11 October 2010

YouGov plc
Preliminary results for the Year ended 31 July 2010
Good second half performance – full year results in line with expectations

Key Financials

- Turnover of £44.2m (2009: £44.3m)
- Adjusted operating profit[1] of £3.8m (2009: £3.1m)
- Good operating cash generation of £4.9m (2009: £5.3m)
- Reported operating loss of £9.6m (2009:£0.7m) after:
    - Amortisation of intangibles of £3.7m (2009: £3.1m)
    - Goodwill impairment charge of £7.9m
    - Exceptional items of £1.8m (2009: £0.6m)
- Adjusted profit before tax[2] of £4.0m (2009: £3.9m)
- Reported loss before tax of £9.6m (2009: £0.7m)
- Adjusted earnings per share[3] of 2.5p (2009: 2.7p)
- Balance sheet remains strong – cash increased to £15.6m at 31 July 2010 from £12.7m at 31 July 2009
- Operating cost savings of £2.5m achieved

Operational Highlights

- Strong performances in UK and USA
- Successful turnaround in Scandinavia
- Focus on innovation – successful launches of Sixth Sense reports business, "TellYouGov" platform, daily polling for UK General Election
- Global BrandIndex revenue up by 53%
- US acquisitions accelerate growth of US commercial market research business
- Development of real-time-research products continues with new launches expected this year

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

"YouGov has made considerable progress during the year and profitability improved significantly in the second half of the year. The US and UK have both delivered strong performances, confirming the strength of the core YouGov model which is now at the focus of our strategy. Revenue from our new research products are coming through as planned and clients are increasingly interested in our real-time-research capabilities, some of which we showcased during the UK General Election. The acquisition of Harrison Group in the USA builds on what we have already achieved there and will help us to increase scale and accelerate the growth of our corporate market research revenue in this important market.

Market conditions are showing signs of improving and the momentum seen in the second half has continued into the current year. Trading is in line with the Board's expectations and this, combined with our strong balance sheet and good cash generation, gives us confidence for the future."

1. Adjusted operating profit is defined as group operating profit before amortisation of intangibles, impairment charge and exceptional items (and in 2009, after adding back one-off costs associated with the integration of acquired entities)
2. .Adjusted profit before tax is defined as adjusted operating profit plus net finance income and share of loss of joint ventures.
3. Adjusted earnings per share is calculated based on the post tax result derived from the adjusted profit before tax.

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Chairman's Statement and Preliminary Announcement

Introduction

In the twelve month period ended 31 July 2010, YouGov has made good progress in terms of strengthening our Group's operations and developing new services for our customers.

The Group's management has achieved all of the goals which the Board set for them at the start of the period, in particular that of improving operating profitability. Consistent with this and as anticipated, the second half performance was stronger than the first both in revenue and profit terms. We also maintained our strong cash generation in the full year. This was all achieved against the background of continued economic uncertainty.

Financial results

Revenue for the financial year of £44.2m was at the same level as last year, although the second half year saw an increase of 5% compared with the prior year. This reflected a mixture of success at winning new work, especially in the UK and USA, offset by the expected reduction in spend by some established clients, notably in the Middle East. With continued tight control of operating costs, we have been able to increase adjusted operating profit for the year by 22% to £3.8m. The cash generated from operations totalled £4.9m, representing a profit conversion rate of 130% and our cash balance increased by £2.9m in the year to £15.6m.

Adjusted profit before tax was £4.0m (2009: £3.9m) although there was a reported loss before tax in the year of £9.6m (2009: £0.7m) after charging amortisation, impairment and exceptional costs totalling £13.4m. These comprised amortisation of intangibles of £3.7m, exceptional costs of £1.8m and a goodwill impairment charge of £7.9 million relating to our German subsidiary.

Organic Development and Acquisitions

When YouGov was founded in 2000 it was a pioneer of internet research techniques. As the use of online data collection methods has become more widely adopted, YouGov's priority has been to invest in the development of new market research techniques and technologies. We expect that this will lead to further revenue growth as we roll out new and more effective research services.

As a result of the actions taken during the last year, YouGov now has a more consistent approach across all of its operating hubs which should provide a solid base for future growth in profits, especially through continued improvement in operating margins.

Going forward, the Board is focused on using the successful core UK business as the model for expansion internationally which will be largely organic. We now have the technology platform in place which we believe will enable us to serve customers in new geographic markets and are rolling out our products to meet demand. We will, however, continue to consider the selective acquisition of businesses that strengthen our existing operations and from which we can derive further benefits of scale.

This is exactly what we have done in the past year in the US which we regard as our highest potential growth market having demonstrated the quality of our panel, methodology, and technology. We purchased Clear Horizons in Princeton, New Jersey in April 2009 which has proved to be a very successful acquisition, leading to good new client wins. Consistent with this approach, we completed in August (after the end of the current reporting period) the acquisition of Harrison Group, based in Waterbury, Connecticut, which further enhances our US corporate research offering. The Board believes that these businesses, combined with YouGovPolimetrix (our first US acquisition in 2007), will provide us with a strong base from which to continue to expand in the US. The transaction terms for both acquisitions are structured conservatively so as to help ensure sustainable growth and our management team has undertaken extensive work to plan and execute the successful integration of the American businesses.

Board and Management

In February 2010, Nadhim Zahawi, the co-founder and Chief Executive Officer of YouGov, was adopted as the Parliamentary candidate for Stratford on Avon. He won the seat in the subsequent General Election, at which point he stood down as a director of YouGov.

Stephan Shakespeare, YouGov's co-founder and Chief Innovations Officer, who had been joint CEO until 2005, took over as sole Chief Executive Officer with effect from April 2010. Stephan has placed increased focus on aligning all of the hubs with the original core strengths of YouGov and building on these to deliver strong organic growth. He has also continued to drive YouGov's innovations in research methods and technology so as to deliver more new products into the market.

On behalf of the Board and shareholders, I would like to thank Nadhim for his entrepreneurial energy and his role with Stephan in taking YouGov from a start-up to becoming one of the worlds's best known and most respected market research companies in the space of ten years. We wish him well in his new political career.

In August 2010, we appointed a new non executive director, Ben Elliot, who is the founder of Quintessentially and will bring additional international, entrepreneurial and leisure sector expertise to the YouGov Board.

Roger Parry
Chairman

Chief Executive Officer's Review

YouGov has begun the next phase of its development, having fixed significant problems, clarified its strategy for growth, and developed new research products to drive the Group forward. The actions taken have resulted in a 22% growth in adjusted operating profits during the last financial year.

In the last year, our UK business delivered an impressive performance, growing revenue and profits and taking operating margins back to over 27%. We have brought the Scandinavian business back into profit, as anticipated at the half year. In the US, we continued to make good headway with BrandIndex, and have acquired a company whose commercial market research expertise significantly strengthens our offering and will make fuller use of the "engine" (i.e. the panel and the technology) that we have built there. In the Middle East, we have appointed the head of our UK products business as CEO to reinforce the focus of the local business on the online quantitative work best suited to our methods. In Germany, the online products business is growing well and we have begun to re-engineer the processes in the custom business utilising the Group's technology platform. However, progress towards higher profitability in Germany has been slower than hoped.

We have streamlined operations and strengthened the Group-level leadership of our business units, which allows us to implement our strategy more effectively and capitalize on the strength of our methodology and significant investment in technology. Because we have recognised – and addressed – the areas which needed improvement, we have set a clearer strategy for growth and laid the foundations for its delivery.

It is significant that the parts of our business that have continued to grow even in the recession are those which are closest to YouGov's original and core offering. Replicating this in other markets is now our strategic priority.

When YouGov was pioneering internet based research some ten years ago, the principal benefits were lower costs and greater speed. Online is now accepted as the way to do research and as the pace of change and innovation in communities and markets speeds up, companies are increasingly coming to us for continuous data and analysis to steer their own development in the face of that demanding environment. YouGov's rich panel-derived data, reported and analysed in real time, is ideally suited to that challenge. Because our techniques of panel management and data analysis have become more sophisticated, we are now in a position to really "take the pulse" of opinion through constant interaction. The initial response to these developments from our large research clients has been very positive.

One of the early examples of this was the recent General Election in the UK where we conducted polling on a daily basis on behalf of News International. This gave an extremely accurate indication of voting intention as was evidenced by the fact that YouGov was the first polling company to report that the probable outcome would be a hung parliament and the first to report the extraordinary success experienced by the Liberal Democrat Party in the televised debates. Also in this context, we have started to embrace the technology of Twitter and the greatly increased penetration of Smartphones to allow panellists to volunteer their instant opinion on a wide range of issues through our "TellYouGov" website.

Building on this, we have been developing some new products which will shortly come to market, as well as enhancing existing ones. For example, we have been collaborating with Bloomberg to provide reports and research data products to the investment community and expect the first outputs to be issued in October 2010. We are also aligning our custom research to make better use of the strengths of our methodology and real-time-research ("RTR") products.

Our position as a media brand is important to YouGov not only because of the visibility it creates for clients, but because it also enriches the experience of being on the YouGov panel – and our sophisticated panel technology lies at the core of our research offering and our growth strategy. It is therefore pleasing to report that not only has our dominance in the UK public culture continued to develop with daily polling and a series of new trackers and methods, but our recognition as a quality research brand has also grown in other countries, with significant media relationships now in place in the US, Middle East, Germany and Scandinavia.

Current trading and prospects

The momentum seen in the second half has continued into the current year and trading is in line with the Board's expectations. We expect our UK business to continue its good performance and to see further growth in the USA supported by our recent acquisitions. Our Scandinavian business expects to build on its second half performance through the coming year. Our Middle East business will maintain its strategy of growing locally generated business. Germany is expected to benefit from the continued growth in the online products business and the actions being taken to improve profitability.

There is greater optimism in the research market generally and revenues from new products are coming through as expected. This coupled with the positioning of the YouGov platform and the strength of our balance sheet gives the Board confidence in the future.

Review of Operations

UK

Our UK business improved operating profits by 60% on revenues which were 9% higher than the prior year. It achieved revenues of £12.1m, which increased by £1m compared to the year ended 31 July 2009. Operating profits improved significantly to £3.4m as did the operating margin, up from 18% to 28%. This excellent profit performance reflected the benefits of last year's restructuring of the custom business which improved the effectiveness of the sector-based teams as well as reducing their costs. Revenue growth reflects additional contributions from our products business, notably our market leading Omnibus service which expanded its international and UK regional coverage and grew revenue by 12% and from polling for the UK General Election. Our sector based client teams have also been extending their client base winning significant projects from clients such as Office of Fair Trading and Pfizer and as well as renewing major contracts with clients such as Asda, Costa Coffee and News International.

An important new business development this year was the launch of SixthSense, our new business intelligence service that provides in-depth reports on a range of sectors drawing on YouGov's primary research data as well as other specialist data sources and expert views. Sales began in the second half of the year and are expected to grow significantly next year with over 108 report titles covering 36 topic areas already available. This investment is expected to become cash positive in the first quarter of the year ended 31 July 2011.

Middle East

In the Middle East, overall revenues were 14% lower at £7.2m compared to £8.4m in the previous year and operating profits were £1.4m, compared to £2.8m. This was due to the expected reduction in revenue from a major long-term contract which fell by £1.9m. Importantly, locally generated business grew by 30% showing that our strategy of investing to build this up is bearing fruit. This business now represents 40% of the overall Middle Eastern revenue. A key aim has been to grow our online services in the region and to this end Sundip Chahal, formerly head of our UK products business, was appointed as CEO of the Middle East business in April 2010. We also re-organised the local team so as to focus resources on key growth areas. This reduced the headcount by nine and the cost base by £0.5m annually. An enhanced regional Omnibus service is now available and BrandIndex which was launched in August 2009 has grown sales well. The strength of our regional online panel was demonstrated by the recent announcement of a contract to provide pioneering weekly polling for Al Aan TV a pan-regional, Arab language broadcaster. Our Saudi Arabia operation grew revenue by 60% and we have also begun to generate commercial research sales revenue in Iraq.

Germany

Revenues in our German business were £13.8m, 7% lower than the prior year figure of £14.8m. In part this reflected the closure of the Austrian research operation which had been loss-making. However, the new online products business nearly doubled its revenues reflecting the successful growth of the new daily Omnibus service launched in September 2009 as well as continued growth of BrandIndex sales.

Following YouGov's original model, a partnership has been established with Bild, one of Germany's leading daily newspapers, which has provided valuable media exposure to help build awareness of YouGov and the benefits of online methods in Germany. This reflects our objective of replicating our successful UK model in other markets. The custom research side of the business has been broadening its sectoral spread and has gained significant new clients such as BMW, Fujitsu Siemens and Sanofi-Aventis. This adds to its strength in retail banking and insurance (where clients include Axa, Zurich Insurance and a number of regional banks). Operating costs were reduced by £0.8m compared to the previous year, but after a promising first half, profitability in the second was disappointing due in part to lower than expected gross margins resulting from a high proportion of external data collection costs for some large projects. Thus, operating profit for the full year was £0.4m compared to £0.7m in the year to 31 July 2009.

We are expecting further significant growth in the online products area in the coming year and in the custom business we are re-engineering the business processes based around the Group's technology so as to improve efficiency and increase operating margins. Although corrective actions are being taken, the impact of the trading performance has been judged to be sufficiently severe to indicate impairment to the carrying value of our German subsidiary. An impairment charge has therefore been made to reduce the value of goodwill and intangible assets.

Scandinavia

The measures taken in November 2009 to turn around our Scandinavian business were successful and as expected it was sufficiently profitable in the second half to offset the losses in the first half. As a result, it achieved a small profit for the full year of £0.1m on revenues of £7.0m which were 6% lower than the prior year. We believe that this pan-regional business whose research is entirely online is now structured so as to achieve good margins for its market. We are also continuing to increase regional revenues from YouGov's products such as BrandIndex which has a number of local clients and Omnibus which was launched there this year. The business's main strengths are in the food and drink sector, with clients such as Coca-Cola and Procordia and major clients in other sectors this year included Danske Bank and Sony Ericsson.

USA

As expected, our US business grew revenue by 39% to £4.8m and more than doubled operating profit to £0.5m following a strong performance in the second half of the year reflecting a number of significant project wins. We have been successful in our key aim of growing the share of commercial (i.e. non-political or academic) revenue which rose by 86% in the year. This includes the new Marketing Insights division (acquired as Clear Horizons LLC in April 2009) which met its first year earn-out target and whose acquisition has helped the US to win more complex commercial research projects. BrandIndex has also contributed to this growth by doubling its revenues and winning new clients such as Domino's Pizza and Pepsico. It is helping to build YouGov's reputation for innovation in the US market and its value as a unique source of daily data on brand reputation is now being recognised in influential US media such as the Wall Street Journal and New York Times.

We continue to expand the range of services offered in the US and recently launched "Hospital Index" a new syndicated product which gives healthcare providers a measure of consumers' attitudes and perceptions towards an area's hospitals. Its early sales performance has been encouraging.

The acquisition of Harrison Group which was completed after the period end is a further step in the process of scaling up our commercial market research business in the US. As well as bringing an excellent client list and innovative syndicated products such as its Survey of Affluence and Wealth in America and the newly released American Pantry study, it adds a team of 35 significantly enhancing our capabilities and more than doubling our US revenue base. The acquisition is expected to be earnings enhancing in the first full year following completion.

Stephan Shakespeare
Chief Executive Officer

Financial Performance

Income Statement Review

Group turnover for the year to 31 July 2010 of £44.2m was in line with the prior year and 1% less on a constant currency basis. However, as expected, trading was stronger in the second half of the year resulting in revenue growth of 5% compared to the same period in the prior year. Full year revenue performance was mixed across the hubs with UK and USA up by 10% and 38% respectively compared to the previous year, the Middle East down 15% due to previously anticipated reduction in a large contract and Germany and Scandinavia respectively 7% and 6% lower.

The Group's gross margin increased by 2% points to 78% as a result of tighter management of external data collection costs and the continuing shift to online in Germany and Middle East. Operating expenses of £30.6m were £0.5m lower than last year (£0.8m lower in constant currency terms) and represented 69% of revenue, compared to 70% in the previous year. The savings measures taken in 2009 achieved their target but in the second half of the current financial year, investments were made in staff in UK and USA to support new business initiatives and business expansion.

The average number of staff (full-time equivalents) employed during the year fell to 420 from 431 largely as a result of the staff reductions made during 2009. Revenue per head based on this increased to £105,000 from £103,000 in the year ended 31 July 2009. At the year-end, Group staff totalled 425 compared to 413 at 31 July 2009 reflecting the recent recruitment in the UK and the USA.

Adjusted group operating profit increased by 22% to £3.8m compared to £3.1m in the previous year. Adjusted profit before taxation, which includes net interest income, rose by only £0.1m from £3.9m as net interest income fell due to the lower interest rates prevailing. Adjusted earnings per share for the year are 2.5p, just below last year due to a lower tax credit. The reported result before taxation, after charging amortisation, impairment and exceptional items showed a loss of £9.6 m compared to £0.7m in the year ended 31 July 2009.

Amortisation of Intangible Assets and Impairment

Amortisation charges for intangible assets totalled £3.7m in the year of which £2.6m related to acquired assets and £1.1m to those created through the Group's own internal development activities. In addition, an impairment charge of £7.9m has been made to reduce the carrying value of goodwill and intangible assets relating to our German subsidiary.

Exceptional Items

Exceptional costs of £1.8m (2009: £0.6m) were incurred in the year. £0.7m of these related to US acquisition costs which under the new IFRS3 (revised) have to be expensed when incurred; £0.6m was due to a change in accounting estimates for panel incentive costs which recognises the higher retention rate within the UK panel. £0.3m related to restructuring initiatives and £0.3m to employment termination costs of the former CEO.

Events after the reporting period - Acquisition of Harrison Group

The acquisition of Harrison Group, one of the USA's leading market and strategic research firms was completed on 16 August 2010. The basic purchase consideration payable will be six times the EBITDA achieved by Harrison in the year ended 31 December 2010. $6 million (£4 million) of this was paid on completion and the balance will be payable in instalments between 2011 and 2013, contingent upon the results achieved in 2010 and 2011. An additional payment of up to $1.25 million will be payable in 2013 contingent upon strong EBITDA growth targets being achieved in the calendar years 2011 and 2012. Based on Harrison's current business plans, the total consideration payable is expected to be approximately $13m (£8 million). This transaction will be funded entirely from YouGov's existing cash resources.

At completion, Harrison had net assets of approximately $2 million including net current assets of $1.4 million. For the year ended 31 December 2009, Harrison reported revenues of approximately US$9.6 million and adjusted EBITDA of US$0.3 million. On a trailing 12 months basis to 31 March 2010, Harrison's pro-forma revenues were US$10.6 million and its adjusted EBITDA (excluding certain non-recurring revenues and costs) was US $1.0 million.

Analysis of Operating Profit and Earnings per Share

	31 July 2010 £'000	31 July 2009 £'000
Group operating profit before amortisation of intangibles, impairment & exceptional costs	**3,776**	**2,715**
Integration costs	**---**	**371**
Adjusted operating profit	**3,776**	**3,086**
Share based payments	**148**	**271**
Imputed interest	**48**	**158**
Net finance income	**5**	**404**
Share of post tax loss in joint venture	**(8)**	**(47)**
Adjusted profit before tax	**3,969**	**3,872**
Adjusted profit after tax	**2,422**	**2,625**
Adjusted earnings per share (pence)	**2.5**	**2.7**

Cash flow

The Group generated £4.9m in cash from operations (before paying interest and tax) (2009: £5.3m) and paid out £2.9m in investing activities (2009: £4.8m) of which £2.3m (2009: £2.7m) related to capital expenditure on tangible and intangible assets and £0.6m (2009: £2.9m) to acquisitions including deferred consideration.

Taxation

The Group had a tax credit of £0.3m (2009: £0.6m) excluding the effect of the exceptional costs and impairment charge. Including these items, the reported tax credit was £2.6m (2009: £0.8m). This comprised a current tax charge of £0.2m (2009: £0.4m) and a deferred tax credit of £2.8m (2009: £1.2m).

Balance Sheet

Net Assets totalled £60.2m at 31 July 2010 compared to £67.1m at 31 July 2009. The fall was largely due to the effect of the impairment of goodwill and intangibles. Current assets rose by £2.7m largely due to the increase in the cash balances. Debtor days fell significantly to 61 days from 70 days due especially to improved collections on some large contracts. Current liabilities increased by £1.5m due mainly to an increase in trade creditors. Creditor days rose to 34 days from 31 days in 2009. The reduction in working capital contributed to an increase in net cash balances of £2.9m to £15.6m compared to £12.7m at 31 July 2009.

Panel development

As at 31 July 2010, the Group's online panels comprised a total of 2,510,500 panellists (defined as the number of panel registrations), an increase of 13% over the total of 2,216,000 as at 31 July 2009. The panel sizes by region were:

Region	**Panel Size at 31 July 2010**	**Panel Size at 31 July 2009**
UK	338,300	266,000
Middle East & North Africa	214,000	197,000
Germany & Central Europe	81,600	122,000
Scandinavia & Northern Europe	129,600	143,000
USA	1,747,000	1,488,000
Total	**2,510,500**	**2,216,000**

Panel numbers have grown in UK, Middle East and the US directly reflecting higher levels of online survey activity. We have scaled down panel activity in Austria and Eastern Europe while increasing the online research undertaken in our main German market resulting in net reduction in the panel this year. In Scandinavia, there was a small reduction due to some participants with low or no activity being taken off the panel.

Publication of Non-Statutory Accounts

The financial information relating to the year ended 31 July 2010 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 2010

	Note	**2010 £'000**	2009 £'000
Revenue	1	**44,234**	44,322
Cost of sales*		**(9,877)**	(10,557)
Gross profit		**34,357**	33,765
Operating expenses**		**(30,581)**	(31,050)
Adjusted operating profit before amortisation of intangible assets and exceptional costs	1	**3,776**	2,715
Impairment of goodwill and intangibles	6,7	**(7,861)**	-
Amortisation of intangibles	7	**(3,689)**	(3,145)
Exceptional costs*	2	**(1,834)**	(610)
Operating loss		**(9,608)**	(1,040)
Finance income		**205**	1,054
Finance costs		**(201)**	(650)
Share of post tax loss in joint ventures		**(8)**	(47)
Loss before taxation	1	**(9,612)**	(683)
Tax credit	3	**2,572**	842
(Loss)/profit after taxation	1	**(7,040)**	159
Attributable to:			
Owners of the parent		**(7,534)**	(544)
Non controlling interests		**494**	703
		(7,040)	159
Earnings per share			
Basic earnings per share attributable to owners of the parent	4	**(7.8)**	(0.6)
Diluted earnings per share attributable to owners of the parent	4	**(7.8)**	(0.6)

*Total cost of sales including change of accounting estimate of panel provision detailed in note 2 is £10,477,000.
**Total operating expenses including impairment of goodwill and intangibles, amortisation and the remaining items detailed in note 3 are £43,365,000.
The (loss)/profit is from continuing operations.

The notes form an integral part of these financial statements.

YOUGOV PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 July 2010

	31 July 2010 £'000	31 July 2009 £'000
(Loss)/profit for the year	**(7,040)**	159
Other comprehensive income:		
Currency translation differences	**298**	5,815
Purchase of non controlling interest in subsidiary	**(163)**	-
	135	5,815
Other comprehensive income for the year net of tax	**135**	5,815
Total comprehensive income for the year	**(6,905)**	5,974
Attributable to:		
-Equity holders of the parent company	**(7,680)**	4,771
-Non controlling interests	**775**	1,203
Total comprehensive income for the year	**(6,905)**	5,974

YOUGOV PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2010

	Note	**31 July 2010 £'000**	31 July 2009 £'000
Assets			
Non-current assets			
Goodwill	6	**31,203**	33,482
Other intangible assets	7	**10,545**	17,940
Property, plant and equipment	8	**2,382**	2,629
Investments in joint ventures		**23**	23
Deferred tax assets		**2,606**	2,510
Total non-current assets		**46,759**	56,584
Current assets			
Trade and other receivables	9	**14,561**	13,678
Other short term financial assets		**165**	211
Current tax assets		**-**	1,066
Cash and cash equivalents		**15,634**	12,718
Total current assets		**30,360**	27,673
Total assets		**77,119**	84,257
Liabilities			
Current liabilities			
Trade and other payables	10	**10,146**	7,942
Provisions	11	**1,278**	1,738
Borrowings		**4**	228
Current tax liabilities		**164**	158
Deferred consideration		**304**	317
Total current liabilities		**11,896**	10,383
Net current assets		**18,464**	17,290
Non-current liabilities			
Provisions	11	**1,398**	-
Deferred consideration		**360**	651
Long term borrowings		**-**	22
Deferred tax liabilities		**3,298**	6,105
Total non-current liabilities		**5,056**	6,778
Total liabilities		**16,952**	17,161
Net assets		**60,167**	67,096

YOUGOV PLC

consolidated STATEMENT OF FINANCIAL POSITION

As at 31 July 2010

	31 July 2010 £'000	31 July 2009 £'000
Equity		
Issued share capital	**194**	193
Share premium	**30,822**	30,811
Merger reserve	**9,239**	9,239
Foreign exchange reserve	**9,797**	9,780
Retained Earnings	**6,116**	13,665
Total shareholders' funds	**56,168**	63,688
Non controlling interests in equity	**3,999**	3,408
Total equity	**60,167**	67,096

YOUGOV PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31 July 2010

	Attributable to equity holders of the Company								
	Share capital £'000	**Share premium account** £'000	**Merger reserve** £'000	**Foreign exchange reserve** £'000	**Deferred consideration reserve** £'000	**Retained Earnings** £'000	**TOTAL** £'000	**Non Controlling interest** £'000	**TOTAL EQUITY** £'000
Balance previously reported at 1 August 2008	**190**	**29,156**	**9,239**	**4,465**	**1,438**	**13,938**	**58,426**	**2,232**	**60,658**
Changes in equity for 2008									
Exchange differences on translating foreign operations	-	-	-	5,315	-	-	5,315	500	5,815
Net income recognised directly in equity	-	-	-	5,315	-	-	5,315	500	5,815
(Loss)/profit for the period	-	-	-	-	-	(544)	(544)	703	159
Total comprehensive income for the year	-	-	-	5,315	-	(544)	4,771	1,203	5,974
Expenses offset against share premium	-	(13)	-	-	-	-	(13)	-	(13)
Issue of share capital through exercise of share options	1	232	-	-	-	-	233	-	233
Deferred consideration as part consideration for acquisition	2	1,436	-	-	(1,438)	-	-	-	-
Share based payments	-	-	-	-	-	271	271	-	271
Dividends	-	-	-	-	-	-	-	(27)	(27)
Balance at 31 July 2009	**193**	**30,811**	**9,239**	**9,780**	**-**	**13,665**	**63,688**	**3,408**	**67,096**
Changes in equity for 2010									
Exchange differences on translating foreign operations	-	-	-	17	-	-	**17**	281	**298**
Purchase of non controlling interest in subsidiary	-	-	-	-	-	(163)	**(163)**	-	**(163)**
Net (loss)/income recognised directly in equity	-	-	-	17	-	(163)	**(146)**	281	**135**
(Loss)/profit for the year	-	-	-	-	-	(7,534)	**(7,534)**	494	**(7,040)**
Total comprehensive (loss)/income for the year	-	-	-	17	-	(7,697)	**(7,680)**	775	**(6,905)**
Issue of share capital through exercise of share options	1	11	-	-	-	-	**12**	-	**12**
Purchase of non controlling interest in subsidiary	-	-	-	-	-	-	**-**	(128)	**(128)**
Share based payments	-	-	-	-	-	148	**148**	-	**148**
Dividends	-	-	-	-	-	-	**-**	(56)	**(56)**
Balance at 31 July 2010	**194**	**30,822**	**9,239**	**9,797**	**-**	**6,116**	**56,168**	**3,999**	**60,167**

YOUGOV PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 July 2010

	Note	**31 July 2010 £'000**	31 July 2009 £'000
Cash flows from operating activities			
(Loss)/profit after taxation	1	**(7,040)**	159
Adjustments for:			
Impairment charge	7	**7,861**	-
Amortisation	1	**3,689**	3,145
Depreciation	1	**658**	557
Loss on disposal of property, plant and equipment and other intangible assets	1	**-**	53
Foreign exchange (loss)/benefit	1	**(348)**	132
Share based payments	1	**148**	271
Taxation credit recorded in profit and loss	3	**(2,572)**	(842)
Net finance income		**(4)**	(404)
(Increase)/decrease in trade and other receivables		**(97)**	5,265
Increase/(decrease) in trade and other payables		**2,556**	(3,040)
Cash generated from operations		**4,851**	5,296
Interest paid		**(201)**	(624)
Income taxes recovered/(paid)		**947**	(520)
Net cash generated from operating activities		**5,597**	4,152
Cash flow from investing activities			
Acquisition of subsidiaries (net of cash acquired)		**(291)**	(685)
Settlement of deferred considerations		**(304)**	(2,215)
Other investments made		**-**	(175)
Purchase of property, plant and equipment	8	**(282)**	(732)
Purchase of intangible assets	7	**(2,037)**	(2,020)
Interest received and foreign exchange gains		**205**	1,054
Net cash used in investing activities		**(2,709)**	(4,773)
Cash flows from financing activities			
Proceeds from issue of share capital		**5**	220
Loan repayments		**(237)**	(1,043)
Dividends paid to non controlling interests		**(56)**	(12)
Net cash used in financing activities		**(288)**	(835)
Net increase/(decrease) in cash, cash equivalents and overdrafts		**2,600**	(1,456)
Cash, cash equivalents and overdrafts at beginning of year		**12,718**	13,406
Exchange gain on cash and cash equivalents		**316**	768
Cash, cash equivalents and overdrafts at end of year		**15,634**	12,718

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

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.
These annual consolidated financial statements have been approved for issue by the Board of Directors on 11 October 2010.

Basis of preparation

The consolidated financial statements of YouGov plc are for the year ended 31 July 2010. They have been prepared under the historical cost convention. 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), IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention.

The following new standards have been adopted by the Group in the period to 31 July 2010:

- IAS 1 (revised), 'Presentation of financial statements'. This revised standard required entities to prepare a statement of comprehensive income. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income), as adopted by the Group. Owner changes in equity are shown in a statement of changes in equity.
- IFRS 8, 'Operating segments'. This standard replaces IAS 14. The new standard uses a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.
- IFRS 3 (revised), 'Business combinations'. The standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently re-measured at fair value through income. Goodwill and non-controlling (minority) interests may be calculated on a gross or net basis. All transaction costs will be expensed.

The following new standards and amendments to existing standards are now effective but have no significant impact on the Group:

- IAS 23 (revised), ‘Borrowing costs’
- Amendments to IFRIC 9 and IAS 39 regarding embedded derivatives
- Annual improvements to IFRSs 2008
- Amendment to IFRS 7, 'Financial instruments:Disclosures'
- Amendment to IFRS 1 'First time adoption of IFRS' and IAS 27 'Consolidated and separate financial statements' on the 'Cost of an investment in a subsidiary, jointly controlled entity or associate'
- Amendment to IAS 39, ‘Financial instruments: Recognition and measurement’ and IFRS 7, ‘Financial instruments: Disclosures’ on the ‘Reclassification of financial assets’
- IFRS 1 (revised) 'First-time adoption'
- Amendment to IAS 32, 'Financial instruments: Presentation', and IAS 1, 'Presentation of financial statements on ‘Puttable financial instruments and obligations arising on liquidation'
- Amendment to IFRS 2, ‘Share based payments’ on ‘Vesting conditions and cancellations’
- Amendment to IAS 39, 'Financial Instruments: Recognition and measurement' on 'Eligible hedged items'
- IAS 27 (revised), ‘Consolidated and separate financial statements’

1 REVENUE AND PROFIT BEFORE TAXATION

Segmental Analysis

For internal reporting purposes the Group is organised into five operating divisions based on geographic lines – UK, Middle East and North Africa, Germany and Central Europe, Scandinavia and Northern Europe and North America. 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.

2010	UK £'000	Middle East and North Africa £'000	Germany and Central Europe £'000	Scandinavia and Northern Europe £'000	North America £'000	Consolidation and unallocated £'000	Consolidated £'000
Revenue							
External sales	11,681	7,210	13,687	6,953	4,703	-	44,234
Inter-segment sales	458	10	92	30	115	(705)	-
Total revenue	12,139	7,220	13,779	6,983	4,818	(705)	44,234

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

Segment result							
Gross profit	9,633	4,632	10,616	5,271	4,180	25	34,357
Operating profit	3,359	1,429	418	52	527	(2,009)	3,776
Amortisation of intangibles	(523)	(185)	(175)	(108)	(150)	(2,548)	(3,689)
Impairment of goodwill and intangible assets							(7,861)
Exceptional costs	(1,038)	(155)	(169)	(360)	(112)	-	(1,834)
Finance income							205
Finance costs							(201)
Share of results of joint ventures							(8)
Loss before taxation							(9,612)
Tax credit							2,572
Profit after taxation							(7,040)
Other segment information							
Depreciation	197	143	241	30	47	-	658
Share based payments	23	-	-	-	125	-	148
Assets							
Segment assets	17,481	17,843	18,418	12,671	19,996	(9,313)	77,096
Investments in joint ventures	-	-	-	-	-	-	23
Total assets							77,119

YOUGOV PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2010

2009	UK £'000	Middle East and North Africa £'000	Germany and Central Europe £'000	Scandin-avia and Northern Europe £'000	North America £'000	Consolidation and unallocated £'000	Consolidated £'000
Revenue							
External sales	10,470	8,398	14,606	7,393	3,455	-	44,322
Inter-segment sales	619	2	199	35	23	(878)	-
Total revenue	11,089	8,400	14,805	7,428	3,478	(878)	44,322

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

	UK	Middle East and North Africa	Germany and Central Europe	Scandinavia and Northern Europe	North America	Consolidation and unallocated	Consolidated
Segment result							
Gross profit	8,465	5,602	11,195	5,555	2,836	112	33,765
Operating profit/(loss)	1,992	2,848	696	(178)	184	(2,827)	2,715
Amortisation of intangibles	(364)	(73)	(89)	(60)	(88)	(2,471)	(3,145)
Exceptional items	(320)	-	(110)	(180)	-	-	(610)
Finance income							1,054
Finance costs							(650)
Share of results of joint ventures							(47)
Loss before taxation							(683)
Tax credit							842
Profit after taxation							159
Other segment information							
Depreciation	132	77	262	38	44	4	557
Share based payments	100	-	-	-	171	-	271
Assets							
Segment assets	15,901	15,139	27,735	16,830	19,881	(11,252)	84,234
Investments in joint ventures	-	-	-	-	-	-	23
Total assets							84,257

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

2010	UK £'000	Middle East and North Africa £'000	Germany and Central Europe £'000	Scandin-avia and Northern Europe £'000	North America £'000	Consolidation and unallocated £'000	Consolidated £'000
Revenue by destination							
External sales	15,498	2,282	14,470	7,065	4,919	-	44,234
Inter-segment sales	210	407	74	-	14	(705)	-
Total revenue	15,708	2,689	14,544	7,065	4,933	(705)	44,234

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

2009	UK £'000	Middle East and North Africa £'000	Germany and Central Europe £'000	Scandin-avia and Northern Europe £'000	North America £'000	Consolidation and unallocated £'000	Consolidated £'000
Revenue by destination							
External sales	15,547	2,094	15,416	7,202	4,063	-	44,322
Inter-segment sales	235	610	13	-	20	(878)	-
Total revenue	15,782	2,704	15,429	7,202	4,083	(878)	44,322

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

	31 July 2010 £'000	31 July 2009 £'000
The profit before taxation is stated after charging:		
Auditors' remuneration:		
Audit of the Group's annual report and accounts	**121**	100
Audit of subsidiaries	**41**	-
Other assurance services	**2**	15
Taxation	**14**	25
Due diligence	**120**	-
Other advisory services	**9**	35
Disposals, depreciation and amortisation:		
Depreciation of property, plant and equipment	**658**	557
Amortisation of intangible assets	**3,689**	3,145
Loss on disposal of property, plant and equipment	**-**	53
Other operating lease rentals:		
Plant and machinery	**119**	79
Land and buildings	**1,435**	1,312
Other expenses:		
Exchange differences	**(348)**	132
Share based payment expenses	**148**	271
Research and development expenditure expensed	**-**	310
Charitable and political donations	**1**	1

2 EXCEPTIONAL COSTS

	31 July 2010	31 July 2009
	£000	£'000
Restructuring costs	**683**	783
Acquisition costs	**271**	-
Change in accounting estimation – panel incentives provision	**600**	-
Employment termination	**280**	-
Aborted acquisition costs	**-**	(173)
	1,834	610

Restructuring costs arose due to the termination of operations of certain divisions within the German and Scandinavian businesses.

Acquisition costs comprise professional fees incurred relating to the acquisition of Harrison Group which was completed after the year-end. IFRS 3 (revised) requires these to be expensed at the time that they are incurred. Further information is provided in note 12.

A change in accounting estimation was made in the panel incentives provision, primarily due to the increasing maturity of the UK panel. Further information is provided in note 11.

2 INCOME TAXES

The taxation charge represents:

	31 July 2010 £'000	31 July 2009 £'000
Current tax	**199**	157
Adjustments in respect of prior years	**(10)**	258
Total current tax charge	**189**	415
Origination and reversal of temporary differences:		
Current year	**(3,270)**	(1,463)
Adjustments in respect of prior years	**509**	206
Total deferred tax	**(2,761)**	(1,257)
Total income statement tax credit	**(2,572)**	(842)

The tax assessed for the year is lower (2009: higher) than the standard rate of corporation tax in the UK.
The differences are explained below:

	31 July 2010 £'000	31 July 2009 £'000
Loss before tax	**(9,612)**	(683)
Tax benefit calculated at Group's standard rate of 28% (2009: 28%)	**2,690**	191
Variance in overseas tax	**501**	1,431
Impact of tax rate change in current year	**(67)**	-
Expenses not deductible for tax purposes	**(371)**	(387)
Tax losses for which no deferred income tax asset was recognised	**(192)**	(189)
Tax deduction in respect of share options exercised	**-**	44
Adjustment in respect of prior years	**10**	(259)
Share of tax loss of joint venture	**1**	11
Total income tax credit for the year	**2,572**	842

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. The Finance (No 2) Act 2010, which was substantively enacted on 20 July 2010, includes legislation reducing the main rate of corporation tax from 28 per cent to 27 per cent from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1 per cent per annum to 24 per cent by 1 April 2014. Only changes substantively enacted at reporting date are included in these consolidated financial statements.

4 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.

	31 July 2010 £'000	31 July 2009 £'000
Group loss after taxation attributable to equity holders of the parent company	**(7,534)**	(544)
Add: amortisation of intangible assets	**3,689**	3,145
Add: share based payments	**148**	271
Add: imputed interest	**48**	158
Add: impairment charge	**7,861**	-
Add: exceptional costs	**1,834**	610
Tax effect of the above adjustments	**(3,624)**	(1,384)
Adjusted profit	**2,422**	2,256

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

	31 July 2010	31 July 2009
Number of shares		
Weighted average number of shares during the period: ('000 shares)		
- Basic	**96,777**	96,244
- Dilutive effect of share options	**-**	-
- Diluted	**96,777**	96,244
Basic loss per share (in pence)	**(7.8)**	(0.6)
Adjusted basic earnings per share (in pence)	**2.5**	2.3
Diluted loss per share (in pence)	**(7.8)**	(0.6)
Adjusted diluted earnings per share (in pence)	**2.5**	2.3

The adjustments have the following effect:

Basic loss per share (in pence)	**(7.8)**	(0.6)
Amortisation of intangible assets (in pence)	**3.8**	3.3
Share based payments (in pence)	**0.2**	0.3
Imputed interest (in pence)	**0.0**	0.1
Exceptional costs and impairments (in pence)	**10.0**	0.6
Tax effect of the above adjustments (in pence)	**(3.7)**	(1.4)
Adjusted earnings per share (in pence)	**2.5**	2.3
Diluted loss per share (in pence)	**(7.8)**	(0.6)
Amortisation of intangible assets (in pence)	**3.8**	3.3
Share based payments (in pence)	**0.2**	0.3
Imputed interest (in pence)	**0.0**	0.1
Exceptional costs and impairment (in pence)	**10.0**	0.6
Tax effect of the above adjustments (in pence)	**(3.7)**	(1.4)
Adjusted diluted earnings per share (in pence)	**2.5**	2.3

5 BUSINESS COMBINATIONS

Purchase of minority shareholding in Service Rating

On the 11th March 2010, YouGovPsychonomics purchased the 40% shareholding in its subsidiary Service Rating which it did not already own.

The consideration for this purchase was £291k. The book value of non controlling interests at the transaction date was £128k. The difference of £163k has been reflected directly in reserves in accordance with IAS 27 (revised).

6 GOODWILL

	Middle East £'000	North America £'000	Scandinavia and Northern Europe £'000	Germany and Central Europe £'000	UK £'000	Total £'000
Carrying amount at 1 August 2008	1,113	7,172	9,808	15,388	19	33,500
Movements:						
Through business combinations	-	1,124	-	-	-	1,124
Entity creation costs	-	-	-	-	61	61
Revision to contingent deferred consideration	-	-	(2,213)	(2,507)	-	(4,720)
Net exchange differences	206	1,141	825	1,345	-	3,517
Carrying amount at 31 July 2009	1,319	9,437	8,420	14,226	80	33,482
Movements:						
Impairment charge	-	-	-	(2,399)	-	(2,399)
Net exchange differences	86	615	(217)	(364)	-	120
Carrying amount at 31 July 2010	**1,405**	**10,052**	**8,203**	**11,463**	**80**	**31,203**

Other goodwill represents legal fees incurred in the establishment of new subsidiaries.

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 (CGU's) are consistent with those segments shown in note 1. The 2010 impairment review was undertaken as at 31 July 2010. 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 Scandinavia and the Middle East and 12% for the USA 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 3% have been assumed in perpetuity beyond year five. The weighted average pre-tax cost of capital used to discount the future cash flows to their present value is 14.1% (2009: 16.5%).

During the current year, there was an indication of impairment for the German business due to the impact of local market conditions and trading performance. Although management are taking corrective actions to address this, the impact has been judged to be sufficiently severe to require a reduction in the carrying value of the assets within the German business. A total impairment charge of £7.9m has been made comprising £5.5m relating to the intangible assets (customer contracts and lists and patents and trademarks) and £2.4m relating to goodwill.

7 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	Development costs £'000	Total £'000
Net carrying amount at 1 August 2008	5,105	1,255	4,840	5,712	-	206	17,118
Additions:							
Separately acquired	447	787	-	42	-	28	1,304
Internally developed	-	590	-	-	-	126	716
Through business combinations	-	-	638	-	48	-	686
Amortisation	(1,447)	(709)	(445)	(455)	(48)	(41)	(3,145)
Reclassification	-	-	-	-	-	(37)	(37)
Net exchange differences	454	86	284	462	-	12	1,298
Net carrying amount at 31 July 2009	4,559	2,009	5,317	5,761	-	294	17,940
Additions:							
Separately acquired	**285**	**387**	**-**	**47**	**-**	**320**	**1,039**
Internally developed	**-**	**801**	**-**	**-**	**-**	**197**	**998**
Amortisation	**(1,653)**	**(1,035)**	**(443)**	**(456)**	**-**	**(102)**	**(3,689)**
Impairment	**-**	**-**	**(2,479)**	**(2,983)**	**-**	**-**	**(5,462)**
Net exchange differences	**(56)**	**(37)**	**(84)**	**(92)**	**-**	**(12)**	**(281)**
Net carrying amount at 31 July 2010	**3,135**	**2,125**	**2,311**	**2,277**	**-**	**697**	**10,545**

The details of the impairment charge of £5.5m are provided in note 6.

8 PROPERTY, PLANT AND EQUIPMENT

	Freehold property	Leasehold property improve-ments	Computer equipment	Fixtures and fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Carrying amount at 1 August 2008	946	203	392	611	65	2,217
Additions:						
Separately acquired	28	16	414	274	-	732
Acquired through acquisitions	-	-	7	-	-	7
Disposals	-	(8)	(1)	(7)	-	(16)
Depreciation	-	(65)	(281)	(172)	(39)	(557)
Net exchange differences	173	14	34	19	6	246
Carrying amount at 31 July 2009	1,147	160	565	725	32	2,629
Additions:						
Separately acquired	**-**	**42**	**185**	**55**	**-**	**282**
Depreciation	**(54)**	**(68)**	**(272)**	**(232)**	**(32)**	**(658)**
Net exchange differences	**64**	**8**	**26**	**31**	**-**	**129**
Carrying amount at 31 July 2010	**1,157**	**142**	**504**	**579**	**-**	**2,382**

All property, plant and equipment disclosed above, with the exception of those items held under lease purchase agreement, is free from restrictions on title. No property, plant and equipment either in 2010 or 2009 has been pledged as security against the liabilities of the Group.

9 TRADE AND OTHER RECEIVABLES

	31 July 2010	31 July 2009
	£'000	£'000
Trade receivables	**7,749**	8,502
Amounts owed by related parties	**123**	116
Other receivables	**967**	519
Prepayments and accrued income	**5,916**	4,673
	14,755	13,810
Provision for trade and other receivables	**(194)**	(132)
	14,561	13,678

The ageing of the current trade receivables is as follows:

	31 July 2010	31 July 2009
	£'000	£'000
Within payment terms	**2,966**	2,584
Not more than three months overdue	**3,156**	3,405
More than three months but not more than six months overdue	**911**	1,016
More than six months but not more than one year overdue	**327**	720
More than one year overdue	**389**	777
	7,749	8,502

The Group's trade receivables are stated before provisions for impaired receivables. This provision is determined by considering all past due balances and by reference to past default experience.

Movement on the Group provision for impairment of trade receivables is as follows:	**2010 £'000**	2009 £'000
Provision for receivables impairment at 1 August	**132**	-
Provision created in the year	**166**	132
Provision utilised in the year	**(104)**	-
Provision for receivables impairment at 31 July	**194**	132

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 or each class of receivable mentioned above. The Group does not hold any collateral as security.

The Directors consider that the carrying value of trade and other receivables approximates their fair value. 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 >£250k (2009: >£250k)) represent 23% of trade receivables (2009: 36%).

At 31 July 2010 £290,000 (DKK 2.6m) (2009: £352k (DKK 3.1m)) of the trade and other receivables of YouGov Nordic & Baltic A/S was used as security against a loan and revolving overdraft facility held by YouGov Nordic & Baltic A/S.

At 31 July 2010 YouGovPsychonomics AG had the option to borrow €40k (£33k) (2009: €300k (£256k)) which is secured against the trade and other receivables of the business. At 31 July 2010 £nil (2009: £nil) had been drawn down.

YouGovPsychonomics AG has secured a value of up to €144k (£120k) (2009: €280k (£239k)) in the event of default on rental payments against its trade and other receivables.

10 TRADE AND OTHER PAYABLES

	31 July 2010 £'000	31 July 2009 £'000
Trade payables	**1,416**	858
Accruals and deferred income	**7,040**	5,509
Other payables	**1,690**	1,575
	10,146	7,942

The creditor days as at the year end is 34 (2009: 19 days). The Directors consider that the carrying amount of trade payables approximates to their fair value.

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

11 PROVISIONS

	Panel incentives £'000	Staff gratuity £'000	Total £'000
At 1 August 2008	1,280	110	1,390
Provided during the year	2,456	70	2,526
Utilised during the year	(1,887)	(29)	(1,916)
Released during the year	(284)	(63)	(347)
Net foreign exchange differences	65	20	85
At 31 July 2009	1,630	108	1,738
Included within current liabilities	1,630	108	1,738
	1,630	108	1,738
Provided during the year	3,835	127	3,962
Utilised during the year	(2,625)	(116)	(2,741)
Released during the year	(279)	(36)	(315)
Net foreign exchange differences	25	7	32
At 31 July 2010	**2,586**	**90**	**2,676**
Included within current liabilities	**1,278**	**-**	**1,278**
Included within non-current liabilities	**1,308**	**90**	**1,398**

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 panelists' virtual accounts up to 31 July 2010. The provision of £2.6m represents 30% of the maximum potential liability of £8.6m (2009: £1.6m representing 25% of the total liability of £6.6m). The factors considered in estimating the appropriate percentage of the total 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.

In the year ended 31 July 2010, due to a change in profile of the UK panel resulting from its maturity, a change in accounting estimation was made resulting in an adjustment being made to the provision of £0.6m which has been treated as an exceptional item.

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 £0.1m at 31 July 2010 (2009: £0.1m) represents the liability that the group is obliged to pay as at the reporting date weighted against historical rates of resignation and redundancy.

12 EVENTS AFTER THE REPORTING PERIOD

The acquisition of Harrison Group, one of the USA's leading market and strategic research firms was completed on 16 August 2010. The basic purchase consideration payable will be six times the EBITDA achieved by Harrison in the year ended 31 December 2010. $6m (£4m) of this was paid on completion and the balance will be payable in instalments between 2011 and 2013, contingent upon the results achieved in 2010 and 2011. An additional payment of up to $1.25m (£0.8m) will be payable in 2013 contingent upon strong EBITDA growth targets being achieved in the calendar years 2011 and 2012. Based on Harrison's current business plans, the total consideration payable is expected to be approximately $13m (£8m). This transaction will be funded entirely from the Group's existing cash resources.

At completion, Harrison had net assets of approximately \$2m (£1.3m) including net current assets of \$1.4 m. For the year ended 31 December 2009, Harrison reported revenues of approximately \$9.6m (£6m) and adjusted EBITDA of \$0.3m (£0.2m) On a trailing 12 months basis to 31 March 2010, Harrison's pro-forma revenues were \$10.6m (£6.9m) and its adjusted EBITDA (excluding certain non-recurring revenues and costs) was \$1.0m (£0.7m).

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