EBIQUITY PLC ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2013

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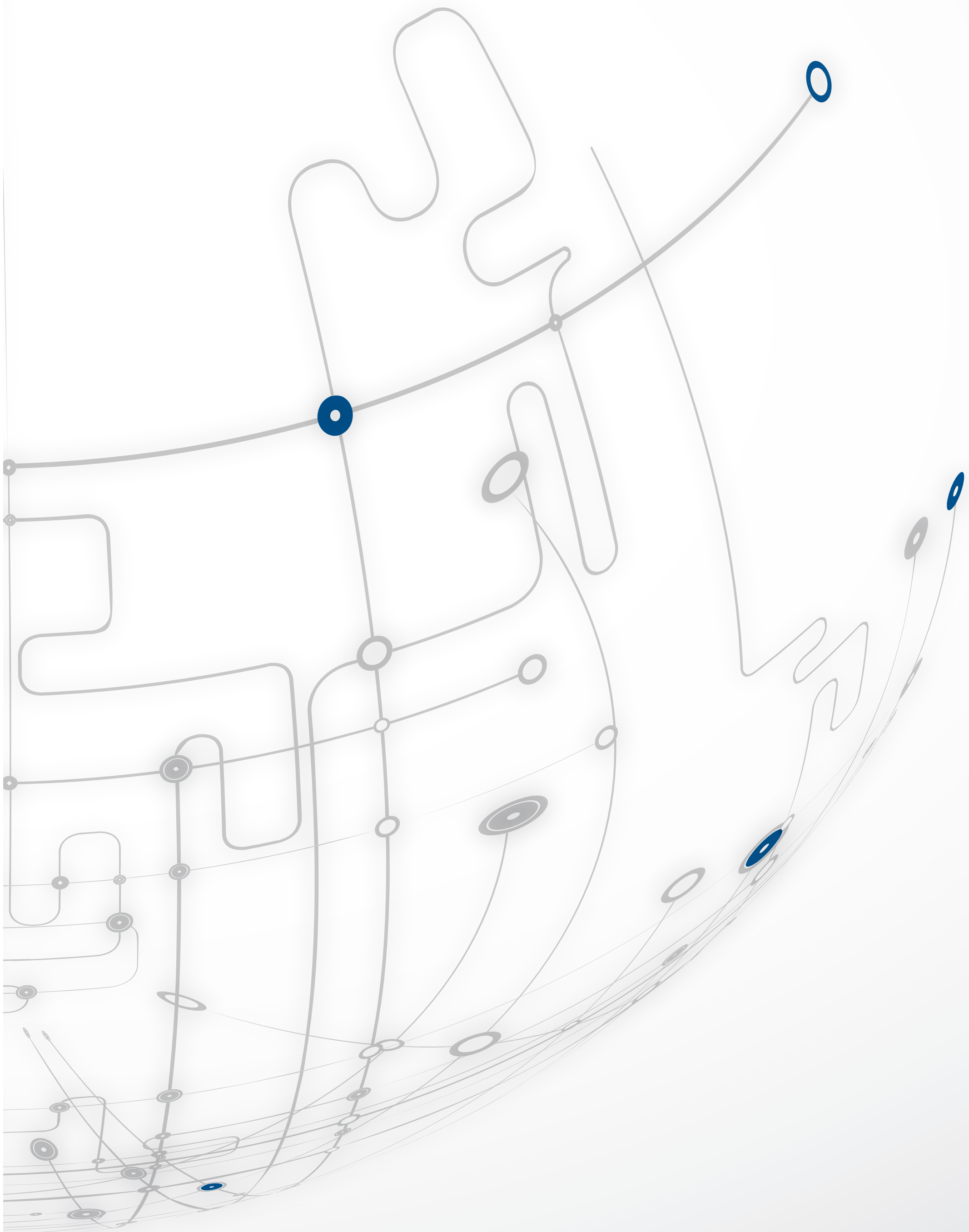


Enabling clients across the world to improve their brand and business performance

Ebiquity is an independent marketing performance specialist. We help brands optimise the efficiency and effectiveness of their paid, earned and owned marketing communications worldwide.

We collect, aggregate and analyse vast amounts of online and offline marketing data to provide brands with a better understanding of what is going on in their market, how they are performing, and what they can do to improve. Our consultancy and software services are built upon this data, our industry expertise, and our independence from the media transaction process. For over 1,100 clients we enhance capabilities, instil greater accountability and assist their pursuit of transparency with their agency partners. 91 of the world's top 100 advertisers are amongst our clients.

We answer client questions such as:

- What's driving our business performance and how can I demonstrate a greater ROI?
- What result is our digital activity really achieving?
- How can we best evaluate agency performance?
- What effect is our paid and earned activity having on our reputation?
- What can we learn from our competitors' communication strategies?

Ebiquity employs over 750 people across the world with wide-ranging skills and experience from their agency, client and consultancy backgrounds. We have offices in 10 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.

Contents

Highlights

Ebiquity plc, a leading international provider of independent, data-driven media and marketing insights, announces final results for the year ended 30 April 2013. Ebiquity provides services to over 1,100 clients across 40 countries, including over 90%[1] of major global advertisers.

An excellent performance delivers strong results and steady growth

- Total revenue up 21% to £64.0m (2012: £52.9m)
- Reported profit before tax up 148% to £6.6m (2012: £2.6m)
- Total underlying[2] operating profit up 27% to £10.4m (2012: £8.2m)
- Underlying[2] operating profit margins increased from 15.5% to 16.3%
- Underlying[2] diluted EPS increased by 22% to 9.0p (2012: 7.4p)
- Record renewals rate of 93%[3] (2012: 92%)
- Cash generated from operations increased from £2.5m to £7.5m
- All acquisitions positively contributing to earnings

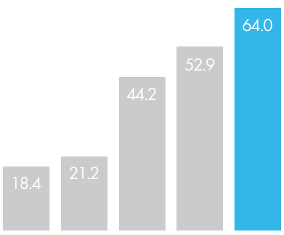
A year of operational focus

- Successful integration of recent acquisitions including Echo and Fairbrother Lenz Eley providing a more integrated service across all key territories
- Effectiveness Practice growing strongly (+29% on prior year) demonstrating growing demand for services in business performance measurement

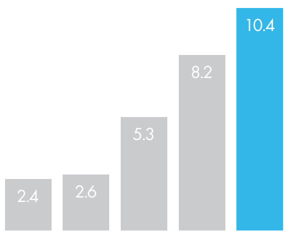
On track to be the leading player in a growing market

- Continued investment and key product launches to support future growth
- New initiatives planned in new territories to further strengthen international presence, mirroring growing demand from clients
- Strong pipeline of significant new business contract opportunities

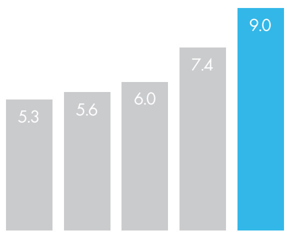
Revenue
£64.0m
2012: £52.9m
+21%



Operating Profit[2]
£10.4m
2012: £8.2m
+27%



Diluted EPS[2]
9.0pence
2012: 7.4pence
+22%



[1] Of the top 100 advertisers by global advertising spend (source: Advertising Age 2012)
[2] Underlying results are stated before highlighted items (see note 3)
[3] By value for the twelve months ended 30 April 2013

Chairman's Statement

Our mission is to help our clients turn data into profit by providing them with a better understanding of how to improve their marketing and media performance.

Our company has once again delivered a set of extremely strong results. This demonstrates continued progress in our journey to building a world class business with global reach.

As a leading international provider of independent, data driven media and marketing insights, Ebiquity is uniquely placed to become a world leader in this growing market. The heart of our future strategy is to have our tools and services embedded into our clients' key workflows and methodologies. To achieve this, a number of our new product initiatives have been designed to help our clients consolidate their various, and ever expanding, sources of data analysis into an easily accessible insight platform.

According to findings of the CMO Council's "State of Marketing 2012" report, a significant proportion of marketers recognise the importance of future investment in the platforms and processes necessary to accelerate and improve customer insights. Marketers admit that they lack the skills and resources required to provide them with the real time access to customer intelligence and insights they need.

Our new product initiatives are aimed at meeting the marketers' need to have actionable intelligence delivered at or near real time in a focused and easily digestable form. This will help drive our underlying growth.

Our mission remains to help our clients turn data into profit by providing them with a better understanding of how to improve marketing and media performance.

Once again, I must record my thanks to the management and all our employees who are core to our ability to deliver our services to our clients throughout the world. Their commitment, enthusiasm and undoubted professionalism are why a growing number of companies use Ebiquity's services.

Ebiquity's ability to exploit existing opportunities whilst evolving and investing to address the challenges of the changing commercial and technological environment means we can look forward to the future with great confidence.

Michael Higgins
Chairman
23 July 2013

Highlights

- Continued international expansion
- Operations in 17 offices across 10 countries
- Strong financial performance
- New product initiatives to provide greater actionable intelligence

Chief Executive's Review

Michael Greenlees
Chief Executive Officer

Ebiquity will continue to champion initiatives that help advertisers achieve both better value and greater accountability.

OVERVIEW

Our significant headline growth once again underlines the success of our acquisition strategy as we continue to build our global market leading capabilities in paid, earned and owned media analytics.

We have delivered our sixth year of consistent growth in both revenue and earnings, and once again performed in line with market expectations:

- Total revenue up 21% to £64.0m
- Total underlying operating profit up 27% to £10.4m
- Underlying operating profit margins increased from 15.5% to 16.3%
- Underlying diluted EPS increased by 22% to 9.0p
- Strong cash generation – net cash inflow up from £2.5m to £7.5m
- Contract renewals at an all-time high of 93%

The backdrop of poor worldwide macroeconomics has meant that the year was not without challenges. Closing contracts has been an increasingly protracted process and in some instances measured in months. As a result there remain a number of significant contracts in our pipeline which we anticipate closing as the coming year progresses. All that said, our Analytics division (accounting for 62% of our business) experienced underlying organic growth of 6% with the Group as a whole delivering a creditable 3% for the year.

INTEGRATING OUR OPERATIONS

In August 2012, we completed the acquisition of FirmDecisions ASJP Group Limited (the holding company of the FirmDecisions Group, "FD"). This audit business, staffed by experienced finance professionals from the media industry, brings a new and increasingly requested capability to Ebiquity. These skills have enabled us to provide financial transparency to the media buying market place and a higher level of advertiser confidence in contractual compliance. FD has seen strong growth in the year, demonstrating the value of the service.

We have also completed the successful integration of Fairbrother Lenz Eley ("FLE") into Ebiquity's international structure. The London operations of FLE and Ebiquity have now been fully merged under the leadership of Morag Blazey who has assumed the position of CEO UK. Dietmar Kruse, CEO Germany, has taken responsibility for the combined German business and in France, Laurence Delaye and Laetitia Zinetti have been appointed Directeur Général and Directeur Général Associé respectively. We are delighted that a large number of the senior FLE team have added to our media talent base. I am pleased to report that the combination of these two businesses, via a series of complex integrations, has gone extremely well and I am most grateful to everyone involved for ensuring that our clients have continued to receive the highest level of undisrupted service throughout.

Echo Research, which we acquired in May 2011 and specialises in market research and media analysis including social media, has recently been fully integrated into the Ebiquity offices in the UK, France and the US. This enables us to provide our clients with a better understanding of the relationship between paid, earned and owned media and the combined impact they have on their brand and business objectives.

Following this successfully completed integration, Sandra Macleod left Ebiquity at the end of June. Sandra plans to continue to independently advise clients on reputation management, drawing upon Ebiquity's range of services. I know she will continue to be a respected thought-leader in reputation research and I am delighted that she will continue to contribute to Ebiquity's growth in this way.

We have continued to demonstrate a track record of successful acquisitions, each delivering strong earnings accretion.

Highlights

- Strong growth across all key financial metrics
- Significant growth of Effectiveness Practice
- Continued strong track record of successful acquisitions and integrations
- Significant updates to all key technology platforms

Chief Executive's Review

EBIQUITY HELPS TO DEFINE THE MARKETING DATA LANDSCAPE

During the year we have undertaken a number of important initiatives that have begun to consolidate Ebiquity's place as a leader in media and marketing data-driven insights.

In December, as a measure of Ebiquity's increasing standing in the marketing and media community, we agreed a strategic partnership with the World Federation of Advertisers ("WFA"). Ebiquity will provide the WFA with insight into industry best practice and will advise on the measurement and management of marketing and media performance. Nick Manning, President, International of Ebiquity, commenting on the partnership said "Return-on-investment is now critically important and Ebiquity's partnership with the WFA is evidence of the increasing emphasis placed on effectiveness and accountability in a complex media world".

We see a number of specialist opportunities to make media data more available and easier to understand across the advertising industry. One recent example is the March launch of 'Portfolio Healthcare' which followed industry calls for greater monitoring in pharmaceutical digital advertising. 'Portfolio Healthcare' monitors and benchmarks both advertising spend and content in the UK healthcare market. Digital advertising in the healthcare market has grown dramatically over the last five years, especially as part of an integrated marketing mix – online is currently estimated to account for 25–30% of total UK healthcare advertising spend. This project was conducted in partnership with a number of key medical publishers and online media owners (including BMJ, Elsevier, Haymarket, UBM, MGP, Doctors.Net and DXS), with Ebiquity providing an online system to benchmark and track over 80% of the UK's pharmaceutical digital creative and advertising spend.

In April, following an extensive period of consultation, we published a new best practice guide: "Media Auditing in the New Media Landscape" which represents the most up to date thinking in both on- and off-line media evaluation. The initiative was supported by ISBA (the voice of British Advertisers) and ISBA's Director of Media & Advertising, Bob Wootton, said "This is recommended reading for all advertisers spending significant sums on media. We welcome and support the document and call on others to buy into and meet its standards".

And finally in June, Ebiquity provided the keynote speech at the ProcureCon conference, adding to the growing debate regarding the lack of media agency buying transparency. Advertisers seeking advice on how best to maximise their media investment questioned whether organisations that are also committed to maximising profits from media trading can themselves be truly objective. Of particular concern was the fact that the new agency trading platforms have made the process even more obscure and potentially open to manipulation.

Meet the rest of the executive board members

Andrew Beach
Chief Financial Officer

Ebiquity will continue to champion these and other initiatives that help advertisers to achieve both better value and greater accountability.

STRATEGIC DIRECTION

In the coming year we will be updating nearly all of our technology platforms and in addition launching a number of significant new products. These include those I outlined at the time of our interim statement, including:

- Vital Signs, enabling the consolidation of disparate data and more insightful tracking of marketing performance against business drivers
- ValueTrack, providing our clients with measurement of media buying performance relative to performance guarantees
- InVue, which help our clients measure their display media visibility

The significant underlying growth of revenues derived from our Effectiveness Practice (up 29%) is a strong indicator of the growing demand for our services in business performance measurement, including early promise from our Vital Signs product. In the coming years this part of our business will become a key driver of our growth story as we continue to help our clients get the insights they need from ever increasing volumes of data.

OUTLOOK

I am delighted with our progress in building a business that has a growing reputation as a world leader in media and marketing analytics. We already work with over 1,100 companies providing mission critical market intelligence and media value analysis. Our increasing focus is to build on our growing reputation for performance analytics by leveraging our own extensive database and by aggregating client and market sourced data to provide our clients with the actionable insights they seek. We believe we are uniquely positioned to positively influence both the access to, and analysis of, media and marketing data for the benefit of our clients.

In the coming year we will continue to invest in our unique proprietary technology and our data analytic capabilities in order to ensure that we remain at the cutting edge of this exciting and growing market. It is our firm belief that in the 'science of marketing', data will continue to provide critical insights that drive profitable growth for both our clients and, in turn, ourselves.

The new financial year has begun well – with organic revenue growth already tracking ahead of last year - and we remain confident that as the market develops, our focused strategy will deliver strong levels of growth and positive results to shareholders.

Michael Greenlees
Chief Executive Officer
23 July 2013

Nick Manning
President, International

Paul Adams
Chief Operations Officer

Concerns over agency transparency surface at marketing procurement event

Ebiquity took to the platform at the inaugural ProcureCon Marketing Conference in London. Nick Manning first outlined how agency contracts can be structured to address growing advertiser concern over transparency. He then chaired a debate on agency trading desks where similar concerns arose. Here he summarises 'the mood of the room.'

It takes a lot to animate the seriously business-minded folk in marketing procurement, but the subject of transparency in media is guaranteed to raise the temperature whenever the client procurement community gathers to discuss matters of common interest.

At a recent ProcureCon conference in London (where Ebiquity was a partner), there was much debate about the lack of transparency in the media transaction process, and this was the first time that many of the delegates from around the world had been able to discuss the subject with their peers. It led to an interesting discussion and a lot of evident frustration for the agencies' clients.

However, this is not a new subject. There has been much greater awareness of the lack of transparency in the media world for the last five years, but the working practices of the recessionary age have consolidated during that time, and most delegates thought that the problem was going to get worse, not better.

There is a general air of disappointment among the procurement community that the big media agency groups haven't adopted a much more positive approach to becoming transparent, but also a reluctant acceptance that the business model of the big groups relies very heavily on the inherent lack of visibility in the complex agency eco-system.

Trust between client and agency seems to have been eroded in this environment, and the lack of trust was certainly viewed by some ProcureCon delegates as a feature of the media industry that they don't find elsewhere.

This is particularly so in the arcane and seemingly baffling world of Agency Trading Desks, where the business model is not only opaque, but looks designed to be so; indeed, at least one group publicly feels no obligation to be open in its online advertising operations.

Now, there are plenty of people who say that the clients have brought this on themselves, by insisting on commoditizing the media agency service and squeezing fees, and there have no doubt been egregious examples of excessive procurement zeal during tough times.

However, the majority of the people present at ProcureCon seemed to be prepared to reward their agency partners properly for outstanding results, and the angst regarding transparency stems from the frustration of not knowing about how the money flows. For people doing this job, understanding the business model of 'suppliers' is table stakes.

The media agency world has not only been slow to address client concerns regarding transparency, but the delegates seemed to feel that there was a creeping element of 'catch us if you can', and even a sense that the Marketing function within clients are not so preoccupied by this subject, and this diminishes procurement's attempts to improve transparency. This can cause internal strife.

However, the slight air of despair evident in Knightsbridge at the conference was alleviated by an ADWEEK editorial shortly afterwards which reported that some big advertisers are mad as hell and not going to take it any more when it comes to the opaque trading practices in Agency Trading Desks and are cutting up rough about it.

There is a limit to how much clients are prepared to accept this lack of visibility over data and money, and they have a growing suspicion that there is more money being made from their money than is healthy and the all-too-public refusal to be more transparent emanating from some players has finally tested the patience of some advertisers to breaking-point.

There is also a growing doubt in clients' minds that the much-vaunted technological capabilities of the desks is all that they are cracked up to be, and that the margins being made are unsupported by what some clients are viewing as 'smoke and mirrors'.

What seems even more obvious after ProcureCon and the ADWEEK article is that the increasingly public debate about the lack of transparency in the media transactional chain is reaching a pitch we've never seen before, with the debate about transparency in online generating questions about the traditional media world.

So, how will the big groups react to increasing pressure from clients regarding transparency? Will they continue to tough it out contract-by-contract, or will they adopt a company-wide approach? Experience suggests the former, as the margins associated with media cannot be allowed to slip.

Meanwhile clients will continue to seek increasingly high levels of visibility from their agencies and will continue to consult with trade associations and external consultants to assist them. It seems likely that the levels of trust between clients and agencies will slip still further as the agency groups continue to defy the client desire for greater transparency.

The subject of transparency is moving on and will continue to dominate the procurement conference circuit and trade press as long as clients feel that their agency partners are not taking the subject seriously. This one will run and run.

The ins and outs of contracts

Contracts between agencies and advertisers set the ground rules for a great relationship. Getting it right and respecting what's been agreed allows everyone to focus on delivering great business results. Stephen Broderick explains.

In times gone by the contracts signed between agencies and advertisers were significantly shorter – sometimes they only took a couple of pages.

These contracts were also less relevant to the way people did business, $100m deals were happily done on a handshake and once signed the contract was filed away to gather dust.

That might have been acceptable when agency appointments were for life, but at a time when clients review their agency relationships more often than they replace their car, it's no longer sensible.

Responsibility for abiding by the contract lies with both parties. It's not just a case of the marketing director hauling his agency over the coals or regarding their agency with suspicion, it's a case of both sides making sure they are constantly complying with the terms and conditions that have been mutually agreed.

So, what should be in the contract and what should be avoided?

The first thing that every contract should specify is an annual review. The media world changes so fast and the work that agencies are asked to do evolves on a daily basis. Digital, which now dominates media thinking, for example, is in a state of constant flux given the emergence of social media and mobile devices.

Similarly, trading practices change so factors that are now commonplace, such as volume rebates, were rare five years ago. A contract that doesn't specify their return may entitle the agency to retain monies that would be returned to an advertiser with an updated contract.

The bottom line is that if a contract isn't reviewed regularly then it will quickly become outdated.

Second, there should be the option to amend the contract to reflect any changes in the scope of work and fees.

In addition, where an agency is expanding the relationship to carry out work outside the remuneration agreement, the fees or commissions should also be documented and a basis for calculating additional fees detailed in the contract.

It's not uncommon for an advertiser to have hired an agency for classical planning and buying but then slowly expand the relationship to include new communications channels, be it branded content or search. The cost of these additional services should be clear from day one.

Third, the agency's remuneration and any bonus schemes should be clear and well documented. Many of the schemes designed to reward agency contributions to business success are inadequately drafted. The reward should be relatively simple to calculate and the contract should detail how it is measured and when it will be paid.

If using hourly rates, these rates should be included by person and the methodology behind their calculation documented (standard hours, overhead rate, margin). These schemes are far more effective when everyone knows what they stand to earn.

KEEPING YOUR EYE ON REBATES

Fourth, the contract should set out how Agency Volume Bonuses (AVB's), rebates and discounts are to be treated. It should specify that these payments, even where they are made to group or associated companies of the agency, should be passed back to the advertiser. The contract should also explain the method of calculation (ideally pro-rata basis on client spend for each media owner).

The creation of group trading companies within agency groups has shifted the focus on rebates away from the media agency brands and visibility is essential.

Rebates have also increased significantly in recent years as the rise of digital has forced media owners to offer more benefits to the agencies either in terms of cash or free inventory. Failure to include clarity on this issue in the contract can be costly for clients.

Fifth, audit rights should be clearly stated within the contract. These should cover both the advertiser's and the agency's obligations, as well as the need for appropriate access to data.

Some agency contracts will try to specify a large and generalist accountancy firm carries out this process but such firms may not have the knowledge to track the money flows through the complex arrangements of today's media landscape.

Advertisers need unlimited access to data for analysis of performance or competitor performance and for day to day planning and buying needs. Advisers, such as auditors, have the same rights and entitlements to this data as do their advertiser clients.

Sixth, the contract should specify how unbilled and unreconciled pass-through costs should be managed. This is something that needs to happen regularly, as otherwise the sums involved can build up significantly.

It is the obligation of the advertiser to insist that this review is carried out, but it's also in the agency's interest that it happens regularly as well. One client hadn't requested a review for four years and when it was finally carried out, the agency had to return a sum in excess of seven-figures back to the client.

The penultimate point that all good contracts should include is a commitment to transparency. While this is a generic point, it's important to ensure that both parties are signed up to this principle should any dispute over access to information arise later on.

Finally, there should be a clear management reporting timetable so that everyone knows when they are required to reveal and deliver fee reconciliations if required under the contract, production balances, unbilled media balances and AVBs.

We would suggest that this happens at least every six months, with AVBs repaid on an annual basis.

MAKE SURE THIS ISN'T INCLUDED

If those are the good things to have in your contract, then there are also significant elements that you don't want in there. Sometimes these can go unnoticed until it is too late and the contract has been signed. Our five key clauses to avoid are:

Any restrictions on the advertiser's choice of auditor. As stated above, even an apparently innocuous limit such as a demand that you use only a large and generalist accountancy firm can leave you short on expertise in what is a complicated area.

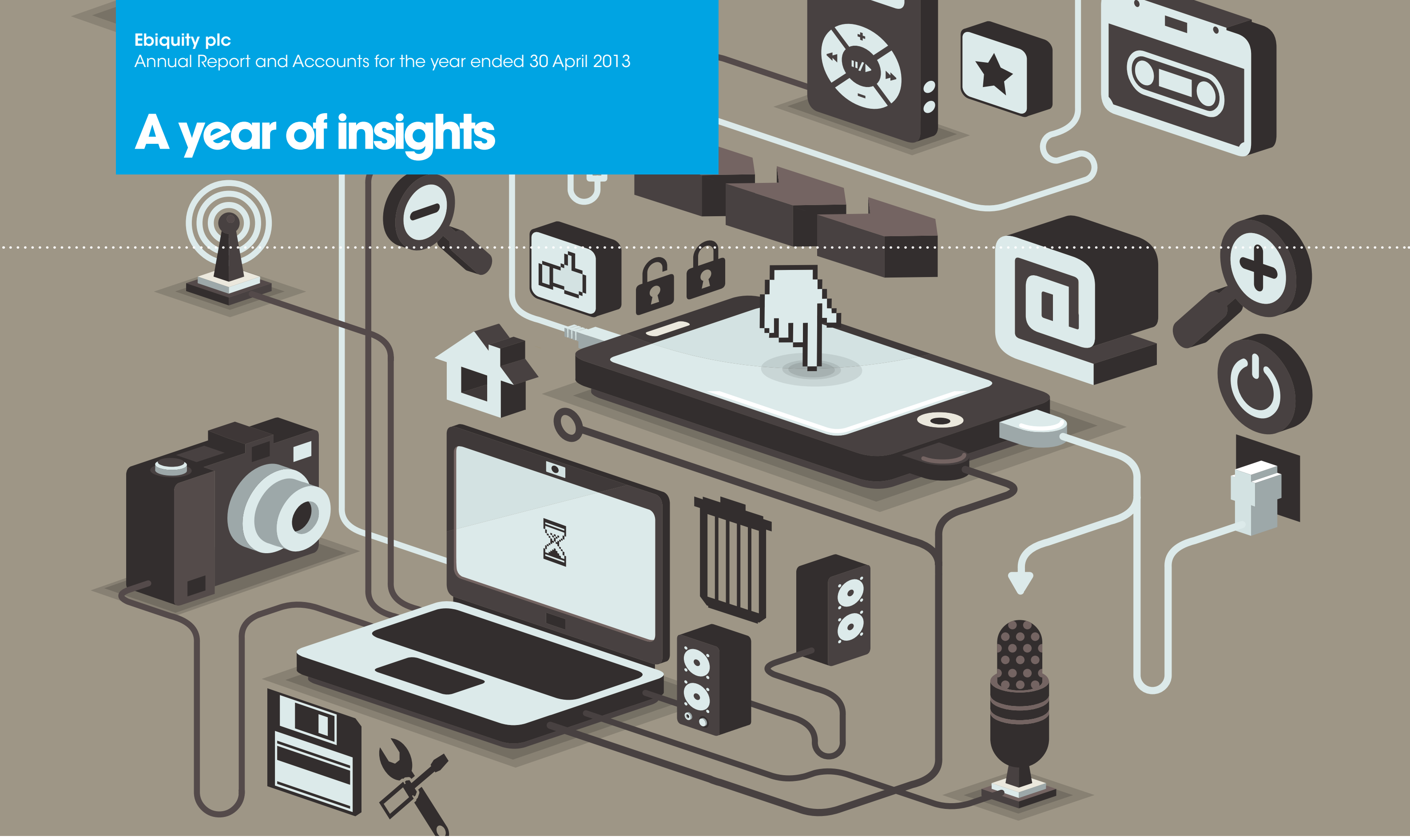
Any restrictions that limit the information provided to just the agency buying/planning brand. In an era of group holding companies, it's important to be able to follow the money wherever it leads within the agency group.

Data restrictions should not be permitted in any form. Agencies have been trying to limit the amount of information that advertisers and auditors can see around agency trading desks, in particular, but without such information it's impossible to tell whether they are buying effectively, at a competitive price and how the advertiser's data is being used.

More recently, we've heard reports that some agencies are asking media auditors to sign a separate Non Disclosure Agreement (NDA) direct with the agency (and not just with the client). If not properly limited in scope, these documents risk severely limiting the auditor's ability to carry out the audit effectively by restricting the information that can be shared with the client and the way in which the advertiser's data can be used.

At negotiation stage an agency may seek to insert a clause into the advertiser contract which states that no audit can be carried out without such an NDA. Unfortunately, such moves can be overlooked by an advertiser that rightly wants to focus on the marketing challenges.

The final must-not-have clause is anything that allows agencies to generate revenue from media owners, whether via consulting or providing research data. As some agencies look for new ways to boost revenue, we have seen a number of examples recently in Europe that can be dubbed the "million dollar pencil".



Measuring media performance in the new landscape

Changes in the media market and new trading practices demand a new contract between advertiser, agency and media auditor. Nick Manning explains.

Media auditing should be fairly simple. It's how clients find out how effectively and efficiently their advertising has been delivered, whether they bought competitively and that their media agency has delivered on all its contractual promises.

Achieving these goals, however, has become more challenging in recent years. This is despite the fact that more clients are not only demanding answers but also paying their agencies more if they deliver on audited targets.

Changes to the media trading market, including the consolidation of media buying groups, the increasing complexity of media choices and the growing use of technology and trading platforms, have all made it harder to deliver the simple promise of media auditing.

One area of particular concern is the increasingly fractious battle over data. This is especially the case when agency trading desks are involved and access is often restricted or even prohibited entirely.

Solving these new challenges requires advertisers to update their contractual relationships with the media agency networks. In particular, there is a need for advertisers to ensure that the media agency's responsibilities regarding data provision mirror the client's agreement with their auditor.

Advertisers need to make changes in five key areas:

DATA SUPPLY AND ACCESS

The tasks of measuring media performance and ensuring contract compliance are highly detailed and require unfettered access to the right information and data. It is fundamental that the client enshrines within its contract with the media agency that auditor access to the data needed for the agreed media auditing scope is guaranteed.

If this involves data sourced from research companies, the media agency needs to negotiate auditor access as part of their arrangements with such suppliers.

TRANSPARENCY OF MEDIA PRICING AND TRANSACTIONAL PROCESS

Advertisers are becoming ever keener to understand where their investments go, and with the emergence of Agency Trading Desks they are also concerned about data-flows, too.

In many instances, clients are being asked to agree separate contracts with trading desks, which grant limited or no audit rights.

True transparency requires a full audit of the composition of media pricing and the rebate chain at agency and group level; in recent times, media agencies have sought to oppose this degree of scrutiny, often against the client's desire for transparency.

Clients require a high degree of granularity in the wording of their contracts with agencies to ensure full visibility, and this needs to extend to the right to audit the financial transaction 'chain' between the media vendor, the group buying house, the media agency and the client. Transparency is a binary matter; clients either have it or they don't.

The same applies to the right of audit within trading desks, including the way that the client's data is used to improve targeting, re-targeting or for other advertisers' benefit.

CONFIDENTIALITY AND NON-DISCLOSURE

The discipline of media auditing relies upon the principle of confidentiality. Advertisers entrust their data to media auditors on the basis that it will be anonymised and aggregated for the production of benchmarks that provide an accurate picture of the market, without compromising any individual advertiser.

The duty of care that the media auditor owes is to the client and the reports that media auditors produce are created solely for the client's use, using the client's data solely captured for that purpose.

Clients should reassure themselves (and their agencies) that their agreements with media auditors grant them absolute security of confidentiality.

ACCESS TO REPORTS

Many clients adopt the sensible approach endorsed by the World Federation of Advertisers whereby the reports are discussed between the media agency and media auditor in advance.

This process is not a 'negotiation' and it is important that the client determine:

- Whether they want the auditor and agency to share data and reports
- What the terms of engagement for such sharing should be
- What level of agreement should be included in any prior discussions (for example, exclusion of late-approved inventory and any other exceptional items)

Clients should agree with the auditor what allowance will be made for non-traditional media usage based on the auditor's ability to benchmark, and clients should expect the auditor and agency to have agreed on common factors for price adjustments for media inflation and changes year-on-year, especially in the case of savings guarantee measurement.

As far as possible, these principles should be reflected in the client contract with the media agency. Some client contracts are relatively silent on how the media agency will be judged, and what data the agency needs to supply for that purpose.

THE RESPONSIBILITY OF THE MEDIA AUDITOR

Media auditors must undertake to their clients that the work they conduct conforms to the highest possible standards, with a guarantee of data security and confidentiality.

They must also provide factual and accurate validation of data pools where appropriate and also provide full and correct detail of their resources both centrally and locally. Media auditors cannot preach transparency on behalf of advertisers and not be transparent themselves.

For media auditing to work to its full potential, there needs to be a three-way partnership between client, agency and auditor. There may never be absolute harmony, but the improvement of performance is a common goal which unites all three parties.

Ultimately, if media agencies aspire to being true business partners rather than just suppliers, it is in their interests to build trust by facilitating the process by which clients reassure themselves that their best interests are being protected.

Financial Review

SUMMARY OF RESULTS

In the year ended 30 April 2013 revenue has grown by 21% to £64.0 million, with continued organic revenue growth at a rate of 3% for the financial year.

With a reduced level of acquisition and restructuring activity compared to recent years, the Group has been able to demonstrate more clearly the strong cash generating ability of the business. Underlying cash generated from operations has increased from £4.5 million to £9.2 million.

Operating profit and EBITDA margins have improved — to 16.3% and 18.3% respectively — despite the margins of a number of recent acquisitions currently being lower than the rest of the Group. This has been achieved by a continued focus on the underlying cost base of the business, and in particular a focus on driving operational efficiencies.

Underlying diluted EPS has seen strong growth, increasing by 22% to 9.0p. This reflects the positive impact of recent acquisitions which have been efficiently financed.

ACQUISITIONS AND DISPOSALS IN THE FINANCIAL YEAR

On 3 August 2012, we purchased 100% of FirmDecisions ASJP Group Limited (the holding company of the FirmDecisions Group, "FD") for total expected consideration of £5.6 million consisting of upfront consideration of £1.0 million, deferred consideration of £0.5 million and estimated earn out payments of £4.1 million. Total consideration is capped at £7.0 million. FD operates from offices in London, New York and Melbourne and employs 13 people.

The results of FD have been consolidated into our Analytics division from the date of acquisition.

On 25 April 2013, the Group sold the trade and assets of its UK AMMO/BrandIQ business for a nominal consideration, resulting in a small loss on disposal. The business was part of the Platform division and employed 13 people.

SEGMENTAL REPORTING PRESENTATION

Our two segments are "Analytics" and "Platform". The Analytics division consists of our media buying measurement & benchmarking, performance measurement & attribution services and reputation management services, and our Platform division consists of our media monitoring products.

All results are stated before taking into account highlighted items unless otherwise stated. These highlighted items include share based payment expenses, amortisation of purchased intangible assets, acquisition costs, and restructuring and other non-recurring items.

REVENUE

	30 April 2013 £'000	30 April 2012 £'000
Analytics	**39,542**	27,927
Platform	**24,504**	24,992
Total	**64,046**	52,919

ANALYTICS

The acquisitions in the current and prior year have all been in the Analytics division, which has helped the division's revenue increase by 42% to £39.5 million.

On an organic constant currency basis, Analytics revenue has grown by 6%, with particularly strong growth in Germany, Russia, and from the Echo business worldwide.

Our strongest year-on-year performance was from our Effectiveness practice — which helps our clients to optimise the impact of their marketing activities with the help of statistical analysis — with growth of 29%.

PLATFORM

Retention of Platform clients has been very strong, with the renewal rate (by value) increasing to an all-time high of 93% (2012: 92%), however new contracts have been slower to close than anticipated.

Platform division revenues in both years include the part-year impact of disposed businesses (Newslive in the prior year and AMMO/ BrandIQ in the current year). Excluding the revenues of these disposals — both of which were small, but underperforming — Platform revenue has remained relatively stable, with a small decline of 0.5%.

Also included in the Platform division is our Communications Insight practice — which helps clients to analyse brand behaviour and communications activity to direct and inspire marketing communications strategy — which has grown by 22%.

ANALYSIS OF ORGANIC REVENUE GROWTH

	Organic £'000	Acquisitions £'000	Total £'000
Revenue for the year ended 30 April 2012	49,269	3,650	52,919
Organic revenue growth on a constant currency basis	1,339	—	1,339
Foreign exchange movement on organic revenue	(321)	—	(321)
Full year impact of prior year acquisitions	—	8,335	8,335
Revenue from current year acquisitions	—	1,774	1,774
Revenue for the year ended 30 April 2013	**50,287**	**13,759**	**64,046**

In the prior year we acquired 4 businesses: Echo, JUMC, FMM and FLE. Echo and JUMC, having been owned for almost all of the prior year (both for over 11 months of the year respectively) are considered to be organic. FMM and FLE however, were only owned for approximately 7 and 2 months of the prior year respectively, and are therefore not considered to be organic in this financial year. The prior year revenue of these 2 businesses makes up the £3.7 million prior year acquisitions revenue shown above.

Organic revenues have increased by 3% (£1.3 million) on a constant currency basis, an improvement over the prior year.

The full year impact of prior period acquisitions represents the year on year increase in recognised revenue from prior year acquisitions that are not deemed organic. Specifically, this relates to FMM (acquired on 14 October 2011) and FLE (12 March 2012) where a full year of revenue was not recognised in the prior year.

Revenue from current year acquisitions represents FD's revenue from the acquisition date (3 August 2012) until the year end. As this was a current year acquisition, no revenue is included in the prior year. On a pro forma year-on-year basis, FD has delivered a strong revenue growth since joining the Ebiquity group.

INTERNATIONAL REVENUE GROWTH

All of the acquisitions in the current and prior year have added to our international presence. 77% of total group revenue (£49.2 million) now comes from international sources (either non-UK sourced revenue, or UK sourced revenue where marketing activity is analysed in more than one country), up from 76% last year (£40.5 million).

Financial Review

UNDERLYING OPERATING PROFIT

	30 April 2013 £'000	30 April 2012 £'000
Analytics	**10,630**	8,525
Platform	**8,249**	8,313
Central costs	**(8,438)**	(8,633)
Total	**10,441**	8,205

Underlying operating profit was £10.4 million (2012: £8.2 million), representing a 27% increase over the prior year.

ANALYTICS

The Analytics division has increased operating profit by £2.1 million (a 25% increase), and on an organic basis the increase is £0.3 million (a 4% increase).

PLATFORM

The Platform division has remained broadly flat, reflecting a well-controlled cost base on a stable revenue performance.

CENTRAL COSTS

Central costs include certain UK property costs, central salaries (Board, Finance, IT and HR), and central legal and advisory costs. The UK property costs include our client facing offices and totals £1.8 million in the year (2012: £1.8 million). Central costs have fallen by 2%, reflecting a stable central cost base.

MARGINS

The underlying operating profit margin has improved from 15.5% to 16.3% largely due to central costs remaining stable despite the increased scale of the overall Group, and to the disposal of underperforming Platform businesses.

The underlying EBITDA margin has also improved, increasing from 18.0% to 18.3%.

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.

	30 April 2013 £'000	30 April 2012 £'000
Recurring (non-cash) administration expenses, before tax	**2,575**	2,676
Net non-recurring (cash) administration expenses, before tax	**361**	1,931
Total	**2,936**	4,607

Highlighted items have reduced by 36% to £2.9 million, £2.5 million of which relate to non-cash expense items.

Recurring highlighted items relate primarily to amortisation of purchased intangibles, up £0.6 million to £2.3 million due to the impact of recent acquisitions. All recurring highlighted items are non-cash. The reduction in recurring highlighted items in total relates to a large decrease in the share option charges in the year.

Non-recurring items, which relate primarily to acquisition and integration costs, have reduced by £1.6 million to £0.4 million. These items have a cash impact, and as at the year end £0.1 million of the £0.4 million had been settled. The current year charge includes a net credit representing adjustments to the fair value of deferred consideration liabilities of £0.6 million.

RESULT BEFORE TAX

	Year ended 30 April 2013 £'000	Year ended 30 April 2012 £'000
Underlying operating profit	**10,441**	8,205
Highlighted items	**(2,936)**	(4,607)
Reported operating result	**7,505**	3,598
Net finance costs— underlying	**(975)**	(644)
Net finance costs — highlighted	**–**	(311)
Share of profit of associates	**26**	–
Reported profit before tax	**6,556**	2,643
Underlying profit before tax	**9,492**	7,561

Underlying net finance costs were £1.0 million (2012: £0.6 million) which reflects the higher level of debt following the acquisitions made during the current and previous financial years. The current year charge includes the amortisation of loan arrangement fees of £0.1 million (2012: £0.1 million) that were capitalised at the time of a bank debt refinance in March 2012. The highlighted net finance costs in the prior year related to loan fees that were written off at the time of the refinance.

Reported profit before tax is up 148% to £6.6 million (2012: £2.6 million). Underlying profit before tax was up 26% to £9.5 million (2012: £7.6 million).

TAXATION

	Year ended 30 April 2013 £'000	Year ended 30 April 2012 £'000
Current tax charge	**2,001**	1,925
Deferred tax credit	**(608)**	(889)
Total tax charge	**1,393**	1,036

The current tax charge relates to UK taxes of £0.7 million (2012: £1.1 million) and overseas tax of £1.3 million (2012: £0.8 million).

The deferred tax credit mainly arises on purchased intangible assets (£0.6 million, 2012: £0.7 million) and share options (£0.02 million, 2012: £0.2 million). In addition, there is an unrecognised deferred tax asset of £0.5 million relating to German losses (2012: £1.1 million relating to UK and German losses).

EQUITY

During the year, 1,096,173 shares were issued upon the exercise of employee share options. A further 345,009 new ordinary shares were issued to increase our controlling interest in our German subsidiary. These events have increased our share capital to 60,358,849 ordinary shares (2012: 58,917,667).

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

No shares have been issued subsequent to the year end.

Financial Review

EARNINGS PER SHARE

Underlying diluted earnings per share was 9.0p (2012: 7.4p). This is an increase of 22% over the prior year, reflecting the positive impact of the acquisitions and the use of brought forward tax losses, partially offset by the impact of the geographical mix of our business with more profits coming from territories where tax rates are higher than in the UK.

The Group reports a diluted earnings per share of 6.7p (2012: 2.2p) due to improved underlying profitability and a reduced level of highlighted items.

CASH CONVERSION

	30 April 2013 £'000	30 April 2012 £'000
Reported cash from operations	**7,526**	2,493
Underlying cash from operations	**9,243**	4,445
Underlying operating profit	**10,441**	8,205
Cash conversion	**89%**	54%

Underlying cash from operations represents the cash flows from operations excluding the impact of highlighted items. The underlying net cash inflow from operations has improved significantly to £9.2 million (2012: £4.4 million).

After highlighted items are considered, net cash inflow from operations for the year was £7.5 million (2012: £2.5 million), reflecting the lower level of cash highlighted items occurring in the period. This reflects the strong cash generating ability of the Group.

Due to stronger working capital management in the year, cash conversion has improved significantly.

NET DEBT AND BANKING FACILITIES

	As at 30 April 2013 £'000	As at 30 April 2012 £'000
Cash	**7,109**	6,190
Bank debt[1]	**(22,636)**	(18,353)
Net debt	**(15,527)**	(12,163)

[1] Bank debt on the Balance Sheet at 30 April 2013 is shown net of £0.2 million (2012: £0.3 million) of loan arrangement fees that have been paid and which are amortised over the life of the facility. The bank debt stated above excludes these costs.

Our drawn facilities comprise £12.2 million of term loan and £10.5 million of revolving credit facility. Both the term loan and the revolving credit facility have a maturity date of 9 March 2016. £6.2 million of the term loan is being repaid on a quarterly basis to maturity, and the balance of the term loan and any drawings under the revolving credit facility are repayable on maturity of the facility. At 30 April 2013, £4.5 million of the facility remains undrawn, which may be used to pay deferred consideration on completed acquisitions, upfront consideration on future potential acquisitions, or for general working capital requirements.

Net debt:EBITDA has remained below 1.5 throughout the year.

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

BALANCE SHEET AND NET ASSETS

Total net assets have increased by £6.4 million since last year primarily as a result of the improved performance of the Group including the impact of the current year acquisitions. Goodwill has increased by £3.6 million, reflecting the impact of recent acquisitions.

Deferred contingent consideration has reduced by a net £2.4 million due to the conclusion of a number of earn out positions, partially offset by the acquisition of FD. During the year, earn out payments totalling £6.4 million were made.

Remaining deferred consideration is currently estimated to be £5.7 million.

Andrew Beach
Chief Financial Officer
23 July 2013

Directors and Advisers

MICHAEL HIGGINS
Non-Executive Chairman

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

MICHAEL GREENLEES
Chief Executive Officer

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

NICK MANNING
President, International

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

PAUL ADAMS
Chief Operations Officer

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

ANDREW BEACH
Chief Financial Officer

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

STEPHEN THOMSON
Non-Executive Director

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

SARAH JANE THOMSON
Non-Executive Director

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

RICHARD NICHOLS
Non-Executive Director

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

JEFFREY STEVENSON
Non-Executive Director

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

CHRISTOPHER RUSSELL
Non-Executive Director

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

Company Secretary
Andrew Watkins

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Directors' Report

The Directors present their annual report and accounts for the year ended 30 April 2013.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

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

The profit for the year after taxation amounted to £5,163,000 (30 April 2012: £1,607,000). Full details of the results for the year are set out in the Financial Review on pages 14 to 19.

BUSINESS ENVIRONMENT AND BUSINESS MODEL

Companies are increasingly focused on bringing more accountability to their marketing spend and on analysing return on investment. Ebiquity operates in a sector which helps companies to achieve this. We believe that our addressable market is large and growing.

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

Ebiquity is an international business with a global client base. To most of our clients our products and services are considered 'must have', and for that reason we have high recurring revenues and a strong cash generative business model.

Due to recent international expansion and widening of our service offering, we have the potential to grow the scope and contract sizes of our existing clients, as well as to win new clients. Our platform division in particular is highly scalable and cash generative. Further commentary on our future developments and strategic direction are included in the Chief Executive Officer's Review on pages 4 to 7.

KEY GROWTH DRIVERS

Key driver	Response
Rapidly developing markets	Growth in available data around the effectiveness of marketing programmes and scale of this data which requires specialist skills. New user-generated media such as social media and blogs creating an ever-growing demand for media insight.
Increased market share	Clients may lack time or skill set to cope with plethora of data. Ebiquity can provide new and existing clients a wealth of tools and services to help clients make sense of their data.
New product development	New product development to consolidate data and insight from across the business into an aggregated offering. Software products continually improved to increase usability and the depth of their data resources.
Geographic expansion and acquisitions	Growth areas in developed and developing economies. Bolt-on opportunities to expand client base, service offering, and data resources.

STRATEGY

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

RESEARCH AND DEVELOPMENT

The Group continues to invest in development of products. During the year a total of £0.4 million was capitalised in relation to development projects. This has resulted in some enhancements of existing products that will benefit the Group in the medium to long term.

TRADING REVIEW AND FUTURE DEVELOPMENT

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

Key Risk	Potential impact	Mitigating factors
IT systems	Ebiquity relies on its IT systems to deliver services to customers. As a technology-led business, a key risk is the possibility of an interruption to the running of the Group's hardware or software.	The Group has a team of dedicated IT professionals with the skills to maintain the systems and address potential issues as they arise. The Group has also invested heavily in back-up systems and procedures to mitigate the impact of any outage.
	In addition, the security of our clients confidential data could be breached.	The Group takes protection of client data very seriously, and controls and processes around access and duplication of data have been developed, and are reviewed frequently.
Economic cycle	During periods of economic downturn, overall spending on marketing activity is likely to decline and this in turn may impact on the Group's revenues.	The Group believes that the products and services of the Analytics business, which are focused on helping its customers achieve maximum value from their marketing spend, are valuable in a recessionary environment. This helps to partially shield the Group from the impact of economic downturns.
	Clients may take longer to pay their invoices from the Group, putting pressure on working capital.	Costs are managed well by the Group, and to some extent can be flexed according to revenue performance. Cash flows are monitored carefully to ensure effective use of banking facilities.
Loss of key staff	Our Directors and staff are critical to the servicing of existing customers and the winning of new business. The departure of key individuals and the inability to recruit people with the right experience and skills could adversely affect the Group's results.	Key staff are subject to financial lock-ins and long term incentive arrangements linked to Group results which are designed to reward loyalty and performance. We review our incentive packages as part of our business planning process each year. Wherever possible the Group provides promotion opportunities to its staff.

Directors' Report

Key Risk	Potential impact	Mitigating factors
Increased competition	The marketing services sector is highly competitive, with frequent new product innovations and enhancements, all of which means that there can be no guarantee that the Group will generate expected revenues.	The Group is well placed to counter these threats given its strong market position, the quality and comprehensiveness of its database and its world-leading proprietary technology, all of which act as strong barriers to entry for potential competitors. The Group has a range of products and services which allows us to offer our clients an integrated approach to the management of their paid and earned media spend.
Performance and integration of acquisitions	The Group continues to make acquisitions that change the shape and structure of the business.	Detailed due diligence procedures, more often than not performed by external professional service firms, are performed prior to acquisition, with a focus on expected performance post completion.
	There is a risk that acquired entities will not perform as expected following acquisition.	Most of our acquisitions are structured as earn out deals, where a large portion of the consideration is dependent on the performance of the business post completion.
	Further, most acquisitions require varying degrees of integration activities. If the integration processes do not proceed as planned, the acquired businesses may not achieve the levels of profitability and cash flows that we currently forecast.	We develop detailed integration plans where significant integration is necessary, which include regular milestones and steering committee meetings to ensure that our integration plans are successful.

KEY PERFORMANCE INDICATORS ("KPIs")

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

KPI	**Year ended 30 April 2013**	Year ended 30 April 2012	Definition, method of calculation and analysis
Revenue (£k)	**64,046**	52,919	Revenues from our Analytics and Platform businesses. The increase is primarily a result of the acquisitions in the current and prior year.
Underlying operating profit (£k)	**10,441**	8,205	Operating profit before highlighted items. The increase is primarily a result of the acquisitions in the current and prior year.
Advertising subscriptions Renewal Rate (%)	**93%**	92%	Percentage of advertising monitoring business (by contract value) which has renewed over the previous 12 months. The rate has increased to an all-time high demonstrating the value of our products to our clients.
Underlying cash from operating activities (£k)	**9,243**	4,445	Underlying cash flow before finance expenses, income taxes, investing and financing activities. The strong increase is a result of the larger size of the Group following recent acquisitions, and improved working capital management.

DIVIDENDS

Our priority remains to deploy our current resources in favour of investment in the business for growth, and hence a dividend is not proposed (2012: nil). However, the Board continue to review the appropriateness and timing of commencing the payment of dividends.

EMPLOYEE ENGAGEMENT

Ebiquity is committed to the continuous development of its employees. The Group's people are integral to the success of the business and as a result the Group pursues employment practices which are designed to attract, retain and develop this talent to ensure the Group retains its market leading position with motivated and satisfied employees. The Company has continued this year with its employee engagement programme, initiated in the year ended 30 April 2012, measuring engagement levels and drivers through an annual survey and taking actions to further develop the leadership and organisation on the back of these findings.

The Group has continued its practice of using formal and informal communication channels to provide employees with the information they need to understand and achieve the objectives of the Group and to keep employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the Group.

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. Where existing employees become disabled it is the Group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training. It is the policy of the Group that training, career development and promotion opportunities should be available to all employees.

Employees are encouraged to own shares in the Company, and many employees are shareholders and/or hold options under the Company's share option scheme and executive incentive plan.

DONATIONS

During the year, £13,000 was donated to charity (2012: £12,000). No political donations were made in either year.

CREDITOR PAYMENT POLICY

The Group's policy is to comply wherever possible with any payment terms agreed with suppliers. The Company's creditors are settled on its behalf by another entity within the Group and therefore creditor days are shown for the Group as a whole to better reflect the payment policy. As at 30 April 2013, the Group's average creditor days figure was 65 days (2012: 59 days). The Group had trade creditors of £4,611,000 at the year end (2012: £5,391,000).

SUBSTANTIAL SHAREHOLDINGS

At 23 July 2013 the following held more than 3% of the Company's ordinary share capital, other than the shareholdings held by Directors and an Employee Benefit Trust. No other person has reported an interest of more than 3% in the Company's ordinary shares.

Name	No. of shares	%
VS&A Communications Partners III ("VSS")	15,109,549	25.0%
Kabouter Management	5,907,468	9.8%
Artemis Investment Management	5,444,900	9.0%
Herald Investment Management	3,916,125	6.5%
Blackrock	3,420,898	5.7%
JO Hambro Capital Management	2,495,021	4.1%

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

Directors' Report

FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise bank loans and cash. The main purpose of these financial instruments is to provide finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The operations of the Group generate cash and the planned growth of activities is cash generative. Full details of financial instruments are included in note 25 to the financial statements.

GOING CONCERN

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

DIRECTORS' INDEMNITY

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

DIRECTORS

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

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

Andrew Watkins, General Counsel, performs the role of Company Secretary.

DIRECTORS' INTERESTS

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

	Number of ordinary shares 30 April 2013	**Options 30 April 2013**	Number of ordinary shares 30 April 2012	Options 30 April 2012
Michael Higgins	**64,500**	**–**	64,500	–
Michael Greenlees	**230,000**	**2,591,368**	230,000	2,591,368
Andrew Beach	**20,000**	**399,756**	20,000	249,756
Nick Manning	**230,000**	**1,970,230**	230,000	1,970,230
Paul Adams	**1,308,804**	**948,731**	908,804	1,348,731
Stephen Thomson	**1,000**	**145,921**	5,302,393	145,921
Sarah Jane Thomson	**7,603,787**	**145,921**	5,302,394	145,921
Richard Nichols	**100,000**	**–**	100,000	–
Jeffrey Stevenson	**–**	**–**	–	–
Christopher Russell	**–**	**–**	–	–

No Director has any direct interest in the shares of any subsidiary company. There have been no changes in the above Directors' shareholdings between 30 April 2013 and 23 July 2013.

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

AUDITORS

The external audit was put out to tender following the audit for the year ended 30 April 2012. The selection panel consisted of two representatives from the Audit Committee (including the Audit Committee Chairman), the Chief Financial Officer, and the Group Financial Controller.

A number of factors were considered in the selection process. These included the following: cost effectiveness; strength, experience, attitude and commitment of the proposed team; industry and business understanding; service approach; international and cross line of service team co-ordination; and quality assurance.

The selection panel made the final recommendation — to appoint PricewaterhouseCoopers LLP — which was approved by the Board of Directors during the year. It is proposed that PricewaterhouseCoopers LLP will be formally appointed at the next Annual General Meeting.

By order of the Board.

Andrew Beach
Chief Financial Officer
23 July 2013

Corporate Governance

BOARD OF DIRECTORS

The Board is responsible to shareholders for the proper management of the affairs of the Group. A statement of the Directors' responsibilities with regards to the annual report and accounts is set out on page 30.

The Board of Directors comprises an independent Non-Executive Chairman, the four Executive Directors, and five Non-Executive Directors.

The Board meets formally on average 7 times a year and is responsible for, amongst other things:

- Approving the annual budget and quarterly reforecasts
- Reviewing monthly performance against budget, reforecasts and market expectations
- Reviewing and approving acquisitions opportunities and deal structures
- Ensuring adequate funding and review of banking covenants
- Approving major group policies and procedures
- Approving the annual report and accounts

EXECUTIVE COMMITTEE

The four Executive Directors, together with the UK CEO, the HR Director and the General Counsel comprise the Group's Executive Committee, which meets on a weekly basis, and provides the principal vehicle for directing the Group's business at an operational level.

AUDIT COMMITTEE

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

During the year, the Audit Committee was involved in the selection of a new external audit firm via a tender process, as described in the Directors' report.

The Audit Committee is responsible for reviewing the performance of the external auditors on an annual basis, and for agreeing the scope of their work. The Audit Committee also monitor the level of non-audit work conducted by the external auditors to ensure that independence and objectivity are safeguarded. Details of non-audit fees paid to the external auditors are set out on page 50.

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

Under the rules of the AIM Market the Group is not required to comply with the UK Corporate Governance Code. However, the Directors have instigated a programme of continual improvement towards compliance with the UK Corporate Governance Code in so far as it can be applied practically, given the size of the Group and the nature of its operations.

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

ATTENDANCE AT MEETINGS

Details of Directors' attendance at the main Board and Committee meetings in the financial year was as follows:

	Board	Audit	Remuneration
Meetings held	7	4	2
Michael Higgins	7	4	2
Michael Greenlees	7	–	–
Andrew Beach	7	–	–
Nick Manning	7	–	–
Paul Adams	7	–	–
Stephen Thomson	7	–	1
Sarah Jane Thomson	6	–	–
Richard Nichols	7	4	2
Jeffrey Stevenson	5	–	–
Christopher Russell	7	4	2

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

In preparing these accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRSs as adopted by the European Union and IFRSs issued by IASB and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the group and parent company financial statements respectively; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418 each Director in office confirms that:

- so far as the Director is aware there is no relevant audit information of which the company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EBIQUITY PLC

We have audited the group financial statements of Ebiquity plc for the year ended 30 April 2013 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on page 30, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the group financial statements:

- give a true and fair view of the state of the group's affairs as at 30 April 2013 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent Auditor's Report

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the group financial statements are prepared is consistent with the group financial statements.

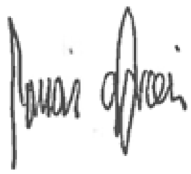
MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

OTHER MATTER

We have reported separately on the parent company financial statements of Ebiquity plc for the year ended 30 April 2013.



Simon O'Brien (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
23 July 2013

Consolidated Income Statement
for the year ended 30 April 2013

	Note	Year ended 30 April 2013 Before highlighted items £'000	Year ended 30 April 2013 Highlighted items (note 3) £'000	Year ended 30 April 2013 Total £'000	Year ended 30 April 2012 Before highlighted items £'000	Year ended 30 April 2012 Highlighted items (note 3) £'000	Year ended 30 April 2012 Total £'000
Continuing operations							
Revenue		**64,046**	**–**	**64,046**	52,919	–	52,919
Cost of sales		**(29,359)**	**–**	**(29,359)**	(23,021)	–	(23,021)
Gross profit		**34,687**	**–**	**34,687**	29,898	–	29,898
Administrative expenses		**(24,246)**	**(2,936)**	**(27,182)**	(21,693)	(4,607)	(26,300)
Operating profit	4	**10,441**	**(2,936)**	**7,505**	8,205	(4,607)	3,598
Finance income	6	**13**	**–**	**13**	6	–	6
Finance expenses	6	**(988)**	**–**	**(988)**	(650)	(311)	(961)
Net finance costs		**(975)**	**–**	**(975)**	(644)	(311)	(955)
Share of profit of associates	13	**26**	**–**	**26**	–	–	–
Profit before taxation		**9,492**	**(2,936)**	**6,556**	7,561	(4,918)	2,643
Taxation charge	7	**(2,396)**	**1,003**	**(1,393)**	(2,065)	1,029	(1,036)
Profit for the year		**7,096**	**(1,933)**	**5,163**	5,496	(3,889)	1,607
Attributable to:							
Equity holders of the parent		**6,760**	**(1,716)**	**5,044**	5,434	(3,824)	1,610
Non-controlling interests		**336**	**(217)**	**119**	62	(65)	(3)
		7,096	**(1,933)**	**5,163**	5,496	(3,889)	1,607
Earnings per share							
Basic	8			**6.95p**			2.29p
Diluted	8			**6.71p**			2.18p
Underlying basic[1]	8			**9.32p**			7.77p
Underlying diluted[1]	8			**9.00p**			7.40p

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

The notes on pages 38 to 75 form part of these financial statements.

Consolidated Statement of Comprehensive Income
for the year ended 30 April 2013

	Year ended 30 April 2013 £'000	Year ended 30 April 2012 £'000
Profit for the year	**5,163**	1,607
Other comprehensive income:		
Exchange differences on translation of overseas subsidiaries	**302**	(261)
Movement in valuation of hedging instruments	**(105)**	(26)
Total comprehensive income for the year	**5,360**	1,320
Attributable to:		
Equity holders of the parent	**5,241**	1,323
Non-controlling interests	**119**	(3)
	5,360	1,320

The notes on pages 38 to 75 form part of these financial statements.

Consolidated Statement of Financial Position

as at 30 April 2013
Company number: 03967525

	Note	30 April 2013 £'000	30 April 2012 £'000
Non-current assets			
Goodwill	9	**47,864**	44,311
Other intangible assets	10	**12,642**	12,261
Property, plant & equipment	11	**3,061**	3,069
Investment in associates	13	**68**	4
Deferred tax asset	20	**1,217**	1,050
Total non-current assets		**64,852**	60,695
Current assets			
Trade & other receivables	14	**22,395**	20,756
Cash & cash equivalents	15	**7,109**	6,190
Total current assets		**29,504**	26,946
Total assets		**94,356**	87,641
Current liabilities			
Trade & other payables	17	**(7,231)**	(8,736)
Accruals & deferred income	19	**(10,871)**	(11,178)
Financial liabilities	16	**(5,948)**	(8,673)
Current tax liabilities		**(2,003)**	(1,446)
Provisions	18	**(498)**	(399)
Total current liabilities		**(26,551)**	(30,432)
Non-current liabilities			
Financial liabilities	16	**(22,554)**	(17,855)
Provisions	18	**(227)**	(745)
Deferred tax liability	20	**(2,908)**	(2,847)
Total non-current liabilities		**(25,689)**	(21,447)
Total liabilities		**(52,240)**	(51,879)
Total net assets		**42,116**	35,762
Equity			
Ordinary shares	22	**15,090**	14,729
Share premium	23	**4,588**	4,233
Convertible loan note reserve	23	**9,445**	9,445
Other reserves	23	**2,013**	1,816
Retained earnings	23	**10,496**	5,132
Equity attributable to the owners of the parent		**41,632**	35,355
Non-controlling interests		**484**	407
Total equity		**42,116**	35,762

The financial statements on pages 33 to 75 were approved and authorised for issue by the Board of Directors on 23 July 2013 and were signed on its behalf by:

Michael Greenlees
Director

Andrew Beach
Director

The notes on pages 38 to 75 form part of these financial statements.

Consolidated Statement of Changes in Equity
for the year ended 30 April 2013

	Note	Ordinary shares £'000	Share premium £'000	Convertible loan note reserve £'000	Other reserves £'000	Retained earnings £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
1 May 2011		13,994	2,666	9,445	2,103	2,817	31,025	26	31,051
Profit/(loss) for the year		—	—	—	—	1,610	1,610	(3)	1,607
Other comprehensive loss		—	—	—	(287)	—	(287)	—	(287)
Total comprehensive income for the year		—	—	—	(287)	1,610	1,323	(3)	1,320
Shares issued for cash	22	735	1,866	—	—	—	2,601	—	2,601
Share issue costs		—	(299)	—	—	—	(299)	—	(299)
Acquisition of subsidiaries		—	—	—	—	—	—	388	388
Share options charge	24	—	—	—	—	943	943	—	943
Deferred tax on share options	20	—	—	—	—	(238)	(238)	—	(238)
Dividends paid to non-controlling interests		—	—	—	—	—	—	(4)	(4)
30 April 2012		14,729	4,233	9,445	1,816	5,132	35,355	407	35,762
Profit for the year		—	—	—	—	5,044	5,044	119	5,163
Other comprehensive income		—	—	—	197	—	197	—	197
Total comprehensive income for the year		**–**	**–**	**–**	**197**	**5,044**	**5,241**	**119**	**5,360**
Shares issued for cash	22	274	107	—	—	—	381	—	381
Acquisition of subsidiaries		87	248	—	—	—	335	23	358
Share options charge	24	—	—	—	—	267	267	—	267
Deferred tax on share options	20	—	—	—	—	53	53	—	53
Dividends paid to non-controlling interests		—	—	—	—	—	—	(65)	(65)
30 April 2013		**15,090**	**4,588**	**9,445**	**2,013**	**10,496**	**41,632**	**484**	**42,116**

The notes on pages 38 to 75 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 30 April 2013

	Note	**Year ended 30 April 2013 £'000**	Year ended 30 April 2012 £'000
Cash flows from operating activities			
Cash generated from operations	26	**7,526**	2,493
Finance expenses paid		**(714)**	(527)
Income taxes paid		**(1,582)**	(792)
Net cash from operating activities		**5,230**	1,174
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		**(7,264)**	(9,934)
Disposal of investments		**62**	–
Purchase of property, plant & equipment		**(892)**	(892)
Purchase of intangible assets	10	**(414)**	(180)
Finance income		**13**	6
Net cash used in investing activities		**(8,495)**	(11,000)
Cash flows from financing activities			
Proceeds from issue of share capital (net of issue costs)		**381**	2,302
Proceeds from bank borrowings		**6,456**	25,780
Repayment of bank borrowings		**(2,309)**	(15,034)
Bank loan arrangement fees paid		**–**	(400)
Bank securities released		**–**	200
Dividends paid to non-controlling interests		**(65)**	(4)
Capital repayment of finance leases		**(157)**	(19)
Net cash flow from financing activities		**4,306**	12,825
Net increase in cash, cash equivalents and bank overdrafts		**1,041**	2,999
Cash, cash equivalents and bank overdraft at beginning of period	15	**6,190**	3,158
Effect of unrealised foreign exchange (losses)/gains		**(122)**	33
Cash, cash equivalents and bank overdraft at end of period	15	**7,109**	6,190

The notes on pages 38 to 75 form part of these financial statements.

Notes to the Consolidated Financial Statements
for the year ended 30 April 2013

1. ACCOUNTING POLICIES
GENERAL INFORMATION
Ebiquity plc ('the Company') and its subsidiaries (together, 'the Group') provide independent data-driven insights to the global media and marketing community. The Group has 17 offices across 10 countries. During the year, the Group acquired FirmDecisions, a media and production cost audit business, which provides a key additional analytics capability in the London, New York and Melbourne offices.

The company is a public limited company, which is listed on the London Stock Exchange's AIM Market and is incorporated and domiciled in the UK.

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.

GOING CONCERN
The directors, after making appropriate enquiries, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

The Group holds bank borrowings which are subject to quarterly covenant tests. The directors have a reasonable expectation that the covenants will be met for the foreseeable future. Further information on the Group's borrowings is given in Note 16.

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

CHANGES IN ACCOUNTING POLICIES
There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 May 2012 that have had a material impact on the group.

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

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

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

BUSINESS COMBINATIONS
ACQUISITION 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 as incurred in the Income Statement within highlighted items.

1. ACCOUNTING POLICIES CONTINUED

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

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

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 generally accompanying a shareholding of between 25% and 50% of the voting rights. 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 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.

REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes. Income is recognised evenly over the period of the contract for our Platform businesses, and in accordance with the stage of completion of the contract activity for our Analytics businesses. The stage of completion is determined relative to the total number of hours expected to complete the work or provision of services. Where recorded revenue exceeds amounts invoiced to clients, the excess is classified as accrued revenue and where recorded revenue is less than amounts invoiced to clients, the difference is classified as deferred revenue.

Notes to the Consolidated Financial Statements
for the year ended 30 April 2013

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

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

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

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 presentational 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 by the directors to be 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.

The Group is subject to corporate taxes in a number of different jurisdictions and judgement is required in determining the appropriate provision for transactions where the ultimate tax determination is uncertain. In such circumstances, the Group recognises liabilities for anticipated taxes based on the best information available and where the anticipated liability is both probable and estimable. Where the final outcome of such matters differs from the amount recorded, any differences may impact the income tax and deferred tax provisions in the period in which the final determination is made.

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.

1. ACCOUNTING POLICIES CONTINUED

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 recognition of deferred tax assets is reviewed at each year end date.

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

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

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

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 and is recognised in the Income Statement within administrative expenses. The rates generally applicable are:

Motor vehicles	25% per annum reducing balance
Fixtures, fittings and equipment	7% to 20% per annum straight line; or 25% per annum reducing balance
Computer equipment	25% to 40% straight line
Short leasehold land and buildings improvements	Over the shorter of the life or the estimated useful life of the lease

OTHER INTANGIBLE ASSETS

INTERNALLY-GENERATED INTANGIBLE ASSETS – DEVELOPMENT EXPENDITURE

Internally generated intangible assets relate to bespoke computer software and technology developed by the Group's internal software development team.

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.

Notes to the Consolidated Financial Statements
for the year ended 30 April 2013

1. ACCOUNTING POLICIES CONTINUED

PURCHASED INTANGIBLE ASSETS

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

IMPAIRMENT

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

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

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

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'. 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

Financial liabilities 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. "Finance 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.

1. ACCOUNTING POLICIES CONTINUED

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

BANK BORROWINGS

Interest bearing borrowings are initially recognised at fair value net of transaction costs incurred and subsequently measured at amortised cost. Finance charges are recognised in the Income Statement over the period of the borrowings using the effective interest method.

Loan fees relating to the bank borrowings are capitalised against the loan and amortised over the period of the borrowings to which they relate.

The revolving credit facility is considered to be a long term loan.

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 and hedge accounting applied, 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. Cash and cash equivalents and bank overdrafts are offset when there is a legally enforceable right to offset.

PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle that obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the year end date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate which reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligations.

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.

Notes to the Consolidated Financial Statements
for the year ended 30 April 2013

1. ACCOUNTING POLICIES CONTINUED

SHARE-BASED PAYMENTS

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

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

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

RETIREMENT BENEFITS

For defined contribution pension schemes, the Group pays contributions to privately administered pension plans on a voluntary basis. The Group has no further payment obligations once the contributions have been paid. Contributions are charged to the Income Statement in the year to which they relate.

LEASES

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

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

GOVERNMENT GRANTS

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

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

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

DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

1. ACCOUNTING POLICIES CONTINUED

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

REVENUE RECOGNITION

The Group is required to make an estimate of the project completion levels in respect of contracts which straddle the year end for revenue recognition purposes. Estimates are based on expected total costs and revenues from each contract. This involves a level of judgement and therefore differences may arise between the actual and estimated result.

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.

CONTINGENT DEFERRED CONSIDERATION

The Group has recorded liabilities for deferred consideration on acquisitions made in the current and prior periods. The calculation of the deferred consideration liability requires judgements to be made regarding the forecast future performance of these businesses for the earnout period. Any changes to the fair value of the contingent deferred consideration after the measurement period are recognised in the Income Statement within administrative expenses as a highlighted item.

PROVISIONS

The Group provides for certain costs of reorganisation that has occurred due to the Group's acquisition and disposal activity. When the final amount payable is uncertain, these are classified as provisions. These provisions are based on the best estimates of management.

Notes to the Consolidated Financial Statements
for the year ended 30 April 2013

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

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

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

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

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

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

2. SEGMENTAL REPORTING

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

- Analytics comprises revenue from media benchmarking services, marketing effectiveness consultancy and reputation management, which are delivered by teams of media professionals using proprietary technology solutions and support services.

- Platform comprises revenue from competitive advertising monitoring, social media monitoring and e-vouching, all of which are delivered via online platforms.

The Executive Directors are the Group's chief operating decision-maker. They 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 purchased intangible amortisation. The measure also excludes the effects of equity-settled share-based payments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

2. SEGMENTAL REPORTING CONTINUED

The segment information provided to the Executive Directors for the reportable segments for the year ended 30 April 2013 is as follows:

YEAR ENDED 30 APRIL 2013

	Analytics £'000	Platform £'000	Reportable Segments £'000	Unallocated £'000	Total £'000
Revenue	**39,542**	**24,504**	**64,046**	**–**	**64,046**
Operating profit before highlighted items	**10,630**	**8,249**	**18,879**	**(8,438)**	**10,441**
Total assets	**52,273**	**36,569**	**88,842**	**5,514**	**94,356**
Other segment information					
Capital expenditure — property, plant and equipment	**79**	**93**	**172**	**935**	**1,107**
Capital expenditure — intangible assets	**2,533**	**188**	**2,721**	**–**	**2,721**
Capital expenditure — goodwill	**3,343**	**–**	**3,343**	**–**	**3,343**
Total	**5,955**	**281**	**6,236**	**935**	**7,171**

YEAR ENDED 30 APRIL 2012

	Analytics £'000	Platform £'000	Reportable Segments £'000	Unallocated £'000	Total £'000
Revenue	27,927	24,992	52,919	—	52,919
Operating profit before highlighted items	8,525	8,313	16,838	(8,633)	8,205
Total assets	50,096	31,118	81,214	6,427	87,641
Other segment information					
Capital expenditure — property, plant and equipment	168	61	229	960	1,189
Capital expenditure — intangible assets	5,453	180	5,633	—	5,633
Capital expenditure — goodwill	12,965	100	13,065	—	13,065
Total	18,586	341	18,927	960	19,887

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

	Year ended 30 April 2013 £'000	Year ended 30 April 2012 £'000
Reportable segment operating profit before highlighted items	**18,879**	16,838
Unallocated costs:		
Staff costs	**(5,105)**	(4,637)
Property costs	**(1,799)**	(1,839)
Exchange rate movements	**111**	(218)
Other administrative expenses	**(1,645)**	(1,939)
Operating profit before highlighted items	**10,441**	8,205
Highlighted items (note 3)	**(2,936)**	(4,607)
Operating profit	**7,505**	3,598
Net finance costs	**(975)**	(955)
Share of profit of associates	**26**	—
Profit before tax	**6,556**	2,643

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

Notes to the Consolidated Financial Statements
for the year ended 30 April 2013

2. SEGMENTAL REPORTING CONTINUED

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

	2013 £'000	2012 £'000
Total assets for reportable segments	**88,842**	81,214
Unallocated amounts:		
Property, plant and equipment	**2,316**	2,135
Other receivables	**1,410**	1,342
Cash and cash equivalents	**700**	2,035
Deferred tax asset	**1,020**	911
Investments in associates	**68**	4
Total assets	**94,356**	87,641

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

	Year ended 30 April 2013		Year ended 30 April 2012	
	Revenue by location of customers £'000	**Non-current assets £'000**	Revenue by location of customers £'000	Non-current assets £'000
United Kingdom	**21,916**	**53,670**	19,832	48,405
Rest of Europe	**21,835**	**4,957**	15,359	4,908
North America	**13,094**	**879**	11,926	912
Rest of world	**7,201**	**5,346**	5,802	5,450
Total	**64,046**	**64,852**	52,919	59,675

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

3. HIGHLIGHTED ITEMS

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

	Year ended 30 April 2013 Cash £'000	Non-cash £'000	Total £'000	Year ended 30 April 2012 Cash £'000	Non-cash £'000	Total £'000
Administrative Expenses						
Recurring:						
Share option charge	–	267	267	–	943	943
Amortisation of purchased intangibles	–	2,308	2,308	–	1,733	1,733
	–	2,575	2,575	–	2,676	2,676
Non-recurring:						
Integration costs	732	–	732	397	–	397
Acquisition costs	(371)	–	(371)	1,250	–	1,250
Refinancing costs	–	–	–	284	–	284
	361	–	361	1,931	–	1,931
Charged to operating profit	361	2,575	2,936	1,931	2,676	4,607
Finance costs	–	–	–	–	311	311
Charged to profit before tax	361	2,575	2,936	1,931	2,987	4,918
Taxation credit	(331)	(672)	(1,003)	(183)	(846)	(1,029)
Charged to profit after tax	30	1,903	1,933	1,748	2,141	3,889

Amortisation of purchased intangibles relates to acquisitions made in the current financial year of £172,000 and to acquisitions made in prior years of £2,136,000.

Integration costs include certain one-off costs incurred whilst integrating the acquisitions made in the current and prior financial years in to the Group's existing operations. Also included are severance costs relating to de-duplication and restructure of senior management and support functions following these acquisitions.

Acquisition costs represent professional fees incurred in relation to acquisitions of £162,000 (2012: £1,375,000) and adjustments to the fair value of deferred consideration liabilities of £575,000 credit (2012: credit of £125,000), in line with IFRS3 'Business Combinations'. A loss of £42,000 arising on the disposal of AMMO has been included in acquisition costs.

As at 30 April 2013, £129,000 of the £361,000 cash highlighted items had been settled.

Current tax arising on the highlighted items is included as a cash item, while deferred tax on highlighted items is included as a non-cash item. Deferred consideration adjustments within acquisition costs is included as a cash item.

Notes to the Consolidated Financial Statements
for the year ended 30 April 2013

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Year to 30 April 2013 £'000	Year to 30 April 2012 £'000
Operating lease rentals		
— other	**72**	56
— land and buildings	**2,568**	1,671
Depreciation — owned assets	**1,090**	1,093
Depreciation — leased assets	**61**	73
Loss on disposal of fixed assets	**—**	3
Amortisation of capitalised development costs	**142**	160
Amortisation of purchased intangible assets	**2,308**	1,733
Research costs — expensed	**1,030**	793
Foreign exchange (gain)/loss	**(83)**	224
Income from government grants	**(92)**	(108)

Income from government grants relates to a grant received to compensate for rates costs incurred for the Newcastle office. The full amount of £200,000 has now been reclaimed.

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 2013 £'000	Year to 30 April 2012 £'000
Fees payable to the company's auditors for the audit of the parent company and consolidated financial statements	**57**	57
Fees payable to the company's auditors and its associates for other services:		
— The audit of the company's subsidiaries, pursuant to Legislation	**109**	190
— Other services	**53**	172
	219	419

5. EMPLOYEE INFORMATION

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

	2013 No.	2012 No.
Platform	**365**	415
Analytics	**262**	184
IT development and support	**39**	37
Administration	**73**	65
Directors	**10**	10
	749	711

At 30 April 2013, the total number of employees of the Group was 752 (2012: 780).

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

	Year ended 30 April 2013 £'000	Year ended 30 April 2012 £'000
Wages and salaries	**28,189**	23,044
Social security costs	**2,810**	2,361
Pension costs	**852**	623
Share options charge	**267**	943
	32,118	26,971

DIRECTORS' REMUNERATION

	Year ended 30 April 2013 Total £'000	Year ended 30 April 2012 Total £'000
Michael Higgins	**68**	68
Michael Greenlees	**320**	313
Andrew Beach	**182**	181
Nick Manning	**270**	270
Paul Adams	**191**	192
Stephen Thomson	**29**	29
Sarah Jane Thomson	**25**	25
Richard Nichols	**36**	30
Jeffrey Stevenson	**25**	—
Christopher Russell	**25**	—
	1,171	1,108

The totals above are inclusive of performance bonuses, totalling £nil (2012: £nil). Directors are eligible for cash bonuses as a percentage of base salary, dependent on individual and company performance against established financial targets.

Notes to the Consolidated Financial Statements
for the year ended 30 April 2013

5. EMPLOYEE INFORMATION CONTINUED

No Director was a member of a company pension scheme as at 30 April 2013 (2012: nil). Contributions totalling £31,000 (2012: £30,000) were made to Directors' private pension schemes (£nil to the highest paid Director, 2012: £nil) during the year.

One Director exercised 400,000 share options during the year (2012: nil) (the highest paid Director exercised no share options, 2012: nil).

During the year 150,000 (2012: 800,000) share options were granted to Directors under the Group's Executive Incentive Plan, with vesting subject to the achievement of specific performance conditions established and monitored by the Remuneration Committee. The prior year options 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 2013 £'000	Year ended 30 April 2012 £'000
Finance income		
Bank interest	**13**	6
Finance income	**13**	6
Finance expenses		
Bank loans and overdrafts interest	**(912)**	(526)
Loan fee amortisation	**(75)**	(123)
Finance lease interest	**(1)**	(1)
Finance expenses before highlighted items	**(988)**	(650)
Highlighted finance expenses — loan fees written off	**–**	(311)
Total finance expenses	**(988)**	(961)

7. TAXATION

	Year ended 30 April 2013			Year ended 30 April 2012		
	Before highlighted items £'000	**Highlighted items £'000**	**Total £'000**	Before highlighted items £'000	Highlighted items £'000	Total £'000
UK tax						
Current year	**1,009**	**(309)**	**700**	1,232	(150)	1,082
Prior year	**(8)**	**–**	**(8)**	(2)	–	(2)
	1,001	**(309)**	**692**	1,230	(150)	1,080
Foreign tax						
Current year	**1,343**	**(22)**	**1,321**	960	(33)	927
Prior year	**(12)**	**–**	**(12)**	(82)	–	(82)
	1,331	**(22)**	**1,309**	878	(33)	845
Total current tax	**2,332**	**(331)**	**2,001**	2,108	(183)	1,925
Deferred tax						
Origination and reversal of temporary differences (note 20)	**64**	**(672)**	**(608)**	(43)	(846)	(889)
Total tax charge/(credit)	**2,396**	**(1,003)**	**1,393**	2,065	(1,029)	1,036

7. TAXATION CONTINUED

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

	Year ended 30 April 2013 £'000	Year ended 30 April 2012 £'000
Profit before tax	**6,556**	2,643
Corporation tax at 23.9% (2012: 25.8%)	**1,567**	682
Non-deductible taxable expenses/income	**28**	490
Overseas tax rate differential	**407**	273
Losses not relieved against other Group entities	**33**	254
Utilisation of previously unrecognised tax losses	**(558)**	(150)
Adjustment in respect of prior years	**(20)**	(84)
Other	**(64)**	(429)
Total tax expense	**1,393**	1,036

The applicable tax rate has decreased from 25.8% to 23.9% due to the reduction of the UK Corporation Tax rate to 23% in April 2013.

8. EARNINGS PER SHARE

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

	Year ended 30 April 2013 £'000	Year ended 30 April 2012 £'000
Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the parent	**5,044**	1,610
Adjustments:		
Impact of highlighted items (net of tax)[1]	**1,716**	3,824
Notional use of brought forward tax losses[2]	**–**	21
Earnings for the purpose of underlying earnings per share	**6,760**	5,455
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share[3]	**72,557,927**	70,233,989
Effect of dilutive potential ordinary shares:		
Share options	**2,561,185**	3,482,201
Weighted average number of ordinary shares for the purpose of diluted earnings per share[3]	**75,119,112**	73,716,190
Basic earnings per share	**6.95p**	2.29p
Diluted earnings per share	**6.71p**	2.18p
Underlying basic earnings per share	**9.32p**	7.77p
Underlying diluted earnings per share	**9.00p**	7.40p

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

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

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

4 It is assumed that all contingent deferred consideration will be settled in cash therefore there is no dilutive effect.

Notes to the Consolidated Financial Statements
for the year ended 30 April 2013

9. GOODWILL

	£'000
Cost and net book value	
At 1 May 2011	31,457
Acquisitions	13,065
Foreign exchange differences	(211)
At 30 April 2012	44,311
Acquisitions (note 27)	3,343
Foreign exchange differences	210
At 30 April 2013	**47,864**

In accordance with IFRS3 Business Combinations, adjustments to goodwill amounting to £1,020,000 relating to additional information in respect of a pre-acquisition period have been recorded as a prior year adjustment. This represents changes to the fair value of assets and liabilities purchased within the measurement period. The adjustment relates entirely to the acquisition of FLE Holdings 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 revenue, cost and margin growth rates. Management estimates discount rates using rates that reflect current market assessments of the time value of money and risk specific to the cash-generating units. The group prepares three-year pre-tax cash flow forecasts, and these have been discounted at 11% (2012: 10%). Management determines the future growth rates based on their best estimates of market growth and the expected change in our market share. Cash flows beyond the three year period are extrapolated at a rate of 1.5% (2012: 2%), which does not exceed the long-term average growth rate in any of the markets in which the Group operates.

No impairment of goodwill was recognised in 2013 (2012: £nil).

Goodwill has been allocated to the following segments:

	Year ended 30 April 2013 £'000	Year ended 30 April 2012 £'000
Analytics	**25,787**	21,312
Platform	**22,077**	21,979
	47,864	43,291

Goodwill of £13,250,000 (2012: £13,250,000) has been allocated to the UK and International Media Benchmarking CGU within the Analytics segment, and £19,012,000 (2012: £19,012,000) has been allocated to the International Advertising Intelligence CGU in the Platform segment.

10. OTHER INTANGIBLE ASSETS

	Capitalised development costs £'000	Purchased intangible assets £'000	Total intangible assets £'000
Cost			
At 1 May 2011	1,115	11,714	12,829
Additions	180	—	180
Disposals	(366)	—	(366)
Acquisitions	—	5,453	5,453
Foreign exchange	(1)	(211)	(212)
At 30 April 2012	928	16,956	17,884
Additions	414	—	414
Acquisitions (note 27)	—	2,307	2,307
Foreign exchange	3	160	163
At 30 April 2013	**1,345**	**19,423**	**20,768**
Amortisation			
At 1 May 2011	(554)	(3,364)	(3,918)
Charge for the year	(160)	(1,733)	(1,893)
Disposals	183	—	183
Foreign exchange	—	5	5
At 30 April 2012	(531)	(5,092)	(5,623)
Charge for the year	(142)	(2,308)	(2,450)
Foreign exchange	—	(53)	(53)
At 30 April 2013	**(673)**	**(7,453)**	**(8,126)**
Net book value			
At 30 April 2013	**672**	**11,970**	**12,642**
At 30 April 2012	397	11,864	12,261

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

Purchased intangible assets consist principally of customer relationships with a typical useful life of 10 years.

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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 2011	31	1,385	3,848	811	6,075
Additions	—	79	1,032	78	1,189
Acquisitions	—	56	262	150	468
Disposals	—	(4)	(15)	—	(19)
Foreign exchange	(3)	(15)	(38)	1	(55)
At 30 April 2012	28	1,501	5,089	1,040	7,658
Additions	—	72	978	57	1,107
Acquisitions	—	3	4	—	7
Disposals	—	—	(3)	(21)	(24)
Foreign exchange	2	19	132	16	169
At 30 April 2013	**30**	**1,595**	**6,200**	**1,092**	**8,917**
Depreciation					
At 1 May 2011	(7)	(576)	(2,600)	(269)	(3,452)
Charge for the year	(4)	(145)	(806)	(211)	(1,166)
Disposals	—	—	6	—	6
Foreign exchange	1	7	15	—	23
At 30 April 2012	(10)	(714)	(3,385)	(480)	(4,589)
Charge for the year	(3)	(127)	(778)	(243)	(1,151)
Disposals	—	—	3	21	24
Foreign exchange	(1)	(16)	(116)	(7)	(140)
At 30 April 2013	**(14)**	**(857)**	**(4,276)**	**(709)**	**(5,856)**
Net Book Value					
At 30 April 2013	**16**	**738**	**1,924**	**383**	**3,061**
At 30 April 2012	18	787	1,704	560	3,069

The Group holds assets under finance leases within Computer equipment, with cost of £582,000 (2012: £460,000) and accumulated depreciation of £180,000 (2012: £91,000).

12. SUBSIDIARIES

Details of the Company's principal operating subsidiary undertakings at 30 April 2013, 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 & consultancy
Billetts America LLC[1]	95%*	Media consultancy
Ebiquity SAS[2]	91.7%*	Media consultancy
Ebiquity Germany GmbH[3]	85%*	Media monitoring & consultancy
Ebiquity Italy S.r.l.[4]	51%*	Media consultancy
Ebiquity Russia Limited	50.1%*	Media consultancy
Ebiquity Russia OOO[5]	50.1%*	Media consultancy
Echo Research Limited	100%*	Reputation management
Echo Research LLC[1]	100%*	Reputation management
FLE France SARL[2]	65%*	Media consultancy
Faulkner Media Management Pty Limited[6]	100%*	Media consultancy
FirmDecisions ASJP Limited	100%*	Media consultancy
FirmDecisions ASJP LLC[1]	100%*	Media consultancy
FirmDecisions ASJP Pty Limited[6]	100%*	Media consultancy
Xtreme Information Services (Australia) Pty Limited[6]	100%*	Media monitoring
Xtreme Information (USA) Limited[7]	100%*	Media monitoring

1 Incorporated in the USA
2 Incorporated in France
3 Incorporated in Germany
4 Incorporated in Italy
5 Incorporated in Russia
6 Incorporated in Australia
7 Incorporated in the UK, operating in the USA

Notes to the Consolidated Financial Statements
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13. INVESTMENT IN ASSOCIATES

	30 April 2013 £'000	30 April 2012 £'000
Aggregated amounts relating to associates		
Total assets	**280**	331
Total liabilities	**(139)**	(319)
Revenues	**999**	87
Profit	**95**	—
Opening balance	**4**	—
Additions	**38**	4
Group's share of profit	**26**	—
Net investment in associates	**68**	4

The Group holds 50% in Fairbrother Marsh Company Limited (incorporated in Ireland) and 25% in SLiK Media (incorporated in the United Kingdom).

In the prior year, the Group acquired the investments in associates as part of the acquisition of FLE. In the current year, the legal form of the investment in SLiK was formalised to agree to its substance leading to a £38,000 addition in investments.

14. TRADE AND OTHER RECEIVABLES

	30 April 2013 £'000	30 April 2012 £'000
Trade and other receivables due within one year		
Net trade receivables (Note 25)	**13,890**	13,818
Other receivables	**902**	795
Prepayments	**1,589**	1,696
Accrued income	**6,014**	4,447
	22,395	20,756

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

15. CASH AND CASH EQUIVALENTS

	30 April 2013 £'000	30 April 2012 £'000
Cash & cash equivalents	**7,109**	6,190

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 3%.

16. FINANCIAL LIABILITIES

	30 April 2013 £'000	30 April 2012 £'000
Current		
Bank borrowings	**2,179**	2,245
Finance lease liabilities	**145**	119
Contingent deferred consideration	**3,624**	6,309
	5,948	8,673
Non-current		
Bank borrowings	**20,238**	15,814
Finance lease liabilities	**138**	209
Derivative financial instrument — interest rate swaps	**145**	39
Contingent deferred consideration	**2,033**	1,793
	22,554	17,855
Total other financial liabilities	**28,502**	26,528

	Bank borrowings £'000	Finance lease liabilities £'000	Interest rate swaps £'000	Contingent deferred consideration £'000	Total £'000
At 1 May 2011	7,364	50	52	662	8,128
Recognised on acquisition	—	—	—	7,708	7,708
Additions	—	297	—	—	297
Utilised	—	(19)	—	(293)	(312)
Released to the Income Statement	27	—	(52)	39	14
Charged to reserves	—	—	39	—	39
Borrowings	25,780	—	—	—	25,780
Repayments	(15,034)	—	—	—	(15,034)
Foreign exchange	(78)	—	—	(14)	(92)
At 1 May 2012	**18,059**	**328**	**39**	**8,102**	**26,528**
Recognised on acquisition	**—**	**—**	**—**	**4,436**	**4,436**
Additions	**—**	**111**	**—**	**—**	**111**
Utilised	**—**	**(157)**	**—**	**(6,382)**	**(6,539)**
Released to the Income Statement	**75**	**—**	**—**	**(575)**	**(500)**
Charged to reserves	**—**	**—**	**105**	**—**	**105**
Borrowings	**6,456**	**—**	**—**	**—**	**6,456**
Repayments	**(2,309)**	**—**	**—**	**—**	**(2,309)**
Foreign exchange	**136**	**1**	**1**	**76**	**214**
At 30 April 2013	**22,417**	**283**	**145**	**5,657**	**28,502**

Notes to the Consolidated Financial Statements
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16. FINANCIAL LIABILITIES CONTINUED

A currency analysis for the bank borrowings is shown below:

	30 April 2013 £'000	30 April 2012 £'000
Pounds Sterling	**18,949**	14,531
US Dollar	**1,360**	1,490
Euros	**2,108**	2,038
Total bank borrowings	**22,417**	18,059

All bank borrowings are held jointly with Bank of Ireland and Barclays Bank. The facility comprises an amortising term loan of £15,000,000 (of which £12,168,000 remains outstanding at 30 April 2013 (2012: £14,375,000)), and a revolving credit facility of £15,000,000 (of which £10,468,000 was drawn down at 30 April 2013 (2012: £3,978,000)), both with a maturity date of 9 March 2016. £6,199,000 of the term loan is being repaid on a quarterly basis over the next 3 years, with the remainder repayable on the maturity of the facility. Loan arrangement fees of £219,000 (2012: £294,000) are offset against the term loan, and are being amortised over the period of the loan.

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

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

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

The Group holds floating to fixed interest rate swaps against 100% of its sterling and US dollar denominated term loan for the period from May 2012 to April 2015. These instruments are held at fair value at 30 April 2013.

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

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	
	Year ended 30 April 2013 £'000	Year ended 30 April 2012 £'000
Amounts due:		
Within one year	**145**	120
Between one and five years	**138**	209
	283	329
Less: finance charges allocated to future periods	**–**	(1)
Present value of lease obligations	**283**	328

The minimum lease payments approximate the present value of minimum lease payments.

17. TRADE AND OTHER PAYABLES

	30 April 2013 £'000	30 April 2012 £'000
Trade payables	**4,611**	5,391
Other taxation & social security	**2,434**	2,299
Other creditors	**186**	1,046
	7,231	8,736

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

18. PROVISIONS

	Onerous property leases £'000	Dilapidations £'000	Severance £'000	Contingent deferred consideration £'000	Total £'000
At 1 May 2011	468	661	83	662	1,874
Reclassification	—	—	—	(662)	(662)
Arising on acquisition	—	409	—	—	409
Utilisation of provision	(236)	(154)	(83)	—	(473)
Foreign exchange	—	(4)	—	—	(4)
At 30 April 2012	232	912	—	—	1,144
Utilisation of provision	(128)	(136)	—	—	(264)
Released to income statement	(31)	(121)	—	—	(152)
Foreign exchange	(4)	1	—	—	(3)
At 30 April 2013	**69**	**656**	**—**	**—**	**725**
Current	61	437	—	—	498
Non-current	8	219	—	—	227

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, held in acquired companies upon acquisition, where lease payments are payable above a fair market rate. The provision will be fully utilised by July 2014.

The dilapidations provision relates to the expected costs of vacating various properties. The provision is expected to be fully utilised by December 2020.

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

19. ACCRUALS AND DEFERRED INCOME

	30 April 2013 £'000	30 April 2012 £'000
Accruals	**3,420**	3,194
Deferred income	**7,451**	7,984
	10,871	11,178

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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 2011	(2,316)	1,007	112	89	(1,108)
Arising on acquisition	(1,361)	–	–	21	(1,340)
Credit/(charge) to income	734	170	(8)	(7)	889
Charge to equity	–	(238)	–	–	(238)
At 30 April 2012	(2,943)	939	104	103	(1,797)
Arising on acquisition	(555)	–	–	–	(555)
Credit/(charge) to income	590	23	(15)	10	608
Credit to equity	–	53	–	–	53
At 30 April 2013	**(2,908)**	**1,015**	**89**	**113**	**(1,691)**

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 2013 £'000	30 April 2012 £'000
Deferred tax assets	**1,217**	1,050
Deferred tax liabilities	**(2,908)**	(2,847)
	(1,691)	(1,797)

At the year end, the Group had tax losses of £389,000 (2012: £433,000) available for offset against future profits. A deferred tax asset of £89,000 (2012: £104,000) has been recognised in respect of such losses.

In addition, the Group has unrecognised tax losses of £2,084,000 (2012: £5,301,000) that can be carried forward against future taxable income. The Group has unrecognised deferred tax assets of £625,000 (2012: £1,339,000). These have not been recognised due to the uncertainty over their recoverability.

21. OPERATING LEASES

OPERATING LEASES – LESSEE

The Group had future aggregate minimum lease payments under non-cancellable operating leases at 30 April 2013 and 30 April 2012 which fall due as follows:

	30 April 2013		30 April 2012	
	Land and buildings £'000	**Other £'000**	Land and buildings £'000	Other £'000
Within one year	**2,004**	**39**	1,804	55
Between one and five years	**3,247**	**18**	3,090	47
After five years	**68**	**–**	1,003	–
	5,319	**57**	5,897	102

21. OPERATING LEASES CONTINUED

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 18). The sub-lease rental income for the year to 30 April 2013 was £66,000 (2012: £27,000).

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

	30 April 2013 £'000	30 April 2012 £'000
Within one year	**66**	64
Between one and five years	**11**	75
	77	139

22. SHARE CAPITAL

	Number of shares	**Nominal value £'000**
Allotted, called up and fully paid		
At 1 May 2011 — ordinary shares of 25p	55,975,315	13,994
Share placing	2,850,000	713
Share options exercised	92,352	22
At 30 April 2012 — ordinary shares of 25p	58,917,667	14,729
Issued to acquire share of minority in Ebiquity Germany GmbH	345,009	87
Share options exercised	1,096,173	274
At 30 April 2013 — ordinary shares of 25p	**60,358,849**	**15,090**

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 (2012: 4,648,671).

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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.

OTHER RESERVES
Other reserves consists of the merger reserve, ESOP reserve, hedging reserve and translation reserve.

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 2013:

Name of share option scheme	Life of option	Exercise period	Exercise price (pence)	Weighted average exercise price	Number
EMI scheme	10 years	May 2004 – August 2021	nil – 72p	40p	1,821,607
Unapproved share option scheme — 7 January 2005	10 years	March 2007 – January 2015	nil	nil	376,764
Unapproved share option scheme — 8 September 2008	10 years	March 2010 – September 2018	25 – 37p	37p	67,635
Executive Incentive Plan – 12 May 2010	10 years	May 2011 – May 2020	35p	35p	4,200,000
Executive Incentive Plan – 6 June 2011	10 years	May 2012 – May 2021	25p	25p	800,000
Executive Share Option Plan — 27 September 2012	10 years	September 2012 – September 2022	25 – 98p	82p	793,443
					8,059,449

ENTERPRISE MANAGEMENT INCENTIVE SCHEME (EMI SCHEME)

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

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

UNAPPROVED COMPANY SHARE OPTION PLAN (UCSOP)

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

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

EXECUTIVE INCENTIVE PLAN (EIP)

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

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

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

EXECUTIVE SHARE OPTION PLAN (ESOP)

This is a discretionary scheme, comprised of an HMRC approved schedule and an unapproved schedule. The ESOP provides a lock in incentive to key management. Rights to ESOP options lapse if the employee leaves the Company.

The share options issued in May 2013 under the ESOP include an element of performance criteria which are to be measured over the three financial years commencing 1 May 2013.

On 27 September 2012, 878,443 options were awarded under the ESOP scheme. 150,000 of these options were issued to an Executive Director and have an exercise price of 25p. Vesting of these options will be subject to the satisfaction of performance criteria around the rate of growth of the diluted adjusted earnings per share over the three years ending 30 April 2015. On the basis of a reference EPS for the year ended 30 April 2012, options will vest based on a sliding scale of compound growth rates of between 5% and 15%.

The remaining 728,443 options issued on 27 September 2012 have a weighted exercise price of 95p and have no performance conditions attached.

The following share options were outstanding at 30 April 2013 and 30 April 2012:

	30 April 2013		30 April 2012	
	Number of share options	**Weighted average exercise price (pence)**	Number of share options	Weighted average exercise price (pence)
Outstanding at the beginning of the period	**8,406,179**	**34**	7,845,390	33
Granted during the period	**878,443**	**83**	1,462,341	34
Cancelled during the period	**–**	**–**	(800,000)	25
Exercised during the period	**(1,096,173)**	**35**	(92,352)	38
Forfeited during the period	**(129,000)**	**87**	(9,200)	127
Outstanding at the end of the period	**8,059,449**	**38**	8,406,179	34
Exercisable at the end of the period	**6,766,578**	**32**	6,441,693	32

The weighted average share price on the dates of exercise for options exercised during the year was 95p (2012: 79p).

The options outstanding at the end of the period have a weighted average remaining contractual life of 4.1 years (2012: 4.5 years), with a range of exercise prices being between nil and 98p. Options exercised in the year resulted in 1,096,173 shares (2012: 92,352 shares) being issued at a weighted average price of 35p each (2012: 38p).

24. SHARE BASED PAYMENTS CONTINUED

During the period, share options were granted with a weighted average fair value of 26p (2012: 45p). These fair values were calculated using the Black-Scholes model with the following inputs:

	30 April 2013	30 April 2012
Weighted average share price	**97.5p**	72p
Exercise price	**25p to 97.5p**	25p to 72p
Expected volatility[1]	**20%**	40%
Vesting period	**1 to 3 years**	1 to 3 years
Risk-free interest rates	**0.26%**	0.8%

[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.

Subsequent to the year end, 780,000 options with an exercise price of 25p were awarded under the ESOP scheme. Vesting of these options will be subject to the satisfaction of performance criteria around the rate of growth of the diluted adjusted earnings per share over the three years ending 30 April 2016. On the basis of a reference EPS for the year ended 30 April 2013, options will vest based on a sliding scale of compound growth rates of the reference EPS of between 5% and 15%.

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

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25. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED
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 2013 £'000	30 April 2012 £'000
Current financial assets		
Trade and other receivables[1]	**14,792**	14,613
Cash and cash equivalents	**7,109**	6,190
Total financial assets	**21,901**	20,803

[1] Trade and other receivables includes net trade receivables and other receivables and excludes prepayments and accrued income

FINANCIAL LIABILITIES

	30 April 2013 £'000	30 April 2012 £'000
Current financial liabilities		
Trade and other payables[2]	**4,797**	6,437
Accruals	**3,420**	3,194
Finance lease liabilities	**145**	119
Loans and borrowings	**2,179**	2,245
Contingent deferred consideration	**3,624**	6,309
	14,165	18,304
Non-current financial liabilities		
Loans and borrowings	**20,238**	15,814
Finance lease liabilities	**138**	209
Interest rate swaps	**145**	39
Contingent deferred consideration	**2,033**	1,793
	22,554	17,855
Total financial liabilities	**36,719**	36,159

[2] Trade and other payables includes trade payables and other creditors and excludes other taxation & social security

GENERAL OBJECTIVES, POLICIES AND PROCESSES
The Board has overall responsibility for the determination of the Group's risk management polices 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.

25. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

TRADE RECEIVABLES

The Group operates in an industry where most of its customers are reputable and well-established multinational or large national 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 ageing 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 2013	**5,874**	**2,947**	**2,927**
At 30 April 2012	5,119	2,794	2,325

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

	30 April 2013			30 April 2012		
	Gross value £'000	**Provision £'000**	**Carrying value £'000**	Gross value £'000	Provision £'000	Carrying value £'000
Trade receivables	**14,117**	**227**	**13,890**	14,008	190	13,818

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 2013 £'000	30 April 2012 £'000
Opening balance	**190**	152
Increase in provisions	**95**	151
Recognised on acquisition	**–**	22
Written off against provisions	**(14)**	(44)
Recovered amount reversed	**(47)**	(91)
Foreign exchange	**3**	–
Closing balance	**227**	190

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).

Notes to the Consolidated Financial Statements
for the year ended 30 April 2013

25. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

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. In the prior year, the Group swapped 100% of its sterling and US dollar denominated term loan into fixed rate borrowings for the period from May 2012 to April 2016.

To illustrate the Group's exposure to interest rate risk, a 0.5% increase/decrease in the rate applied to the Group's borrowings would have resulted in a post-tax movement of £10,000 (2012: £23,000).

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 2013		30 April 2012	
	Increase in profit before tax £'000	**Increase in equity £'000**	Increase in profit before tax £'000	Increase in equity £'000
10% strengthening of USD	**210**	**543**	196	459
10% strengthening of Euro	**535**	**945**	311	774
10% strengthening of AUD	**56**	**735**	43	643

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

The currency profile of the financial assets at 30 April 2013 is as follows:

	Cash and cash equivalents		**Gross trade receivables**	
	2013 £'000	**2012 £'000**	2013 £'000	2012 £'000
Pounds Sterling	**1,437**	2,013	**5,228**	5,450
US Dollar	**2,418**	1,975	**2,885**	3,275
Euros	**2,183**	1,811	**4,526**	3,789
Australian Dollar	**897**	342	**1,344**	1,199
Russian Rouble	**160**	37	**134**	276
Singapore Dollar	**12**	12	**–**	19
Hong Kong Dollar	**2**	–	**–**	–
	7,109	6,190	**14,117**	14,008

OTHER PRICE RISKS

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

25. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

LIQUIDITY RISK

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

The liquidity risk of each group company is managed centrally by the Group. All surplus cash in the UK is held centrally to maximise the returns on deposits through economies of scale. The type of cash instrument used and its maturity date will depend on the Group's forecast cash requirements. The Group maintains a draw down facility with the Bank of Ireland and Barclays (see note 16) to manage any short-term cash shortfalls. At 30 April 2013, £4,532,000 (2012: £11,022,000) was undrawn. The facility expires in March 2016 at which point drawn down amounts will be repayable. It is a condition of the borrowings that the Group pass various covenant tests on a quarterly basis and Group finance regularly monitors the Group forecasts to ensure they are not breached.

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 2013			
Trade and other payables	**4,797**	**–**	**4,797**
Accruals	**3,420**	**–**	**3,420**
Finance lease liabilities	**145**	**138**	**283**
Interest rate swaps	**–**	**145**	**145**
Bank loans and overdrafts	**3,251**	**22,248**	**25,499**
Contingent deferred consideration	**3,624**	**2,033**	**5,657**
Total financial liabilities	**15,237**	**24,564**	**39,801**
Less: finance charges allocated to future periods	**(1,072)**	**(2,010)**	**(3,082)**
Present value	**14,165**	**22,554**	**36,719**
At 30 April 2012			
Trade and other payables	6,437	–	6,437
Accruals	3,194	–	3,194
Finance lease liabilities	120	209	329
Interest rate swaps	–	39	39
Bank loans and overdrafts	3,112	17,633	20,745
Contingent deferred consideration	6,309	1,793	8,102
Total financial liabilities	19,172	19,674	38,846
Less: finance charges allocated to future periods	(868)	(1,819)	(2,687)
Present value	18,304	17,855	36,159

FAIR VALUE MEASUREMENT

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

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

Notes to the Consolidated Financial Statements
for the year ended 30 April 2013

25. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
At 30 April 2013				
Financial liabilities				
Interest rate swaps	**–**	**145**	**–**	**145**
Contingent deferred consideration	**–**	**–**	**5,657**	**5,657**
	–	**145**	**5,657**	**5,802**
At 30 April 2012				
Financial liabilities				
Interest rate swaps	–	39	–	39
Contingent deferred consideration	–	–	7,173	7,173
	–	39	7,173	7,212

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 22 for a breakdown of the Group's capital.

26. CASH GENERATED FROM OPERATIONS

	Year ended 30 April 2013 £'000	Year ended 30 April 2012 £'000
Profit before taxation	**6,556**	2,643
Adjustments for:		
Depreciation (note 11)	**1,151**	1,166
Amortisation (note 10)	**2,450**	1,893
Finance costs - loan fees written off (note 3)	**–**	311
Loss/(profit) on disposal	**42**	(49)
Unrealised foreign exchange (gain)/loss	**(36)**	14
Share option charges (note 3)	**267**	943
Finance income (note 6)	**(13)**	(6)
Finance expenses (note 6)	**988**	650
Share of profit of associates (note 13)	**(26)**	–
Contingent deferred consideration revaluations	**(575)**	–
	10,804	7,565
Increase in trade & other receivables	**(762)**	(1,800)
Decrease in trade & other payables	**(2,100)**	(2,667)
Movement in provisions	**(416)**	(605)
Cash generated from operations	**7,526**	2,493

The principal non-cash transaction is the issue of shares as consideration for the acquisition discussed in note 22.

27. ACQUISITIONS AND DISPOSALS

FIRMDECISIONS ASJP GROUP LIMITED ("FD GROUP")

On 3 August 2012, the Group acquired the entire share capital of FirmDecisions ASJP Group Limited (the holding company of FirmDecisions ASJP Limited), a company incorporated in the United Kingdom. The Group has operations in the United Kingdom, United States of America and the Asia Pacific region. The initial cash consideration was £1,000,000. Deferred consideration of £500,000 became payable on the final agreement of the results for the period ended 30 April 2012 and this payment was made on 28 November 2012. Additional consideration is payable dependent on future performance during the period to April 2014 and will be paid in cash. The maximum total consideration payable is £7,000,000.

The FD Group contributed £1,774,000 to revenue and £497,000 to profit before tax for the period between the date of acquisition and the year end.

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

	Carrying value £'000	Recognised on acquisition £'000
Customer relationships	—	2,307
Property, plant and equipment	7	7
Trade and other receivables	931	931
Deferred tax asset	8	8
Cash and cash equivalents	110	110
Trade and other payables	(321)	(321)
Deferred tax liability	—	(555)
Net assets acquired	**735**	**2,487**
Goodwill arising on acquisition		2,949
		5,436

The fair value of trade and other receivables includes trade receivables with a fair value and gross contractual value of £539,000.

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

Purchase consideration:

	£'000
Cash	1,000
Deferred consideration	500
Contingent deferred consideration	3,936
Total purchase consideration	**5,436**

The deferred consideration was paid on 28 November 2012. The fair value of contingent deferred consideration payable is based on forecast EBIT for the FD Group for the years ended 30 April 2013 and 30 April 2014. The potential range of future payments that Ebiquity plc could be required to make under the contingent consideration arrangement is between £nil and £5,500,000 and will be paid in cash. All contingent deferred consideration payments are expected to be paid by August 2014.

Notes to the Consolidated Financial Statements
for the year ended 30 April 2013

27. ACQUISITIONS AND DISPOSALS CONTINUED

TRANSACTIONS WITH NCI'S

On 29 June 2012, the Group increased its stake in its subsidiary undertaking, Ebiquity SAS, from 91.6% to 91.7% for cash consideration of €40,000 (£32,000). The acquisition resulted in goodwill of £32,000.

On 1 February 2013, the Group increased its interest in Ebiquity Germany GmbH to 85% through the issue of 345,009 shares in Ebiquity plc. The acquisition resulted in goodwill of £362,000.

On 30 April 2013, the Group acquired the remaining 20% of Checking Advertising Services Limited ("CAS") from the minority shareholders for a nominal consideration.

DISPOSALS

On 25 April 2013, the Group sold the trade and assets of its UK AMMO BrandIQ division for a nominal consideration. A loss of £42,000 was made on the sale.

If all of the above transactions had been completed on 1 May 2012, Group revenue would have been £64,649,000 and Group operating profit before highlighted items would have been £10,844,000, before any potential synergistic benefits are taken into account.

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

28. CAPITAL COMMITMENTS

Capital commitments contracted but not provided for by the Group amount to £nil (2012: £nil).

29. CONTINGENT LIABILITIES

The Group is subject to claims and litigation arising in the ordinary course of business and provision is made where liabilities are considered likely to arise on the basis of current information and legal advice.

30. RELATED PARTY TRANSACTIONS

The Group has a related party relationship with its subsidiaries (Note 12), key management personnel, and with close family members of these individuals.

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

COMPENSATION OF KEY MANAGEMENT PERSONNEL

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

There were no post-employment or other long-term benefits other than contributions to private pension schemes.

TRANSACTIONS WITH ASSOCIATES

Costs of £24,000 (2012: £5,700) relating to accounting services provided were recharged from the Group's wholly owned subsidiary, Fairbrother Lenz Eley Limited, to the Group's 25% associate, SLiK Media, during the year.

Costs of £59,000 were charged to Fairbrother Lenz Eley Limited from SLiK Media during the year.

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EBIQUITY PLC

We have audited the parent company financial statements of Ebiquity plc for the year ended 30 April 2013 which comprise the Company Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement set out on page 30, the directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the parent company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the parent company financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2013;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the parent company financial statements are prepared is consistent with the parent company financial statements.

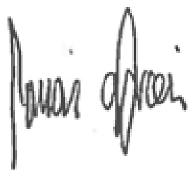
MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

OTHER MATTER

We have reported separately on the group financial statements of Ebiquity plc for the year ended 30 April 2013.



Simon O'Brien (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
23 July 2013

Company Balance Sheet

as at 30 April 2013
Company number: 03967525

	Note	30 April 2013 £'000	30 April 2012 £'000
Fixed assets			
Investments	4	**60,468**	54,185
Current assets			
Debtors	5	**2,914**	3,324
Cash at bank and in hand		**38**	3
		2,952	3,327
Creditors: amounts falling due within one year	6	**(2,608)**	(2,255)
Net current assets		**344**	1,072
Total assets less current liabilities		**60,812**	55,257
Creditors: amounts falling due after one year	7	**(26,895)**	(18,941)
Provision for liabilities	8	**(4,721)**	(5,471)
Derivative financial liabilities	9	**(145)**	(40)
Net assets		**29,051**	30,805
Capital & Reserves			
Share capital	10	**15,090**	14,729
Share premium	12	**4,588**	4,233
Convertible loan note reserve	12	**9,445**	9,445
Other reserve	12	**746**	746
ESOP reserve	12	**(1,590)**	(1,590)
Hedging reserve	12	**(145)**	(40)
Profit and loss account	12	**917**	3,282
Shareholders' funds	11	**29,051**	30,805

The financial statements on pages 78 to 85 were approved and authorised for issue by the Board of Directors on 23 July 2013 and were signed on its behalf by:

Michael Greenlees
Director

Andrew Beach
Director

The notes on pages 79 to 85 form part of these financial statements.

Notes to the Company Financial Statements
for the year ended 30 April 2013

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

SIGNIFICANT ACCOUNTING POLICIES
The principal accounting policies adopted are set out below.

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

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

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

For share options without performance conditions, fair value is measured by use of the Black-Scholes Model. The expected life used in the model has been adjusted, based on management's best estimates, 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.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts. This is referred to as the UITF 44 Group and Treasury Share Transactions' adjustment.

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

Deferred tax balances are not discounted.

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

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

Notes to the Company Financial Statements

for the year ended 30 April 2013

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 and hedge accounting applied, 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 Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle that obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the year end date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate which reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligations.

PENSION COSTS

For defined contribution pension schemes, the Group pays contributions to privately administered pension plans on a voluntary basis. The Group has no further payment obligations once the contributions have been paid. Contributions are charged to the Income Statement in the year to which they relate.

FOREIGN CURRENCY TRANSACTIONS

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

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

FINANCE INCOME AND EXPENSES

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

CASH FLOW STATEMENT

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

RELATED PARTY TRANSACTIONS

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

1. ACCOUNTING POLICIES CONTINUED

EMPLOYEE SHARE OWNERSHIP PLAN (ESOP)

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

2. COMPANY RESULTS FOR THE PERIOD

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

The movement in reserves of the Company shows a loss of £2,632,000 (2012: loss of £2,632,000).

3. OPERATING PROFIT

AUDITOR REMUNERATION

Fees for the audit of the Company are £2,000 (2012: £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 2012	54,185
Additions	6,283
At 30 April 2013	**60,468**

The addition relates to the current year acquisitions of the FD Group (£5,743,000) and CAS (£6,000), additional investment in Ebiquity Associates Limited in relation to the Germany restructuring (£335,000), acquisitions in previous financial years (£130,000) and the UITF 44 'Group and Treasury Share Transactions' adjustment (£69,000).

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

5. DEBTORS

	2013 £'000	2012 £'000
Prepayments	**–**	13
Other debtors	**77**	19
Amounts due from subsidiaries	**2,837**	3,292
	2,914	3,324

Amounts due from subsidiaries are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Notes to the Company Financial Statements
for the year ended 30 April 2013

6. CREDITORS: AMOUNTS FALLING DUE WITHIN 1 YEAR

	2013 £'000	2012 £'000
Bank loans	**2,179**	2,245
Accruals	**429**	10
	2,608	2,255

7. CREDITORS: AMOUNTS FALLING DUE AFTER 1 YEAR

	2013 £'000	2012 £'000
Bank loans – between 2 and 5 years	**20,238**	15,814
Amounts due to subsidiaries	**6,657**	3,127
	26,895	18,941

All bank borrowings are held jointly with Bank of Ireland and Barclays Bank. The facility comprises an amortising term loan of £15,000,000 (of which £12,168,000 remains outstanding at 30 April 2013 (2012: £14,375,000)), and a revolving credit facility of £15,000,000 (of which £10,468,000 was the total amount drawn down at 30 April 2013 (2012: £3,978,000)), both with a maturity date of 9 March 2016. £6,199,000 of the term loan is being repaid on a quarterly basis over the next 3 years, with the remainder repayable on the maturity of the facility. Loan arrangement fees of £219,000 are offset against the term loan, and are being amortised over the four years to maturity.

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

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

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

Amounts due to subsidiaries are unsecured, interest free, have no fixed date of repayment and are repayable on demand. No repayments are expected to be made in the next 12 months therefore the balance is considered to be due after 1 year.

8. PROVISIONS FOR LIABILITIES

	2013 £'000	2012 £'000
Provisions for liabilities	**4,721**	5,471
	4,721	5,471

	Contingent deferred consideration £'000	Total £'000
At 1 May 2011	252	252
Recognised on acquisition	5,471	5,471
Utilised	(255)	(255)
Released to the Income Statement	3	3
At 1 May 2012	**5,471**	**5,471**
Recognised on acquisition	**5,365**	**5,365**
Utilised	**(5,623)**	**(5,623)**
Released to the Income Statement	**(492)**	**(492)**
At 30 April 2013	**4,721**	**4,721**

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

9. DERIVATIVE FINANCIAL INSTRUMENTS

The main risks arising from the Company's financial instruments are interest rate risk and foreign exchange risk. The Company had an interest rate swap in place at the year end. Full disclosure of financial instruments is included in the consolidated financial statements (see note 25).

10. SHARE CAPITAL

	Number of shares	Nominal value £'000
Allotted, called up and fully paid		
At 1 May 2012 — ordinary shares of 25p	58,917,667	14,729
Issued to acquire share of minority in Ebiquity Germany GmbH	345,009	87
Share options exercised	1,096,173	274
At 30 April 2013 — ordinary shares of 25p	**60,358,849**	**15,090**

Notes to the Company Financial Statements
for the year ended 30 April 2013

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £'000	2012 £'000
Opening shareholders' funds	**30,805**	29,846
Issue of shares (net of issue costs)	**716**	2,302
Loss for the financial year	**(2,632)**	(2,632)
Movement on hedging instruments	**(105)**	(26)
Gain on business combination under common control	**–**	372
Share options charge	**198**	857
UITF 44 adjustment	**69**	86
Closing shareholders' funds	**29,051**	30,805

12. RESERVES

	Share premium £'000	**Convertible loan note reserve £'000**	**Other reserves £'000**	**ESOP reserve £'000**	**Hedging reserve £'000**	**Profit and loss account £'000**
At 1 May 2012	4,233	9,445	746	(1,590)	(40)	3,282
Issue of shares	355	–	–	–	–	–
Loss for the financial year	–	–	–	–	–	(2,632)
Movement in hedging instruments	–	–	–	–	(105)	–
Share options charge	–	–	–	–	–	198
UITF 44 adjustment	–	–	–	–	–	69
At 30 April 2013	**4,588**	**9,445**	**746**	**(1,590)**	**(145)**	**917**

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 (2012: £1,600,000) funded by the Company. The sponsoring company is responsible for the administration and maintenance of the trust. The number of shares held by the trust is 4,648,671 (2012: 4,648,671), all of which are under option to the employees of the Group. As at the balance sheet date, 2,275,000 of the shares in the ESOP had not vested (2012: 2,275,000).

13. SHARE-BASED PAYMENTS

Full disclosure of share-based payments is included in the consolidated financial statements (see note 24).

14. COMMITMENTS

Capital commitments contracted but not provided for by the Company amount to £nil (2012: £nil).

The Company has no operating lease commitments (2012: none).

15. CONTINGENT LIABILITIES

The Company is subject to claims and litigation arising in the ordinary course of business and provision is made where liabilities are considered likely to arise on the basis of current information and legal advice.

16. RELATED PARTY TRANSACTIONS

The ultimate controlling party of the Group are the shareholders of the Company (incorporated in the United Kingdom). The Company is exempt from disclosing related party transactions (see Note 1).

Notice of Meeting

Ebiquity plc
(Registered in England No.3967525)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Ebiquity plc (the "Company") will be held at 2nd Floor, The Registry, Royal Mint Court, London, EC3N 4QN, at 10.00 a.m. on 4 September 2013 to consider and, if thought fit, pass resolutions 1 to 9 as ordinary resolutions and resolutions 10 and 11 as special resolutions:

ORDINARY RESOLUTIONS

1 To receive and adopt the Annual Report and Accounts for the year ended 30 April 2013.

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 Nicholas Manning, 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 Sarah Jane Thomson, who retires by rotation pursuant to Article 110 of the Company's Articles of Association and who, being eligible, offers herself for re-election, be re-elected as a Director.

6 That PricewaterhouseCoopers 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 2014 or 15 months following the passing of this resolution, whichever is the earlier. For the purposes of this resolution, the terms 'political donation', 'political parties', 'political organisation' and 'political expenditure' have the meanings given by sections 363 to 365 of the Companies Act 2006.

9 That in accordance with section 551 of the Companies Act 2006, the Directors of the Company be generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company, up to an aggregate nominal amount of £6,118,341.

Provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the conclusion of the Annual General Meeting of the Company in 2014 or 15 months following the passing of this resolution, whichever is the earlier, save that the Company may, before such expiry, make offers or agreements which would or might require shares to be allotted, or any such rights to be granted, after such expiry, and the directors of the Company may allot shares or grant any such rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

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

SPECIAL RESOLUTIONS

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

i. the allotment of equity securities in connection with an offer by way of a rights issue:

   i) to the holders of ordinary shares in proportion (as nearly as may be practicable to their respective holdings); and

   ii) to holders of other equity securities as required by the rights of those securities or as the directors of the Company otherwise consider necessary,

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

iii. the allotment (otherwise than pursuant to paragraph (i) above) of equity securities of up to an aggregate nominal amount of £1,854,043.

The power granted by this resolution 10 shall, unless renewed, varied or revoked by the Company, expire at the conclusion of the Annual General Meeting of the Company in 2014 or 15 months following the passing of this resolution, whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the directors of the Company may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

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

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

i. The maximum aggregate number of shares that may be purchased is 3,017,942;

ii. The minimum price (excluding expenses) which may be paid for each share is £0.25;

iii. The maximum price (excluding expenses) which may be paid for each share is 105 per cent. of the average market value of a share in the Company for the five business days prior to the day the purchase is made;

iv. The authority conferred by this resolution shall expire at the conclusion of the Company's Annual General Meeting in 2014 or 15 months following the passing of this resolution, whichever is the earlier, save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase shares which will or may be executed wholly or partly after the expiry of such authority.

By order of the Board
Andrew Watkins
Company Secretary
9 August 2013

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

Notice of Meeting

Ebiquity plc
(Registered in England No.3967525)

NOTES:

(i) Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A Shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company. A member may appoint two or more persons as proxies to exercise the rights attached to the same shares in the alternative, but if he/she shall do so, only one such proxy may attend and vote in respect of the shares. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.

(ii) To be valid for the meeting or adjourned meeting (as the case may be), a proxy form, duly completed, and any power of attorney or other authority, if any, under which it is signed, or a notarially certified copy or office copy of such prior authority, or a copy of such power certified in accordance with the Power of Attorney Act 1971, must be deposited at the Company's registered office, Ebiquity plc, 2nd Floor, The Registry, Royal Mint Court, London, EC3N 4QN, or sent electronically to companysecretary@ebiquity.com no later than 48 hours in advance of the meeting.

(iii) The return of a completed proxy form, or other such instrument, will not prevent a Shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.

(iv) In the case of joint members, the signature of the first named in the register of members in respect of the holding will be accepted to the exclusion of the votes of the other joint holders.

(v) In accordance with Section 360B of the Companies Act 2006 and Regulation 41 of the Uncertificated Securities Regulations 2001, only those Shareholders entered on the Company's register of members as at 6.00pm on 2 September 2013 (or 6pm on the date two days before any adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes to entries on the register after 6.00pm on 2 September 2013 (or 6pm on the date two days before any adjourned meeting) shall be disregarded in determining the rights of any persons to attend or vote at the meeting.

(vi) As at 5 August 2013 (being the last practicable day prior to the publication of this Notice of Annual General Meeting) the Company's issued share capital consists of 60,358,849 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 5 August 2013 are 60,358,849.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

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

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

RESOLUTION 1: ANNUAL REPORT AND ACCOUNTS FOR THE YEAR

The Directors will present to Shareholders at the Annual General Meeting the Annual Report and Accounts for the year ended 30 April 2013 together with the independent Auditor's report on those accounts.

RESOLUTIONS 2 TO 5: RE-ELECTION OF DIRECTORS

Michael Higgins, Nicholas Manning, Paul Adams and Sarah Jane Thomson 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 2013.

RESOLUTION 6: RE-APPOINTMENT OF THE AUDITORS

The Company is required to reappoint the auditors at each annual general meeting at which accounts are presented. Resolution 6 proposes the re-appointment of PricewaterhouseCoopers LLP as auditors to the Company to hold office until the conclusion of the next annual general meeting at which accounts are laid. During the year, PricewaterhouseCoopers LLP were appointed as auditors to fill a casual vacancy which arose upon the resignation of BDO LLP.

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 2012/13 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 2014, or, if earlier, 15 months after the date of the passing of this resolution.

RESOLUTION 9: AUTHORITY TO ALLOT SHARES

This resolution is to renew the general authority to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company, up to an aggregate nominal amount of £6,118,341. 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 2014. 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 £1,854,043 (which includes the sale of any treasury shares) which is equivalent to approximately 10% of the Company's issued ordinary share capital plus convertible loan notes as at the date of this notice. If the Directors wish, other than by a pre-emptive offer to existing Shareholders, to allot for cash new shares which would exceed this limit they would first have to request the Shareholders to waive their pre-emption rights in respect of the new shares which exceed it.

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

The authority conferred by this resolution will expire 15 months after the passing of this resolution or, if earlier, at the conclusion of the Company's Annual General Meeting to be held in 2014. It is the Directors' intention to seek the renewal of this authority annually.

Notice of Meeting

Ebiquity plc
(Registered in England No.3967525)

RESOLUTION 11: PURCHASE OF OWN SHARES

This resolution seeks authority for the Company to make market purchases of its own ordinary shares and is proposed as a special resolution. If passed, the resolution gives authority for the Company to purchase up to 3,017,942 of its ordinary shares, representing 5 per cent. of the Company's issued ordinary share capital.

The resolution specifies the minimum and maximum prices which may be paid for any ordinary shares purchased under this authority. The authority will expire 15 months after the passing of this resolution or, if earlier, at the conclusion of the Company's Annual General Meeting to be held in 2014.

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

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

On 5 August 2013, the total number of options to subscribe for ordinary shares in the Company amounted to 4,190,776 (excluding the 13,802,861 shares issuable on full conversion of the VSS convertible loan note and excluding options issued by the Company's employee benefit trust where the employee benefit trust is holding shares to satisfy those options). This represented 6.9 per cent. of the Company's issued ordinary share capital on that date. If this authority to purchase shares was exercised in full the options would represent 7.3 per cent. of the issued ordinary share capital as at 5 August 2013 (excluding the 13,802,861 shares issuable on full conversion of the VSS convertible loan note and excluding options issued by the Company's employee benefit trust where the employee benefit trust is holding shares to satisfy those options).

DOCUMENTS AVAILABLE FOR INSPECTION

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

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

RECOMMENDATION

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

Form of proxy

Ebiquity plc
(Registered in England No. 3967525 and hereinafter referred to as the "Company")

Form of proxy for use at the Annual General Meeting to be held at 2nd Floor, The Registry, Royal Mint Court, London EC3N 4QN on 4 September 2013 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 2013				
2 To re-elect Michael Higgins				
3 To re-elect Nicholas Manning				
4 To re-elect Paul Adams				
5 To re-elect Sarah Jane Thomson				
6 To re-appoint PricewaterhouseCoopers 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 £1,854,043				
11 To authorise the Company to purchase up to 3,017,942 of its Ordinary Shares				

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

Date . . . .

Signature or Common Seal . . . .

Form of proxy

Ebiquity plc
(Registered in England No. 3967525 and hereinafter referred to as the "Company")

NOTES

1 A member entitled to attend and vote at the meeting is entitled to appoint a proxy (who need not be a member of the Company) to attend, speak for and to vote instead of him/her.

2 To be valid for the meeting or adjourned meeting (as the case may be), this proxy form, duly completed, and any power of attorney or other authority, if any, under which it is signed, or a notarially certified copy or office copy of such prior authority, or a copy of such power certified in accordance with the Power of Attorney Act 1971 must be deposited at the Company's registered office, Ebiquity plc, 2nd Floor, The Registry, Royal Mint Court, London, EC3N 4QN, or sent electronically to companysecretary@ebiquity.com no later than 48 hours in advance of the meeting. Completion and return of the proxy form will not preclude a shareholder from attending and voting at the meeting or adjourned meeting (as the case 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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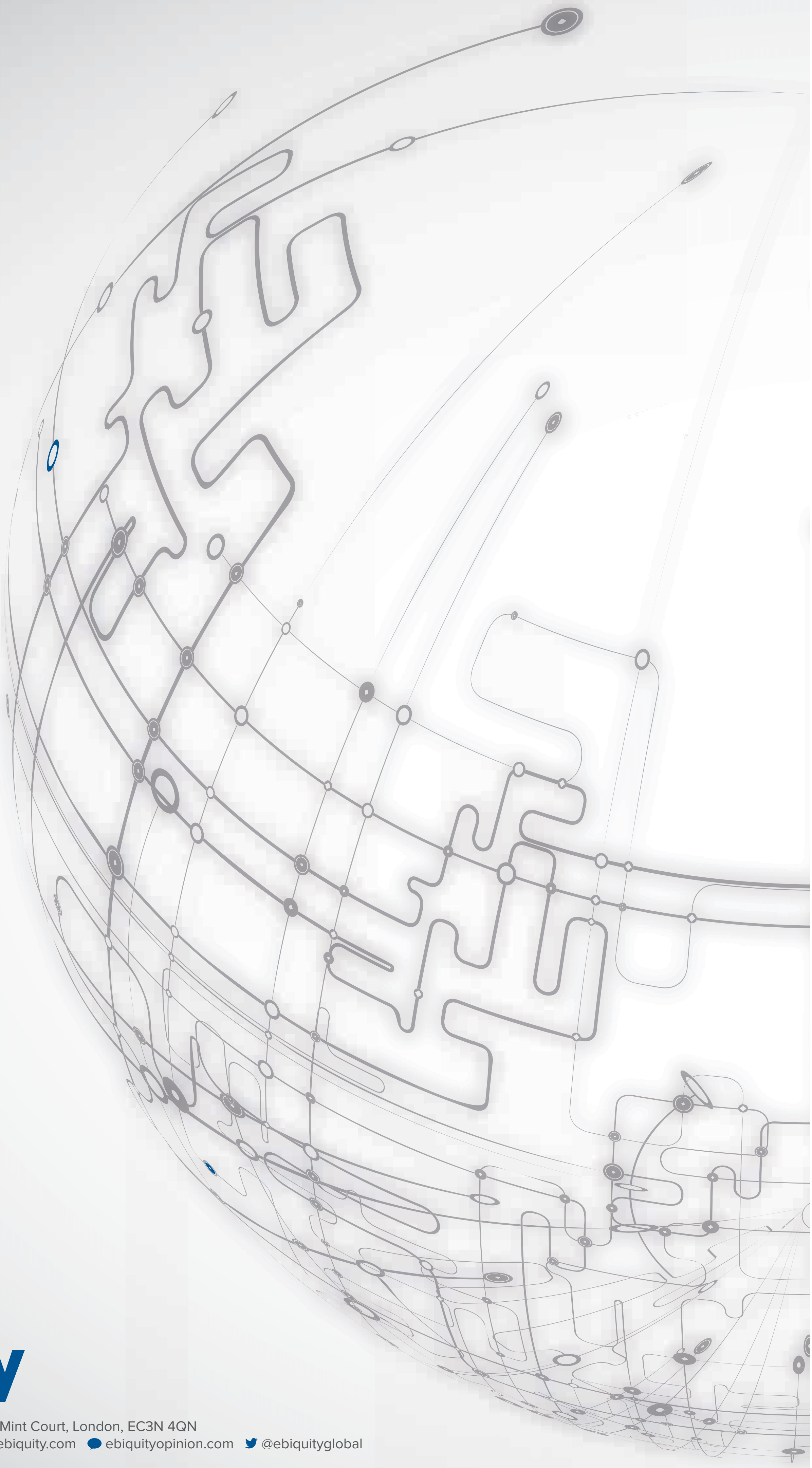

ebiquity

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