liabilities		**392**	276
Total current liabilities		**27,823**	22,983
Net current assets		**17,516**	10,346
Non-current liabilities			
Trade and other payables		**–**	3
Provisions	18	**4,255**	685
Contingent consideration	17	**–**	36
Deferred tax liabilities	19	**1,538**	1,725
Total non-current liabilities		**5,793**	2,449
Total liabilities		**33,616**	25,432
Net assets		**74,089**	61,623
Equity			
Issued share capital	21	**209**	206
Share premium	21	**31,086**	31,051
Merger reserve		**9,239**	9,239
Foreign exchange reserve		**13,730**	5,464
Retained earnings		**19,795**	15,635
Total Shareholders' funds		**74,059**	61,595
Non-controlling interests in equity		**30**	28
Total equity		**74,089**	61,623

The notes and accounting policies on pages 67 to 101 form an integral part of these consolidated financial statements.

The financial statements on pages 62 to 101 were authorised for issue by the Board of Directors on 10 October 2016 and signed on its behalf by:

Alan Newman Chief Financial Officer

YouGov plc Registered no. 03607311

Consolidated Statement of Changes in Equity for the year ended 31 July 2016

	Note	Issued share capital £'000	Share premium £'000	Merger reserve £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interest in equity £'000	Total equity £'000
		Attributable to equity holders of the Company							
Balance at 1 August 2014		199	31,014	9,239	5,722	11,755	57,929	23	57,952
Exchange differences on translating foreign operations		–	–	–	(258)	–	(258)	(4)	(262)
Net loss recognised directly in equity		–	–	–	(258)	–	(258)	(4)	(262)
Profit for the year		–	–	–	–	3,240	3,240	26	3,266
Total comprehensive gain/ (expense) for the year		–	–	–	(258)	3,240	2,982	22	3,004
Issue of shares	21	3	37	–	–	–	40	–	40
Dividends paid	7	–	–	–	–	(804)	(804)	(17)	(821)
Consideration for purchase of subsidiary	9, 21	4	–	–	–	500	504	–	504
Share-based payments	22	–	–	–	–	669	669	–	669
Tax in relation to share-based payments	19	–	–	–	–	275	275	–	275
Total transactions with owners recognised directly in equity		7	37	–	–	640	684	(17)	667
Balance at 31 July 2015		**206**	**31,051**	**9,239**	**5,464**	**15,635**	**61,595**	**28**	**61,623**
Exchange differences on translating foreign operations		**–**	**–**	**–**	**8,266**	**–**	**8,266**	**5**	**8,271**
Net gain recognised directly in equity		**–**	**–**	**–**	**8,266**	**–**	**8,266**	**5**	**8,271**
Profit for the year		**–**	**–**	**–**	**–**	**3,401**	**3,401**	**14**	**3,415**
Total comprehensive gain for the year		**–**	**–**	**–**	**8,266**	**3,401**	**11,667**	**19**	**11,686**
Issue of shares	21	**3**	**35**	**–**	**–**	**(3)**	**35**	**–**	**35**
Dividends paid	7	**–**	**–**	**–**	**–**	**(1,042)**	**(1,042)**	**(14)**	**(1,056)**
Purchase of non-controlling interest in subsidiary		**–**	**–**	**–**	**–**	**(28)**	**(28)**	**(3)**	**(31)**
Share-based payments	22	**–**	**–**	**–**	**–**	**1,111**	**1,111**	**–**	**1,111**
Tax in relation to share-based payments	19	**–**	**–**	**–**	**–**	**721**	**721**	**–**	**721**
Total transactions with owners recognised directly in equity		**3**	**35**	**–**	**–**	**759**	**797**	**(17)**	**780**
Balance at 31 July 2016		**209**	**31,086**	**9,239**	**13,730**	**19,795**	**74,059**	**30**	**74,089**

The notes and accounting policies on pages 67 to 101 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows for the year ended 31 July 2016

	Note	2016 £'000	2015 £'000
Cash flows from operating activities			
Profit before taxation		**5,526**	2,686
Adjustments for:			
Finance income		**(2,144)**	(422)
Finance costs		**945**	643
Share of post-tax loss of associates		**4**	(42)
Amortisation of intangibles	2	**5,567**	4,765
Depreciation	2	**819**	703
Loss on disposal of property, plant and equipment and other intangible assets		**–**	49
Share-based payments		**1,111**	669
Other non-cash profit items		**(36)**	94
Increase in trade and other receivables		**(1,925)**	(360)
Increase in trade and other payables		**3,229**	1,009
Increase in provisions		**1,043**	518
Cash generated from operations		**14,139**	10,312
Interest paid		**(1)**	(14)
Income taxes paid		**(2,365)**	(730)
Net cash generated from operating activities		**11,773**	9,568
Cash flow from investing activities			
Acquisition of interest in associates		**(140)**	(140)
Settlement of contingent considerations	17	**–**	(330)
Purchase of property, plant and equipment	12	**(1,003)**	(1,123)
Purchase of intangible assets	11	**(5,080)**	(4,631)
Proceeds from sale of plant, property and equipment		**7**	–
Interest received		**12**	2
Dividends received from associates		**28**	48
Net cash used in investing activities		**(6,176)**	(6,174)
Cash flows from financing activities			
Acquisition of non-controlling interests		**(31)**	–
Proceeds from the issue of share capital		**35**	40
Repayment of borrowings		**(19)**	(28)
Dividends paid to Shareholders		**(1,042)**	(804)
Dividends paid to non-controlling interests		**(14)**	(17)
Net cash used in financing activities		**(1,071)**	(809)
Net increase in cash and cash equivalents		**4,526**	2,585
Cash and cash equivalents at beginning of year		**10,017**	7,245
Exchange gain on cash and cash equivalents		**1,010**	187
Cash and cash equivalents at end of year	15	**15,553**	10,017

The notes and accounting policies on pages 67 to 101 form an integral part of these consolidated financial statements.

Principal Accounting Policies of the Consolidated Financial Statements for the year ended 31 July 2016

Nature of operations

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

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

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

Basis of preparation

The consolidated financial statements of YouGov plc are for the year ended 31 July 2016. They have been prepared under the historical cost convention modified for fair values under IFRS. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRS Interpretations Committee (IFRS IC) Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

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

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

The following standards, interpretations and amendments, which do not have a material impact, are mandatory for the first time for the financial year beginning 1 August 2015 and are relevant to the preparation of the Group's financial statements.

- Annual improvements 2013 (endorsed for annual periods on or after 1 January 2015)
- Annual improvements 2012 (effective annual periods on or after 1 July 2014 although endorsed for annual periods on or after 1 February 2015)
- Amendment to IAS 19, 'Employee benefits', regarding defined benefit plans

New standards and interpretations not applied

The following amendments to standards and interpretations are mandatory for the first time for the financial years beginning on or after 1 August 2016 and will be relevant to the preparation of the Company's financial statements:

IFRS 15, 'Revenue from contracts with customers': Is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of the top line in financial statements globally. This is effective for accounting periods beginning after 1 January 2018 although has not yet been endorsed by the EU.

IFRS 16, 'Leases': This standard replaces the current guidance in IAS 17 and is a far-reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This is effective for accounting periods beginning after 1 January 2019 although has not yet been endorsed by the EU.

Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation: This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions. This is effective for accounting periods beginning after 1 January 2016.

Amendments to IAS 27, 'Separate financial statements' on the equity method: These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. This is effective for accounting periods beginning after 1 January 2016.

Annual improvements 2014: These set of amendments impacts 4 standards; IFRS 5, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal. IFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to IFRS 1) regarding servicing contracts. IAS 19, 'Employee benefits' regarding discount rates and IAS 34, 'Interim financial reporting' regarding disclosure of information. This is effective for accounting periods beginning after 1 January 2016.

Principal Accounting Policies of the Consolidated Financial Statements for the year ended 31 July 2016 continued

Amendment to IAS 1, 'Presentation of financial statements' on the disclosure initiative: These amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports. Effective for annual periods beginning on or after 1 January 2016, subject to EU endorsement. This is effective for accounting periods beginning after 1 January 2016.

IAS Amendments to IAS 7, Statement of cash flows on disclosure initiative: These amendments to IAS 7 introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved. This is effective for accounting periods beginning after 1 January 2017 although has not yet been endorsed by the EU.

Management will assess the impact on the Group of these standards prior to the effective date of implementation. There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group for the financial year beginning 1 August 2016. Management will assess the impact on the Group of these standards prior to the effective date of implementation. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Basis of consolidation

The Group financial statements consolidate the Company and all of its subsidiary undertakings (see Note 13) drawn up to 31 July 2016. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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

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

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

Associates and joint ventures

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

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

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

Segmental analysis

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

The Board of Directors (which is the "chief operating decision-maker") primarily reviews information based on product lines, Custom Research, Data Products and Data Services, with supplemental geographical information. As a result product lines form the basis for the segmental reporting with supplemental geographical information.

Revenue

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

Market research

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

Syndicated services

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

Non-syndicated services

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

Media buying

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

Non-cash transactions

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

Provisions

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

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

Staff gratuity costs

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

Panel incentive costs

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

Principal Accounting Policies of the Consolidated Financial Statements for the year ended 31 July 2016 continued

Interest income/expense

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

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

Exceptional items

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

Taxation

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

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

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

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

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

Dividends

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

Goodwill

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

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

Intangible assets

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

Intangible assets acquired as part of a business combination

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

Intangible asset	Amortisation period
Software and software development	3 – 5 years
Customer contracts and lists	10 – 11 years
Patents and trademarks	5 – 15 years

Intangible assets generated internally

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

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

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

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

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

Principal Accounting Policies of the Consolidated Financial Statements for the year ended 31 July 2016 continued

Consumer panel

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

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

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

Software and software development

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

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

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

Customer contract and lists

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

Patents and trademarks

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

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

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

Development costs

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

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

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

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

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

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

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

Property, plant and equipment and depreciation

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

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

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

Leased assets and operating leases

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

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

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

Financial assets

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

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

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

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

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. As at 31 July 2016, there are no assets held in this category (31 July 2015: £nil).

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

Principal Accounting Policies of the Consolidated Financial Statements for the year ended 31 July 2016 continued

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

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

Financial liabilities

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

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

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

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

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

Cash and cash equivalents

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

Equity

Equity comprises the following:

- share capital represents the nominal value of equity shares;
- share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of incremental and directly attributable expenses of the share issue;
- merger reserve represents the excess over nominal value of the fair value of consideration received for equity shares issued/allotted directly to acquire another entity meeting the specific requirements of Section 612 of the Companies Act 2006.

The conditions of the relief include:

- securing at least 90% of the nominal value of equity of another company;
- the arrangement provides for allotment of equity shares in the issuing company;
- foreign exchange reserve represents the differences arising from translation of investments in overseas subsidiaries;
- retained earnings represent retained profits.

Foreign currencies

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

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

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

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

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

The assets and liabilities in the financial statements of foreign subsidiaries and associates and related goodwill are translated at the rate of exchange ruling at the reporting date. Income and expenses are translated at average rate unless average rate is not a good approximation of the rate ruling on the date of the transaction. The exchange differences arising from the retranslation of the opening net investment in subsidiaries and joint ventures are taken directly to the "Foreign exchange reserve" in equity.

Employee benefits

Equity-settled share-based payment

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

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

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

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

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

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is has a constructive obligation to pay them as a result of the announcement of a detailed formal plan to terminate the employment of current employees. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Contingent consideration

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

Principal Accounting Policies of the Consolidated Financial Statements for the year ended 31 July 2016 continued

Imputed interest

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

Going concern

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

Accounting estimates and judgements

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

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

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

Revenue recognition

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

Share-based payments

The Group is required to make estimates regarding the assumptions that are used to calculate the income statement charge for share-based payments. The value of share options is measured using either the Black Scholes option pricing model or the Monte Carlo Simulation. This is dependent on the conditions attached to each of the issued options. Where conditions are non-market based the Black Scholes option pricing model is used. Where market based conditions are attached to options, the fair value is determined using the Monte Carlo Simulation. Inputs to the calculations include (but are not limited to) expected volatility, expected life, risk-free rate, expected dividend yield and redemption rates. Variances in any of the inputs could lead to the charge being higher or lower than appropriate.

Income taxes

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

Goodwill

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

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

Other intangible assets

The Group is required to identify and assess the useful life of intangible assets and determine if there is a finite or indefinite life. Judgement is required in determining if an intangible asset has a finite life and the extent of this finite life in order to calculate the amortisation charge on the asset. The Group tests at each reporting date whether intangible assets have suffered any impairment, in accordance with the accounting policy. The recoverable amount of cash-generating units has been determined based on discounted future cash flows. These calculations require estimates to be made. Where there is no method of valuation for an intangible asset, management will make use of a valuation technique to determine the value of an intangible if there is no evidence of a market value. In doing so certain assumptions and estimates will be made. Intangible assets are fully disclosed in Note 11. Judgement is also required in the determination of the costs that satisfy the IAS 38 criteria for capitalisation as intangible assets.

Panel incentive provision

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

Deferred taxation

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

Contingent consideration

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

Notes to the Consolidated Financial Statements for the year ended 31 July 2016

1 Segmental analysis

The Board of Directors (which is the "chief operating decision-maker") primarily reviews information based on product lines, Custom Research, Data Products and Data Services, with supplemental geographical information.

2016	Custom Research £'000	Data Products £'000	Data Services £'000	Eliminations & Unallocated Costs £'000	Group £'000
Revenue	**54,318**	**16,629**	**17,905**	**(650)**	**88,202**
Cost of sales	**(13,753)**	**(3,007)**	**(3,394)**	**678**	**(19,476)**
Gross profit	**40,565**	**13,622**	**14,511**	**28**	**68,726**
Operating expenses	**(33,704)**	**(9,110)**	**(9,320)**	**(5,675)**	**(57,809)**
Adjusted operating profit	**6,861**	**4,512**	**5,191**	**(5,647)**	**10,917**
Amortisation of intangible assets					**(5,478)**
Exceptional items					**(1,108)**
Operating profit					**4,331**
Finance income					**2,144**
Finance costs					**(945)**
Share of post-tax loss in joint ventures and associates					**(4)**
Profit before taxation					**5,526**
Taxation					**(2,111)**
Profit after taxation					**3,415**
Other segment information					
Depreciation	**506**	**108**	**112**	**93**	**819**

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

1 Segmental analysis continued

Supplementary analysis by geography

Revenue and adjusted operating profit by geography based on the origin of the sale

	2016 Revenue £'000	2016 Adjusted operating profit/(loss) £'000	2015 Revenue £'000	2015 Adjusted operating profit/(loss) £'000
UK	**24,927**	**7,150**	22,857	5,582
USA	**30,960**	**6,014**	25,867	4,647
Germany	**9,098**	**698**	8,904	887
Nordic	**7,577**	**942**	7,476	1,001
Middle East	**13,948**	**2,430**	10,718	1,520
France	**1,689**	**134**	1,158	145
Asia Pacific	**2,832**	**(586)**	1,419	(397)
Intra-Group revenues/unallocated costs	**(2,829)**	**(5,865)**	(2,289)	(4,815)
Group	**88,202**	**10,917**	76,110	8,570

Revenue by geography based on the destination of the customer.

2016	UK £'000	Middle East £'000	Germany £'000	Nordic £'000	USA £'000	France £'000	Asia Pacific £'000	Intra-Group revenues £'000	Group £'000
External sales	**24,654**	**10,819**	**8,722**	**7,451**	**32,563**	**1,789**	**2,204**	**–**	**88,202**
Inter-segment sales	**1,925**	**209**	**512**	**356**	**1,922**	**141**	**193**	**(5,258)**	**–**
Total revenue	**26,579**	**11,028**	**9,234**	**7,807**	**34,485**	**1,930**	**2,397**	**(5,258)**	**88,202**
2015									
External sales	21,669	9,327	8,493	7,373	26,627	1,361	1,260	–	76,110
Inter-segment sales	1,546	160	365	434	1,285	75	79	(3,944)	–
Total revenue	23,215	9,487	8,858	7,807	27,912	1,436	1,339	(3,944)	76,110

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

Notes to the Consolidated Financial Statements for the year ended 31 July 2016 continued

2 Operating expenditure

The profit before taxation is stated after charging:

	2016 £'000	2015 £'000
Auditors' remuneration:		
Fees payable for the audit of the parent company and the consolidated financial statements	**199**	260
Audit of subsidiaries	**71**	61
Audit related assurance services	**19**	28
Tax compliance services	**18**	56
Tax advisory services	**12**	17
Other advisory services	**–**	36
Total auditors' remuneration	**319**	458
Disposals, depreciation and amortisation:		
Amortisation of intangible assets recognised in operating expenses	**5,478**	4,633
Amortisation of intangible assets recognised in cost of sales	**89**	132
Total amortisation of intangible assets	**5,567**	4,765
Loss on disposal of intangible assets and property, plant and equipment	**–**	49
Depreciation of property, plant and equipment (Note 12)	**819**	703
Operating lease rentals:		
Plant and machinery	**50**	51
Land and buildings	**1,921**	1,922
Other expenses:		
Exchange gains	**1,217**	836
Share-based payment expenses (Note 22)	**1,111**	669
Charitable donations	**76**	80

3 Staff costs and numbers

	2016 £'000	2015 £'000
Wages and salaries	**34,994**	28,874
Social security costs	**3,623**	3,090
Share-based payments (Note 22)	**1,111**	669
Other pension costs	**819**	714
Other benefits	**6,196**	3,765
Acquisition cost deemed as staff compensation[1]	**(53)**	377
	46,690	37,489

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

Included in the above amount are staff costs totalling £2,555,000 (2015: £2,335,000) that were capitalised in relation to internally developed software. Further details are provided in Note 11. Pension costs are contributions made on behalf of employees to defined contribution pension schemes. Other benefits include staff bonuses paid in cash and private healthcare insurance.

3 Staff costs and numbers continued

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

	2016 Number	2015 Number
Key management personnel	**30**	28
Administration and operations	**662**	594
	692	622

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

	2016 £'000	2015 £'000
Short-term employee benefits	**5,250**	4,558
Post-employment benefits	**92**	109
Share-based payments	**866**	477
Acquisition cost deemed as staff compensation	**–**	432
	6,208	5,576

Disclosure of Directors' remuneration including share options are included in the Remuneration Report on pages 48 to 52, which form part of the financial statements.

4 Exceptional items

	2016 £'000	2015 £'000
Restructuring costs	**1,086**	650
Legal costs	**157**	–
Acquisition-related costs	**(130)**	431
Change in accounting estimation – contingent consideration	**(5)**	(9)
	1,108	1,072

Restructuring costs in the year included £894,000 in relation to the restructuring of the Northern European units including £723,000 in respect of the rationalisation of the German Custom and Operations teams undertaken at the end of the year and £171,000 in reorganising the management structure in Nordics. Restructuring costs were also incurred in reorganising sales and marketing operations in the UK £107,000, reorganising the IT Development structure £68,000 and reorganising the management structure in the US £17,000.

Restructuring costs in the prior year were the cost of reorganising the management structure of the US £294,000, Middle East £127,000, UK £116,000, Germany £67,000 and Nordic £46,000 businesses.

Legal costs incurred in connection with establishing operations in Thailand.

The acquisition related income in the year is in respect of the acquisition of Decision Fuel comprising a £53,000 reduction in contingent deemed staff costs and a £77,000 reduction in provisions in respect of transaction costs.

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

The change in estimated contingent consideration in both years is in respect of the Decision Fuel acquisition.

Notes to the Consolidated Financial Statements for the year ended 31 July 2016 continued

5 Finance income and costs

	2016 £'000	2015 £'000
Interest receivable from bank deposits	**11**	2
Foreign exchange gains on cash and intra-Group loans	**2,133**	420
Total finance income	**2,144**	422
Interest payable on bank loans and overdrafts	**1**	5
Interest on obligations under finance leases	**1**	2
Other interest payable	**–**	9
Foreign exchange losses on cash and intra-Group loans	**916**	595
	918	611
Imputed interest on contingent consideration and provisions	**27**	32
Total finance costs	**945**	643

6 Taxation

The taxation charge represents:

	2016 £'000	2015 £'000
Current tax on profits for the year	**2,083**	714
Adjustments in respect of prior years	**173**	(44)
Total current tax charge	**2,256**	670
Deferred tax:		
Origination and reversal of temporary differences	**(309)**	84
Adjustments in respect of prior years	**85**	(1,350)
Impact of changes in tax rates	**79**	16
Total deferred tax credit	**(145)**	(1,250)
Total income statement tax charge/(credit)	**2,111**	(580)

The tax assessed for the year is higher (2015: lower) than the standard rate of corporation tax in the UK.

The differences are explained below:

	2016 £'000	2015 £'000
Profit before taxation	**5,526**	2,686
Tax charge calculated at Group's standard rate of 20% (2015: 20.67%)	**1,105**	555
Variance in overseas tax rates	**616**	371
Impact of changes in tax rates	**79**	16
Gains not subject to tax	**(7)**	(79)
Expenses not deductible for tax purposes	**7**	46
Tax losses for which no deferred income tax asset was recognised	**52**	(86)
Adjustments in respect of prior years	**258**	(1,394)
Associates results reported net of tax	**1**	(9)
Total income statement tax charge for the year	**2,111**	(580)

6 Taxation continued

On 8 July 2015, the UK corporation tax rate was reduced from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020. This change has been substantively enacted at the balance sheet date and, therefore, is included in these financial statements. Further changes to the UK corporation tax rates were announced in the Chancellor's Budget on 16 March 2016. These include reductions to the main rate to 17% from 1 April 2020. As these changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements.

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

7 Dividend

On 14 December 2015, a final dividend in respect of the year ended 31 July 2015 of £1,042,000 (1.0p per share) (2014: £804,000 (0.8p per share)) was paid to Shareholders. A dividend in respect of the year ended 31 July 2016 of 1.4p per share, amounting to a total dividend of £1,460,000 is to be proposed at the Annual General Meeting on 7 December 2016. These financial statements do not reflect this proposed dividend payable.

8 Earnings per share

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

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

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

	2016 £'000	2015 £'000
Profit after taxation attributable to equity holders of the parent company	**3,401**	3,240
Add: amortisation of intangible assets included in operating expenses	**5,478**	4,633
Add: share-based payments	**1,111**	669
Add: imputed interest (Note 5)	**27**	32
Add: exceptional costs	**1,108**	1,072
Tax effect of the above adjustments and adjusting tax items	**(1,988)**	(2,595)
Adjusted profit after taxation attributable to equity holders of the parent company	**9,137**	7,051

Notes to the Consolidated Financial Statements for the year ended 31 July 2016 continued

8 Earnings per share continued

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

	2016 £'000	2015 £'000
Number of shares		
Weighted average number of shares during the year: ('000 shares)		
– Basic	**103,944**	100,998
– Dilutive effect of share options	**3,361**	4,051
– Diluted	**107,305**	105,049
The adjustments have the following effect:		
Basic earnings per share	**3.3p**	3.2p
Amortisation of intangible assets	**5.3p**	4.6p
Share-based payments	**1.1p**	0.7p
Imputed interest	**0.0p**	0.0p
Exceptional costs and impairments	**1.0p**	1.1p
Tax effect of the above adjustments and adjusting tax items	**(1.9p)**	(2.6p)
Adjusted earnings per share	**8.8p**	7.0p
Diluted earnings per share	**3.2p**	3.1p
Amortisation of intangible assets	**5.1p**	4.4p
Share-based payments	**1.0p**	0.7p
Imputed interest	**0.0p**	0.0p
Exceptional costs and impairment	**1.0p**	1.0p
Tax effect of the above adjustments and adjusting tax items	**(1.8p)**	(2.5p)
Adjusted diluted earnings per share	**8.5p**	6.7p

9 Business combinations and disposals

Doughty Media 2 Ltd

In 2013, YouGov acquired 100% of Doughty Media 2 Ltd, which owned the majority shareholding in CoEditor Ltd, increasing YouGov's interest in CoEditor Ltd to 98.3%. The total purchase price was £1,241,000 of which £1,207,000 was contingent on the achievement on certain performance criteria. This contingent amount was paid in the prior year by the issue of 1,810,226 shares.

During the year YouGov acquired the remaining 1.7% shareholding in CoEditor Ltd for a cash consideration of £31,000.

Acquisition of Decision Fuel

On 9 January 2014, YouGov plc purchased a 100% shareholding in Decision Fuel an Asia-based research and technology company with offices in Hong Kong, Shanghai and Singapore. The basic purchase consideration payable is the sum of six times the EBITDA of Decision Fuel in the year ending 31 July 2016 and two times EBITDA (capped at 1.5 times 2016 EBITDA) in the year ending 31 July 2017 less any working capital funding provided by YouGov to Decision Fuel prior to the end of the performance year. An initial payment of $1,000,000 (£608,000) was paid upon completion, with the balance payable in two instalments in December 2017 and December 2018.

It is now estimated that no further consideration will be payable and as a result the contingent consideration of £5,000 and the £53,000 of deemed staff compensation charge recognised in prior periods were written back as exceptional items along with £77,000 of accrued transaction costs.

10 Goodwill

	Middle East £'000	USA £'000	Nordic £'000	Germany £'000	CoEditor £'000	Asia Pacific £'000	Total £'000
Carrying amount at 1 August 2014	1,306	15,624	7,890	10,301	569	639	36,329
Exchange differences	110	1,321	(878)	(1,142)	–	53	(536)
Carrying amount at 31 July 2015	**1,416**	**16,945**	**7,012**	**9,159**	**569**	**692**	**35,793**
Exchange differences	**251**	**2,996**	**1,417**	**1,821**	**–**	**123**	**6,608**
Carrying amount at 31 July 2016	**1,667**	**19,941**	**8,429**	**10,980**	**569**	**815**	**42,401**
At 31 July 2016							
Cost	1,667	19,941	8,429	11,655	569	815	43,076
Accumulated impairment	–	–	–	(675)	–	–	(675)
Net book amount	**1,667**	**19,941**	**8,429**	**10,980**	**569**	**815**	**42,401**

In accordance with the Group's accounting policy, the carrying values of goodwill and other intangible assets are reviewed annually for impairment. The cash-generating units ("CGUs") are consistent with those segments shown in Note 1. The 2016 impairment review was undertaken as at 31 July 2016. The recoverable amounts of all CGUs have been determined based on value in use calculations. This review assessed whether the carrying value of goodwill was supported by the net present value of future cash flows derived from assets using a projection period of three years for each CGU based on approved budget numbers. The sources of the assumptions used in making the assessment are as follows:

- Growth rates are internal forecasts based on both internal and external market information.
- Margins reflect past experience, adjusted for expected changes.
- Terminal growth rates based on management's estimate of future long-term average growth rates.
- Discount rates based on Group WACC, adjusted where appropriate.

Annual EBITDA growth rates of 2.25% have been assumed in perpetuity beyond year three. The pre-tax weighted average costs of capital used to discount the future cash flows to their present values are Middle East 10% (2015: 10%), USA 17% (2015: 17%), Nordic 13% (2015: 13%), Germany 15% (2015: 15%) and Asia Pacific 12% (2015: 12%).

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

Notes to the Consolidated Financial Statements for the year ended 31 July 2016 continued

11 Other intangible assets

	Consumer panel £'000	Software and software development £'000	Customer contracts and lists £'000	Patents and trademarks £'000	Order backlog £'000	Product development costs £'000	Total £'000
At 1 August 2014							
Cost	10,917	14,106	4,485	2,907	210	969	33,594
Accumulated amortisation	(9,078)	(8,953)	(2,279)	(2,132)	(210)	(621)	(23,273)
Net book amount	1,839	5,153	2,206	775	–	348	10,321
Year ended 31 July 2015							
Opening net book amount	1,839	5,153	2,206	775	–	348	10,321
Additions:							
Separately acquired	1,455	762	–	38	–	41	2,296
Internally developed	–	2,335	–	–	–	–	2,335
Amortisation charge:							
Business combinations	–	(206)	(465)	(317)	–	–	(988)
Separately acquired	(1,102)	(683)	–	–	–	(133)	(1,918)
Internally developed	–	(1,842)	–	–	–	(17)	(1,859)
Disposals	–	(12)	–	–	–	–	(12)
Exchange differences	5	82	108	(30)	–	12	177
Closing net book amount	2,197	5,589	1,849	466	–	251	10,352
At 31 July 2015							
Cost	12,182	16,329	4,576	2,869	–	988	36,944
Accumulated amortisation	(9,985)	(10,740)	(2,727)	(2,403)	–	(737)	(26,592)
Net book amount	2,197	5,589	1,849	466	–	251	10,352
Year ended 31 July 2016							
Opening net book amount	**2,197**	**5,589**	**1,849**	**466**	**–**	**251**	**10,352**
Reclassifications	**–**	**80**	**–**	**–**	**–**	**(80)**	**–**
Additions:							
Separately acquired	**1,979**	**391**	**–**	**49**	**–**	**106**	**2,525**
Internally developed	**–**	**2,555**	**–**	**–**	**–**	**–**	**2,555**
Amortisation charge:							
Business combinations	**–**	**(128)**	**(465)**	**(169)**	**–**	**–**	**(762)**
Separately acquired	**(1,574)**	**(572)**	**–**	**(3)**	**–**	**(166)**	**(2,315)**
Internally developed	**–**	**(2,490)**	**–**	**–**	**–**	**–**	**(2,490)**
Disposals	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Exchange differences	**312**	**211**	**283**	**48**	**–**	**20**	**874**
Closing net book amount	**2,914**	**5,636**	**1,667**	**391**	**–**	**131**	**10,739**
At 31 July 2016							
Cost	**16,081**	**19,901**	**5,418**	**3,439**	**–**	**962**	**45,801**
Accumulated amortisation	**(13,167)**	**(14,265)**	**(3,751)**	**(3,048)**	**–**	**(831)**	**(35,062)**
Net book amount	**2,914**	**5,636**	**1,667**	**391**	**–**	**131**	**10,739**

12 Property, plant and equipment

	Freehold property £'000	Leasehold property improvements £'000	Computer equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
At 31 July 2014						
Cost	1,305	799	2,443	1,100	72	5,719
Accumulated depreciation	(257)	(331)	(1,857)	(767)	(18)	(3,230)
Net book amount	1,048	468	586	333	54	2,489
Year ended 31 July 2015						
Opening net book amount	1,048	468	586	333	54	2,489
Additions:						
Separately acquired	–	337	468	294	24	1,123
Disposals	–	–	–	(37)	–	(37)
Depreciation	(49)	(130)	(385)	(117)	(22)	(703)
Exchange differences	88	3	2	3	5	101
Closing net book amount	1,087	678	671	476	61	2,973
At 31 July 2015						
Cost	1,416	1,011	2,376	1,302	103	6,208
Accumulated depreciation	(329)	(333)	(1,705)	(826)	(42)	(3,235)
Net book amount	1,087	678	671	476	61	2,973
Year ended 31 July 2016						
Opening net book amount	**1,087**	**678**	**671**	**476**	**61**	**2,973**
Additions:						
Separately acquired	**–**	**178**	**576**	**249**	**–**	**1,003**
Disposals	**–**	**(7)**	**–**	**–**	**–**	**(7)**
Depreciation	**(75)**	**(176)**	**(398)**	**(144)**	**(26)**	**(819)**
Exchange differences	**184**	**73**	**81**	**72**	**8**	**418**
Closing net book amount	**1,196**	**746**	**930**	**653**	**43**	**3,568**
At 31 July 2016						
Cost	**1,667**	**1,248**	**3,082**	**1,692**	**121**	**7,810**
Accumulated depreciation	**(471)**	**(502)**	**(2,152)**	**(1,039)**	**(78)**	**(4,242)**
Net book amount	**1,196**	**746**	**930**	**653**	**43**	**3,568**

All property, plant and equipment disclosed above, with the exception of those items held under lease purchase agreements, are free from restrictions on title. No property, plant and equipment either in 2016 or 2015 has been pledged as security against the liabilities of the Group.

Notes to the Consolidated Financial Statements for the year ended 31 July 2016 continued

12 Property, plant and equipment continued

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

	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
At 31 July 2015			
Cost	48	28	76
Accumulated depreciation	(32)	(8)	(40)
Net book amount	16	20	36
At 31 July 2016			
Cost	**57**	**34**	**91**
Accumulated depreciation	**(57)**	**(17)**	**(74)**
Net book amount	**–**	**17**	**17**

13 Investments

(a) Interests in subsidiaries

The table below gives details of the Group's subsidiaries at 31 July 2016.

			Proportion held		
	Country of incorporation	Class of share capital held	By parent company	By the Group	Nature of the business
YouGov ME FZ LLC	U.A.E.	Ordinary	100%	100%	Market research
YouGov M.E. Egypt LLC	Egypt	Ordinary	5%	100%	Market research
Iridescent Productions	Iraq	Ordinary	0%	100%	Media production
YouGov Stone Limited	UK	Ordinary	100%	100%	Dormant
YouGov Deutschland GmbH	Germany	Ordinary	100%	100%	Market research
Service Rating GmbH	Germany	Ordinary	0%	100%	Rating agency
BeField GmbH	Germany	Ordinary	0%	70%	CATI supplier company
YouGov Nordic and Baltic A/S	Denmark	Ordinary	100%	100%	Market research
YouGov Sweden AB	Sweden	Ordinary	0%	100%	Market research
YouGov Norway AS	Norway	Ordinary	0%	100%	Market research
YouGov Finland OY	Finland	Ordinary	0%	100%	Market research
YouGov America Holdings LLC	USA	Ordinary	100%	100%	Holding company
YouGov America Inc	USA	Ordinary	0%	100%	Market research
YouGov Services Limited	UK	Ordinary	100%	100%	Software development
YouGov France SASU	France	Ordinary	100%	100%	Market research
YGV Finance Limited	UK	Ordinary	100%	100%	Intra-Group financing
Doughty Media 2 Limited	UK	Ordinary	100%	100%	Holding company
CoEditor Limited	UK	Ordinary	32%	100%	Dormant
YouGov Poland z.o.o.	Poland	Ordinary	0%	100%	Software development
Consilium Limited	Hong Kong	Ordinary	100%	100%	Market research
YouGov s.r.l.	Romania	Ordinary	100%	100%	Operations services
YouGov Singapore Pte Limited	Singapore	Ordinary	0%	100%	Market research
Determine East Marketing Consulting (Shanghai) Co Ltd	China	Ordinary	0%	100%	Market research
PT YouGov Consulting Indonesia	Indonesia	Ordinary	0%	100%	Market research
YouGov Malaysia SDN BHD	Malaysia	Ordinary	0%	100%	Market research
YouGov (Thailand) CO Ltd	Thailand	Ordinary	0%	100%	Market research
YouGov Research Pty Ltd.	Australia	Ordinary	100%	100%	Market research

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

13 Investments continued

(b) Interest in associates

	31 July 2016 £'000	31 July 2015 £'000
Investments in associates comprise:		
Carrying amount at 1 August	**204**	–
Acquisition of associate	**70**	210
Share of net (loss)/profit of associates	**(4)**	41
Dividends received from associates	**(28)**	(47)
Interest in associates	**242**	204

At 31 July 2016 the Group had interests in the following associates:

	Investment	Country of incorporation	Class of share capital held	Proportion held: By parent company	Proportion held: By the Group	Nature of the business	Financial year end
Portent.io Limited	Associate	England	Ordinary	35%	35%	Market research	31 October
SMG Insight Limited	Associate	England	Ordinary	20%	20%	Market research	31 March

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

	SMG Insight Limited		Portent.io Limited	
	31 July 2016 £'000	31 July 2015 £'000	**31 July 2016 £'000**	31 July 2015 £'000
Revenue	**500**	319	**22**	–
Profit/(Loss) after tax	**39**	88	**(58)**	(16)
Non-current assets	**1**	2	**–**	–
Current assets	**98**	60	**13**	21
Current liabilities	**(73)**	(50)	**–**	–
Non-current liabilities	**–**	(2)	**–**	–
Net assets	**26**	10	**13**	21

Notes to the Consolidated Financial Statements for the year ended 31 July 2016 continued

14 Trade and other receivables

	31 July 2016 £'000	31 July 2015 £'000
Trade receivables	**16,542**	13,957
Other receivables	**2,004**	1,056
Prepayments	**1,646**	1,204
Accrued income	**8,925**	6,525
	29,117	22,742
Provision for trade receivables	**(474)**	(235)
	28,643	22,507

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

As at 31 July 2016, trade receivables of £10,101,000 (2015: £7,408,000) were overdue but not impaired. These relate to a number of customers for which there is no recent history of default or any other indication that the receivable should not be fully collectable. The ageing analysis of past due trade receivables which are not impaired is as follows:

	31 July 2016 £'000	31 July 2015 £'000
Up to three months overdue	**4,752**	3,846
Three to six months overdue	**4,467**	2,186
Six months to one year overdue	**631**	954
More than one year overdue	**251**	422
	10,101	7,408

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

	2016 £'000	2015 £'000
Provision for receivables impairment at 1 August	**235**	230
Provision created in the year	**368**	189
Provision utilised in the year	**(159)**	(194)
Exchange differences	**30**	10
Provision for receivables impairment at 31 July	**474**	235

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

The average length of time taken by customers to settle receivables is 59 days (2015: 56 days). Concentrations of credit risk do exist with certain clients with which we have trading relationships but none has a history of default and all command a certain stature within the marketplace which minimises any potential risk of default. Material balances (defined as greater than £250,000 (2015: greater than £250,000)) represent 39% of trade receivables (2015: 28%).

At 31 July 2016, £nil (2015: £397,000) of the trade and other receivables of YouGov Nordic and Baltic A/S were used as security against a loan and revolving overdraft facility held by YouGov Nordic and Baltic A/S.

15 Cash and cash equivalents

	31 July 2016 £'000	31 July 2015 £'000
Cash at bank and in hand	**15,553**	10,017
Cash and cash equivalents (excluding bank overdrafts)	**15,553**	10,017

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

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

	31 July 2016 £'000	31 July 2015 £'000
Cash and cash equivalents	**15,553**	10,017
Bank overdrafts	**–**	–
Cash and cash equivalents including overdrafts	**15,553**	10,017

16 Trade and other payables

	31 July 2016 £'000	31 July 2015 £'000
Trade payables	**1,557**	2,354
Accruals	**11,295**	7,626
Deferred Income	**9,399**	5,948
Other payables	**3,588**	3,114
	25,839	19,042

Included within other payables are £56,000 (2015: £45,000) of contributions due in respect of defined contribution pension schemes.

17 Contingent consideration

	Definitive Insights £'000	Decision Fuel £'000	Total £'000
At 1 August 2014	298	169	467
Settled during the year	(330)	–	(330)
Released during the year	–	(133)	(133)
Discount unwinding	8	–	8
Foreign exchange differences	24	–	24
Balance at 31 July 2015	**–**	**36**	**36**
Included within current liabilities	–	–	–
Included within non-current liabilities	–	36	36
Settled during the year	**–**	**–**	**–**
Released during the year	**–**	**(36)**	**(36)**
Discount unwinding	**–**	**–**	**–**
Foreign exchange differences	**–**	**–**	**–**
Balance at 31 July 2016	**–**	**–**	**–**
Included within current liabilities	**–**	**–**	**–**
Included within non-current liabilities	**–**	**–**	**–**

Notes to the Consolidated Financial Statements for the year ended 31 July 2016 continued

18 Provisions

	Panel incentives £'000	Staff gratuity £'000	Total £'000
At 31 July 2014	3,518	293	3,811
Provided during the year	5,396	140	5,536
Utilised during the year	(4,869)	(143)	(5,012)
Released during the year	–	(6)	(6)
Discount unwinding	25	–	25
Foreign exchange differences	(29)	25	(4)
Balance at 31 July 2015	**4,041**	**309**	**4,350**
Included within current liabilities	3,665	–	3,665
Included within non-current liabilities	376	309	685
Provided during the year	**6,893**	**135**	**7,028**
Utilised during the year	**(5,913)**	**(65)**	**(5,978)**
Released during the year	**–**	**(6)**	**(6)**
Discount unwinding	**27**	**–**	**27**
Foreign exchange differences	**365**	**61**	**426**
Balance at 31 July 2016	**5,413**	**434**	**5,847**
Included within current liabilities	**1,592**	**–**	**1,592**
Included within non-current liabilities	**3,821**	**434**	**4,255**

The panel incentive provision represents the Directors' best estimate of the future liability in relation to the value of panel incentives that have accrued in the panellists' virtual accounts up to 31 July 2016. The provision of £5.4m represents 43% of the maximum potential liability of £12.5m (2015: £4.0m representing 41% of the total liability of £9.4m). The factors considered in estimating the appropriate percentage of the total potential liability to be provided against at each reporting date include: panel churn rates, panel activity rates, current redemption patterns and the time value of money.

The staff gratuity provision is a statutory obligation under UAE labour law, whereby each employee on termination of their contract is due a payment dependent upon their number of years' service and nature of the termination. The liability of £0.4m at 31 July 2016 (2015: £0.3m) represents the liability that the Group is obliged to pay as at the reporting date weighted against historical rates of resignation and redundancy.

19 Deferred tax assets and liabilities

Deferred tax asset	Intangible assets £'000	Property, plant and equipment £'000	Tax losses £'000	Other timing differences £'000	Total £'000
Balance at 31 July 2014	64	231	1,471	1,354	3,120
Recognised in the income statement	286	23	1,366	(445)	1,230
Recognised in other comprehensive income	–	–	(103)	–	(103)
Recognised in equity	–	–	–	275	275
Foreign exchange differences	1	(1)	(179)	61	(118)
Balance at 31 July 2015	**351**	**253**	**2,555**	**1,245**	**4,404**
Recognised in the income statement	**(40)**	**(124)**	**29**	**(175)**	**(310)**
Recognised in other comprehensive income	**–**	**–**	**(16)**	**–**	**(16)**
Recognised in equity	**–**	**–**	**–**	**721**	**721**
Foreign exchange differences	**4**	**5**	**453**	**155**	**617**
Balance at 31 July 2016	**315**	**134**	**3,021**	**1,946**	**5,416**

£1,045,000 of the above deferred tax assets are expected to be recovered within one year.

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

	31 July 2016 £'000	31 July 2015 £'000
UK	**286**	296
Nordic	**745**	681
Germany	**1,473**	1,128
USA	**84**	167
France	**104**	146
Asia Pacific	**329**	137
	3,021	2,555

Utilisation of tax losses is dependent upon future profits being generated and deferred tax assets have been recognised only to the extent where management budgets and forecasts show sufficient profits being generated to discharge these. Losses were incurred in the year in Germany and Asia Pacific and as such there is significant uncertainty around the recoverability of the deferred tax assets in these jurisdictions. Based on management forecasts and after carrying out sensitivity analysis these deferred tax asset balances are considered recoverable.

Deferred tax liabilities	Intangible assets £'000	Other timing differences £'000	Total £'000
Balance at 31 July 2014	1,631	193	1,824
Recognised in the income statement	(65)	45	(20)
Foreign exchange differences	(55)	(24)	(79)
Balance at 31 July 2015	**1,511**	**214**	**1,725**
Recognised in the income statement	**(427)**	**(28)**	**(455)**
Foreign exchange differences	**230**	**38**	**268**
Balance at 31 July 2016	**1,314**	**224**	**1,538**

£99,000 of the above deferred tax liabilities are expected to be recovered within one year.

Notes to the Consolidated Financial Statements for the year ended 31 July 2016 continued

19 Deferred tax assets and liabilities continued

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

	2016 £'000	2015 £'000
Balance at 1 August	**2,679**	1,296
Recognised in the income statement	**145**	1,250
Recognised in other comprehensive income	**(16)**	(103)
Recognised in equity	**721**	275
Foreign exchange differences recognised in other comprehensive income	**349**	(39)
Balance at 31 July	**3,878**	2,679

20 Risk management objectives and policies

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

Foreign currency risk

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

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

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

	2016 £'000				2015 £'000			
	US $	**Euro €**	**Dirham AED**	**Other currencies**	US $	Euro €	Dirham AED	Other currencies
Financial assets	**14,552**	**6,840**	**1,843**	**5,242**	14,949	5,266	1,064	3,120
Financial liabilities	**(5,015)**	**(1,890)**	**(974)**	**(2,211)**	(4,848)	(1,191)	(800)	(1,468)
Short-term exposure	**9,537**	**4,950**	**869**	**3,031**	10,101	4,075	264	1,652
Financial assets	**–**	**–**	**–**	**–**	–	–	–	–
Financial liabilities	**–**	**–**	**–**	**–**	(36)	(3)	–	–
Long-term exposure	**–**	**–**	**–**	**–**	(36)	(3)	–	–

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

	2016 £'000				2015 £'000			
	US $	**Euro €**	**Dirham AED**	**Other currencies**	US $	Euro €	Dirham AED	Other currencies
Net result for the year	**(27)**	**2**	**(17)**	**15**	(16)	(16)	(3)	5
Equity	**(101)**	**16**	**(50)**	**35**	(55)	41	(43)	10

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

The Group manages currency fluctuations as outlined in the Strategic Report on page 39.

20 Risk management objectives and policies continued

Liquidity risk

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

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

As at 31 July 2016, the Group's liabilities have undiscounted contractual maturities which are summarised below:

	Current		**Non-current**	
At 31 July 2016	**Within 6 months £'000**	**6 to 12 months £'000**	**1–5 years £'000**	**Later than 5 years £'000**
Finance lease liabilities	**4**	**–**	**–**	**–**
Trade and other payables	**4,793**	**349**	**–**	**–**
Contingent consideration	**–**	**–**	**–**	**–**

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

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

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

Capital risk management

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

	31 July 2016 £'000	31 July 2015 £'000
Cash and cash equivalents	**15,553**	10,017
Equity attributable to Shareholders of the parent company	**(74,059)**	(61,595)
	(58,506)	(51,578)

The Group has no externally imposed capital requirements.

Interest rate risk

The Group manages its interest rate risk by negotiating fixed interest rates on deposits for periods of up to three months. The average cash and cash equivalents balance, net of bank overdrafts, over the course of the year was £12.5m (2015: £4.5m). Management does not believe that the Group is subject to interest rate risk.

Notes to the Consolidated Financial Statements for the year ended 31 July 2016 continued

20 Risk management objectives and policies continued

Fair values of financial assets and financial liabilities

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

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

	31 July 2016		31 July 2015	
	Book value £'000	**Fair value £'000**	Book value £'000	Fair value £'000
Trade and other receivables	**26,998**	**26,998**	21,303	21,303
Cash and cash equivalents	**15,553**	**15,553**	10,017	10,017
Trade and other payables	**(16,440)**	**(16,440)**	(13,093)	(13,093)
Contingent consideration				
– Non-current	**–**	**–**	(36)	(36)

Fair value estimation

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

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

	31 July 2016 £'000				31 July 2015 £'000			
Liabilities	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Contingent consideration	**–**	**–**	**–**	**–**	–	–	36	36

The following table presents the changes in Level 3 instruments.

Contingent consideration	**2016 £'000**	2015 £'000
Balance at 1 August	**36**	467
Recognised in the income statement	**(36)**	(125)
Recognised in other comprehensive income	**–**	24
Settled	**–**	(330)
Balance at 31 July	**–**	36

21 Share capital and share premium

The Company only has one class of share. Par value of each Ordinary Share is 0.2p (2015: 0.2p). All issued shares are fully paid.

	Number of shares	Share capital £'000	Share premium £'000	Total £'000
At 1 August 2014	99,308,954	199	31,014	31,213
Issue of shares	3,541,500	7	37	44
At 31 July 2015	**102,850,454**	**206**	**31,051**	**31,257**
Issue of shares	**1,448,598**	**3**	**35**	**38**
At 31 July 2016	**104,299,052**	**209**	**31,086**	**31,295**

22 Share-based payments

The charge in relation to the share-based payments in the year ended 31 July 2016 was £1,111,000 (2015: £669,000). Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

Approved and Unapproved share option schemes

	2016 WAEP		2015 WAEP	
Approved share option scheme	**Number**	**£**	Number	£
Outstanding at the beginning of the year	**60,721**	**1.645**	60,721	1.645
Granted during the year	**–**	**–**	–	–
Exercised during the year	**–**	**–**	–	–
Forfeited during the year	**–**	**–**	–	–
Outstanding at the end of the year	**60,721**	**1.645**	60,721	1.645
Exercisable at the end of the year	**60,721**	**1.645**	60,721	1.645

	2016 WAEP		2015 WAEP	
Unapproved share option scheme	**Number**	**£**	Number	£
Outstanding at the beginning of the year	**39,475**	**1.053**	117,635	0.423
Granted during the year	**–**	**–**	–	–
Exercised during the year	**(6,972)**	**0.080**	(14,643)	0.199
Forfeited during the year	**–**	**–**	(63,517)	0.096
Outstanding at the end of the year	**32,503**	**1.228**	39,475	1.053
Exercisable at the end of the year	**32,503**	**1.228**	39,475	1.053

Share options exercised in the current financial year were exercised at prices of £0.080 (2015: £0.199). The weighted average share price at the dates of exercise was £1.750 (2015: £1.053).

Notes to the Consolidated Financial Statements for the year ended 31 July 2016 continued

22 Share-based payments continued

The options outstanding under the approved and unapproved share option schemes as at 31 July 2016 and 31 July 2015 have the following average exercise prices and expire in the following financial years.

Expiry	Exercise price £	2016 Number	2015 Number
31 July 2017	**1.645**	**82,067**	82,067
31 August 2021[1]	**0.431**	**11,157**	18,129

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

Expiry dates as standard are seven years from the vesting date. Vesting criteria are time based and contingent on continued employment with YouGov rather than performance based. The charge in relation to share option schemes in the year ended 31 July 2016 was £nil (2015: £nil).

Long Term Incentive Plan 2009

During the year ended 31 July 2015, the Long Term Incentive Plan 2009 ("LTIP 2009") for Executive Directors, Senior Executives and senior managers continued to operate but no new awards were made under the LTIP 2009 as it has been replaced by two new incentive plans summarised below. The rules governing the LTIP 2009 are summarised in the Remuneration Report on page 49. The charge in relation to the LTIP 2009 in the year ended 31 July 2016 was £509,000 (2015: £486,000). This charge was valued using a Monte Carlo simulation.

	2016 WAEP		2015 WAEP	
	Number	**£**	Number	£
Outstanding at the beginning of the year	**3,072,909**	**0.000**	4,983,886	0.000
Granted during the year	**–**	**–**	–	–
Exercised during the year	**(1,253,577)**	**0.000**	(1,688,406)	0.000
Forfeited during the year	**(11,424)**	**0.000**	(222,571)	0.000
Outstanding at the end of the year	**1,807,908**	**0.000**	3,072,909	0.000
Exercisable at the end of the year	**396,563**	**0.000**	1,650,140	0.000

The weighted average share price at the date LTIP 2009 options were exercised was £1.177.

Deferred Stock Scheme 2010

During the year ended 31 July 2011, a Deferred Stock Scheme was introduced for Executive Directors and senior managers. The charge in relation to the Deferred Stock Scheme in the year ended 31 July 2016 was £nil (2015: £nil).

	2016 WAEP		2015 WAEP	
	Number	**£**	Number	£
Outstanding at the beginning of the year	**162,500**	**0.000**	162,500	0.000
Vested during the year	**(162,500)**	**0.000**	–	–
Forfeited during the year	**–**	**–**	–	–
Outstanding at the end of the year	**–**	**–**	162,500	0.000
Exercisable at the end of the year	**–**	**–**	162,500	0.000

The share price at the date Deferred Stock Scheme 2010 shares vested was £1.155.

During the year ended 31 July 2015 two new incentive plans were introduced: a new Long Term Incentive Plan ("LTIP 2014") for the Group's Directors and senior managers and a new Deferred Share Bonus Plan ("DSBP 2014") for those managers not participating in the new LTIP.

22 Share-based payments continued

Long Term Incentive Plan 2014

Awards under the LTIP 2014 will be made in the form of nil-cost options as with the LTIP 2009. The maximum total number of shares to be awarded to each participant will be set based on their salary in the year ended 31 July 2015 and the share price at the start of the plan. These awards are to be granted in three equal tranches in October 2015, 2016 and 2017. Receipt of an award in each of those years will be dependent upon the achievement of specific and demanding personal targets set for that individual in the previous financial year. Vesting of awards will depend on the Company achieving stretching targets relating to compound growth in adjusted earnings per share ("EPS") over the five years ending 31 July 2019 and on improvement in its operating margins. Part of the Chief Executive Officer's award is also subject to a Total Shareholder Return ("TSR") condition, this part of the award will only vest if the EPS performance condition is met in full and the Company's TSR has grown by 200%. The maximum number of options that can be granted under this scheme is 6,524,000 and the charge in relation to the LTIP 2014 in the year ended 31 July 2016 was £412,542 (2015: £117,000).

	2016 WAEP		2015 WAEP	
	Number	**£**	Number	£
Outstanding at the beginning of the year	**–**	**–**	–	–
Granted during the year	**2,460,676**	**0.000**	–	–
Vested during the year	**–**	**–**	–	–
Forfeited during the year	**–**	**–**	–	–
Outstanding at the end of the year	**2,460,676**	**0.000**	–	–
Exercisable at the end of the year	**–**	**–**	–	–

The fair value of the options granted in the year with no market based conditions was determined using the Black Scholes model and the fair value of the options granted in the year with a TSR condition was determined using the Monte Carlo Simulation model The following assumptions were used in both the Black Scholes and Monte Carlo Simulation model in calculating the fair values of the options granted during the year:

	2016
Share price	**£1.04**
Exercise price	**£0.00**
Expected volatility	**25%**
Expected life	**5 Years**
Dividend yield	**0.6%**
Risk-free interest rate	**1.65%**

The fair value of options granted during the year determined using the Black Scholes model was £1.01 per option and the fair values of options granted during the year determined using the Monte Carlo Simulation model was £0.04.

Notes to the Consolidated Financial Statements for the year ended 31 July 2016 continued

22 Share-based payments continued

Deferred Share Bonus Plan 2014

The DSBP 2014 delivers a portion of managers' (enhanced) annual bonus in shares which must be retained for a period of two years and are subject to continued employment. The charge in relation to the DSBP 2014 in the year ended 31 July 2016 was £189,000 (2015: £66,000).

	2016 WAEP		2015 WAEP	
	Number	£	Number	£
Outstanding at the beginning of the year	–	–	–	–
Granted during the year	274,135	0.000	–	–
Vested during the year	–	–	–	–
Forfeited during the year	(18,625)	–	–	–
Outstanding at the end of the year	255,510	0.000	–	–
Exercisable at the end of the year	–	–	–	–

The fair value of the options granted in the year was determined using the Black Scholes model. The following assumptions were used in both the Black Scholes model in calculating the fair values of the options granted during the year:

	2016 £'000
Share price	£1.515
Exercise price	£0.00
Expected volatility	25%
Expected life	5 Years
Dividend yield	0.77%
Risk-free interest rate	0.6%

The fair value of options granted during the year determined using the Black Scholes model was £1.49 per option.

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

23 Leasing commitments

The future aggregate minimum lease rentals to be paid under non-cancellable operating leases at 31 July 2016 are as follows:

	31 July 2016		31 July 2015	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
In one year or less	2,205	36	1,556	41
Between one and five years	5,355	–	4,571	29
In five years or more	1,476	–	1,965	–
	9,036	36	8,092	70

24 Capital commitments

At 31 July 2016, the Group had capital commitments of £32,000 (2015: £25,000).

25 Major non-cash transactions

During the year the Group entered into barter transactions with parties in the Middle East, Germany and Asia Pacific with a total value of £1,003,000 (2015: £653,000) to exchange the provision of market research for advertising on television, on websites and in magazines.

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

26 Transactions with Directors and other related parties

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

As at 31 July 2016 Rosamund Shakespeare, the wife of Stephan Shakespeare, held 559,404 Ordinary Shares in the Company.

During the year YouGov provided £242,000 of research services and charged rent of £32,000 to SMG Insight Limited, an associate, and was charged £55,000 for research services by SMG Insight Limited. As at 31 July 2016 £71,000 was receivable from SMG Insight Limited in respect of these services and £4,000 payable.

On 10 December 2013, YouGov plc entered into a joint development agreement with Crunch.io, a US company in which Doug Rivers, an Executive Director of YouGov plc, has an equity interest of 40%. YouGov and Crunch.io have agreed jointly to fund the development of a cloud-based data analytics software application in which both parties have usage rights. During the year Crunch.io recharged costs totalling £nil (2015: £60,000) to YouGov.

During the year Anna-Elizabeth Shakespeare the daughter of Stephan Shakespeare, was employed for one month as an intern, she received an annualised salary of no more than £20,000 p.a.

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

27 Events after the reporting year

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

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

Our opinion

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

- give a true and fair view of the state of the Company's affairs as at 31 July 2016 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

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

- the Parent Company Statement of Financial Position as at 31 July 2016;
- the Parent Company Statement of Cash Flows for the year then ended;
- the Parent Company Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of information and explanations received

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

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

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 56, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

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

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

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

Other matter

We have reported separately on the Group financial statements of YouGov plc for the year ended 31 July 2016.

JS Jenkins

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

10 October 2016

Parent Company Statement of Financial Position as at 31 July 2016

Assets	Note	31 July 2016 £'000	31 July 2015 £'000
Non-current assets			
Intangible assets	7	**1,356**	1,511
Property, plant and equipment	8	**548**	661
Investment in subsidiaries	9	**46,484**	40,007
Investments in associates	10	**280**	210
Deferred tax assets	16	**1,416**	1,717
Total non-current assets		**50,084**	44,106
Current assets			
Trade and other receivables	11	**22,831**	27,172
Cash and cash equivalents	12	**10,355**	3,553
Total current assets		**33,186**	30,725
Total assets		**83,270**	74,831
Liabilities			
Current liabilities			
Trade and other payables	13	**19,160**	17,769
Provisions	15	**767**	2,485
Total current liabilities		**19,927**	20,254
Net current assets		**13,259**	10,471
Non-current liabilities			
Contingent consideration	14	**–**	36
Provisions	15	**1,442**	–
Deferred tax liabilities	16	**–**	78
Total non-current liabilities		**1,442**	114
Total liabilities		**21,369**	20,368
Net assets		**61,901**	54,463
Equity			
Issued share capital	18	**209**	206
Share premium	18	**31,086**	31,051
Merger reserve		**9,239**	9,239
Retained earnings		**21,367**	13,967
Total equity		**61,901**	54,463

The notes and accounting policies on pages 107 to 123 form an integral part of these financial statements.

The financial statements on pages 104 to 123 were authorised for issue by the Board of Directors on 10 October 2016 and signed on its behalf by:

Alan Newman Chief Financial Officer

YouGov plc Registered no. 03607311

Parent Company Statement of Changes in Equity for the year ended 31 July 2016

	Note	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 31 July 2014 reported		199	31,014	9,239	14,014	54,466
Restatement on adoption of IFRS		–	–	–	769	769
Balance at 31 July 2014 restated		199	31,014	9,239	14,783	55,235
Changes in equity for 2015						
Loss for the year		–	–	–	(1,269)	(1,269)
Total comprehensive expense for the year		–	–	–	(1,269)	(1,269)
Issue of shares	18	3	37	–	–	40
Dividends paid	4	–	–	–	(804)	(804)
Consideration for purchase of subsidiary		4	–	–	500	504
Share-based payments	19	–	–	–	669	669
Tax in relation to share-based payments	16	–	–	–	88	88
Total transactions with owners recognised directly in equity		7	37	–	453	497
Balance at 31 July 2015		**206**	**31,051**	**9,239**	**13,967**	**54,463**
Changes in equity for 2016						
Profit for the year		**–**	**–**	**–**	**7,082**	**7,082**
Total comprehensive gain for the year		**–**	**–**	**–**	**7,082**	**7,082**
Issue of shares	18	**3**	**35**	**–**	**(3)**	**35**
Dividends paid	4	**–**	**–**	**–**	**(1,042)**	**(1,042)**
Share-based payments	19	**–**	**–**	**–**	**1,111**	**1,111**
Tax in relation to share-based payments	16	**–**	**–**	**–**	**252**	**252**
Total transactions with owners recognised directly in equity		**3**	**35**	**–**	**318**	**356**
Balance at 31 July 2016		**209**	**31,086**	**9,239**	**21,367**	**61,901**

The notes and accounting policies on pages 107 to 123 form an integral part of these financial statements.

Parent Company Statement of Cash Flows for the year ended 31 July 2016

	Note	2016 £'000	2015 £'000
Cash flows from operating activities			
Profit before taxation		**7,544**	(1,358)
Adjustments for:			
Finance income		**(7,447)**	(380)
Finance costs		**277**	270
Amortisation of intangibles	7	**926**	1,001
Depreciation	8	**230**	204
Share-based payments	4.19	**541**	308
Other non-cash profit items		**13**	736
Decrease in trade and other receivables		**5,138**	393
Increase in trade and other payables		**1,150**	2,474
Increase in provisions		**(276)**	296
Cash generated from operations		**8,096**	3,944
Interest paid		**–**	(3)
Income taxes received	16	**13**	98
Net cash generated from operating activities		**8,109**	4,039
Cash flow from investing activities			
Acquisition of interest in associates		**(140)**	(140)
Purchase of property, plant and equipment	8	**(117)**	(245)
Purchase of intangible assets	7	**(771)**	(821)
Interest received		**434**	120
Dividends received from associates		**29**	48
Net cash used in investing activities		**(565)**	(1,038)
Cash flows from financing activities			
Acquisition of non-controlling interests		**(31)**	–
Proceeds from the issue of share capital	18	**35**	40
Dividends paid to shareholders	5	**(1,042)**	(804)
Net cash used in financing activities		**(1,038)**	(764)
Net increase in cash and cash equivalents		**6,506**	2,237
Cash and cash equivalents at beginning of year		**3,553**	1,401
Exchange gain/(loss) on cash and cash equivalents		**296**	(85)
Cash and cash equivalents at end of year	12	**10,355**	3,553

The notes and accounting policies on pages 107 to 123 form an integral part of these financial statements.

Notes to the Parent Company Financial Statements for the year ended 31 July 2016

1 Significant accounting policies

The separate financial statements of the Company are presented as required by the Companies Act 2006. As permitted by that Act, the separate financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). The financial statements have also been prepared in accordance with IFRSs adopted for use in the European Union and UK company law.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in the consolidated financial statements with the addition of the policies noted below.

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

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

2 Profit of the parent company

The parent company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent company's profit for the year was £7,082,000 (2015 restated: loss of £1,269,000).

3 Auditors' remuneration

	2016 £'000	2015 £'000
Auditors' remuneration:		
Fees payable for the audit of the parent company	**26**	24
Fees payable for the audit of the consolidated financial statements	**46**	67
Tax compliance services	**18**	50
Tax advisory services	**9**	–
Other advisory services	**3**	33
Total auditors' remuneration	**102**	174

4 Staff costs and numbers

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

	2016 £'000	2015 £'000
Wages and salaries	**9,610**	7,928
Social security costs	**851**	976
Share-based payments (Note 22)	**541**	308
Pension costs	**280**	268
Other benefits	**1,766**	1,773
Acquisition cost deemed as staff compensation[1]	**–**	336
	13,048	11,589

1. Part of the acquisition cost relating to CoEditor is deemed as staff compensation and treated as an exceptional cost, as disclosed in Note 9.

Notes to the Parent Company Financial Statements for the year ended 31 July 2016 continued

4 Staff costs and numbers continued

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

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

	2016 Number	2015 Number
Key management personnel	**13**	12
Administration and operations	**172**	157
	185	169

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

	2016 £'000	2015 £'000
Short-term employee benefits	**2,669**	2,435
Post-employment benefits	**37**	60
Share-based payments	**463**	247
Acquisition cost deemed as staff compensation	**–**	336
	3,169	3,078

Disclosure of Directors' remuneration including share options are included in the Remuneration Report on pages 48 to 52.

5 Dividend

On 14 December 2015, a final dividend in respect of the year ended 31 July 2015 of £1,042,000 (1.0p per share) (2014: £804,000 (0.8p per share)) was paid to shareholders. A dividend in respect of the year ended 31 July 2016 of 1.4p per share, amounting to a total dividend of £1,460,000 is to be proposed at the Annual General Meeting on 7 December 2016. These financial statements do not reflect this proposed dividend payable.

6 Business combinations and disposals

Doughty Media 2 Ltd

In 2013, YouGov acquired 100% of Doughty Media 2 Ltd, which owned the majority shareholding in CoEditor Ltd, increasing YouGov's interest in CoEditor Ltd to 98.3%. The total purchase price was £1,241,000 of which £1,207,000 was contingent on the achievement on certain performance criteria. This contingent amount was paid in the prior year by the issue of 1,810,226 shares.

During the period YouGov acquired the remaining 1.7% shareholding in CoEditor Ltd for a cash consideration of £31,000.

Acquisition of Decision Fuel

On 9 January 2014, YouGov plc purchased a 100% shareholding in Decision Fuel an Asia-based research and technology company with offices in Hong Kong, Shanghai and Singapore. The basic purchase consideration payable is the sum of six times the EBITDA of Decision Fuel in the year ending 31 July 2016 and two times EBITDA (capped at 1.5 times 2016 EBITDA) in the year ending 31 July 2017 less any working capital funding provided by YouGov to Decision Fuel prior to the end of the performance period. An initial payment of $1,000,000 (£608,000) was paid upon completion, with the balance payable in two instalments in December 2017 and December 2018.

It is now estimated that no further consideration will be payable and as a result the contingent consideration of £35,000 was released in the year.

7 Intangible assets

	Consumer panel £'000	Software and software development £'000	Patents and trademarks £'000	Product development costs £'000	Total £'000
At 1 August 2014					
Cost	1,183	2,135	129	442	3,889
Accumulated amortisation	(535)	(1,427)	–	(236)	(2,198)
Net book amount	648	708	129	206	1,691
Year ended 31 July 2015					
Opening net book amount	648	708	129	206	1,691
Additions	458	322	1	40	821
Amortisation charge	(356)	(513)	–	(132)	(1,001)
Closing net book amount	750	517	130	114	1,511
At 31 July 2015					
Cost	1,641	2,457	130	482	4,710
Accumulated amortisation	(891)	(1,940)	–	(368)	(3,199)
Net book amount	750	517	130	114	1,511
Year ended 31 July 2016					
Opening net book amount	**750**	**517**	**130**	**114**	**1,511**
Additions	**454**	**280**	**37**	**–**	**771**
Amortisation charge	**(471)**	**(366)**	**–**	**(89)**	**(926)**
Closing net book amount	**733**	**431**	**167**	**25**	**1,356**
At 31 July 2016					
Cost	**2,095**	**2,737**	**167**	**482**	**5,481**
Accumulated amortisation	**(1,362)**	**(2,306)**	**–**	**(457)**	**(4,125)**
Net book amount	**733**	**431**	**167**	**25**	**1,356**

Notes to the Parent Company Financial Statements for the year ended 31 July 2016 continued

8 Property, plant and equipment

	Leasehold property improvements £'000	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
At 31 July 2014				
Cost	579	256	402	1,237
Accumulated depreciation	(192)	(133)	(292)	(617)
Net book amount	387	123	110	620
Year ended 31 July 2015				
Opening net book amount	387	123	110	620
Additions	10	147	88	245
Depreciation	(83)	(83)	(38)	(204)
Closing net book amount	314	187	160	661
At 31 July 2015				
Cost	589	403	490	1,482
Accumulated depreciation	(275)	(216)	(330)	(821)
Net book amount	314	187	160	661
Year ended 31 July 2016				
Opening net book amount	**314**	**187**	**160**	**661**
Additions	**–**	**108**	**9**	**117**
Depreciation	**(83)**	**(105)**	**(42)**	**(230)**
Closing net book amount	**231**	**190**	**127**	**548**
At 31 July 2016				
Cost	**589**	**511**	**499**	**1,599**
Accumulated depreciation	**(358)**	**(321)**	**(372)**	**(1,051)**
Net book amount	**231**	**190**	**127**	**548**

All property, plant and equipment disclosed above are free from restrictions on title. No property, plant and equipment either in 2016 or 2015 has been pledged as security against the liabilities of the Company.

9 Investments in subsidiaries

	2016 £'000	2015 £'000
Balance at 1 August	**40,007**	40,881
Additions in respect of existing subsidiaries	**–**	1
Purchase of non-controlling interest in existing subsidiaries	**31**	–
Acquired from subsidiary undertaking	**5,926**	–
Share-based payments charge	**570**	361
Charge to subsidiaries for shares vesting	**–**	(871)
Contingent consideration treated as staff cost in subsidiaries	**(50)**	(365)
Balance at 31 July	**46,484**	40,007

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

The details of the parent company's subsidiaries are shown in Note 13 of the consolidated financial statements.

10 Investment in associates

	2016 £'000	2015 £'000
Balance at 1 August	**210**	–
Acquisition of associate	**70**	210
Balance at 31 July	**280**	210

At 31 July 2016 the Company had interests in the following associates:

				Proportion held			
	Investment	**Country of incorporation**	**Class of share capital held**	**By parent company**	**By the Group**	**Nature of the business**	**Financial year end**
Portent.io Limited	Associate	England	Ordinary	35%	35%	Market research	31 October
SMG Insight Limited	Associate	England	Ordinary	20%	20%	Market research	31 March

11 Trade and other receivables

	31 July 2016 £'000	31 July 2015 £'000
Trade receivables	**3,447**	3,971
Amounts owed by Group undertakings	**17,244**	20,876
Amounts owed by associates	**23**	39
Other receivables	**617**	117
Prepayments	**203**	86
Accrued income	**1,408**	2,158
	22,942	27,247
Provision for trade receivables	**(111)**	(75)
	22,831	27,172

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

Notes to the Parent Company Financial Statements for the year ended 31 July 2016 continued

11 Trade and other receivables continued

As at 31 July 2016, trade receivables of £1,201,000 (2015: £1,149,000) were overdue but not impaired. These relate to a number of customers for which there is no recent history of default or any other indication that the receivable should not be fully collectable. The ageing analysis of past due trade receivables which are not impaired is as follows:

	31 July 2016 £'000	31 July 2015 £'000
Up to three months overdue	**705**	998
Three to six months overdue	**480**	88
Six months to one year overdue	**16**	52
More than one year overdue	**–**	11
	1,201	1,149

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

	2016 £'000	2015 £'000
Provision for receivables impairment at 1 August	**75**	74
Provision created in the year	**156**	92
Provision utilised in the year	**(120)**	(91)
Provision for receivables impairment at 31 July	**111**	75

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

The average length of time taken by customers to settle receivables is 43 days (2015: 48 days). Concentrations of credit risk do exist with certain clients with which we have trading relationships but none has a history of default and all command a certain stature within the marketplace which minimises any potential risk of default. Material balances (defined as greater than £250,000 (2015: greater than £250,000)) represent 10% of trade receivables (2015: 16%).

12 Cash and cash equivalents

	31 July 2016 £'000	31 July 2015 £'000
Cash at bank and in hand	**10,355**	3,553
Cash and cash equivalents (excluding bank overdrafts)	**10,355**	3,553

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

13 Trade and other payables

	31 July 2016 £'000	31 July 2015 £'000
Trade payables	**410**	784
Amounts owed to Group undertakings	**10,683**	11,146
Amounts owed to Associates and Investments	**–**	70
Accruals	**3,491**	2,449
Deferred income	**2,717**	1,925
Other payables	**1,859**	1,395
	19,160	17,769

Included within other payables are £56,000 (2015: £45,000) of contributions due in respect of defined contribution pension schemes.

14 Contingent consideration

	Decision Fuel £'000	Total £'000
At 1 August 2014	169	169
Released during the year	(133)	(133)
Balance at 31 July 2015	**36**	**36**
Included within current liabilities	–	–
Included within non-current liabilities	36	36
Released during the year	**(36)**	**(36)**
Balance at 31 July 2016	**–**	**–**
Included within current liabilities	–	–
Included within non-current liabilities	–	–

15 Provisions for other liabilities and charges

	Panel incentives £'000	Total £'000
At 31 July 2014	2,189	2,189
Provided during the year	2,847	2,847
Utilised during the year	(2,551)	(2,551)
Balance at 31 July 2015	**2,485**	**2,485**
Included within current liabilities	2,485	2,485
Included within non-current liabilities	–	–
Provided during the year	**2,603**	**2,603**
Utilised during the year	**(2,879)**	**(2,879)**
Balance at 31 July 2016	**2,209**	**2,209**
Included within current liabilities	**767**	**767**
Included within non-current liabilities	**1,442**	**1,442**

The panel incentive provision represents the Directors' best estimate of the future liability in relation to the value of panel incentives that have accrued in the panellists' virtual accounts up to 31 July 2016. The provision of £2.2m represents 48% of the maximum potential liability of £4.7m (2015: £2.5m representing 56% of the total liability of £4.5m). The factors considered in estimating the appropriate percentage of the total potential liability to be provided against at each reporting date include: panel churn rates, panel activity rates and current redemption patterns.

Notes to the Parent Company Financial Statements for the year ended 31 July 2016 continued

16 Deferred tax assets and liabilities

Deferred tax asset	Property, plant and equipment £'000	Tax losses £'000	Other timing differences £'000	Total £'000
Balance at 1 August 2014	90	377	1,264	1,731
Recognised in the income statement	53	43	(100)	(4)
Recognised in equity	–	–	88	88
Tax losses surrendered	–	(98)	–	(98)
Balance at 31 July 2015	**143**	**322**	**1,252**	**1,717**
Recognised in the income statement	**(80)**	**(111)**	**(349)**	**(540)**
Recognised in equity	**–**	**–**	**252**	**252**
Tax losses surrendered	**–**	**(13)**	**–**	**(13)**
Balance at 31 July 2016	**63**	**198**	**1,155**	**1,416**

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

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

Deferred tax liabilities	Intangible assets £'000	Total £'000
Balance at 1 August 2014	170	170
Recognised in the income statement	(92)	(92)
Balance at 31 July 2015	**78**	**78**
Recognised in the income statement	**(78)**	**(78)**
Balance at 31 July 2016	**–**	**–**

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

	2016 £'000	2015 £'000
Balance at 1 August	**1,639**	1,561
Recognised in the income statement	**(463)**	88
Recognised in equity	**253**	88
Tax losses surrendered	**(13)**	(98)
Balance at 31 July	**1,416**	1,639

17 Risk management objectives and policies

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

Foreign currency risk

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

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

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

	2016 £'000			2015 £'000		
	US $	**Euro €**	**Other currencies**	US $	Euro €	Other currencies
Financial assets	**5,268**	**737**	**503**	10,317	1,196	5
Financial liabilities	**(64)**	**(471)**	**(150)**	(362)	(429)	(215)
Short-term exposure	**5,204**	**266**	**353**	9,955	767	(210)
Financial assets	**–**	**–**	**–**	–	–	–
Financial liabilities	**–**	**–**	**–**	(36)	–	–
Long-term exposure	**–**	**–**	**–**	(36)	–	–

Liquidity risk

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

The Company currently has no general borrowing arrangement in place and prepares cash flow forecasts which are reviewed at Board meetings to ensure liquidity.

As at 31 July 2016, the Group's liabilities have undiscounted contractual maturities which are summarised below:

	2016				2015			
	Current		**Non-current**		Current		Non-current	
At 31 July 2016	**Within 6 months £'000**	**6 to 12 months £'000**	**Within 6 months £'000**	**6 to 12 months £'000**	Within 6 months £'000	6 to 12 months £'000		
Trade and other payables	**16,443**	**–**	**–**	**–**	16,129	–	–	–
Contingent consideration	**–**	**–**	**–**	**–**	–	–	36	–

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

Notes to the Parent Company Financial Statements for the year ended 31 July 2016 continued

17 Risk management objectives and policies continued

Capital risk management

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

	31 July 2016 £'000	31 July 2015 £'000
Cash and cash equivalents	**10,355**	3,553
Equity attributable to Shareholders of the parent company	**(61,901)**	(54,463)
	(51,546)	(50,910)

The Company has no externally imposed capital requirements.

Interest rate risk

The Group manages its interest rate risk by negotiating fixed interest rates on deposits for periods of up to three months. The average cash and cash equivalents balance, net of bank overdrafts, over the course of the year was £7.0m (2015: £1.2m). Management does not believe that the Group is subject to interest rate risk.

Fair values of financial assets and financial liabilities

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

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

	31 July 2016		31 July 2015	
	Book value £'000	**Fair value £'000**	Book value £'000	Fair value £'000
Trade and other receivables	**22,628**	**22,628**	27,309	27,309
Cash and cash equivalents	**10,355**	**10,355**	3,553	3,553
Trade and other payables	**(16,443)**	**(16,443)**	(16,166)	(16,166)
Contingent consideration – Non-current	**–**	**–**	(36)	(36)

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows: Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	31 July 2016 £'000				31 July 2015 £'000			
	Current		**Non-current**		Current		Non-current	
Liabilities	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Contingent consideration	**–**	**–**	**–**	**–**	–	–	36	36

17 Risk management objectives and policies continued

The following table presents the changes in Level 3 instruments.

Contingent consideration	2016 £'000	2015 £'000
Balance at 1 August	**36**	467
Recognised in the income statement	**(36)**	(125)
Recognised in other comprehensive income	**–**	24
Settled	**–**	(330)
Balance at 31 July	**–**	36

18 Share capital and share premium

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

	Number of shares	Share capital £'000	Share premium £'000	Total £'000
At 1 August 2014	99,308,954	199	31,014	31,213
Issue of shares	3,541,500	7	37	44
At 31 July 2015	**102,850,454**	**206**	**31,051**	**31,257**
Issue of shares	**1,448,598**	**3**	**35**	**38**
At 31 July 2016	**104,299,052**	**209**	**31,086**	**31,295**

19 Share-based payments

The charge in relation to the share-based payments in the year ended 31 July 2016 was £541,000 (2015: £308,000). Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

Approved and Unapproved share option schemes

	2016 WAEP		2015 WAEP	
Approved share option scheme	**Number**	**£**	Number	£
Outstanding at the beginning of the year	**60,721**	**1.645**	60,721	1.645
Granted during the year	**–**	**–**	–	–
Exercised during the year	**–**	**–**	–	–
Forfeited during the year	**–**	**–**	–	–
Outstanding at the end of the year	**60,721**	**1.645**	60,721	1.645
Exercisable at the end of the year	**60,721**	**1.645**	60,721	1.645

	2016 WAEP		2015 WAEP	
Unapproved share option scheme	**Number**	**£**	Number	£
Outstanding at the beginning of the year	**21,346**	**1.645**	21,346	1.645
Granted during the year	**–**	**–**	–	–
Exercised during the year	**–**	**–**	–	–
Forfeited during the year	**–**	**–**	–	–
Outstanding at the end of the year	**21,346**	**1.645**	21,346	1.645
Exercisable at the end of the year	**21,346**	**1.645**	21,346	1.645

Notes to the Parent Company Financial Statements for the year ended 31 July 2016 continued

19 Share-based payments continued

The options outstanding under the approved and unapproved share option schemes as at 31 July 2016 and 31 July 2015 have the following average exercise prices and expire in the following financial years.

Expiry	Exercise price £	2016 Number	2015 Number
31 July 2017	**1.645**	**82,067**	82,067

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

Long Term Incentive Plan 2009

During the year ended 31 July 2015, the Long Term Incentive Plan 2009 ("LTIP 2009") for Executive Directors, Senior Executives and senior managers continued to operate but no new awards were made under the LTIP 2009 as it has been replaced by two new incentive plans summarised below. The rules governing the LTIP 2009 are summarised in the Remuneration Report on page 49. The charge in relation to the LTIP 2009 in the year ended 31 July 2016 was £234,000 (2015: £216,000). This charge was valued using a Monte Carlo simulation.

	2016 WAEP		2015 WAEP	
	Number	**£**	Number	£
Outstanding at the beginning of the year	**2,017,571**	**0.000**	2,750,402	0.000
Employee transfers during the year	**80,211**	**0.000**	–	0.000
Granted during the year	**–**	**–**	–	0.000
Exercised during the year	**(1,253,577)**	**0.000**	(613,870)	0.000
Forfeited during the year	**–**	**0.000**	(118,961)	0.000
Outstanding at the end of the year	**844,205**	**0.000**	2,017,571	0.000
Exercisable at the end of the year	**194,156**	**0.000**	1,400,384	0.000

The weighted average share price at the date LTIP 2009 options were exercised was £1.177.

Deferred Stock Scheme 2010

During the year ended 31 July 2011, a Deferred Stock Scheme was introduced for Executive Directors and senior managers. The charge in relation to the Deferred Stock Scheme in the year ended 31 July 2016 was £nil (2015: £nil).

	2016 WAEP		2015 WAEP	
Deferred Stock Scheme 2010	**Number**	**£**	Number	£
Outstanding at the beginning of the year	**162,500**	**0.000**	162,500	0.000
Vested during the year	**(162,500)**	**0.000**	–	–
Forfeited during the year	**–**	**–**	–	–
Outstanding at the end of the year	**–**	**–**	162,500	0.000
Exercisable at the end of the year	**–**	**–**	162,500	0.000

The share price at the date Deferred Stock Scheme 2010 shares vested was £1.155.

During the year ended 31 July 2015 two new incentive plans were introduced: a new Long Term Incentive Plan ("LTIP 2014") for the Group's directors and senior managers and a new Deferred Share Bonus Plan ("DSBP 2014") for those managers not participating in the new LTIP.

19 Share-based payments continued

Long Term Incentive Plan 2014

Awards under the LTIP 2014 will be made in the form of nil-cost options as with the LTIP 2009. The maximum total number of shares to be awarded to each participant will be set based on their salary in the year ended 31 July 2015 and the share price at the start of the plan. These awards are to be granted in three equal tranches in October 2015, 2016 and 2017. Receipt of an award in each of those years will be dependent upon the achievement of specific and demanding personal targets set for that individual in the previous financial year. Vesting of awards will depend on the Company achieving stretching targets relating to compound growth in adjusted earnings per share ("EPS") over the five years ending 31 July 2019 and on improvement in its operating margins. Part of the Chief Executive Officer's award is also subject to a Total Shareholder Return ("TSR") condition, this part of the award will only vest if the EPS performance condition is met in full and the Company's TSR has grown by 200%. The maximum number of options that can be granted under this scheme is 4,080,000 and the charge in relation to the LTIP 2014 in the year ended 31 July 2016 was £246,000 (2015: £64,000).

	2016 WAEP		2015 WAEP	
	Number	**£**	Number	£
Outstanding at the beginning of the year	**–**	**–**	–	–
Granted during the year	**1,703,271**	**0.000**	–	–
Vested during the year	**–**	**–**	–	–
Forfeited during the year	**–**	**–**	–	–
Outstanding at the end of the year	**1,703,271**	**0.000**	–	–
Exercisable at the end of the year	**–**	**–**	–	–

The fair value of options granted during the year with no market based conditions, determined using the Black Scholes model, was £1.01 per option and the fair values of options granted during the year with a TSR condition, determined using the Monte Carlo Simulation model, was £0.04. The assumptions used in both the Black Scholes and Monte Carlo Simulation model in calculating the fair values of the options granted during the year are disclosed in note 22 to the consolidated financial statements.

Deferred Share Bonus Plan 2014

The DSBP 2014 delivers a portion of managers' (enhanced) annual bonus in shares which must be retained for a period of two years and are subject to continued employment. The charge in relation to the DSBP 2014 in the year ended 31 July 2016 was £61,000 (2015: £28,000).

	2016 WAEP		2015 WAEP	
	Number	**£**	Number	£
Outstanding at the beginning of the year	**–**	**–**	–	–
Granted during the year	**99,868**	**0.000**	–	–
Vested during the year	**–**	**–**	–	–
Forfeited during the year	**(12,761)**	**–**	–	–
Outstanding at the end of the year	**87,107**	**0.000**	–	–
Exercisable at the end of the year	**–**	**–**	–	–

The fair value of options granted during the year, determined using the Black Scholes model, was £1.49 per option.
The assumptions used in the Black Scholes model in calculating the fair values of the options granted during the year are disclosed in note 22 to the consolidated financial statements.

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

Notes to the Parent Company Financial Statements for the year ended 31 July 2016 continued

20 Leasing commitments

The future aggregate minimum lease rentals to be paid under non-cancellable operating leases at 31 July 2016 are as follows:

	31 July 2016		31 July 2015	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
In one year or less	–	–	–	–
Between one and five years	–	–	–	–
In five years or more	497	–	497	–
	497	–	497	–

21 Capital commitments

At 31 July 2016, the Company had capital commitments of £nil (2015: £nil).

22 Major non-cash transactions

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

23 Transactions with Directors and other related parties

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

As at 31 July 2016 Rosamund Shakespeare, the wife of Stephan Shakespeare, held 559,404 Ordinary Shares in the Company.

During the year the Company provided £73,000 of research services and charged rent of £32,000 to SMG Insight Limited, an associate, and was charged £4,000 for research services by SMG Insight Limited. As at 31 July 2016 £23,000 was receivable from SMG Insight Limited in respect of these services and rent.

On 10 December 2013, YouGov plc entered into a joint development agreement with Crunch.io, a US company in which Doug Rivers, an Executive Director of YouGov plc, has an equity interest of 40%. YouGov and Crunch.io have agreed jointly to fund the development of a cloud-based data analytics software application in which both parties have usage rights.

During the year Anna-Elizabeth Shakespeare the daughter of Stephan Shakespeare, was employed for one month as an intern, she received an annualised salary of no more than £20,000 p.a.

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

24 Events after the reporting year

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

25 First-time adoption of IFRS

The date of transition to IFRS is 1 August 2014. The Company applied IFRS 1 First-time Adoption of International Financial Reporting Standards (IFRS) in preparing these first IFRS parent company financial statements. The effects of the transition to IFRS on equity is presented in this section and are further explained in the notes that accompany the table.

Reconciliation of equity

Equity at the date of transition and at 31 July 2015 can be reconciled to the amounts reported under previous GAAP as follows:

		1 August 2015			31 July 2015		
Assets	Note	UK GAAP £'000	Effect of transition to IFRS £'000	**IFRS £'000**	UK GAAP £'000	Effect of transition to IFRS £'000	**IFRS £'000**
Non-current assets							
Intangible assets	a	777	914	**1,691**	880	631	**1,511**
Property, plant and equipment	b	683	(63)	**620**	903	(242)	**661**
Investment in subsidiaries	c	41,085	(204)	**40,881**	40,211	(204)	**40,007**
Investments in joint ventures and associates		–	–	**–**	210	–	**210**
Deferred tax assets	d	–	1,731	**1,731**	–	1,717	**1,717**
Total non-current assets		42,545	2,378	**44,923**	42,204	1,902	**44,106**
Current assets							
Trade and other receivables	e	27,733	(1,237)	**26,496**	28,303	(1,131)	**27,172**
Cash and cash equivalents		1,401	–	**1,401**	3,553	–	**3,553**
Total current assets		29,134	(1,237)	**27,897**	31,856	(1,131)	**30,725**
Total assets		71,679	1,141	**72,820**	74,060	771	**74,831**
Liabilities							
Current liabilities							
Trade and other payables	f	14,855	202	**15,057**	17,546	223	**17,769**
Provisions for other liabilities and charges		2,189	–	**2,189**	2,485	–	**2,485**
Total current liabilities		17,044	202	**17,246**	20,031	223	**20,254**
Net current assets		12,090	(1,439)	**10,651**	11,825	(1,354)	**10,471**
Non-current liabilities							
Contingent consideration		169	–	**169**	36	–	**36**
Deferred tax liabilities	g	–	170	**170**	–	78	**78**
Total non-current liabilities		169	170	**339**	36	78	**114**
Total liabilities		17,213	372	**17,585**	20,067	301	**20,368**
Net assets		54,466	769	**55,235**	53,993	470	**54,463**
Equity							
Issued share capital		199	–	**199**	206	–	**206**
Share premium		31,014	–	**31,014**	31,051	–	**31,051**
Merger reserve		9,239	–	**9,239**	9,239	–	**9,239**
Retained earnings	h	14,014	769	**14,783**	13,497	470	**13,967**
Total equity		54,466	769	**55,235**	53,993	470	**54,463**

Notes to the Parent Company Financial Statements for the year ended 31 July 2016 continued

25 First-time adoption of IFRS continued

Presentation differences

Certain presentation differences between UK GAAP and IFRS have no impact on reported profit or total equity. Some assets and liabilities have been reclassified into another line item under IFRS at the date of transition. Purchased software has been reclassified from Property, plant and equipment to Intangible assets. Deferred tax assets included within trade and other receivables under UK GAAP are identified separately under IFRS. The effect of these presentation differences are included in the notes to the reconciliations below.

a. Intangible assets

Recognition and capitalisation of internally developed software

UK GAAP did not permit recognition of internally generated intangible assets to the same extent as under IFRS. Software development costs previously recognised as an expense that meet the recognition criteria are now capitalised and amortised under IFRS.

Intangible assets are adjusted as follows:

	1 August 2015 £'000	31 July 2015 £'000
Capitalisation of costs incurred as of the transition date	851	851
Capitalisation of development costs incurred in the year	–	103
Amortisation of development costs in the year	–	(565)
Reclassification of purchased software	63	242
	914	**631**

b. Property, plant and equipment

Property, plant and equipment are adjusted as follows:

	1 August 2015 £'000	31 July 2015 £'000
Reclassification of purchased software	(63)	(242)
	(63)	**(242)**

c. Investment in subsidiaries

Acquisition costs

Under UK GAAP fees and similar incremental costs incurred directly in making an acquisition are included in the cost of acquisition, under IFRS these acquisition-related costs are expensed in the period that they are incurred.

Investment in subsidiaries are adjusted as follows:

	1 August 2015 £'000	31 July 2015 £'000
Acquisition costs incurred on the acquisition of Decision Fuel	(177)	(177)
Acquisition costs incurred on the acquisition of Doughty Media 2	(27)	(27)
	(204)	**(204)**

25 First-time adoption of IFRS continued

d. Deferred tax assets

Future gains on share options in excess of the amount recognised as cumulative remuneration expense

Under UK GAAP any excess of the expected future tax deduction over the tax attributable to the cumulative remuneration expense is a permanent difference which is not recognised. Under IFRS this amount is recognised directly in equity.

Deferred tax assets are adjusted as follows:

	1 August 2015 £'000	31 July 2015 £'000
Reclassification from trade and other receivables	1,237	1,131
Deferred tax recognised on gains on share options in excess of fair value	453	541
Deferred tax recognised on accrued holiday pay (note f)	41	45
	1,731	**1,717**

e. Trade and other receivables

Trade and other receivables are adjusted as follows:

	1 August 2015 £'000	31 July 2015 £'000
Reclassification of deferred tax assets	(1,237)	(1,131)
	(1,237)	**(1,131)**

f. Trade and other payables

Accrued holiday pay

Under IFRS accrued holiday pay is required to be recognised as a liability, there is no similar requirement under UK GAAP.

Trade and other payables are adjusted as follows:

	1 August 2015 £'000	31 July 2015 £'000
Accrued holiday pay	202	223
	202	**223**

g. Deferred tax liabilities

Deferred tax liabilities are adjusted as follows:

	1 August 2015 £'000	31 July 2015 £'000
Deferred tax recognised on capitalised development costs (note a)	170	78
	170	**78**

h. Retained earnings

The net impact of the above adjustments on retained earnings is as follows:

	1 August 2015 £'000	31 July 2015 £'000
Capitalisation of internally developed software	681	311
Acquisition-related costs being expensed	(204)	(204)
Deferred tax recognised on gains on share options in excess of fair value	453	541
Recognition of accrued holiday pay as a liability	(161)	(178)
	769	**470**

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of YouGov plc will be held at 50 Featherstone Street, London EC1Y 8RT on Wednesday 7 December 2016 at 8.30am to consider and, if thought fit, pass the resolutions below.

Resolution 9 will be proposed as a Special Resolution. All other Resolutions will be proposed as Ordinary Resolutions.

Ordinary Resolutions

1. To receive the Company's annual accounts for the financial year ended 31 July 2016, together with the Directors' Report and the Auditors' Report on those accounts.
2. To approve the Directors' Remuneration Report set out in the Annual Report and Accounts for the financial year ended 31 July 2016.
3. To reappoint PricewaterhouseCoopers LLP as auditors to hold office from the conclusion of this meeting until the conclusion of the next general meeting of the Company at which accounts are laid.
4. To authorise the Directors to fix the remuneration of the auditors.
5. To reappoint Roger Parry as a Director retiring by rotation in accordance with the Company's Articles of Association.
6. To reappoint Ben Elliot as a Director retiring by rotation in accordance with the Company's Articles of Association.
7. To declare a final dividend of 1.4p per Ordinary Share to be paid on Monday 12 December 2016 to those Shareholders on the register of members as at Friday 2 December 2016.
8. To generally and unconditionally authorise the Directors (in substitution for all subsisting authorities to the extent unused, other than in respect of any allotments made pursuant to offers or agreements made prior to the passing of this resolution) for the purposes of section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company ("Shares") and grant rights to subscribe for, or to convert any security into, Shares ("Subscription or Conversion Rights") up to an aggregate nominal amount of £10,430 provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on 31 December 2017, whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require Shares to be allotted or Subscription or Conversion Rights to be granted after such expiry and the Directors may allot Shares and grant Subscription or Conversion Rights in pursuance of any such offer or agreement as if this authority had not so expired.

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

Special Resolution

9. That conditional on the passing of Resolution 8 above, that the Directors be and are hereby empowered in accordance with Section 570 and Section 573 of the Companies Act 2006 to allot equity securities (within the meaning of Section 560 of that Act) for cash, either pursuant to the authority conferred by Resolution 8 or by way of a sale of treasury shares, as if Section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited to:

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

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

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

   (b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to an aggregate nominal amount of £10,430 and shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on 31 December 2017, whichever is the earlier, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offers or agreements as if the power conferred hereby had not expired.

By order of the Board

Tilly Heald

Company Secretary

10 October 2016

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

Annual General Meeting Notes

Notes:

1. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A Shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Neville Registrars Limited, at Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA.

2. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA no later than 8.30am on Monday 5 December 2016.

3. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 6 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.

4. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, to be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company at 6.00pm on Monday 5 December 2016 (or, in the event of any adjournment, 6.00pm on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

5. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

6. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with the specifications of Euroclear UK & Ireland Limited (the operator of the CREST system), and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA11) by 8.30am on Monday 5 December 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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

8. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

9. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that: (i) if a corporate Shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that Shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate Shareholder attends the meeting but the corporate Shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate Shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above.

Annual General Meeting Notes continued

Explanatory Notes to the Notice of Annual General Meeting

Resolution 9 (Statutory pre-emption rights)

Under Section 561 of the Companies Act 2006, when new shares are allotted, they must first be offered to existing Shareholders pro-rata to their holdings. This Special Resolution renews the authorities previously granted to the Directors to: (a) allot shares of the Company in connection with a rights issue or other pre-emptive offer; and (b) otherwise allot shares of the Company, or sell treasury shares for cash, up to an aggregate nominal value of £10,430 (representing in accordance with institutional investor guidelines, approximately 5% of the share capital in issue as at 7 October 2016 (being the last practicable date prior to the publication of this notice)) as if the pre-emption rights of Section 561 did not apply. The authority granted by this resolution shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on 31 December 2017, whichever is the earlier.

The notes above give an explanation of the proposed Resolutions. Resolutions 1 to 8 are proposed as Ordinary Resolutions. This means that for each of those Resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolution 9 is proposed as a Special Resolution. This means that for each Resolution to be passed, at least three-quarters of the votes cast must be in favour of the Resolution.

Retained Advisors

The Company's retained advisors are:

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

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

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

Auditors
PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

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FTI Consulting
200 Aldersgate
Aldersgate Street
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