

media

sponsorship

advertising intelligence

effectiveness

reputation & PR

media technology

digital

ebiquity

Data-driven insights

Ebiquity Plc Annual report and accounts for the year ended 30 April 2011

Stock code: EBQ

Providing data-driven insights to continuously improve media and marketing performance

Ebiquity provides independent data-driven insights to the global media and marketing community to continuously improve our clients' business performance.

Formed by the coming together of a number of businesses including Billetts, Xtreme Information, Thomson Media Control and Echo Research, we provide an unrivalled combination of data, systems and insights to help our clients continuously improve their efficiency and effectiveness. This is possible because we capture, organise and analyse vast amounts of data across our specialist areas, we are truly independent from the transaction process, and we have highly skilled teams of experts in their markets.

We currently work with over 900 clients in 60 markets worldwide, including 85 of the top 100 global advertisers, all the major advertising agency groups, and a number of other businesses. These clients are increasingly turning to us to meet their demands for greater accountability and greater understanding in a marketing landscape that is changing rapidly.

Ebiquity employs over 600 people across the world. We have 15 offices in 8 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.

Consolidated Income Statement

for the year ended 30 April 2011

	Note	Year ended 30 April 2011			Year ended 30 April 2010		
		Before highlighted items £'000	Highlighted items (note 3) £'000	Total £'000	Before highlighted items £'000	Highlighted items (note 3) £'000	Total £'000
Revenue		44,165	—	44,165	21,218	—	21,218
Cost of sales		(19,366)	—	(19,366)	(9,620)	—	(9,620)
Gross profit		24,799	—	24,799	11,598	—	11,598
Administrative expenses		(19,501)	(6,546)	(26,047)	(8,955)	(2,186)	(11,141)
Operating profit/(loss)	4	5,298	(6,546)	(1,248)	2,643	(2,186)	457
Finance income	6	2	—	2	14	—	14
Finance expenses	6	(530)	—	(530)	(152)	(214)	(366)
Net finance costs		(528)	—	(528)	(138)	(214)	(352)
Share of loss of associates	13	—	—	—	(5)	—	(5)
Profit/(loss) before taxation		4,770	(6,546)	(1,776)	2,500	(2,400)	100
Taxation (charge)/credit	7	(1,440)	1,696	256	(290)	359	69
Profit/(loss) for the year		3,330	(4,850)	(1,520)	2,210	(2,041)	169
Attributable to:							
Equity holders of the parent		3,353	(4,786)	(1,433)	2,210	(2,041)	169
Non-controlling interests		(23)	(64)	(87)	—	—	—
		3,330	(4,850)	(1,520)	2,210	(2,041)	169
Earnings/(loss) per share							
Basic	8			(2.15)p			0.50p
Diluted	8			(2.15)p			0.46p
Underlying basic ¹	8			6.32p			6.03p
Underlying diluted ¹	8			6.02p			5.55p

¹ Underlying basic and diluted earnings per share are calculated based on profit for the year adjusted for highlighted items and deferred tax (Note 8).

The notes on pages 37 to 72 form part of these financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 30 April 2011

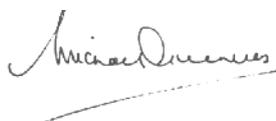
	Year ended 30 April 2011 £'000	Year ended 30 April 2010 £'000
(Loss)/profit for the year	(1,520)	169
Other comprehensive income:		
Exchange differences on translation of overseas subsidiaries	112	45
Movement in valuation of hedging instruments	(14)	—
Total comprehensive (loss)/profit for the year	(1,422)	214
Attributable to:		
Equity holders of the parent	(1,335)	214
Non-controlling interests	(87)	—
	(1,422)	214

Consolidated Statement of Financial Position

as at 30 April 2011

	Note	30 April 2011 £'000	Restated 30 April 2010 £'000
Non-current assets			
Goodwill	9	31,457	30,235
Other intangible assets	10	8,911	9,983
Property, plant & equipment	11	2,623	2,044
Investment in associates	13	—	12
Deferred tax asset	20	1,063	670
Total non-current assets		44,054	42,944
Current assets			
Loans and other financial assets	14	238	679
Trade & other receivables	15	14,446	11,279
Cash & cash equivalents	16	3,158	5,243
Total current assets		17,842	17,201
Total assets		61,896	60,145
Current liabilities			
Other financial liabilities	17	(3,742)	(2,077)
Trade & other payables	18	(6,330)	(4,922)
Current tax liabilities		(268)	(425)
Provisions	19	(1,007)	(650)
Accruals & deferred income		(12,736)	(11,815)
Total current liabilities		(24,083)	(19,889)
Non-current liabilities			
Other financial liabilities	17	(3,724)	(5,627)
Provisions	19	(867)	(855)
Deferred tax liability	20	(2,171)	(2,608)
Total non-current liabilities		(6,762)	(9,090)
Total liabilities		(30,845)	(28,979)
Total net assets		31,051	31,166
Capital & reserves			
Share capital	22	13,994	12,918
Share premium	23	2,666	2,259
Convertible loan note reserve	23	9,445	9,445
Merger reserve	23	3,667	3,667
ESOP reserve	23	(1,590)	(120)
Hedging reserve	23	(14)	—
Translation reserve	23	40	(72)
Retained earnings	23	2,817	3,069
Capital and reserves attributable to the equity holder of the parent		31,025	31,166
Non-controlling interests		26	—
Total equity		31,051	31,166

The financial statements on pages 32 to 72 were approved and authorised for issue by the Board of Directors on 26 July 2011 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 2011

	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 2009		8,035	1,846	—	(4,504)	(120)	—	(117)	4,287	9,427	—	9,427
Adjustment to prior period ¹		—	—	—	—	—	—	—	(1,767)	(1,767)	—	(1,767)
1 May 2009 restated		8,035	1,846	—	(4,504)	(120)	—	(117)	2,520	7,660	—	7,660
Total comprehensive income for the year		—	—	—	—	—	—	45	169	214	—	214
Shares issued for cash	22	344	433	—	—	—	—	—	—	777	—	777
Share issue costs		—	(20)	—	—	—	—	—	—	(20)	—	(20)
Acquisition of subsidiaries	22	4,539	—	9,662	8,171	—	—	—	—	22,372	—	22,372
Loan note issue costs		—	—	(217)	—	—	—	—	—	(217)	—	(217)
Share options charge	24	—	—	—	—	—	—	—	308	308	—	308
Deferred tax on share options	20	—	—	—	—	—	—	—	72	72	—	72
30 April 2010		12,918	2,259	9,445	3,667	(120)	—	(72)	3,069	31,166	—	31,166
Total comprehensive income for the year		—	—	—	—	—	(14)	112	(1,433)	(1,335)	(87)	(1,422)
Shares issued for cash	22	1,076	432	—	—	(1,470)	—	—	—	38	—	38
Acquisition of subsidiaries		—	—	—	—	—	—	—	—	—	113	113
Share options charge	24	—	—	—	—	—	—	—	1,038	1,038	—	1,038
Reclassification		—	(25)	—	—	—	—	—	25	—	—	—
Deferred tax on share options	20	—	—	—	—	—	—	—	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

¹ Retained earnings at 1 May 2009 and 30 April 2010 have been restated, see note 1 for details.

Consolidated Cash Flow Statement

for the year ended 30 April 2011

	Note	Year ended 30 April 2011 £'000	Year ended 30 April 2010 £'000
Cash flows from operating activities			
(Loss)/profit before taxation		(1,776)	100
Adjustments for:			
Depreciation	11	933	352
Amortisation	10	1,757	582
Capitalised development costs write off	10	—	49
Unrealised foreign exchange loss		21	194
Share option charges	3	1,038	308
Finance income	6	(2)	(14)
Finance expenses	6	530	366
Call/put options		51	(21)
Share of loss of associates	13	—	5
		2,552	1,921
Increase in trade & other receivables		(2,470)	(1,354)
Increase in trade & other payables		1,593	2,306
(Decrease)/increase in provisions		(245)	370
Cash generated from operations		1,430	3,243
Net finance expenses paid		(339)	(271)
Income taxes paid		(757)	(551)
Net cash from operating activities		334	2,421
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		(898)	(326)
Purchase of property, plant & equipment		(1,260)	(164)
Purchase of intangible assets	10	(77)	(135)
Repayment of loan to associates		—	66
Finance income		2	14
Net cash used in investing activities		(2,233)	(545)
Cash flows from financing activities			
Proceeds from issue of share capital (net of issue costs)		38	750
Proceeds from long-term borrowings		1,750	8,000
Repayment of bank loans		(1,982)	(5,884)
Bank loan fees paid		(26)	(406)
Bank securities released/(paid)		100	(100)
Loan note issue costs		—	(217)
Repayment of finance leases		(21)	—
Net cash flow from financing activities		(141)	2,143
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(2,040)	4,019
Effect of unrealised foreign exchange losses		(45)	(22)
Cash, cash equivalents and bank overdraft at beginning of period	16	5,243	1,246
Cash, cash equivalents and bank overdraft at end of period	16	3,158	5,243

Notes to the Consolidated Financial Statements

for the year ended 30 April 2011

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 are set out below.

CHANGES IN ACCOUNTING POLICIES

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 May 2010.

IFRS 3 (revised), 'Business Combinations'. The revised standard made significant changes to the treatment of acquisition costs and deferred contingent consideration relating to an acquisition. The revised standard has been applied prospectively to business combinations for which the acquisition date was on or after 1 May 2010. As a consequence of the adoption of the standard, all acquisition related transaction costs are now recorded in the Income Statement as highlighted items. Contingent consideration relating to acquisitions is measured at fair value at the acquisition date with any subsequent revisions to these estimates being recorded in the Income Statement as highlighted items. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Acquisitions completed prior to 1 May 2010 continue to be accounted for under the previous version of IFRS 3, with subsequent adjustments to the fair value of deferred contingent consideration being taken to Goodwill.

IAS 27 (amendment), 'Consolidated and Separate Financial Statements'. This revised standard no longer restricts the allocation to non-controlling interests of losses incurred by a subsidiary to the amount of the non-controlling equity investment in the subsidiary. Any partial acquisition or disposal of equity interest in a subsidiary that does not result in a gain or loss of control will be accounted for as an equity transaction and will not impact goodwill or give rise to any gain or loss. When control is lost, any remaining interest is remeasured to fair value, and a gain or loss is recognised in the Income Statement. The revision does not require the restatement of previous transactions and has had no effect on the current financial year.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 May 2010, but have no impact on the Group:

- IFRS 2, 'Group cash-settled share-based payment transaction'
- IFRS 5, 'Non-Current Assets Held for Sale and Discontinued Operations'
- IAS 1, 'Presentation of financial statements'
- IAS 38, 'Intangible Assets'
- IAS 39, 'Financial Instruments: Recognition and Measurement'
- IFRIC 17, 'Distributions of non-cash assets to owners'
- IFRIC 18, 'Transfers of assets from customers'

CHANGE IN APPLICATION OF ACCOUNTING POLICIES

As reported in our Chief Executive's statement, the balance of our Analytics business has changed in recent years and international contracts are becoming more significant. This has often brought an increased level of complexity which has prompted the Board to thoroughly review the Group's application of its existing accounting policies, particularly in relation to revenue recognition, to ensure that they are still appropriate.

Notes to the Consolidated Financial Statements

for the year ended 30 April 2011

1. ACCOUNTING POLICIES CONTINUED

In prior periods, revenue from media reviews has been recognised on a straight-line basis over the specified period of the media being analysed, unless there was evidence that some other method better represented the stage of completion of the contract.

Increasingly, however, activity is being performed outside of this media analysis period. In light of their review, the Board have reassessed the application of the revenue recognition policy and have decided that a more appropriate approach is to delay the recognition of the revenue earned so that it more precisely follows the allocation of the resources deployed. This has resulted in a marginal shift in the recognition period on certain renewable Analytics contracts, typically by up to three months. Whilst the adjustment has an insignificant impact on revenue, profits and earnings per share in the years ending 30 April 2010 and 30 April 2011 (no profit restatement being necessary in either year), it has resulted in a restatement of the opening Statement of Financial Position as at 1 May 2009 in accordance with IAS 8. Specifically, the prior year opening reserves and net assets as at 1 May 2009 and 30 April 2010 have been reduced by £1.8 million, with a reduction in accrued income of £1.2 million and an increase in deferred income of £0.6 million.

Following a restatement, a Consolidated Statement of Financial Position as at the beginning of the earliest comparative period presented would ordinarily be required by IAS 1, "Presentation of financial statements". However, given that the nature of the restatement has been fully disclosed above and its impact is solely on net assets as at 1 May 2009 with no impact on the overall consolidated profit for the year ended 30 April 2010 or the Consolidated Statement of Financial Position as at 30 April 2010, the Directors do not believe that the inclusion of an additional Consolidated Statement of Financial Position as at 30 April 2009 would provide any additional useful information. Accordingly, a third Statement of Financial Position has not been presented in these financial statements.

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 into 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.

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.

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 media monitoring, news and vouching subscription, and in accordance with the stage of completion of the contract activity for consultancy income.

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.

Notes to the Consolidated Financial Statements

for the year ended 30 April 2011

1. ACCOUNTING POLICIES CONTINUED

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.

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.

1. ACCOUNTING POLICIES CONTINUED

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.

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
Plant and equipment	Straight line over 3–10 years

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 and database content.

Notes to the Consolidated Financial Statements

for the year ended 30 April 2011

1. ACCOUNTING POLICIES CONTINUED

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.

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.

1. ACCOUNTING POLICIES CONTINUED

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.

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.

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.

Notes to the Consolidated Financial Statements

for the year ended 30 April 2011

1. ACCOUNTING POLICIES CONTINUED

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.

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 and share price volatility.

PROVISIONS

The Group has recorded provisions 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.

The Group also 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.

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. It is not expected to have a material impact on the Group's financial statements.

IFRS 9, 'Financial Instruments: Classification and Measurement' (effective on or after 1 January 2013). 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 2013.

IAS 24 (revised), 'Related Party Disclosures' (effective on or after 1 January 2011). This revision modifies the definition of a related party. The Group will apply IAS 24 (revision) from 1 May 2011. It is not expected to have a material impact on the Group's financial statements.

IFRIC 19, 'Extinguishing Financial Liabilities with Equity Instruments' (effective on or after 1 July 2010). This interpretation provides guidance on accounting for the extinguishment of a financial liability by the issue of equity instruments. The Group will apply IFRIC 19 from 1 May 2011. It is not expected to have a material impact on the Group's financial statements.

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 and marketing effectiveness consultancy, 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.

Notes to the Consolidated Financial Statements

for the year ended 30 April 2011

2. SEGMENTAL REPORTING CONTINUED

The segment information provided to the Executive Directors for the reportable segments for the year ended 30 April 2011 is as follows:

YEAR ENDED 30 APRIL 2011

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

YEAR ENDED 30 APRIL 2010

	Analytics £'000	Platform £'000	Unallocated £'000	Total £'000
Revenue	15,197	6,021	—	21,218
Operating profit before highlighted items	7,603	1,284	(6,244)	2,643
Total assets*	15,056	39,339	5,750	60,145
Other segment information				
Capital expenditure — property, plant and equipment	15	4	145	164
Capital expenditure — intangible assets	242	7,600	—	7,842
Capital expenditure — goodwill	205	21,276	—	21,481
Total	462	28,880	145	29,487

* Total assets for the Analytics division have been restated at 30 April 2010, see note 1 for details.

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

	Year ended 30 April 2011 £'000	Year ended 30 April 2010 £'000
Segment operating profit before highlighted items	14,862	8,887
Unallocated costs:		
Staff costs	(5,142)	(3,365)
Property costs	(1,765)	(942)
Exchange rate movements	(145)	(257)
Other administrative expenses	(2,512)	(1,680)
Operating profit before highlighted items	5,298	2,643
Highlighted items (note 3)	(6,546)	(2,186)
Operating (loss)/profit	(1,248)	457
Net finance costs	(528)	(352)
Share of loss of associates	—	(5)
(Loss)/profit before tax	(1,776)	100

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

2. SEGMENTAL REPORTING CONTINUED

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

	2011 £'000	2010 £'000
Total assets for reportable segments	57,203	54,395
Unallocated amounts:		
Property, plant and equipment	1,848	581
Trade and other receivables	1,268	865
Cash and cash equivalents	686	3,356
Deferred tax asset	879	584
Other unallocated amounts	12	352
Investments in associates	—	12
Total assets	61,896	60,145

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

	Year ended 30 April 2011		Year ended 30 April 2010	
	Revenue by location of customers £'000	Non-current assets £'000	Revenue by location of customers £'000	Non-current assets £'000
United Kingdom	17,732	35,401	15,040	35,249
Rest of Europe	12,732	5,132	1,515	3,338
North America	10,284	706	3,394	127
Rest of world	3,417	1,752	1,269	3,560
Total	44,165	42,991	21,218	42,274

Non-current assets exclude deferred tax assets.

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

Notes to the Consolidated Financial Statements

for the year ended 30 April 2011

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 2011			Year ended 30 April 2010		
	Cash £'000	Non-cash £'000	Total £'000	Cash £'000	Non-cash £'000	Total £'000
Administrative Expenses						
Recurring:						
Share based expenses	—	1,038	1,038	—	308	308
Amortisation of purchased intangibles	—	1,549	1,549	—	412	412
	—	2,587	2,587	—	720	720
Non-recurring:						
Integration costs	1,550	—	1,550	212	—	212
Severance costs	1,405	—	1,405	1,132	—	1,132
Property costs	421	301	722	—	122	122
Acquisition costs	282	—	282	—	—	—
	3,658	301	3,959	1,344	122	1,466
Total highlighted items						
— administrative expenses	3,658	2,888	6,546	1,344	842	2,186
Acquisition finance costs	—	—	—	214	—	214
Total highlighted items	3,658	2,888	6,546	1,558	842	2,400

Amortisation of purchased intangibles relates to acquisitions made in the current and previous financial year of £1,130,000 and to acquisitions made prior to this of £419,000.

Integration costs relate to project management and advice (£543,000), post completion professional fees (£238,000), rebranding of the Xtreme and Billetts trade names (£93,000), client portal integration (£160,000), temporary staff used during the integration (£278,000) and other related costs (£238,000).

Severance costs relate to UK senior management and support function de-duplication (£917,000), redundancy costs associated with the merger of our data processing centres in the UK (£442,000), and redundancy costs associated with the reorganisation of our offices in France (£46,000).

Property costs represent the future onerous lease costs of vacating certain office space during the restructuring process, less anticipated sub-lease rental income (£301,000) and the cost of relocating offices (£421,000).

Acquisition costs represent professional fees incurred in relation to acquisitions (£339,000) and adjustments to the fair value of deferred consideration liabilities (credit of £57,000), in line with IFRS 3 'Business Combinations'.

As at 30 April 2011, £3,155,000 of the £3,658,000 had been settled in cash.

4. OPERATING PROFIT/LOSS

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

	Year to 30 April 2011 £'000	Year to 30 April 2010 £'000
Operating lease rentals		
— motor vehicles	77	20
— land and buildings	1,377	520
Depreciation — owned assets	916	351
Depreciation — leased assets	17	1
Amortisation of capitalised development costs	208	170
Amortisation of purchased intangible assets	1,549	412
Development costs — expensed	883	647
Foreign exchange loss	111	257
Income from sub-leases	(82)	(86)

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 2011 £'000	Year to 30 April 2010 £'000
Fees payable to the Company's auditors for the audit of the parent company and consolidated financial statements	33	38
Fees payable to the Company's auditors and its associates for other services:		
— The audit of the Company's subsidiaries, pursuant to legislation	133	152
— Other services	190	345
	356	535

5. EMPLOYEE INFORMATION

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

	2011 No.	2010 No.
Platform	492	141
Analytics	122	82
IT development and support	33	18
Administration	36	21
Directors	7	7
	690	269

At 30 April 2011, the total number of employees of the Group was 657. Following the acquisition of Xtreme and TMC in April 2010, the total number of employees at 30 April 2010 was 619.

Notes to the Consolidated Financial Statements

for the year ended 30 April 2011

5. EMPLOYEE INFORMATION CONTINUED

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

	Year ended 30 April 2011 £'000	Year ended 30 April 2010 £'000
Wages and salaries	20,785	9,804
Social security costs	2,322	1,051
Pension costs	434	166
Share options charge	1,038	308
	24,579	11,329

DIRECTORS' REMUNERATION

	Year ended 30 April 2011 Total £'000	Year ended 30 April 2010 Total £'000
Michael Higgins	68	68
Michael Greenlees	400	358
Nick Manning	331	294
Andrew Beach	217	176
Paul Adams	226	198
Stephen Thomson	29	33
Sarah Jane Thomson	25	29
Richard Nichols	30	43
Fiona Driscoll ¹	—	5
Jeffrey Stevenson ²	—	—
Christopher Russell ²	—	—
	1,326	1,204

¹ resigned on 31 July 2009.

² appointed on 13 April 2010.

The totals above are inclusive of performance bonuses, totalling £228,000 (2010: £182,000), of which £80,000 was payable to the highest paid Director (2010: £53,000). Directors are eligible for cash bonuses as a percentage of base salary, dependent on individual and Company performance against established financial targets. The above analysis reflects improved performance both in absolute terms and relative to targets in the current year.

No Director was a member of a Company pension scheme as at 30 April 2011 (2010: nil). Contributions totalling £30,000 (2010: £30,000) were made to Directors' private pension schemes (£nil to the highest paid Director, 2010: £nil) during the year.

No Director exercised any share options during the year (2010: nil). During the year 4,220,000 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. Of these, 1,050,000 arose on the cancellation of an equivalent number of existing options. See note 24 for more details.

6. FINANCE INCOME AND EXPENSES

	Year ended 30 April 2011 £'000	Year ended 30 April 2010 £'000
Finance income		
Bank interest	2	1
Interest on loan to associates	—	13
Finance income	2	14
Finance expenses		
Bank loans and overdrafts interest	(423)	(152)
Loan fee amortisation	(105)	—
Finance lease interest	(2)	—
Finance expenses before highlighted items	(530)	(152)
Highlighted finance expenses — bank break fees	—	(214)
Total finance expenses	(530)	(366)

7. TAXATION

	Year ended 30 April 2011 £'000	Year ended 30 April 2010 £'000
UK tax		
Current year	—	316
Prior year	(28)	(49)
	(28)	267
Foreign tax		
Current year	614	200
Prior year	3	—
	617	200
Total current tax	589	467
Deferred tax		
Origination and reversal of temporary differences (note 20)	(845)	(536)
Total tax credit	(256)	(69)

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

	Year ended 30 April 2011 £'000	Year ended 30 April 2010 £'000
(Loss)/profit before tax	(1,776)	100
Corporation tax at 27.8% (2010: 28%)	(494)	28
Non-deductible expenses	92	60
Overseas tax rate differential	188	68
Overseas losses unrecognised	294	6
Capital allowances	(214)	14
Additional deduction for R&D expenditure	—	(108)
Losses not relieved against other Group entities	31	304
Over provision of current and prior year tax	(25)	(49)
Other temporary differences	(128)	(392)
Total tax credit	(256)	(69)

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8. EARNINGS PER SHARE

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

	Year ended 30 April 2011 £'000	Year ended 30 April 2010 £'000
Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the parent	(1,433)	169
Adjustments:		
Deferred tax	(845)	(536)
Highlighted items — recurring ¹	2,587	720
Highlighted items — non-recurring ¹	3,959	1,466
Highlighted items — finance costs ¹	—	214
Highlighted items relating to non-controlling interests	(64)	—
Earnings for the purpose of underlying earnings per share	4,204	2,033
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share ²	66,571,604	33,692,309
Effect of dilutive potential ordinary shares:		
Share options	3,266,449	2,929,073
Weighted average number of ordinary shares for the purpose of diluted earnings per share ²	69,838,053	36,621,382
Basic (loss)/earnings per share	(2.15)p	0.50p
Diluted (loss)/earnings per share ³	(2.15)p	0.46p
Underlying basic earnings per share	6.32p	6.03p
Underlying diluted earnings per share	6.02p	5.55p

¹ Highlighted items (see note 3).

² The weighted average number of shares includes convertible loan notes that are convertible into 13,802,861 ordinary shares.

³ The statutory diluted earnings per share has not been diluted since the result for the year is a loss.

9. GOODWILL

	Note	£'000
Cost and net book value		
At 1 May 2009		8,754
Acquisitions		21,481
At 30 April 2010		30,235
Acquisitions	26	837
Adjustment to prior year acquisitions		268
Foreign exchange differences		117
At 30 April 2011		31,457

Adjustments to goodwill on prior year acquisitions represent changes to the fair value of assets and liabilities purchased. The adjustment relates entirely to the acquisition of Xtreme Information Services Limited.

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 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 cash flow forecasts, and these have been discounted at 15% (2010: 10%). No impairment of goodwill was recognised in 2011 (2010: £nil).

Goodwill has been allocated to the following CGUs:

	Year ended 30 April 2011 £'000	Year ended 30 April 2010 £'000
Analytics	9,378	8,960
Platform	22,079	21,275
	31,457	30,235

Notes to the Consolidated Financial Statements

for the year ended 30 April 2011

10. OTHER INTANGIBLE ASSETS

	Capitalised development costs £'000	Purchased intangible assets £'000	Total intangible assets £'000
Cost			
At 1 May 2009	952	3,395	4,347
Additions	135	—	135
Acquisitions	—	7,707	7,707
Write off	(49)	—	(49)
Foreign exchange	—	(23)	(23)
At 30 April 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
Amortisation			
At 1 May 2009	(176)	(1,376)	(1,552)
Charge for the year	(170)	(412)	(582)
At 30 April 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)
Net book value			
At 30 April 2011	561	8,350	8,911
At 30 April 2010	692	9,291	9,983

Amortisation is charged within highlighted administrative expenses so as to write off the cost of the purchased intangible assets over their estimated useful lives. Current estimates of the useful economic lives of intangible assets are as follows:

Customer relationships	3 — 10 years
Database content	3 years
Trade names	10 years

Following the rebranding of the Group's trade names to Ebiquity, the carrying value of the Billets trade name has been fully amortised.

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 2009	—	641	2,218	262	3,121
Additions	—	—	164	—	164
Acquisitions	5	461	714	79	1,259
Disposals	—	—	(5)	—	(5)
Foreign exchange	—	—	2	—	2
At 30 April 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
Depreciation					
At 1 May 2009	—	(415)	(1,686)	(49)	(2,150)
Charge for the year	—	(51)	(244)	(57)	(352)
Disposals	—	—	5	—	5
At 30 April 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)
Net Book Value					
At 30 April 2011	24	809	1,248	542	2,623
At 30 April 2010	5	636	1,168	235	2,044

The Group holds assets under finance leases with cost of £61,000 (2010: £59,000) and accumulated depreciation of £18,000 (2010: £1,000).

During the year, the Group received a government grant of £150,000 (2010: £nil) 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.

Notes to the Consolidated Financial Statements

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12. SUBSIDIARIES

Details of the Company's principal operating subsidiary undertakings at 30 April 2011, 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
Billets Media Consulting Limited	100%*	Media consultants
Billets Marketing Sciences Limited	100%*	Marketing consultants
Billets America LLC ¹	95%*	Media consultants
Billets France SARL ²	82.5%*	Media consultants
Ebiquity GmbH (formerly Billets Germany GmbH) ³	51%*	Media consultants
Ebiquity Germany GmbH (formerly Xtreme Information GmbH) ³	100%*	Media monitoring
Ebiquity Italy S.r.l.(formerly Media Advisor S.r.l.) ⁴	51%*	Media consultants
Xtreme Information Limited	100%*	Media monitoring
Xtreme Information Services (Australia) Pty Limited ⁵	100%*	Media monitoring
Xtreme Information (USA) Limited ⁶	100%*	Media monitoring

¹ Incorporated in the USA.

² Incorporated in France.

³ Incorporated in Germany.

⁴ Incorporated in Italy.

⁵ Incorporated in Australia.

⁶ Incorporated in the UK, operating in the USA.

13. INVESTMENT IN ASSOCIATES

	30 April 2011 £'000	30 April 2010 £'000
Aggregated amounts relating to associates		
Total assets	—	474
Total liabilities	—	(728)
Revenues	—	1,341
Loss	—	(46)
Group's investment in associate	—	17
Group's share of loss	—	(5)
Net investment in associates	—	12

On 1 May 2010, the Group increased its holding in its associate, Billets Germany GmbH, from 10% to 51% (see note 26). Therefore the company has been consolidated as a subsidiary in these financial statements.

The Group has no other investments in associates.

14. LOANS AND OTHER FINANCIAL ASSETS

	30 April 2011 £'000	30 April 2010 £'000
Current		
Bank security deposits	200	300
Forward currency contract	38	—
Call option	—	94
Loans to associates	—	285
Total loans and other financial assets	238	679

Bank security deposits represent cash deposits placed as security against Company credit card limits.

During the year, the Group entered into forward currency contracts in order to reduce the risk of exchange fluctuations on future foreign currency trade receivable receipts. The instruments are held at fair value at 30 April 2011.

15. TRADE AND OTHER RECEIVABLES

	Note	30 April 2011 £'000	Restated 30 April 2010 £'000
Trade and other receivables due within one year			
Net trade receivables	25	10,143	8,300
Other receivables		600	490
Prepayments & accrued income		3,703	2,489
		14,446	11,279

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 2011 £'000	30 April 2010 £'000
Cash and cash equivalents	3,158	5,243

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%.

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17. OTHER FINANCIAL LIABILITIES

	30 April 2011 £'000	30 April 2010 £'000
Current		
Bank borrowings	3,721	1,994
Finance lease liabilities	21	19
Put option	—	44
Forward currency contracts	—	20
	3,742	2,077
Non-current		
Bank borrowings	3,643	5,575
Finance lease liabilities	29	52
Interest rate swaps	52	—
	3,724	5,627
Total other financial liabilities	7,466	7,704

The facility with Bank of Ireland comprises a reducing term loan, of which £5,935,000 remains outstanding at 30 April 2011, a revolving credit facility of £2,500,000 (of which £1,750,000 was the total amount drawn down at 30 April 2011) and an acquisition facility of £1,500,000 (of which £nil had been drawn down at 30 April 2011), all with a maturity date of 30 April 2014. The term loan is being repaid on a quarterly basis over the 4 years following drawdown and the acquisition facility is repayable on a quarterly basis from October 2011 to maturity. Loan costs of £321,000 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 3.25%. The margin rate may be lowered from July 2011 to 2.75% depending on the Group's net debt to EBITDA ratio. The rate may be further lowered to 2.25% from July 2012.

The undrawn amount of the revolving credit facility is liable to a fee of 46.15% 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 entered into a floating to fixed interest rate swap, held against 70% of its term loan for the period from February 2011 to April 2014. The instrument is held at fair value at 30 April 2011.

Subsequent to the year end, the facility was increased by £5,000,000 and an additional £1,800,000 was drawn down following the acquisition of TCRG Holdings Limited (see note 28).

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 2011 £'000	Year ended 30 April 2010 £'000	Year ended 30 April 2011 £'000	Year ended 30 April 2010 £'000
Amounts due:				
Within one year	22	21	21	19
Between one and five years	30	53	29	52
	52	74	50	71
Less: finance charges allocated to future periods	(2)	(3)	—	—
Present value of lease obligations	50	71	50	71

18. TRADE AND OTHER PAYABLES

	30 April 2011 £'000	30 April 2010 £'000
Trade payables	3,861	2,993
Other taxation & social security	1,432	1,548
Other creditors	1,037	381
	6,330	4,922

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 2009	65	85	—	—	150
Arising on acquisition	219	615	—	88	922
Increase in provision	122	—	362	—	484
Utilisation of provision	(51)	—	—	—	(51)
At 30 April 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
Current	257	327	83	340	1,007
Non-current	211	334	—	322	867

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.

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 is expected to be fully utilised by April 2012.

Contingent deferred consideration represents additional amounts that are expected to be payable for acquisitions made by the Group. The provision is expected to be fully utilised by August 2014.

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20. DEFERRED TAX

	Intangible assets £'000	Share based payment £'000	Tax losses £'000	Other timing differences £'000	Total £'000
At 1 May 2009	(782)	84	243	32	(423)
Arising on acquisition	(2,158)	—	—	35	(2,123)
Credit/(charge) to income	139	499	(122)	20	536
Credit to equity	—	72	—	—	72
At 30 April 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)

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 2011 £'000	30 April 2010 £'000
Deferred tax assets	1,063	670
Deferred tax liabilities	(2,171)	(2,608)
	(1,108)	(1,938)

At the year end, the Group had tax losses of £433,327 (2010: £433,327) available for offset against future profits. A deferred tax asset of £112,000 (2010: £121,000) has been recognised in respect of such losses.

In addition, the Group has unrecognised deferred tax assets of £1,934,000. These have not been recognised due to the uncertainty over their recoverability.

21. OPERATING LEASES

OPERATING LEASES – LESSEE

The Group had future minimum lease payments under non-cancellable operating leases at 30 April 2011 and 30 April 2010 which fall due as follows:

	30 April 2011		30 April 2010	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Within one year	1,782	54	1,608	67
Between one and five years	3,961	47	3,115	44
After five years	1,276	—	6	—
	7,019	101	4,729	111

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 2011 was £82,000 (2010: £86,000).

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

	30 April 2011 £'000	30 April 2010 £'000
Within one year	24	49
Between one and five years	—	8
	24	57

22. SHARE CAPITAL

	Number of shares	Nominal value £'000
Allotted, called up and fully paid		
At 1 May 2009 — ordinary shares of 25p	32,139,435	8,035
Share placing	1,375,000	344
Issued to acquire Xtreme Information Services Limited	16,706,639	4,176
Issued to acquire Thomson Media Control GmbH & Co Kg	1,451,330	363
At 30 April 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

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 (2010: 448,671).

Subsequent to the year end, an additional share placing was made for 2,850,000 shares at 91p per share.

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23. 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.

24. SHARE BASED PAYMENTS

Options outstanding at 30 April 2011:

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 2020	nil – 65p	37p	2,198,356
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	25p – 37p	28p	1,070,270
Executive Incentive Plan – 12 May 2010	10 years	May 2011 – May 2020	35p	35p	4,200,000
					7,845,390

24. 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.

As the Group is now too large to qualify under EMI scheme rules, options granted under this scheme in the year were unapproved.

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 under the UCSOP scheme includes an element of Group performance criteria, which have been met in full.

The performance criteria attached to the share options granted under the UCSOP scheme on 8 September 2008 are as follows:

MARKET CONDITIONS

- The options were divided into 2 parts. Part 1 of the options would vest if the share price of the Company equals or exceeds 150 pence on any 10 dealing days within the period of 30 days preceding 31 March 2010. Failing to satisfy the above mentioned vesting criteria, Part 1 options would also vest if the share price equals or exceeds 150 pence on any 10 dealing days within any 30-day period during the Measurement Period (the period beginning 31 March 2010 and ending 31 March 2012).
- Part 2 of the options would vest if the share price equals or exceeds 150 pence on any 10 dealing days in any 30-day period during the six month period preceding 30 September 2011. Failing to satisfy the above mentioned criteria, Part 2 options would also vest if the share price equals or exceeds the 150 pence on any 10 dealing days within any 30 days period during the Measurement Period (the period beginning 30 September 2011 and ending 31 March 2012).

NON-MARKET CONDITIONS

- Share options would vest if the Company is subjected to a liquidation or change of control. Also, Part 1 and Part 2 of the options would only vest if the recipients remain employed by the Company until the end of the Holding Period (being 31 March 2010 for Part 1 and 30 September 2011 for Part 2).
- Upon vesting, the options can be exercised by the recipients during the period commencing on the date the relevant part of the options vest and expiring on the Lapse Date (8 September 2018).

Subsequent to the year end, these options were modified to include EPS based performance criteria and extend the Measurement Period to 30 April 2013.

EXECUTIVE INCENTIVE PLAN (EIP)

As disclosed in the prior year, in May 2010 the 3,150,000 outstanding options issued under the Unapproved Company share option plan on 1 April 2008 with an exercise price of 25p were cancelled, and a total of 4,200,000 new options were awarded in their place with an exercise price of 35p. These shares have been issued by the Company into a new Employee Benefit Trust.

Of these new options, 1,500,000 have vested at 30 April 2011. Vesting of the balance is subject to the satisfaction of new 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.

The two measures are earnings per share and revenue targets with the minimum EPS target having to be satisfied before any of the shares comprised in either part of the award can vest. All vested shares must be retained for a minimum of 12 months after vesting before they can be sold.

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24. SHARE BASED PAYMENTS CONTINUED

The following share options were outstanding at 30 April 2011 and 30 April 2010:

	30 April 2011		30 April 2010	
	Number of share options	Weighted average exercise price (pence)	Number of share options	Weighted average exercise price (pence)
Outstanding at beginning of period	6,654,128	27	6,351,966	31
Granted during the period	4,571,487	37	705,397	33
Cancelled during the period	(3,150,000)	25	(337,218)	114
Exercised during the period	(102,911)	37	(30,000)	46
Forfeited during the period	(127,314)	52	(36,017)	61
Outstanding at the end of the period	7,845,390	33	6,654,128	27
Exercisable at the end of the period	3,705,971	29	896,095	19

The options outstanding at the end of the period have a weighted average remaining contractual life of 5.2 years (2010: 7.6 years), with a range of exercise prices being between nil and 65p.

During the period, share options were granted with a weighted average fair value of 35p (2010: 7p). 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 2011	30 April 2010
Weighted average share price	66p	35p
Exercise price	35p to 65p	33p to 48p
Expected volatility ¹	40%	25%
Vesting period	1 to 3 years	1 to 3 years
Risk-free interest rates	2%	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.

25. 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 2011 £'000	30 April 2010 £'000
Current financial assets		
Trade and other receivables	10,743	8,790
Cash and cash equivalents	3,158	5,243
Bank security deposits	200	300
Forward currency contracts	38	—
Call option	—	94
Loans to associates	—	285
Total financial assets	14,139	14,712

FINANCIAL LIABILITIES

	30 April 2011 £'000	30 April 2010 £'000
Current financial liabilities		
Trade and other payables	4,898	3,374
Finance lease liabilities	21	19
Forward currency contracts	—	20
Put option	—	44
Loans and borrowings	3,721	1,994
	8,640	5,451
Non-current financial liabilities		
Loans and borrowings	3,643	5,575
Finance lease liabilities	29	52
Interest rate swaps	52	—
	3,724	5,627
Total financial liabilities	12,364	11,078

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25. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

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.

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 2011	2,194	1,111	1,083
At 30 April 2010	1,536	524	1,012

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

	Gross value £'000	30 April 2011 Provision £'000	Carrying value £'000	Gross value £'000	30 April 2010 Provision £'000	Carrying value £'000
Trade receivables	10,295	152	10,143	8,441	141	8,300

25. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

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 2011 £'000	30 April 2010 £'000
Opening balance	141	105
Increase in provisions	101	101
Recognised on acquisition	3	36
Written off against provisions	(14)	(5)
Recovered amount reversed	(79)	(96)
Closing balance	152	141

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.

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 (2010: £9,000).

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 2011		30 April 2010	
	Increase in profit before tax £'000	Increase in equity £'000	Increase in profit before tax £'000	Increase in equity £'000
10% strengthening of USD	131	332	121	192
10% strengthening of Euro	142	524	130	427
10% strengthening of AUD	9	169	69	341

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

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25. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

The currency profile of the financial assets at 30 April 2011 is as follows:

	Cash and cash equivalents		Gross trade Receivables	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Pounds Sterling	1,713	3,607	4,828	4,259
US Dollar	912	782	2,650	1,786
Euros	408	755	2,401	1,988
Australian Dollar	125	99	416	408
	3,158	5,243	10,295	8,441

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 (see note 17) to manage any short-term cash shortfalls. At 30 April 2011, £750,000 (2010: £2,000,000) is undrawn. The facility expires in April 2014 at which point drawn down amounts will be repayable.

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 2011			
Trade and other payables	4,898	—	4,898
Finance lease liabilities	21	29	50
Interest rate swaps	—	52	52
Bank loans and overdrafts	3,721	3,643	7,364
Total financial liabilities	8,640	3,724	12,364
At 30 April 2010			
Trade and other payables	3,374	—	3,374
Finance lease liabilities	19	52	71
Forward currency contracts	20	—	20
Put option	44	—	44
Bank loans and overdrafts	1,994	5,575	7,569
Total financial liabilities	5,451	5,627	11,078

25. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

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.

26. ACQUISITIONS

BILLETTS GERMANY

On 1 May 2010 the Group increased its stake in its associated undertaking, Billetts Germany GmbH, from 10% to 51% for total consideration of £33,000. The company is now consolidated as a subsidiary in these financial statements.

Billetts Germany contributed £2,035,000 to revenue and £159,000 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
Intangible assets	—	256
Property, plant and equipment	96	96
Trade and other receivables	465	465
Cash and cash equivalents	8	8
Trade and other payables	(397)	(397)
Other creditors and provisions	(318)	(318)
Deferred tax liability	—	(72)
Net (liabilities)/assets acquired	(146)	38
Non-controlling interest		(18)
Goodwill arising on acquisition		13
		33

The goodwill is attributable to the assembled workforce, which does not qualify for separate recognition.

Purchase consideration:

	£'000
Cash paid for 41% holding	20
Group's investment in associates	31
Loss on investment in associates	(18)
Total purchase consideration	33

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26. ACQUISITIONS CONTINUED

Net cash out flow arising on acquisition:

	£'000
Purchase consideration settled in cash	20
Cash and cash equivalents in subsidiary acquired	(8)
Net cash outflow on acquisition	12

MEDIA ADVISOR

On 28 May 2010 the Group acquired a 51% stake in Media Advisor S.r.l for total consideration of €564,000 (£479,000), including deferred consideration.

Media Advisor contributed £599,000 to revenue and £154,000 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
Intangible assets	—	257
Property, plant and equipment	38	38
Trade and other receivables	280	280
Cash and cash equivalents	23	23
Trade and other payables	(21)	(21)
Other creditors and provisions	(190)	(311)
Deferred tax liability	—	(72)
Net assets acquired	130	194
Non-controlling interest		(95)
Goodwill arising on acquisition		380
		479

The goodwill is attributable to the assembled workforce, which does not qualify for separate recognition.

Purchase consideration:

	£'000
Cash	170
Deferred consideration	309
Total purchase consideration	479

Deferred consideration payable is based on revenues generated by the company for the year ended 30 April 2011. Subsequent to the year end, £256,000 of deferred consideration has been paid, with no further amounts due.

Net cash out flow arising on acquisition:

	£'000
Purchase consideration settled in cash	170
Cash and cash equivalents in subsidiary acquired	(23)
Net cash outflow on acquisition	147

26. ACQUISITIONS CONTINUED

OTHER ACQUISITIONS

On 1 November 2010, the Group's 100% owned subsidiary, Ebiquity Germany GmbH, acquired the trade and assets of Buro CP for initial cash consideration of €80,000 (£70,000). Additional cash consideration of €60,000 (£52,000) became due on 30 April 2011. Contingent deferred consideration is payable and has been recognised at €370,000 (£322,000). The acquisition resulted in goodwill of £444,000. The maximum total consideration is €800,000.

If all of the above acquisitions had been completed on 1 May 2010, Group revenue would have been £44,283,000 and Group operating profit before highlighted items would have been £5,306,000, before any potential synergistic benefits are taken into account.

27. 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 below:

	30 April 2011 £'000	30 April 2010 £'000
Short-term employee benefits	1,326	1,204
Share based payments	946	234
	2,272	1,438

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

TRANSACTIONS WITH ASSOCIATES

Following the acquisition of 41% of Billets Germany in May 2010, the Group no longer has any associated undertakings. In the prior year, the Group had loans to associates of £285,000 outstanding at 30 April 2010, and interest charged on the loan during 2010 was £13,000.

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for the year ended 30 April 2011

28. EVENTS AFTER THE END OF THE REPORTING PERIOD

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 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.

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 £356,000. Additional consideration is payable dependent on future performance during the period to April 2014. The maximum total consideration payable is £1.2 million.

As at the date of this report, it is impracticable to determine the fair values of the assets and liabilities acquired and the goodwill recognised for the above transactions.

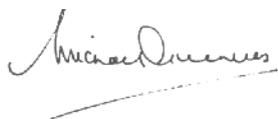
On 30 June 2011, the Group sold the trade and assets of its UK Newslive press clipping division for cash consideration of £167,000.

Company Balance Sheet

as at 30 April 2011

	Note	30 April 2011 £'000	30 April 2010 £'000
Fixed assets			
Investments	4	27,712	26,750
Current assets			
Debtors	5	13,039	4,411
Derivative financial assets	10	38	—
Cash at bank and in hand		444	—
		13,521	4,411
Creditors: amounts falling due within one year	6	(3,812)	(2,052)
Provision for liabilities	7	(252)	—
Net current assets		9,457	2,359
Total assets less current liabilities		37,169	29,109
Creditors: amounts falling due after one year	8	(7,271)	(5,575)
Accruals and deferred income	9	—	(40)
Derivative financial liabilities	10	(52)	—
Net assets		29,846	23,494
Capital & Reserves			
Share capital	11	13,994	12,918
Share premium	13	2,666	2,232
Convertible loan note reserve	13	9,445	9,445
Other reserve	13	746	746
ESOP reserve	13	(1,590)	(120)
Hedging reserve	13	(14)	—
Profit and loss account	13	4,599	(1,727)
Shareholders' funds	12	29,846	23,494

The financial statements on pages 73 to 80 were approved and authorised for issue by the Board of Directors on 26 July 2011 and were signed on its behalf by:



Michael Greenlees
Director



Andrew Beach
Director

The notes on pages 74 to 80 form part of these financial statements.

Notes to the Company Financial Statements

for the year ended 30 April 2011

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 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.

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 estimated, 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 and subsequently 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.

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 COSTS

Finance costs are charged to profit over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

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 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.

Notes to the Company Financial Statements

for the year ended 30 April 2011

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 profit of £5,288,000 (2010: loss of £1,712,000). During the year, the Company released a provision against amounts due from subsidiaries of £7,000,000, as the debt is no longer considered unrecoverable.

3. OPERATING PROFIT

AUDITOR REMUNERATION

Fees for the audit of the Company are £2,000 (2010: £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 2010	26,750
Additions	1,030
Write-off	(68)
At 30 April 2011	27,712

The addition relates to the acquisition of Media Advisor S.r.l (£452,000) and the UITF 44 'Group and Treasury Share Transactions' adjustment (£578,000).

The write-off relates to the right to purchase 25% share capital in Media Value S.L., which has now expired.

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

5. DEBTORS

	2011 £'000	2010 £'000
Other debtors	220	120
Amounts due from subsidiaries	12,819	4,291
	13,039	4,411

6. CREDITORS: AMOUNTS FALLING DUE WITHIN 1 YEAR

	2011 £'000	2010 £'000
Bank loans	3,721	1,994
Put option	—	44
Accruals	91	14
	3,812	2,052

7. PROVISIONS FOR LIABILITIES

	2011 £'000	2010 £'000
Provisions for liabilities	252	—
	252	—

Provision for liabilities relates to contingent deferred consideration expected to be payable for the acquisition of Media Advisor during the year. The provision is expected to be fully utilised by August 2011.

8. CREDITORS: AMOUNTS FALLING DUE AFTER 1 YEAR

	2011 £'000	2010 £'000
Bank loans — between 2 and 5 years	3,643	5,575
Amounts due to subsidiaries	3,628	—
	7,271	5,575

The facility with Bank of Ireland comprises a reducing term loan, of which £5,935,000 remains outstanding at 30 April 2011, a revolving credit facility of £2,500,000 (of which £1,750,000 had been drawn down at 30 April 2011) and an acquisition facility of £1,500,000 (of which £nil had been drawn down at 30 April 2011), all with a maturity date of 30 April 2014. The term loan is being repaid on a quarterly basis over the 4 years following drawdown and the acquisition facility is repayable on a quarterly basis from October 2011 to maturity. Loan costs of £321,000 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 3.25%. The margin rate may be lowered from July 2011 to 2.75% depending on the Group's net debt to EBITDA ratio. The rate may be further lowered to 2.25% from July 2012.

The undrawn amount of the revolving credit facility is liable to a fee of 46.15% 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.

9. ACCRUALS AND DEFERRED INCOME

	2011 £'000	2010 £'000
Accruals	—	40

10. DERIVATIVE FINANCIAL INSTRUMENTS

The main risks arising from the Company's financial instruments are interest rate risk and foreign exchange risk. During the year, the Company entered into an interest rate swap and a forward currency contract to reduce exposure to these risks. Full disclosure of financial instruments is included in the consolidated financial statements (see note 25).

Notes to the Company Financial Statements

for the year ended 30 April 2011

11. 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

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £'000	2010 £'000
Opening shareholders' funds	23,494	10,158
Issue of shares (net of issue costs)	40	5,295
Issue of convertible loan notes	—	9,445
Profit/(loss) for the financial period	5,288	(1,712)
Movement on hedging instruments	(14)	—
Share options charge	460	136
UITF 44 adjustment	578	172
Closing shareholders' funds	29,846	23,494

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 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 (2010: £130,000) 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 (2010: 448,671), 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 (2010: Nil).

13. 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 2010	2,232	9,445	746	(120)	—	(1,727)
Issue of shares	434	—	—	(1,470)	—	—
Profit for the financial period	—	—	—	—	—	5,288
Movement in hedging instruments	—	—	—	—	(14)	—
Share options charge	—	—	—	—	—	460
UITF 44 adjustment	—	—	—	—	—	578
At 30 April 2011	2,666	9,445	746	(1,590)	(14)	4,599

14. SHARE-BASED PAYMENTS

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 2020	nil – 65p	37p	2,198,356
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	25p – 37p	28p	1,070,270
Executive Incentive Plan – 12 May 2010	10 years	May 2011 – May 2020	35p	35p	4,200,000
					7,845,390

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.

As the Group is now too large to qualify under EMI scheme rules, options granted under this scheme in the year were unapproved.

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 under the UCSOP scheme includes an element of Group performance criteria, which have been met in full.

The performance criteria attached to the share options granted under the UCSOP scheme on 8 September 2008 are as follows:

MARKET CONDITIONS

- The options were divided into 2 parts. Part 1 of the options would vest if the share price of the Company equals or exceeds 150 pence on any 10 dealing days within the period of 30 days preceding 31 March 2010. Failing to satisfy the above mentioned vesting criteria, Part 1 options would also vest if the share price equals or exceeds 150 pence on any 10 dealing days within any 30-day period during the Measurement Period (the period beginning 31 March 2010 and ending 31 March 2012).
- Part 2 of the options would vest if the share price equals or exceeds 150 pence on any 10 dealing days in any 30-day period during the six month period preceding 30 September 2011. Failing to satisfy the above mentioned criteria, Part 2 options would also vest if the share price equals or exceeds the 150 pence on any 10 dealing days within any 30 days period during the Measurement Period (the period beginning 30 September 2011 and ending 31 March 2012).

NON-MARKET CONDITIONS

- Share options would vest if the Company is subjected to a liquidation or change of control. Also, Part 1 and Part 2 of the options would only vest if the recipients remain employed by the Company until the end of the Holding Period (being 31 March 2010 for Part 1 and 30 September 2011 for Part 2).
- Upon vesting, the options can be exercised by the recipients during the period commencing on the date the relevant part of the options vest and expiring on the Lapse Date (8 September 2018).

Subsequent to the year end, these options were modified to change the market conditions to EPS based measures and extend the Measurement Period to 30 April 2013.

Notes to the Company Financial Statements

for the year ended 30 April 2011

14. SHARE-BASED PAYMENTS CONTINUED

EXECUTIVE INCENTIVE PLAN (EIP)

As disclosed in the prior year, in May 2010 the 3,150,000 outstanding options issued under the Unapproved Company share option plan on 1 April 2008 with an exercise price of 25p were cancelled, and a total of 4,200,000 new options were awarded in their place with an exercise price of 35p. These shares have been issued by the Company into a new Employee Benefit Trust.

Of these new options, 1,500,000 have vested at 30 April 2011. Vesting of the balance is subject to the satisfaction of new 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.

The two measures are earnings per share and revenue targets with the minimum EPS target having to be satisfied before any of the shares comprised in either part of the award can vest. All vested shares must be retained for a minimum of 12 months after vesting before they can be sold.

The following share options were outstanding at 30 April 2011 and 30 April 2010:

	30 April 2011		30 April 2010	
	Number of share options	Weighted average exercise price (pence)	Number of share options	Weighted average exercise price (pence)
Outstanding at beginning of period	6,654,128	27	6,351,966	31
Granted during the period	4,571,487	37	705,397	33
Cancelled during the period	(3,150,000)	25	(337,218)	114
Exercised during the period	(102,911)	37	(30,000)	46
Forfeited during the period	(127,314)	52	(36,017)	61
Outstanding at the end of the period	7,845,390	33	6,654,128	27
Exercisable at the end of the period	3,705,971	29	896,095	19

The options outstanding at the end of the period have a weighted average remaining contractual life of 5.2 years (2010: 7.6 years), with a range of exercise prices being between nil and 65p.

During the period, share options were granted with a weighted average fair value of 35p (2010: 7p). 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 2011	30 April 2010
Weighted average share price	66p	35p
Exercise price	35p to 65p	33p to 48p
Expected volatility ¹	40%	25%
Vesting period	1 to 3 years	1 to 3 years
Risk-free interest rates	2%	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.

15. POST BALANCE SHEET EVENTS

On 20 May 2011, the Company acquired the entire share capital of TCRG Holdings Limited, a company incorporated in Jersey. See note 28 of the consolidated financial statements for more details.

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 10am on 5 September 2011 to consider and, if thought fit, pass resolutions 1 to 9 as ordinary resolutions and resolution 10 as a special resolution:

ORDINARY RESOLUTIONS

- 1 To receive and adopt the Annual Report and Accounts for the year ended 30 April 2011.
- 2 That Michael Higgins, 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 Michael Greenlees, 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 Paul Adams, 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 Richard Nichols, 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) 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 2012 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 £5,992,265.

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.

Notice of Meeting

Ebiquity plc
(Registered in England No.3967525)

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 £1,815,838.

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.

By order of the Board
Andrew Beach
Company Secretary
12 August 2011

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

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, any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Ebiquity Plc, 2nd Floor, The Registry, Royal Mint Court, London, EC3N 4QN or electronically at company.secretary@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) To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company at The Pavilions, Bridgwater Road, Bristol, BS99 6AZ 6.00pm on the day which is no later than 48 hours prior to the meeting. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- (v) As at 12 August 2011 (being the last day prior to the publication of this Notice of Annual General Meeting) the Company's issued share capital consists of 58,830,649 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 12 August 2011 are 58,830,649.
- (vi) In accordance with Regulation 41 of the Uncertified Securities Regulations 2001, only those Shareholders entered on the Company's register of members as at 6.00pm on 2 September 2011 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 2 September 2011 shall be disregarded in determining the rights of any persons to attend or vote at the meeting.

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. Resolution 10 is proposed as a special resolution. This means that for this resolution 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 2011 together with the independent Auditor's report on those accounts.

RESOLUTIONS 2 TO 5: RE-ELECTION OF DIRECTORS

Michael Higgins, Micahel Greenelees, Paul Adams and Richard Nichols 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 20-21 of the Company's Annual Report and Accounts for the year ended 30 April 2011.

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 2010/11 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 2012, or, if earlier, 15 months after the date of the passing of this resolution.

Notice of Meeting

Ebiquity plc
(Registered in England No.3967525)

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 £5,992,265. The Directors have no present intention to use this authority which will expire 15 months after the passing of this resolution or, if earlier, at the end of the Annual General Meeting to be held in 2012. 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 £1,815,838 (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.

Under the pre-emption guidelines issued by the investment protection committee of the Association of British Insurers', the Company should not issue equity securities constituting more than 7.5% of the issued ordinary share capital over a 3-year rolling period without prior consultation with shareholders. The Directors do not intend to use the authority to exceed this limit without obtaining the approval of shareholders.

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 2012 or 15 months from the date of the resolution, whichever is earlier. It is the Directors' intention to seek the renewal of this authority annually. Any shares purchased would either be cancelled or would be held by the Company as treasury shares, in which case they would carry no voting rights and no entitlement to receive any dividend for as long as they are held as treasury shares.

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 2011 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 2011				
2 To re-elect Michael Higgins				
3 To re-elect Michael Greenlees				
4 To re-elect Paul Adams				
5 To re-elect Richard Nichols				
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 £1,815,838				

* 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 company.secretary@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 may be) 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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ebiquity

Data-driven insights

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