14 October 2013

YouGov plc
Preliminary Results for the year ended 31 July 2013

Strong growth in data products and services

Headline Financial Highlights			
	Year to 31 July 2013 £m	**Year to 31 July 2012 £m**	**% change**
Revenue	**62.6**	**58.1**	**8%**
Adjusted Operating Profit[1]	**6.0**	**5.6**	**7%**
Adjusted Operating Profit Margin (%)	**10%**	**10%**	
Adjusted Profit before Tax[1]	**6.8**	**6.1**	**13%**
Reported Profit before Tax	**1.5**	**0.4**	**238%**
Adjusted Earnings per Share[1]	**5.6p**	**4.9p**	**14%**
Dividend per Share	**0.6p**	**0.5p**	**20%**

Key Financials

- Group revenue increased by 8%
- Adjusted operating profit up by 7%
- Adjusted profit before tax up by 13%
- Adjusted earnings per share up by 14%
- The Group generated £6.9m in cash from operations (before paying interest and tax) (2012: £4.9m); Good cash conversion at 116% of adjusted operating profit (2012: 88%)
- Net cash balances of £6.7m (2012: £7.2m) after making £2m of earn-out payments for previous acquisitions
- Dividend increased by 20% to 0.6p per share
- Current trading in line with the Board's expectations

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Operational Highlights

- Revenue from Data Products and Services up by 17%; now represents 24% of total
- BrandIndex revenue increased by 22% to £5m
- Omnibus revenue increased by 20% to £7.6m
- Revenue from Custom Research up by 5%, ahead of the global market
- US revenues increased by 8% to £20.8m but adjusted operating profit fell by 15% to £2.3m
- UK revenue up by 11% to £17.4m; adjusted operating profit up 19%
- Middle East revenue grew by 22% reflecting expansion across regional markets
- German performance improved with adjusted operating profit up by 36% to £0.9m
- Nordic turnaround in progress with cost reductions achieved of £0.5m on an annualised basis
- French revenue doubled as planned

1. Adjusted operating profit is defined as group operating profit before amortisation of intangibles, impairment charge and exceptional items; in the year to 31 July 2013, amortisation of intangibles was £3.3m (2012: £4.4m) and exceptional costs were £1.2m (2012: £0.5m). Adjusted profit before tax and earnings per share are calculated based on the adjusted operating profit.

Commenting on the results, Stephan Shakespeare, Chief Executive, said:

"In rolling out our strategy, YouGov has delivered a good operational and financial performance for the year. Our investment in data products and services is yielding significant revenue growth while our custom research business is also still growing ahead of the market. YouGov remains the pioneer of real-time research based on continuous interaction with our engaged panel. This enables us to offer cost effective and highly accurate insights to clients through packaged products like our proprietary BrandIndex and our market-leading Omnibus service.

Our focus in the coming year will remain on maintaining the growth from our expanding suite of data products and services and on focussing resources in all our existing operations to exploit further the advantages of our core operating model. Encouragingly, our clients are demanding a more data centric focus to their market research. Consistent with this, we plan to continue extending our panels to new markets and thus to offer our data and insights to ever greater numbers of clients. We expect that YouGov will see continued growth in revenue and profits in the coming year."

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Chairman and CEO's Statement

Introduction

In the year ended 31 July 2013, we are pleased to report that YouGov has delivered a good financial performance, in line with the Board's expectations. The Group's revenue has once again grown well ahead of the global market research industry and we have also made further progress towards our stated goal of increasing our focus on real-time research based on our increasingly global on-line panel. Our profits and earnings per share have increased while we have continued to invest in developing our products and technologies as well as entering new markets. Given this performance, together with our continued robust financial position, the Board is recommending an increase of 20% in the dividend payable to shareholders.

This year's revenue of £62.6m was 8% higher than the prior year. Significantly, revenues in the second half year grew by 15%, compared to the same period in 2011/12, as we converted the strong sales reported at the interim stage. The Group's adjusted operating profit increased by 7% to £6.0m, in line with its revenue growth. We continued to tighten our operating expense ratio, by 1 percentage point, although gross margins fell slightly due to higher external data collection costs as more international off-panel work was conducted. Our adjusted profit before tax rose by 13% and adjusted earnings per share by 14% reflecting the strong operating performance and higher net finance income.

The success of our strategy of investing in faster growth from data products and services was reflected in revenue growth of 17% from this part of our business which now accounts for 24% of the Group's total revenue. We are pleased to see these benefits resulting from our investments in new and enhanced products as well as in the people and technology with which to deliver them. Revenue from custom research increased overall by 5%, a growth rate which is in itself above the estimated global market growth rate of 3% for 2012/13. We believe that our innovations in breaking down the traditional divide between syndicated and custom research will enable YouGov to increase further the value that can be generated from the data that we collect as well as our business scalability.

Given our diversified geographic footprint, different regions performed at varying speeds as expected.

The UK remains the territory where YouGov's core business model is most developed. UK revenue increased by 11% to £17.4m reflecting significant new custom business wins among global corporate and institutional clients as well as continued growth in data products and services, especially for our market leading Omnibus service. The higher revenue fed through to a 19% increase in its adjusted operating profits compared to the previous year, reflecting the scalability of the model.

There was a mixed performance in the US which is our largest market by revenue. We achieved overall revenue growth of 8%, with BrandIndex continuing to grow strongly and our polling accuracy for the 2012 Presidential Election helping to increase awareness of our brand. However, US adjusted operating profit was £0.4m lower at £2.3m compared to £2.7m in the prior year. This was due to slower growth in the US custom research business in the second half of the year as two major clients unexpectedly reduced their activity. Following management actions, including cost savings, implemented since the year-end, we expect the US custom business and overall US profitability to be back on course in the current year.

The Middle East reported revenue growth of 22% and adjusted operating profit growth of 18%, both of which were well ahead of expectations due to continued new business wins in UAE and in the Kurdistan region of Iraq whose rapid economic development has created significant opportunities to exploit our research model along with our understanding of the region. In

Germany, the progress reported at the interim stage was maintained resulting in higher profitability and the adjusted operating margin reaching 9%. Our Nordic unit, which as previously reported, experienced problems in the first half, has undergone a restructuring programme which started in January 2013, led by an interim CEO. This addressed the year-on year revenue decline seen in the first half and led to cost reductions which will yield annualised savings of £0.5m. These actions should enable the unit to deliver a better performance in the next financial year. Our nascent French operation achieved its goal of doubling revenue from the previous year through several new BrandIndex contracts and a growing domestic and international Omnibus business.

Delivering the Growth Strategy

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

In delivering this, we have defined five key strategic objectives. We describe these below together with our progress in achieving them in the year under review.

Grow our suite of data products and services

We made further progress in increasing the proportion of Group revenue derived from data products and services to bring this closer to parity with custom research over the medium term. Overall revenue from data products and services grew by 17% to £15m from £13m in the year ended 31 July 2013.

BrandIndex, our flagship brand intelligence service, continued to gain clients globally and achieved 22% revenue growth to £5m. It now serves over 150 subscribers across all our geographic units. The development of BrandIndex as a currency for brand measurement has been facilitated by our close collaborations with leading global media agencies including OMD and Universal McCann who continue to support its global expansion. New client wins in the year included Barclaycard, Energizer, Heathrow and Travelodge. During the year, we launched an enhanced version (6.0) of BrandIndex which includes weekend data collection as well as weekday coverage and an extended range of valuable information from consumers, including media awareness and expected and reported purchase behaviour. We also launched an extension of the BrandIndex service – CategoryView. This provides in-depth data on specific market sectors (e.g. telecoms or dining) focusing on product ownership, spending patterns and brand switching behaviour. It provides additional insight for brand and business decision-makers and also for financial investors, such as fund managers and analysts. CategoryView has been introduced for selected sectors in the US, UK and China and is being marketed initially to the investment community, especially in the US.

Our Omnibus service, which celebrated its tenth birthday in 2013, achieved global revenue growth of 20% to nearly £8m. This reflects the geographical expansion of the Omnibus service as well as continued good growth (18%) in the UK where it is the clear market-leader. We launched a daily Omnibus in the USA in January 2013, overseen by our Group Omnibus Director who is now based in New York, which is performing as planned. In the US, as well as in other newer Omnibus territories such as France and Middle East, we have successfully begun to build media and PR agency relationships in support of Omnibus, following the successful UK model. New European clients in the year included Money Advice Service and Henkel, while new US clients included Diffusion PR and KIND. The global roll-out of Omnibus is also enabling us to service demand for multi-country Omnibus surveys using the Group's own panels which we expect will contribute to future growth. New segmental services covering specific groups such as Children and Parents, Shoppers and B2B have also been launched which will extend the client base that can be served using the common Omnibus platform.

We have continued to develop SoMA, our measurement tool for social media audiences which uniquely includes Facebook messages as well as Twitter, so that clients can apply their own segmentations to data derived from social media. This provides the ability to track social media communications across target audiences as defined by a given business or organisation. SoMA gives valuable insights into the “customer journey” and is being incorporated by clients into their wider research data suite.

Expand our geographic footprint

YouGov already has twenty offices worldwide covering the USA, UK, France, Germany, Nordics and the Middle East and our online panels operate in 33 countries with some 3 million panellists registered on them. In meeting our clients’ needs for YouGov’s data we have been expanding our operations across the major global markets around a repeatable version of our core offering. We aim to do this mainly by organic investment but will consider selective acquisitions if these can accelerate our development. Our French office, which opened two years ago, is successfully meeting its goals. Early in 2013, we set up our first panel of Chinese consumers which has enabled us to launch a BrandIndex version for China to which clients are already subscribing.

Integrate custom research and syndicated data

YouGov’s panel centric approach enables us to provide clients with the information they require on opinions and behaviours using the data that our panellists continuously provide to us, supplemented as necessary with tailored surveys or questions added to our regular surveys. We have been significantly expanding and organising our Profile Data Library (PDL) so that this ‘connected data’ enables our clients to understand people’s attitudes and consumption decisions. This data already feeds into our syndicated products, for example economic confidence data from our Household Economic Activity Tracker (HEAT) can be overlaid with customer segmentations and BrandIndex data can be filtered by media consumption types. More and more, we are integrating this data with our custom research to make the whole offering stronger and have been applying this approach to provide innovative solutions to our clients. For example, YouGov’s precise media consumption data can be used to measure the impact of advertising that respondents have seen but do not recall. Our innovative solution was demonstrated at the Guardian’s Changing Media Summit, in a case study on the advertising campaign for “Lynx” a well-known personal care product. A number of clients, including RSPB and SHS-Drinks, are already using these new methods to measure the impact of their advertising and sponsorship campaigns. Delivery of complex data sets tailored for our clients also requires sophisticated tools for data delivery, analysis and visualisation which our investment in these technologies helps us to fulfil. This allows us to capitalise on the opportunity that we have identified to integrate syndicated data into custom research projects.

Enhance user experience

Integrated data, and user experience in producing that data, are two parts of the same process. That is why one of YouGov’s key differentiators is that we treat panel management as part of our panel-centric methodology. This centres on using online panels with engaged long-term respondents to build up an ever-growing web of data. For example, by adding the data from today’s interview to that from last month’s interview and so on, we can build a full picture of the complexity of consumers’ interactions and can track when and how these change. This is a marked shift from the old world in which people were stopped in the street or contacted by telephone for a one-off survey which provided a single snapshot or slice of data and the interviewee then yielded no further value. Our panellists are happy to share their lives with us with many giving YouGov access to their Facebook pages and Twitter identities and allowing us to track their online activities.

It follows from the centrality of this method that YouGov's success depends on us keeping panel members engaged and responsive. During this financial year, we strengthened the management of our panels by appointing a Group Director of User Experience who will ensure consistent, active management of the relationship with our panellists across the Group. This also improves the returns from our investment in panel recruitment. We have also continued to develop innovative ways for our panellists to extend their interactions with YouGov beyond responding to surveys. These include "You Made the News!" alerts and Opigram.

"You Made the News!" alerts inform respondents to a survey about articles published covering the results of that survey. This feature provides panellists with feedback on how the data that they provide is being used and satisfies their interest in the overall results of surveys that they take. This currently only covers publication of results on YouGov's UK and US websites but will be extended to other units and to external media coverage.

Opigram, developed in partnership with CoEditor Limited, is a new technology for recording and measuring opinions that our panellists choose to offer. It is becoming an integral part of YouGov's panel-facing websites and allows YouGov panellists proactively to share their opinion on any subject, whenever they like and to build up their own profile through a combination of ratings, opinions, and agreeing or disagreeing with the opinions of other panellists. It provides people with a way to record their opinions and experiences that is organised to be useful to them, and to other people. The platform also offers a social network through which panellists can exchange opinions. As well as entertaining our panellists, Opigram is building a valuable database of how opinions on one area or issue correlate with attitudes on others (for example, consumer preferences with media usage and changing attitudes) and this extends the range of usable data that YouGov can offer its clients (as always, on an anonymised basis). Opigram is the new searchable data-base of the 'long tail' of changing respondent data and is therefore itself a data product. It is helping transform YouGov from a company that uses the Internet to an actual Internet company.

After a successful soft-launch in the UK, Opigram was rolled out in the USA in July 2012, and the level of engagement across both the UK and US websites has demonstrably increased. Since January 2013, the number of unique visitors has increased by 76% to our UK site and by 32% to our US site. Reflecting the importance of this technology, YouGov has increased its effective holding in CoEditor, the company which is developing Opigram, to 57%.

Boost our public profile

YouGov's reputation for providing accurate and authoritative information is enhanced by the strength of our public profile and this in turn means that our panellists know that their opinions count. In the UK, YouGov is quoted twice as often as any of our competitors and we are also increasingly quoted in traditional and digital media around the world. During the 2012 US Presidential Election our regular polling and collaborations with CBS and Huffington Post generated significant publicity for YouGov. We believe that the demonstrable superior accuracy of the online methods in this election has clearly tilted the debate over US political polling in favour of online. Another innovation during the US Presidential Debates was our live polling in partnership with Microsoft using the Xbox platform to measure instantly the reactions of young adult voters. YouGov's media engagement model is being applied in other units too. In France, for example, collaboration with Huffington Post has helped our new operation to gain rapid media exposure and in Germany, daily polling is conducted for a number of media outlets including two national newspapers: Die Zeit and Bild.

We are also ensuring that our brand's public profile is fully leveraged among market research buyers in all geographies. We are therefore planning to appoint a global Chief Marketing Officer to lead the Group's marketing activities and increase the awareness and understanding of our brand proposition among all constituencies. This role will be based in New York with an initial focus on the US market.

Dividend

Following the payment of our maiden dividend of 0.5p per share in December 2012, the Board indicated that it intended to follow a progressive dividend policy in subsequent years. Having considered the Group's performance in the year ended 31 July 2013 and future expectations as well as its financial resources, the Board is pleased to recommend payment of a final dividend of 0.6 pence per share in respect of the year ended 31 July 2013, payable in December 2013. This represents an increase of 20% over the maiden dividend paid in 2012.

Prospects

The nature of the market research industry is changing. The old model of seeking the views of a structured sample and then using statistical techniques to extrapolate a valid answer for the population is proving expensive and slow. We are seeing clear signs that clients in all types of organisation are increasingly demanding accurate, real-time information including analysis of social media commentary of the kind that YouGov has set itself up to provide through the immediate responses of registered and documented panellists. This allows far more accurate and rapid insights to be obtained. Even the global research groups which have large, historic investments in traditional methods are publicly acknowledging this trend.

As YouGov is an acknowledged world leader in real-time research, we believe we are well placed to benefit from these changes that are driven by the growing impact of digital technologies. By continuing with our innovation and investment we will be able to build on our already strong position and deliver the growth strategy to which we have previously committed.

Our focus in the coming year will remain on maintaining the growth from our expanding suite of data products and services and on focussing resources in all our existing operations so as to exploit further the advantages of our core operating model. We will also continue to develop opportunities for geographical expansion. The Board is confident that YouGov will deliver further growth in revenue and profits in the current year.

Roger Parry
Chairman

Stephan Shakespeare
Chief Executive Officer

Review of Operations

UK

	Year to 31 July 2013 £m	Year to 31 July 2012 £m	% Change
Revenue	**17.4**	**15.7**	**11%**
Adjusted Operating Profit	**4.4**	**3.7**	**19%**
Adjusted Operating Profit Margin (%)	**26%**	**24%**	

Our UK business achieved another successful performance with operating profit growth of 19% based on revenue growth of 11% which reflected continued market share gains and on operating margins increasing from their already impressive base. In line with our overall strategy, the UK's revenue from data products and services grew proportionately faster (20% up) than that from custom research (7% up). Good progress was also made in our aim of combining YouGov's proprietary data with additional bespoke surveys in our offerings to clients.

Data products and services now represent 46% of the total revenue and its scalability helps to make the UK our highest margin unit. Within this, BrandIndex revenue grew by 41% with 20 new subscribers, including Barclaycard and Travelodge, signed in the year bringing the total number of UK BrandIndex customers to 50. Revenue from UK Omnibus, which is already the clear leader in its marketplace, grew by 18% due in part to more clients taking up its international offerings as well as the segmental Omnibus's (such as "Main Shopper" and Parents and Children") which are becoming a valuable extension to the service range. SixthSense, our reports business, achieved revenue growth of 15% with particular success in sales to the financial services sector including clients such as Santander and Prudential.

As anticipated at the interim stage, strong sales in the first half fed through to above-market annual growth in custom research revenue. These included a number of significant new contracts, notably in financial services (Barclays and Blackrock), technology (Docomo Europe) and media (ITV) as well as renewals from existing major clients such as Asda, Costa Coffee and News UK. Our specialist Reputation practice also extended its client base to include a global bank and a leading professional service firm. Our Political team remains at the forefront of its field and in 2013 has entered into a new partnership with The Times in addition to our long-standing relationship with the Sunday Times.

USA

	Year to 31 July 2013 £m	Year to 31 July 2012 £m	% Change
Revenue	**20.8**	**19.2**	**8%**
Adjusted Operating Profit	**2.3**	**2.7**	**(15%)**
Adjusted Operating Profit Margin (%)	**11%**	**14%**	

Although we continued to grow our market share in the US, with 8% overall revenue growth and data products revenue growing strongly at 43%, the US adjusted operating profit fell by 15%. This was due to lower than expected revenue in the custom business in the second half which was not offset by cost reductions, although actions now taken to strengthen sales and reduce the overhead cost base are expected to improve profitability.

Growth in data products and services revenue was largely due to BrandIndex whose market awareness in the US continues to develop, supported by active public relations campaigns and collaboration with leading media buying agencies. The new BrandIndex CategoryView which provides in-depth tracking of consumer attitude and buying habits in an individual sector was launched commercially in the US during the year, targeted particularly at the investment sector. US BrandIindex clients include Bank of America, Subway and Western Union. There was a small revenue contribution from the new Omnibus service, launched in the USA in January 2013, which is performing as planned as well as continued growth in the specialist HospitalIndex product.

The custom business continued to win new clients and achieved revenue growth of 3%, in line with the US research market as a whole, despite the unexpected reduction in commissions from two major clients. It continued to extend the range of corporate clients that YouGov serves in the USA (which now include Coca-Cola, Georgia Pacific, Microsoft, NetJets, Remy Martin and Travelocity). Polling work in connection with the 2012 Presidential election, including collaborations with Huffington Post and CBS also helped to increase awareness of YouGov's reputation for accuracy as well as of YouGov generally in the US.

Middle East

	Year to 31 July 2013 £m	**Year to 31 July 2012 £m**	**% Change**
Revenue	**7.3**	**6.0**	**22%**
Adjusted Operating Profit	**1.5**	**1.3**	**18%**
Adjusted Operating Profit Margin (%)	**21%**	**22%**	

Our Middle East business has continued to exploit our region-wide reputation for accuracy and quality as well as our local relationships so as to deliver revenue growth of 22%, which was higher than our original expectations for the year. This enabled it to increase adjusted operating profit by 18% to £1.5m, also better than planned, with operating margins remaining broadly stable. In addition to winning business in Dubai and Saudi Arabia from clients such as Emirates Airlines, Pepsico, Saudi Telecom and various UAE public bodies, we have also won major contracts in Kurdistan for commercial market research and public opinion polling which led to the establishment of a branch office in this rapidly expanding economy. Our panel, which now covers 21 countries in the Middle East and North Africa, continues to be regarded as the regional leader in terms of quality and has supported growth of our online data services (including BrandIndex and Omnibus) which grew revenue by 26% in the year. The partnership with Al-Aan TV to provide surveys for their pan-regional Arab language channels continues to help promote our brand regionally. The economic opportunities in the Middle East region, including its young population profile, continue to attract interest and investment from international and regional businesses despite the political instabilities. YouGov's regional footprint and panel make us well positioned to service the resulting research requirements and deliver further growth.

Germany

	Year to 31 July 2013 £m	Year to 31 July 2012 £m	% Change
Revenue	**9.4**	**9.4**	**-**
Adjusted Operating Profit	**0.9**	**0.6**	**36%**
Adjusted Operating Profit Margin (%)	**9%**	**7%**	

Our clear priority in Germany has been to increase profitability and align the business more closely with YouGov's core operating model. We are pleased to be able to report a continued performance improvement in 2012/13 with 36% operating profit growth and a 9% margin being achieved. This achievement was due in part to the cost savings implemented in the prior year and also to a 2% point increase in gross margins this year to 80% resulting from the focus on winning higher margin business. This selective approach contributed to the overall revenue remaining static compared to the previous year. The financial services remained the largest sector in the business with clients including Commerzbank and many of Germany's savings and regional banks. Technology and media is also growing with clients such as Deutsche Telekom and Vodafone. BrandIndex has continued to gain new subscribers and the Omnibus service has moved onto a full daily basis. The goal remains to increase margins further as we expand the penetration of YouGov core services in the German market.

Nordic

	Year to 31 July 2013 £m	Year to 31 July 2012 £m	% Change
Revenue	**8.5**	**8.8**	**(4)%**
Adjusted Operating Profit/(Loss)	**0.3**	**0.8**	**(55)%**
Adjusted Operating Profit Margin (%)	**4%**	**9%**	

As reported at the interim stage, our Nordic business experienced a challenging year, due largely to poor trading in Sweden which led to overall revenue falling by 4% although the Danish office which accounts for nearly 50% of the business grew revenue by 1%. In January 2013, a turnaround programme was instituted under the leadership of an interim CEO with the aim of restoring growth and improving margins by shifting the business model closer to that of the UK with a higher proportion of Omnibus and data products business. Staff numbers have been reduced resulting in cost savings of £0.5m on an annual basis. As a result there was a return to profitability in the second half of the year. Major clients in the year included OMD, Carlsberg and Steen & Strom (the retail group).

France

Our French business which is in its second year of operation, doubled its revenue as planned to £0.3m. It is delivering YouGov's core products and services (BrandIndex and Omnibus) into the French market as well as providing French data for international survey projects. Its panel has now grown to 83,000 members. French BrandIndex sales have been made to existing international clients as well as locally to companies such as KFC, Danone Baby Nutrition and Sarenza. The unit is on course for further strong growth in the coming year.

Stephan Shakespeare
Chief Executive Officer

Financial Performance

Income Statement Review

Group revenue for the year to 31 July 2013 of £62.6m was 8% higher than the prior year. The highest growth was in the Middle East at 22%, while the UK grew at 11% and the US 8%. Revenue in Germany was in line with the previous financial year and Nordic declined by 4%.

The Group's gross profit (after deducting costs of panel incentives and external data collection) increased by £2.4m to £47.1m although the gross margin fell by 2 percentage points to 75% from 77%, due equally to higher panel incentives and external data collection costs.

Operating expenses (excluding amortisation and exceptional items) of £41.1m were £1.9m higher than last year, a total increase of 5%. However, the operating expense ratio fell to 66% compared to 67% in the prior year reflecting prior year cost savings and continued focus on controlling staff and other costs.

The average number of staff (full-time equivalents) employed during the year increased by 20 to 502 from 482 in the previous year to support business growth. Average revenue per head increased to £125,000 from £121,000 and staff cost as a percentage of revenue was unchanged at 50%.

Adjusted group operating profit increased by 7% to £6.0m compared to £5.6m in the previous year. Net finance income was £0.1m compared to a cost of £0.2m last year, primarily due to foreign exchange gains, resulting in adjusted profit before taxation rising by 13% to £6.8m. Adjusted earnings per share[1] for the year rose by 0.7p to 5.6p. The reported profit before taxation (after charging amortisation and exceptional items of £4.5m) rose £1.1m to £1.5m.

Amortisation of Intangible Assets and Impairment

Amortisation charges for intangible assets of £3.3m were £1.1m lower than the previous year, largely due to lower costs relating to intangible assets acquired through business combinations which fell to £0.8m (2012: £2.0m). £1.2m of the remaining charge related to separately acquired assets, as in the prior year and £1.3m (2012: £1.2m) to those created through the Group's own internal development activities.

Exceptional Items

Exceptional costs of £1.2m (2012: £0.5m) were incurred in the year. These included £0.6m of restructuring costs, primarily in relation to the Nordic business, £0.3m of acquisition related expenditure, £0.2m of employment termination costs incurred in the US and £0.1m in relation to the closure of the panel in Chile previously operated through a local partner.

Analysis of Operating Profit and Earnings per Share:

	31 July 2013 £'000	31 July 2012 £'000
Group operating profit before amortisation of intangibles, impairment & exceptional costs	**5,982**	5,585
Share-based payments	**767**	641
Imputed interest	**71**	150
Net finance income/(cost)	**118**	(240)
Share of post-tax loss in associates	**(122)**	(83)
Adjusted profit before tax	**6,816**	6,053
Adjusted profit after tax	**5,312**	4,663
Adjusted earnings per share (pence)	**5.6**	4.9

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

Cash Flow

The Group generated £6.9m in cash from operations (before paying interest and tax) (2012: £4.9m), cash conversion was good at 116% of adjusted operating profit (2012: 88%), and included a £0.7m inflow due to lower working capital. Expenditure on investing and financing activities was £6.5m (2012: £5.9m), £4.0m of this (2012: £3.3m) related to capital expenditure on tangible and intangible assets and £2.0m (2012: £2.6m) to acquisitions including deferred consideration.

Taxation

The Group had a tax credit of £0.6m (2012: £0.1m charge) on a reported basis, the current tax charge of £0.5m (2012: £0.4m) being offset by a deferred tax credit of £1.1m (2012: £0.3m). On an adjusted basis, the tax charge was £1.5m (2012: £1.4m) which represents an implied tax rate of 22% on the adjusted profit before tax, one percentage point lower than the prior year.

Balance Sheet

Total shareholders' funds increased to £61.1m from £55.9m at 31 July 2012 and total net assets increased to £61.1m compared to £56.0m at 31 July 2012. Net cash balances fell by £0.5m to £6.7m from £7.2m as at 31 July 2012 due largely to the cash expenditure on deferred consideration in respect of the US acquisitions made in prior years. Net current assets increased to £11.0m from £10.3m. Debtor days increased to 68 days from 63 days. Current liabilities increased by £2.8m to £19.7m from £16.9m. Creditor days decreased to 31 days from 35 days in 2012.

Panel Development

During the year we have amended the definition that we use to measure panel size to bring it into line with the ISO 26362 definition of size which counts only active participants. As a result the number of panellists reported at 31 July 2012 has been restated from 3.3m to 2.9m.

As at 31 July 2013, the Group's online panels comprised a total of 2.8m panellists, a decrease of 3% from the restated total of 2.9m as at 31 July 2012. The panel sizes by region were:

Region	Panel Size at 31 July 2013	Panel Size at 31 July 2012*
UK	442,100	437,200
Middle East	326,400	346,800
Germany	140,500	194,300
Nordic	101,700	101,600
USA	1,704,900	1,717,000
France	83,300	81,900
Total	**2,798,900**	**2,878,800**

* Restated

Corporate Development Activities

A final payment of $1.8m (£1.1m) was made during the year in respect of the acquisition of Harrison Group as anticipated and previously provided for in the accounts, which brings the total consideration to $14.4m (£8.9m).

A payment of $0.8m (£0.5m) was made in respect of the acquisition of Definitive Insights bringing the total consideration to date to $2.0m (£1.2m). Additional payments totalling $0.8m (£0.6m) will be payable in two instalments in 2014 and 2015.

A final payment of $0.6m (£0.4m) was also made in respect of the acquisition of Clear Horizons LLC bringing the total consideration paid to $2.3m (£1.5m).

On 6 September 2013, after the end of the financial year, a 40% shareholding was acquired in Doughty Media 2 Limited ("DM2") which has a 69% shareholding in CoEditor Limited, the company which has developed the Opigram service and in which YouGov already owned a 29.6% shareholding. Following this purchase, YouGov now effectively controls 57% of CoEditor Limited. The shareholding was purchased from the director of Co-Editor responsible for the Opigram development who has become an employee of YouGov following the transaction.

The maximum purchase price for the shareholding acquired in DM2 is £497,000 of which £37,000 was paid in cash on completion. The remaining balance will be payable in YouGov shares in February 2015 with the majority (up to £348,000) being contingent on the achievement of certain performance criteria relating to the delivery of expected benefits arising from the incorporation of the Opigram service within YouGov's online presence. The number of YouGov shares to be issued in February 2015 will be calculated by reference to their average price over the five dealing days prior to 6 September 2013.

The remaining 60% shareholding in DM2 is held by Stephan Shakespeare (CEO of YouGov plc) and his wife, Rosamund Shakespeare. The Directors of YouGov (other than Stephan Shakespeare who has been excluded from these discussions due to his conflict) believe that it is in YouGov's best interests to take full control of the Opigram technology. They have therefore approved an offer to purchase the 60% shareholding in DM2 held by Stephan and Rosamund Shakespeare, for a maximum price of £744,000. This is on an equivalent valuation and terms to those agreed for the purchase of the 40% shareholding set out above, except that there will be no cash element and therefore the entire consideration will be payable in February 2015 in YouGov shares, with up to £522,000 of this being contingent upon the achievement of the performance criteria described above. The implied valuation of CoEditor is also equivalent to that upon which YouGov previously acquired its 29% shareholding. The Directors (other than Stephan Shakespeare) consider these terms to be fair and reasonable and in the best interests of the Company. As this transaction would be a substantial property transaction as defined by S190 of the Companies Act 2006, the Board proposes at the forthcoming AGM to seek approval for it from the shareholders of the Company as required by the Act. As a result of the transaction, YouGov will effectively control 98% of CoEditor Limited.

Proposed Dividend

The Board is recommending the payment of a final dividend of 0.6 pence per share for the year ended 31 July 2013. If shareholders approve this payment at the AGM, it will be paid on 16 December 2013 to all shareholders who were on the Register of Members at close of business on 6 December 2013.

Alan Newman
Chief Financial Officer
14 October 2013

Publication of Non-Statutory Accounts

The financial information relating to the year ended 31 July 2013 set out below does not constitute the Group's statutory accounts for that year but has been extracted from the statutory accounts, which received an unqualified auditors' report and which have not yet been filed with the Registrar of Companies.

YOUGOV PLC
CONSOLIDATED INCOME STATEMENT

For the year ended 31 July 2013

	Note	**2013 £'000**	2012 £'000
Revenue	1	**62,551**	58,145
Cost of sales		**(15,440)**	(13,399)
Gross profit		**47,111**	44,746
Operating expenses*		**(41,129)**	(39,161)
Adjusted operating profit before amortisation of intangible assets and exceptional items	1	**5,982**	5,585
Amortisation of intangibles		**(3,280)**	(4,350)
Exceptional items	2	**(1,212)**	(472)
Operating profit		**1,490**	763
Finance income		**207**	94
Finance costs		**(89)**	(334)
Share of post-tax loss in joint ventures and associates		**(122)**	(83)
Profit before taxation	1	**1,486**	440
Tax credit/(charge)	3	**623**	(79)
Profit after taxation	1	**2,109**	361
Attributable to:			
– Owners of the parent		**2,042**	333
– Non-controlling interests		**67**	28
		2,109	361
Earnings per share			
Basic earnings per share attributable to owners of the parent	5	**2.1p**	0.4p
Diluted earnings per share attributable to owners of the parent	5	**2.0p**	0.3p

* Total 2013 operating expenses including amortisation of intangibles and the items detailed in Note 2 are £45.621m (2012: £43.983m).

YOUGOV PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 July 2013

	Note	**2013 £'000**	2012 £'000
Profit for the year		**2,109**	361
Other comprehensive income/(loss):			
Currency translation differences		**2,706**	(973)
Other comprehensive income/(loss) for the year		**2,706**	(973)
Total comprehensive income/(loss) for the year		**4,815**	(612)
Attributable to:			
– Owners of the parent		**4,743**	(635)
– Non-controlling interests		**72**	23
Total comprehensive income/(loss) for the year		**4,815**	(612)

Items in the statement above are disclosed net of tax.

YOUGOV PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 July 2013

Assets	Note	**31 July 2013 £'000**	31 July 2012 £'000
Non-current assets			
Goodwill	7	**38,800**	36,239
Other intangible assets	8	**9,210**	8,544
Property, plant and equipment	9	**2,256**	2,310
Investments in joint ventures and associates		**363**	485
Deferred tax assets		**2,847**	2,204
Total non-current assets		**53,476**	49,782
Current assets			
Trade and other receivables	10	**22,951**	19,231
Current tax assets		**834**	442
Cash and cash equivalents		**6,929**	7,477
Total current assets		**30,714**	27,150
Total assets		**84,190**	76,932
Liabilities			
Current liabilities			
Trade and other payables	11	**16,235**	12,453
Provisions for other liabilities and charges		**2,737**	2,150
Borrowings		**273**	327
Current tax liabilities		**128**	42
Contingent consideration	12	**301**	1,906
Total current liabilities		**19,674**	16,878
Net current assets		**11,040**	10,272
Non-current liabilities			
Trade and other payables		**55**	23
Provisions for other liabilities and charges		**770**	800
Contingent consideration	12	**250**	453
Deferred tax liabilities		**2,327**	2,774
Total non-current liabilities		**3,402**	4,050
Total liabilities		**23,076**	20,928
Net assets		**61,114**	56,004
Equity			
Issued share capital		**195**	195
Share premium		**30,961**	30,947
Merger reserve		**9,239**	9,239
Foreign exchange reserve		**10,493**	7,792
Retained earnings		**10,195**	7,776
Total shareholders' funds		**61,083**	55,949
Non-controlling interests in equity		**31**	55
Total equity		**61,114**	56,004

The financial statements on pages 15 to 31 were authorised for issue by the Board of Directors on 14 October 2013.

YouGov plc, Registered no. 03607311

YOUGOV PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31 July 2013

	Attributable to equity holders of the Company							
	Share capital £'000	Share premium £'000	Merger reserve £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total £'000
Balance at 1 August 2011	**195**	**30,947**	**9,239**	**8,760**	**6,658**	**55,799**	**95**	**55,894**
Changes in equity for 2012								
Exchange differences on translating foreign operations	–	–	–	(968)	–	**(968)**	(5)	**(973)**
Net loss recognised directly in equity	–	–	–	(968)	–	**(968)**	(5)	**(973)**
Profit for the year	–	–	–	–	333	**333**	28	**361**
Total comprehensive income/(loss) for the year	–	–	–	(968)	333	**(635)**	23	**(612)**
Dividends paid to non-controlling interests	–	–	–	–	–	**–**	(63)	**(63)**
Share-based payments	–	–	–	–	785	**785**	–	**785**
Balance at 31 July 2012	**195**	**30,947**	**9,239**	**7,792**	**7,776**	**55,949**	**55**	**56,004**
Changes in equity for 2013								
Exchange differences on translating foreign operations	-	-	-	2,701	-	**2,701**	5	**2,706**
Net loss recognised directly in equity	-	-	-	2,701	-	**2,701**	5	**2,706**
Profit for the year	-	-	-	-	2,042	**2,042**	67	**2,109**
Total comprehensive income/(loss) for the year	-	-	-	2,701	2,042	**4,743**	72	**4,815**
Issue of shares	-	14	-	-	-	**14**	-	**14**
Dividends paid	-	-	-	-	(479)	**(479)**	(96)	**(575)**
Share-based payments	-	-	-	-	856	**856**	-	**856**
Balance at 31 July 2013	**195**	**30,961**	**9,239**	**10,493**	**10,195**	**61,083**	**31**	**61,114**

YOUGOV PLC
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 July 2013

	Note	**2013 £'000**	2012 £'000
Cash flows from operating activities			
Profit before taxation		**1,486**	440
Adjustments for:			
Finance income		**(207)**	(94)
Finance costs		**89**	334
Share of post-tax loss in joint ventures and associates		**122**	83
Amortisation of intangibles		**3,280**	4,350
Depreciation		**539**	593
Loss on disposal of property, plant and equipment and other intangible assets		**3**	135
Other non-cash profit items		**866**	230
Increase in trade and other receivables		**(3,113)**	(1,890)
Increase in trade and other payables		**3,381**	775
Increase/(Decrease) in provisions		**464**	(67)
Cash generated from operations		**6,910**	4,889
Interest paid		**(15)**	(22)
Income taxes paid		**(477)**	(1,295)
Net cash generated from operating activities		**6,418**	3,572
Cash flow from investing activities			
Loan to associate		**(546)**	–
Acquisition of non-controlling interest in related party	6	**-**	(100)
Settlement of contingent considerations	12	**(2,023)**	(2,513)
Purchase of property, plant and equipment	9	**(411)**	(624)
Purchase of intangible assets	8	**(3,638)**	(2,703)
Interest received		**34**	78
Dividends received		**41**	10
Net cash used in investing activities		**(6,543)**	(5,852)
Cash flows from financing activities			
Proceeds from the issue of share capital		**14**	1
Proceeds from borrowings		**57**	33
Repayment of borrowings		**(18)**	(5)
Dividends paid to shareholders		**(479)**	-
Dividends paid to non-controlling interests		**(96)**	(63)
Net cash used in financing activities		**(522)**	(34)
Net decrease in cash and cash equivalents		**(647)**	(2,314)
Cash and cash equivalents at beginning of year		**7,150**	9,400
Exchange gain on cash and cash equivalents		**153**	64
Cash and cash equivalents at end of year		**6,656**	7,150

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 2013. They have been prepared under the historical cost convention modified for fair values under IFRS. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), International Financial Reporting Interpretations Committee (IFRIC) Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

1 REVENUE AND PROFIT BEFORE TAXATION

Segmental analysis

For internal reporting purposes the Group is organised into six operating divisions based on geographic lines – UK, Middle East, Germany, Nordic, USA and France. These divisions are the basis on which the Group reports its segmental information. The Group only undertakes one class of business, that of market research.

Management has determined the operating segments based on the reports reviewed by the Executive Directors (which is the "chief operating decision-maker"). The Board of Directors review information based on geographic lines – UK, Middle East, Germany, Nordic and USA. These divisions are the basis on which the Group reports its segmental information. The Group only undertakes one class of business, that of market research.

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

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

Segment result								
Gross profit	12,777	5,532	7,493	6,720	14,210	267	112	47,111
Adjusted operating profit	4,437	1,547	880	345	2,274	(91)	(3,410)	5,982
Amortisation of intangibles	(469)	(76)	(136)	(443)	(640)	(15)	(1,501)	(3,280)
Exceptional costs	(70)	-	(27)	(454)	(342)	-	(3190)	(1,212)
Finance income								207
Finance costs								(89)
Share of results of joint ventures and associates								(122)
Profit before taxation								1,486
Tax credit								623
Profit after taxation								2,109
Other segment information								
Depreciation	74	99	105	49	65	2	145	539
Share-based payments	-	-	-	-	-	-	767	767
Assets								
Segment assets	29,992	7,847	16,898	13,392	32,788	470	(17,560)	83,827
Investments in associates								363
Total assets								84,190

2012	UK £'000	Middle East £'000	Germany £'000	Nordic £'000	USA £'000	France £'000	Consol-idation and un-allocated £'000	Group £'000
Revenue								
External sales	15,543	5,827	9,067	8,710	18,965	33	–	58,145
Inter-segment sales	176	172	330	101	224	122	(1,125)	–
Total revenue	15,719	5,999	9,397	8,811	19,189	155	(1,125)	58,145

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

Segment result								
Gross profit	11,511	4,459	7,290	7,016	14,435	136	(101)	44,746
Adjusted operating profit	3,719	1,312	647	767	2,675	(173)	(3,362)	5,585
Amortisation of intangibles	(287)	(93)	(203)	(552)	(1,777)	–	(1,438)	(4,350)
Exceptional costs	(146)	(283)	(357)	–	378	–	(64)	(472)
Finance income								94
Finance costs								(334)
Share of results of joint ventures and associates								(83)
Profit before taxation								440
Tax charge								(79)
Profit after taxation								361
Other segment information								
Depreciation	98	108	47	41	102	–	197	593
Share-based payments	–	–	–	–	–	–	641	641
Assets								
Segment assets	23,069	8,275	14,763	12,788	29,424	256	(12,128)	76,447
Investments in associates								485
Total assets								76,932

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

	UK £'000	Middle East £'000	Germany £'000	Nordic £'000	USA £'000	France £'000	Consol--idation and un-allocated £'000	Group £'000
2013								
External sales	**17,683**	**6,071**	**9,080**	**8,441**	**21,036**	**240**	**-**	**62,551**
Inter-segment sales	**852**	**107**	**351**	**214**	**699**	**13**	**(2,236)**	**-**
Total revenue	**18,535**	**6,178**	**9,431**	**8,655**	**21,735**	**253**	**(2,236)**	**62,551**
2012								
External sales	16,482	4,100	8,920	8,750	19,750	143	–	58,145
Inter-segment sales	900	194	330	208	410	8	(2,050)	–
Total revenue	17,382	4,294	9,250	8,958	20,160	151	(2,050)	58,145

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

2 EXCEPTIONAL COSTS

	2013 **£'000**	2012 £'000
Restructuring costs	**645**	644
Acquisition related costs	**255**	132
Change in accounting estimation – contingent consideration	**35**	(355)
Adjustment to Harrison Group's acquired balance sheet	**-**	(117)
Employment termination	**205**	168
Panel closure costs	**72**	–
	1,212	472

Restructuring costs in the year primarily relate to the restructuring of the Nordic business to improve performance and the cost of reorganising the UK & Group management structures. Restructuring costs in the prior year primarily relate to the closing of the Company's operations in Iraq and further rationalisation activity in Germany.

Acquisition related costs in the current and prior periods include: £102,000 of contingent consideration in respect of the Definitive Insights acquisition that is deemed under IFRS3 to be staff compensation cost, £136,000 incurred in relation to a prospective acquisition with which the Group decided not to proceed and £18,000 in respect of the acquisition of a shareholding in Doughty Media 2 Limited which was completed in September 2013. Acquisition related costs in the prior financial year include £87,000 of contingent consideration in respect of the acquisition of Definitive Insights deemed under IFRS3, to be staff compensation costs and £45,000 of professional fees in respect of acquisitions in the previous year and abortive joint-ventures.

The change in estimated contingent consideration comprises a charge of £70,000 in respect of the acquisition of Clear Horizons, a credit of £16,000 in respect of the Harrison Group acquisition and a credit of £19,000 in respect of the Definitive Insights acquisition. The change in estimated contingent consideration in the prior year comprises a credit of £434,000 in respect of the Harrison Group acquisition and a charge of £79,000 in respect of the Definitive Insights acquisition.

During the prior year the fair value of the Harrison Group assets acquired was increased by £117,000, as the allowable period of time for finalising the valuation under IFRS3 had ended, this adjustment was treated as an exceptional item.

Employment termination costs relate to redundancies made in the US. Employment termination costs in the prior year relate to redundancies made in the UK and the Middle East.

Panel closure costs arose as a result of the decision taken in the year to close the YouGov Panel in Chile.

3 INCOME TAXES

The taxation charge represents:

	2013 £'000	2012 £'000
Current tax on profits for the year	**294**	400
Adjustments in respect of prior years	**196**	–
Total current tax charge	**490**	400
Deferred tax:		
Origination and reversal of temporary differences	**(89)**	(498)
Adjustments in respect of prior years	**(1,130)**	61
Impact of changes in tax rates	**106**	116
Total deferred tax credit	**(1,113)**	(321)
Total income statement tax (credit)/charge	**(623)**	79

The tax assessed for the year is lower (2012: lower) than the standard rate of corporation tax in the UK.

The differences are explained below:

	2013 £'000	2012 £'000
Profit before taxation	**1,486**	440
Tax charge calculated at Group's standard rate of 23.7% (2011: 25.3%)	**352**	111
Variance in overseas tax rates	**(177)**	(286)
Impact of changes in tax rates	**106**	116
Gains not subject to tax	**(10)**	(109)
Expenses not deductible for tax purposes	**134**	44
Tax losses for which no deferred income tax asset was recognised	**(123)**	121
Adjustment in respect of prior years	**(934)**	61
Associates results reported net of tax	**29**	21
Total income statement tax (credit)/charge for the year	**(623)**	79

4 DIVIDEND

On 17 December 2012 a maiden final dividend in respect of the year ended 31 July 2012 of £479,000 (0.5p per share) was paid to shareholders. A dividend in respect of the year ended 31 July 2013 of 0.6p per share, amounting to a total dividend of £577,000 is to be proposed at the Annual General Meeting on 11 December 2013. These financial statements do not reflect this proposed dividend payable.

5 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.

	2013 **£'000**	2012 £'000
Profit after taxation attributable to equity holders of the parent company	**2,042**	333
Add: amortisation of intangible assets	**3,280**	4,350
Add: share-based payments	**767**	641
Add: imputed interest	**71**	150
Add: exceptional costs	**1,212**	472
Tax effect of the above adjustments and exceptional tax items	**(2,060)**	(1,283)
Adjusted profit after taxation	**5,312**	4,663

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

	2013	2012
Number of shares		
Weighted average number of shares during the period: ('000 shares)		
– Basic	**95,639**	95,141
– Dilutive effect of share options	**7,535**	5,956
– Diluted	**103,174**	101,097
The adjustments have the following effect:		
Basic profit per share	**2.1p**	0.4p
Amortisation of intangible assets	**3.4p**	4.6p
Share-based payments	**0.8p**	0.6p
Imputed interest	**0.1p**	0.2p
Exceptional costs	**1.3p**	0.5p
Tax effect of the above adjustments and exceptional tax items	**(2.1p)**	(1.4)p
Adjusted earnings per share	**5.6p**	4.9p
Diluted profit per share	**2.0p**	0.3p
Amortisation of intangible assets	**3.2p**	4.3p
Share-based payments	**0.7p**	0.6p
Imputed interest	**0.0p**	0.1p
Exceptional costs	**1.2p**	0.5p
Tax effect of the above adjustments and exceptional tax items	**(2.0p)**	(1.2)p
Adjusted diluted earnings per share	**5.1p**	4.6p

6 BUSINESS COMBINATIONS AND DISPOSALS

During the prior year the Group invested £0.1m in return for an additional 5% stake in CoEditor Limited increasing its shareholding to 30%.The majority shareholder is Doughty Media 2 (60% owned by Stephan Shakespeare, an Executive Director of YouGov plc). CoEditor has developed software in the field of news and content aggregation which will be provided exclusively to YouGov for the purpose of providing dedicated content and activities for members of YouGov's online panels. YouGov also has options to acquire additional shares, which will enable it to benefit from increases in CoEditor's equity value resulting from its business development.

Subsequent to the end of the financial year YouGov has acquired a 40% shareholding in Doughty Media 2 increasing its effective ownership of CoEditor Limited to 57%.

7 GOODWILL

	Middle East £'000	North America £'000	Nordic £'000	Germany £'000	Total £'000
Carrying amount at 1 August 2011	1,342	16,435	8,642	11,376	37,795
Revision to initial carrying values	–	(413)	–	–	(413)
Exchange differences	63	792	(817)	(1,181)	(1,143)
Carrying amount at 31 July 2012	1,405	16,814	7,825	10,195	36,239
Exchange differences	44	523	857	1,137	2,561
Carrying amount at 31 July 2013	**1,449**	**17,337**	**8,682**	**11,332**	**38,800**

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 2013 impairment review was undertaken as at 31 July 2013. 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 an initial projection period of three years for each CGU based on approved budget numbers. Beyond that, EBITDA growth was assumed to be 5% for years four and five, which is conservative both in comparison with their historical performance and annual growth rates in the internet based market research sector. Annual growth rates of 2.5% have been assumed in perpetuity beyond year five. The pre-tax weighted average costs of capital used to discount the future cash flows to their present values are between 10% and 17% (2012: between 10% and 18%). All CGUs, when subjected to sensitivity analyses, decreasing assumed EBITDA growth by 10% and increasing the discount rate by 1% point in each year, including the terminal value year, had sufficient headroom to support their carrying value.

8 OTHER INTANGIBLE ASSETS

	Consumer panel £'000	Software and software develop-ment £'000	Customer contracts and lists £'000	Patents and trade-marks £'000	Order backlog £'000	Develop-ment costs £'000	Total £'000
At 1 August 2011							
Cost	8,566	6,384	5,459	3,125	229	577	24,340
Accumulated amortisation	(6,775)	(3,538)	(1,030)	(1,194)	(223)	(153)	(12,913)
Net book amount	1,791	2,846	4,429	1,931	6	424	11,427
Year ended 31 July 2012							
Opening net book amount	1,791	2,846	4,429	1,931	6	424	11,427
Additions:							
Separately acquired	560	522	–	3	–	–	1,085
Fair value revision	–	–	(762)	(25)	(7)	–	(794)
Internally developed	–	1,574	–	–	–	44	1,618
Disposals	–	–	–	(2)	–	(36)	(38)
Amortisation charge:							
Business combinations	(1,060)	(186)	(428)	(369)	–	–	(2,043)
Separately acquired	(423)	(554)	–	–	–	(174)	(1,151)
Internally developed	–	(1,139)	–	–	–	(17)	(1,156)
Exchange differences	(257)	(50)	38	(120)	1	(16)	(404)
Closing net book amount	611	3,013	3,277	1,418	–	225	8,544
At 31 July 2012							
Cost	9,051	8,238	4,702	2,973	218	548	25,730
Accumulated amortisation	(8,440)	(5,225)	(1,425)	(1,555)	(218)	(323)	(17,186)
Net book amount	611	3,013	3,277	1,418	–	225	8,544
Year ended 31 July 2013							
Opening net book amount	**611**	**3,013**	**3,277**	**1,418**	**-**	**225**	**8,544**
Additions:							
Separately acquired	**649**	**852**	**-**	**11**	**-**	**247**	**1,759**
Internally developed	**-**	**1,811**	**-**	**-**	**-**	**68**	**1,879**
Amortisation charge:							
Business combinations	**-**	**-**	**(479)**	**(332)**	**-**	**-**	**(811)**
Separately acquired	**(422)**	**(624)**	**-**	**(2)**	**-**	**(104)**	**(1,152)**
Internally developed	**-**	**(1,300)**	**-**	**-**	**-**	**(17)**	**(1,317)**
Exchange differences	**49**	**16**	**143**	**89**	**-**	**11**	**308**
Closing net book amount	**887**	**3,768**	**2,941**	**1,184**	**-**	**430**	**9,210**
At 31 July 2013							
Cost	**10,142**	**10,983**	**4,963**	**3,197**	**232**	**900**	**30,417**
Accumulated amortisation	**(9,255)**	**(7,215)**	**(2,022)**	**(2,013)**	**(232)**	**(470)**	**(21,207)**
Net book amount	**887**	**3,768**	**2,941**	**1,184**	**-**	**430**	**9,210**

9 PROPERTY, PLANT AND EQUIPMENT

	Freehold property £'000	Leasehold property improve-ments £'000	Computer equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
At 1 August 2011						
Cost	1,333	329	2,038	1,252	118	5,070
Accumulated amortisation	(131)	(270)	(1,397)	(828)	(106)	(2,732)
Net book amount	1,202	59	641	424	12	2,338
Year ended 31 July 2012						
Opening net book amount	1,202	59	641	424	12	2,338
Additions:						
Separately acquired	–	69	446	101	8	624
Disposals	–	(3)	(15)	(79)	–	(97)
Depreciation	(53)	(45)	(444)	(40)	(11)	(593)
Reclassifications	32	–	55	(87)	–	–
Exchange differences	57	(5)	(11)	(3)	–	38
Closing net book amount	1,238	75	672	316	9	2,310
At 31 July 2012						
Cost	1,463	384	1,951	919	73	4,790
Accumulated amortisation	(225)	(309)	(1,279)	(603)	(64)	(2,480)
Net book amount	1,238	75	672	316	9	2,310
Year ended 31 July 2013						
Opening net book amount	**1,238**	**75**	**672**	**316**	**9**	**2,310**
Additions:						
Separately acquired		**2**	**328**	**66**	**15**	**411**
Disposals			**(3)**	**-**	**-**	**(3)**
Depreciation	**(49)**	**(17)**	**(378)**	**(89)**	**(6)**	**(539)**
Exchange differences	**37**	**4**	**17**	**18**	**1**	**77**
Closing net book amount	**1,226**	**64**	**636**	**311**	**19**	**2,256**
At 31 July 2013						
Cost	**1,449**	**376**	**2,439**	**1,018**	**74**	**5,356**
Accumulated amortisation	**(223)**	**(312)**	**(1,803)**	**(707)**	**(55)**	**(3,100)**
Net book amount	**1,226**	**64**	**636**	**311**	**19**	**2,256**

All property, plant and equipment disclosed above, with the exception of those items held under lease purchase agreement, are free from restrictions on title. No property, plant and equipment either in 2013 or 2012 has been pledged as security against the liabilities of the Group.

10 TRADE AND OTHER RECEIVABLES

	31 July 2013 £'000	31 July 2012 £'000
Trade receivables	**13,564**	10,704
Amounts owed by related parties	**851**	292
Other receivables	**620**	895
Prepayments and accrued income	**8,066**	7,460
	23,101	19,351
Provision for trade receivables	**(150)**	(120)
	22,951	19,231

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

As at 31 July 2013, trade receivables of £8,750,000 (2012: £7,285,000) were overdue but not impaired. These relate to a number of customers for which there is no recent history of default or any other indication that the receivable should not be fully collectible. The ageing analysis of past due trade receivables which are not impaired is as follows:

	31 July 2013 £'000	31 July 2012 £'000
Up to three months overdue	**4,959**	4,529
Three to six months overdue	**1,636**	1,595
Six months to one year overdue	**2,060**	848
More than one year overdue	**95**	313
	8,750	7,285

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

	2013 £'000	2012 £'000
Provision for receivables impairment at 1 August	**120**	162
Provision created in the year	**128**	90
Provision utilised in the year	**(105)**	(129)
Exchange differences	**7**	(3)
Provision for receivables impairment at 31 July	**150**	120

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 68 days (2012: 63 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 (2012: greater than £250,000)) represent 17% of trade receivables (2012: 8%).

At 31 July 2013 £544,000 (DKK 4.6m) (2012: £453,000 (DKK 4.3m)) of the trade and other receivables of YouGov Nordic and Baltic A/S was used as security against a loan and revolving overdraft facility held by YouGov Nordic and Baltic A/S.

YouGov Deutschland AG has secured a value of up to £nil (2012: £20,000 (€25,000)) in the event of default on rental payments against its trade and other receivables.

11 TRADE AND OTHER PAYABLES

	31 July 2013 £'000	31 July 2012 £'000
Trade payables	**1,991**	1,998
Accruals and deferred income	**11,965**	8,528
Other payables	**2,279**	1,927
	16,235	12,453

The average length of time taken by the Group to settle payables is 31 days (2012: 35 days). The Directors consider that the carrying amount of trade payables approximates to their fair value.

12 CONTINGENT CONSIDERATION

	Clear Horizons £'000	**Harrison Group £'000**	**Definitive Insights £'000**	**Total £'000**
At 1 August 2011	425	3,586	1,653	5,664
Settled during the year	(152)	(2,244)	(117)	(2,513)
Released during the year	–	(444)	(639)	(1,083)
Discount unwinding	14	68	35	117
Foreign exchange differences	19	148	7	174
Balance at 31 July 2012	306	1,114	939	2,359
Included within current liabilities	306	1,114	486	1,906
Included within non-current liabilities	–	–	453	453
Settled during the year	(377)	(1,126)	(520)	(2,023)
Provided during the year	70	-	102	172
Released during the year	-	(16)	(19)	(35)
Discount unwinding	-	25	33	58
Foreign exchange differences	1	3	16	20
Balance at 31 July 2013	**-**	**-**	**551**	**551**
Included within current liabilities	**-**	**-**	**301**	**301**
Included within non-current liabilities	**-**	**-**	**250**	**250**