10 October 2011

YouGov plc
Preliminary results for the year ended 31 July 2011
Strong performance driven by US acquisitions and organic growth

Summary of Results

	Year to 31 July 2011 £m	Year to 31 July 2010 £m	% change Year-on-Year
Revenue	**56.1**	**44.2**	**26.9%**
Adjusted Operating Profit[1]	**5.3**	**3.8**	**39.5%**
Adjusted Operating Profit Margin (%)	**9.4%**	**8.5%**	

Key Financials

- Turnover of £56.1m (2010: £44.2m) 27% higher
- Adjusted operating profit[1] increased 40% to £5.3m. (2010: £3.8m)
- Organic revenue growth of 9% - outperforming the research market
- Good operating cash generation of £5.6m (2010: £4.9m)
- Adjusted profit before tax[2] improved 43% to £5.8m (2010: £4.0m)
- Adjusted earnings per share[3] increased by 88% to 4.7p (2010: 2.5p)
- Reported operating profit of £0.4m (2010: loss of £10.6m[4]) after:
  - Amortisation of intangibles of £3.8m (2010: £3.7m)
  - Exceptional costs of £1.1m (2010: £2.8m)
- Reported profit before tax of £0.4m (2010: loss of £10.6m[4])
- Balance sheet remains strong – net cash balances of £9.4m (2010: £15.6m) after making total acquisition payments of £8.1m

Operational Highlights

- YouGov continues to increase market share
- US now the largest market – revenue up 230% and acquisitions performing well
- BrandIndex global revenue increased by 35%
- UK revenue up 13% with Omnibus and SixthSense performing well
- In the Middle East, regionally generated business continues to grow, partly offsetting the expected scaling down of historic contract
- Good growth in Scandinavia with full year profitability re-established
- In Germany, online products delivered an excellent performance but custom research performance remains challenging
- Success of core model leading to new opportunities for growth
- Current trading in line with the Board's expectations

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

"YouGov has achieved a high level of growth and significantly increased profits. This performance reflects organic growth in the business as we develop new products and serve new clients as well as our successful acquisitions in the US, which are delivering ahead of expectations. The core model is working well across both the existing and acquired businesses as we explore new opportunities for continued growth.

We have recently strengthened our management team to support our aim of driving the company more ambitiously. We expect good revenue growth to continue this year, despite the anticipated end of the historic contract in Iraq by the end of 2011. YouGov remains committed to making additional investments in new products and geographical expansion which will support further growth. The current year will see further benefits from our US acquisitions and continued gains in other markets. We are also more confident of improving profitability in Germany with new management now in place.

We are developing new online panels to meet client demand. Our French panel has now grown to 50,000 and our Paris office is opening in November. We are also continuing to invest in our SixthSense reports business as well as launching a new reports business aimed at the investment community following successful trials this year. Our new interactive website goes live in November and will support innovative tools for social media analysis and marketing.

Current trading is in line with the Board's expectations and with our strong balance sheet we remain confident of our ability to meet our clients' changing research needs despite increasing uncertainty in the macro-economic environment."

1. Adjusted operating profit is defined as group operating profit before amortisation of intangibles, impairment charge and exceptional items
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 operating profits.
4. The reported loss for the prior year (2010) has been increased by £0.9m due to a change in accounting treatment as explained in Note 2 to the financial statements in this announcement.

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Chairman's Statement

Introduction

In the year ended 31 July 2011, YouGov has recorded a high level of growth and significantly increased profits. These results were very much in line with the budget set out at the beginning of the year. They reflect the management's success in achieving our Group targets and delivering better than expected results from the US acquisitions made during the year.

Results

This year's revenue of £56.1m represents an increase of 27% over the prior year. Organic growth (excluding the effect of acquisitions and disposals) of 9% was well ahead of the research market, particularly in the UK and US. Adjusted operating profits increased by £1.5m (40%) to £5.3m. Cash generated from operations was £5.6m. Our cash balance at the end of the year was £9.4m compared to £15.6m at 31 July 2010. This was after expenditure in the year of £8.1m on acquisitions and investments.

The Board does not propose the payment of a dividend at this time but this policy is kept under review.

Strategy

While this year's performance has benefitted from US acquisitions, it has also re-affirmed the strength of our core business model of online market research. This core model delivers accurate information rapidly using our highly responsive online panel supported by our own technology and strong analytics capability. This includes proprietary research data and reports as well as custom research conducted by our specialist teams using the common operating platform which is tailored to the needs of individual clients and sectors.

As identified previously, we are achieving success with our core products and services even in markets such as Germany where there is greater resistance to change. With the evidence of client demand for our rich panel-derived data and a stronger delivery platform we are planning to expand our core model further into new territories, new markets, and also to launch more new products. Some of these such as business intelligence and products tailored for the investment community have already been successfully trialled this year.

Effective execution is clearly vital to the delivery of our strategy especially when we expand geographically. The Board was pleased with progress in America which is now our largest operation. Our first acquisition - Polimetrix - was made there in 2006 and has proved to be an excellent basis for expansion. In August 2010, we purchased Harrison Group in Connecticut and in April 2011, Definitive Insights in Oregon. We believe YouGov is now demonstrating its ability to make good acquisitions and integrate them successfully.

Board and Management

To continue to deliver our plans for future expansion and roll-out of our main products across all our businesses, we have announced a number of management changes since the year-end.

In August 2011, Doug Rivers joined the board as Chief Innovations Officer to lead the development of YouGov's key data products and their exploitation across the Group. Doug was the founder of Polimetrix which is the core of YouGov's American business and has been CEO, YouGov America since 2007. Doss Struse, currently Managing Partner of Definitive Insights, has been appointed as President of YouGov America, responsible for its operational management including the continued integration of the recently acquired businesses. Doss brings extensive experience in managing international research businesses which will help to maintain the rapid growth of our US business.

In parallel with these changes, we have promoted Tim Britton, CEO, YouGov UK to the new role of Chief Operating Officer, Europe, Middle East and Africa (EMEA). He will be responsible for directing YouGov's operations and implementing the business and management strategy across the region. Phil Rance, formerly Managing Director, EMEA at Research Now, has succeeded Tim in the role of Managing Director, YouGov UK.

In Germany, we have appointed Andreas Sperling as the new CEO, completing the management re-organisation undertaken earlier in the year. Andreas has held senior management roles in the research sector in Europe and Asia notably as CEO, Africa, Asia Pacific and Managing Director, Germany of Millward Brown. We look forward to Andreas bringing his skills and experience to bear in driving the changes that are still needed to bring the performance of our German business into line with the rest of the Group.

Growth

Our focus in the coming year is on growing the core business as well as extending the model to new markets and new customers through organic start-ups and joint ventures. We remain open to adding "tuck-in" acquisitions if the right opportunities arise. We have the internal resources to fund these. The Board has approved selective investments in new products such as SixthSense which are intended to create new long-term sources of profitable revenue.

Prospects

We face economic volatility and uncertainty across all the markets in which we operate and our clients are likely to be conservative in their spending plans. While we will maintain good control over operating costs to reflect this, we are in a rapidly changing industry and will keep investing in new products and services with good potential so as to deliver long-term profit growth. Trading in the first couple of months has been satisfactory and in line with the Board's expectations.

Roger Parry
Chairman

Chief Executive's Review

We are pleased to report another year of significant revenue and profit growth, building on the progress made last year. As expected, our performance in the second half of this financial year followed a similar trend to that in the first half. Our Group's full year revenue increased by 27% and adjusted operating profit by 40% compared to the prior year. While the recent US acquisitions of Harrison Group and Definitive Insights contributed to this performance, we also achieved healthy organic growth. Our UK, US and Scandinavian operations have all reported double-digit organic growth and gained market share.

The US is now our largest region in terms of revenue, with the newly acquired businesses performing ahead of original expectations and contributing significantly to Group profits. As importantly, they are fulfilling our objective of expanding YouGov's US reach into the corporate research market and have added a number of US based global brands to our client base. Our UK business continued to grow well and generate good margins as well as initiating the development of SixthSense, our new reports business. Scandinavia completed its turnaround to profitability on a full year basis while the Middle East succeeded in delivering higher profits year-on-year despite the expected reduction in revenue from a major long-term Iraqi contract. This demonstrates our ability to exploit new opportunities in the Middle East building on the strong relationships, reputation and panel that we have developed in the region.

Overall, we have delivered in line with expectations. This was despite a disappointing performance in Germany where the benefits of the re-organisation of operations and management that we began this year have been slower to materialise than we hoped. However, since the new CEO took up his position shortly after the year end, the pace of improvement is accelerating.

During the last year we have expanded our philanthropic and educational reach by collaborating on projects with major UK Universities. At the beginning of 2011, YouGov entered into an academic partnership with the Department of Politics and International Studies at Cambridge University, to establish a think-tank and centre of excellence for public opinion research. The not-for-profit partnership was formally launched in September 2011. Earlier in the year, YouGov collaborated with Imperial College and University College, London in a pilot of StartUp Summer, a development programme for student entrepreneurs, which was supported by StartUp Britain, a Government initiative to accelerate enterprise in the UK.

Looking ahead

We continue to pursue our strategy of strengthening the foundations of our business while developing new products and markets – building on our core strengths and innovating for the future.

We will also continue to manage our cost base tightly and to ensure that we make best use of the engine we have built. That engine (the combination of high-response panel, technological platform for data collection and panel management, and our profile data library) cost-effectively delivers quality data and insight through a scalable model. There is additional potential for driving more value from that model and in the coming year we will further advance our products and our productised methodologies. We will also continue to harmonise our marketing and sales systems across the Group in particular to increase cross-border work. This will be one of the key priorities for the new senior management in EMEA and America.

We will also be expanding into new geographies to meet growing demand for our core suite of online products. We have already established a new panel of over 50,000 members in France which began to run its first commercial surveys in September 2011 and plan to open a sales office in Paris in November 2011. We are also actively evaluating entry strategies for other key markets.

BrandIndex, our flagship brand intelligence service, maintained its high growth continuing to win new customers in all our markets resulting in revenue up by 35%. We have now developed a new version of the product, with major enhancements that will make it even easier for clients to integrate BrandIndex with their day-to-day management information. The new BrandIndex version is now being successfully trialled with two clients and will be rolled out across the US and UK over the course of the year.

SixthSense, our business intelligence service that combines primary research data with that from other sources as well as informed commentary, launched in the UK in 2010 and grew well in its first full financial year of operation. Its product list now comprises some 140 reports whose scope ranges from a whole sector (such as Food and Drink) down to an in-depth study of a category (such as Baby Foods). In October 2010, we also developed (with Bloomberg) the first of a series of macro-data products: HEAT (Household Economic Activity Tracker) which measures consumer economic activity and confidence and now covers the UK, USA and China. This will form part of the new reports business aimed at the investment community to be launched during the current financial year.

We will also be bringing to market a new data product that brings together existing YouGov methods with new data sources to provide clients with faster and more holistic information direct to their desktops. Given the ever-increasing consumer connectivity and empowerment, which creates rising uncertainty and volatility in markets, we believe that there will be a demand for the kind of continuous-flow primary data that YouGov can provide.

Finally, we are creating a new web presence with a greater emphasis on interactivity and experimentation to make being a member of the YouGov panel a more distinctive and worthwhile experience. The new website, which goes live in November, will support innovative tools for social media analysis and marketing. We believe that constantly improving the quality, size and responsiveness of the panel will become an increasingly important asset for our business which we believe is unique to the research industry.

Current trading

We expect good revenue growth to continue this year, despite the anticipated ending of the historic contract in Iraq by the end of 2011. YouGov remains committed to making additional investments in new products and geographical expansion which will support further growth. The current year will see further benefits from our US acquisitions and continued gains in other markets. We are also more confident of improving the German results with the new management in place.

Current trading is in line with the Board's expectations and with our strong balance sheet we remain confident of our ability to meet our clients' changing research needs despite increasing uncertainty in the macro-economic environment.

Review of Operations

UK

	Year to 31 July 2011 £m	Year to 31 July 2010 £m	% Change
Revenue	**13.7**	**12.1**	**13%**
Operating Profit	**3.5**	**3.4**	**3%**
Operating Profit Margin (%)	**24%**	**27%**	

Our UK business has continued to perform well with revenues 13% higher than the prior year. This strong growth, well ahead of the market, was largely due to our products business which grew by 22% overall. This area includes BrandIndex, which grew revenue by 29% and our market leading Omnibus service which grew by 16% as it continued to expand its international coverage. It also includes the first full year contribution from SixthSense, our new business intelligence service. This 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. Some 140 report titles are now available covering 400 topic areas. Our sector based custom research teams grew revenue by 7% and continued to add new clients such as Argos, the Penguin Group and Lawn Tennis Association while renewing major contracts with clients such as Asda, Costa Coffee and News International. Operating profits grew marginally to £3.5m due to a combination of lower gross margins which reflected a change of product mix, more international work and the investment of approximately £0.4m in SixthSense and in our sales and business delivery teams to support further growth.

USA

	Year to 31 July 2011 £m	Year to 31 July 2010 £m	% Change	% Organic Change
Revenue	**15.9**	**4.8**	**231%**	**32%**
Operating Profit	**1.9**	**0.5**	**280%**	**58%**
Operating Profit Margin (%)	**12%**	**10%**		

Our US revenue has more than tripled this year compared to last due to strong organic growth (32%) in the original business as well as the acquisitions of Harrison Group in August 2010 and Definitive Insights in April 2011 which contributed combined revenue of some £9.6m.

As well as performing ahead of expectations, these acquisitions have as intended, created a much more significant presence for YouGov in the US corporate research market alongside our historic political and academic strengths. Corporate clients now account for some 80% of our US revenue with the acquired businesses bringing major clients such as Activision, GTECH, Microsoft and Panasonic. As they largely undertake their research using online methods, this has helped the integration process and offers further synergy benefits through migration of work to the YouGov panel. We have also drawn on the management resources they brought in with the appointment of Doss Struse, Managing Partner of Definitive Insights, as President in charge of operations of our entire US business, which was announced in August 2011. One of his initial tasks will be to complete the re-branding of our US custom research units under a single YouGov brand.

Within our original US business, BrandIndex continued to grow well in the USA, with revenue increasing by 55% over last year and new clients including Skechers and Kaplan Thaler. Marketing Insights (acquired in April 2009), which specialises in customer segmentation, also performed well with revenue up by 33% and met the targets for the current year of its earn-out. Its clients this year included Bloomberg and Panasonic. Political research remains important to the US business, and represented 10% of revenue this year due to the 2010 mid-term elections. It is pleasing to report the growing acceptance of online methods for political polling in the US which is beginning to catch up with commercial research where it has been the norm for a number of years.

Middle East

	Year to 31 July 2011 £m	Year to 31 July 2010 £m	% Change
Revenue	**7.5**	**7.2**	**4%**
Operating Profit	**1.9**	**1.4**	**36%**
Operating Profit Margin (%)	**25%**	**19%**	

We have been successful this year in our strategy of growing the size and profitability of the regionally generated business so as to offset the expected scaling down of a long-term contract in Iraq. This is reflected in a small overall revenue growth of 4% (6% in local currency terms) and a significant increase in annual operating profits helped by the full year benefit of the cost reductions undertaken early in 2010. Locally generated revenue increased by 34% and now represents nearly 60% of the total. This reflected the planned expansion in online data services which more than tripled their revenue due to more aggressive marketing of our panel which now covers 21 countries in the Middle East and North Africa and continued growth in the client base for BrandIndex and Omnibus products. Our local custom research which focuses mainly on clients in the UAE and Saudi Arabia grew revenue by 21%. Major clients include Pepsico, Saudi Telecom and Johnson & Johnson. We have also established a collaboration with Al-Aan TV to provide surveys for their pan-regional Arab language channels in line with YouGov's policy of gaining a higher profile through media engagement. While the political developments in the region during the year clearly create uncertainty, we believe that they will provide more opportunities for YouGov to generate value through our ability to provide up-to-date information on the views and attitudes of people across the Middle East. We have already demonstrated this through opinion polls we published on Egyptian and Pakistani views during the last year.

The revenue from our Iraq contract fell by 16% in the year as the client's requirements for research continued to be scaled back. This will reduce further in the current year and we expect the contract to end by December 2011. We will build on the success of our regionally generated business which we expect will continue to grow significantly.

During the year we purchased the 22% minority interest in the Middle East business from the local shareholders. Full control of the business will help us to achieve our plans for further development.

Germany

	Year to 31 July 2011 £m	Year to 31 July 2010 £m	% Change	% Change excluding GPW
Revenue	**11.4**	**13.8**	**(17)%**	**(9)%**
Operating Profit	**0.3**	**0.4**	**(33)%**	
Operating Profit Margin (%)	**2%**	**3%**		

Our German business is a substantial company in a major world market but is still only part way through the transition towards becoming an operation that fits with YouGov's core model and its results clearly reflect this. Overall revenue declined by 9% on a like-for-like basis (after excluding the Great Place to Work business disposed of in December 2010). However, the new online products business which started up two years ago and includes our flagship Omnibus and BrandIndex products continued its excellent performance, growing revenue by 90% to £1.3m. Its offer, which is new to the German market, has attracted many new clients to YouGov and it also has higher margins than the traditional business. As reported at the half year, revenue in the custom research business has been declining due to the financial services sector which was a traditional strength although there has been progress in winning new clients in the automotive and technology sectors such as Mazda, Fujitsu and Nokia Siemens. Some cost-reductions have been achieved through the closure of one unprofitable custom team which will save £0.5m annually and the ongoing re-engineering of the core business processes. Following the appointment of Andreas Sperling, a former regional CEO of Millward Brown, as CEO we believe that we now have the leadership in place to take the significant actions necessary to complete the transformation and enable YouGov to exploit the opportunities available in the German market.

Scandinavia

	Year to 31 July 2011 £m	Year to 31 July 2010 £m	% Change
Revenue	**8.3**	**7.0**	**19%**
Operating Profit	**0.6**	**0.1**	**500%**
Operating Profit Margin (%)	**7%**	**1%**	

In the full year, our Scandinavian business maintained the good performance reported at the half year and achieved revenue growth of 19% as well as a significant increase in profitability following the improvement measures taken last year. It gained market share with revenue growth of 19% overall and 33% in Sweden, the region's largest market where new business development was very successful. In February 2011, we launched a new Swedish political opinion service led by Lars Björkman, a recognised expert in the field. Our annual syndicated study, the Nordic Food and Health Survey has also attracted a number of new clients. The business's major clients in the period included Nordisk Film Egmont, SonyEricsson and VisitSweden.

Stephan Shakespeare
Chief Executive Officer

Financial Performance

Income Statement Review

Group turnover for the year to 31 July 2011 of £56.1m was 27% higher than the prior year and 9% on a like-for-like basis, excluding the effect of acquisitions and disposals. In constant currency terms revenue grew by 29%. As expected, the highest growth was in the US at 32% organically and 230% in total following the two acquisitions made during the year. UK, Middle East and Scandinavia also grew their revenue but Germany's fell by 9% organically (excluding Great Place to Work (GPW) disposed of during the year).

The Group's gross profit (after deducting costs of panel incentives and external data collection) increased by £7.9m to £42.2m although the gross margin fell by 3% points to 75% from 78% due largely to the higher proportion of external data collection undertaken by the American acquired businesses.

Operating expenses (excluding amortisation and exceptional items) of £37m were £6.4m higher than last year, a total increase of 21% but only 13% in organic terms (excluding the businesses acquired and disposed of in the year). The operating expense ratio fell to 66% compared to 69% in the prior year reflecting the effect of savings measures taken in the previous 18 months although investments in staff were made during the year to support new business initiatives (such as SixthSense) and continued growth in existing areas.

The average number of staff (full-time equivalents) employed during the year increased to 476 from 420 in the previous year. The net growth of 56 staff reflected the addition of 58 in Harrison and Definitive Insights and a reduction of 26 due to the sale of GPW Germany. This represents an underlying increase of 24. Average revenue per head increased to £118k from £105k in the previous year.

Adjusted group operating profit increased by 40% to £5.3m compared to £3.8m in the previous year. Adjusted profit before taxation, which includes net interest income, rose by £1.8m to £5.8m. Adjusted earnings per share[1] for the year rose by 88% to 4.7p (2010: 2.5p), reflecting the improved profitability of the business. The reported result before taxation (after charging amortisation, impairment and exceptional items) showed a profit of £0.4m compared to a restated loss of £10.6m in the year ended 31 July 2010.

Amortisation of Intangible Assets and Impairment

Amortisation charges for intangible assets totalled £3.8m (2010: £3.7m) in the year of which £3.0m (2010: £2.6m) related to acquired assets and £0.8m (2010: £1.1m) to those created through the Group's own internal development activities.

Exceptional Items

Exceptional costs of £1.1m (2010 restated: £2.8m) were incurred in the year. £0.8m related to costs incurred in respect of the US acquisitions made in the year, and £0.3m to restructuring costs in Germany including the disposal of the GPW business in Germany and Austria.

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

Analysis of Operating Profit and Earnings per Share:

	31 July 2011 £'000	31 July 2010 £'000
Group operating profit before amortisation of intangibles, impairment & exceptional costs	**5,269**	**3,776**
Share based payments	**337**	**148**
Imputed interest	**202**	**48**
Net finance income	**58**	**5**
Share of post-tax (loss)/profit in joint venture	**(32)**	**(8)**
Adjusted profit before tax	**5,834**	**3,969**
Adjusted profit after tax	**4,459**	**2,432**
Adjusted earnings per share (pence)	**4.7**	**2.5**

Cash flow

The Group generated £5.6m in cash from operations (before paying interest and tax) (2010: £4.9m) and paid out £11.0m in investing and financing activities (2010: £3.0m). £2.7m of this (2010: £2.3m) related to capital expenditure on tangible and intangible assets and £8.1m (2010: £0.6m) to acquisitions including deferred consideration.

Taxation

The Group had a tax credit of £nil (2010: £2.6m) on a reported basis. The current tax charge of £0.2m (2010: £0.2m) was offset by a deferred tax credit of £0.2m (2010: £2.8m). On an adjusted basis, the tax charge was £1.4m (2010: £1.5m) which represents an implied tax rate of 24% on the adjusted profit before tax (2010: 39%).

Balance Sheet

Total shareholders' funds rose to £55.8m from £55.2m at 31 July 2010. However, total net assets fell to £55.9m compared to £59.2m at 31 July 2010 as the purchase of non-controlling interests in the Middle East and YouGovStone led to non-controlling interests falling by £3.9m, almost to nil. Cash balances fell by £6.2m to £9.4m from £15.6m as at 31 July 2010 due largely to the cash expenditure on the US acquisitions and non-controlling interests. This contributed to a reduction of £7.5m in net current assets to £10.0m from £17.5m. Debtor days were constant at 61. Current liabilities increased by £2.3m to £15.2m from £12.9m. Creditor days fell slightly to 32 days from 34 days in 2010.

Panel development

As at 31 July 2011, the Group's online panels comprised a total of 2,867,100 panellists (defined as the number of panel registrations), an increase of 14% over the total of 2,510,500 as at 31 July 2010. The panel sizes by region were:

Region	Panel Size at 31 July 2011	Panel Size at 31 July 2010
UK	405,800	338,300
Middle East & North Africa	351,700	214,000
Germany & Central Europe	152,800	81,600
Scandinavia & Northern Europe	162,800	129,600
USA	1,768,200	1,747,000
France	25,800	-
Total	**2,867,100**	**2,510,500**

Panel numbers have grown across all hubs in the current financial year. This is both due to the continually increasing levels of online survey activity and also an active commitment to panel growth being pursued by our global panel team. In the US the year on year increase was marginal due to a periodical review of participants leading to those with low or no activity being taken off the panel.

Corporate Development Activities

On 16 August 2010, the Group acquired 100% of Harrison Group, a leading US market research agency for a basic purchase consideration of six times the EBITDA achieved by Harrison in the year ended 31 December 2010 of $2.4m (£1.5m) which amounts to a total of $14.3m (£9.1m). $6.0m (£3.8m) of this was paid on completion and $3.0m (£1.8m) was paid in April 2011. The balance will be payable in instalments in 2012 and 2013, contingent upon the results achieved in 2010 and 2011. An additional payment of up to $1.2m (£0.8m) will be payable in 2013 contingent upon strong EBITDA growth targets being achieved in the calendar years 2011 and 2012.

On 1 April 2011, the Group acquired 100% of Definitive Insights (DI), a custom research company based in Oregon, USA. The basic purchase consideration payable is 4.5 times the average EBITDA of DI for the two financial years ending 31 January 2013 plus an additional incentive of up to 20% contingent upon EBITDA growth between 2012 and 2013 exceeding 30%. If the full incentive is paid, this would bring the total multiple up to 5 times EBITDA for the year ended 31 January 2013. If DI achieves its business plan targets for the 2 years to January 2013, the earn-out payment will be $4.7m (£2.9m), which together with the initial investment gives a total price of $5.7m (£3.5m).

On 31 October 2010, the Group purchased the 22% shareholding that we did not already own in our Middle East business (YouGov ME FZ LLC) from the minority shareholders. The consideration for this purchase was £1.9m which represented a discount of £1.9m (£1.7m net of associated costs) compared to the book value of minority interests of £3.8m. This purchase will improve the ability of the Group to develop our Middle Eastern business as well as enhancing the earnings attributable to YouGov's shareholders.

As part of our strategy of focusing our attention in Germany on our core and strategic market research business, YouGov disposed of Great Place to Work Deutschland GmbH ("GPW Germany"), a wholly owned unit within YouGovPsychonomics AG, our German subsidiary, through a management buy-out led by the CEO of YouGovPsychonomics and the CEO of GPW Germany. The sale was completed on 31 December 2010 and proceeds of the disposal amounted to £0.5m.

On 24 November 2010, the Group invested £0.5m in return for a shareholding of 25% in Co-Editor Limited, of which Doughty Media 2 Limited, a company controlled by Stephan Shakespeare, owns 75%. Co-Editor has developed software and expertise 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. Co-Editor's main business objective is to exploit its intellectual property rights in markets and activities outside market research. YouGov also has options to acquire additional shares which will enable it to benefit from increases in Co-Editor's equity value resulting from its business development.

On 6 June 2011, the Group purchased the 49% shareholding that we did not already own in YouGovStone Limited from Carole Stone, the CEO and founder of the business. This was undertaken pursuant to the shareholders' agreement entered into when the joint venture business was established in April 2007. The total consideration for the purchase was £0.8m which was satisfied as to £0.7m in cash and as to £0.1m by the issue to Carole Stone of 228,833 ordinary shares in YouGov plc. These shares may not be sold for a period of twelve months from the date of issue. Carole Stone has become Executive Chairman of YouGovStone following the transaction. The prior year financial statements have been restated to reflect the liability at 31 July 2010 in respect of the put-option held by Carole Stone which was exercised in the year under review.

Publication of Non-Statutory Accounts

The financial information relating to the year ended 31 July 2011 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 2011

	Note	**2011 £'000**	2010* £'000
Revenue	1	**56,142**	44,234
Cost of sales**		**(13,918)**	(9,877)
Gross profit		**42,224**	34,357
Operating expenses***		**(36,955)**	(30,581)
Adjusted operating profit before impairment and amortisation of intangible assets and exceptional costs		**5,269**	3,776
Impairment of goodwill and intangibles	6	**-**	(7,861)
Amortisation of intangibles		**(3,755)**	(3,689)
Exceptional costs	2	**(1,129)**	(2,799)
Operating profit/(loss)		**385**	(10,573)
Finance income		**277**	205
Finance costs		**(219)**	(201)
Share of post-tax loss in joint ventures and associates		**(32)**	(8)
Profit/(loss) before taxation	1	**411**	(10,577)
Tax (charge)/credit	3	**(8)**	2,572
Profit/(loss) after taxation	1	**403**	(8,005)
Attributable to:			
Owners of the parent		**286**	(8,499)
Non-controlling interests		**117**	494
		403	(8,005)
Earnings per share			
Basic earnings/(loss) per share attributable to owners of the parent	4	**0.3**	(8.8)
Diluted earnings/(loss) per share attributable to owners of the parent	4	**0.3**	(8.8)

*All comparative information including the relevant notes has been restated to reflect a prior year adjustment, see note 2 for full details.
** Total 2010 cost of sales including change of accounting estimate of panel provision detailed in note 2 is £10.477m.
*** Total 2011 operating expenses including impairment of goodwill and intangibles, amortisation and the remaining items detailed in note 2 are £41.839m (2010: £44.330m).
The profit/(loss) is from continuing operations.

YOUGOV PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

As at 31 July 2011

	Note	**31 July 2011 £'000**	31 July 2010* £'000
Profit/(loss) for the year		**403**	(8,005)
Other comprehensive income:			
Currency translation differences		**(1,237)**	298
Purchase of non-controlling interest in subsidiary		**1,691**	(163)
		454	135
Other comprehensive income for the year net of tax		**454**	135
Total comprehensive income for the year		**857**	(7,870)
Attributable to:			
-Equity holders of the parent company		**940**	(8,645)
-Non controlling interests		**(83)**	775
Total comprehensive income for the year		**857**	(7,870)

The components of this period's other comprehensive income do not have an impact on tax.

*All comparative information including the relevant notes has been restated to reflect a prior year adjustment, see note 2 for full details.

YOUGOV PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2011

	Note	**31 July 2011 £'000**	31 July 2010* £'000
Assets			
Non-current assets			
Goodwill	6	**37,795**	31,203
Other intangible assets	7	**11,427**	10,545
Property, plant and equipment	8	**2,338**	2,382
Investments in joint ventures and associates		**468**	23
Deferred tax assets		**1,939**	2,606
Total non-current assets		**53,967**	46,759
Current assets			
Trade and other receivables	9	**16,933**	14,561
Other short term financial assets		**-**	165
Cash and cash equivalents		**9,400**	15,634
Total current assets		**26,333**	30,360
Total assets		**80,300**	77,119
Liabilities			
Current liabilities			
Trade and other payables		**11,602**	10,146
Provisions		**1,437**	2,243
Borrowings		**-**	4
Current tax liabilities		**487**	164
Contingent consideration	10	**2,838**	304
Total current liabilities		**16,364**	12,861
Net current assets		**9,969**	17,499
Non-current liabilities			
Provisions		**1,605**	1,398
Contingent consideration	10	**2,826**	360
Deferred tax liabilities		**3,611**	3,298
Total non-current liabilities		**8,042**	5,056
Total liabilities		**24,406**	17,917
Net assets		**55,894**	59,202

YOUGOV PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2011

	Note	**31 July 2011 £'000**	31 July 2010* £'000
Equity			
Issued share capital		**195**	194
Share premium		**30,947**	30,822
Merger reserve		**9,239**	9,239
Foreign exchange reserve		**8,760**	9,797
Retained Earnings		**6,658**	5,151
Total shareholders' funds		**55,799**	55,203
Non-controlling interests in equity		**95**	3,999
Total equity		**55,894**	59,202

*All comparative information including the relevant notes has been restated to reflect a prior year adjustment, see note 2 for full details.

YOUGOV PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31 July 2011

	Note	Share capital	Share premium account	Merger reserve	Foreign exchange reserve	Retained Earnings	TOTAL	Non-Controlling interest	TOTAL EQUITY
		Attributable to equity holders of the Company							
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 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	5	-	-	-	-	(163)	**(163)**	-	**(163)**
Net (loss)/income recognised directly in equity		-	-	-	17	(163)	**(146)**	281	**135**
(Loss)/profit for the year		-	-	-	-	(8,499)	**(8,499)**	494	**(8,005)**
Total comprehensive (loss)/income for the year		-	-	-	17	(8,662)	**(8,645)**	775	**(7,870)**
Issue of share capital through exercise of share options		1	11	-	-	-	**12**	-	**12**
Purchase of non-controlling interest in subsidiary	5	-	-	-	-	-	**-**	(128)	**(128)**
Share based payments		-	-	-	-	148	**148**	-	**148**
Dividends		-	-	-	-	-	**-**	(56)	**(56)**
Balance at 31 July 2010*		**194**	**30,822**	**9,239**	**9,797**	**5,151**	**55,203**	**3,999**	**59,202**
Changes in equity for 2011									
Exchange differences on translating foreign operations		-	-	-	(1,037)	-	**(1,037)**	(200)	**(1,237)**
Purchase of non-controlling interest in subsidiary	5	-	-	-	-	1,691	**1,691**	-	**1,691**
Net (loss)/income recognised directly in equity		-	-	-	(1,037)	1,691	**654**	(200)	**454**
Profit for the year		-	-	-	-	286	**286**	117	**403**
Total comprehensive income/(loss) for the year		-	-	-	(1,037)	1,977	**940**	(83)	**857**
Purchase of treasury shares		-	-	-	-	(807)	**(807)**	-	**(807)**
Issue of share capital through exercise of share options and allotment of shares in satisfaction of purchase of non-controlling interest	5	1	125	-	-	-	**126**	-	**126**
Purchase of non-controlling interest in subsidiary	5	-	-	-	-	-	**-**	(3,821)	**(3,821)**
Share based payments		-	-	-	-	337	**337**	-	**337**
Balance at 31 July 2011		**195**	**30,947**	**9,239**	**8,760**	**6,658**	**55,799**	**95**	**55,894**

*All comparative information including the relevant notes has been restated to reflect a prior year adjustment, see note 2 for full details.

YOUGOV PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 July 2011

	Note	**31 July 2011 £'000**	31 July 2010* £'000
Cash flows from operating activities			
Operating profit/(loss)		**385**	(10,573)
Adjustments for:			
Impairment charge		**-**	7,861
Amortisation		**3,755**	3,689
Depreciation		**745**	658
Loss on disposal of property, plant and equipment and other intangible assets		**74**	-
Loss on disposal of goodwill and other investments		**159**	-
Share based payments		**337**	148
(Increase)/decrease in trade and other receivables		**(1,855)**	(97)
Increase in trade and other payables		**2,626**	1,610
(Decrease)/Increase in provisions		**(599)**	1,903
Cash generated from operations		**5,627**	4,851
Interest paid		**(17)**	(201)
Income taxes (paid)/recovered		**(639)**	947
Net cash generated from operating activities		**4,971**	5,597
Cash flow from investing activities			
Acquisition of subsidiaries (net of cash acquired)		**(2,973)**	(291)
Acquisition of non-controlling interest shareholdings		**(2,570)**	-
Acquisition of non-controlling interest in related party		**(500)**	-
Settlement of contingent considerations		**(2,075)**	(304)
Proceeds from sale of property plant and equipment		**9**	-
Purchase of property, plant and equipment		**(574)**	(282)
Purchase of intangible assets		**(2,107)**	(2,037)
Proceeds from sale of interest in subsidiary		**486**	-
Interest received		**133**	205
Net cash used in investing activities		**(10,171)**	(2,709)
Cash flows from financing activities			
Purchase of own shares		**(807)**	-
Proceeds from issue of share capital		**-**	5
Loan repayments		**(4)**	(237)
Dividends paid to non-controlling interests		**-**	(56)
Net cash used in financing activities		**(811)**	(288)
Net (decrease)/increase in cash and cash equivalents		**(6,011)**	2,600
Cash and cash equivalents at beginning of year		**15,634**	12,718
Exchange (loss)/gain on cash and cash equivalents		**(223)**	316
Cash and cash equivalents at end of year		**9,400**	15,634

*All comparative information including the relevant notes has been restated to reflect a prior year adjustment, see note 2 for full details.

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 10 October 2011.

Basis of preparation

The consolidated financial statements of YouGov plc are for the year ended 31 July 2011. 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), International Financial Reporting Interpretations Committee (IFRIC) Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

A prior year adjustment has been made to recognise a liability for a put option held by non-controlling interest in accordance with IAS 39, as discussed in note 2. The Group has not presented a statement of financial position as at 31 July 2009 as there has been no change to previously reported figures.

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, Scandinavia 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.

2011	UK £'000	Middle East and North Africa £'000	Germany £'000	Scandin-avia £'000	North America £'000	Consolidation and unallocated £'000	Consoli-dated £'000
Revenue							
External sales	13,348	7,423	11,348	8,213	15,810	-	56,142
Inter-segment sales	342	111	-	75	100	(628)	-
Total revenue	13,690	7,534	11,348	8,288	15,910	(628)	56,142

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	Scandin-avia	North America	Consolidation and unallocated	Consoli-dated
Segment result							
Gross profit	10,343	4,993	8,504	6,453	11,737	194	42,224
Adjusted Operating profit	3,458	1,891	281	625	1,906	(2,892)	5,269
Amortisation of intangibles	(218)	(114)	(121)	(111)	(652)	(2,539)	(3,755)
Exceptional costs	(421)	-	303	-	(74)	(937)	(1,129)
Finance income							277
Finance costs							(219)
Share of results of joint ventures							(32)
Profit before taxation							411
Tax credit							(8)
Profit after taxation							403
Other segment information							
Depreciation	111	173	175	36	50	200	745
Share based payments	-	-	-	-	104	233	337
Assets							
Segment assets	8,890	9,276	16,240	14,198	35,630	(4,402)	79,832
Investments in joint ventures	-	-	-	-	-	-	468
Total assets							80,300

2010	**UK £'000**	**Middle East and North Africa £'000**	**Germany £'000**	**Scandin -avia £'000**	**North America £'000**	**Consolidation and unallocated £'000**	**Consoli-dated £'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)	(965)	(2,799)
Finance income							205
Finance costs							(201)
Share of results of joint ventures							(8)
Loss before taxation							(10,577)
Tax credit							2,572
Profit after taxation							(8,005)
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

*All comparative information including the relevant notes has been restated to reflect a prior year adjustment see note 2 for full details.

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

2011	**UK £'000**	**Middle East and North Africa £'000**	**Germany £'000**	**Scandin -avia £'000**	**North America £'000**	**Consolidation and unallocated £'000**	**Consoli-dated £'000**
Revenue by destination							
External sales	16,418	3,178	12,171	8,224	16,151	-	56,142
Inter-segment sales	517	422	333	154	137	(1,563)	-
Total revenue	16,934	3,599	12,504	8,378	16,289	(1,563)	56,142

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

2010	**UK £'000**	**Middle East and North Africa £'000**	**Germany £'000**	**Scandin -avia £'000**	**North America £'000**	**Consolidation and unallocated £'000**	**Consoli-dated £'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.

2 EXCEPTIONAL COSTS

	31 July 2011	31 July 2010*
	£'000	£'000
Restructuring costs	**338**	683
Acquisition costs	**544**	271
Investment write offs	**168**	-
Loss on disposal of subsidiary	**200**	-
Provision for YouGov Stone put option	**(121)**	965
Change in accounting estimation – panel incentives provision	**-**	600
Employment termination	**-**	280
	1,129	2,799

Restructuring costs arose due to the termination of operations of certain divisions within the German business.

Acquisition costs comprise professional fees incurred relating to the acquisition of Harrison Group and Definitive Insights, which were completed during the year ended 31 July 2011. IFRS 3 (revised) requires these to be expensed at the time that they are incurred. This includes £348k of contingent consideration, deemed under IFRS 3, to be staff compensation costs.

A number of investments in joint ventures were written off during the year, as they no longer traded or the Group no longer had an equity interest in them.

On 30 December 2010, YouGov disposed, through a management buy-out, of Great Place to Work Deutschland GmbH, a wholly owned subsidiary of YouGovPsychonomics AG. The net sale consideration for the shares in GPW Germany was approximately £530k payable in cash. At the date of disposal, GPW's net assets were £30k. Management have apportioned £700k of the goodwill pertaining to the acquisition of the psychonomics group in 2007 to GPW. As such a loss of £200k has been recognised within exceptional items line of the income statement to reflect this disposal.

According to the terms of the shareholders' agreement for YouGovStone Limited, Carole Stone was entitled to require YouGov plc to purchase some or all of her holding of 49 'B' class shares.. The results for 2010 have been restated to reflect a provision for this option whose value as at 31 July 2010 was estimated to be £965k. During the year ended 31 July 2011, an agreement was reached for the purchase of the "B" shares, which resulted in a credit being taken in the current financial year.

3 INCOME TAXES

The taxation charge represents:

	31 July 2011 £'000	31 July 2010 £'000
Current tax	**297**	199
Adjustments in respect of prior years	**(58)**	(10)
Total current tax charge	**239**	189
Deferred tax:		
Current year	**(231)**	(3,270)
Adjustments in respect of prior years	**-**	509
Total deferred tax credit	**(231)**	(2,761)
Total income statement tax charge/(credit)	**8**	(2,572)

The tax assessed for the year is lower (2010: lower) than the standard rate of corporation tax in the UK.

The differences are explained below:

	31 July 2011 £'000	31 July 2010 £'000
Profit /(loss) before tax	**411**	(10,577)
Tax charge/(credit) calculated at Group's standard rate of 27.3% (2010: 28%)	**(112)**	2,962
Variance in overseas tax	**354**	501
Impact of tax rate change in current year	**(62)**	(67)
Expenses not deductible for tax purposes	**(247)**	(643)
Tax losses for which no deferred income tax asset was recognized	**-**	(192)
Adjustment in respect of prior years	**58**	10
Share of tax loss of joint venture	**1**	1
Total income statement tax (charge)/credit for the year	**(8)**	2,572

In addition to the changes in rates of Corporation tax disclosed abovea number of further changes to the UK Corporation tax system were announced in the March 2011 UK Budget Statement. Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 is expected to be included in the Finance Act 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The effect of the expected reduction of 1% in the corporation tax rate from 1 April 2012 to be enacted in the Finance Act 2011 would be to reduce the deferred tax asset provided at the balance sheet date by £68k and the liability by £6k. The net effect would be a £68k decrease in the deferred tax asset, a £6k reduction in the liability and a net decrease in profit and other comprehensive income of £62k

The proposed reductions of the main rate of corporation tax by 1% per year to 23% by 1 April 2014 are expected to be enacted separately each year. The overall effect of the further changes from 25% to 23%, if these were applied to the deferred tax asset at the balance sheet date, would be to reduce the deferred tax asset by £136k (being £68k recognised in 2013 and £68k recognised in 2014). If these were applied to the deferred tax liability at the balance sheet date, the effect would be to reduce the deferred tax liability by £12k (being £6k recognised in 2013 and £6k recognised in 2014).

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 2011 £'000	31 July 2010 £'000
Group profit/(loss) after taxation attributable to equity holders of the parent company	**286**	(8,499)
Add: amortisation of intangible assets	**3,755**	3,689
Add: share based payments	**337**	148
Add: imputed interest	**202**	48
Add: impairment charge	**-**	7,861
Add: exceptional costs	**1,129**	2,799
Tax effect of the above adjustments	**(1,250)**	(3,624)
Adjusted profit after taxation	**4,459**	2,422

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

	31 July 2011	31 July 2010
Number of shares		
Weighted average number of shares during the period: ('000 shares)		
- Basic	**95,114**	96,777
- Dilutive effect of share options	**3,319**	-
- Diluted	**98,433**	96,777
The adjustments have the following effect:		
Basic profit/(loss) per share (in pence)	**0.3**	(8.8)
Amortisation of intangible assets (in pence)	**4.0**	3.8
Share based payments (in pence)	**0.3**	0.2
Imputed interest (in pence)	**0.2**	0.0
Exceptional costs and impairments (in pence)	**1.2**	11.0
Tax effect of the above adjustments (in pence)	**(1.3)**	(3.7)
Adjusted earnings per share (in pence)	**4.7**	2.5
Diluted profit/(loss) per share (in pence)	**0.3**	(8.8)
Amortisation of intangible assets (in pence)	**3.8**	3.8
Share based payments (in pence)	**0.3**	0.2
Imputed interest (in pence)	**0.2**	0.0
Exceptional costs and impairment (in pence)	**1.2**	11.0
Tax effect of the above adjustments (in pence)	**(1.3)**	(3.7)
Adjusted diluted earnings per share (in pence)	**4.5**	1.5

5 BUSINESS COMBINATIONS AND DISPOSALS

a) 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 is six times the EBITDA achieved by Harrison in the year ended 31 December 2010 of $2.4m (£1.5m) amounting to $14.3m (£9.1m). $6.0m (£3.8m) of this was paid on completion and a further $3.0m (£1.8m) was paid in April 2011. The remaining balance will be payable in instalments in 2012 and 2013, contingent upon the results achieved in the 2010 and 2011 calendar years. An additional payment of up to $1.2m (£0.8m), which is currently anticipated to be $0.8m (£0.5m), will be payable in 2013 contingent upon EBITDA growth targets being achieved in the calendar years 2011 and 2012.

The instalments due between 2011 and 2013 (including the incentive payment) have been discounted to a net present value of $8.6m (£5.5m) resulting in a finance charge of $0.5m (£0.3m) taken to the income statement over the earn-out period.

Professional fees of £0.4m have been incurred to date relating to the Harrison acquisition. In accordance with IFRS 3 (revised) all professional fees have been expensed in the period that they have been incurred. £0.3m was recognised in the year ended 31 July 2010 and £0.1m in the year ended 31 July 2011.

The amount recognised for each class of Harrison's assets recognised at the acquisition date are as follows:

Net assets acquired:

	Acquiree's carrying amount before combination	**Fair value adjustments**	**Fair value**
	£000	£000	**£000**
Net assets at completion date			
Cash	1,413	-	**1,413**
Tangible and intangible fixed assets	345	-	**345**
Net working capital	(157)	-	**(157)**
Intangible assets			
Trademarks and patents	-	710	**710**
Customer relationships	-	2,232	**2,232**
Order Backlog	-	82	**82**
Deferred tax liability	-	(1,270)	**(1,270)**
Net assets	1,601	1,754	**3,355**
Goodwill arising on acquisition	-	-	**5,960**
Total consideration			**9,315**

Total Consideration analysed as :	**£000**
Cash	3,811
Contingent consideration	5,504
Total consideration	9,315

Ownership and control passed to YouGov on 16 August 2010 and Harrison has been consolidated within the Group financial statements from that date. The goodwill arising on the acquisition of Harrison is attributable to the anticipated synergies expected to be derived from the combination and value of the workforce of Harrison which cannot be recognised as an intangible asset under IAS38 "Intangible Assets".

Since the acquisition Harrison has contributed £8.3m ($13.2m) to Group revenue and £1.4m ($2.2m) to the Group operating profit for the year ended 31 July 2011.

b) Disposal of Great Place to Work Deutschland GmbH (''GPW Germany'')

On 30 December 2010, YouGov disposed, through a management buy-out, of Great Place to Work Deutschland GmbH, a wholly owned subsidiary of YouGovPsychonomics AG. During the year, it contributed revenue of £1.3m (2010: £2.7m) and operating profit of £0.2m (2010: £nil) to the group.

The net purchase consideration for the shares in GPW Germany was £0.5m payable in cash, in two tranches, £0.3m at 30 December 2010 and the remainder on 30 June 2011. At the date of disposal, GPW's net assets were not material. Management have apportioned £0.7m of the goodwill pertaining to the acquisition of the Psychonomics group in 2007 to GPW. A net loss of £0.2m has been recognised as an exceptional cost to reflect this disposal.

c) Purchase of minority shareholding in YouGov ME FZ LLC

On 31 October 2010, YouGov plc purchased the remaining 22% shareholding in its subsidiary YouGov ME FZ LLC from the minority shareholders.

The cash consideration for this purchase was £1.9m. The book value of non-controlling interests at the transaction date was £3.8m. The difference of £1.9m (£1.7m net of associated costs) has been reflected directly in reserves in accordance with IAS 27 (revised).

d) Acquisition of Definitive Insights

The acquisition of Definitive Insights ("DI"), a custom research company based in Oregon USA, was completed on 1 April 2011. The basic purchase consideration payable is 4.5 times the average EBITDA of DI for the two years ending 31 January 2013 plus an additional incentive of up to 20% contingent upon EBITDA growth in the year ending 31 January 2013. If the full incentive is paid, this would bring the total multiple up to 5 times EBITDA for the year ended 31 January 2013. An initial payment of $1.0m (£0.6m) was paid upon completion and the balance will be payable in four instalments between 2012 and 2015.

The instalments due between 2012 and 2015 (including the incentive payment) have been discounted to a net present value of $4.3m (£2.6m) resulting in a finance charge of $0.3m (£0.2m) taken to the income statement over the earn-out period. Half of this contingent consideration is being treated as staff compensation. The treatment of this is discussed in more detail in note 17.

Professional fees of £0.1m have been incurred during the year ended 31 July 2011 relating to the acquisition. In accordance with IFRS 3 (revised) all professional fees have been expensed to the period that they have been incurred.

Provisional fair value adjustments have been made to align Definitive Insights' accounting policies with those of YouGov and to account for the intangible assets and attributable deferred taxation of the business which are recognised upon acquisition. Management are currently finalising the fair value calculations and this will be completed in the six months ended 31 January 2012.

The amount recognised for each class of Definitive Insights' assets recognised at the acquisition date are as follows:

Net assets acquired:

	Acquiree's carrying amount before combination	Provisional fair value adjustments	Provisional Fair Value
	£000	£000	**£000**
Net assets at completion date	12	-	**12**
Intangible assets			
Trademarks and patents	-	135	**135**
Customer relationships	-	1,137	**1,137**
Order Backlog	-	8	**8**
Deferred tax liability	-	(538)	**(538)**
Net assets	12	742	**754**
Goodwill arising on acquisition	-	-	**1,168**
Total consideration			**1,922**

Total Consideration analysed as :	**£000**
Cash	612
Contingent consideration	1,310
Total consideration	1,922

Ownership and control passed to YouGov on 1 April 2011 and Definitive Insights has been consolidated within the Group financial statements from that date. The goodwill arising on the acquisition of Definitive Insights is attributable to the anticipated synergies expected to be derived from the combination and value of the workforce of Harrison which cannot be recognised as an intangible asset under IAS38 "Intangible Assets".

Since the acquisition Definitive Insights has contributed £1.3m ($2.1m) to Group revenue and £0.1m ($0.2m) to the Group operating profit for the year ended 31 July 2011. If Definitive Insights had been consolidated for a full 12 months they would have contributed £3.3m ($5.3m) to Group revenue and £0.2m ($0.3m) to the Group operating profit.

e) Purchase of minority shareholding in YouGovStone Limited

On 6 June 2011, YouGov plc purchased the remaining 49% shareholding in its subsidiary YouGovStone Limited from the minority shareholder Carole Stone.

The consideration for this purchase was part cash of £0.7m and part the issue of new ordinary shares in YouGov plc of £0.1m. The book value of non-controlling interests in assets and liabilities at the transaction date was not material.

f) Purchase of minority stake in Co-Editor Limited

During the period, YouGov plc invested £0.5m for a 25% stake in Co-Editor Limited, a company owned by Doughty Media 2 (owned by Stephan Shakespeare). Co-Editor 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 Co-Editor's equity value resulting from its business development.

6 GOODWILL

	Middle East £'000	North America £'000	Scandi-navia £'000	Germany £'000	UK £'000	Total £'000
Carrying amount at 1 August 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
Movements:						
Acquired through business combinations	-	7,128	-	-	-	7,128
Disposal of subsidiary	-	-	-	(700)	(80)	(780)
Net exchange differences	(63)	(745)	439	613	-	244
Carrying amount at 31 July 2011	**1,342**	**16,435**	**8,642**	**11,376**	**-**	**37,795**

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 2011 impairment review was undertaken as at 31 July 2011. 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 3% have been assumed in perpetuity beyond year five. The weighted average cost of capital used to discount the future cash flows to their present value is 11.7% (2010: 14.1%).

All CGUs, when subjected to sensitivity analyses had sufficient headroom to support their carrying value.

At 31 July 2010, the assessment of the carrying value of the German CGU resulted in an impairment charge of £7.9m being made of which £5.5m was against the intangible assets (customer contracts and lists and patents and trademarks) and £2.4m was against goodwill. At 31 July 2011, the sensitivity analysis carried out on the goodwill attributable to the German business indicated that a 6% reduction in the projected EBITDA for the year ending 31 July 2012 compared to the base case assumptions, or a 7% reduction in the projected EBITDA for either of the two following years would reduce the headroom to zero.

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 2009	4,559	2,009	5,317	5,761	-	294	17,940
Additions:							
Separately acquired	285	387	-	47	-	320	1,039
Through business combinations	-	-	-	-	-	-	-
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
Additions:							
Separately acquired	329	68	-	8	-	79	484
Through business combinations	-	171	3,369	845	90	-	4,475
Internally developed	-	1,539	-	-	-	84	1,623
Disposals	-	(31)	-	-	-	-	(31)
Amortisation	(1,512)	(1,624)	(181)	(270)	(85)	(83)	(3,755)
Net exchange differences	(434)	(234)	(575)	(684)	-	13	(1,914)
Net carrying amount at 31 July 2011	**1,518**	**2,014**	**4,924**	**2,176**	**5**	**790**	**11,427**

The details of the 2010 impairment charge of £5.5m are disclosed in note 6.

8 PROPERTY, PLANT AND EQUIPMENT

	Freehold property £'000	Leasehold property improve-ments £'000	Computer equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Carrying amount at 1 August 2009	1,147	160	565	725	32	2,629
Additions:						
Separately acquired	-	42	185	55	-	282
Through business combinations	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
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
Additions:						
Separately acquired	-	4	547	23	-	574
Through business combinations	177	-	39	3	14	233
Disposals	-	(13)	(9)	(30)	-	(52)
Depreciation	(80)	(77)	(431)	(155)	(2)	(745)
Net exchange differences	(52)	3	(9)	4	-	(54)
Carrying amount at 31 July 2011	**1,202**	**59**	**641**	**424**	**12**	**2,338**

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 2011 or 2010 has been pledged as security against the liabilities of the Group.

9 TRADE AND OTHER RECEIVABLES

	31 July 2011	31 July 2010
	£'000	£'000
Trade receivables	**9,810**	7,749
Amounts owed by related parties	**292**	123
Other receivables	**1,048**	967
Prepayments and accrued income	**5,945**	5,916
	17,095	14,755
Provision for trade receivables	**(162)**	(194)
	16,933	14,561

The ageing of the current trade receivables and amounts owed by related parties is as follows:

	31 July 2011	31 July 2010
	£'000	£'000
Within payment terms	**5,017**	2,966
Not more than three months overdue	**3,349**	3,156
More than three months but not more than six months overdue	**917**	911
More than six months but not more than one year overdue	**509**	327
More than one year overdue	**310**	389
	10,102	7,749

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.

	2011	2010
	£'000	£'000
Movement on the Group provision for impairment of trade receivables is as follows:		
Provision for receivables impairment at 1 August	**194**	132
Provision created in the year	**112**	166
Provision utilised in the year	**(144)**	(104)
Provision for receivables impairment at 31 July	**162**	194

The average length of time taken by customers to settle receivables is 61 days (2010: 61 days).

At 31 July 2011 £435,000 (DKK 3.7m) (2010: £290k (DKK 2.6m)) of the trade and other receivables of YouGov Nordics & Baltic A/S was used as security against a loan and revolving overdraft facility held by YouGov Nordics & Baltic A/S.

10 CONTINGENT CONSIDERATION

	Clear Horizons £'000	Harrison £'000	Definitive Insights £'000	Total £'000
At 1 August 2009	929	-	-	929
Settled during the year	(278)	-	-	(278)
Discount unwinding	13	-	-	13
Balance at 31 July 2010	664	-	-	664
Included within current liabilities	304	-	-	-
Included within non-current liabilities	360	-	-	-
Settled in the period	(266)	(1,809)	-	(2,075)
Provided during the year	-	5,504	1,658	7,162
Discount unwinding	21	156	2	189
Net foreign exchange differences	6	(265)	(17)	(276)
Balance at 31 July 2011	425	3,586	1,653	5,664
Included within current liabilities	425	2,116	297	2,838
Included within non-current liabilities	-	1,470	1,356	2,826