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Ebiquity Plc Annual report and accounts for the year ended 30 April 2012
Stock code EBQ

ebiquity
Data-driven insights

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Data-driven insights to improve corporate and brand performance

Ebiquity provides independent data-driven insights to the global media and marketing community

Our unrivalled access to data, specialist knowledge and systems technology make us uniquely positioned to provide essential market insights, evaluate and benchmark performance, and implement continuous improvement programmes

We assist brand owners achieve greater accountability across their advertising and marketing programmes and by providing a greater understanding in the rapidly changing marketing and media landscape, help them make better-informed decisions

We work with over 1,000 companies in 60 markets worldwide, including over 85 of the top 100 global advertisers

Ebiquity employs over 750 people in 21 offices across 14 countries and work with carefully selected partners elsewhere to create a truly global network. Our head office is in London where we are listed on the London Stock Exchange's AIM market

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Highlights

Another year of strong financial performance with total revenue growing 20% to £52.9m, underlying operating profit up 55% to £8.2m and reported PBT of £2.6m

- Revenue growth driven by Analytics division which has grown by 56% to £27.9m (2011 £17.9m)
- 76% of group revenue now comes from international sources
- Underlying profit before tax of £7.6m (2011 £4.8m) and reported profit before tax of £2.6m (2011 loss of £1.8m)
- Underlying operating profit margin increased from 12.0% to 15.5% with full year benefit of Xtreme synergies
- Underlying diluted EPS of 7.4p, up 23% on 2011, with reported diluted EPS of 2.2p (2011 loss of 2.2p)

Developed offering and expanded geography in line with growing demands from global corporates and advertisers

- Company has reacted to growing international demand for data driven evaluation
- Acquisitions of Joined Up Media, Faulkner Media Management and Fairbrother Lenz Eley have reinforced company's offering in Russia, the Asia Pacific region, Germany and France
- Acquisition of Echo Research strengthens social media and brand reputation measurement

Group is in strong position to continue growth going forward

- New banking facility put in place to help finance continued acquisition programme
- Strong management team delivering on strategy
- Independent performance measurement tools provide continued long term growth opportunities

Revenue

£52.9m

2011 £44.2m

+20%

Operating profit*

£8.2m

2011 £5.3m

+55%

Diluted EPS*

7.4pence

2011 6.0pence

+23%

*Underlying (before highlighted items)

Chairman's Statement

There is an increasing need for brand owners to better understand the impact of media on the effectiveness of their brand communications. This is what Ebiquity does.

The year to 30 April 2012 has yet again been one of significant achievement

Notwithstanding five years of relatively continuous economic uncertainty, we have taken the business from revenues of approximately £16.0m in 2007 to £52.9m in 2012 by combining steady organic growth and judicious acquisitions. This has been matched by strong earnings growth with underlying diluted earnings per share of 7.4p in 2012, up 23% on the prior year. We have moved the business from being predominantly dependent on the UK to a truly international business active in nearly all the major economies in the world. We now have over 85% of the major global advertisers as our clients, evidence of our capability to service their needs on a global basis.

This performance demonstrates that the right acquisitions with strong strategic and commercial rationale, well planned and carefully executed, can play an important role in driving financial performance and shareholder value. The substantial advance in our underlying operating performance reflects, in part, the first full year of the benefit of the fully integrated Xtreme business.

There is no doubt that the global economy is creating a number of significant challenges for the business community as a whole. The economic uncertainty created over the last five years has impacted on the speed of decision making by corporates but has also led to a revolution in technology and social media. In 2007, the potential impact of the emerging online media companies was still in debate. However,

some of these companies have grown to become giants of the corporate world and significant players in the evolving media environment. In technology, the widespread penetration of smart mobile devices has, and will continue to, change the method of engagement with consumers and clients globally.

Against this background, there is an ever increasing need for brand owners to better understand the impact of paid, earned and owned media on the effectiveness of their brand communications. This is what Ebiquity does for its clients – we help the global media and marketing community make better informed decisions.

Finally I must record again my thanks to the management and all our employees who continue to devote a huge effort to running and developing our company. We should not ignore the impact that the economic environment can have on them personally and their commitment is critically important to the continuing success of the group.

We look forward to the future of the Ebiquity business with confidence although we are wary of the potential disruption that further economic shocks could have on our clients. In light of this we will continue to be optimistic in our planning but exercise commercial and financial prudence in our execution.

Michael Higgins

Chairman
17 July 2012

Highlights

- Strong growth in revenues and profits
- 85% of the major global advertisers as our clients
- Acquisitions play an important role in driving shareholder value

Chief Executive's Review

Our future growth is based upon deepening the existing relationships with our international clients in all aspects of our business.

OVERVIEW

I am happy to report another set of very strong results. At £52.9 million, total revenue grew by 20% compared to the same period last year (2011: £44.2m) with total underlying operating profit up by 55% to £8.2m (2011: £5.3m). Reported operating profit was £3.6m (2011: loss of £1.2m).

Underlying operating profit margins once again increased from 12.0% to 15.5% reflecting continued improvement in operational efficiencies in line with our profit improvement programme. I am particularly pleased that on an underlying organic basis, operating profit increased by 35%.

Underlying diluted EPS increased by 23% to 7.4p. Reported diluted EPS moves from a loss of 2.15p in 2011 to a profit of 2.18p.

Despite client confidence seemingly being put on hold during the year, as many people anticipated a worsening of the economic environment, our business has continued to achieve strong renewals, with the Platform Division recording a renewal rate of 92% (by value) and the Analytics Division performing particularly strongly, delivering 9% organic revenue growth.

STRENGTHENING OF INTERNATIONAL PRESENCE AND PRODUCT OFFERING

Our international offices continue to perform well and we remain clear

that our future growth is based upon deepening the existing relationships with our international clients in all aspects of our business.

It was for this reason that we announced the acquisition of the Joined Up Media Company, which operates in Moscow, in May 2011 and the acquisition of Faulkner Media Management Pty Limited ("FMM"), the leading media analytics consultancy business in Australia, in October 2011. In March 2012 we went on to announce the acquisition of Fairbrother Lenz Eley ("FLE"), one of the best-known international media analytics consultants.

These steps will significantly strengthen our international network, particularly in Russia, Germany, France and the Asia Pacific region, as well as provide new international client opportunities throughout the Group.

We have already begun to plan the integration of both FMM and FLE and anticipate that this will be completed during the first half of the next calendar year. We have been enormously impressed with the skills and talent of our new colleagues and the constructive relationships that have already begun to be built with the existing Ebiquity employees, all of which augurs well for the future.

DEBT FINANCING

In March 2012 we took advantage of current interest rates to negotiate a new debt facility with Bank of Ireland and

Highlights

- Total underlying operating profit up by 55%
- Strong renewal rates
- Strong new business pipeline
- Significantly strengthened international network
- New enlarged banking facility

Chief Executive's Review

Barclays to help finance our acquisition programme. We remain conservatively financed and we remain a cash generative business.

THE LANDSCAPE IN WHICH WE OPERATE

Our overall growth story is one driven by the growing worldwide demand for independent marketing and media performance measurement – data-driven evaluation programmes that can help brand-owners improve the effectiveness and efficiency of their various marketing activities. We believe that the importance of this market is in turn driven by five key factors:

- The enormous and continual proliferation of marketing and media channels and the impact of digital media distribution
- The consequent rise of user-generated content such as social media and blogs, which have led to the increasing empowerment of consumers
- The challenges of multi-channel marketing, and the burgeoning need for the measurement of marketing performance
- The growth in available data that can potentially provide clients with greater insight into the effectiveness of their marketing programmes
- The consolidation and globalisation of the marketing and advertising industry as it relates to brand owners

These factors have combined to change the way that the world's brand-owners evaluate their brand performance, which in turn is leading to the evolution of both the agency supply chain and the increasing demand for independent measurement. Ebiquity is uniquely placed to take advantage of both, and our acquisition of Echo Research in May 2011 has strengthened our skills in both social media and brand reputation measurement

– both increasingly important aspects of our clients' evaluation programmes

OUTLOOK

We start the new financial year with a strong new business pipeline and the basic building blocks of our business in place. However, while Ebiquity has developed the relevant products and services that help our clients invest their media and marketing funds with greater efficiency and effectiveness, we remain cognisant that the current economic uncertainty can affect the business environment and that the growth of our business in turn relies on customers being confident enough in the wider economy to invest in our products and services.

Although we are no better placed to predict the economic future, should all things remain equal, we remain confident of yet another year of strong growth. Our priority remains to deploy our current resources in favour of business expansion, and hence a dividend is not proposed. However, the Board continue to review the appropriateness and timing of commencing the payment of dividends.

Michael Greenlees

Chief Executive Officer
17 July 2012

A year of insights

How to your cus

Social media has tran
Ebiquity charts the ris

Social media has changed the world – and particularly the world of brand management. Influential and connected consumers, customers and stakeholders are increasingly playing a key role in building and sustaining – but also damaging – corporate and brand reputations.

Our recent research for both UK-based PR consultancy Fishburn Hedges and American Express have charted the inexorable rise of the social media customer.

The Fishburn Hedges study shows that by April 2012, more than a third of Britons (36%) had interacted with brands through social media. This has nearly doubled in just eight months. In August 2011 just 19% of British consumers had used social media in this way.

Similarly, the 2012 American Express Global Customer Service Barometer showed that 17% of Americans had used social media at least once in the past year to obtain a customer service response. These studies show that the brands that embrace social media and use it intelligently as a customer service tool will be the long-term winners in the reputation game.

Twitter is fast becoming the new call centre, and this will have a profound

tweet customers right

transformed the way consumers interact with brands.
The rise of the social media consumer.

impact on how companies monitor, staff and respond to customer comments and complaints

The Fishburn Hedges study found that using social media to interact with brands is more satisfying for the complainant. Sixty-five per cent of consumers who complain on social media prefer it and call centres have become a turn-off.

Novelty is part of the appeal but also thanks to social media's real-time immediacy, customers are getting responses that are dealt with more personally and more quickly than ever before.

Moreover, more than two-thirds (68%) of those who have used social media channels to communicate with brands believe it gives them a greater voice, and 40% of all consumers believe that social media has improved customer service for good – whether or not they currently use social media for customer service.

Similarly, American Express's 2012 Customer Service Barometer found that US consumers who use social media for customer service are more likely to tell others about their customer service experiences, spend more with a company they feel provides excellent customer service and abandon a purchase due to a poor service experience.

Using social media for customer service is also not just the province of the younger, Generation Y and Generation Facebook customers. The Fishburn Hedges study found that not only had almost half of 18-24 year-olds questioned dealt with a brand using social media, but that 38% of 35-44s and 27% of over 55s had done the same. As social media comes of age, the proportions for all age groups are increasing.

OUT IN THE OPEN

Using social media in this way is, of course, much more open and permanent. This makes it potentially more damaging to brands and companies. When a consumer tweets how dissatisfied she is with a hotel, @ing the company Twitter account, she not only records a complaint with the brand.

When a frustrated broadband customer posts a blog linked from his Facebook page about being disconnected for the fifth time that week, it doesn't just arrive in the cable company's inbox.

Echo's study for American Express have found that those in the US who use social media for customer service tell more than three times as many people about poor service than those who don't use social media in this way. The upside is that when it comes to good service, the number is nearly five to one.

The implication is clear: get it wrong, and you'll be flamed, get it right, and you're using social media to capture and harness a volunteer sales force. Companies that engage in the right way can turn detractors into advocates.

The way social media currently works also varies from country to country. Fifty-four per cent of Indian consumers have used social media to get a customer service response during the past year, 45% in Mexico and 30% in Italy. This contrasts with just 10% in France.

Consumers in the US and Germany are most likely to use social media to get an actual response to help with a service issue (50% of those polled). Those in the UK are more likely to use social media to vent frustration with a bad customer service experience (46%), while consumers in India are most likely to ask questions of others via social media (also 46%).

On average, nearly half of consumers who have used social media to get a customer service response see an improvement in terms of how quickly they feel companies respond to general inquiries or complaints. Consumers in India (80%) and Mexico (72%) are most likely to say that companies have generally improved.

A year of insights

DO THE RIGHT THINGS

As part of our research for Fishburn Hedges, in-depth, qualitative interviews with social media pioneers inside savvy brands helped us to identify a range of best practices (see box). Companies that make best use of social media for customer service are fleet of foot. They don't let genuinely damaging content linger and fester. But they also are selective about what they respond to, when and how they respond to it.

Just because an individual – or a group of connected individuals – are talking negatively about your product, don't just dive in and try to sort the problem out for effective engagement. It is critically important to understand the full context of the comments and complaints.

There's plenty of evidence that more and more companies are looking to emulate these pioneers. A snapshot of jobs advertised on LinkedIn during one month in 2012 found vacancies for 279 heads of social media and 1,062 social media consultants. What's more, 134,974 roles had "social media" in their job title or job description.

The rise of social media has made service quality more transparent and important than ever before. Brands and services that fail to live up to their promises will draw the opprobrium of disgruntled customers, criticism that often leaves an indelible trace for future customers to find.

Establishing relationships with customers, listening to their comments and complaints, and sorting out problems quickly and politely can stop a complaint dead in its tracks. Our research shows that customer service has become a strategic differentiator in the marketplace.

Social media in customer service is taking off as real people are responding, rather than callers being stuck behind automated call routing and messaging. The best companies are training and releasing their staff to manage this in a professional and responsible manner. Welcome to the new world of 'social business'.

This article originally appeared in Response, Ebiquity's international marcomms insights magazine.

BEST PRACTICE FOR SOCIAL MEDIA CUSTOMER SERVICE

- 1 Don't be paralysed by uncertainty. Where call centres arguably erect barriers between brands and customers, social media can remove them and bring proximity. It shouldn't be a psychological straitjacket, so join in – but clearly define your strategy first.
- 2 Don't let social media define you. Your brand must define it. It must be a continuation of the brand using the appropriate channels and not a knee-jerk reaction to following how others are using it.
- 3 Make more of the emotional insight you have. Customer data offers insight into behaviour, but social media takes that to a different level, enabling brands to tap into emotions.
- 4 Pick your battles – but enter them fast. Speed is critical in the real-time world of social media, but brands should not feel the pressure to answer every query put to them.
- 5 Address structural barriers in the business, not just headcount. There are many ways to resource social and new hires are not always necessary. Try sharing expertise and removing structural barriers first.
- 6 Fear not the #fail. No one is perfect and sometimes, just sometimes, it is simply a flash in the pan.

Trading desks

The way agencies buy media is changing. Ebiquity seeks to navigate clients through these shifting sands.

A trading desk is still a relatively new phenomenon but they are starting to become significant players in the digital trading ecosystem

SO WHAT ARE THEY?

Put simply, trading desks are the platforms that agency groups use to buy media. They then sell this space on to the brand name agencies for use by you, the advertiser.

Over the last 18 months, agency groups have been investing heavily in people and resources to be able to deliver the same solutions that advertising networks and exchanges have been selling for the last 12 years.

WHAT ARE THE ADVANTAGES?

A trading desk enables agencies to collect data on behalf of their clients and use that data for audience and behavioural segmentation, re-targeting of ads, and managing campaign performance. This data collection enables more targeted buying decisions to be made.

WHY DIDN'T THEY DO THIS BEFORE?

Agency fees have been shrinking and they have had to work harder for their money. As a result they had to find more efficient ways to manage client budgets as technologies advanced, buying metrics developed, channels fragmented and performance management evolved. They turned to ad networks, which took over the day-to-day delivery of display ads.

The problem arose a number of years later when agencies realised that they had limited information on where their clients ads were being placed, what worked and what didn't when it came to managing performance campaigns through ad networks (which by 2008 accounted for 40% of the display market).

Agencies were slowly losing their value proposition as inventory became increasingly commoditised and the ad networks were becoming immensely valuable. Yahoo! paid \$680m in 2007 for 80% of Right Media and around the same time Google bought Doubleclick (which also had ad exchange functionality) for \$3.1 billion. These valuations were a result of the increased reliance from advertisers and agencies on their technology and performance management.

WHAT WAS THE AGENCY SOLUTION?

Agency groups looked for a way to take back control of this part of the market. Trading desks have been built over the last 18 months and were able to apportion a portion of existing clients' budgets to create instant demand. It has been reported GroupM's Marketplace (now known as Xaxis) managed 4,000 campaigns for 400 GroupM clients in 2010, making a margin on this trading

IS THERE A DOWNSIDE FOR ADVERTISERS?

Trading desks aren't necessarily bad. If your agency group has invested in building, maintaining and improving

resources in order to deliver a solution that is more sophisticated and is able to do this objectively without compromising its ability to hit your business objectives within the budget allocated, while also improving your return on advertising spend, then that's good news.

However, it is also worth taking a step back and considering the following as you enter this new and rather more opaque world of trading:

Is performance from the trading desk being measured to ensure that the campaign improvements promised are delivered?

Ask whether you would put the proposed level of trading desk spend into any other new solution, irrespective of ownership?

Decide if you are happy to pay your agency a fee for trading desk activity, when the group could also be making a margin at the other end. Revisit your contract to ensure your best interests are protected.

Above all, stay up to speed on the latest changes to the digital ecosystem to ensure that you can assess your agency's recommendations knowledgeably.

This article originally appeared in Response, Ebiquity's international marcomms insights magazine.

A year of insights

A spec

The secret to a fantas
Ebiquity explains how

The advertising world has always relied heavily on the bond of trust between the brand-owner and its chosen agencies. This bond has never been more important than in today's multi-channel world, where clients are employing more agencies than ever before to service their needs across multiple consumer 'touchpoints'.

Yet the question of trust has also never been more vexed than in today's marketing communications environment. With margins eroded during the recession, the communications holding companies have sought other revenue streams to bolster their profits, and the transparency of media trading, in particular, has been eroded.

There is no question that the relationship between advertiser and agency is still vital – it goes far beyond the traditional buyer/seller model and at its best it is a strong partnership, maybe almost a marriage.

However, agencies and advertisers don't fall in love – so perhaps it's better to think of it as an arranged marriage, one that needs a contract to detail both parties' obligations to each other, especially if things go wrong.

The centrepiece of these obligations should be the agency's ability to demonstrate delivery of value to the client. After all, every marketing and procurement team will want to reassure the finance director that they are getting a fair return on investment from one of the largest items on the budget.

ial relationship

tic marriage between client and agency is a great contract.
to ensure yours covers all the important issues.

Measuring the delivery of value needs to include the checks and balances that enable companies to follow the money through the transactional and invoicing process, even if the focus of the relationship is understandably the launch of Product A or promotion of Brand B, rather than the 'nitty gritty' of who pays how much for what

In most companies, as long as the purchase orders match the approved plans and schedules, and these agree with invoices from the agencies, then very little retrospective financial analysis takes place. As a result, many inadvertent overcharges, rebates and unpaid balances could be, and in many cases are, retained by the agencies

Clients are entitled to recover these monies, and they require specialist expertise to help them through the often troubled waters to enable recovery, and with clients moving around the agency landscape more frequently than in the past, the opportunities for such sums to be left at a previous agency are increasing

Add to this an employment market where headcount is down and all staff – including finance and back-office personnel – are constantly moving and you have the potential for millions of pounds, dollars and euros to be left unreconciled and unreturned to clients each year

The driver of the financial relationship between the client and its agencies is the contract, but too many contracts simply

do not set out clearly enough the terms of billing, reconciliation, rebates, discounts and other basic deliverables

The result is that agencies can retain balances owed to the client, and those clients that do not audit comprehensively remain none the wiser. Contracts need to specify a policy of regular financial reconciliations or audits

The starting point for the contract, whether it's a renewal or a new appointment, is that the contract must be client-drafted. Often, agencies will insist that clauses be inserted, clauses that appear innocent and straight forward, and advertisers should be aware of the implications of such commitments

The benefit of a clear contract is that any financial issues can be effectively dealt with in a sound working relationship, if they are not addressed and resolved, they can rapidly damage the relationship between the client and its agency partners

Central to a successful relationship is a contract that ensures transparency, including regular and full compliance and financial audits

Almost all compliance audits uncover financial issues, ranging from a few thousand dollars to some into seven figures. An audit will put the issue on the table and when resolved, will often make the relationship stronger with greater trust between the two parties going forward

Finally, clients should be careful to not just focus on their 'visible' agencies, such as their media and creative partners, but need to be applied to all partnerships, including third parties

Like a chain, the client/agency bond is only as strong as its weakest link. For the marriage between an agency and advertiser to last, setting out the terms of that relationship clearly and concisely is essential and detailing in advance how much visibility each side has over the other's activities is vital to building trust

Having an expert auditor review financial matters regularly does not betoken a lack of trust, but demonstrates a commitment by both parties to contract compliance being at the heart of the relationship, leaving the client and agency free to concentrate on the job of building brand engagement

This article originally appeared in Response, Ebiquity's international marcomms insights magazine

Financial Review

INTRODUCTION

Ebiquity plc is publishing its final results for the year ended 30 April 2012. All results are stated before taking into account highlighted items unless otherwise stated. These include share option costs, amortisation of purchased intangible assets, acquisition costs, and restructuring and other non-recurring items.

SEGMENTAL REPORTING PRESENTATION

Our two segments are "Analytics" and "Platform". The Analytics division consists of our Media, Effectiveness and Reputation Management practices and our Platform division consists of our Advertising Intelligence and Media Technology practices.

ACQUISITIONS AND DISPOSALS IN THE FINANCIAL YEAR

On 20 May 2011, the Group acquired 100% of TCRG Holdings Limited (the holding company of the Echo Group, "Echo") for total expected consideration of £4.60m consisting of upfront consideration of £3.50m, deferred consideration of £0.30m and estimated earn out payments of £0.80m. Total consideration is capped at £10.00m. Echo operates from offices in London, Surrey, New York and Singapore and employs approximately 45 people.

On 27 May 2011, the Group acquired 50.1% of The Joined Up Media Company Limited ("JUMC") for total expected consideration of £0.57m consisting of an initial cash payment of £0.30m, deferred consideration of £0.02m and estimated earn out payments of £0.25m. Total consideration is capped at £1.20m. JUMC operates from offices in Moscow and London and employs approximately 10 people.

On 14 October 2011, the Group acquired 100% of Faulkner Media Management Pty Limited ("FMM", an Australian company) for total expected consideration of AUD \$5.90m (approximately £3.74m) consisting of an initial cash payment of AUD \$4.00m (approximately £2.54m) and estimated earn out payments of AUD \$1.90m (approximately £1.21m). AUD \$5.90m also represents the total maximum consideration payable. FMM operates from offices in Sydney and employs approximately 25 people.

On 12 March 2012, the Group acquired 100% of FLE Holdings Limited (the holding company of the FLE Group, "FLE") for total expected consideration of £9.37m consisting of an initial cash payment of £5.00m and estimated earn out payments of £4.37m. Total consideration is capped at £11m. FLE operates principally from offices in London, Hamburg and Paris and employs approximately 70 people.

The results of the above acquisitions are all consolidated into our Analytics division from their respective date of acquisition.

On 1 July 2011, the Group disposed of its editorial monitoring business, Newslive, for cash consideration of £0.17m which resulted in a small profit on disposal. Newslive was part of the Platform division and employed approximately 35 people.

REVENUE

	Year ended 30 April 2012			Year ended
	Organic	Acquisitions	Total	30 April 2011
	£'000	£'000	£'000	£'000
Analytics	19,439	8,488	27,927	17,900
Platform	24,992	–	24,992	26,265
Total	44,431	8,488	52,919	44,165

Total Group revenue increased by 20% to £52.92m (2011: £44.17m).

All of the acquisitions in the current year have been in the Analytics division, which has helped Analytics revenue increase by 56% to £27.93m. On an organic basis, Analytics revenue has grown by 9%, with particularly strong growth in international revenues (defined as non-UK sourced revenue, or UK sourced revenue where marketing activity is analysed in more than one country), which grew by 17% to £12.71m.

Platform revenue has fallen by 5%, largely due to the disposal of Newslive, but retention of clients has again been strong – the renewal rate for advertising monitoring has maintained at 92% in the year (2011: 92%).

With the Analytics division growing at 9%, offset by a marginal decline in the Platform division, total organic revenue has grown by 1%.

All of the acquisitions in the year have added to our international presence. 76% of total group revenue (£40.46m) now comes from international sources (as defined above), up from 71% for the same period last year (£31.31m).

GROSS PROFIT

	Year ended 30 April 2012			Year ended
	Organic	Acquisitions	Total	30 April 2011
	£'000	£'000	£'000	£'000
Analytics	10,551	4,121	14,672	9,718
Platform	15,226	–	15,226	15,081
Total	25,777	4,121	29,898	24,799

On an organic basis, gross profit has increased by 4% to £25.78m (2011: £24.80m), with an improvement in gross margin from 56% to 58%. On a total basis, gross profit has increased by 21% to £29.90m (2011: £24.80m), with an improvement in gross margin from 56% to 57%.

On an organic basis, the Analytics gross margin has remained unchanged at 54%. On a total basis, Analytics gross profit has increased from £9.72m to £14.67m, with gross margin falling from 54% to 53% due to lower margins from acquired entities.

Platform gross margin has increased from 57% to 61%, largely as a result of the recognition of cost synergies realised as part of the Xtreme integration process and the impact of the disposal of Newslive.

OPERATING PROFIT

Operating profit before highlighted items is termed “underlying operating profit”. Certain items have been highlighted because separate disclosure is considered relevant in understanding the underlying performance of the business.

	Year ended 30 April 2012			Year ended
	Organic	Acquisitions	Total	30 April 2011
	£'000	£'000	£'000	£'000
Analytics	7,481	1,044	8,525	7,123
Platform	8,313	–	8,313	7,739
Central costs	(8,633)	–	(8,633)	(9,564)
Total	7,161	1,044	8,205	5,298

Underlying operating profit was £8.21m (2011: £5.30m), representing a 55% increase over the prior year. On an organic basis, the increase is 35%.

The underlying operating profit margin has improved from 12% to 16%, largely due to a full year impact of the Xtreme synergies.

The Analytics division has increased operating profit by £1.40m (a 20% increase), and on an organic basis the increase is £0.36m (a 5% increase).

Financial Review

The Platform division has seen an increase in operating profit of £0.57m (a 7% increase), where a revenue fall of £1.27m has been offset by cost savings of £1.84m, largely as a result of the Xtreme synergies and the disposal of Newslive

Central costs predominantly represent central salaries (Board, Finance, IT and HR), certain UK property costs, and central legal and advisory costs. Central costs have fallen by 10%, largely due to the full year impact of cost savings being generated from the integration of Xtreme.

HIGHLIGHTED ITEMS

Highlighted items comprise significant non-cash charges and non-recurring items which are highlighted in the income statement because separate disclosure is considered relevant in understanding the underlying performance of the business.

In the current year, the non-recurring items relate almost exclusively to costs associated with the acquisitions made in the year.

	Year ended 30 April 2012			Year ended 30 April 2011		
	Cash £'000	Non-cash £'000	Total £'000	Cash £'000	Non-cash £'000	Total £'000
Administrative Expenses						
Recurring:						
Share based expenses	–	943	943	–	1,038	1,038
Amortisation of purchased intangibles	–	1,733	1,733	–	1,549	1,549
	–	2,676	2,676	–	2,587	2,587
Non-recurring:						
Integration costs	189	–	189	1,550	–	1,550
Severance costs	208	–	208	1,405	–	1,405
Property costs	–	–	–	421	301	722
Acquisition costs	1,250	–	1,250	282	–	282
Refinancing costs	284	–	284	–	–	–
	1,931	–	1,931	3,658	301	3,959
Charged to operating profit	1,931	2,676	4,607	3,658	2,888	6,546
Finance costs	–	311	311	–	–	–
Charged to profit before tax	1,931	2,987	4,918	3,658	2,888	6,546

Amortisation of purchased intangibles relates to acquisitions made in the current financial year of £299,000 and to acquisitions made in prior years of £1,434,000.

Integration costs relate to certain one-off costs incurred whilst integrating the acquisitions made in the current and prior financial years into the Group's existing operations.

Severance costs relate to de-duplication and restructure of senior management and support functions following the acquisitions made in the current and previous financial year.

Acquisition costs represent professional fees incurred in relation to acquisitions (£1,375,000) and adjustments to the fair value of deferred consideration liabilities (credit of £125,000), in line with IFRS3 'Business Combinations'. A profit of £50,000 arising on the disposal of Newslive has been netted off against acquisition costs.

Refinancing costs represent professional fees incurred in relation to the refinancing initiative undertaken in March 2012.

Finance costs relate to loan fees that were written off in the year, following the refinancing in March 2012.

As at 30 April 2012, £1,470,000 of the £1,931,000 cash highlighted items had been settled.

RESULT BEFORE TAX

	Year ended 30 April 2012 £'000	Year ended 30 April 2011 £'000
Underlying operating profit	8,205	5,298
Highlighted items	(4,607)	(6,546)
Reported operating result	3,598	(1,248)
Net finance costs – underlying	(644)	(528)
Net finance costs – highlighted	(311)	–
Reported result before tax	2,643	(1,776)
Underlying profit before tax	7,561	4,770

Underlying net finance costs were £644,000 (2011: £528,000) which reflects the higher level of debt following the acquisitions made during the year. The current year charge also includes the amortisation of loan arrangement fees of £123,000 (2011: £105,000) that were capitalised at the time of the previous and the current refinancing. As noted above, the highlighted net finance costs relate to loan fees that were written off in the year at the time of the refinance in March 2012.

Underlying profit before tax was up 59% to £7.6m (2011: £4.8m). Reported profit before tax is £2.6m (2011: £1.8m loss).

TAXATION

	Year ended 30 April 2012 £'000	Year ended 30 April 2011 £'000
Current tax charge	1,925	589
Deferred tax credit	(889)	(845)
Total tax charge/(credit)	1,036	(256)

The current tax charge relates to the tax on UK entity profits of £1,080,000 (2011: credit of £28,000) and the tax on overseas entity profits of £845,000 (2011: £617,000).

The deferred tax credit mainly arises on purchased intangible assets (£683,000, 2011: £618,000) and share options (£170,000, 2011: £234,000). In addition, there is an unrecognised deferred tax asset of £1,097,000 (2011: £1,934,000) relating to UK losses.

Financial Review

EQUITY

During the year, 2,850,000 new ordinary shares were issued to partially fund the acquisition of Echo. These were placed at 90p, a 2.2% discount to the closing middle market price of 92p at the time. A further 92,352 shares were issued upon the exercise of employee share options. These events have increased our share capital to 58,917,667 ordinary shares (2011: 55,975,315).

At the time of the acquisition of Xtreme in April 2010, convertible loan notes were issued that are convertible into 13,802,861 ordinary shares. These convertible loan notes have been included within equity as they demonstrate the characteristics of ordinary share capital. They are also included within the number of shares for the purposes of both the basic and diluted earnings per share calculations. None of the convertible loan notes have been converted into ordinary shares at this time.

Subsequent to the year end, a further 233,075 shares have been issued upon exercise of employee share options.

EARNINGS PER SHARE

Underlying diluted earnings per share was 7.40p (2011: 6.02p). This is an increase of 23% over the prior year, reflecting the positive impact of the acquisitions and the use of brought forward tax losses, partially offset by the impact of the geographical mix of our business with more profits coming, for example, from the US where tax rates are higher.

The Group reports a diluted earnings per share of 2.18p (2011: loss of 2.15p) due to improved underlying profitability and a reduced level of highlighted costs.

FINANCIAL POSITION AND CASH FLOW

Total net assets have increased by £4.71m since April 2011 primarily as a result of both the strong trading performance of the Group, and the placing of 2.85m shares in May 2011 (raising £2.60m before expenses). The most notable movements on the balance sheet are due to the acquisitions in the year, with goodwill and purchased intangible assets increasing by a combined total of £15.35m and other financial liabilities increasing by £18.13m mainly due to the increased level of debt and deferred contingent consideration.

A cash and net debt analysis is provided as follows:

	As at 30 April 2012 £'000	As at 30 April 2011 £'000
Underlying net cash from operating activities	3,126	4,074
Reported net cash from operating activities	1,174	334
Cash	6,190	3,158
Bank debt ¹	(18,353)	(7,685)
Net debt	(12,163)	(4,527)

¹ Bank debt on the Balance Sheet at 30 April 2012 is shown net of £0.29m (2011: £0.32m) of loan arrangement fees that have been paid which are amortised over the life of the facility. The bank debt stated above excludes these costs.

Underlying net cash from operating activities represents the cash flows from operating activities excluding the impact of highlighted items. The underlying net cash inflow in the year was £3.13m (2011: £4.07m). After highlighted items are considered, net cash inflow from operations for the year was £1.17m (2011: £0.33m), reflecting the lower level of cash highlighted items occurring in the period.

As part of the acquisition of FLE in March 2012, the Group undertook a refinancing initiative with Bank of Ireland and Barclays Bank. The new facility comprises a term loan of £15.00m (of which all was drawn on 14 March 2012, and of which £14.38m remains outstanding at 30 April 2012), and a revolving credit facility of £15.00m (of which £3.98m was drawn on 14 March 2012, all of which remains outstanding at 30 April 2012). Both the term loan and the revolving credit facility have a maturity date of 9 March 2016. £8.98m of the term loan is being repaid on a quarterly basis to maturity, and the balance of the term loan and any drawings under the revolving credit facility are repayable on maturity of the facility. At 30 April 2012, £11.02m of the facility remains undrawn, which may be used to pay deferred consideration on completed acquisitions, upfront consideration on future potential acquisitions, or for general working capital requirements. Deferred consideration on completed acquisitions is currently estimated to be £7.17m.

During the year, the Group continued to trade within all of its banking facilities and covenants.



Andrew Beach
Chief Financial Officer
17 July 2012

Directors and Advisers

MICHAEL HIGGINS

Non-Executive Chairman

Michael joined the Board on 1 May 2006, spending the previous 10 years as a Partner at KPMG following 12 years at Charterhouse Bank (the last 8 as a Director). Michael works with a number of private media and technology companies, and is also a Deputy Chairman of the Quoted Companies Alliance. In addition to chairing the Ebiquity Board, Michael chairs the Remuneration Committee and sits on the Audit Committee.

MICHAEL GREENLEES

Chief Executive Officer

Michael was one of the original founding partners, Chairman and CEO of Gold Greenlees Trott plc (GGT) an international advertising and marketing group, and one of the great names in British advertising. In 1998 GGT Michael joined the Board of Omnicom Inc, serving as the President and Chief Executive of TBWA Worldwide and in 2001 was made Executive Vice-President of Omnicom Inc. Michael was Special Advisor to General Atlantic, a US based private equity group, and has served on the Board of a number of US companies. Until 2010 he was a Director of Hewitt Associates, a global human resources outsourcing and consulting firm, where he chaired the Compensation & Leadership Committee and served on the Nominations & Corporate Governance Committee. In February 2011 Michael became a Director of Abercrombie & Fitch Co where he serves as Chairman of the Compensation Committee and is a member of the Audit Committee. Michael joined Ebiquity in April 2007.

NICK MANNING

Managing Director, Business Development

Nick has spent 30 years in the media industry, principally having co-founded Manning Gottlieb Media (MGM) in 1990. MGM became one of the most highly respected and fastest growing Media Specialist agencies before becoming part of Omnicom in 1997. His most recent position was CEO of OMD's operations in the UK. Nick also co-founded OPerA, the media negotiation arm for OMD and PHD, with billings of £1 billion. Nick joined Ebiquity in October 2007 as Chief Operating Officer with special responsibility for the Analytics division.

PAUL ADAMS

Managing Director, Operations

Paul joined the pharmaceutical company "The Wellcome Foundation" in 1989 as a Board sponsored technology trainee and soon became responsible for a number of key production and management systems. During 1995 and 1997 he provided systems development services for Mintel International Group Limited in the capacity of Chief Systems Developer. Working with Ebiquity from its inception and becoming IT Director in 1999, Paul shaped the development of the Group's technology platforms. Now Managing Director, he has responsibility for the overall operations of Ebiquity.

ANDREW BEACH

Chief Financial Officer

Andrew qualified at PwC and worked within their Assurance business for 9 years until 2007. For the last 6 years he specialised in Entertainment and Media clients and headed up the firm's Publishing knowledge network. He joined Ebiquity as Group Financial Controller in March 2007 and was promoted to Chief Financial Officer in April 2008. Andrew was shortlisted in the Young FD of the Year (Quoted Sector) category at the 2012 FDs' Excellence Awards in association with ICAEW.

STEPHEN THOMSON

Non-Executive Director

Stephen co-founded and ran Ebiquity, formerly Thomson Intermedia, until 2008. Prior to this, Stephen was the IT Director at Mintel, responsible for introducing technology solution to data delivery significantly influencing their business model. Stephen is the co-founder and director of children's newspaper First News and the co-founder and Managing Director of Priority One - an IT outsourcing business. He is also a non-executive at the Local Data Company.

SARAH JANE THOMSON

Non-Executive Director

Sarah co-founded and ran Ebiquity, formerly Thomson Intermedia, until 2008. She is also a director of her co-founded businesses, First News, the children's newspaper and Priority One. She is the CEO of Addictive interactive, a loyalty and data business, and sits on the Board of Bloomsbury publishing.

RICHARD NICHOLS

Non-Executive Director

Richard is currently Chief Executive of College Group, the international business communications consultancy. Prior to joining College Group, Richard was Chief Executive of Huntsworth plc, following the merger with Incepta Group plc where he was the Chief Executive and formerly Group Finance Director. Richard qualified as a Chartered Accountant with Price Waterhouse in London. He is Chairman of Ebiquity's Audit Committee and also sits on the Remuneration Committee.

JEFFREY STEVENSON

Non-Executive Director

Jeffrey is the Managing Partner of Veronis Suhler Stevenson (VSS), a private equity fund with \$3.0 billion of capital under management. VSS manages equity and Structured Capital funds dedicated to companies engaged in the information, education, media, business and marketing services industries. Jeffrey joined the firm in 1982 and has been the head of its private equity business since its first investment in 1989. He serves as director to a number of companies including Cambium Learning and Advanstar Communications.

CHRISTOPHER RUSSELL

Non-Executive Director

Chris is a Managing Director at VSS and is responsible for originating, structuring and monitoring US and international investments, and is also actively involved in all aspects of the firm's investment process, fundraising, operations, and administrative matters. Chris serves as a director of Brand Connections, Advanstar Communications, Infobase Publishing and Market Strategies. He sits on both the Audit and Remuneration Committees.

Company Secretary

Andrew Watkins

Registered office

The Registry
Royal Mint Court
London EC3N 4QN

Registration

Registered and incorporated in England & Wales
Registration number 3967525

Independent Auditors

BDO LLP
55 Baker Street
London W1U 7EU

Nominated adviser and broker

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT

Solicitors

Lewis Silkin LLP
5 Chancery Lane
Clifford's Inn
London EC4A 1BL

Registrars

Computershare Investor Services Plc
PO Box 82
The Pavilions
Bridgwater Road
Bristol BS99 7NH

Directors Report

The Directors present their annual report and Group audited accounts for the year ended 30 April 2012

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

Ebiquity plc is the holding company for a group which provides a range of business critical data, analysis and consultancy services to advertisers, media owners and PR professionals, both in the UK and internationally. The Chief Executive Officer's Review on pages 4 to 7 sets out the full activities of the Group.

The profit for the year after taxation amounted to £1,607,000 (30 April 2011: loss of £1,520,000). Full details of the results for the year are set out in the Financial Review on pages 14 to 19.

BUSINESS ENVIRONMENT

The sector in which Ebiquity operates has attractive growth characteristics due to the increasing focus by companies on bringing more accountability to their marketing spend and analysing return on investment. The advertising market has historically operated as a "trust" industry with high fragmentation and low levels of transparency around pricing. This is now changing rapidly as a result of improved technology and measurement techniques, new media channels and an increasing focus by advertisers on value for money. As set out in the Chief Executive Officer's Review on pages 4 to 7, the Group believes that it continues to be well placed to take advantage of these market trends.

STRATEGY

A review of the Group's strategy is included in the Chief Executive Officer's Review on pages 4 to 7.

RESEARCH AND DEVELOPMENT

The Group continues to invest in development of products. This has resulted in some enhancements of existing services that will benefit the Group in the medium to long term.

TRADING REVIEW AND FUTURE DEVELOPMENT

A review of the business and future outlook are included in the Chief Executive Officer's Review on pages 4 to 7 and the Financial Review on pages 14 to 19.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Group's strategy are subject to a number of risks. The Directors believe that the key business risks affecting the Group are as follows:

IT systems

Ebiquity relies on its IT systems to deliver services to customers. As a technology-led business, a key risk is the possibility of an interruption to the running of the Group's hardware or software. To minimise this risk, the Group has a team of dedicated IT professionals with the skills to maintain the systems and address potential issues as they arise. The Group has also invested heavily in back-up systems and procedures to mitigate the impact of any outage.

Economic cycle

During periods of economic downturn, overall spending on marketing activity is likely to decline and this in turn may impact on the Group's revenues. However, the Group believes that the products and services of the Analytics business, which are focused on helping its customers achieve maximum value from their marketing spend, are even more valuable in a recessionary environment. This helps shield the Group from the impact of economic downturns.

Loss of key staff

Our Directors and staff are critical to the servicing of existing customers and the winning of new business. The departure of key individuals and the inability to recruit people with the right experience and skills could adversely affect the Group's results. With this risk in mind, key staff are subject to financial lock-ins and long term incentive arrangements linked to Group results which are designed to reward loyalty and performance. We review our incentive packages as part of our business planning process each year.

Competition

The marketing services sector is highly competitive, with frequent new product innovations and enhancements, all of which means that there can be no guarantee that the Group will generate expected revenues. However, the Group is well placed to counter these threats given its strong market position, the quality and comprehensiveness of its database and its proprietary, world-leading technology all of which act as strong barriers to entry for potential competitors.

Integration of acquisitions

The Group continues to make acquisitions that change the shape and structure of the business. Such acquisitions require varying degrees of integration activities. If the integration processes do not proceed as planned, the acquired businesses may not achieve the levels of profitability and cash flows that we currently forecast. To mitigate these risks we have developed detailed integration plans where significant integration is necessary, which include regular milestones and steering committee meetings to ensure that our integration plans are successful.

Directors' Report

KEY PERFORMANCE INDICATORS ("KPIs")

Whilst the Board monitors many financial and operational measures to track the Group's progress, there are four core KPIs which are set out below

KPI	Year ended 30 April 2012	Year ended 30 April 2011	Definition, method of calculation and analysis
Revenue (£k)	52,919	44,165	Revenues from our Analytics and Platform businesses The increase is primarily a result of the acquisitions in the year, and strong organic growth in our Analytics division
Underlying operating profit (£k)	8,205	5,298	Operating profit before highlighted items The increase is primarily a result of the full year benefit of Xtreme synergies and the acquisitions in the year
Advertising subscriptions Renewal Rate (%)	92%	92%	Percentage of advertising monitoring business (by contract value) which has renewed over the previous 12 months The rate has maintained at a high rate
Underlying net cash from operating activities (£k)	3,126	4,074	Underlying cash flow before investing and financing activities The decrease is primarily a result of adverse working capital movements

DIVIDENDS

Our priority remains to deploy our current resources in favour of investment in the business for growth, and hence a dividend is not proposed (2011: nil). However, the Board continue to review the appropriateness and timing of commencing the payment of dividends

EMPLOYEES

Ebiquity is committed to the continuous development of its employees. The Group's people are integral to the success of the business and as a result the Group pursues employment practices which are designed to attract, retain and develop this talent to ensure the Group retains its market leading position with motivated and satisfied employees.

The Group's policy for the selection of employees for recruitment, training, development and promotion is determined solely on their skills, abilities and other requirements which are relevant to the job.

The Group's equal opportunities policy is designed to ensure that disabled people are given the same consideration as others and enjoy the same training, development and prospects as other employees. Where existing employees become disabled it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training.

The Group makes use of its intranet and e-mail as communication tools to provide employees with the information they need to understand and achieve the objectives of the Group as well as to encourage communication across the Group so that employees can share and benefit from experience and knowledge. Employees receive regular updates on corporate performance and business developments through various formal and informal channels and regular meetings are held between local management and employees to allow a free flow of information and ideas.

Share options are used as a tool alongside cash based remuneration to reward and retain key employees, with a rolling program of awards.

CREDITOR PAYMENT POLICY

The Group's policy is to comply wherever possible with any payment terms agreed with suppliers. As at 30 April 2012, the Group's average creditor days figure was 59 days (2011: 59 days). The Group had trade creditors of £5,391,000 at the year end (2011: £3,861,000).

SUBSTANTIAL SHAREHOLDINGS

At 17 July 2012 the following held more than 3% of the Company's ordinary share capital, other than the shareholdings held by Directors. No other person has reported an interest of more than 3% in the Company's ordinary shares.

Name	No. of shares	%
VS&A Communications Partners III ("VSS")	15,109,549	26%
Kabouter Management	4,921,603	8%
Artemis Investment Management	4,537,900	8%
Blackrock	4,357,315	7%
Herald Investment Management	3,416,215	6%

VSS also hold convertible loan notes that are convertible into 13,802,861 ordinary shares. Under the terms of the convertible loan notes, VSS cannot hold more than 29.9% of the ordinary share capital at any one time.

Directors' Report

FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise bank loans and cash. The main purpose of these financial instruments is to provide finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The operations of the Group generate cash and the planned growth of activities is cash generative. Full details of financial instruments are included in note 26 to the financial statements.

GOING CONCERN

The Board is responsible for considering whether it is appropriate to prepare financial statements on a going concern basis. After making appropriate enquiries the Board concluded that the Group has adequate resources to continue in operation for the foreseeable future. For this reason the Group continues to adopt the going concern basis in preparing the financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's Auditors for the purposes of their audit and to establish that the Auditors are aware of that information. The Directors are not aware of any relevant audit information of which the Auditors are unaware.

DIRECTORS' INDEMNITY

The Company purchased and maintained throughout the year, and up to the date of approval of this directors' report, Directors' and officers' liability insurance in respect of its Directors and officers and those of its subsidiaries.

DIRECTORS

The Directors in office during the year and until the date of this report were as follows:

Michael Higgins	Non-Executive Chairman
Michael Greenlees	Chief Executive Officer
Andrew Beach	Chief Financial Officer
Nick Manning	Managing Director, Business Development
Paul Adams	Managing Director, Operations
Stephen Thomson	Non-Executive Director
Sarah Jane Thomson	Non-Executive Director
Richard Nichols	Non-Executive Director
Jeffrey Stevenson	Non-Executive Director
Christopher Russell	Non-Executive Director

DIRECTORS' INTERESTS

The beneficial interests of Directors, who were Directors at the year end, in the ordinary shares of the company and options to purchase such shares at the beginning and end of the financial year comprised

	Number of ordinary shares 30 April 2012	Options 30 April 2012	Number of ordinary shares 30 April 2011	Options 30 April 2011
Michael Higgins	64,500	—	64,500	—
Michael Greenlees	230,000	2,591,368	230,000	2,519,760
Nick Manning	230,000	1,970,230	230,000	1,914,286
Paul Adams	908,804	1,348,731	908,804	1,308,451
Andrew Beach	20,000	249,756	20,000	209,476
Stephen Thomson	5,302,393	145,921	5,302,393	145,921
Sarah Jane Thomson	5,302,394	145,921	5,302,394	145,921
Richard Nichols	100,000	—	100,000	—
Jeffrey Stevenson	—	—	—	—
Christopher Russell	—	—	—	—

No Director has any direct interest in the shares of any subsidiary company. There have been no changes in the above Directors' shareholdings between 30 April 2012 and 17 July 2012.

Jeffrey Stevenson and Christopher Russell are investing partners in VSS, the Company's largest shareholder.

AUDITORS

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next Annual General Meeting.

By order of the Board



Andrew Beach
Chief Financial Officer
17 July 2012

Board of Directors, Committees and Corporate Governance

BOARD OF DIRECTORS

The Board of Directors, which comprises four Executive Directors, five independent Non-Executive Directors, and an independent Non-Executive Chairman, meets approximately seven times a year. The Board is responsible for leading and controlling the Group. The four Executive Directors and other members of senior management (including representation from our overseas businesses) comprise the Group's Executive Committee, which meets on a monthly basis, and provides the principal vehicle for directing the Group's business at an operational level.

The following Board committees deal with the important aspects of the Group's affairs and provide independent, objective advice.

AUDIT COMMITTEE

The Audit Committee, which meets three times a year, is chaired by Richard Nichols and comprises the Non-Executive Chairman and a minimum of one other Non-Executive Director. The purpose of the committee is to ensure the preservation of good financial practices throughout the Group, to monitor that controls are in force to ensure the integrity of financial information, to review the interim and annual financial statements, and to provide a line of communication between the Board and the external Auditors.

REMUNERATION COMMITTEE

The Remuneration Committee, which meets at least once a year, is chaired by Michael Higgins and comprises the Non-Executive Chairman and a minimum of two Non-Executive Directors. It is responsible for the Executive Directors' remuneration and other benefits and terms of employment, including performance related bonuses and share options.

NOMINATION COMMITTEE

The Board as a whole fulfils the function of the Nomination Committee.

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

Under the rules of the Alternative Investment Market ("AIM") the Group is not required to comply with the UK Corporate Governance Code. However, the Directors have taken steps to comply with the UK Corporate Governance Code in so far as it can be applied practically, given the size of the Group and the nature of its operations.

The Directors acknowledge that fully listed companies are required to report on internal controls in compliance with the UK Corporate Governance Code. Despite the fact that the Group is not bound to comply, as it is listed on AIM, the Directors recognise the need to focus on significant risks and related controls, procedures and reports. The Directors consider that such matters are dealt with appropriately bearing in mind the Group's present size and its potential for expansion.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and accounts in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these accounts, the Directors are required to

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

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

WEBSITE PUBLICATION

The Directors are responsible for ensuring the annual report and accounts are made available on a website. These are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the accounts contained therein.

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EBIQUITY PLC

We have audited the financial statements of Ebiquity Plc for the year ended 30 April 2012 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated cash flow statement, the company balance sheet and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 30 April 2012 and of the group's profit for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the parent company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Andrew Viner (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
17 July 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Consolidated Income Statement

for the year ended 30 April 2012

	Note	Year ended 30 April 2012			Year ended 30 April 2011		
		Before highlighted items £'000	Highlighted items (note 3) £'000	Total £'000	Before highlighted items £'000	Highlighted items (note 3) £'000	Total £'000
Revenue		52,919	—	52,919	44,165	—	44,165
Cost of sales		(23,021)	—	(23,021)	(19,366)	—	(19,366)
Gross profit		29,898	—	29,898	24,799	—	24,799
Administrative expenses		(21,693)	(4,607)	(26,300)	(19,501)	(6,546)	(26,047)
Operating profit/(loss)	4	8,205	(4,607)	3,598	5,298	(6,546)	(1,248)
Finance income	6	6	—	6	2	—	2
Finance expenses	6	(650)	(311)	(961)	(530)	—	(530)
Net finance costs		(644)	(311)	(955)	(528)	—	(528)
Share of profit/(loss) of associates	13	—	—	—	—	—	—
Profit/(loss) before taxation		7,561	(4,918)	2,643	4,770	(6,546)	(1,776)
Taxation (charge)/credit	7	(2,065)	1,029	(1,036)	(1,440)	1,696	256
Profit/(loss) for the year		5,496	(3,889)	1,607	3,330	(4,850)	(1,520)
Attributable to:							
Equity holders of the parent		5,434	(3,824)	1,610	3,353	(4,786)	(1,433)
Non-controlling interests		62	(65)	(3)	(23)	(64)	(87)
		5,496	(3,889)	1,607	3,330	(4,850)	(1,520)
Earnings/(loss) per share							
Basic	8			2.29p			(2 15)p
Diluted	8			2.18p			(2 15)p
Underlying basic ¹	8			7.77p			6 32p
Underlying diluted ¹	8			7.40p			6 02p

¹ Underlying basic and diluted earnings per share are calculated based on profit for the year adjusted for highlighted items and the tax impact of these highlighted items (Note 3)

The notes on page 37 to 73 form part of these financial statements

Consolidated Statement of Comprehensive Income

for the year ended 30 April 2012

	Year ended 30 April 2012 £'000	Year ended 30 April 2011 £'000
Profit/(loss) for the year	1,607	(1,520)
Other comprehensive income:		
Exchange differences on translation of overseas subsidiaries	(261)	112
Movement in valuation of hedging instruments	(26)	(14)
Total comprehensive profit/(loss) for the year	1,320	(1,422)
Attributable to:		
Equity holders of the parent	1,323	(1,335)
Non-controlling interests	(3)	(87)
	1,320	(1,422)

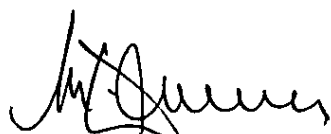
Consolidated Statement of Financial Position

as at 30 April 2012

Company number 3967525

	Note	30 April 2012 £'000	30 April 2011 £'000
Non-current assets			
Goodwill	9	43,291	31,457
Other intangible assets	10	12,261	8,911
Property, plant & equipment	11	3,069	2,623
Investment in associates	13	4	—
Deferred tax asset	21	1,050	1,063
Total non-current assets		59,675	44,054
Current assets			
Loans and other financial assets	14	—	238
Trade & other receivables	15	20,756	14,446
Cash & cash equivalents	16	6,190	3,158
Total current assets		26,946	17,842
Total assets		86,621	61,896
Current liabilities			
Other financial liabilities	17	(7,744)	(3,742)
Trade & other payables	18	(8,645)	(6,330)
Current tax liabilities		(1,446)	(268)
Provisions	19	(399)	(1,007)
Accruals & deferred income	20	(11,178)	(12,736)
Total current liabilities		(29,412)	(24,083)
Non-current liabilities			
Other financial liabilities	17	(17,855)	(3,724)
Provisions	19	(745)	(867)
Deferred tax liability	21	(2,847)	(2,171)
Total non-current liabilities		(21,447)	(6,762)
Total liabilities		(50,859)	(30,845)
Total net assets		35,762	31,051
Capital & reserves			
Share capital	23	14,729	13,994
Share premium	24	4,233	2,666
Convertible loan note reserve	24	9,445	9,445
Merger reserve	24	3,667	3,667
ESOP reserve	24	(1,590)	(1,590)
Hedging reserve	24	(40)	(14)
Translation reserve	24	(221)	40
Retained earnings	24	5,132	2,817
Capital and reserves attributable to the equity holder of the parent		35,355	31,025
Non-controlling interests		407	26
Total equity		35,762	31,051

The financial statements on pages 32 to 73 were approved and authorised for issue by the Board of Directors on 17 July 2012 and were signed on its behalf by



Michael Greenlees
Director



Andrew Beach
Director

Consolidated Statement of Changes in Equity

for the year ended 30 April 2012

Note	Share capital £'000	Share premium £'000	Convertible loan note reserve £'000	Merger reserve £'000	ESOP reserve £'000	Hedging reserve £'000	Translation reserve £'000	Retained earnings £'000	Total £'000	Non- controlling interests £'000	Total equity £'000
1 May 2010	12,918	2,259	9,445	3,667	(120)	—	(72)	3,069	31,166	—	31,166
Loss for the year	—	—	—	—	—	—	—	(1,433)	(1,433)	(87)	(1,520)
Other comprehensive income	—	—	—	—	—	(14)	112	—	98	—	98
Total comprehensive income for the year	—	—	—	—	—	(14)	112	(1,433)	(1,335)	(87)	(1,422)
Shares issued for cash	23	1,076	432	—	(1,470)	—	—	—	38	—	38
Acquisition of subsidiaries	—	—	—	—	—	—	—	—	—	113	113
Share options charge	25	—	—	—	—	—	—	1,038	1,038	—	1,038
Reclassification	—	(25)	—	—	—	—	—	25	—	—	—
Deferred tax on share options	21	—	—	—	—	—	—	118	118	—	118
30 April 2011	13,994	2,666	9,445	3,667	(1,590)	(14)	40	2,817	31,025	26	31,051
Profit/(loss) for the year	—	—	—	—	—	—	—	1,610	1,610	(3)	1,607
Other comprehensive income	—	—	—	—	—	(26)	(261)	—	(287)	—	(287)
Total comprehensive income for the year	—	—	—	—	—	(26)	(261)	1,610	1,323	(3)	1,320
Shares issued for cash	23	735	1,866	—	—	—	—	—	2,601	—	2,601
Share issue costs	—	(299)	—	—	—	—	—	—	(299)	—	(299)
Acquisition of subsidiaries	—	—	—	—	—	—	—	—	—	388	388
Share options charge	25	—	—	—	—	—	—	943	943	—	943
Deferred tax on share options	21	—	—	—	—	—	—	(238)	(238)	—	(238)
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	—	—	(4)	(4)
30 April 2012	14,729	4,233	9,445	3,667	(1,590)	(40)	(221)	5,132	35,355	407	35,762

Consolidated Cash Flow Statement

for the year ended 30 April 2012

	Note	Year ended 30 April 2012 £'000	Year ended 30 April 2011 £'000
Cash flows from operating activities			
Profit/(loss) before taxation		2,643	(1,776)
Adjustments for			
Depreciation	11	1,166	933
Amortisation	10	1,893	1,757
Loan fees written off	3	311	—
Profit on disposal		(49)	—
Unrealised foreign exchange loss		14	21
Share option charges	3	943	1,038
Finance income	6	(6)	(2)
Finance expenses	6	650	530
Call/put options		—	51
		7,565	2,552
Increase in trade & other receivables		(1,800)	(2,470)
(Decrease)/increase in trade & other payables		(2,667)	1,593
Decrease in provisions		(605)	(245)
Cash generated from operations		2,493	1,430
Net finance expenses paid		(527)	(339)
Income taxes paid		(792)	(757)
Net cash from operating activities		1,174	334
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		(9,934)	(898)
Purchase of property, plant & equipment		(892)	(1,260)
Purchase of intangible assets	10	(180)	(77)
Finance income		6	2
Net cash used in investing activities		(11,000)	(2,233)
Cash flows from financing activities			
Proceeds from issue of share capital (net of issue costs)		2,302	38
Proceeds from long term borrowings		25,780	1,750
Repayment of bank loans		(15,034)	(1,982)
Bank loan arrangement fees paid		(400)	(26)
Bank securities released		200	100
Dividend paid to non-controlling interest		(10)	—
Repayment of finance leases		(19)	(21)
Net cash flow from financing activities		12,819	(141)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		2,993	(2,040)
Effect of unrealised foreign exchange gains/(losses)		39	(45)
Cash, cash equivalents and bank overdraft at beginning of period	16	3,158	5,243
Cash, cash equivalents and bank overdraft at end of period	16	6,190	3,158

Notes to the Consolidated Financial Statements

for the year ended 30 April 2012

1. ACCOUNTING POLICIES

BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by European Union (Adopted IFRSs) and with those parts of the Companies Act 2006 applicable to companies preparing their financial statements under Adopted IFRSs

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through the Income Statement

SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

CHANGES IN ACCOUNTING POLICIES

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 May 2011 that have had a material impact on the group.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The results of each subsidiary are included from the date that control is transferred to the Group until the date that control ceases.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests represent the portion of the results and net assets in subsidiaries that is not held by the Group.

BUSINESS COMBINATIONS

PURCHASE METHOD OF ACCOUNTING

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date. All costs directly attributable to the business combination are recorded in the Income Statement within highlighted items.

Where the consideration for the acquisition includes a deferred contingent consideration arrangement, this is measured at fair value at the acquisition date. Any subsequent changes to the fair value of the contingent consideration are adjusted against the cost of the acquisition if they occur within the measurement period. Any subsequent changes to the fair value of the contingent consideration after the measurement period are recognised in the Income Statement within highlighted items. The carrying value of deferred contingent consideration at the Balance Sheet date represents Management's best estimate of the future payment at that date, based on historical results and future forecasts.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

MERGER METHOD OF ACCOUNTING

Under IFRS 1, the Group is not required to re-state acquisitions or business combinations prior to the date of transition. Therefore the Group is permitted to retain its historical merger accounting position in the consolidated accounts.

Notes to the Consolidated Financial Statements

for the year ended 30 April 2012

1. ACCOUNTING POLICIES CONTINUED

INVESTMENTS IN ASSOCIATES

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Investments in associates are carried in the statement of financial position at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment annually.

Where a group company transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate. Losses may provide evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

GOODWILL

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the Income Statement and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Goodwill arising on other acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date.

REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes. Income is recognised evenly over the period of the contract for our Platform businesses, and in accordance with the stage of completion of the contract activity for our Analytics businesses. The stage of completion is determined relative to the total number of hours expected to complete the work or provision of services.

Where services are performed by an indeterminate number of acts over a specific period, revenue is recognised on a straight-line basis over the specific period unless there is evidence that some other method better represents the stage of completion.

If the outcome of a contract cannot be estimated reliably, the contract revenue is recognised to the extent of contract costs incurred that it is probable would be recoverable. Costs are recognised as an expense in the period in which they are incurred.

FINANCE INCOME AND EXPENSES

Finance income and expense represents interest receivable and payable. Finance income and expense is recognised on an accruals basis, based on the interest rate applicable to each bank or loan account.

1. ACCOUNTING POLICIES CONTINUED

FOREIGN CURRENCIES

For the purposes of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of transactions. At each year end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the year end date

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the year end date. Income and expense items are translated at the average exchange rate for the period, which approximates to the rate applicable at the dates of the transactions

The exchange differences arising from the retranslation of the year end amounts of foreign subsidiaries and the difference on translation of the results of those subsidiaries into the presentational currency of the Group are recognised in the translation reserve. All other exchange differences are dealt with through the Income Statement

HIGHLIGHTED ITEMS

Highlighted items comprise significant non-cash charges and non-recurring items which are highlighted in the Income Statement because separate disclosure is considered relevant in understanding the underlying performance of the business

TAXATION

The tax expense included in the Income Statement comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted by the year end date

Tax is recognised in the Consolidated Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity

Using the liability method, deferred tax is provided on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, except for differences arising on

- the initial recognition of goodwill,
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. The carrying amount of deferred tax assets is reviewed at each year end date

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the year end date and are expected to apply when the deferred tax liabilities/assets are settled/recovered

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either

- the same taxable group company, or
- different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered

Notes to the Consolidated Financial Statements

for the year ended 30 April 2012

1. ACCOUNTING POLICIES CONTINUED

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives. The rates generally applicable are

Motor vehicles	25% per annum reducing balance
Fixtures, fittings and equipment	25% per annum reducing balance
Computer equipment	25% per annum on cost
Short leasehold land and buildings improvements	Over the life of the lease

OTHER INTANGIBLE ASSETS

INTERNALLY-GENERATED INTANGIBLE ASSETS – DEVELOPMENT EXPENDITURE

An internally-generated intangible asset arising from the Group's development expenditure is recognised only if all of the following conditions are met

- It is technically feasible to develop the asset so that it will be available for use or sale,
- Adequate resources are available to complete the development and to use or sell the asset,
- There is an intention to complete the asset for use or sale,
- The Group is able to use or sell the intangible asset,
- It is probable that the asset created will generate future economic benefits, and
- The development cost of the asset can be measured reliably

Internally-generated intangible assets are amortised on a straight-line basis over their useful lives. Amortisation commences when the asset is available for use and useful lives range from 1–5 years. The amortisation expense is included within administrative expenses. Where an internally-generated intangible asset cannot be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

PURCHASED INTANGIBLE ASSETS

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives, which vary from 3 to 10 years. The amortisation expense is included as a highlighted item within the administrative expenses line in the Income Statement. Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques. The significant intangibles recognised by the Group are customer relationships.

IMPAIRMENT

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, estimates are made of the cash flows of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value, less costs to sell, and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a discount rate appropriate to the specific asset or cash generating unit.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying value of the asset or cash generating unit is reduced to its recoverable amount. Impairment losses are recognised immediately in the Income Statement.

1. ACCOUNTING POLICIES CONTINUED

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if the impairment loss had been recognised.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

FINANCIAL ASSETS

The Group classifies its financial assets as 'loans and receivables' and 'other financial assets'. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Income Statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

FINANCIAL LIABILITIES

The Group classifies its financial liabilities as 'Other financial liabilities'. These are initially recognised at fair value. Interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. "Interest expense" in this context includes initial transaction costs as well as any interest or coupon payable while the liability is outstanding.

Forward currency contracts and interest rate swaps are carried at fair value with changes in fair value being reflected in the Statement of Comprehensive Income, and are classified within other financial assets and liabilities as appropriate.

Convertible loan notes possess all the characteristics of an equity instrument and have therefore been classified as such.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments to reduce its exposure to foreign exchange and interest rate movements. The Group does not hold or issue derivative financial instruments for financial trading purposes but derivatives that do not qualify for hedge accounting are accounted for at fair value through the Income Statement. Derivative financial instruments are initially recognised at fair value at the contract date and continue to be stated at fair value at the balance sheet date with gains and losses on revaluation being recognised immediately in the Income Statement.

Cash flow hedges are used to hedge against fluctuations in future cash flows on the Group's debt funding due to movements in interest rates, and on certain foreign currency trade receivable balances. When a cash flow hedge is employed, the effective portion of the change in the fair value of the hedging instrument is recognised directly in equity (hedging reserve) until the gain or loss on the hedged item is realised. Any ineffective portion is always recognised in the Income Statement.

The fair value of derivatives is determined by reference to market values for similar instruments.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand and short term deposits. Bank overdrafts are an integral part of the Group's cash management and are included as a component of cash and cash equivalents for the purpose of the Cash Flow Statement.

Notes to the Consolidated Financial Statements

for the year ended 30 April 2012

1. ACCOUNTING POLICIES CONTINUED

PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the year end date, and are discounted to present value where the effect is material.

EMPLOYEE SHARE OWNERSHIP PLAN (ESOP)

As the Company is deemed to have control of its ESOP trust, it is treated as a subsidiary and consolidated for the purposes of the Group accounts. The ESOP's assets (other than investments in the company's shares), liabilities, income and expenses are included on a line-by-line basis in the Group financial statements. The ESOP's investment in the Company's shares is deducted from shareholders' equity in the Group statement of financial position as if they were treasury shares, except that profits on the sale of ESOP shares are not credited to the share premium account.

SHARE-BASED PAYMENTS

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the Income Statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity investments expected to vest at each year end date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. A charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where there are modifications to share based payments that are beneficial to the employee then as well as continuing to recognise the original share based payment charge, the incremental fair value of the modified share options as identified at the date of the modification is also charged to the Income Statement over the remaining vesting period. Where the Group cancels share options and identifies replacement options this arrangement is also accounted for as a modification.

RETIREMENT BENEFITS

Contributions to defined contribution pension schemes are charged to the Income Statement in the year to which they relate.

LEASED ASSETS

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Group (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the Income Statement over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all of the risks and rewards incidental to ownership are retained by the lessor (an "operating lease"), the total rentals payable under the lease are charged to the Income Statement on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis. The land and buildings elements of property leases are considered separately for the purposes of lease classification.

GOVERNMENT GRANTS

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the Income Statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are deducted from the carrying value of the assets that they are intended to compensate and are credited to the Income Statement on a straight-line basis over the expected lives of the related assets.

1. ACCOUNTING POLICIES CONTINUED

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

CARRYING VALUE OF GOODWILL AND OTHER INTANGIBLE ASSETS

Determining whether goodwill and other intangibles should be capitalised, the amortisation period appropriate to intangible assets and whether or not these assets are impaired requires estimation of the value in use of the cash-generating units to which the goodwill and other intangible assets has been allocated. The value in use calculation requires the entity to estimate future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Details regarding the goodwill and other intangible assets carrying value and assumptions used in carrying out the impairment reviews are provided in notes 9 and 10.

INCOME TAXES

The Group is subject to income taxes in all the territories in which it operates, and judgement and estimates of future profitability are required to determine the Group's deferred tax position. If the final tax outcome is different to that assumed, resulting changes will be reflected in the Income Statement, unless the tax relates to an item charged to equity in which case the changes in the tax estimates will also be reflected in equity. The Group believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

VALUATION OF SHARE BASED PAYMENTS

In determining the fair value of share based payments management have to assess which valuation models are appropriate and estimate various inputs into these models, in particular, expected option lives, share price volatility and the number of awards expected to vest.

DEFERRED CONTINGENT CONSIDERATION

The Group has recorded liabilities for deferred consideration on acquisitions made in the current and prior periods. The calculation of the deferred consideration liability requires judgements to be made regarding the forecast future performance of these businesses for the earnout period.

PROVISIONS

The Group provides for certain costs of reorganisation that has occurred due to the Group's acquisition and disposal activity. These provisions are based on the best estimates of management.

The Group provides for the costs of property leases where the property is vacant or if the lease is considered onerous. The quantification of these provisions depends upon the Group's ability to exit the leases early or to sublet the properties and has been determined based on external professional advice. In general, property costs are expected to be incurred over periods for which individual properties remain vacant or, where occupied, to the termination of the leases in question, which range from one to three years.

Notes to the Consolidated Financial Statements

for the year ended 30 April 2012

1. ACCOUNTING POLICIES CONTINUED

ADOPTION OF NEW STANDARDS AND INTERPRETATIONS

Certain new standards, amendments to new standards and interpretations have been published that are mandatory to the Group's future accounting periods but have not been adopted early in these financial statements. These are set out below.

IFRS 7, 'Financial Instruments Disclosures' (effective on or after 1 July 2011) This amendment enhances the disclosure requirements in respect of transfers of financial assets. The Group will apply IFRS 7 (amendment) from 1 May 2012.

IFRS 9, 'Financial Instruments Classification and Measurement' (effective on or after 1 January 2015) This standard introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition. The Group will apply IFRS 9 from 1 May 2015.

IFRS 10, 'Consolidated Financial Statements' (effective on or after 1 January 2013) This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The Group will apply IFRS 10 from 1 May 2013.

IFRS 12, 'Disclosures of interests in other entities' (effective on or after 1 January 2013) This standard includes disclosure requirements for all forms of interests in other entities. The Group will apply IFRS 12 from 1 May 2013.

IFRS 13, 'Fair value measurement' (effective on or after 1 January 2013) This standard provides guidance on how fair value accounting should be applied and disclosed where its use is already required by other IFRS standards. The Group will apply IFRS 13 from 1 May 2013.

IAS 1, 'Financial statement presentation' (effective on or after 1 July 2012) This amendment outlines new disclosure requirements for 'other comprehensive income'. The Group will apply IAS 1 (amendment) from 1 May 2013.

The Directors do not expect that the adoption of the Standards and amendments listed above will have a material impact on the financial statements of the Group in future periods, although the detailed impact has not yet been quantified.

2. SEGMENTAL REPORTING

In accordance with IFRS 8 the Group's operating segments are based on the reports reviewed by the Executive Directors that are used to make strategic decisions. Certain operating segments have been aggregated to form two reportable segments, Analytics and Platform.

- Analytics comprises revenue from audit services, marketing effectiveness consultancy and reputation management, which are delivered by teams of media professionals using proprietary technology solutions and support services.
- Platform comprises revenue from competitive advertising monitoring, news monitoring and e-vouching, all of which are delivered via online platforms.

The Executive Directors assess the performance of the operating segments based on operating profit before highlighted items. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs and intangible amortisation. The measure also excludes the effects of equity-settled share-based payments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

2. SEGMENTAL REPORTING CONTINUED

The segment information provided to the Executive Directors for the reportable segments for the year ended 30 April 2012 is as follows

YEAR ENDED 30 APRIL 2012

	Analytics £'000	Platform £'000	Reportable Segments £'000	Unallocated £'000	Total £'000
Revenue	27,927	24,992	52,919	–	52,919
Operating profit before highlighted items	8,525	8,313	16,838	(8,633)	8,205
Total assets	49,076	31,118	80,194	6,427	86,621
Other segment information					
Capital expenditure – property, plant and equipment	168	61	229	960	1,189
Capital expenditure – intangible assets	5,453	180	5,633	–	5,633
Capital expenditure – goodwill	11,945	100	12,045	–	12,045
Total	17,566	341	17,907	960	18,867

YEAR ENDED 30 APRIL 2011

	Analytics £'000	Platform £'000	Reportable Segments £'000	Unallocated £'000	Total £'000
Revenue	17,900	26,265	44,165	–	44,165
Operating profit before highlighted items	7,123	7,739	14,862	(9,564)	5,298
Total assets	18,071	39,132	57,203	4,693	61,896
Other segment information					
Capital expenditure – property, plant and equipment	81	184	265	1,102	1,367
Capital expenditure – intangible assets	517	73	590	–	590
Capital expenditure – goodwill	393	712	1,105	–	1,105
Total	991	969	1,960	1,102	3,062

A reconciliation of segment operating profit before highlighted items to total profit/(loss) before tax is provided below

	Year ended 30 April 2012 £'000	Year ended 30 April 2011 £'000
Reportable segment operating profit before highlighted items	16,838	14,862
Unallocated costs		
Staff costs	(4,637)	(5,142)
Property costs	(1,839)	(1,765)
Exchange rate movements	(218)	(145)
Other administrative expenses	(1,939)	(2,512)
Operating profit before highlighted items	8,205	5,298
Highlighted items (note 3)	(4,607)	(6,546)
Operating profit/(loss)	3,598	(1,248)
Net finance costs	(955)	(528)
Share of profit of associates	–	–
Profit/(loss) before tax	2,643	(1,776)

Unallocated costs comprise central costs that are not considered attributable to either segment

Notes to the Consolidated Financial Statements

for the year ended 30 April 2012

2. SEGMENTAL REPORTING CONTINUED

A reconciliation of segment total assets to total consolidated assets is provided below

	2012 £'000	2011 £'000
Total assets for reportable segments	80,194	57,203
Unallocated amounts		
Property, plant and equipment	2,135	1,848
Trade and other receivables	1,342	1,268
Cash and cash equivalents	2,035	686
Deferred tax asset	911	879
Other unallocated amounts	—	12
Investments in associates	4	—
Total assets	86,621	61,896

The table below presents revenue and non-current assets by geographical location

	Year ended 30 April 2012		Year ended 30 April 2011	
	Revenue by location of customers £'000	Non-current assets £'000	Revenue by location of customers £'000	Non-current assets £'000
United Kingdom	19,832	47,378	17,732	35,401
Rest of Europe	15,359	4,904	12,732	5,132
North America	11,926	914	10,284	706
Rest of world	5,802	5,429	3,417	1,752
Total	52,919	58,625	44,165	42,991

Non-current assets exclude deferred tax assets

No single customer (or group of related customers) contributes 10% or more of revenue

3. HIGHLIGHTED ITEMS

Highlighted items comprise significant non-cash charges and non-recurring items which are highlighted in the Income Statement because separate disclosure is considered relevant in understanding the underlying performance of the business

	Year ended 30 April 2012			Year ended 30 April 2011		
	Cash £'000	Non-cash £'000	Total £'000	Cash £'000	Non-cash £'000	Total £'000
Administrative Expenses						
Recurring:						
Share based expenses	–	943	943	–	1,038	1,038
Amortisation of purchased intangibles	–	1,733	1,733	–	1,549	1,549
	–	2,676	2,676	–	2,587	2,587
Non-recurring:						
Integration costs	189	–	189	1,550	–	1,550
Severance costs	208	–	208	1,405	–	1,405
Property costs	–	–	–	421	301	722
Acquisition costs	1,250	–	1,250	282	–	282
Refinancing costs	284	–	284	–	–	–
	1,931	–	1,931	3,658	301	3,959
Charged to operating profit	1,931	2,676	4,607	3,658	2,888	6,546
Finance costs	–	311	311	–	–	–
Charged to profit before tax	1,931	2,987	4,918	3,658	2,888	6,546
Taxation credit	(183)	(846)	(1,029)	(1,023)	(673)	(1,696)
Charged to profit after tax	1,748	2,141	3,889	2,635	2,215	4,850

Amortisation of purchased intangibles relates to acquisitions made in the current financial year of £299,000 and to acquisitions made in prior years of £1,434,000

Integration costs relate to certain one-off costs incurred whilst integrating the acquisitions made in the current and prior financial years in to the Group's existing operations

Severance costs relate to de-duplication and restructure of senior management and support functions following the acquisitions made in the current and previous financial year

Acquisition costs represent professional fees incurred in relation to acquisitions (£1,375,000) and adjustments to the fair value of deferred consideration liabilities (credit of £125,000), in line with IFRS3 'Business Combinations'. A profit of £50,000 arising on the disposal of Newsline has been netted off against acquisition costs

Refinancing costs represent professional fees incurred in relation to the refinancing initiative undertaken in March 2012

Finance costs relate to loan fees that were written off in the year, following the refinancing in March 2012

As at 30 April 2012, £1,470,000 of the £1,931,000 cash highlighted items had been settled

Current tax arising on the highlighted items is included as a cash item, while deferred tax on highlighted items is included as a non-cash item

Notes to the Consolidated Financial Statements

for the year ended 30 April 2012

4. OPERATING PROFIT/LOSS

Operating profit/loss is stated after charging/(crediting)

	Year to 30 April 2012 £'000	Year to 30 April 2011 £'000
Operating lease rentals		
– motor vehicles	56	77
– land and buildings	1,671	1,377
Depreciation – owned assets	1,093	916
Depreciation – leased assets	73	17
Loss on disposal of fixed assets	3	–
Amortisation of capitalised development costs	160	208
Amortisation of purchased intangible assets	1,733	1,549
Development costs – expensed	793	883
Foreign exchange loss	224	111
Income from sub-leases	(27)	(82)
Income from government grants	(108)	–

Income from government grants relates to a grant received in the year to compensate for rates payments made for the Newcastle office. The Group can reclaim up to £200,000.

AUDITOR REMUNERATION

During the period the Group (including its overseas subsidiaries) obtained the following services from the Group's auditors at costs as detailed below

	Year to 30 April 2012 £'000	Year to 30 April 2011 £'000
Fees payable to the company's auditors for the audit of the parent company and consolidated financial statements	57	33
Fees payable to the company's auditors and its associates for other services		
– The audit of the company's subsidiaries, pursuant to Legislation	190	133
– Other services	172	190
	419	356

5. EMPLOYEE INFORMATION

The average number of employees of the Group, including Executive Directors, was as follows

	2012 No	2011 No
Platform	415	492
Analytics	184	122
IT development and support	37	33
Administration	65	36
Directors	7	7
	708	690

At 30 April 2012, the total number of employees of the Group was 780 (2011: 657)

5. EMPLOYEE INFORMATION CONTINUED

Staff costs for all employees, including Executive Directors, consist of

	Year ended 30 April 2012 £'000	Year ended 30 April 2011 £'000
Wages and salaries	23,044	20,785
Social security costs	2,361	2,322
Pension costs	623	434
Share options charge	943	1,038
	26,971	24,579

DIRECTORS' REMUNERATION

	Year ended 30 April 2012 Total £'000	Year ended 30 April 2011 Total £'000
Michael Higgins	68	68
Michael Greenlees	313	400
Nick Manning	270	331
Andrew Beach	181	217
Paul Adams	192	226
Stephen Thomson	29	29
Sarah Jane Thomson	25	25
Richard Nichols	30	30
Jeffrey Stevenson	—	—
Christopher Russell	—	—
	1,108	1,326

The totals above are inclusive of performance bonuses, totalling £nil (2011 £228,000), of which £nil was payable to the highest paid Director (2011 £80,000). Directors are eligible for cash bonuses as a percentage of base salary, dependent on individual and company performance against established financial targets.

No Director was a member of a company pension scheme as at 30 April 2012 (2011 nil). Contributions totalling £30,000 (2011 £30,000) were made to Directors' private pension schemes (£nil to the highest paid Director, 2011 £nil) during the year.

No Director exercised any share options during the year (2011 nil). During the year 800,000 share options were granted to Directors under the Group's Executive Incentive Plan, with vesting subject to the achievement of specific performance conditions established and monitored by the Remuneration Committee. These options arose on the cancellation of an equivalent number of existing options. See note 25 for more details.

Notes to the Consolidated Financial Statements

for the year ended 30 April 2012

6. FINANCE INCOME AND EXPENSES

	Year ended 30 April 2012 £'000	Year ended 30 April 2011 £'000
Finance income		
Bank interest	6	2
Finance income	6	2
Finance expenses		
Bank loans and overdrafts interest	(526)	(423)
Loan fee amortisation	(123)	(105)
Finance lease interest	(1)	(2)
Finance expenses before highlighted items	(650)	(530)
Highlighted finance expenses – loan fees written off (note 17)	(311)	–
Total finance expenses	(961)	(530)

7. TAXATION

	Year ended 30 April 2012			Year ended 30 April 2011		
	Before highlighted items £'000	Highlighted items £'000	Total £'000	Before highlighted items £'000	Highlighted items £'000	Total £'000
UK tax						
Current year	1,232	(150)	1,082	1,023	(1,023)	–
Prior year	(2)	–	(2)	(28)	–	(28)
	1,230	(150)	1,080	995	(1,023)	(28)
Foreign tax						
Current year	960	(33)	927	614	–	614
Prior year	(82)	–	(82)	3	–	3
	878	(33)	845	617		617
Total current tax	2,108	(183)	1,925	1,612	(1,023)	589
Deferred tax						
Origination and reversal of temporary differences (note 21)	(43)	(846)	(889)	(172)	(673)	(845)
Total tax charge/(credit)	2,065	(1,029)	1,036	1,440	(1,696)	(256)

7. TAXATION CONTINUED

The difference between tax as charged in the financial statements and tax at the nominal rate is explained below

	Year ended 30 April 2012 £'000	Year ended 30 April 2011 £'000
Profit/(loss) before tax	2,643	(1,776)
Corporation tax at 25.8% (2011: 27.8%)	682	(494)
Non-deductible expenses	490	92
Overseas tax rate differential	273	188
Capital allowances in excess of depreciation	(170)	(214)
Losses not relieved against other Group entities	254	325
Brought forward losses utilised	(150)	—
Over provision of prior year tax	(84)	(25)
Other temporary differences	(259)	(128)
Total tax expense/(income)	1,036	(256)

The applicable tax rate has decreased from 27.8% to 25.8% due to the reduction of the UK Corporation Tax rate to 24% in April 2012

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data

	Year ended 30 April 2012 £'000	Year ended 30 April 2011 £'000
Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the parent	1,610	(1,433)
Adjustments		
Impact of highlighted items (net of tax) ¹	3,824	4,786
Notional use of brought forward tax losses ²	21	851
Earnings for the purpose of underlying earnings per share	5,455	4,204
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share ³	70,233,989	66,571,604
Effect of dilutive potential ordinary shares		
Share options	3,482,201	3,266,449
Weighted average number of ordinary shares for the purpose of diluted earnings per share³	73,716,190	69,838,053
Basic earnings/(loss) per share	2.29p	(2.15)p
Diluted earnings/(loss) per share ⁴	2.18p	(2.15)p
Underlying basic earnings per share	7.77p	6.32p
Underlying diluted earnings per share	7.40p	6.02p

¹ Highlighted items (see note 3), stated net of their total tax impact

² The adjustment for a notional use of brought forward losses demonstrates the additional utilisation of brought forward tax losses that would have been used if the highlighted items in the year had not been incurred

³ The weighted average number of shares includes convertible loan notes that are convertible into 13,802,861 ordinary shares

⁴ The statutory diluted earnings per share has not been diluted in the prior year since the result for that year was a loss

Notes to the Consolidated Financial Statements

for the year ended 30 April 2012

9. GOODWILL

	Note	£'000
Cost and net book value		
At 1 May 2010		30,235
Acquisitions		837
Adjustment to prior year acquisitions		268
Foreign exchange differences		117
At 30 April 2011		31,457
Acquisitions	27	12,045
Foreign exchange differences		(211)
At 30 April 2012		43,291

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill may be impaired. The recoverable amounts are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates and revenue, cost and margin growth rates. Management estimates discount rates using rates that reflect current market assessments of the time value of money and risk specific to the cash-generating units. The group prepares three-year pre-tax cash flow forecasts, and these have been discounted at 13% (2011: 15%). Management determines the future growth rates based on their best estimates of market growth and the expected change in our market share. Cash flows beyond the three year period are extrapolated at a rate of 2%, which does not exceed the long-term average growth rate in any of the markets in which the Group operates.

No impairment of goodwill was recognised in 2012 (2011: £nil)

Goodwill has been allocated to the following CGUs:

	Year ended 30 April 2012 £'000	Year ended 30 April 2011 £'000
Analytics	21,312	9,378
Platform	21,979	22,079
	43,291	31,457

10. OTHER INTANGIBLE ASSETS

	Capitalised development costs £'000	Purchased intangible assets £'000	Total intangible assets £'000
Cost			
At 1 May 2010	1,038	11,079	12,117
Additions	77	—	77
Acquisitions	—	513	513
Foreign exchange	—	122	122
At 30 April 2011	1,115	11,714	12,829
Additions	180	—	180
Disposals	(366)	—	(366)
Acquisitions	—	5,453	5,453
Foreign exchange	(1)	(211)	(212)
At 30 April 2012	928	16,956	17,884
Amortisation			
At 1 May 2010	(346)	(1,788)	(2,134)
Charge for the year	(208)	(1,549)	(1,757)
Foreign exchange	—	(27)	(27)
At 30 April 2011	(554)	(3,364)	(3,918)
Charge for the year	(160)	(1,733)	(1,893)
Disposals	183	—	183
Foreign exchange	—	5	5
At 30 April 2012	(531)	(5,092)	(5,623)
Net book value			
At 30 April 2012	397	11,864	12,261
At 30 April 2011	561	8,350	8,911

Amortisation is charged within administrative expenses so as to write off the cost of the purchased intangible assets over their estimated useful lives. The amortisation on purchased intangible assets is included as a highlighted administrative expense.

Purchased intangible assets consist principally of customer relationships.

Notes to the Consolidated Financial Statements

for the year ended 30 April 2012

11. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Computer equipment £'000	Short leasehold land and buildings improvements £'000	Total £'000
Cost					
At 1 May 2010	5	1,102	3,093	341	4,541
Additions	—	256	641	470	1,367
Acquisitions	25	23	84	2	134
Foreign exchange	1	4	30	(2)	33
At 30 April 2011	31	1,385	3,848	811	6,075
Additions	—	79	1,032	78	1,189
Acquisitions	—	56	262	150	468
Disposals	—	(4)	(15)	—	(19)
Foreign exchange	(3)	(15)	(38)	1	(55)
At 30 April 2012	28	1,501	5,089	1,040	7,658
Depreciation					
At 1 May 2010	—	(466)	(1,925)	(106)	(2,497)
Charge for the year	(7)	(108)	(653)	(165)	(933)
Foreign exchange	—	(2)	(22)	2	(22)
At 30 April 2011	(7)	(576)	(2,600)	(269)	(3,452)
Charge for the year	(4)	(145)	(806)	(211)	(1,166)
Disposals	—	—	6	—	6
Foreign exchange	1	7	15	—	23
At 30 April 2012	(10)	(714)	(3,385)	(480)	(4,589)
Net book value					
At 30 April 2012	18	787	1,704	560	3,069
At 30 April 2011	24	809	1,248	542	2,623

The Group holds assets under finance leases within Computer equipment, with cost of £460,000 (2011 £61,000) and accumulated depreciation of £91,000 (2011 £18,000)

During the year, the Group received a government grant of £nil (2011 £150,000) to compensate for capital expenditure relating to the relocation of offices in Newcastle. The grant has been netted off against computer equipment additions and will be taken to the Income Statement, as a credit against depreciation, over the expected life of the assets to which it relates. The Group must achieve certain productivity targets and the project to which the grant relates will be monitored for a period of five years.

12. SUBSIDIARIES

Details of the Company's principal operating subsidiary undertakings at 30 April 2012, which are registered and operating in the UK unless otherwise indicated, are set out below. Shares held by an intermediate holding company are indicated with an asterisk (*).

Subsidiary undertaking	Proportion of nominal value of issued ordinary shares held	Nature of business
Ebiquity Associates Limited	100%	Media monitoring & consultants
Billets America LLC ¹	95%*	Media consultants
Billets France SARL ²	91.5%*	Media consultants
Ebiquity Germany GmbH ³	75.5%*	Media monitoring
Ebiquity Italy S r l ⁴	51%*	Media consultants
Ebiquity Russia Limited	50.1%*	Media consultants
Ebiquity Russia OOO ⁵	50.1%*	Media consultants
Echo Research Limited	100%*	Reputation management
Echo Research LLC ¹	100%*	Reputation management
Fairbrother Lenz Eley Limited	100%*	Media consultants
Fairbrother Lenz Eley GmbH ³	100%*	Media consultants
FLE France SARL ²	65%*	Media consultants
Faulkner Media Management Pty Limited ⁶	100%*	Media consultants
Xtreme Information Limited	100%*	Media monitoring
Xtreme Information Services (Australia) Pty Limited ⁶	100%*	Media monitoring
Xtreme Information (USA) Limited ⁷	100%*	Media monitoring

¹ Incorporated in the USA

² Incorporated in France

³ Incorporated in Germany

⁴ Incorporated in Italy

⁵ Incorporated in Russia

⁶ Incorporated in Australia

⁷ Incorporated in the UK, operating in the USA

13. INVESTMENT IN ASSOCIATES

	30 April 2012 £'000	30 April 2011 £'000
Aggregated amounts relating to associates		
Total assets	331	—
Total liabilities	(319)	—
Revenues	87	—
Profit/(loss)	—	—
Group's investment in associate	4	—
Group's share of profit/(loss)	—	—
Net investment in associates	4	—

On 12 March 2012, the Group acquired investments in associates as part of the acquisition of FLE (Note 27). The Group holds 50% in Fairbrother Marsh Company Limited (incorporated in Ireland) and 25% in SLK Media (incorporated in the United Kingdom). The associates were break even in the period from acquisition to 30 April 2012.

Notes to the Consolidated Financial Statements

for the year ended 30 April 2012

14. LOANS AND OTHER FINANCIAL ASSETS

	30 April 2012 £'000	30 April 2011 £'000
Current		
Bank security deposits	–	200
Forward currency contract	–	38
Total loans and other financial assets	–	238

Bank security deposits represent cash deposits placed as security against company credit card limits

15. TRADE AND OTHER RECEIVABLES

	30 April 2012 £'000	30 April 2011 £'000
Trade and other receivables due within one year		
Net trade receivables (Note 26)	13,818	10,143
Other receivables	795	600
Prepayments	1,696	1,573
Accrued income	4,447	2,130
	20,756	14,446

The Directors consider that the carrying amount of trade and other receivables are reasonable approximations of their fair value

16. CASH AND CASH EQUIVALENTS

	30 April 2012 £'000	30 April 2011 £'000
Cash and cash equivalents	6,190	3,158

The Group has certain legally enforceable rights of set off for cash and cash equivalents and bank overdrafts

Cash and cash equivalents earn interest at between 0% and 5%

17. OTHER FINANCIAL LIABILITIES

	30 April 2012 £'000	30 April 2011 £ 000
Current		
Bank borrowings	2,245	3,721
Finance lease liabilities	119	21
Contingent deferred consideration	5,380	—
	7,744	3,742
Non-current		
Bank borrowings	15,814	3,643
Finance lease liabilities	209	29
Interest rate swaps	39	52
Contingent deferred consideration	1,793	—
	17,855	3,724
Total other financial liabilities	25,599	7,466

As part of the acquisition of FLE in March 2012, the Group undertook a refinancing initiative, with all bank borrowings now being held jointly with Bank of Ireland and Barclays Bank. The new facility comprises an amortising term loan of £15,000,000 (of which £14,375,000 remains outstanding at 30 April 2012), and a revolving credit facility of £15,000,000 (of which £3,978,000 was the total amount drawn down at 30 April 2012), both with a maturity date of 9 March 2016. £8,979,000 of the term loan is being repaid on a quarterly basis over the 4 years following drawdown, with the remainder repayable on the maturity of the facility. Loan arrangement fees of £294,000 are offset against the term loan, and are being amortised over the four years to maturity.

The facility bears variable interest of LIBOR plus a margin of 2.75%. The margin rate may be lowered from March 2013 to 2.50% depending on the Group's net debt to EBITDA ratio. The rate may be further lowered to 2.25% from March 2014 and 2.00% from March 2015.

The undrawn amount of the revolving credit facility is liable to a fee of 45% of the prevailing margin. The Group may elect to prepay all or part of the outstanding loan subject to a break fee, by giving 5 business days notice.

All amounts owing to the bank are guaranteed by way of fixed and floating charges over the current and future assets of the Group. As such, a composite guarantee has been given by all significant subsidiary companies.

During the year, the Group wrote off £311,000 of loan fees that had been capitalised as part of the refinancing initiative undertaken in April 2010.

On 1 May 2012, the Group cancelled the existing hedge arrangements relating to the old facility and entered into new floating to fixed interest rate swaps, held against 100% of its sterling and US dollar denominated term loan for the period from May 2012 to April 2016. The previous instrument is held at fair value at 30 April 2012.

Contingent deferred consideration represents additional amounts that are expected to be payable for acquisitions made by the Group and is held at fair value at the Balance Sheet date. All amounts are expected to be fully utilised by August 2014.

Notes to the Consolidated Financial Statements

for the year ended 30 April 2012

17. OTHER FINANCIAL LIABILITIES CONTINUED

All finance lease liabilities fall due within five years. The minimum lease payments and present value of the finance leases are as follows

	Minimum lease payments		Present value of minimum lease payments	
	Year ended 30 April 2012 £'000	Year ended 30 April 2011 £'000	Year ended 30 April 2012 £'000	Year ended 30 April 2011 £'000
Amounts due				
Within one year	120	22	119	21
Between one and five years	209	30	209	29
	329	52	328	50
Less finance charges allocated to future periods	(1)	(2)	—	—
Present value of lease obligations	328	50	328	50

18. TRADE AND OTHER PAYABLES

	30 April 2012 £'000	30 April 2011 £'000
Trade payables	5,391	3,861
Other taxation & social security	2,299	1,432
Other creditors	955	1,037
	8,645	6,330

The Directors consider that the carrying amount of trade and other payables are reasonable approximations of their fair value

19. PROVISIONS

	Onerous property leases £'000	Dilapidations £'000	Severance £'000	Contingent deferred consideration £'000	Total £'000
At 1 May 2010	355	700	362	88	1,505
Arising on acquisition	—	—	—	631	631
Increase in provision	301	—	380	—	681
Utilisation of provision	(193)	(39)	(659)	—	(891)
Release of provision	—	—	—	(57)	(57)
Foreign exchange	5	—	—	—	5
At 30 April 2011	468	661	83	662	1,874
Reclassification	—	—	—	(662)	(662)
Arising on acquisition	—	409	—	—	409
Utilisation of provision	(236)	(154)	(83)	—	(473)
Foreign exchange	—	(4)	—	—	(4)
At 30 April 2012	232	912	—	—	1,144
Current	185	214	—	—	399
Non-current	47	698	—	—	745

The onerous property lease obligations relate to properties that the Group has vacated where there is a shortfall between the head lease costs and sub lease income, properties with excess vacant space and certain property leases where lease payments are payable above a fair market rate. The provision will be fully utilised by August 2014.

19. PROVISIONS CONTINUED

The dilapidations provision relates to the expected costs of vacating various properties. The provision is expected to be fully utilised by August 2014.

Severance provisions relate to the restructuring of the Group's operations. The provision was fully utilised in the year.

Contingent deferred consideration has been reclassified to other financial liabilities during the year, in line with IFRS 3R.

20. ACCRUALS AND DEFERRED INCOME

	30 April 2012 £'000	30 April 2011 £'000
Accruals	3,194	4,029
Deferred income	7,984	8,707
	11,178	12,736

21. DEFERRED TAX

	Intangible assets £'000	Share based payment £'000	Tax losses £'000	Other timing differences £'000	Total £'000
At 1 May 2010	(2,801)	655	121	87	(1,938)
Arising on acquisition	(133)	—	—	—	(133)
Credit/(charge) to income	618	234	(9)	2	845
Credit to equity	—	118	—	—	118
At 30 April 2011	(2,316)	1,007	112	89	(1,108)
Arising on acquisition	(1,361)	—	—	21	(1,340)
Credit/(charge) to income	734	170	(8)	(7)	889
Charge to equity	—	(238)	—	—	(238)
At 30 April 2012	(2,943)	939	104	103	(1,797)

Certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balance (after offset) for financial reporting purposes:

	30 April 2012 £'000	30 April 2011 £'000
Deferred tax assets	1,050	1,063
Deferred tax liabilities	(2,847)	(2,171)
	(1,797)	(1,108)

At the year end, the Group had tax losses of £433,000 (2011: £433,000) available for offset against future profits. A deferred tax asset of £104,000 (2011: £112,000) has been recognised in respect of such losses.

In addition, the Group has unrecognised tax losses of £4,571,000 (2011: £6,445,000) that can be carried forward against future taxable income. The Group has unrecognised deferred tax assets of £1,339,000 (2011: £1,934,000). These have not been recognised due to the uncertainty over their recoverability.

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22. OPERATING LEASES

OPERATING LEASES – LESSEE

The Group had future minimum lease payments under non-cancellable operating leases at 30 April 2012 and 30 April 2011 which fall due as follows

	30 April 2012		30 April 2011	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Within one year	1,804	55	1,782	54
Between one and five years	3,090	47	3,961	47
After five years	1,003	–	1,276	–
	5,897	102	7,019	101

OPERATING LEASES – LESSOR

The Group sub-lets properties or parts of properties that have been vacated prior to the end of the lease term. Since the rents receivable over the lease terms are contracted to be less than the obligation to the head lessor, onerous lease provisions have been recognised (note 19). The sub-lease rental income for the year to 30 April 2012 was £27,000 (2011: £82,000).

The minimum rent receivable under non-cancellable operating leases is as follows

	30 April 2012 £'000	30 April 2011 £'000
Within one year	64	24
Between one and five years	75	–
	139	24

23. SHARE CAPITAL

	Number of shares	Nominal value £'000
Allotted, called up and fully paid		
At 1 May 2010 – ordinary shares of 25p	51,672,404	12,918
Share options exercised	102,911	26
Issued to ESOP	4,200,000	1,050
At 30 April 2011 – ordinary shares of 25p	55,975,315	13,994
Share placing	2,850,000	713
Share options exercised	92,352	22
At 30 April 2012 – ordinary shares of 25p	58,917,667	14,729

Ordinary shares carry voting rights and are entitled to share in the profits of the Company (dividends). At the year end 4,648,671 shares were held by the ESOP (2011: 4,648,671).

24. RESERVES

SHARE PREMIUM

The share premium reserve shows the amount subscribed for share capital in excess of the nominal value

CONVERTIBLE LOAN NOTE RESERVE

The convertible loan notes were issued as part of the consideration for the acquisition of Xtreme Information Services Limited on 13 April 2010. The convertible loan notes are unsecured and have the right to convert into 13,802,861 ordinary shares. The convertible loan notes attract interest equivalent to any dividends they would receive if they were converted into ordinary shares, and rank pari passu with ordinary shares in the event of the winding up of the company.

MERGER RESERVE

The merger reserve arose on the issuance of shares at a premium on a group restructure, where the premium on issue qualified for merger relief. There has been no movement in the year.

ESOP RESERVE

The ESOP reserve represents the cost of own shares acquired in the Company by the Employee Benefit Trust ('EBT'). The purpose of the EBT is to facilitate and encourage the ownership of shares by employees, by acquiring shares in the Company and distributing them in accordance with employee share schemes. The EBT may operate in conjunction with the Company's existing share option schemes and other schemes that may apply from time to time.

HEDGING RESERVE

The hedging reserve is used to record the effective portion of the movements in fair value of the Group's financial instruments that qualify for hedge accounting and are deemed to be effective hedges.

TRANSLATION RESERVE

The translation reserve arises on the translation into Sterling of the net assets of the Group's foreign operations, offset by any changes in fair value of financial instruments used to hedge this exposure. At this time there are no hedges in place.

RETAINED EARNINGS

The retained earnings reserve shows the cumulative net gains and losses recognised in the Consolidated Income Statement.

For detailed movements on each of the above reserves, refer to the Consolidated Statement of Changes in Equity.

25. SHARE BASED PAYMENTS

Options outstanding at 30 April 2012

Name of share option scheme	Life of option	Exercise period	Exercise price	Weighted average exercise price	Number
EMI scheme	10 years	October 2005 – August 2021	nil – 72p	39p	2,759,145
Unapproved share option scheme – 7 January 2005	10 years	March 2007 – January 2015	nil	nil	376,764
Unapproved share option scheme – 8 September 2008	10 years	March 2010 – September 2018	25 – 37p	37p	270,270
Executive Incentive Plan – 12 May 2010	10 years	May 2011 – May 2020	35p	35p	4,200,000
Executive Incentive Plan – 6 June 2011	10 years	May 2012 – May 2021	25p	25p	800,000
					8,406,179

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25. SHARE BASED PAYMENTS CONTINUED

ENTERPRISE MANAGEMENT INCENTIVE SCHEME (EMI SCHEME)

The EMI scheme is a discretionary share option scheme, which provides that options with a value at the date of grant of up to £120,000 may be granted to employees. The EMI scheme provides a lock in incentive to key management and is also utilised to attract key staff. Rights to EMI share options lapse if the employee leaves the Company. There are no further performance conditions.

Options granted under this scheme after 13 April 2010 are not HMRC approved options as the Group is now too large to qualify under the HMRC EMI scheme rules.

UNAPPROVED COMPANY SHARE OPTION PLAN (UCSOP)

This is a discretionary scheme, which provides that options may be granted where employees are not eligible to the EMI scheme. The UCSOP provides a lock in incentive to key management. Rights to UCSOP options lapse if the employee leaves the Company.

The share options issued on 7 January 2005 and 8 September 2008 under the UCSOP scheme include an element of group performance criteria, which have been met in full.

EXECUTIVE INCENTIVE PLAN (EIP)

This is a discretionary scheme for the Directors of the Company. Vesting of the options is subject to the satisfaction of performance criteria designed to achieve growth of the business while at the same time maintaining and enhancing the underlying earnings per share over the period to 30 April 2013. The options will also vest immediately if the Group's share price averages £1.50 or greater for any 14 days during a six month period.

1,050,000 of the options granted on 12 May 2010 vested immediately and a further 875,000 had revenue based performance targets that have now been met in full. The remaining options granted under the EIP scheme have earnings per share targets, with the minimum EPS target having to be satisfied before any of the shares can vest. The minimum EPS target for all options is 7p, with shares vesting on a sliding scale up to the maximum EPS target of 9p. All vested shares must be retained for a minimum of 12 months after vesting before they can be sold.

In June 2011, 800,000 outstanding options issued under the Unapproved company share option plan on 8 September 2008 with an exercise price of 25p were cancelled, and a total of 800,000 new options were awarded under the EIP scheme in their place with an exercise price of 25p. The issue of these shares has been treated as a modification. All of the options share the EPS targets above.

The following share options were outstanding at 30 April 2012 and 30 April 2011:

	30 April 2012		30 April 2011	
	Number of share options	Weighted average exercise price (pence)	Number of share options	Weighted average exercise price (pence)
Outstanding at beginning of period	7,845,390	33	6,654,128	27
Granted during the period	1,462,341	34	4,571,487	37
Cancelled during the period	(800,000)	25	(3,150,000)	25
Exercised during the period	(92,352)	38	(102,911)	37
Forfeited during the period	(9,200)	127	(127,314)	52
Outstanding at the end of the period	8,406,179	34	7,845,390	33
Exercisable at the end of the period	6,441,693	32	3,705,971	29

The weighted average share price on the dates of exercise for options exercised during the year was 79p (2011: 76p).

25. SHARE BASED PAYMENTS CONTINUED

The options outstanding at the end of the period have a weighted average remaining contractual life of 4.5 years (2011: 5.2 years), with a range of exercise prices being between nil and 72p. Options exercised in the year resulted in 92,352 shares (2011: 102,991 shares) being issued at a weighted average price of 38p each (2011: 37p).

During the period, share options were granted with a weighted average fair value of 45p (2011: 35p). These fair values were calculated using the Black-Scholes model with the following inputs:

	30 April 2012	30 April 2011
Weighted average share price	72p	66p
Exercise price	25p to 72p	35p to 65p
Expected volatility ¹	40%	40%
Vesting period	1 to 3 years	1 to 3 years
Risk-free interest rates	0.8%	2%

¹ Expected volatility is based on historical volatility of the Company over the period commensurate with the expected life of the options.

There are no expected dividends.

26. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Market risk
 - Interest rate risk
 - Currency risk
- Liquidity risk

CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The following table sets out the categories of financial instruments held by the Group. All of the Group's financial assets and liabilities are measured at amortised cost, except forward currency contracts and interest rate swaps, which are held as hedging derivatives.

FINANCIAL ASSETS

	30 April 2012 £'000	30 April 2011 £'000
Current financial assets		
Trade and other receivables	14,613	10,743
Cash and cash equivalents	6,190	3,158
Bank security deposits	—	200
Forward currency contracts	—	38
Total financial assets	20,803	14,139

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26. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

FINANCIAL LIABILITIES

	30 April 2012 £'000	30 April 2011 £ 000
Current financial liabilities		
Trade and other payables	6,346	4,898
Finance lease liabilities	119	21
Loans and borrowings	2,245	3,721
Contingent deferred consideration	5,380	–
	14,090	8,640
Non-current financial liabilities		
Loans and borrowings	15,814	3,643
Finance lease liabilities	209	29
Interest rate swaps	39	52
Contingent deferred consideration	1,793	–
	17,855	3,724
Total financial liabilities	31,945	12,364

GENERAL OBJECTIVES, POLICIES AND PROCESSES

The Board has overall responsibility for the determination of the Group's risk management policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports from the Group's finance function through which it reviews the effectiveness of the processes put in place and the appropriateness of the policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations.

TRADE RECEIVABLES

The Group operates in an industry where most of its customers are reputable and well-established businesses. When the credit worthiness of a new customer is in doubt, credit limits and payment terms are established and authorised by the Chief Financial Officer. The Group will suspend the services provided to customers who fail to meet the terms and conditions specified in their contract where it is deemed necessary.

The credit control function of the Group monitors outstanding debts of the Group. Debtor reports are reviewed and analysed on a regular basis. Trade receivables are analysed by the aging and value of the debts. Customers with any overdue debts are contacted for payment and progress is tracked on a credit control report.

There is no concentration of credit risk within the Group. The maximum credit risk exposure relating to financial assets is represented by the carrying values as at the year end.

26. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

FINANCIAL ASSETS PAST DUE BUT NOT IMPAIRED

The following is an analysis of the Group's trade receivables identifying the totals of trade receivables which are past due but not impaired

	Total £'000	Past due +30 days £'000	Past due +60 days £'000
At 30 April 2012	4,618	2,794	1,824
At 30 April 2011	2,194	1,111	1,083

The following is an analysis of the Group's provision against trade receivables

	30 April 2012			30 April 2011		
	Gross value £'000	Provision £'000	Carrying value £'000	Gross value £'000	Provision £'000	Carrying value £'000
Trade receivables	14,008	190	13,818	10,295	152	10,143

The Group records impairment losses on its trade receivables separately from the gross amounts receivable. The movements on this allowance during the year are summarised below

	30 April 2012 £'000	30 April 2011 £'000
Opening balance	152	141
Increase in provisions	151	101
Recognised on acquisition	22	3
Written off against provisions	(44)	(14)
Recovered amount reversed	(91)	(79)
Closing balance	190	152

MARKET RISK

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. There is a risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

INTEREST RATE RISK

The Group is exposed to interest rate risk from bank loans and a revolving credit facility.

Interest rate risk is mitigated through the use of floating to fixed interest rate swaps. During the year, the Group swapped 70% of its term loan into fixed rate borrowings for the period from February 2011 to April 2014. This arrangement was cancelled on 1 May 2012 and the Group swapped 100% of its sterling and US dollar denominated term loan into fixed rate borrowings for the period from May 2012 to April 2016.

To illustrate the Group's exposure to interest rate risk, a 0.5% increase/decrease in the rate applied to the Group's borrowings would have resulted in a post-tax movement of £23,000 (2011: £23,000).

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26. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

CURRENCY RISK

The Group is exposed to currency risk on foreign currency trading and intercompany balances, and also on the foreign currency bank accounts which it holds. These risks are offset by the holding of certain foreign currency bank borrowings and the use of forward currency contracts. The translation of the assets and liabilities of the Group's overseas subsidiaries represents a risk to the Group's equity balances.

The Group's exposure to currency risk at the year end can be illustrated by the following

	30 April 2012		30 April 2011	
	Increase in profit before tax £'000	Increase in equity £'000	Increase in profit before tax £'000	Increase in equity £'000
10% strengthening of USD	196	459	131	332
10% strengthening of Euro	311	774	142	524
10% strengthening of AUD	43	643	9	169

An equal weakening of any currency would broadly have the opposite effect.

The currency profile of the financial assets at 30 April 2012 is as follows

	Cash and cash equivalents		Gross trade Receivables	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Pounds Sterling	2,013	1,713	5,450	4,828
US Dollar	1,975	912	3,275	2,650
Euros	1,811	408	3,789	2,401
Australian Dollar	342	125	1,199	416
Russian Rouble	37	—	276	—
Singapore Dollar	12	—	19	—
	6,190	3,158	14,008	10,295

OTHER PRICE RISKS

The Group does not have any material exposure to other price risks.

LIQUIDITY RISK

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments, the risk being that the Group may not meet its financial obligations as they fall due.

The liquidity risk of each group company is managed centrally by the Group. All surplus cash in the UK is held centrally to maximise the returns on deposits through economies of scale. The type of cash instrument used and its maturity date will depend on the Group's forecast cash requirements. The Group maintains a draw down facility with the Bank of Ireland and Barclays (see note 17) to manage any short-term cash shortfalls. At 30 April 2012, £11,000,000 (2011: £750,000) was undrawn. The facility expires in March 2016 at which point drawn down amounts will be repayable.

26. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

The following table illustrates the contractual maturity analysis of the Group's financial liabilities

	Within one year £'000	One to five years £'000	Total £'000
At 30 April 2012			
Trade and other payables	6,346	–	6,346
Finance lease liabilities	120	209	329
Interest rate swaps	–	39	39
Bank loans and overdrafts	3,112	17,633	20,745
Contingent deferred consideration	5,380	1,793	7,173
Total financial liabilities	14,958	19,674	34,632
Less finance charges allocated to future periods	(868)	(1,819)	(2,687)
Present value	14,090	17,855	31,945
At 30 April 2011			
Trade and other payables	4,898	–	4,898
Finance lease liabilities	22	30	52
Interest rate swaps	–	52	52
Bank loans and overdrafts	4,107	4,108	8,215
Total financial liabilities	9,027	4,190	13,217
Less finance charges allocated to future periods	(387)	(466)	(853)
Present value	8,640	3,724	12,364

FAIR VALUE MEASUREMENT

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data

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26. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
At 30 April 2012				
Financial liabilities				
Interest rate swaps	—	39	—	39
Contingent deferred consideration	—	—	7,173	7,173
	—	39	7,173	7,212
At 30 April 2011				
Financial assets				
Forward currency contracts	—	38	—	38
	—	38	—	38
Financial liabilities				
Interest rate swaps	—	52	—	52
	—	52	—	52

CAPITAL DISCLOSURES

The Group considers its capital to comprise of its ordinary share capital, share premium, convertible loan notes, non-controlling interests, reserves and accumulated retained earnings

The Group's objective when maintaining capital is to safeguard the entity's ability to continue as a going concern so that it can continue to invest in the growth of the business and ultimately to provide an adequate return to its shareholders. The Directors believe the Group has sufficient capital to continue trading in the foreseeable future. Refer to note 23 for a breakdown of the Group's capital

27. ACQUISITIONS AND DISPOSALS

TCRG HOLDINGS LIMITED ("ECHO")

On 20 May 2011, the Group acquired the entire share capital of TCRG Holdings Limited (the holding company of Echo Research Limited), a company incorporated in Jersey. The Group has operations in the United Kingdom, United States of America and Singapore. The initial cash consideration was £3.5 million. Additional consideration is payable dependent on future performance during the period to April 2013 and will be paid in a combination of cash and shares. The maximum total consideration payable is £10 million.

The Echo Group contributed £4,355,000 to revenue and £112,000 to profit before tax for the period between the date of acquisition and the year end.

27. ACQUISITIONS AND DISPOSALS CONTINUED

The carrying value and the fair value of the net assets at the date of acquisition were as follows

	Carrying value £'000	Recognised on acquisition £'000
Customer relationships	–	1,018
Brands	–	325
Property, plant and equipment	156	156
Trade and other receivables	1,103	1,103
Cash and cash equivalents	635	635
Trade and other payables	(1,295)	(1,295)
Other creditors and provisions	–	(122)
Deferred tax liability	–	(349)
Net assets acquired	599	1,471
Goodwill arising on acquisition		3,129
		4,600

The fair value of trade and other receivables includes trade receivables with a fair value of £842,000 and a gross contractual value of £847,000. The best estimate at the acquisition date of contractual cash flows not to be collected is £5,000.

The goodwill is attributable to the assembled workforce, expected synergies and other intangible assets, which do not qualify for separate recognition.

Purchase consideration

	£'000
Cash	3,500
Deferred consideration	300
Contingent deferred consideration	800
Total purchase consideration	4,600

The deferred consideration was paid subsequent to the year end. The fair value of contingent deferred consideration payable is based on forecast revenues for the Echo Group for the years ended 30 April 2012 and 30 April 2013. The potential range of future payments that Ebiquity plc could be required to make under the contingent consideration arrangement is between £nil and £6,200,000. Up to 50% of the contingent consideration may be settled in Ebiquity plc shares, at the discretion of Ebiquity plc. The number of shares issued is based on the market price of the shares at the time of settlement.

Net cash out flow arising on acquisition

	£'000
Purchase consideration settled in cash	3,500
Cash and cash equivalents in subsidiary acquired	(635)
Net cash outflow on acquisition	2,865

Acquisition related costs of £468,000 were incurred and these are included within highlighted items on the Income Statement.

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27. ACQUISITIONS AND DISPOSALS CONTINUED

JOINED UP MEDIA COMPANY ("JUMC")

On 27 May 2011, the Group acquired 50.1% of The Joined Up Media Company Limited (a company incorporated in the United Kingdom) and 50.1% of The Joined Up Media Company OOO (a limited liability company incorporated in Russia). The initial cash consideration for both was £300,000. Additional consideration is payable dependent on future performance during the period to April 2014. The maximum total consideration payable is £1.2 million.

JUMC contributed £823,000 to revenue and £373,000 to profit before tax for the period between the date of acquisition and the year end.

The carrying value and the fair value of the net assets at the date of acquisition were as follows:

	Carrying value £'000	Recognised on acquisition £'000
Customer relationships	—	279
Property, plant and equipment	11	11
Trade and other receivables	340	340
Cash and cash equivalents	109	109
Trade and other payables	(195)	(197)
Deferred tax liability	—	(73)
Net assets acquired	265	469
Non-controlling interest		(234)
Goodwill arising on acquisition		337
		572

The fair value of trade and other receivables includes trade receivables with a fair value and gross contractual value of £253,000.

The goodwill is attributable to the assembled workforce, expected synergies and other intangible assets, which do not qualify for separate recognition.

Purchase consideration

	£'000
Cash	300
Deferred consideration	18
Contingent deferred consideration	254
Total purchase consideration	572

The deferred consideration was paid in March 2012. The fair value of contingent deferred consideration payable is based on forecast revenues and operating profit margins expected to be generated for the years ended 30 April 2011 to 30 April 2013. The potential range of future payments that Ebiquity plc could be required to make under the contingent consideration arrangement is between £nil and £850,000 and will be paid in cash.

Net cash outflow arising on acquisition

	£'000
Purchase consideration settled in cash	300
Cash and cash equivalents in subsidiary acquired	(109)
Net cash outflow on acquisition	191

Acquisition related costs of £41,000 were incurred and these are included within highlighted items on the Income Statement.

27. ACQUISITIONS AND DISPOSALS CONTINUED

FAULKNER MEDIA MANAGEMENT ("FMM")

On 14 October 2011, the Group acquired the entire share capital of Faulkner Media Management Pty Limited, a company incorporated in Australia. The initial cash consideration was \$4.0 million (£2.5 million). Additional consideration is payable dependent on future performance during the period to April 2014. The maximum total consideration payable is \$5.9 million (£3.7 million).

FMM contributed £1,961,000 to revenue and £285,000 to profit before tax for the period between the date of acquisition and the year end.

The carrying value and the fair value of the net assets at the date of acquisition were as follows:

	Carrying value £'000	Recognised on acquisition £'000
Customer relationships	—	928
Property, plant and equipment	234	234
Trade and other receivables	809	809
Cash and cash equivalents	211	211
Trade and other payables	(882)	(882)
Other creditors and provisions	(19)	(37)
Deferred tax liability	—	(241)
Net assets acquired	353	1,022
Goodwill arising on acquisition		2,721
		3,743

The fair value of trade and other receivables includes trade receivables with a fair value and gross contractual value of £754,000.

The goodwill is attributable to the assembled workforce, expected synergies and other intangible assets, which do not qualify for separate recognition.

Purchase consideration

	£'000
Cash	2,538
Contingent deferred consideration	1,205
Total purchase consideration	3,743

The fair value of contingent deferred consideration payable is based on forecast revenues and profit before tax margins for the years ended 30 April 2012 to 30 April 2014. The potential range of future payments that Ebiquity plc could be required to make under the contingent consideration arrangement is between \$nil and \$1,900,000 (£1,205,000) and will be paid in cash.

Net cash outflow arising on acquisition

	£'000
Purchase consideration settled in cash	2,538
Cash and cash equivalents in subsidiary acquired	(211)
Net cash outflow on acquisition	2,327

Acquisition related costs of £58,000 were incurred and these are included within highlighted items on the Income Statement.

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27. ACQUISITIONS AND DISPOSALS CONTINUED

FAIRBROTHER LENZ ELEY ("FLE")

On 12 March 2012, the Group acquired the entire share capital of FLE Holdings Limited for cash consideration of £5.0 million. Additional consideration is payable dependent on performance to 31 December 2012. The maximum total consideration payable is £11.0 million.

The FLE Group contributed £1,349,000 to revenue and £437,000 to profit before tax for the period between the date of acquisition and the year end.

The carrying value and the fair value of the net assets at the date of acquisition were as follows:

	Carrying value £'000	Recognised on acquisition £'000
Customer relationships	—	2,903
Investment in associates	4	4
Property, plant and equipment	158	63
Trade and other receivables	2,278	2,278
Cash and cash equivalents	882	882
Trade and other payables	(1,445)	(1,445)
Other creditors and provisions	—	(248)
Deferred tax liability	—	(697)
Net assets acquired	1,877	3,740
Non-controlling interest		(126)
Goodwill arising on acquisition		5,757
		9,371

The fair value of trade and other receivables includes trade receivables with a fair value of £1,693,000 and a gross contractual value of £1,711,000. The best estimate at the acquisition date of contractual cash flows not to be collected is £18,000.

The goodwill is attributable to the assembled workforce, expected synergies and other intangible assets, which do not qualify for separate recognition.

The non-controlling interest relates to FLE Holding Limited's French and Spanish subsidiaries, which are both 65% owned.

Purchase consideration

	£'000
Cash	5,000
Contingent deferred consideration	4,371
Total purchase consideration	9,371

The fair value of contingent deferred consideration payable is based on a multiple of average EBITDA forecast to be achieved by the FLE Group for the years ended 31 December 2011 and 2012. The potential range of future payments that Ebiquity plc could be required to make under the contingent consideration arrangement is between £nil and £6,000,000. Up to 25% of the contingent consideration may be settled in Ebiquity plc shares, at the discretion of Ebiquity plc.

Net cash outflow arising on acquisition

	£'000
Purchase consideration settled in cash	5,000
Cash and cash equivalents in subsidiary acquired	(882)
Net cash outflow on acquisition	4,118

Acquisition related costs of £741,000 were incurred and these are included within highlighted items on the Income Statement.

27. ACQUISITIONS AND DISPOSALS CONTINUED

OTHER ACQUISITIONS

On 14 July 2011, the Group acquired 80% of Checking Advertising Services Limited ("CAS") for cash consideration of £90,000. Contingent deferred consideration is payable based on a percentage of cost savings made in the year ended 13 July 2012, however no contingent deferred consideration has been recognised on acquisition. The acquisition resulted in goodwill of £100,000.

On 30 April 2012, the Group increased its stake in its subsidiary undertaking, Billets France SARL, from 75.5% to 95.5% for cash consideration of €413,000 (£344,000), through the issue of additional share capital.

DISPOSALS

On 30 June 2011, the Group sold the trade and assets of its UK Newslive news monitoring division for cash consideration of £167,000. A profit of £49,000 was made on the sale.

If all of the above transactions had been completed on 1 May 2011, Group revenue would have been £62,271,000 and Group operating profit before highlighted items would have been £9,087,000, before any potential synergistic benefits are taken into account.

None of the goodwill arising from the acquisitions in the year is expected to be tax deductible.

28. RELATED PARTY TRANSACTIONS

The ultimate controlling party of the Group is Ebiquity plc (incorporated in the United Kingdom). The Group has a related party relationship with its subsidiaries (Note 12), key management personnel, and with close family members of these individuals.

Transactions between the Company and its subsidiaries, or between subsidiaries, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of the Directors, who are considered to be the key management personnel of the Group, is set out in Note 5.

There were no post-employment or other long-term benefits.

TRANSACTIONS WITH ASSOCIATES

Costs of £5,700 (2011: £nil) were recharged from the Group's wholly owned subsidiary, Fairbrother Lenz Eley Limited, to the Group's 25% associate, SLK Media, from the date of acquisition of the FLE Group to the year end.

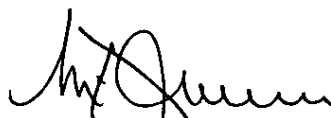

Company Balance Sheet

as at 30 April 2012

Company number: 3967525

	Note	30 April 2012 £'000	30 April 2011 £'000
Fixed assets			
Investments	4	54,185	27,712
Current assets			
Debtors	5	3,324	13,039
Derivative financial assets	9	—	38
Cash at bank and in hand		3	444
		3,327	13,521
Creditors amounts falling due within one year	6	(2,255)	(3,812)
Net current assets		1,072	9,709
Total assets less current liabilities		55,257	37,421
Creditors amounts falling due after one year	7	(18,941)	(7,271)
Provision for liabilities	8	(5,471)	(252)
Derivative financial liabilities	9	(40)	(52)
Net assets		30,805	29,846
Capital & Reserves			
Share capital	10	14,729	13,994
Share premium	12	4,233	2,666
Convertible loan note reserve	12	9,445	9,445
Other reserve	12	746	746
ESOP reserve	12	(1,590)	(1,590)
Hedging reserve	12	(40)	(14)
Profit and loss account	12	3,282	4,599
Shareholders' funds	11	30,805	29,846

The financial statements on pages 74 to 81 were approved and authorised for issue by the Board of Directors on 17 July 2012 and were signed on its behalf by



Michael Greenlees **Andrew Beach**
 Director Director

The notes on pages 75 to 81 form part of these financial statements

Notes to the Company Financial Statements

for the year ended 30 April 2012

1. ACCOUNTING POLICIES

BASIS OF PREPARATION

The separate financial statements of the Company are presented as required by the Companies Act 2006. They have been prepared under the historical cost convention except for revaluation of certain financial instruments as required by FRS 26, and in accordance with United Kingdom Accounting Standards and law.

SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are set out below.

INVESTMENTS

Investments held as fixed assets are held at cost less any provision for impairment.

Where the purchase consideration for the acquisition of an interest in a subsidiary is contingent on one or more future events, the cost of investment includes a reasonable estimate of the fair value of the amounts of consideration that are expected to be payable in the future. The cost of investment and the contingent consideration liability is adjusted until the ultimate payable is known.

SHARE-BASED PAYMENTS

The Group issues equity-settled share-based payments only. These are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, with a corresponding credit to equity, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

For share options without performance conditions, fair value is measured by use of the Black-Scholes Model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

Where share options granted to employees are subject to market and non-market based performance conditions, the fair value for these options is determined by an independent financial advisor using an approved pricing model.

In accordance with the first-time adoption exemptions available, FRS 20 has only been applied to all grants of options after 7 November 2002 that had not vested at 1 February 2005.

DEFERRED TAXATION

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

FINANCIAL INSTRUMENTS

Financial instruments are initially recorded at fair value. Detailed information in respect of financial instruments is included in the Group IFRS financial statements.

Convertible loan notes possess all the characteristics of an equity instrument and have therefore been classified as such.

Notes to the Company Financial Statements

for the year ended 30 April 2012

1. ACCOUNTING POLICIES CONTINUED

DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses derivative financial instruments to reduce its exposure to foreign exchange and interest rate movements. The Company does not hold or issue derivative financial instruments for trading purposes but derivatives that do not qualify for hedge accounting are accounted for at fair value through the profit and loss account. Derivative financial instruments are initially recognised at fair value at the contract date and continue to be stated at fair value at the balance sheet date with gains and losses on revaluation being recognised immediately in the profit and loss account.

Cash flow hedges are used to hedge against fluctuations in future cash flows on the Company's debt funding due to movements in interest rates, and on certain foreign currency trade debtor balances in the Group. When a cash flow hedge is employed, the effective portion of the change in the fair value of the hedging instrument is recognised directly in reserves (hedging reserve) until the gain or loss on the hedged item is realised. Any ineffective portion is always recognised in the profit and loss account.

The fair value of derivatives is determined by reference to market values for similar instruments.

PROVISIONS

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the year end date.

PENSION COSTS

Company contributions to personal pension schemes are charged to the profit and loss account as incurred.

FOREIGN CURRENCY TRANSACTIONS

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction was entered into. Assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial period.

All transactions involving foreign exchange gains and losses are dealt with through the profit and loss account as and when they arise.

FINANCE INCOME AND EXPENSES

Finance income and expense represents interest receivable and payable. Finance income and expense is recognised on an accruals basis, based on the interest rate applicable to each bank or loan account.

CASH FLOW STATEMENT

The Company has applied the exemption available under FRS 1 (Revised) and has not presented a cash flow statement. The cash flow statement has been presented in the Group financial statements.

RELATED PARTY TRANSACTIONS

In accordance with FRS 8 Related Party Disclosures, the Company is exempt from disclosing transactions with wholly owned entities that are part of the Ebiquity plc group, or investees of the Group, or investees of the Group qualifying as related parties, as it is a parent company publishing consolidated financial statements.

EMPLOYEE SHARE OWNERSHIP PLAN (ESOP)

As the Company is deemed to have control of its ESOP trust, it is treated as a subsidiary and consolidated for the purposes of the Group accounts. The ESOP's assets (other than investments in the Company's shares), liabilities, income and expenses are included on a line-by-line basis in the Group financial statements. The ESOP's investment in the Company's shares is deducted from shareholders' funds in the Group balance sheet as if they were treasury shares, except that profits on the sale of ESOP shares are not credited to the share premium account.

2. COMPANY RESULTS FOR THE PERIOD

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 not to present its own profit and loss account in these financial statements. The Company acts as a holding company.

The movement in reserves of the Company shows a loss of £2,632,000 (2011 profit of £5,288,000). During 2011, the Company released a provision against amounts due from subsidiaries of £7,000,000, as the debt was no longer considered unrecoverable.

3. OPERATING PROFIT

AUDITOR REMUNERATION

Fees for the audit of the Company are £2,000 (2011 £2,000). Fees paid to the Company's auditors for services other than the statutory audit of the Company are disclosed in the consolidated financial statements. The audit fees are borne by Ebiquity Associates Limited.

4. INVESTMENTS

	£'000
Cost and net book value	
At 1 May 2011	27,712
Additions	26,473
At 30 April 2012	54,185

The addition relates to the current year acquisitions of the Echo Group (£5,068,000), the FLE Group (£10,354,000) and CAS (£100,000), acquisitions in previous financial years (£40,000), the capitalisation of intercompany loans (£10,825,000), and the UITF 44 'Group and Treasury Share Transactions' adjustment (£86,000).

The Company's principal trading subsidiaries and associated undertakings are listed in Note 12 of the consolidated financial statements.

5. DEBTORS

	2012 £'000	2011 £'000
Prepayments	13	—
Other debtors	19	220
Amounts due from subsidiaries	3,292	12,819
	3,324	13,039

During the year, £10,825,000 of amounts due from subsidiaries were capitalised as an investment.

6. CREDITORS: AMOUNTS FALLING DUE WITHIN 1 YEAR

	2012 £'000	2011 £'000
Bank loans	2,245	3,721
Accruals	10	91
	2,255	3,812

Notes to the Company Financial Statements

for the year ended 30 April 2012

7. CREDITORS: AMOUNTS FALLING DUE AFTER 1 YEAR

	2012 £'000	2011 £'000
Bank loans – between 2 and 5 years	15,814	3,643
Amounts due to subsidiaries	3,127	3,628
	18,941	7,271

As part of the acquisition of FLE the Company undertook a refinancing initiative, with all bank borrowings being held jointly with Bank of Ireland and Barclays Bank. The new facility comprises a reducing term loan of £15,000,000 (of which £14,375,000 remains outstanding at 30 April 2012), and a revolving credit facility of £15,000,000 (of which £3,978,000 was the total amount drawn down at 30 April 2012), both with a maturity date of 9 March 2016. The sterling and US dollar denominated term loans are being repaid on a quarterly basis over the 4 years following drawdown and the Euro denominated term loan is repayable on the maturity of the facility. Loan costs of £294,000 are offset against the term loan, and are being amortised over the four years to maturity.

The facility bears variable interest of LIBOR plus a margin of 2.75%. The margin rate may be lowered from March 2013 to 2.50% depending on the Group's net debt to EBITDA ratio. The rate may be further lowered to 2.25% from March 2014 and 2.00% from March 2015.

The undrawn amount of the revolving credit facility is liable to a fee of 45% of the prevailing margin. The Group may elect to prepay all or part of the outstanding loan subject to a break fee, by giving 5 business days notice.

All amounts owing to the bank are guaranteed by way of fixed and floating charges over the current and future assets of the Group. As such, a composite guarantee has been given by all significant subsidiary companies.

8. PROVISIONS FOR LIABILITIES

	2012 £'000	2011 £'000
Provisions for liabilities	5,471	252
	5,471	252

Provision for liabilities relates to contingent deferred consideration expected to be payable for the acquisitions made during the year. The provision is expected to be fully utilised by August 2014.

9. DERIVATIVE FINANCIAL INSTRUMENTS

The main risks arising from the Company's financial instruments are interest rate risk and foreign exchange risk. The Company had an interest rate swap in place at the year end. Full disclosure of financial instruments is included in the consolidated financial statements (see note 26).

10. SHARE CAPITAL

	Number of shares	Nominal value £'000
Allotted, called up and fully paid		
At 1 May 2011 – ordinary shares of 25p	55,975,315	13,994
Share placing	2,850,000	713
Share options exercised	92,352	22
At 30 April 2012 – ordinary shares of 25p	58,917,667	14,729

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	2012 £'000	2011 £'000
Opening shareholders' funds	29,846	23,494
Issue of shares (net of issue costs)	2,302	40
(Loss)/profit for the financial year	(2,632)	5,288
Movement on hedging instruments	(26)	(14)
Gain on business combination under common control	372	—
Share options charge	857	460
UITF 44 adjustment	86	578
Closing shareholders' funds	30,805	29,846

The convertible loan notes were issued as part of the consideration for the acquisition of Xireme Information Services Limited on 13 April 2010. The convertible loan notes are unsecured and have the right to convert into 13,802,861 ordinary shares. The convertible loan notes attract interest equivalent to any dividends they would have received had they converted into ordinary shares, and rank pari passu with ordinary shares in the event of the winding up of the company.

The ESOP trust was created to award shares to certain employees at less than market value. The trust holds unallocated shares costing £1,600,000 (2011: £1,600,000) funded by the Company. The sponsoring company is responsible for the administration and maintenance of the trust. The number of shares held by the trust is 4,648,671 (2011: 4,648,671), all of which are under option to the employees of the Group. As at the balance sheet date, 2,275,000 of the shares in the ESOP had not vested (2011: 2,275,000).

12. RESERVES

	Share premium £'000	Convertible loan note reserve £'000	Other reserves £'000	ESOP reserve £'000	Hedging reserve £'000	Profit and loss account £'000
At 1 May 2011	2,666	9,445	746	(1,590)	(14)	4,599
Issue of shares	1,866	—	—	—	—	—
Share issue costs	(299)	—	—	—	—	—
Loss for the financial year	—	—	—	—	—	(2,632)
Movement in hedging instruments	—	—	—	—	(26)	—
Gain on business combination under common control	—	—	—	—	—	372
Share options charge	—	—	—	—	—	857
UITF 44 adjustment	—	—	—	—	—	86
At 30 April 2012	4,233	9,445	746	(1,590)	(40)	3,282

Notes to the Company Financial Statements

for the year ended 30 April 2012

13. SHARE-BASED PAYMENTS

Options outstanding at 30 April 2012

Name of share option scheme	Life of option	Exercise period	Exercise price (pence)	Weighted average exercise price	Number
EMI scheme	10 years	October 2005 – August 2021	nil – 72p	39p	2,759,145
Unapproved share option scheme – 7 January 2005	10 years	March 2007 – January 2015	nil	nil	376,764
Unapproved share option scheme – 8 September 2008	10 years	March 2010 – September 2018	25 – 37p	37p	270,270
Executive Incentive Plan – 12 May 2010	10 years	May 2011 – May 2020	35p	35p	4,200,000
Executive Incentive Plan – 6 June 2011	10 years	May 2012 – May 2021	25p	25p	800,000
					8,406,179

ENTERPRISE MANAGEMENT INCENTIVE SCHEME (EMI SCHEME)

The EMI scheme is a discretionary share option scheme, which provides that options with a value at the date of grant of up to £120,000 may be granted to employees. The EMI scheme provides a lock in incentive to key management and is also utilised to attract key staff. Rights to EMI share options lapse if the employee leaves the Company. There are no further performance conditions.

Options granted under this scheme after 13 April 2010 are not HMRC approved options as the Group is now too large to qualify under the HMRC EMI scheme rules.

UNAPPROVED COMPANY SHARE OPTION PLAN (UCSOP)

This is a discretionary scheme, which provides that options may be granted where employees are not eligible to the EMI scheme. The UCSOP provides a lock in incentive to key management. Rights to UCSOP options lapse if the employee leaves the Company.

The share options issued on 7 January 2005 and 8 September 2008 under the UCSOP scheme include an element of group performance criteria, which have been met in full.

EXECUTIVE INCENTIVE PLAN (EIP)

This is a discretionary scheme for the Directors of the Company. Vesting of the options is subject to the satisfaction of performance criteria designed to achieve growth of the business while at the same time maintaining and enhancing the underlying earnings per share over the period to 30 April 2013. The options will also vest immediately if the Group's share price averages £1.50 or greater for any 14 days during a six month period.

1,050,000 of the options granted on 12 May 2010 vested immediately and a further 875,000 had revenue based performance targets that have now been met in full. The remaining options granted under the EIP scheme have earnings per share targets, with the minimum EPS target having to be satisfied before any of the shares can vest. The minimum EPS target for all options is 7p, with shares vesting on a sliding scale up to the maximum EPS target of 9p. All vested shares must be retained for a minimum of 12 months after vesting before they can be sold.

In June 2011, 800,000 outstanding options issued under the Unapproved company share option plan on 8 September 2008 with an exercise price of 25p were cancelled, and a total of 800,000 new options were awarded under the EIP scheme in their place with an exercise price of 25p. The issue of these shares has been treated as a modification. The issue of these shares has been treated as a modification. All of the options share the EPS targets above.

13. SHARE-BASED PAYMENTS CONTINUED

The following share options were outstanding at 30 April 2012 and 30 April 2011

	30 April 2012		30 April 2011	
	Number of share options	Weighted average exercise price (pence)	Number of share options	Weighted average exercise price (pence)
Outstanding at beginning of period	7,845,390	33	6,654,128	27
Granted during the period	1,462,341	34	4,571,487	37
Cancelled during the period	(800,000)	25	(3,150,000)	25
Exercised during the period	(92,352)	38	(102,911)	37
Forfeited during the period	(9,200)	127	(127,314)	52
Outstanding at the end of the period	8,406,179	34	7,845,390	33
Exercisable at the end of the period	6,441,693	32	3,705,971	29

The weighted average share price on the dates of exercise for options exercised during the year was 79p (2011 76p)

The options outstanding at the end of the period have a weighted average remaining contractual life of 4.5 years (2011 5.2 years), with a range of exercise prices being between nil and 72p. Options exercised in the year resulted in 92,352 shares (2011 102,991 shares) being issued at a weighted average price of 38p each (2011 37p)

During the period, share options were granted with a weighted average fair value of 45p (2011 35p). These fair values (with the exception of options that are subject to market based performance conditions and nil-cost options) were calculated using the Black-Scholes model with the following inputs:

	30 April 2012	30 April 2011
Weighted average share price	72p	66p
Exercise price	25p to 72p	35p to 65p
Expected volatility ¹	40%	40%
Vesting period	1 to 3 years	1 to 3 years
Risk-free interest rates	0.8%	2%

¹ Expected volatility is based on historical volatility of the Company over the period commensurate with the expected life of the options

There are no expected dividends

Notice of Meeting

Ebiquity plc
(Registered in England No 3967525)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Ebiquity plc (the "Company") will be held at 2nd Floor, The Registry, Royal Mint Court, London, EC3N 4QN, at 10.00 a.m. on 5 September 2012 to consider and, if thought fit, pass resolutions 1 to 9 as ordinary resolutions and resolutions 10 and 11 as special resolutions

ORDINARY RESOLUTIONS

- 1 To receive and adopt the Annual Report and Accounts for the year ended 30 April 2012
- 2 That Jeffrey Stevenson, who retires by rotation pursuant to Article 110 of the Company's Articles of Association and who, being eligible, offers himself for re-election, be re-elected as a Director
- 3 That Christopher Russell, who retires by rotation pursuant to Article 110 of the Company's Articles of Association and who, being eligible, offers himself for re-election, be re-elected as a Director
- 4 That Stephen Thomson, who retires by rotation pursuant to Article 110 of the Company's Articles of Association and who, being eligible, offers himself for re-election, be re-elected as a Director
- 5 That Andrew Beach, who retires by rotation pursuant to Article 110 of the Company's Articles of Association and who, being eligible, offers himself for re-election, be re-elected as a Director
- 6 That BDO LLP be reappointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next General Meeting at which accounts are laid before the Company
- 7 To authorise the Directors to determine the remuneration of the Auditors
- 8 That in accordance with section 366 of the Companies Act 2006, the Company and all companies which are subsidiaries of the Company at any time during the period for which this resolution has effect be and are hereby authorised (a) to make political donations to political parties, (b) to make political donations to political organisations other than political parties, and/or (c) to incur political expenditure in a total aggregate amount not exceeding £10,000, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company in 2013 or 15 months following the passing of this resolution, whichever is the earlier. For the purposes of this resolution, the terms 'political donation', 'political parties', 'political organisation' and 'political expenditure' have the meanings given by sections 363 to 365 of the Companies Act 2006
- 9 That in accordance with section 551 of the Companies Act 2006, the Directors of the Company be generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company, up to an aggregate nominal amount of £6,018,672

Provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may, before such expiry, make offers or agreements which would or might require shares to be allotted, or any such rights to be granted, after such expiry, and the Directors of the Company may allot shares or grant any such rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired

The authority granted to the Company shall replace all unexercised authorities previously granted to the Directors of the Company to allot shares or grant rights to subscribe for or to convert any security into shares but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities

SPECIAL RESOLUTIONS

10 That subject to the passing of resolution 9 set out in the notice of the meeting at which this resolution is considered, and pursuant to sections 570 and 573 of the Companies Act 2006, the Directors of the Company be given the general power to allot equity securities (as defined by section 560 of the Companies Act 2006) for cash pursuant to the authority conferred by resolution 9 or by way of a sale of treasury shares, as if section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited to

- i) the allotment of equity securities in connection with an offer by way of a rights issue
 - i) to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings, and
 - ii) to holders of other equity securities as required by the rights of those securities or as the directors of the Company otherwise consider necessary,

but subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange, and

- ii) the allotment (otherwise than pursuant to paragraph i) above) of equity securities of up to an aggregate nominal amount of £1,823,840

The power granted by this resolution 10 shall, unless renewed, varied or revoked by the Company, expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the directors of the Company may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired

In respect of this resolution 10, the authority granted to the Company shall replace all unexercised powers previously granted to the directors of the Company to allot equity securities as if either section 89(1) of the Companies Act 1985 or section 561(1) of the Companies Act 2006 did not apply, but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities

11 THAT the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of ordinary shares of £0.25 each provided that

- i) The maximum aggregate number of shares that may be purchased is 2,957,537,
- ii) The minimum price (excluding expenses) which may be paid for each share is £0.25,
- iii) The maximum price (excluding expenses) which may be paid for each share is 105 per cent of the average market value of a share in the Company for the five business days prior to the day the purchase is made,
- iv) The authority conferred by this resolution shall expire at the conclusion of the Company's next Annual General Meeting save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase shares which will or may be executed wholly or partly after the expiry of such authority

By order of the Board
Andrew Watkins
Company Secretary
10 August 2012

Registered Office
2nd Floor, The Registry
Royal Mint Court
London
EC3N 4QN

Notice of Meeting

Ebiquity plc
(Registered in England No 3967525)

NOTES:

- (i) Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A Shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company. A member may appoint two or more persons as proxies to exercise the rights attached to the same shares in the alternative, but if he/she shall do so, only one such proxy may attend and vote in respect of the shares. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.
- (ii) To be valid for the meeting or adjourned meeting (as the case may be), a proxy form, duly completed, and any power of attorney or other authority, if any, under which it is signed, or a notarially certified copy or office copy of such prior authority, or a copy of such power certified in accordance with the Power of Attorney Act 1971, must be deposited at the Company's registered office, Ebiquity plc, 2nd Floor, The Registry, Royal Mint Court, London, EC3N 4QN, or sent electronically to companysecretary@ebiquity.com no later than 48 hours in advance of the meeting.
- (iii) The return of a completed proxy form, or other such instrument, will not prevent a Shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
- (iv) In the case of joint members, the signature of the first named in the register of members in respect of the holding will be accepted to the exclusion of the votes of the other joint holders.
- (v) In accordance with Section 360B of the Companies Act 2006 and Regulation 41 of the Uncertificated Securities Regulations 2001, only those Shareholders entered on the Company's register of members as at 6.00pm on 3 September 2012 (or 6pm on the date two days before any adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes to entries on the register after 6.00pm on 3 September 2012 (or 6pm on the date two days before any adjourned meeting) shall be disregarded in determining the rights of any persons to attend or vote at the meeting.
- (vi) As at 6 August 2012 (being the last practicable day prior to the publication of this Notice of Annual General Meeting) the Company's issued share capital consists of 59,150,742 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 6 August 2012 are 59,150,742.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 to 9 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 10 and 11 are proposed as special resolutions. This means that for these resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

RESOLUTION 1: ANNUAL REPORT AND ACCOUNTS FOR THE YEAR

The Directors will present to Shareholders at the Annual General Meeting the Annual Report and Accounts for the year ended 30 April 2012 together with the independent Auditor's report on those accounts.

RESOLUTIONS 2 TO 5: RE-ELECTION OF DIRECTORS

Jeffrey Stevenson, Christopher Russell, Stephen Thomson and Andrew Beach will submit themselves for re-election by rotation pursuant to the Articles of Association.

Biographical details of each of the Directors are contained on pages 20 and 21 of the Company's Annual Report and Accounts for the year ended 30 April 2012.

Shareholders should note that the sale and purchase agreement dated 26 March 2010 pursuant to which the Company acquired

Xtreme Information Services Limited from certain funds managed by VSS provides that those funds have the right (on the basis of their current holding of shares in the Company) to nominate two Directors to the Board of the Company. The Company is required to give effect to such nominations as soon as practicable and in any event within five business days of the date of nomination. Jeffrey Stevenson and Christopher Russell are the current nominees of the VSS funds. Shareholders should note that in the event that either or both of Jeffrey Stevenson and/or Christopher Russell are not re-elected, the VSS funds would be entitled to nominate a replacement director(s) and that Jeffrey Stevenson and/or Christopher Russell could be nominated.

RESOLUTION 6: RE-APPOINTMENT OF THE AUDITORS

The Directors are proposing the re-appointment of BDO LLP as auditors to the Company.

RESOLUTION 7: AUDITORS' REMUNERATION

It is normal practice for a Company's Directors to be authorised to fix the Auditors' remuneration and Shareholders' approval to do so is sought in this resolution.

RESOLUTION 8: POLITICAL DONATIONS

Neither the Company nor any of its subsidiaries have made any donations to political parties in the European Union ("EU") in 2011/12 and it is the Company's current policy not to do so. However, the Political Parties, Elections and Referendums Act 2000 (the "Act") defines EU political organisations very widely and, as a result, in certain circumstances donations intended for charitable or similar purposes may now be regarded as political in nature.

In order to comply with these obligations and to avoid any inadvertent infringement of the Act, the Directors of the Company consider it prudent to seek Shareholders' approval for a general level of donation. Resolution 8 seeks authority for the Company to make donations to EU political organisations or to incur EU political expenditure not exceeding £10,000 in total during the period from the date of the Annual General Meeting, until the conclusion of the Annual General Meeting held in 2013, or, if earlier, 15 months after the date of the passing of this resolution.

RESOLUTION 9: AUTHORITY TO ALLOT SHARES

This resolution is to renew the general authority to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company, up to an aggregate nominal amount of £6,018,672. The Directors have no present intention to use this authority which will expire at the end of the Annual General Meeting to be held in 2013. It is the Directors' intention to seek renewal of this authority annually.

RESOLUTION 10: ALLOTMENT OF SHARES FOR CASH

If equity securities (as defined by section 560 of the Companies Act 2006) are to be allotted and are to be paid for in cash, section 561(1) of that Act requires that those new equity securities are offered in the first instance to existing shareholders in proportion to the number of ordinary shares they each hold at that time. The entitlement to be offered the new shares first is known as 'pre-emption rights'.

There may be circumstances, however, when it is in the interests of the Company for the Directors to be able to allot some new shares for cash other than by way of a pre-emptive offer to existing Shareholders. This cannot be done under the Companies Act 2006 unless the Shareholders have first waived their pre-emption rights. This also applies to the sale of any shares held by the Company in treasury for cash. Resolution 10 asks Shareholders to do this, but only for equity securities having a maximum aggregate nominal value of £1,823,840 (which include the sale of any treasury shares) which is equivalent to approximately 10% of the Company's issued ordinary share capital plus convertible loan notes as at the date of this notice. If the Directors wish, other than by a pre-emptive offer to existing Shareholders, to allot for cash new shares which would exceed this limit they would first have to request the Shareholders to waive their pre-emption rights in respect of the new shares which exceed it.

There are legal, regulatory and practical reasons why it may not always be possible to issue new shares under a pre-emptive issue to some shareholders, particularly those resident overseas. To cater for this, resolution 10, authorising the Directors to allot the new shares by way of pre-emptive issue, also permits the Directors to make appropriate exclusions or arrangements to deal with such difficulties.

The authority conferred by this resolution will expire at the conclusion of the Company's Annual General Meeting in 2013. It is the Directors' intention to seek the renewal of this authority annually.

Notice of Meeting

Ebiquity plc
(Registered in England No 3967525)

RESOLUTION 11: PURCHASE OF OWN SHARES

This resolution seeks authority for the Company to make market purchases of its own ordinary shares and is proposed as a special resolution. If passed, the resolution gives authority for the Company to purchase up to 2,957,537 of its ordinary shares, representing 5 per cent of the Company's issued ordinary share capital.

The resolution specifies the minimum and maximum prices which may be paid for any ordinary shares purchased under this authority. The authority will expire at the conclusion of the Company's Annual General Meeting in 2013.

The directors do not currently have any intention of exercising the authority granted by this resolution. The directors will only exercise the authority to purchase ordinary shares where they consider that such purchases will be in the best interests of Shareholders generally and will result in an increase in earnings per ordinary share.

The Company may either cancel any shares it purchases under this authority or transfer them into treasury (and subsequently sell or transfer them out of treasury or cancel them).

On 6 August 2012, the total number of options to subscribe for ordinary shares in the Company amounted to 3,552,489 (excluding the 13,802,861 shares issuable on full conversion of the VSS convertible loan note and excluding options issued by the Company's employee benefit trust where the employee benefit trust is holding shares to satisfy these options). This represented 6.0 per cent of the Company's issued ordinary share capital on that date. If this authority to purchase shares was exercised in full the options would represent 6.3 per cent of the issued ordinary share capital as at 6 August 2012 (excluding the 13,802,861 shares issuable on full conversion of the VSS convertible loan note and excluding options issued by the Company's employee benefit trust where the employee benefit trust is holding shares to satisfy these options).

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, which are available for inspection during normal business hours at the registered office of the Company on any business day until the date of the meeting, will also be available for inspection at the place of the Annual General Meeting during the meeting and for at least fifteen minutes prior to the meeting:

- Copies of the executive directors' service contracts
- Copies of letters of appointment of the non-executive directors
- A copy of the Company's Articles of Association

RECOMMENDATION

The Directors consider that all the resolutions set out in the notice of Annual General Meeting are in the best interests of the Company and its Shareholders as a whole and recommend that you vote in favour of each of these resolutions, as each of the Directors intends to do in respect of his own beneficial holding of shares in the Company.

Form of Proxy

Ebiquity plc

(Registered in England No 3967525 and hereinafter referred to as 'the Company')

Form of proxy for use at the Annual General Meeting to be held at 2nd Floor, The Registry, Royal Mint Court, London EC3N 4QN on 5 September 2012 at 10 00 a m

I/We

(FULL NAME IN BLOCK LETTERS PLEASE)

Of

(ADDRESS IN BLOCK LETTERS PLEASE)

being a member/members of the Company entitled to attend and vote at general meetings of the Company, hereby appoint the Chairman of the Meeting or

(Please enter name of proxy and delete 'Chairman of the Meeting', if required) (see Note 1)

as my/our proxy, to vote for me/us and on my/our behalf as indicated below at the aforementioned Annual General Meeting of the Company and at any adjournment thereof

Please tick how you wish your votes to be cast on the resolutions Unless otherwise directed, the proxy will vote or abstain from voting at his discretion in respect of the member's total holding on the resolutions or any amendment thereon or on any other business transacted at the meeting

Resolution	For	Against	Vote withheld	Discretionary
1 To receive and approve the Audited Annual Report and Accounts for the year ended 30 April 2012				
2 To re-elect Jeffrey Stevenson				
3 To re-elect Christopher Russell				
4 To re-elect Stephen Thomson				
5 To re-elect Andrew Beach				
6 To re-appoint BDO LLP as Auditors				
7 To authorise the Directors to determine the remuneration of the Auditors				
8 To authorise political donations to political parties				
9 To authorise Directors to allot shares and grant rights to subscribe for Ordinary Shares				
10 To authorise the Directors of the Company to allot equity securities on a non-pre-emptive basis up to an aggregate nominal value of £1,823,840				
11 To authorise the Company to purchase up to 2,957,537 of its Ordinary Shares				

* To abstain from voting on a resolution, tick the box "vote withheld" A "vote withheld" is not a vote in law which means that the vote will not be counted in the calculation of votes "for" and "against" the resolution Ticking "Discretionary", or failing to tick any box against a resolution, will mean your proxy can vote as he or she wishes or can decide not to vote at all

Date

Signature or Common Seal

Form of Proxy

Ebiquity plc

(Registered in England No 3967525 and hereinafter referred to as 'the Company')

NOTES

- 1 A member entitled to attend and vote at the meeting is entitled to appoint a proxy (who need not be a member of the Company) to attend, speak for and to vote instead of him/her
- 2 To be valid for the meeting or adjourned meeting (as the case may be), this proxy form, duly completed, and any power of attorney or other authority, if any, under which it is signed, or a notarially certified copy or office copy of such prior authority, or a copy of such power certified in accordance with the Power of Attorney Act 1971 must be deposited at the Company's registered office, Ebiquity plc, 2nd Floor, The Registry, Royal Mint Court, London, EC3N 4QN, or sent electronically to companysecretary@ebiquity.com no later than 48 hours in advance of the meeting. Completion and return of the proxy form will not preclude a shareholder from attending and voting at the meeting or adjourned meeting (as the case maybe) if he/she so wishes
- 3 In the case of an individual, this proxy form should be signed by the appointor or his or her attorney. In the case of a company, this proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer or attorney of the company
- 4 In the case of joint members, the signature of the first named in the register of members in respect of the holding will be accepted to the exclusion of the votes of the other joint holders
- 5 Any alterations made to this form should be initialled



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Data-driven insights

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