ebiquity

EBIQUITY PLC ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2014

Stock code: EBQ

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

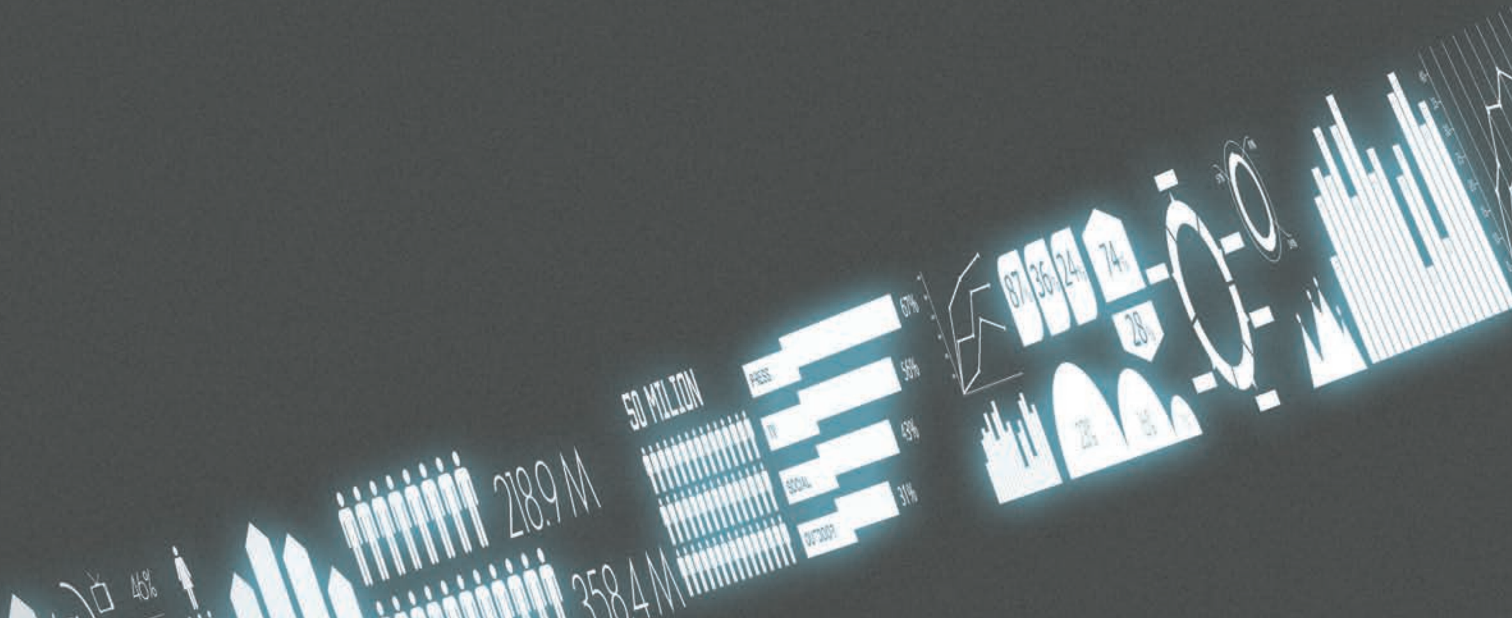
Ebiquity provides independent data-driven insights to the global media and marketing community to continuously improve our clients' business performance.

We provide an unrivalled combination of data, systems and insights to help our clients continuously improve their efficiency and effectiveness.

This is possible because we capture, organise and analyse vast amounts of data across our specialist areas, we are truly independent from the transaction process, and we have highly skilled teams of experts in their markets.

We currently work with over 1,100 clients worldwide including over 90 of the top 100 advertisers worldwide. These clients are increasingly turning to us to meet their demands for greater accountability and greater understanding in a marketing landscape that is changing rapidly.

Ebiquity employs over 800 people across the world. We have over 15 offices in 12 countries and work with carefully selected partners elsewhere to create a truly global network. Our head office is in London where we are listed on the London Stock Exchange's AIM Market.



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Highlights

Ebiquity plc, a leading international provider of independent, data-driven media and marketing insights, announces final results for the year ended 30 April 2014. Ebiquity provides services to over 1,100 clients across 40 countries, including over 90% of the top 100 global advertisers[1].

Continued growth boosted by strong performance from key business segments

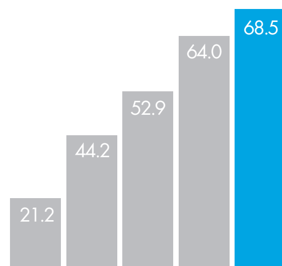
- Eighth successive year of growth delivering £69.0m revenue at constant currency and £68.5m on a reported basis (2013: £64.0m)
- Underlying[2] operating profit growth of 10% to £11.5m at constant currency and £11.3m on a reported basis (2013: £10.4m)
- Underlying[2] diluted EPS of 10.1p, up 12% (2013: 9.00p)
- Future-focused segments of business delivering strong organic growth
- Underlying[2] PBT growth of 8% to £10.3m at constant currency and £10.2m on a reported basis (2013: £9.5m), with reported PBT of £3.4m (2013: £6.6m)

New company structure positions Company to benefit from continually evolving global marketing industry

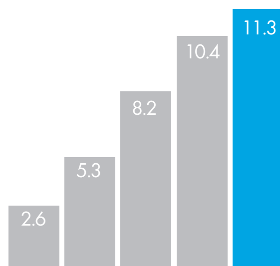
- Business restructured into three focused business segments:
  - Media Value Measurement (MVM)
  - Market Intelligence (MI)
  - Marketing Performance Optimization (MPO)
- Key appointments made across business to support international growth
- Acquired the leading independent media auditing and benchmarking company in China
- Broadened shareholder base following placing of VSS and founder Directors' shares
- Increasing complexity of advertising industry driving worldwide demand for independent marketing and media performance measurement and optimization

Strategy remains unchanged: to become the leading and most respected independent provider of data-driven actionable insights to the global marketing community

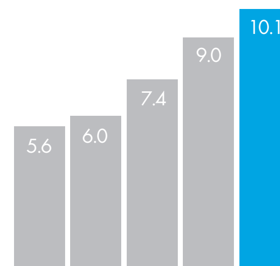
Revenue
£68.5m
2013: £64.0m
+7%



Operating Profit
£11.3m
2013: £10.4m
+9%



Diluted EPS
10.1 pence
2013: 9.0 pence
+12%



[1] Source: Advertising Age 2013.
[2] Underlying results are stated before highlighted items.

Chairman's Statement

This has been an important year for Ebiquity during which we have concluded an extensive strategic review of the business.

This has been Ebiquity's eighth successive year of growth across all significant metrics. We have delivered strong organic growth in both our Media Value Measurement ('MVM') and Marketing Performance Optimization ('MPO') segments helped by a growing awareness of the importance of data analytics amongst the media and marketing community who we serve. Whilst the last year has not been without its challenges in the Market Intelligence ('MI') segment, we are encouraged by the high level of revenue visibility for the year ahead across the Group.

In the year ended 30 April 2014, I am pleased to announce that we delivered total revenue growth of 8%, operating profit before highlighted items up 10%, improved margins, and our underlying diluted EPS has increased by 12% (all on a constant currency basis).

This has been a year of strategic importance for Ebiquity during which we have concluded an extensive strategic review of the business, extended our geographic footprint, most notably into China, restructured our business into three clearly defined segments and strengthened our MPO offering with the key acquisition of Stratigent in the US.

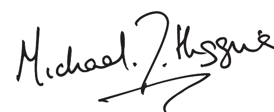
In February and March, following the completion of our strategic review, a successful placing was undertaken of the entire shareholdings of Veronis Suhler Stevenson ('VSS'), the founding Directors – Sarah Jane and Stephen Thomson – and the Group's Chief Operations Officer, Paul Adams representing over 45% of the Company's total share capital. Following the placings, the three founding Directors and the two VSS representatives retired from the Board.

I would like to take this opportunity to thank our retiring Directors for their help and insight; their contribution has been invaluable and we wish them well in the future. We are already taking steps to strengthen our Board with the addition of at least one new independent Non-Executive Director and I look forward to making an announcement regarding this shortly.

Ebiquity has evolved greatly over the last year, both as a company and as a business. From an ownership viewpoint we now benefit from a new diverse institutional shareholder base. From a business perspective our capabilities and geographic reach have been extended and our role as a leading international independent data analytics partner to our clients is increasingly recognised and valued.

Finally I would like to recognise the commitment and skills of our employees. They are the Group's most valuable asset and the Board extends its thanks to them for their continued commitment and enthusiasm.

We have a clear strategy, a motivated team and with the new financial year starting with a high level of revenue visibility, we look forward to the future with confidence.



Michael Higgins
Chairman
15 July 2014

Ebiquity's objective is to become the leading and most respected independent provider of data-driven actionable insights to the global marketing community.

BACKGROUND

2013/14 represented yet another year in our journey from being a predominantly UK based advertising monitoring company to becoming a global leader in data analytics for the media and marketing community.

We have come a long way from our early years, with over 15 offices worldwide, an extensive partner network and over 800 employees. We proudly work with over 1,100 clients across our Group including over 90 of the top 100 advertisers worldwide.

We have been able to deliver growth in a rapidly changing and dynamic market:

- The advertising and marketing industry is becoming increasingly consolidated and globalised
- Advertisers are under increased pressure to demonstrate marketing spend ROI
- Marketing and media channels continue to proliferate
- Digital channels offer the promise of greater customer engagement
- Consumer data available to brands is turning marketing into a science
- Multi-channel marketing is driving the need for data-driven measurement and advice

This increasing complexity is driving a worldwide demand for independent marketing and media performance measurement and optimization. Importantly, our clients are increasingly seeking advice that is independent of the transaction market, dominated as it is by the big media buying groups, in order to validate their choices.

OUR BUSINESS MODEL

During the year we revised the way in which we report our results. We now report across three segments:

- MVM – Media Value Measurement (which includes our media benchmarking, financial compliance and associated services)
- MI – Market Intelligence (which includes our advertising monitoring, reputation management and research/insight services)
- MPO – Marketing Performance Optimization (consisting of our marketing effectiveness services and the recently acquired Stratigent business)

Across these three segments Ebiquity has over 1,100 clients ranging in contract size from tens of thousands to several millions of pounds. We work both locally and globally across a network of offices in Europe, Asia Pacific and the Americas.

Our business model is to leverage our media technology, data sources and marketing knowledge to build long-term client relationships with our key clients and to provide them with a growing range of services across our three segments.

We do this by ensuring that we are the trusted independent adviser on data and technology solutions in the media and marketing sector, and thus achieve:

- High recurring revenues
- Growing scope of services both by product and geography
- Scalable, technology-enabled services
- Strong margins

DATA

- Ebiquity has access to unique data sets
- These data sets are aggregated from multiple sources and geographies
- We are highly skilled at integrating and analysing complex data sets
- We have a deep understanding of media technology tools and processes

INSIGHT

- Ebiquity is skilled at analysing data to provide actionable insights
- We help clients optimize their choices to achieve better results and make better informed marketing and media decisions

ROI

- Our objective is to improve the efficiency and effectiveness of our clients' media and marketing investment
- Clients achieve this through a programme of continuous improvement over time

GROW SCOPE OF WORK

To increase client revenue by increasing our scope of work by:

- Growing into new geographies via worldwide network
- Adding new products and services to help our clients improve their business performance

RECURRING REVENUE

- Set brand KPIs with measurement tools to build long-term programme
- Build long-term relationship and recurring/renewable contracts

Strategic Report

OUR STRATEGY

Ebiquity's objective is to become the leading and most respected independent provider of data-driven actionable insights to the global marketing community, and in so doing to help our clients:

- Achieve greater insights into the marketing landscape
- Make better informed decisions
- Achieve the best return on their media and marketing investments
- Continuously improve their business performance
- Monitor competitors' advertising strategy and investments
- Understand the value of their business and brand reputation

We achieve this as follows:

BUILD – data, analytics and software capabilities that will enable us to provide our clients with the insights that they need to achieve their objectives and improve their performance whilst at the same time creating tools that will become part of our clients' work flow and thus encourage recurring revenue streams.

GROW – our international footprint to ensure that we can serve the needs of our global clients in geographies that are important to them and in the process to provide a seamless global service.

INCREASE – our brand profile and reputation to help achieve a worldwide competitive advantage.

DEVELOP – the skills and talent of our people to enable them to help drive our business by providing our clients with significant added value.

Strategic Objectives	2013/14 Progress	KPIs	2014/15 Priorities	Risks
To **build** data, analytics and software capabilities that will enable us to provide our clients with the insights that they need to achieve their objectives and improve their performance whilst at the same time creating tools that will become part of our clients' work flow and thus encourage recurring revenue streams.	• We have continued to improve our software products including the launch of ValueTrack and enhancements to our various Portfolio products. • We have developed our MPO services via the acquisition of Stratigent in the US.	Percentage of revenue from recurring/ renewable sources. In 2013/14 this was 85% (2012/13: 86%).	• To protect our competitive advantage in media monitoring via further product enhancements. • To invest in digital services in line with our clients' needs. • To further develop our MPO services where we continue to experience significant demand.	• The market is competitive and investment may not result in anticipated returns. We manage this risk by ensuring our data is sufficiently comprehensive to ensure that we are not overly dependent on any one revenue source. • Media technology is complex and fast moving. We have created a new Chief Strategy Officer position whose role is to ensure that we can anticipate future changes in the marketplace, and react accordingly. • Acquisition targets are highly valued by the sellers. However, we aim to make acquisitions that are earnings enhancing. Where this is not possible we will look to develop our own internal capabilities to meet client needs.
To **grow** our international footprint to ensure that we can serve the needs of our global clients in geographies that are important to them and in the process to provide a seamless global service.	• We established, via the acquisition of CMCG, Ebiquity offices in Shanghai and Beijing.	Percentage of revenue from international sources (mult-territory or non-UK domestic contracts). In 2013/14 this was 79% (2012/13: 77%).	• To accelerate the growth of our US business under new leadership. • To further develop our presence in South East Asia by opening a regional hub. • To consolidate our European network. • To explore opportunities to increase our representation in emerging markets.	• Data analytics is a nascent market with individual geographies developing at different rates and in different directions dependent on local conditions. We prioritise market penetration so as to exploit the greatest opportunities in growth markets. • Most of our acquisitions require varying degrees of integration activities which may not proceed as planned and thus may not deliver the levels of profitability and cash flows that we expect. 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.
To **increase** our brand profile and reputation to help achieve a worldwide competitive advantage.	• Research conducted by the WFA (World Federation of Advertisers) now suggests that Ebiquity is recognised as the worldwide leader in MVM services.	We continue to monitor the awareness of Ebiquity amongst the global marketing community. We intend to introduce a mechanism for monitoring our performance against this objective during 2014/15.	• To work with marketing organisations and associations including WFA and the CMO Council to build Ebiquity's worldwide profile.	• Larger and better known brands are developing their data and analytic skills. We aim to remain a specialist and provide our clients with unique capabilities relative to our competition.
To **develop** the skills and talent of our people to enable them to help drive our business by providing our clients with significant added value.	• In addition to an ongoing and rigorous training program we continue to widen the responsibilities of our management team and build our talent as evidenced by the appointment of new leadership in the US.	Percentage of clients taking two or more services. In 2013/14 this was 15% (2012/13: 14%).	• To further strengthen our global leadership team including the development of Client Partners to help develop our key client relationships. • To introduce segment leadership.	• Experienced and skilled managers are in high demand and developing appropriate skill sets can be a challenge. We aim to make our offices an attractive place to work, offer competitive salaries, and look to grow our roster of global blue-chip clients.

SUMMARY OF RESULTS

We have once again delivered a strong set of results:

- Revenue growth of 7%
- Underlying operating profit growth of 9%
- Margin improvement at gross profit, EBITDA and operating profit levels
- Underlying diluted EPS growth of 12%
- MVM organic revenue growth of 8%, led to operating profit up 30%
- MPO organic revenue growth of 32% and combined with Stratigent acquisition led to operating profit almost doubling

The table below sets out our results on a constant currency basis:

	2014 (constant currency) £'000	**2014 (as reported) £'000**	2013 (as reported) £'000
Revenue	**68,980**	**68,452**	64,046
Underlying operating profit	**11,456**	**11,339**	10,441
Underlying operating profit margin %	**16.6%**	**16.6%**	16.3%

At constant currency rates (using the same foreign exchange rates as were applicable in the year to 30 April 2013), revenue has grown by 8%, operating profit by 10% and margin has increased.

We enjoyed particularly strong growth in both MVM and MPO – which together account for 60% of our Group – with organic growth rates of 8% and 32% respectively. Overall growth for the year was held back as a result of revenue erosion in the Market Intelligence segment where advertisers' needs are changing and we are in the process of adapting to these needs.

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

MVM — MEDIA VALUE MEASUREMENT (53% OF TOTAL REVENUE)

	2014 £'000	2013 £'000
Revenue	**36,477**	32,364
Operating profit	**10,289**	8,003
Operating profit margin %	**28.2%**	24.7%

We continue to see a strong performance from our MVM business with revenue up 9% on a like-for-like basis. On an organic basis, the segment has seen growth of 8% with strong performances in particular from our European offices. In addition, the prior year acquisition of Firm Decisions and the current year acquisition of CMCG have both helped drive the segment performance.

A 30% improvement in operating profit has resulted from a 9% increase in revenue on a well-controlled organic cost base and a strong margin from the Firm Decisions and CMCG acquisitions and demonstrates the strong operational leverage.

Recent research conducted by the World Federation of Advertisers (WFA) clearly indicates that brand owners are increasingly concerned with the growing complexity of the media buying market.

The growing strength of the media buying groups, increasing lack of transparency in the transaction chain and the development of real time buying have all contributed to a growing trend for advertisers to seek independent advice and verification of both the value and efficacy of their media buying programmes.

Strategic Report

WFA's research showed that there has been a significant increase in the proportion of its members permanently using a media benchmarking company (+19 percentage points versus 2011). The same research shows that Ebiquity's share of this market in Europe has grown by over 30 percentage points since 2011 with the majority (59%) believing that independent companies like Ebiquity will play an increasingly important role in helping advertisers assess programmatic media buying and digital media effectiveness.

MI — MARKET INTELLIGENCE (40% OF TOTAL REVENUE)

	2014 £'000	2013 £'000
Revenue	**27,162**	29,639
Operating profit	**4,801**	5,936
Operating profit margin %	**17.7%**	20.0%

Our Portfolio products, which make up the majority of our MI segment, have under-performed this year. Advertising monitoring remains a highly competitive market, and advertisers' needs are changing. As a result we have seen price pressure on new contract opportunities during the year which has challenged top line growth and held back our overall margin performance. Retention of existing clients continues to be strong – despite being lower than the record high recorded in the prior year – with a renewal rate (by value) of 87% (2013: 93%).

MI accounts for 40% of our total business and our performance in this segment in 2013/14 has masked what has otherwise been a strong year, with strong growth in both MVM and MPO. We are already taking action to ensure that we remain competitive in our MI segment and anticipate a return to growth.

For the year reported, revenue from our MI business was down 7% on a like-for-like basis. This revenue decline has, however, been partially offset by a 6% reduction in our cost base following a successful efficiency improvement programme.

MPO — MARKETING PERFORMANCE OPTIMIZATION (7% OF TOTAL REVENUE)

	2014 £'000	2013 £'000
Revenue	**4,813**	2,043
Operating profit	**1,523**	774
Operating profit margin %	**31.6%**	37.9%

The growth of online channels, coupled with the abundance of available data which can track the minutiae of customer behaviour and media habits at an individual person level, has transformed the discipline of marketing into a sophisticated science based on data analytics. Targeting and personalisation are now complementing the broadcast model to improve advertisers' effectiveness and efficiency.

Brand owners increasingly recognise the need to apply this discipline to better optimize their channel choices in order to build more effective communications programmes, while minimising wastage and costs.

This is the main driver of our segment success and is a trend that is likely to grow in importance in the future. It is also the thinking behind our recent acquisition of US-based Stratigent, which combined with our existing skills in modelling, should enable us to develop a new source of revenue and is a natural extension of Ebiquity's services. In the coming year we will look at plans to extend Stratigent's capabilities into Europe.

It is against this backdrop that we continue to see a strong performance from our MPO business with revenue up 32% on a like-for-like basis. Both our organic business and that of the acquired Stratigent business have grown at similar levels.

We have invested in our MPO segment to allow acceleration in revenue growth and whilst this – together with a lower margin from the acquired Stratigent business – has resulted in a reduction in margin as anticipated, the organic operating profit has grown by 15% and total operating profit has nearly doubled.

CENTRAL COSTS

	2014 £'000	2013 £'000
Central costs	**5,274**	4,272

Central costs include central salaries (Board, Finance, IT and HR), legal and advisory costs and property costs. Central costs have increased by £1.0m largely due to an increased investment in centrally managed IT developers (representing approximately £0.3m of the increase) to enhance our Market Intelligence offerings, increased investment in Central support functions to support the larger group (£0.3m) and increases in the allocation of UK property costs to Central (£0.2m).

MARGINS

The underlying operating profit margin has improved from 16.3% to 16.6% largely due to the revenue growth and a well-managed cost base. The underlying EBITDA and gross margins have also improved, increasing from 18.3% to 18.6% and from 54.2% to 56.2% respectively.

RESULT BEFORE TAX

	2014 £'000	2013 £'000
Underlying operating profit	**11,339**	**10,441**
Highlighted items	**(6,727)**	(2,936)
Reported operating profit	**4,612**	**7,505**
Net finance costs	**(1,191)**	(975)
Share of profit of associates	**19**	26
Reported profit before tax	**3,440**	**6,556**
Underlying profit before tax	**10,167**	**9,492**

Highlighted items total £6.7m, which includes £1.9m of purchased intangible asset amortisation, £1.5m adjustments to fair value of deferred consideration as a result of strong performance from our recent acquisitions and £1.1m in relation to significant office moves. Other items included within highlighted items are share options charges, professional fees in relation to acquisitions and the costs of a significant strategic review.

Net finance costs were £1.2m (2013: £1.0m) and the year on year increase reflects the higher level of debt following the acquisitions made during the current and previous financial years.

Reported profit before tax is down to £3.4m (2013: £6.6m) as a direct result of the increased level of highlighted items relating to acquisitions and integrations. Underlying profit before tax was up 7% to £10.2m (2013: £9.5m).

TAXATION

Tax for the year is £nil (2013: charge of £1.4m) representing a current tax charge of £0.9m (2013: £2.0m) at an effective tax rate of 26% (2013: 31%) and a deferred tax credit of £0.9m (2013: £0.6m).

ACQUISITIONS IN THE YEAR

On 19 August 2013, we acquired 100% of Stratigent, LLC ('Stratigent') for total expected consideration of £5.1m (sterling equivalent) consisting of upfront consideration of £2.7m and estimated earn out payments of £2.4m. Total consideration is capped at approximately £5.6m ($8.8m). Stratigent operates from offices in Chicago and employs 22 people.

On 15 January 2014, we acquired 100% of China Media Consulting Group Limited ('CMCG') for total expected consideration of £6.2m (sterling equivalent) consisting of upfront consideration of £1.6m and estimated earn out payments of £4.7m. Total consideration is capped at approximately £6.6m (HK$85m). CMCG operates from offices in Shanghai and Beijing and employs 21 people.

The results of Stratigent have been consolidated into our MPO segment from the date of acquisition. The results of CMCG have been consolidated into our MVM segment from the date of acquisition.

Strategic Report

EQUITY

At the time of the acquisition of Xtreme in April 2010, convertible loan notes were issued that were convertible into 13,802,861 ordinary shares. During the year, the entirety of the loan notes were converted into ordinary shares. Since their issue – and until conversion – the loan notes were included within equity as they demonstrated the characteristics of ordinary share capital, and for the same reason they were also included within the number of shares for the purposes of both the basic and diluted earnings per share calculations.

In addition, 1,226,421 shares were issued upon the exercise of employee share options and 102,981 new shares were issued to acquire an increased share of a subsidiary from a minority holder.

These events resulted in an increase in our share capital to 75,491,111 ordinary shares (30 April 2013: 60,358,849).

EARNINGS PER SHARE

Underlying diluted earnings per share was 10.11p (2013: 9.00p). This is an increase of 12% over the prior year, reflecting the positive impact of the improved profitability of the majority of the segments and the recent acquisitions along with the utilisation of brought forward tax losses, offset by an increase in central costs.

The Group reports diluted earnings per share of 3.4p (2013: 6.7p), reduced from the prior year due to the increase in highlighted items, despite the improved underlying profitability.

NET DEBT AND BANKING FACILITIES

	2014 £'000	2013 £'000
Cash	**6,521**	7,109
Bank debt[1]	**(29,321)**	(22,636)
Net debt	**(22,800)**	(15,527)

[1] Bank debt on the Balance Sheet at 30 April 2014 is shown net of £0.1m (2013: £0.2m) 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.

During the year, the term loan facility was increased by £6.0m, all of which was drawn by the end of the year in relation to the acquisition of Stratigent and CMCG.

At 30 April 2014, our total drawn facilities comprised £15.0m of term loan and £14.0m of revolving credit facility ('RCF'). Both the term loan and the RCF had a maturity date of 9 March 2016. £3.9m of the term loan was being repaid on a quarterly basis to maturity, and the balance of the term loan and any drawings under the RCF were repayable on maturity of the facility.

On 2 July 2014, we refinanced our banking facilities with Barclays and Royal Bank of Scotland ('RBS') and on 7 July 2014 we drew down on these new facilities. The new committed facility, totalling £40.0m, comprises a term loan of £10.0m (of which all was drawn on refinance) and an RCF of £30.0m (of which £20.8m was drawn on refinance). Both the term loan and the RCF have a maturity date of 2 July 2018. The £10.0m term loan is being repaid on a quarterly basis to maturity, and the drawn RCF and any further drawings under the RCF are repayable on maturity of the facility. The facility may be used for deferred consideration payments on past acquisitions, to fund future potential acquisitions, and for general working capital requirements.

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

STATEMENT OF FINANCIAL POSITION AND NET ASSETS

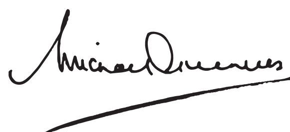
Net current assets as at 30 April 2014 increased by 42% to £4.2m and total net assets increased by 6% compared to 30 April 2013 primarily as a result of the improved performance of the Group including the impact of the recent acquisitions. Goodwill has increased by £7.3m from 30 April 2013, largely reflecting the Stratigent and CMCG acquisitions.

Deferred contingent consideration has increased by a net £3.0m since 30 April 2013, due to the acquisition of Stratigent and CMCG, and performance beyond expectations from other recent acquisitions. During the year, earn out payments totalling £5.4m were made. Remaining deferred consideration is currently estimated to be £8.7m which relates to our three most recent acquisitions, £4.6m of which is forecast to be settled in the next 12 months.

OUTLOOK

The final months of 2013/14 were extremely active with a significant volume of new business which is only now reaching closure. We therefore begin 2014/15 with a high level of visibility on our revenue potential for the year. This, together with the fact that our acquisitions continue to perform well, gives us confidence about the year ahead.

By order of the Board



Michael Greenless
Chief Executive Officer
15 July 2014

Andrew Beach
Chief Financial and Operating Officer
15 July 2014

Programmatic media trading:

how can advertisers get maximum benefit?

Agencies aim to persuade advertisers, and especially branded goods clients, to move budget into online from the offline media trading market. Offline, clients know what they get for their money in terms of audience delivery, media performance, and financial visibility. They also verify these KPIs with independent providers of measurement and audit services to ensure budgets are well spent.

However, this is not currently the case in the digital market, and the lack of transparency in online is increasingly hard to defend. Advertisers are being pushed toward programmatic, but don't like the relative lack of measurable metrics and are suspicious of the motivations of the supply-side providers.

This is particularly ironic given that online media potentially allows activity to be precisely tracked at an impression level for everyone individually. It's the gift that keeps on giving for advertisers, with precise targeting of messaging, personalisation, and relevance all possible through the smart use of technology.

Advertisers frequently report that they are pressurised into investing more through agencies' programmatic trading desks but, when they ask searching but perfectly normal questions about the detail of performance and money, they encounter resistance and obfuscation.

Trading desk activity often sits as a single line on the media plan, with no detail of where the inventory will go. After the event, there is comparatively little reporting of actual performance, such as whether the advertising was seen by its intended audience, for how long, whether delivery has achieved target, and where the conversion from impressions to action actually took place.

It can be credibly argued that the main reason why advertiser transparency hasn't already become standard is because of vested commercial interests. Currently too much of an advertiser's budget is eroded by undisclosed margins. This situation is detrimental to the industry as a whole; advertisers' budgets have been less effective than they should have been, while media owners have received less revenue to invest in advertising properties.

To redress the balance in their favour – and, after all, it's brands' investment and ROI we're talking about here – advertisers need to take control of the programmatic agenda, and do so contractually.

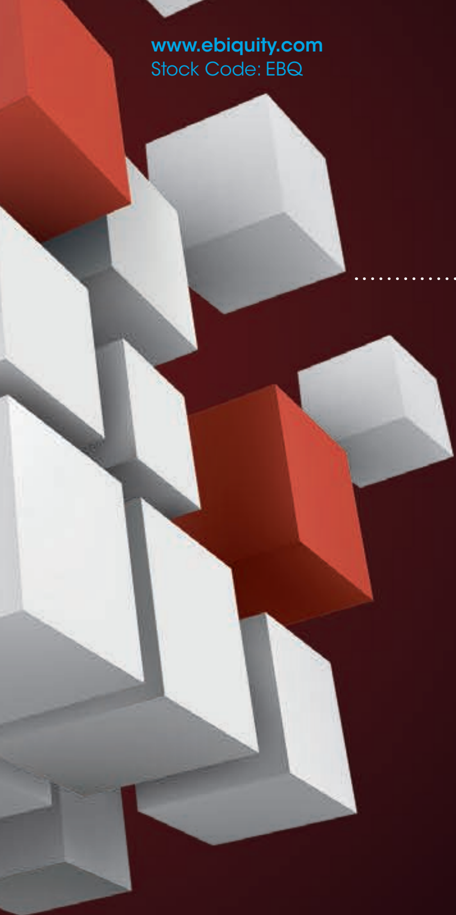
A contract that requires complete transparency should contain the three key elements detailed below, for the measurement of performance and value in online channels, with the right clauses to safeguard data ownership, access, and financial transparency.

1. MEASUREMENT OF PERFORMANCE AND VALUE

The golden rules of advertising should apply in online channels just as much as offline media; it is crucial to target the right people, with the right message, at the right time, and at the right level of exposure.

However, digital media is still traded crudely, with impressions and CPMs as the common currency, and this is detrimental to the inherent potential of the channels.

Programmatic trading and real-time bidding – where inventory is auctioned in fractions of a second – really do hold out the promise of data-derived targeting and greater cost efficiencies, but they rely on the quality of the data being used for the bidding process. This can be lacking if prior performance is based on



This year's buzzword in the advertising media is 'programmatic': otherwise known as automated media trading. Media agencies, vendors and supply-chain players all want to encourage advertisers to adopt programmatic buying and thereby enjoy supposedly enhanced targeting, greater effectiveness, and improved cost.

basic metrics, inadequate attribution and low viewability scores.

For advertisers to be confident that their digital trading – whether programmatic or not – is correctly optimized, they need to ensure that:

- The data used in the trading process are accurate and relevant, and in particular that the right viewability KPIs have been used to identify the most productive inventory.
- The correct attribution methodology is in place to identify the right inventory, eliminating false attribution by applying relevant visibility scores and the right cookie windows.
- The right data are sourced to ensure that the targeting profile is measured accurately to take account of demography, personal attributes, and behavior, allowing for the dual use of devices, for example.

Based on getting these factors right, advertisers should only then determine whether programmatic buying is the right route, which sort to employ, and whether real-time bidding has a role to play. Programmatic buying without the right data is no advance on more traditional types of trading.

2. DATA CONTROL, OWNERSHIP, AND ACCESS

At the heart of the most powerful marketing today lies the Data Management Platform (DMP), a data repository used for storing customer data derived from online behaviour, including website visits, to build profiles of each individual.

These data are used to target individuals with targeted messages. The DMP is essential for modern marketing, as it can be used for any digitally delivered channel, including e-mail, social, and mobile. It lies at the heart of the programmatic market, as it drives the whole targeting and bidding process based on prior history, with continuous dynamic updating.

It is important that advertisers have full control over their data, are able to access their data freely, and maintain integrity and confidentiality. To maintain ownership and control, advertisers should contractually guarantee ownership and free access, and, if necessary, employ an independent DMP to ensure that this happens.

3. FINANCIAL VISIBILITY

Advertisers often do not know where their money is going, or how much is being paid in fees, commissions, and mark-ups. Many have been contractually excluded from finding out. The issue of 'arbitrage' – agencies buying wholesale inventory and marking-up to the client – has led many advertisers to consider appointing independent trading desks to gain greater control and visibility where little currently exists.

The answer is to apply contractual terms that cover the whole ecosystem, including associated parties and subcontractors, with full and free access to all money flows, including rebates and other benefits, as well as the margin on wholesale inventory.

'Programmatic' will doubtless be next year's buzzword too, as advertisers dip their toes in the water of automated media trading and the practice spreads to TV and other channels. Advertisers must seek independent advice and systems that open up the black box of current market practices, with strong contractual underpinning.

Meanwhile, let the programmatic buyer beware.

China – a market of unique scale and media trading practices

China's explosive economic development since Deng Xiaoping initiated free market reforms in the late 1970s has transformed the country into the second-largest economy in the world and given rise to a vibrant base of half a billion urbanised consumers.

This consumerism has, in turn, fuelled one of the largest and most dynamic global advertising markets. As a result, domestic and multinational corporations (MNCs) have invested heavily in advertising products to meet and stimulate consumer demand across many product categories, from mass consumer to premium brands.

Based on data from China's State Administration for Industry and Commerce, total ad spend is set to top $41 billion in the country for 2014. This puts China third, behind the USA ($167 billion) and Japan ($52 billion), according to ZenithOptimedia's global forecasts. At current growth rates, China is set to overtake Japan by early 2016.

Since 2000, China has seen the most dynamic growth of the top ten global markets, with total spend up 540%. As the Chinese advertising market has gained critical mass, annual growth rates have predictably slowed, although increases have still averaged 16% a year since 2001. In 2013, spend in China grew 10.1% compared with the global average of 3.4%. Ad spend as a percentage of GDP – a key indicator of the market's maturity – is only half the global average at 0.45%. This suggests that there is plenty of room for further expansion.

CONSUMER GOODS LEAD THE WAY

The main consumer product categories underpinning China's advertising market make it less susceptible than some other countries to future economic downturns. More than half of all spend is generated from just four product categories: pharmaceuticals (including Chinese tonics), toiletries, retail, and beverages. Ad spend in China on mass consumer, daily-use products is much higher as a proportion of total spend than in most other countries.

Indulgence product categories, such as personal accessories, financial services, spirits, leisure, clothing, and automotive – all of which are directly related to higher levels of disposable income – have seen the most dynamic growth in ad spend in China over the past decade. These higher-end categories are more vulnerable to economic slowdown and it is true that spend has already slowed, particularly in automotive and real estate. The impact on overall spend, however, is relatively trivial, because higher-end categories still represent a relatively small percentage of total investment.

DIVERSE MEDIA MARKET

Given the strength of mass consumer products in China, it is not surprising that spend is heavily concentrated in mass media, particularly TV. Advertisers need to communicate to broad consumer groups to support the deep product-distribution network across a vast geographical area.

Of the main media channels, television dominates with a 40%* share of total ad spend, and is the most intrusive and cost-efficient way to reach mass audiences. The TV market is complex and multi-layered, with channels administered at city, provincial, regional and national levels. Audiovisual commercial opportunities will be further enhanced by full conversion from analog to digital broadcasts by 2015, which will enable greater interactivity and convergence with other digital platforms.

In print, newspapers took 19%* of total spend in 2012 but revenues have been in constant decline, falling from a peak of 40% just a decade earlier.

This is as a direct result of the explosive growth of Internet access and online advertising. Newspapers face significant challenges from the emerging digital media landscape and their market share will continue to fall. As in developed economies, most newspapers are struggling to take advantage of digital opportunities and to post the profits they once boasted.

Digital advertising is dominated by powerful indigenous online vehicles such as Sina Weibo, Tencent Weibo, Baidu, Youtu, and Alibaba. The likes of Facebook, Twitter, and YouTube are blocked, while Yahoo, Google, and eBay have failed to gain traction and have pulled out. Driven by domestic platforms, the sector has experienced vigorous growth over the past decade. Digital captured 19%* of total ad spend in 2012, thanks to the growth of Internet access and usage in the first and second-tier cities. Today there are more than 590 million people online in China, with 460 million accessing content via mobile.

Out-of-home advertising comprises about 14%* of spend and has grown rapidly; new digital technologies and liquid crystal displays now illuminate major cities. The prospects for out-of-home advertising are strong, as new technologies allow greater innovation and interactivity in communication, and demand for prime site exposure exceeds supply in major cities. Spend on other media – including magazines, radio, and cinema – accounts for less than 8%* of total spend combined. This proportion is much lower than in the US and major European markets.

THREE BIG MEDIA BUYING CHALLENGES IN CHINA

As media investment continues to grow, China's unique media landscape and media buying practices present significant challenges for advertisers, in terms of quantifying media buying performance and ensuring transparency.

1. MEDIA SCALE AND COMPLEXITY

China has a fragmented media infrastructure with thousands of vehicles at national, regional, provincial and city levels. The mass media consists of over 3,200 TV channels, 2,000 newspapers, 9,000 magazines, and countless out-of-home vendors across more than 600 major cities. The logistics of managing media execution in China is the equivalent of planning and buying media across all of Europe.

As a market, China is characterised by significant diversity in income, purchasing habits, attitudes, lifestyles, dialects, and media habits. Gaps exist not only between urban and rural markets but also between city tiers and geographic regions. Managing and optimizing TV buying performance in a media landscape of such complexity and diversity is highly challenging. Given the sheer geographical scale of China, TAM (TV Audience Measurement) is highly localised, with 84 cities and provinces covered by Peoplemeter TAM and a further 85 covered by diary measurement. Each Chinese city boasts the equivalent TV scale of one European country.

2. MEDIA BUYING TRANSPARENCY

Media trading in China has historically been a highly commoditised, margin-driven business in which inventory is traded in bulk to agencies, brokers, and other third parties, with bonus inventory extensively traded as part of media agency deals. Subcontracting media buying through third parties is common practice. There are different types of discounts, volume rebates, bonus inventory deals, and incentives, many of which are not on rate cards.

Furthermore, cash rebates and other revenues – generated outside of the media service remuneration paid to the agency by the advertiser – have represented a significant part of agency groups' margins, creating a fundamental conflict of interest. The advertiser's share of these benefits depends on what it can negotiate up front with the agency. With literally thousands of vendors involved in the media buying chain in China, trying to obtain visibility on media rates and full value benefits is a major challenge.

3. MEDIA BUYING COST AND VALUE VARIABLES

In light of the commoditised nature of media trading in China, there is significant variability in terms of media buying cost and value deliverables passed on to the advertiser. These differences can be much more extreme compared with those found in the other major global markets. Each medium has its own specific trading, media cost, and value negotiation currency; most are highly negotiable. Trying to ensure and quantify the most competitive media buying value delivery is therefore another major challenge facing advertisers in China.

The media buying value variables are highest on TV and, increasingly, digital. Concrete key performance indicators for each medium are essential tools for advertisers. They are necessary, firstly, to track costs and value delivery on an annualised basis in a highly inflationary market and, secondly, to quantify and benchmark performance value against both internal and external metrics.

Given the scale of advertiser media budgets in China's commoditised and complex media market, MNC advertisers, increasingly driven by procurement functions, have implemented systematic checks and balances on media buying to drive greater media performance accountability and media buying transparency. There is an absolute need to agree on clearer transparency protocols that address specific media trading practices in China, and this also spills over into fairer and more performance-driven remuneration structures for effective buying by media agencies.

As the global and Chinese economies continue to tighten, both MNC and, increasingly, Chinese advertisers are evaluating all marketing and media costs more intensely. China is fast becoming one of the most scrutinised media buying markets in the world.

* Source: SAIC – ZenithOptimedia Global Ad Spend Forecasts, December 2013.

How do I make sense of Big Data?

The 'Holy Grail' is to build an optimized experience for each individual, or persona, that interacts with your business.

Why has big data become such a hot topic?

Actually, if you walked into a meeting of IT professionals and tried to pass off 'big data' as a new concept, they'd laugh at you.

Every commercial organisation – as well as a host of government and agency bodies – has been housing and maintaining a variety of large databases for years.

SO WHY IS EVERYONE IN MARKETING SO EXCITED ABOUT BIG DATA?

What's different now is that organisations are looking to integrate their offline databases with the online digital assets. Doing this gives them the power to fully understand and optimize the customer experience across all channels. In addition, being able to connect the dots across the channels opens up the predictive capabilities of analytics.

WHY IS THIS SO DIFFICULT?

Integration usually means putting all the data together in a single database and that's a huge task that creates a couple of key problems.

The first challenge in creating a single database is that it raises the ugly question of internal politics. Each data set has an owner and each of those owners wants to own the integrated product.

The second challenge is that merging multiple databases is no easy task and it will take time, possibly years. Businesses might not be able to gain any short-term value from the process if they've locked the whole process up in a single 'all or nothing' project.

I'M FEELING RELUCTANT ALREADY . . .

Don't forget that even before you can start to build a single database you need to know which bits of it are most important to the organisation. You can't create a scalable end product without this understanding and it needs to go well beyond the ability to report on the data. The plan needs to identify how you intend to operationalise the data within the organisation to improve the user experience.

The final challenge of this approach is, of course, money. There is a huge track record of big IT projects going wrong and every dollar spent will be heavily scrutinised.

ARE THERE ANY ADVANTAGES IN THIS APPROACH?

There are no evident advantages to just trying to build the ideal integration (all data in one spot) right out of the gate. There are way too many risks and cons to this approach to ever be able to recommend it. Clients trust Stratigent to add value and build programs, so we find the iterative approach works best. Each client matures at a different rate.

BUT IS THERE AN ALTERNATIVE?

There is, but it requires organisations to think differently about big data. Instead of integrating the information into a single database, they need to consider how they can get the right mix of data to the right people at the right time.

The challenge then is not to build a giant database but to get the right combined data sets to the necessary stakeholders in a timely fashion. Long term, these individual databases may get you to the point where you have all of the data in one spot. However, if you take this iterative approach, you're basically guaranteeing that the single database down the road will be built in a scalable way using the right data.

CAN YOU GIVE ME AN EXAMPLE?

One example would be for business stakeholders or agencies that are in charge of reach or acquisition campaigns. You may have cost data for those campaigns in one spot, conversion data in another spot, and impression data somewhere else. So, the program leader and his team might benefit from having those sources integrated to view in one spot and be able to understand how things are progressing in real time. That's a pretty simple example, but it shows how you can get data ready for action quickly.

WHAT ARE THE BENEFITS OF THIS APPROACH?

The goal for the data that you collect across your channels, both offline and online, has always been for you to be able to take action based on what that data is telling you. Taking an iterative approach to big data allows you to get some quick wins.

The 'Holy Grail' is to build an optimized experience for each individual, or persona, that interacts with your business. That cannot happen overnight, so focus should be on getting the business stakeholders access to the data that will allow them to take actions to improve the customer experience one step at a time.

HOW DOES THIS WORK IN PRACTICE?

The ideal approach to action is to crawl before you try to run. The reality is that not all data needs to be integrated. In fact, there's a good chance that your stakeholders might only need to see the channel data side by side in order to draw some business-improving conclusions.

Here are four things you could do that would start the journey to enhanced customer understanding.

- You could implement a Voice of Customer tool such as OpinionLab. This will help give you real customer feedback about their experiences and help you understand more about the 'why' people do things in combination with the 'what' people are doing by analysing your web analytics data.
- You could also just take an hour to analyse some of your campaign results. That's where you're spending your money, and you'll most likely learn something interesting.
- You can use a mix of A/B and Multi-Variate Testing. This allows you to test out different approaches and there are several cost-effective options that let you get your feet wet in the testing space. The returns can be incredible ROI. As you increase the data you have available for these tools to use, you can really start to target specific content to specific people based upon what you know about them.
- Finally, you could test out some automated visualisation tools that allow you to create 'side-by-side' visualisations of data silos without the formal integration of data. The key to success is to automate as many of the manual processes as possible so you can spend your time actually analysing what's being displayed.

Stratigent provides multi-channel analytics and consulting to enterprise level brands. For more information, please see www.stratigent.com.

A year of insights

Building a Mobile Attribution Framework doesn't have to be scary

Mobile analytics can be tricky and after years of working with clients on their mobile framework, there have been major advancements in the mobile analytics field. A solid, mobile attribution framework will help you gather mobile data to improve the user experience, generate personalised content and even build a retargeting program to improve conversion. We can help you break down the approach logically so you can not only fully understand your mobile channel but also build your own mobile attribution framework.

But before you start to think about attribution across mobile devices, you first need to wrap your head around the difference between mobile and traditional web analytics. Let's take a look at how to implement analytics tracking for mobile devices.

KNOWING YOUR GAME PLAN BEFORE THE GREEN LIGHT

If you're going to build a solid attribution framework for mobile apps, you have to have a game plan. Here are some preliminary questions to help you get started:

- How does a visitor identify themselves within the mobile app?
- What actions are available within the the app for a user to complete?

- What actions can only be done on the web (website or mobile site) and thus would require someone to jump out of the mobile app to complete?
- What investments are being made to promote the app or drive conversion across multiple devices?
- Do you have a sound strategy for tracking all of your digital campaigns?

An important thing to know about your mobile app is that people will naturally feel more comfortable remaining signed in or even having to login in the first place since it is their mobile device. Don't be afraid to push users to identify themselves when they set up the app for your future use. If you're not doing that now, then that should be in your next release of the app. Highlight the benefits of creating an account, make it easy to set up an account (social login options, etc.), and then reap the benefits of being able to collect the right information going forward.

Next, don't attempt to reinvent the wheel with your analytics tracking within the mobile app. It doesn't matter what screen the user is on within the app, all that matters is what actions they perform within your app. When you're building an attribution framework, it's as simple as tracking the following:

- Users: Track individual users based upon a login or loyalty account
- Device: Identify the device, OS, and app version
- Actions: Track the actions within the app as they happen or simply collect them if the device is offline and send the data later

TACKLE THE TECH: LOOK FOR RESOURCES ALREADY AVAILABLE TO YOU

When it comes to the technology for tracking, you have several options. Your web analytics vendors should offer a Mobile Software Development Kit (SDK) to help make it easier to develop. Tag Management Systems (TMS) also offer SDKs, and then you also have the mobile-specific analytics vendors such as Flurry (free) and Localytics (Enterprise) to provide channel-specific information. If you pick a new technology vendor to track just your mobile channel, there are also several options for exporting that information out of that system and into your web analytics vendor. Ultimately, it doesn't matter which route you go provided you vet out your business requirements up front and ultimately pick the solution that gives you the most flexibility going forward.

CONCLUSION: BE REALISTIC, LINKABLE AND LIKEABLE

At this point, attributing conversions to the users for the events happening within your mobile app should be easy if you've taken into account and completed all of the things described above. However, the more difficult hurdle emerges – tracking the same person across their mobile device as well as your other channels.

Here are some final bits of advice:

MOBILE ANALYTICS IS NOT AN EXACT SCIENCE

First things first, remember that this will never be an exact science and if you're looking for 100% accuracy you came to the wrong place. The whole point here is to do the best possible job at collecting information so you can be confident in the decisions you make based off the story the data is telling you. After all, this is the only reason we collect this information in the first place.

BE LINKABLE (& LIKEABLE)

You already have the user identified within your mobile app (hopefully). So, if there are actions that can only be completed on the web then include those links within the mobile app. This makes it possible for a user to easily jump to the site which will pass along identifiers via the link to ensure you can track that activity from start to finish.

If the user doesn't jump from within the mobile app and just simply comes to your website from a laptop or a mobile browser – ensure you are tracking those actions appropriately within your web analytics solution:

- If the action requires a login first, then you're all set
- If the action doesn't require a login, then you have to track those actions as they happen and tie it all together down the road once that user provides identifying information (which may happen in a future visit)

If you break down the approach logically, you'll be well on your way to not only understanding your mobile channel but also to building a solid, mobile attribution framework.

Don't be afraid to push users to identify themselves when they set up the app for your future use.

Directors and Advisers

MICHAEL HIGGINS

Non-Executive Chairman

Having obtained his degree in economics and politics from Cambridge University, Michael qualified as an accountant at Price Waterhouse (now PricewaterhouseCoopers). He then gained experience in international banking with Saudi International Bank before joining Charterhouse, the merchant bank, in 1984. He became a Partner at KPMG in 1996, and following his retirement from the partnership in 2006, spent five years as a senior adviser with them. Michael is currently non-executive Chairman of Dods Group plc, a political publishing and monitoring business, senior independent director of Plant Health Care plc, a leading provider of novel patent protected biological products to the global agricultural market, a non-executive director of Arria NLG plc, a software development business, a non-executive director of Progility plc, a project management services group, and is also Chairman of the Quoted Companies Alliance. Michael also has interests in early stage businesses in online publishing and medical services. In addition to chairing the Ebiquity Board, Michael chairs the Remuneration Committee and the Nomination 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. Michael sits on Ebiquity's Nomination Committee.

ANDREW BEACH

Chief Financial and Operating Officer

Andrew qualified as a Chartered Accountant with PricewaterhouseCoopers, working within their Assurance business for nine years until 2007. For the last six years he specialised in Entertainment and Media clients and headed up the firm's Publishing knowledge network. He joined Ebiquity as Financial Controller in 2007 and was promoted to Chief Financial Officer in 2008. Towards the end of 2013/14, Andrew was promoted to Chief Financial and Operating Officer, with a widening of his responsibilities to include IT and global data centres. He was shortlisted in the Young FD of the Year (Quoted Sector) category at the 2012 FDs' Excellence Awards in association with ICAEW.

NICK MANNING

Chief Strategy Officer

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 before becoming President, International, in overall charge of Ebiquity's non-UK based operations. Nick is now Chief Strategy Officer, with responsibility for developing and implementing Ebiquity's strategy across its three business segments.

RICHARD NICHOLS

Non-Executive Director

Richard is Chief Executive of Instinctif Partners (formerly the College Group), the international business communications consultancy. Prior to joining Instinctif Partners, 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. An Economics graduate from Cambridge University, Richard subsequently qualified as a Chartered Accountant with Price Waterhouse (now PricewaterhouseCoopers) in London. He is Chairman of Ebiquity's Audit Committee and also sits on the Remuneration Committee and the Nomination Committee.

DIRECTORS

Michael Higgins
Non-Executive Chairman
Michael Greenlees
Chief Executive Officer
Andrew Beach
Chief Financial and Operating Officer
Nick Manning
Chief Strategy Officer
Richard Nichols
Non-Executive Director

Company Secretary

Andrew Watkins

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Registration number 03967525

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Corporate Governance Report

CHAIRMAN'S CORPORATE GOVERNANCE STATEMENT

Ebiquity strongly believes in the principles of good corporate governance. Good governance is not simply an end in itself, it ensures that Ebiquity's business is operated in the right manner and in the interests of all of its stakeholders. The Board recognises that it is responsible to shareholders for the direction and control of the Group. This report describes the framework for corporate governance and internal control that the Directors have established to enable them to carry out this responsibility.

It is a recent requirement of Rule 26 of the AIM Rules for Companies that the Company's website contains details of the corporate governance code that Ebiquity has decided to apply and how the Company complies with that code.

As a company listed on AIM, Ebiquity is not required to comply with the UK Corporate Governance Code. The corporate governance code that the Directors have decided to apply is the Corporate Governance Code for Small and Mid-Size Quoted Companies (2013) produced by the Quoted Companies Alliance (the 'QCA Code').

The Board notes that the QCA Code refers to certain minimum disclosures which must be seen to be addressed in order for a company to say that it complies with the QCA Code. The Directors are of the opinion that the Company complies with these minimum disclosure obligations save to the extent referred to in this report. Set out below are those disclosure items which the Company does not currently comply with in full.

Disclosure	Commentary
Audit Committee Report and Remuneration Committee Report	Historically, neither the Audit Committee nor the Remuneration Committee produced its own report for inclusion within the Company's report and accounts. This year, for the first time, the Company's annual report includes a Remuneration Report (on pages 28 to 30). The Board will consider whether the Audit Committee should produce its own report as part of its next annual report and accounts.
Performance Evaluation	The performance of each of the Executive Directors is reviewed annually as part of the Group's yearly appraisal process for all employees. There has not historically been an annual assessment of the performance of the non—executive Directors or of the Board as a whole (including its committees). The Board will review whether to commence such evaluation exercises during the current year.

BOARD OF DIRECTORS

ROLE OF THE BOARD

The Board is responsible to shareholders for the proper management of the affairs of the Group. The Directors are also collectively responsible for acting in the way which they consider, in good faith, is most likely to promote the success of the Company for the benefit of Ebiquity's shareholders as a whole. In doing so, the Directors have regard (amongst other matters) to the interests of the Company's employees and the need to foster the Company's business relationships with suppliers, customers and other stakeholders.

A statement of the Directors' responsibilities with regards to the annual report and accounts is set out on page 31.

COMPOSITION OF THE BOARD

At 15 July 2014, the Board of Directors comprises an independent Non-Executive Chairman, one further independent Non-Executive Director and three Executive Directors. The Board is taking steps to appoint at least one additional independent Non-Executive Director to the Board during the year. For the purposes of the composition of the committees of the Board, the Directors are of the view that Michael Higgins currently retains his independence notwithstanding that he also chairs the Board.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Board is chaired by Michael Higgins. The Chairman's principal responsibility is to ensure that the Board is effective in interrogating, approving and monitoring the Company's direction and strategy. The Chairman is also responsible, in consultation with the Company Secretary, for ensuring proper information is supplied to the Board in a timely fashion, that Board meetings are conducted effectively and that proper debate is had at Board meetings.

Michael Greenlees is the Chief Executive Officer and is responsible for setting long-term strategy, developing appropriate annual business plans, agreeing management KPIs and leading the Executive Directors and the senior executive team in the day-to-day running of the Group's business, including chairing the Executive Committee and communicating its decisions/recommendations to the Board. He is also responsible for shareholder communication and ongoing relationships with investors.

The roles of Chairman and Chief Executive Officer are separate with each having clearly defined duties and responsibilities.

MATTERS RESERVED FOR THE BOARD

As part of good governance there are certain matters which are not appropriate to be delegated to management or a committee of the Board and should be reserved for consideration by the Board as a whole. The Board has formally approved a list of such matters which include:

- Approving the annual budget and quarterly reforecasts
- Changes to the Group's capital structure
- Approving the Company's dividend policy
- Reviewing regulatory news service announcements made by the Company
- Ensuring the maintenance of a sound system of internal control and risk management
- Approving material contracts to be entered into by the Group

BOARD MEETINGS

The Board usually meets formally on seven occasions each year. During the year the Board met formally on eight occasions; the additional occasion was in connection with the review of strategic options announced on 15 August 2013.

The Board receives monthly management accounts and other relevant information as appropriate in advance of each Board meeting.

There are a number of standing agenda items reviewed by the Board at each Board meeting, including current trading and outlook. Other items are considered by the Board as appropriate, including a regular review of the Company's governance arrangements.

The Company Secretary attends all Board meetings and is available to advise on any corporate governance issues which may arise.

BOARD COMMITTEES

The Board has constituted several committees to help it in the performance of its functions. The principal committees are the Audit Committee, the Remuneration Committee and the Nomination Committee. The roles of these committees are set out below.

AUDIT COMMITTEE

The Audit Committee, which meets at least three times a year, is chaired by Richard Nichols and as at 15 July 2014 comprises Richard Nichols and Michael Higgins. 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.

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 monitors 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 in note 4 to the consolidated financial statements.

REMUNERATION COMMITTEE

The Remuneration Committee, which meets at least once a year, is chaired by Michael Higgins and as at 15 July 2014 comprises Michael Higgins and Richard Nichols. It is responsible for the Executive Directors' remuneration and other benefits and terms of employment, including performance related bonuses and share options.

Corporate Governance Report

NOMINATION COMMITTEE

During the year the Board formally constituted a Nomination Committee. Prior to this the Board as a whole fulfilled the function of the Nomination Committee. The Nomination Committee meets as and when necessary and has responsibility for nominating to the Board candidates for appointment as Directors, bearing in mind the need for diversity and a broad representation of skills across the Board. The Nomination Committee was formed in March 2014 and as such did not meet during the year ended 30 April 2014.

ATTENDANCE AT MEETINGS

Details of the Directors' attendance at the main Board and Committee meetings in the financial year is as set out below (number of meetings attended by each Director/the maximum number of meetings each Director was entitled to attend):

	Board	Audit	Remuneration
Michael Higgins	8/8	4/4	3/3
Michael Greenlees	8/8	–	–
Andrew Beach	8/8	–	–
Nick Manning	5/8	–	–
Richard Nichols	7/8	4/4	3/3
Paul Adams	4/6	–	–
Stephen Thomson	5/6	–	2/2
Sarah Jane Thomson	4/6	–	–
Jeffrey Stevenson	6/6	–	–
Christopher Russell	6/6	3/3	2/2

EXECUTIVE COMMITTEE

In addition to the above, although not a formal committee of the Board, the Company's management has constituted an Executive Committee.

The three Executive Directors, together with the UK CEO, the Americas CEO, the HR/Marketing Director and the General Counsel/Company Secretary, comprise the Executive Committee, which meets on a monthly basis. The Executive Committee provides the principal vehicle for directing the Group's business at an operational level.

Directors' Report

The Directors present their report and the audited consolidated financial statements for the year ended 30 April 2014.

GENERAL INFORMATION

Ebiquity plc is incorporated in England and Wales under registered number 03967525. Its registered address and principal office is at CityPoint, One Ropemaker Street, London EC2Y 9AW. The Company is the ultimate parent of the Group. The Group has a branch in France. Its other overseas operations are subsidiaries or associates (see notes 12 and 13).

FUTURE DEVELOPMENTS

The future developments of the Group are considered in the Strategic Report on pages 4 to 11.

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 (2013: nil). However, the Board continues to review the appropriateness and timing of commencing the payment of dividends.

RESEARCH AND DEVELOPMENT

The Group continues to invest in the development of products. During the year a total of £0.6m was capitalised in relation to development projects. This has resulted in the development of a number of new initiatives, as described in the Strategic Report.

POLITICAL DONATIONS AND POLITICAL EXPENDITURE

No political donations were made and no political expenditure was incurred in the year (2013: nil).

POST BALANCE SHEET EVENTS

As disclosed in note 30 to the financial statements, on 2 July 2014 the Group refinanced its banking facilities. In addition, subsequent to year end the remaining ownership of the Group's subsidiary, Billetts America LLC, was acquired from the minority shareholder.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors in office during the year and (unless indicated to the contrary below) 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 and Operating Officer
Nick Manning	Executive Director	Chief Strategy Officer
Paul Adams[1]	Executive Director	
Richard Nichols	Non-Executive Director	
Stephen Thomson[2]	Non-Executive Director	
Sarah Jane Thomson[2]	Non-Executive Director	
Jeffrey Stevenson[3]	Non-Executive Director	
Christopher Russell[3]	Non-Executive Director	

1. resigned as a director with effect from 5 March 2014.
2. resigned as a director with effect from 6 March 2014.
3. resigned as a director with effect from 20 February 2014.

Andrew Watkins, General Counsel, acts as the Company Secretary.

Directors' Report

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 2014	**Options 30 April 2014**	Number of ordinary shares 30 April 2013	Options 30 April 2013
Michael Higgins	**64,500**	**–**	64,500	–
Michael Greenlees	**230,000**	**2,941,368**	230,000	2,591,368
Andrew Beach	**209,476**	**310,280**	20,000	399,756
Nick Manning	**230,000**	**2,170,230**	230,000	1,970,230
Richard Nichols	**100,000**	**–**	100,000	–

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 2014 and 15 July 2014. As at 15 July 2014 the following Directors held the following number of options to purchase ordinary shares in the Company:

Michael Greenlees	3,741,368
Andrew Beach	370,280
Nick Manning	2,370,230

Further information about the Directors' interests is provided in the Remuneration Report on pages 28 to 30.

DIRECTORS' THIRD-PARTY AND PENSION SCHEME INDEMNITY PROVISIONS

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. There were no pension scheme indemnity provisions in place during the year.

EMPLOYEES

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

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.

SUBSTANTIAL SHAREHOLDINGS

At 15 July 2014 the Company's issued share capital consisted of 75,491,111 ordinary shares of 25p each and a total of 71,291,111 voting rights. The Ebiquity plc 2000 Employee Benefit Trust held 4,200,000 issued ordinary shares to satisfy awards for the Company's senior management team. At 15 July 2014 these awards had not been exercised. The trustee has agreed not to vote the ordinary shares held by it. As such 4,200,000 ordinary shares are treated as not carrying voting rights for the purposes of the City Code on Takeovers and Mergers.

At 15 July 2014 the following held more than 3% of the Company's ordinary share capital, other than the shareholdings held by Directors and the Employee Benefit Trust. No other person has reported an interest of more than 3% in the Company's ordinary shares.

Name	No. of shares	% of issued share capital	% of total voting rights
Artemis Investment Management	7,924,430	10.50%	11.12%
Kabouter Management	7,078,199	9.38%	9.93%
JO Hambro Capital Management	6,361,000	8.43%	8.92%
T Rowe Price Global Investments	5,998,300	7.95%	8.41%
Herald Investment Management	5,491,125	7.27%	7.70%
Invesco Perpetual	4,235,639	5.61%	5.94%
Blackrock	4,042,029	5.35%	5.67%
F&C Asset Management	3,333,333	4.42%	4.68%
Old Mutual Global Investors	3,215,200	4.26%	4.51%
Legal & General Investment Management	2,951,000	3.91%	4.14%
Henderson Global Investors	2,650,000	3.51%	3.72%
Hargreave Hale	2,330,000	3.09%	3.27%

AGM NOTICE

The notice of the Company's Annual General Meeting is set out on pages 87 to 91.

GOING CONCERN

The Board is responsible for considering whether it is appropriate to prepare the 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.

INDEPENDENT AUDITORS AND 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.

The Auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the Annual General Meeting.

By order of the Board

Andrew Watkins
Company Secretary
15 July 2014

Remuneration Report

REMUNERATION POLICY

The Board recognises the role of appropriate remuneration in (i) attracting and retaining the required talent to develop and grow the business and (ii) driving their and its performance.

The Remuneration Committee has adopted a policy which is used to determine Executive Directors' remuneration and as a guide for the Executive Committee in setting organisation-wide remuneration. In summary, the policy covers two key aspects:

1. *Fixed* remuneration components (base salary and benefits such as holiday entitlement, pension contributions, medical and life insurances) will be set at or around the market-median level for matched roles within comparable companies, while target *Total Compensation* may, as required, be established at up to upper quartile levels through the provision of attractive *Variable* reward components, the attainment of which is linked to individual and/or company performance.
2. A mix of different variable remuneration components (annual cash bonuses, long-term incentives ('LTIs') and other equity participation) will be used to both retain and incentivise over the short, medium and longer - term. The minimum threshold for any payment/vesting will be realistic, attainable levels of acceptable performance, with one or more levels of enhanced performance required in order to maximise the value realised. Annual bonuses will be set with reference to benchmark levels of target and maximum bonuses in job-matched roles in comparative companies. LTIs will be set with reference to benchmark levels of expected value of LTIs in job-matched roles in comparative companies. Annual bonuses will be achieved based on personal performance and the Group's performance relative to budgetary metrics (revenue and operating profit). Share options are tied to shareholder metrics, primarily underlying diluted EPS and, where appropriate, total shareholder return ('TSR').

This policy reflects the Company's current stage of development and anticipated growth, and balances risk and reward.

The Remuneration Committee relies from time to time on advice and benchmarking data from Hewitt New Bridge Street in setting specifics of the Executive Directors' remuneration.

DIRECTORS' REMUNERATION IN THE YEAR ENDED 30 APRIL 2014

	Salary/ Fees £'000	**Taxable Benefits £'000**	**Bonus £'000**	**Year ended 30 April 2014 Total £'000**	Year ended 30 April 2013 Total £'000
Executive					
Michael Greenlees	320	6	–	**326**	320
Nick Manning	255	15	–	**270**	270
Andrew Beach	180	6	50	**236**	182
Paul Adams	165	3	–	**168**	191
Non-Executive					
Michael Higgins	68	–	–	**68**	68
Richard Nichols	43	–	–	**43**	36
Stephen Thomson	25	2	–	**27**	29
Sarah Jane Thomson	23	–	–	**23**	25
Jeffrey Stevenson	20	–	–	**20**	25
Christopher Russell	20	–	–	**20**	25
				1,201	1,171

The totals above are inclusive of annual performance bonuses, totalling £nil (2013: £nil). Directors were eligible for cash bonuses as a percentage of base salary, dependent on individual and company performance against established financial targets in excess of analyst expectations. The bonus of £50,000 to Andrew Beach referred to above was conferred in January 2014 in recognition of his considerable contribution to the Group's Strategic Review process.

One Director was a member of a company pension scheme as at 30 April 2014 (2013: nil). Contributions totalling £21,462 (2013: £31,442) were made to Directors' private pension schemes (£nil to the highest paid Director; 2013: £nil) during the year.

Four Directors exercised a total of 1,430,049 share options during the year (2013: 400,000) (the highest paid Director exercised no share options; 2013: nil), of which 1,240,573 were exercised in association with the resignations of Stephen Thomson, Sarah Jane Thomson and Paul Adams.

TERMINATION PAYMENTS TO DIRECTORS

A total of five Directors resigned from the Board during the year, all of whom received only contractual entitlements in termination payments. Paul Adams received £165,000 (11/12ths) of his contractual notice pay in lieu of notice (£75,000 of which was paid by the year end) and a final personal pension contribution of £9,000 in advance, which are not included in the above table.

LONG-TERM INCENTIVES

During the year a total of 1,137,570 Directors' share options that were previously granted under the Company's Executive Incentive Plan vested (2013: 2,812,250), as follows:

Beneficiary	No. of Options	Grant Date	Exercise Price	Performance Conditions	Achievement vs Conditions	% Vested
Paul Adams	296,000	6 June 2011	£0.25	Adjusted	9.21p/share	100%
Michael Greenlees	481,000	12 May 2010	£0.35	diluted EPS of	for the year to	100%
Nick Manning	360,570	12 May 2010	£0.35	9p/share	30 April 2013	100%

In addition, during the year a total of 89,465 Directors' share options vested that were previously granted, without performance conditions, under the Company's Executive Share Option Plan (2013: 168,234), as follows:

Beneficiary	No. of Options	Grant Date	Vest Date	Exercise Price
Paul Adams	13,427	11 Aug 2011	11 Aug 2013	£0.25
Paul Adams	13,427	11 Aug 2011	11 Aug 2014[1]	£0.25
Andrew Beach	6,667	30 July 2010	30 July 2013	£0.61
Andrew Beach	13,427	11 Aug 2011	11 Aug 2013	£0.25
Michael Greenlees	23,869	11 Aug 2011	11 Aug 2013	£0.25
Nick Manning	18,648	11 Aug 2011	11 Aug 2013	£0.25

[1] The Remuneration Committee exercised discretion in approving the early vesting of 13,427 options to Paul Adams which were due to vest during his contractual notice period.

Each of the above represents a one-third vesting of options awarded on a three-year vesting structure in lieu of deferred bonuses for prior years. The Group's bonus programme has since been amended to deliver bonus entitlements in full in cash.

During the year, 650,000 (2013: 150,000) 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. This total was awarded as follows:

Beneficiary	No. of Options	Grant Date	Vest Date	Exercise Price	Performance Conditions
Michael Greenlees	350,000	17 Jan 2014	30 April 2016	£0.25	3-yr EPS growth;
Nick Manning	200,000	17 Jan 2014	30 April 2016	£0.25	min. 5% to vest 20%,
Andrew Beach	100,000	17 Jan 2014	30 April 2016	£0.25	15% to vest 100%

Remuneration Report

IMPLEMENTATION OF REMUNERATION POLICY IN 2014/15

The Executive Directors' remuneration for the year that commenced on 1 May 2014 includes base salary and benefits and an annual cash bonus in line with the Company's remuneration policy.

The target bonus is 50% of base salary. Each individual must achieve the personal performance targets (KPIs) set for them by the Board, and the Company must achieve its budgeted levels of pro-forma (i.e. excluding that derived from in-year acquisitions) revenue and operating profit – which have been agreed by the Board and which are in excess of analyst expectations – for 25% of the target bonus to be realised. The full target bonus will be achieved on the basis of organic revenue growth of 5 percentage points in excess of budget, subject to achievement of proportionate operating profit margin on this higher revenue.

A total of 1,060,000 share options have been granted to Directors since 30 April 2014 under the Company's Executive Incentive Plan, as follows:

Beneficiary	No. of Options	Grant Date	Vest Date	Exercise Price	Performance Conditions
Michael Greenlees	500,000	15 May 2014	30 April 2017	£0.25	[1]
Michael Greenlees	300,000	15 May 2014	30 April 2017	£0.25	3-yr EPS growth; min. 4% to vest 20%, 8%: 60%, 10%: 100%
Nick Manning	200,000	15 May 2014	30 April 2017	£0.25	
Andrew Beach	60,000	15 May 2014	30 April 2017	£0.25	

[1] A one-off award of 500,000 share options was made to Michael Greenlees on 15 May 2014 in recognition of his continued service through to retirement. These options will vest according to the rate of annual growth in the Total Shareholder Returns ('TSR') over a three-year period, with 30% capable of vesting according to the average share price in the 20 trading days immediately following the preliminary announcement of results for the year to 30 April 2015 (relative to the 20 trading days prior to 30 April 2014), 35% for the year to 30 April 2016 and 35% to 30 April 2017. TSR growth of 12% will result in all of the LTIP Options vesting, with one-quarter of the LTIP Options vesting on TSR growth of 4% and one half vesting on TSR growth of 8% with straight-line allocation between these thresholds. Any unvested amounts in years 1 and 2 will roll forward to the following year(s) so that all LTIP Options are available to vest in subsequent years relative to compound TSR growth over the cumulative period. Any unvested LTIP Options may also vest at the end of year 3 if, despite TSR performance, the Company's TSR for the three-year period is in the top quartile of TSR performance for the AIM media index, with full vesting if the compound EPS growth is 8% or over, no vesting if the compound EPS growth is 4% or under and a straight-line allocation if EPS growth is between 4 and 8%.

These Executive Incentive Plan options, and those made to other members of the Group's executive management beyond the Board, serve to align the interests of management with those of shareholders, provide a financial lock-in mechanism on key talent and focus the management on delivering the key metrics that will demonstrate the long-term health and growth of the business both to shareholders and to employees, clients, future acquisition targets and partners.

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 financial statements, 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the group and parent company financial statements respectively;
- 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.

Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EBIQUITY PLC

REPORT ON THE GROUP FINANCIAL STATEMENTS

OUR OPINION

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the group's affairs as at 30 April 2014 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

WHAT WE HAVE AUDITED

The group financial statements (the 'financial statements'), which are prepared by Ebiquity plc, comprise:

- the consolidated statement of financial position as at 30 April 2014;
- the consolidated income statement and statement of comprehensive income for the year then ended;
- the consolidated cash flow statement for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)'). 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 (the 'Annual Report') to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

ADEQUACY OF INFORMATION AND EXPLANATIONS RECEIVED

Under the Companies Act 2006 we are required to report to you if, in our opinion, we have not received all the information and explanations we require for our audit. We have no exceptions to report arising from this responsibility.

DIRECTORS' REMUNERATION

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

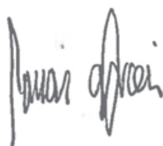
As explained more fully in the Statement of Directors' Responsibilities set out on page 31, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & 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.

OTHER MATTER

We have reported separately on the company financial statements of Ebiquity plc for the year ended 30 April 2014.



Simon O'Brien (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
15 July 2014

Consolidated Income Statement

for the year ended 30 April 2014

	Note	Year ended 30 April 2014 Before highlighted items £'000	Year ended 30 April 2014 Highlighted items (note 3) £'000	Year ended 30 April 2014 Total £'000	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
Revenue		**68,452**	**–**	**68,452**	64,046	–	64,046
Cost of sales		**(30,008)**	**–**	**(30,008)**	(29,359)	–	(29,359)
Gross profit		**38,444**	**–**	**38,444**	34,687	–	34,687
Administrative expenses		**(27,105)**	**(6,727)**	**(33,832)**	(24,246)	(2,936)	(27,182)
Operating profit	4	**11,339**	**(6,727)**	**4,612**	10,441	(2,936)	7,505
Finance income	6	**15**	**–**	**15**	13	–	13
Finance expenses	6	**(1,206)**	**–**	**(1,206)**	(988)	–	(988)
Net finance costs		**(1,191)**	**–**	**(1,191)**	(975)	–	(975)
Share of profit of associates	13	**19**	**–**	**19**	26	–	26
Profit before taxation		**10,167**	**(6,727)**	**3,440**	9,492	(2,936)	6,556
Taxation credit/(charge)	7	**(2,041)**	**2,046**	**5**	(2,396)	1,003	(1,393)
Profit for the year		**8,126**	**(4,681)**	**3,445**	7,096	(1,933)	5,163
Attributable to:							
Equity holders of the parent		**7,661**	**(4,637)**	**3,024**	6,760	(1,716)	5,044
Non-controlling interests		**465**	**(44)**	**421**	336	(217)	119
		8,126	**(4,681)**	**3,445**	7,096	(1,933)	5,163
Earnings per share							
Basic	8			**4.06p**			6.95p
Diluted	8			**3.99p**			6.71p

The notes on pages 39 to 76 form part of these financial statements.

Consolidated Statement of Comprehensive Income
for the year ended 30 April 2014

	Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
Profit for the year	**3,445**	5,163
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss		
Exchange differences on translation of overseas subsidiaries	**(1,929)**	302
Movement in valuation of hedging instruments	**93**	(105)
Total comprehensive income for the year	**1,609**	5,360
Attributable to:		
Equity holders of the parent	**1,146**	5,364
Non-controlling interests	**463**	(4)
	1,609	5,360

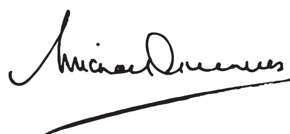
The notes on pages 39 to 76 form part of these financial statements.

Consolidated Statement of Financial Position

as at 30 April 2014
Company number: 03967525

	Note	**30 April 2014 £'000**	30 April 2013 £'000
Non-current assets			
Goodwill	9	**55,121**	47,864
Other intangible assets	10	**14,426**	13,159
Property, plant and equipment	11	**3,162**	2,544
Investment in associates	13	**87**	68
Deferred tax asset	20	**1,377**	1,217
Total non-current assets		**74,173**	64,852
Current assets			
Trade and other receivables	14	**26,865**	22,395
Cash and cash equivalents	15	**6,521**	7,109
Total current assets		**33,386**	29,504
Total assets		**107,559**	94,356
Current liabilities			
Trade and other payables	17	**(8,370)**	(7,231)
Accruals and deferred income	19	**(10,838)**	(10,871)
Financial liabilities	16	**(7,747)**	(5,948)
Current tax liabilities		**(1,764)**	(2,003)
Provisions	18	**(465)**	(498)
Total current liabilities		**(29,184)**	(26,551)
Non-current liabilities			
Financial liabilities	16	**(30,360)**	(22,554)
Provisions	18	**(610)**	(227)
Deferred tax liability	20	**(2,888)**	(2,908)
Total non-current liabilities		**(33,858)**	(25,689)
Total liabilities		**(63,042)**	(52,240)
Total net assets		**44,517**	42,116
Equity			
Ordinary shares	22	**18,873**	15,090
Share premium	23	**10,750**	4,588
Convertible loan note reserve	23	**–**	9,445
Other reserves	23	**367**	2,136
Retained earnings	23	**13,810**	10,496
Equity attributable to the owners of the parent		**43,800**	41,755
Non-controlling interests		**717**	361
Total equity		**44,517**	42,116

The financial statements on pages 34 to 76 were approved and authorised for issue by the Board of Directors on 15 July 2014 and were signed on its behalf by:



Michael Greenless
Director

Andrew Beach
Director

The notes on pages 39 to 76 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 30 April 2014

	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 2012		14,729	4,233	9,445	1,816	5,132	35,355	407	35,762
Profit/(loss) for the year		—	—	—	—	5,044	5,044	119	5,163
Other comprehensive income/(loss)		—	—	—	320	—	320	(123)	197
Total comprehensive income/(loss) for the year		—	—	—	320	5,044	5,364	(4)	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	2,136	10,496	41,755	361	42,116
Profit for the year		—	—	—	—	3,024	3,024	421	3,445
Other comprehensive (loss)/income		—	—	—	(1,878)	—	(1,878)	42	(1,836)
Total comprehensive (loss)/income for the year		**—**	**—**	**—**	**(1,878)**	**3,024**	**1,146**	**463**	**1,609**
Shares issued for cash	22	307	67	—	109	(93)	390	—	390
Acquisition of non-controlling interest		25	101	—	—	(157)	(31)	(47)	(78)
Conversion of loan note		3,451	5,994	(9,445)	—	—	—	—	—
Share options charge	24	—	—	—	—	337	337	—	337
Deferred tax on share options	20	—	—	—	—	203	203	—	203
Dividends paid to non-controlling interests		—	—	—	—	—	—	(60)	(60)
30 April 2014		**18,873**	**10,750**	**—**	**367**	**13,810**	**43,800**	**717**	**44,517**

The notes on pages 39 to 76 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 30 April 2014

	Note	**Year ended 30 April 2014 £'000**	Year ended 30 April 2013 £'000
Cash flows from operating activities			
Cash generated from operations	26	**6,799**	7,526
Finance expenses paid		**(856)**	(714)
Finance income received		**15**	13
Income taxes paid		**(1,159)**	(1,582)
Net cash from operating activities		**4,799**	5,243
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		**(9,230)**	(7,264)
Disposal of investments		**–**	62
Purchase of property, plant and equipment		**(1,756)**	(892)
Purchase of intangible assets	10	**(796)**	(414)
Net cash used in investing activities		**(11,782)**	(8,508)
Cash flows from financing activities			
Proceeds from issue of share capital (net of issue costs)		**326**	381
Proceeds from bank borrowings		**10,766**	6,456
Repayment of bank borrowings		**(3,937)**	(2,309)
Acquisition of interest in a subsidiary from non-controlling interests		**(78)**	–
Dividends paid to non-controlling interests		**(60)**	(65)
Capital repayment of finance leases		**(202)**	(157)
Net cash flow from financing activities		**6,815**	4,306
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		**(168)**	1,041
Cash, cash equivalents and bank overdraft at beginning of year	15	**7,109**	6,190
Effect of unrealised foreign exchange losses		**(420)**	(122)
Cash, cash equivalents and bank overdraft at end of year	15	**6,521**	7,109

The notes on pages 39 to 76 form part of these financial statements.

Notes to the Consolidated Financial Statements
for the year ended 30 April 2014

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 over 15 offices across 12 countries. During the year, the Group acquired Stratigent, a multi-channel analytics business based in Chicago, and China Media Consulting Group (CMCG), a media auditing business with offices in Shanghai and Beijing.

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 profit or loss.

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 2013 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.

Notes to the Consolidated Financial Statements
for the year ended 30 April 2014

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 Market Intelligence businesses, and in accordance with the stage of completion of the contract activity for our Media Value Measurement and Marketing Performance Optimization 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 income and where recorded revenue is less than amounts invoiced to clients, the difference is classified as deferred income.

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

1. ACCOUNTING POLICIES CONTINUED

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 presentation currency for the consolidated financial statements.

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

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

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

HIGHLIGHTED ITEMS

Highlighted items comprise significant non-cash charges and non-recurring items which are highlighted in the Income Statement as separate disclosure is considered by the Directors to be relevant in understanding the underlying performance of the business. The non-cash charges include share option charges and amortisation of purchased intangibles.

The non-recurring items include the costs associated with acquisitions and their subsequent integration into the Group, adjustments to the estimates of deferred consideration on acquired entities, asset impairment charges and other significant one-off items.

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 nor 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.

Notes to the Consolidated Financial Statements
for the year ended 30 April 2014

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 to 5 years. The amortisation expense is included within administrative expenses. Where an internally-generated intangible asset cannot be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Purchased intangible assets

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

1. ACCOUNTING POLICIES CONTINUED

Computer software

Purchased computer software intangible assets are amortised on a straight-line basis over their useful lives which vary from 2 to 4 years.

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 highlighted items 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.

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

Notes to the Consolidated Financial Statements
for the year ended 30 April 2014

1. ACCOUNTING POLICIES CONTINUED

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 rate 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.

SHARE CAPITAL

Ordinary shares are classified as equity.

PROVISIONS

Provisions, including provisions for onerous lease costs, 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.

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.

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.

Notes to the Consolidated Financial Statements
for the year ended 30 April 2014

1. ACCOUNTING POLICIES CONTINUED

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 earn out 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.

ADOPTION OF NEW STANDARDS AND INTERPRETATIONS

The following new standards and changes came into effect during the year beginning 1 May 2013 and were adopted by the Group:

Amendment to IAS 12, 'Income taxes'. This standard provides guidance on measuring deferred tax assets and liabilities when investment property is measured at fair value.

IAS 1, 'Financial statement presentation'. This amendment outlines new disclosure requirements for 'other comprehensive income'.

IFRS 10, 'Consolidated Financial Statements'. 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.

IFRS 13, 'Fair value measurement'. This standard provides guidance on how fair value accounting should be applied and disclosed where its use is already required by other IFRS standards.

These did not have a material impact on the Group's financial statements.

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.

1. ACCOUNTING POLICIES CONTINUED

IFRS 15, 'Revenue from Contracts with Customers' (effective on or after 1 January 2017). This standard establishes a single comprehensive framework for revenue recognition to determine when to recognise revenue and how much revenue to recognise. This standard replaces the previous revenue standards IAS 18 'Revenue' and IAS 11 'Construction Contracts'. The Group will apply IFRS 15 from 1 May 2017.

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.

The Group now reports its results in three business divisions with UK central costs allocated to relevant UK entities, as this more accurately reflects the way the Group is now being managed. There is no change to any of the Group's accounting policies and there is no restatement of either revenues or profitability, other than this revised segmentation by the three operating segment headings.

Certain operating segments have been aggregated to form three reportable segments, Media Value Measurement, Market Intelligence and Marketing Performance Optimization:

- Media Value Measurement includes our media benchmarking, financial compliance and associated services.
- Market Intelligence includes our advertising monitoring, reputation management and research/insight services.
- Marketing Performance Optimization consists of our marketing effectiveness services and the recently acquired Stratigent business.

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.

The segment information provided to the Executive Directors for the reportable segments for the year ended 30 April 2014 is as follows:

YEAR ENDED 30 APRIL 2014

	Media Value Measurement £'000	Market Intelligence £'000	Marketing Performance Optimization £'000	Reportable Segments £'000	Unallocated £'000	Total £'000
Revenue	**36,477**	**27,162**	**4,813**	**68,452**	**–**	**68,452**
Operating profit before highlighted items	**10,289**	**4,801**	**1,523**	**16,613**	**(5,274)**	**11,339**
Total assets	**51,685**	**40,878**	**7,955**	**100,518**	**7,041**	**107,559**
Other segment information						
Capital expenditure – property, plant and equipment	170	332	1	503	1,242	1,745
Capital expenditure – intangible assets	1,863	559	1,192	3,614	267	3,881
Capital expenditure – goodwill	4,291	–	4,131	8,422	–	8,422
Total	**6,324**	**891**	**5,324**	**12,539**	**1,509**	**14,048**

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for the year ended 30 April 2014

2. SEGMENTAL REPORTING CONTINUED

YEAR ENDED 30 APRIL 2013

	Media Value Measurement £'000	Market Intelligence £'000	Marketing Performance Optimization £'000	Reportable Segments £'000	Unallocated £'000	Total £'000
Revenue	32,364	29,639	2,043	64,046	—	64,046
Operating profit before highlighted items	8,003	5,936	774	14,713	(4,272)	10,441
Total assets	44,183	42,941	1,718	88,842	5,514	94,356
Other segment information						
Capital expenditure – property, plant and equipment	46	72	—	118	824	942
Capital expenditure – intangible assets	2,360	416	—	2,776	110	2,886
Capital expenditure – goodwill	3,343	—	—	3,343	—	3,343
Total	5,749	488	—	6,237	934	7,171

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

	Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
Reportable segment operating profit before highlighted items	**16,613**	14,713
Unallocated costs:		
Staff costs	**(4,685)**	(3,815)
Property costs	**(329)**	(97)
Exchange rate movements	**(51)**	23
Other administrative expenses	**(209)**	(383)
Operating profit before highlighted items	**11,339**	10,441
Highlighted items (note 3)	**(6,727)**	(2,936)
Operating profit	**4,612**	7,505
Net finance costs	**(1,191)**	(975)
Share of profit of associates	**19**	26
Profit before tax	**3,440**	6,556

Unallocated costs comprise central costs that are not considered attributable to the segments.

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

	2014 £'000	2013 £'000
Total assets for reportable segments	**100,518**	88,842
Unallocated amounts:		
Property, plant and equipment	**2,990**	2,316
Other receivables	**1,427**	1,410
Cash and cash equivalents	**1,453**	700
Deferred tax asset	**1,084**	1,020
Investments in associates	**87**	68
Total assets	**107,559**	94,356

2. SEGMENTAL REPORTING CONTINUED

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

	Year ended 30 April 2014		Year ended 30 April 2013	
	Revenue by location of customers £'000	**Non-current assets £'000**	Revenue by location of customers £'000	Non-current assets £'000
United Kingdom	**21,587**	**52,043**	21,916	52,504
Rest of Europe	**24,880**	**4,800**	21,835	4,954
North America	**14,630**	**5,746**	13,094	878
Rest of world	**7,355**	**10,207**	7,201	5,299
	68,452	**72,796**	64,046	63,635
Deferred tax assets	**–**	**1,377**	–	1,217
Total	**68,452**	**74,173**	64,046	64,852

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

3. HIGHLIGHTED ITEMS

Highlighted items comprise 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 2014			Year ended 30 April 2013		
	Cash £'000	**Non-cash £'000**	**Total £'000**	Cash £'000	Non-cash £'000	Total £'000
Administrative Expenses						
Recurring:						
Share option charge	**–**	**337**	**337**	–	267	267
Amortisation of purchased intangibles	**–**	**1,873**	**1,873**	–	2,308	2,308
	–	**2,210**	**2,210**	–	2,575	2,575
Non-recurring:						
Acquisition and integration costs	**3,355**	**–**	**3,355**	361	–	361
Facility amendment costs	**103**	**–**	**103**	–	–	–
Property costs	**1,059**	**–**	**1,059**	–	–	–
	4,517	**–**	**4,517**	361	–	361
Total highlighted items before tax	**4,517**	**2,210**	**6,727**	361	2,575	2,936
Deferred tax on tax losses	**(80)**	**–**	**(80)**	–	–	–
Taxation credit	**(947)**	**(1,019)**	**(1,966)**	(331)	(672)	(1,003)
Total highlighted items after tax	**3,490**	**1,191**	**4,681**	30	1,903	1,933

Amortisation of purchased intangibles relates to acquisitions made in the current financial year of £133,000 and to acquisitions made in prior years of £1,740,000.

Acquisition costs represent professional fees incurred in relation to acquisitions (£333,000) and adjustments to the fair value of deferred consideration resulting from strong performances from our recent acquisitions along with the related foreign exchange impact (£1,498,000). Integration costs include certain one-off costs incurred whilst integrating the acquisitions made in the current and prior financial years into the Group's existing operations. Also included are severance costs relating to rationalisation and restructure of senior management following these acquisitions as well as costs incurred in relation to a strategic review which was undertaken in the year. The costs of the strategic review include bonuses totalling £100,000 to certain members of senior management in recognition of their considerable contribution to the process.

Notes to the Consolidated Financial Statements
for the year ended 30 April 2014

3. HIGHLIGHTED ITEMS CONTINUED

Facility amendment costs represent professional fees incurred in relation to the amendment of banking facilities undertaken in August 2013.

Property costs represent the onerous lease costs of certain vacant offices (£853,000) and the costs associated with property moves (£206,000), including the relocation of approximately 260 staff into a single London location.

Deferred tax on tax losses relates to the recognition of a deferred tax asset on the German tax losses.

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. Refer to note 7 for more detail.

Deferred consideration adjustments within acquisition costs is included as a cash item.

As at 30 April 2014, £3,046,000 of the £4,517,000 cash highlighted items had been settled.

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
Operating lease rentals		
— other	**42**	72
— land and buildings	**2,170**	2,568
Depreciation and amortisation (notes 10 and 11)	**3,302**	3,601
Research costs – expensed	**775**	1,030
Foreign exchange loss/(gain)	**583**	(83)
Income from government grants	**–**	(92)

Income from government grants in the prior year relates to a grant received to compensate for rates 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 ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
Fees payable to the Company's auditors for the audit of the parent company and consolidated financial statements	**71**	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**	109
— Other services	**55**	53
	235	219

5. EMPLOYEE INFORMATION

The average number of employees employed by the Group during the year, including Executive Directors, was as follows.

	2014 No.	2013 No.
Media Value Measurement	**216**	209
Market Intelligence	**391**	401
Marketing Performance Optimization	**34**	17
IT development and support	**55**	39
Administration	**88**	73
Directors	**9**	10
	793	749

At 30 April 2014, the total number of employees of the Group was 840 (2013: 752).

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

	Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
Wages and salaries	**30,079**	28,189
Social security costs	**3,463**	2,810
Pension costs	**754**	852
Share options charge	**337**	267
	34,633	32,118

DIRECTORS' REMUNERATION

Total Directors' remuneration was £1,201,000 (£326,000 to the highest paid Director) (2013: £1,171,000; £320,000 to the highest paid Director) inclusive of performance bonuses, totalling £50,000 (2013: £nil). Directors are eligible for cash bonuses as a percentage of base salary, dependent on individual and Company performance against established financial targets. A bonus of £50,000 to Andrew Beach was conferred in January 2014 in recognition of his considerable contribution to the Company's strategic review process.

One Director was a member of a company pension scheme as at 30 April 2014 (2013: nil). Contributions totalling £21,000 (2013: £31,000) were made to Directors' private pension schemes (£nil to the highest paid Director; 2013: £nil) during the year.

Four Directors exercised 1,430,049 share options during the year (2013: 400,000) (the highest paid Director exercised no share options; 2013: nil), of which 1,240,573 were exercised at the time of the resignation of Stephen Thomson, Sarah Jane Thomson and Paul Adams.

During the year 650,000 (2013: 150,000) share options were granted to Directors (350,000 to the highest paid Director; 2013: nil) under the Group's ESOP scheme, with vesting subject to the achievement of specific performance conditions established and monitored by the Remuneration Committee. See note 24 for more details.

A total of five Directors resigned from the Board during the year, all of whom received only contractual entitlements in termination payments. Paul Adams received £165,000 (11/12ths) of his contractual notice pay in lieu of notice (£75,000 of which was paid by the year end) and a final personal pension contribution of £9,000 in advance, which are not included in the above Directors' remuneration.

See the Remuneration Report on pages 28 to 30 for more details.

Notes to the Consolidated Financial Statements
for the year ended 30 April 2014

6. FINANCE INCOME AND EXPENSES

	Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
Finance income		
Bank interest	**15**	13
Finance income	**15**	13
Finance expenses		
Bank loans and overdraft interest	**(1,131)**	(912)
Loan fee amortisation	**(75)**	(75)
Finance lease interest	**–**	(1)
Finance expenses	**(1,206)**	(988)

7. TAXATION

	Year ended 30 April 2014			Year ended 30 April 2013		
	Before highlighted items £'000	**Highlighted items £'000**	**Total £'000**	Before highlighted items £'000	Highlighted items £'000	Total £'000
UK tax						
Current year	**1,007**	**(860)**	**147**	1,009	(309)	700
Adjustment in respect of prior year	**(2)**	**–**	**(2)**	(8)	–	(8)
	1,005	**(860)**	**145**	1,001	(309)	692
Foreign tax						
Current year	**1,299**	**(87)**	**1,212**	1,343	(22)	1,321
Adjustment in respect of prior year	**(451)**	**–**	**(451)**	(12)	–	(12)
	848	**(87)**	**761**	1,331	(22)	1,309
Total current tax	**1,853**	**(947)**	**906**	2,332	(331)	2,001
Deferred tax						
Origination and reversal of temporary differences (note 20)	**188**	**(1,099)**	**(911)**	64	(672)	(608)
Total tax charge/(credit)	**2,041**	**(2,046)**	**(5)**	2,396	(1,003)	1,393

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 2014 £'000	Year ended 30 April 2013 £'000
Profit before tax	**3,440**	6,556
Corporation tax at 22.8% (2013: 23.9%)	**785**	1,567
Non-deductible taxable expenses/income	**562**	28
Overseas tax rate differential	**409**	407
Losses not relieved against other Group entities	**43**	33
Utilisation of previously unrecognised tax losses	**(357)**	(558)
Adjustment in respect of prior years	**(453)**	(20)
Other	**(994)**	(64)
Total tax charge	**(5)**	1,393

The applicable tax rate has decreased from 23.9% to 22.8% due to the reduction of the UK Corporation Tax rate to 21% in April 2014.

A further rate reduction to 20% effective from 1 April 2015 was substantively enacted on 2 July 2013 and therefore any relevant deferred tax balances have been measured at this rate.

8. EARNINGS PER SHARE

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

	Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the parent	**3,024**	5,044
Adjustments:		
Impact of highlighted items (net of tax)[1]	**4,637**	1,716
Earnings for the purpose of underlying earnings per share	**7,661**	6,760
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share[2]	**74,419,656**	72,557,927
Effect of dilutive potential ordinary shares:		
Share options	**1,325,108**	2,561,185
Weighted average number of ordinary shares for the purpose of diluted earnings per share[2]	**75,744,764**	75,119,112
Basic earnings per share	**4.06p**	6.95p
Diluted earnings per share	**3.99p**	6.71p
Underlying basic earnings per share	**10.29p**	9.32p
Underlying diluted earnings per share	**10.11p**	9.00p

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

[2] In the prior year, the weighted average number of shares included convertible loan notes that were convertible into 13,802,861 ordinary shares. These were converted into ordinary shares in the current year.

[3] 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 2014

9. GOODWILL

	Note	£'000
Cost and net book value		
At 1 May 2012		44,311
Acquisitions		3,343
Foreign exchange differences		210
At 30 April 2013		47,864
Adjustments in respect of a pre-acquisition period		34
Acquisitions	27	8,388
Foreign exchange differences		(1,165)
At 30 April 2014		**55,121**

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 9.15% (2013: 11%). Management determines the future growth rates based on their best estimates of market growth and the expected change in our market share. Cash flows beyond the three year period are extrapolated at a rate of 2.0% (2013: 1.5%), 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 2014 (2013: £nil).

Goodwill has been allocated to the following segments:

	Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
Media Value Measurement	**24,249**	20,619
Market Intelligence	**25,358**	25,567
Marketing Performance Optimization	**5,514**	1,678
	55,121	47,864

Goodwill of £13,250,000 (2013: £13,250,000) has been allocated to the UK and International Media Benchmarking CGU within the Media Value Measurement segment, and £19,012,000 (2013: £19,012,000) has been allocated to the International Advertising Intelligence CGU in the Market Intelligence segment.

10. OTHER INTANGIBLE ASSETS

	Capitalised development costs £'000	Computer software £'000	Purchased intangible assets £'000	Total intangible assets £'000
Cost				
At 1 May 2012	928	1,236	16,956	19,120
Additions	414	165	—	579
Acquisitions	—	—	2,307	2,307
Foreign exchange	3	20	160	183
At 30 April 2013	1,345	1,421	19,423	22,189
Additions	603	304	—	907
Acquisitions (note 27)	—	1	2,973	2,974
Foreign exchange	—	(30)	(540)	(570)
At 30 April 2014	**1,948**	**1,696**	**21,856**	**25,500**
Amortisation				
At 1 May 2012	(531)	(758)	(5,092)	(6,381)
Charge for the year	(142)	(125)	(2,308)	(2,575)
Foreign exchange	—	(21)	(53)	(74)
At 30 April 2013	(673)	(904)	(7,453)	(9,030)
Charge for the year	(182)	(145)	(1,873)	(2,200)
Foreign exchange	—	27	129	156
At 30 April 2014	**(855)**	**(1,022)**	**(9,197)**	**(11,074)**
Net book value				
At 30 April 2014	**1,093**	**674**	**12,659**	**14,426**
At 30 April 2013	672	517	11,970	13,159
At 1 May 2012	397	478	11,864	12,739

Amortisation is charged within administrative expenses so as to write off the cost of the 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.

The Group holds assets under finance leases within computer software, with cost of £624,000 (2013: £513,000) and accumulated depreciation of £213,000 (2013: £118,000).

Notes to the Consolidated Financial Statements
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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 2012	28	1,501	3,853	1,040	6,422
Additions	—	72	813	57	942
Acquisitions	—	3	4	—	7
Disposals	—	—	(3)	(21)	(24)
Foreign exchange	2	19	112	16	149
At 30 April 2013	30	1,595	4,779	1,092	7,496
Additions	25	246	903	571	1,745
Acquisitions	—	14	20	3	37
Disposals	(15)	—	(7)	—	(22)
Foreign exchange	(1)	(40)	(306)	(53)	(400)
At 30 April 2014	**39**	**1,815**	**5,389**	**1,613**	**8,856**
Depreciation					
At 1 May 2012	(10)	(714)	(2,627)	(480)	(3,831)
Charge for the year	(3)	(127)	(653)	(243)	(1,026)
Disposals	—	—	3	21	24
Foreign exchange	(1)	(16)	(95)	(7)	(119)
At 30 April 2013	(14)	(857)	(3,372)	(709)	(4,952)
Charge for the year	(8)	(164)	(631)	(299)	(1,102)
Disposals	12	—	5	—	17
Foreign exchange	1	27	281	34	343
At 30 April 2014	**(9)**	**(994)**	**(3,717)**	**(974)**	**(5,694)**
Net Book Value					
At 30 April 2014	**30**	**821**	**1,672**	**639**	**3,162**
At 30 April 2013	16	738	1,407	383	2,544
At 1 May 2012	18	787	1,226	560	2,591

The Group holds assets under finance leases within fixtures and fittings, with cost of £21,000 (2013: £69,000) and accumulated depreciation of £nil (2013: £62,000).

12. SUBSIDIARIES

Details of the Company's undertakings whose results or financial position principally affected the figures shown in the Company's annual accounts at 30 April 2014, 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 and consultancy
Billetts America LLC[1]	95%*	Media consultancy
Ebiquity SAS[2]	80%*	Media consultancy
Ebiquity Germany GmbH[3]	85%*	Media monitoring and 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
Faulkner Media Management Pty Limited[6]	100%*	Media consultancy
FirmDecisions 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) Ltd[7]	100%*	Media monitoring
Stratigent LLC[1]	100%*	Multi-channel analytics consultancy
CMCG (Shanghai) Management Consulting Co. Ltd[8]	100%*	Media consultancy

[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.
[8] Incorporated in China.

Notes to the Consolidated Financial Statements
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13. INVESTMENT IN ASSOCIATES

	30 April 2014 £'000	30 April 2013 £'000
Aggregated amounts relating to associates		
Total assets	**382**	280
Total liabilities	**(188)**	(139)
Revenues	**1,186**	999
Profit	**51**	95
Opening balance	**68**	4
Additions	**–**	38
Group's share of profit	**19**	26
Net investment in associates	**87**	68

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

In the prior year, the legal form of the investment in SLiK was formalised to agree to its substance leading to a £38,000 addition in investment.

14. TRADE AND OTHER RECEIVABLES

	30 April 2014 £'000	30 April 2013 £'000
Trade and other receivables due within one year		
Net trade receivables (note 25)	**15,683**	13,890
Other receivables	**988**	902
Prepayments	**1,907**	1,589
Accrued income	**8,287**	6,014
	26,865	22,395

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 2014 £'000	30 April 2013 £'000
Cash and cash equivalents	**6,521**	7,109

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 2014 £'000	30 April 2013 £'000
Current		
Bank borrowings	**2,943**	2,179
Finance lease liabilities	**197**	145
Derivative financial instrument – interest rate swaps	**52**	—
Contingent deferred consideration	**4,555**	3,624
	7,747	5,948
Non-current		
Bank borrowings	**26,235**	20,238
Finance lease liabilities	**17**	138
Derivative financial instrument – interest rate swaps	**–**	145
Contingent deferred consideration	**4,108**	2,033
	30,360	22,554
Total financial liabilities	**38,107**	28,502

	Bank borrowings £'000	Finance lease liabilities £'000	Interest rate swaps £'000	Contingent deferred consideration £'000	Total £'000
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 1 May 2013	**22,417**	**283**	**145**	**5,657**	**28,502**
Recognised on acquisition	**–**	**–**	**–**	**7,085**	**7,085**
Additions	**–**	**133**	**–**	**–**	**133**
Utilised	**–**	**(202)**	**–**	**(5,401)**	**(5,603)**
Charged to the Income Statement	**75**	**–**	**–**	**1,603**	**1,678**
Charged to reserves	**–**	**–**	**(93)**	**–**	**(93)**
Borrowings	**10,766**	**–**	**–**	**–**	**10,766**
Repayments	**(3,937)**	**–**	**–**	**–**	**(3,937)**
Foreign exchange released to the Income Statement	**(143)**	**–**	**–**	**(105)**	**(248)**
Foreign exchange released to reserves	**–**	**–**	**–**	**(176)**	**(176)**
At 30 April 2014	**29,178**	**214**	**52**	**8,663**	**38,107**

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 2014 £'000	30 April 2013 £'000
Pounds Sterling	**26,052**	18,949
US Dollar	**1,068**	1,360
Euros	**2,058**	2,108
Total bank borrowings	**29,178**	22,417

As at 30 April 2014, all bank borrowings were held jointly with Bank of Ireland and Barclays Bank. The facility comprises an amortising term loan of £15,000,000 (of which £9,798,000 remains outstanding at 30 April 2014 (2013: £12,168,000)), and a revolving credit facility of £15,000,000 (of which £13,959,000 was drawn down at 30 April 2014 (2013: £10,468,000)), both with a maturity date of 9 March 2016. £3,917,000 of the term loan is being repaid on a quarterly basis over the next three years, with the remainder repayable on the maturity of the facility. Loan arrangement fees of £143,000 (2013: £219,000) are offset against the term loan, and are being amortised over the period of the loan.

In August 2013, the facilities were amended to include a further £6,000,000 term loan facility (of which £6,000,000 was drawn down at 30 April 2014) with a maturity date of 9 March 2016. £1,726,000 of the additional drawn term loan is being repaid on a quarterly basis until 31 January 2016, with the remainder payable on the maturity of the facility.

The facility bears variable interest of LIBOR plus a margin of 2.75%. The margin rate may be lowered from April 2014 to 2.50% depending on the Group's net debt to EBITDA ratio. The rate may be further lowered to 2.25% from April 2015 and 2.00% from April 2016.

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 five 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 2014.

Subsequent to year end we refinanced our banking facilities with Barclays and Royal Bank of Scotland ('RBS'). Refer to note 30 for more details.

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 2017.

16. FINANCIAL LIABILITIES CONTINUED

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

	Minimum lease payments	
	Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
Amounts due:		
Within one year	**203**	145
Between one and five years	**27**	138
	230	283
Less: finance charges allocated to future periods	**(16)**	–
Present value of lease obligations	**214**	283

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

17. TRADE AND OTHER PAYABLES

	30 April 2014 £'000	30 April 2013 £'000
Trade payables	**4,989**	4,611
Other taxation and social security	**2,858**	2,434
Other payables	**523**	186
	8,370	7,231

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

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for the year ended 30 April 2014

18. PROVISIONS

	Onerous property leases £'000	Dilapidations £'000	Total £'000
At 1 May 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
Utilisation of provision	(731)	(67)	(798)
Released to Income Statement	–	(86)	(86)
Arising on acquisition	–	66	66
Increase in provision	853	321	1,174
Foreign exchange	–	(6)	(6)
At 30 April 2014	**191**	**884**	**1,075**
Current	141	324	465
Non-current	50	560	610

The onerous property lease obligations relate to properties that the Group has vacated where there is a shortfall between the head lease costs and sublease 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 January 2016.

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

19. ACCRUALS AND DEFERRED INCOME

	30 April 2014 £'000	30 April 2013 £'000
Accruals	**3,437**	3,420
Deferred income	**7,401**	7,451
	10,838	10,871

20. DEFERRED TAX

	Intangible assets £'000	Share-based payment £'000	Tax losses £'000	Other timing differences £'000	Total £'000
At 1 May 2012	(2,943)	939	104	103	(1,797)
Arising on acquisition	(555)	—	—	—	(555)
Credit/(charge) to income	590	23	(15)	10	608
Charge to equity	—	53	—	—	53
At 30 April 2013	(2,908)	1,015	89	113	(1,691)
Arising on acquisition	(934)	—	—	—	(934)
Credit/(charge) to income	954	(10)	(9)	(24)	911
Credit to equity	—	203	—	—	203
At 30 April 2014	**(2,888)**	**1,208**	**80**	**89**	**(1,511)**

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 2014 £'000	30 April 2013 £'000
Deferred tax assets	**1,377**	1,217
Deferred tax liabilities	**(2,888)**	(2,908)
	(1,511)	(1,691)

At the year end, the Group had tax losses of £379,000 (2013: £389,000) available for offset against future profits. A deferred tax asset of £80,000 (2013: £89,000) has been recognised in respect of such losses.

In addition, the Group has unrecognised tax losses of £nil (2013: £2,084,000) that can be carried forward against future taxable income. The Group has unrecognised deferred tax assets of £nil (2013: £625,000) in relation to these tax losses.

21. OPERATING LEASES

OPERATING LEASES — LESSEE

The Group had future aggregate minimum lease payments under non-cancellable operating leases at 30 April 2014 and 30 April 2013 which fall due as follows:

	30 April 2014		30 April 2013	
	Land and buildings £'000	**Other £'000**	Land and buildings £'000	Other £'000
Within one year	**1,575**	**28**	2,004	39
Between one and five years	**6,477**	**27**	3,247	18
After five years	**1,405**	**—**	68	—
	9,457	**55**	5,319	57

Notes to the Consolidated Financial Statements
for the year ended 30 April 2014

21. OPERATING LEASES CONTINUED

OPERATING LEASES — LESSOR

The Group sublets 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 sublease rental income for the year to 30 April 2014 was £66,000 (2013: £66,000).

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

	30 April 2014 £'000	30 April 2013 £'000
Within one year	**11**	66
Between one and five years	**–**	11
	11	77

22. 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
Issued to acquire share of minority in FLE France SAS	102,981	25
Share options exercised	1,226,420	307
Loan note conversion	13,802,861	3,451
At 30 April 2014 – ordinary shares of 25p	**75,491,111**	**18,873**

Ordinary shares carry voting rights and are entitled to share in the profits of the Company (dividends). At the year end 4,215,052 shares were held by the ESOP (2013: 4,648,671).

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 were unsecured and had the right to convert into 13,802,861 ordinary shares. The convertible loan notes attracted interest equivalent to any dividends they would have received if they were converted into ordinary shares, and ranked *pari passu* with ordinary shares in the event of the winding up of the company.

On 19 February 2014, the loan notes were converted into 13,802,861 ordinary shares, creating a transfer to share premium of £5,993,937.

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.

23. RESERVES CONTINUED

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 2014:

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	41p	1,364,766
Unapproved share option scheme — 7 January 2005	10 years	March 2007 — January 2015	Nil	Nil	—
Unapproved share option scheme — 8 September 2008	10 years	March 2010 — September 2018	25 – 37p	Nil	—
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	Nil	—
Executive Share Option Plan — 27 September 2012	10 years	September 2012 — September 2022	25 – 98p	79p	665,444
Executive Share Option Plan — 23 May 2013	10 years	May 2016 — May 2023	25p	25p	650,000
Executive Share Option Plan — 17 January 2014	10 years	May 2016 — January 2024	25p	25p	1,025,000
					7,905,210

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.

No options have been granted under this scheme since 13 April 2010 as the Group was, from that date, 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.

Notes to the Consolidated Financial Statements
for the year ended 30 April 2014

24. SHARE-BASED PAYMENTS CONTINUED

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. All of these options were exercised during the year.

EXECUTIVE INCENTIVE PLAN (EIP)

This is a discretionary scheme for the Directors of the Company. Vesting of the options was 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 would 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 had earnings per share targets that have also now been met in full. All exercised shares must be retained for a minimum of 12 months after vesting before they can be sold.

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

EXECUTIVE SHARE OPTION PLAN (ESOP)

This is a discretionary scheme, comprising 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.

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.

On 23 May 2013, 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%.

On 17 January 2014, 1,025,000 options with an exercise price of 25p were awarded under the ESOP scheme. 650,000 of these options were issued to Executive Directors. 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%.

The following share options were outstanding at 30 April 2014 and 30 April 2013:

	30 April 2014		30 April 2013	
	Number of share options	**Weighted average exercise price (pence)**	Number of share options	Weighted average exercise price (pence)
Outstanding at beginning of period	**8,059,449**	**38**	8,406,179	34
Granted during the period	**1,805,000**	**25**	878,443	83
Exercised during the period	**(1,660,042)**	**24**	(1,096,173)	35
Forfeited during the period	**(299,197)**	**58**	(129,000)	87
Outstanding at the end of the period	**7,905,210**	**38**	8,059,449	38
Exercisable at the end of the period	**5,584,162**	**38**	6,766,578	32

24. SHARE BASED PAYMENTS CONTINUED

The weighted average share price on the dates of exercise for options exercised during the year was 122p (2013: 95p).

The options outstanding at the end of the period have a weighted average remaining contractual life of 6.9 years (2013: 4.1 years), with a range of exercise prices being between nil and 98p. Options exercised in the year resulted in 1,660,042 shares (2013: 1,096,173 shares) being issued at a weighted average price of 24p each (2013: 35p).

During the period, share options were granted with a weighted average fair value of 25p (2013: 26p). These fair values were calculated using the Black–Scholes model with the following inputs:

	30 April 2014	30 April 2013
Weighted average share price	**94p to 118.5p**	97.5p
Exercise price	**25p**	25p to 97.5p
Expected volatility[1]	**20%**	20%
Vesting period	**2 to 3 years**	1 to 3 years
Risk-free interest rates	**0.46% to 0.76%**	0.26%

[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, 1,725,000 options with an exercise price of 25p were awarded under the ESOP scheme. 560,000 of these options were issued to Executive Directors. 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 2017. On the basis of a reference EPS for the year ended 30 April 2014, options will vest based on a sliding scale of compound growth rates of the reference EPS of between 4% and 10%.

In addition, subsequent to year end, a one-off award of 500,000 options was made to an Executive Director in recognition of his continued service through to retirement. These options will vest according to the rate of annual growth, in the range between 4% and 12%, in the Total Shareholder Returns ('TSR') over the three years ending 30 April 2017.

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 2014 £'000	30 April 2013 £'000
Current financial assets		
Loans and receivables:		
Trade and other receivables[1]	**16,671**	14,792
Cash and cash equivalents	**6,521**	7,109
Total financial assets	**23,192**	21,901

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

FINANCIAL LIABILITIES

	30 April 2014 £'000	30 April 2013 £'000
Current financial liabilities		
Other financial liabilities at amortised cost:		
Trade and other payables[2]	**5,512**	4,797
Accruals	**3,437**	3,420
Finance lease liabilities	**197**	145
Loans and borrowings	**2,943**	2,179
Derivatives used for hedging:		
Interest rate swaps	**52**	–
Liabilities at fair value through profit and loss:		
Contingent deferred consideration	**4,555**	3,624
	16,696	14,165
Non-current financial liabilities		
Other financial liabilities at amortised cost:		
Loans and borrowings	**26,235**	20,238
Finance lease liabilities	**17**	138
Derivatives used for hedging:		
Interest rate swaps	**–**	145
Liabilities at fair value through profit and loss:		
Contingent deferred consideration	**4,108**	2,033
	30,360	22,554
Total financial liabilities	**47,056**	36,719

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

25. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

GENERAL OBJECTIVES, POLICIES AND PROCESSES

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

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

CREDIT RISK

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

TRADE RECEIVABLES

The Group operates in an industry where most of its customers are reputable and well-established multinational or large national businesses. When the creditworthiness 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.

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

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 2014	**6,066**	**3,142**	**2,924**
At 30 April 2013	5,874	2,947	2,927

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

	30 April 2014			30 April 2013		
	Gross value £'000	**Provision £'000**	**Carrying value £'000**	Gross value £'000	Provision £'000	Carrying value £'000
Trade receivables	**15,860**	**177**	**15,683**	14,117	227	13,890

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25. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

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

	30 April 2014 £'000	30 April 2013 £'000
Opening balance	**227**	190
Increase in provision	**84**	95
Recognised on acquisition	**3**	–
Written off against provision	**(116)**	(14)
Recovered amount reversed	**(7)**	(47)
Foreign exchange	**(14)**	3
Closing balance	**177**	227

MARKET RISK

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

INTEREST RATE RISK

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

Interest rate risk is mitigated through the use of floating to fixed interest rate swaps. In the financial year ended 30 April 2012, 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 £61,000 (2013: £10,000).

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 2014		30 April 2013	
	Increase in profit/ (loss) before tax £'000	**Increase in equity £'000**	Increase in profit before tax £'000	Increase in equity £'000
10% strengthening of USD	**321**	**1,402**	210	543
10% strengthening of EUR	**353**	**837**	535	945
10% strengthening of AUD	**(31)**	**481**	56	735

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

25. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

The currency profile of the financial assets at 30 April 2014 is as follows:

	Cash and cash equivalents		Gross trade receivables	
	2014 £'000	2013 £'000	**2014 £'000**	2013 £'000
Pounds Sterling	**1,734**	1,437	**4,470**	5,228
US Dollar	**1,871**	2,418	**4,903**	2,885
Euro	**2,131**	2,183	**4,978**	4,526
Australian Dollar	**336**	897	**1,001**	1,344
Russian Rouble	**220**	160	**240**	134
Singapore Dollar	**–**	12	**–**	–
Hong King Dollar	**2**	2	**–**	–
Chinese Renminbi	**227**	–	**268**	–
	6,521	7,109	**15,860**	14,117

OTHER PRICE RISKS

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

LIQUIDITY RISK

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

The liquidity risk of each group company is managed centrally by the Group. All surplus cash in the UK is held centrally to maximise the returns on deposits through economies of scale. The type of cash instrument used and its maturity date will depend on the Group's forecast cash requirements. Throughout the year the Group maintained a draw down facility with the Bank of Ireland and Barclays (see note 16) to manage any short-term cash requirements. At 30 April 2014, £nil (2013: £4,532,000) 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 the Group Finance team regularly monitors the Group forecasts to ensure they are not breached.

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25. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

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

	Within one year £'000	One to five years £'000	Total £'000
At 30 April 2014			
Trade and other payables	**5,512**	**–**	**5,512**
Accruals	**3,437**	**–**	**3,437**
Finance lease liabilities	**203**	**27**	**230**
Interest rate swaps	**52**	**–**	**52**
Bank loans and overdrafts	**4,152**	**27,341**	**31,493**
Contingent deferred consideration	**4,555**	**4,108**	**8,663**
Total financial liabilities	**17,911**	**31,476**	**49,387**
Less: finance charges allocated to future periods	**(1,215)**	**(1,116)**	**(2,331)**
Present value	**16,696**	**30,360**	**47,056**
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

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.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
At 30 April 2014				
Financial liabilities				
Interest rate swaps	**–**	**52**	**–**	**52**
Contingent deferred consideration	**–**	**–**	**8,663**	**8,663**
	–	**52**	**8,663**	**8,715**
At 30 April 2013				
Financial liabilities				
Interest rate swaps	–	145	–	145
Contingent deferred consideration	–	–	5,657	5,657
	–	145	5,657	5,802

Refer to note 16 for a reconciliation of movements during the year.

25. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

CAPITAL DISCLOSURES

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

The Group's objective when maintaining capital is to safeguard the entity's ability to continue as a going concern so that it can continue to invest in the growth of the business and ultimately to provide an adequate return to its shareholders. The Directors believe the Group has sufficient capital to continue trading in the foreseeable future. Refer to note 22 for a breakdown of the Group's capital.

26. CASH GENERATED FROM OPERATIONS

	Year ended 30 April 2014 £'000	Year ended 30 April 2013 £'000
Profit before taxation	**3,440**	6,556
Adjustments for:		
Depreciation (note 11)	**1,102**	1,026
Amortisation (note 10)	**2,200**	2,575
Loss/(profit) on disposal	**–**	42
Unrealised foreign exchange loss/(gain)	**814**	(36)
Share option charges (note 3)	**337**	267
Finance income (note 6)	**(15)**	(13)
Finance expenses (note 6)	**1,206**	988
Share of profit of associates (note 13)	**(19)**	(26)
Contingent deferred consideration revaluations	**1,603**	(575)
	10,668	10,804
Increase in trade and other receivables	**(3,467)**	(762)
Decrease in trade and other payables	**(692)**	(2,100)
Movement in provisions	**290**	(416)
Cash generated from operations	**6,799**	7,526

Notes to the Consolidated Financial Statements
for the year ended 30 April 2014

27. ACQUISITIONS

STRATIGENT LLC ('STRATIGENT')

On 19 August 2013, the Group acquired 100% of Stratigent LLC, a company incorporated in the United States of America. The initial cash consideration was $4,217,000 (£2,700,000). Additional consideration is payable dependent on future performance during the periods to December 2013, April 2014, April 2015 and April 2016 and will be paid in cash. The maximum total consideration payable is $8,780,000 (£5,621,000).

Stratigent contributed £2,109,000 to revenue and £483,000 to profit before tax for the period between the date of acquisition and the period 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	—	1,192
Property, plant and equipment	24	24
Trade and other receivables	483	483
Cash and cash equivalents	146	146
Trade and other payables	(277)	(367)
Deferred tax liability	—	(488)
Net assets acquired	**376**	**990**
Goodwill arising on acquisition		4,131
		5,121

The fair value of trade and other receivables includes trade receivables with a fair value and gross contractual value of £450,000.

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

Purchase consideration:

	£'000
Cash	2,700
Contingent deferred consideration	2,421
Total purchase consideration	**5,121**

The fair value of contingent deferred consideration payable is based on EBIT for the year ended 31 December 2013 and revenue growth and operating profit margins for the years ended 30 April 2014, 30 April 2015 and 30 April 2016. The potential range of future payments that the Group could be required to make under the contingent consideration arrangement is between £nil and £2,921,000 and will be paid in cash. All contingent deferred consideration payments are expected to be paid by August 2016.

CHINA MEDIA CONSULTING GROUP ('CMCG')

On 15 January 2014, the Group acquired the entire issued share capital of China Media Consulting Group Limited, the Hong Kong incorporated holding company of the CMCG group ('CMCG'). CMCG was acquired for an initial cash consideration of HK$20m (approximately £1.6m), and the maximum total consideration is up to HK$85m (approximately £6.6m), with earn out payments payable in cash, depending on the performance of CMCG in the five financial years ending 30 April 2017.

CMCG contributed £605,000 to revenue and £427,000 to profit before tax for the period between the date of acquisition and the period end.

27. ACQUISITIONS CONTINUED

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

	Carrying Value £'000	Recognised on acquisition £'000
Customer relationships	—	1,781
Property, plant and equipment	14	14
Trade and other receivables	407	407
Cash and cash equivalents	324	324
Trade and other payables	(96)	(98)
Deferred tax liability	—	(445)
Net assets acquired	**649**	**1,983**
Goodwill arising on acquisition		4,257
		6,240

The fair value of trade and other receivables includes trade receivables with a fair value and gross contractual value of £214,000.

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	1,576
Contingent deferred consideration	4,664
Total purchase consideration	**6,240**

The fair value of contingent deferred consideration payable is based on profit before tax for the years ended 30 April 2013, 30 April 2014, 30 April 2015, 30 April 2016 and 30 April 2017. The potential range of future payments that the Group could be required to make under the contingent consideration arrangement is between £nil and £4,985,000 and will be paid in cash. All contingent deferred consideration payments are expected to be paid by August 2017.

TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On 19 July 2013, the Group acquired the remaining 8.3% in its subsidiary undertaking, Ebiquity SAS, for cash consideration of €90,000 (£78,000).

During April 2014, the two French subsidiaries (Ebiquity SAS which was 100% owned and FLE France SAS which was 65% owned) were merged. As a part of the merger the Group acquired part of the FLE France SAS minority shareholding with the consideration being satisfied by the issue of 102,981 new ordinary shares of 25p each in Ebiquity plc. The Group now owns 80% of the newly merged French business.

If all of the above transactions had been completed on 1 May 2013, Group revenue would have been £70,129,000 and Group operating profit before highlighted items would have been £11,584,000, 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. 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.

Notes to the Consolidated Financial Statements
for the year ended 30 April 2014

29. 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 COMPANIES RELATED TO KEY MANAGEMENT PERSONNEL

Costs of £1,000 for a membership subscription were charged to the Company by the Quoted Companies Alliance, who has a common director with the Company.

Costs of £42,000 for public relations consultancy were charged to the Company by Instinctif Partners Limited (previously College Hill Limited), who has a common director with the Company.

As at the year end, £21,000 was owed to Instinctif Partners Limited (previously College Hill Limited) and £1,000 was owed to the Quoted Companies Alliance.

TRANSACTIONS WITH ASSOCIATES

Costs of £nil (2013: £24,000) 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 £1,000 (2013: £59,000) were charged to Fairbrother Lenz Eley Limited from SLiK Media during the year.

As at the year end £nil was owed to or by any associate companies.

30. EVENTS AFTER THE REPORTING PERIOD

On 2 July 2014, the Group refinanced its banking facilities with Barclays and Royal Bank of Scotland ('RBS') and on 7 July 2014 drew down on these new facilities. The new committed facility, totalling £40.0m, comprises a term loan of £10.0m (of which all was drawn on refinance) and an RCF of £30.0m (of which £20.8m was drawn on refinance). Both the term loan and the RCF have a maturity date of 2 July 2018. The £10.0m term loan is being repaid on a quarterly basis to maturity, and the drawn RCF and any further drawings under the RCF are repayable on maturity of the facility. The facility may be used for deferred consideration payments on past acquisitions, to fund future potential acquisitions, and for general working capital requirements.

Subsequent to year end the 5% minority shareholder of the Group's subsidiary undertaking, Billetts America LLC, exercised their option to increase their shareholding to 15%. The Group then acquired the remaining 15% in Billetts America LLC from the minority shareholder. The consideration payable for these interests is dependent on the performance of the business of Billetts America LLC during the three financial years ending 30 April 2015.

Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EBIQUITY PLC

REPORT ON THE COMPANY FINANCIAL STATEMENTS

OUR OPINION

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 30 April 2014;
- 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.

This opinion is to be read in the context of what we say in the remainder of this report.

WHAT WE HAVE AUDITED

The company financial statements (the 'financial statements'), which are prepared by Ebiquity plc, comprise:

- the company balance sheet as at 30 April 2014; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ('ISAs (UK & Ireland)'). 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 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 (the 'Annual Report') to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

ADEQUACY OF ACCOUNTING RECORDS AND INFORMATION AND EXPLANATIONS RECEIVED

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Independent Auditors' Report

DIRECTORS' REMUNERATION

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

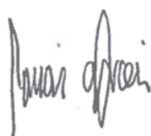
As explained more fully in the Statement of Directors' Responsibilities set out on page 31, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & 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.

OTHER MATTER

We have reported separately on the group financial statements of Ebiquity plc for the year ended 30 April 2014.



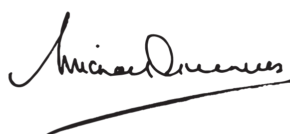
Simon O'Brien (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
15 July 2014

Company Balance Sheet

as at 30 April 2014
Company number: 03967525

	Note	30 April 2014 £'000	30 April 2013 £'000
Fixed assets			
Investments	4	**74,970**	60,468
Current assets			
Debtors	5	**12,226**	2,914
Cash at bank and in hand		**164**	38
		12,390	2,952
Creditors: amounts falling due within one year	6	**(5,104)**	(2,608)
Provision for liabilities	8	**(3,363)**	–
Derivative financial liabilities	9	**(52)**	–
Net current assets		**3,871**	344
Total assets less current liabilities		**78,841**	60,812
Creditors: amounts falling due after more than one year	7	**(44,580)**	(26,895)
Provision for liabilities	8	**–**	(4,721)
Derivative financial liabilities	9	**–**	(145)
Net assets		**34,261**	29,051
Capital and Reserves			
Called up share capital	10	**18,873**	15,090
Share premium	12	**10,750**	4,588
Convertible loan note reserve	12	**–**	9,445
Other reserves	12	**746**	746
ESOP reserve	12	**(1,482)**	(1,590)
Hedging reserve	12	**(52)**	(145)
Profit and loss account	12	**5,426**	917
Total shareholders' funds	11	**34,261**	29,051

The financial statements on pages 79 to 86 were approved and authorised for issue by the Board of Directors on 15 July 2014 and were signed on its behalf by:



Michael Greenless
Director

Andrew Beach
Director

The notes on pages 80 to 86 form part of these financial statements.

Notes to the Company Financial Statements
for the year ended 30 April 2014

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 Generally Accepted Accounting Practice and applicable 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 estimated, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

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

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

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

Financial assets

The Company 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.

1. ACCOUNTING POLICIES CONTINUED

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 comprehensive income, and are classified within other financial assets and liabilities as appropriate.

The convertible loan notes in the prior year 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 rate 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 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.

Notes to the Company Financial Statements

for the year ended 30 April 2014

1. ACCOUNTING POLICIES CONTINUED

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 not presented a cash flow statement. The cash flow statement has been presented in the Group financial statements.

RELATED PARTY TRANSACTIONS

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

EMPLOYEE SHARE OWNERSHIP PLAN (ESOP)

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

2. COMPANY RESULTS FOR THE YEAR

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 includes a profit of £4,264,000 (2013: loss of £2,632,000).

3. OPERATING PROFIT

AUDITOR REMUNERATION

Fees for the audit of the Company are £2,000 (2013: £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.

4. INVESTMENTS

	£'000
Cost and net book value	
At 1 May 2013	60,468
Additions	14,956
Transfers	(454)
At 30 April 2014	**74,970**

The additions relate to the current year incorporation of Ebiquity Holdings Inc (£254,000) and Ebiquity US Financing Limited (£13,084,000) in relation to the acquisition and subsequent earn out payment of Stratigent LLC and the US restructuring, additional investment in BCMG Limited (£127,000) in relation to the French restructuring, acquisitions in previous financial years (£1,375,000) and the UITF 44 'Group and Treasury Share Transactions' adjustment (£116,000).

The transfer relates to the investment in Ebiquity Italia S.r.l. being transferred to BCMG Limited, the legal owner of 51% of the share capital of Ebiquity Italia S.r.l.

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

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

5. DEBTORS

	2014 £'000	2013 £'000
Amounts due by group undertakings	**12,079**	2,837
Other debtors	**65**	77
Prepayments	**82**	–
	12,226	2,914

Included within the amounts due by group undertakings above is an amount which is unsecured, earns interest at 3% above EURIBOR, has no fixed date of repayment and is repayable on demand. The residual amounts due by group undertakings are unsecured, non-interest bearing, have no fixed date of repayment and are repayable on demand.

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Bank loans	**2,943**	2,179
Trade creditors	**913**	–
Other taxation and social security	**373**	–
Other creditors	**1**	–
Accruals	**874**	429
	5,104	2,608

Notes to the Company Financial Statements
for the year ended 30 April 2014

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014 £'000	2013 £'000
Bank loans – between 2 and 5 years	**26,235**	20,238
Amounts owed to group undertakings	**18,345**	6,657
	44,580	26,895

As at 30 April 2014, all bank borrowings were held jointly with Bank of Ireland and Barclays Bank. The facility comprises an amortising term loan of £15,000,000 (of which £9,798,000 remains outstanding at 30 April 2014 (2013: £12,168,000)), and a revolving credit facility of £15,000,000 (of which £13,959,000 was drawn down at 30 April 2014 (2013: £10,468,000)), both with a maturity date of 9 March 2016. £3,917,000 of the term loan is being repaid on a quarterly basis over the next three years, with the remainder repayable on the maturity of the facility. Loan arrangement fees of £143,000 (2013: £219,000) are offset against the term loan, and are being amortised over the period of the loan.

In August 2013, the facilities were amended to include a further £6,000,000 term loan facility (of which £6,000,000 was drawn down at 30 April 2014) with a maturity date of 9 March 2016. £1,726,000 of the additional drawn term loan is being repaid on a quarterly basis until 31 January 2016, with the remainder payable on the maturity of the facility.

The facility bears variable interest of LIBOR plus a margin of 2.75%. The margin rate may be lowered from April 2014 to 2.50% depending on the Group's net debt to EBITDA ratio. The rate may be further lowered to 2.25% from April 2015 and 2.00% from April 2016.

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 five 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.

Included within amounts owed to group undertakings above is an amount which is unsecured, incurs interest at 6%, has no fixed date of repayment and is repayable on demand.

The residual amounts owed to group undertakings 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 one year.

8. PROVISIONS FOR LIABILITIES

	2014 £'000	2013 £'000
Provisions for liabilities	**3,363**	4,721
	3,363	4,721

	Contingent deferred consideration £'000	Total £'000
At 1 May 2012	5,471	5,471
Recognised on acquisition	5,365	5,365
Utilised	(5,623)	(5,623)
Released to the profit and loss account	(492)	(492)
At 1 May 2013	**4,721**	**4,721**
Utilised	**(2,733)**	**(2,733)**
Charged to the profit and loss account	**1,375**	**1,375**
At 30 April 2014	**3,363**	**3,363**

Provisions for liabilities relate to contingent deferred consideration expected to be payable for the acquisitions made during the current and prior years. 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 to the consolidated financial statements).

10. CALLED UP SHARE CAPITAL

	Number of shares	Nominal Value £'000
Allotted, called up and fully paid		
At 1 May 2013 – ordinary shares of 25p	60,358,849	15,090
Issued to acquire share of minority in FLE France SAS	102,981	25
Share options exercised	1,226,420	307
Loan note conversion	13,802,861	3,451
At 30 April 2014 – ordinary shares of 25p	**75,491,111**	**18,873**

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £'000	2013 £'000
Opening shareholders' funds	**29,051**	30,805
Issue of shares (net of issue costs)	**516**	716
Profit/(loss) for the financial year	**4,264**	(2,632)
Movement on hedging instruments	**93**	(105)
Share options charge	**221**	198
UITF 44 adjustment	**116**	69
Closing shareholders' funds	**34,261**	29,051

Notes to the Company Financial Statements
for the year ended 30 April 2014

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 2013	4,588	9,445	746	(1,590)	(145)	917
Issue of shares	168	—	—	108	—	(92)
Profit for the financial year	—	—	—	—	—	4,264
Movement in hedging instruments	—	—	—	—	93	—
Conversion of loan note	5,994	(9,445)	—	—	—	—
Share options charge	—	—	—	—	—	221
UITF 44 adjustment	—	—	—	—	—	116
At 30 April 2014	**10,750**	**—**	**746**	**(1,482)**	**(52)**	**5,426**

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 were unsecured and had the right to convert into 13,802,861 ordinary shares. The convertible loan notes attracted interest equivalent to any dividends they would have received if they were converted into ordinary shares, and ranked *pari passu* with ordinary shares in the event of the winding up of the company.

On 19 February 2014, the loan notes were converted into 13,802,861 ordinary shares, creating a transfer to share premium of £5,993,937.

The ESOP trusts were created to award shares to certain employees at less than market value. The trusts in aggregate hold unallocated shares costing £1,474,000 (2013: £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 4,215,052 (2013: 4,648,671), all of which are under option to the employees of the Group. As at the balance sheet date, all of the shares in the ESOP had vested (2013: 2,275,000 had not vested).

13. SHARE-BASED PAYMENTS

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

14. COMMITMENTS

Capital commitments contracted but not provided for by the Company amount to £nil (2013: £nil).

The Company has no operating lease commitments (2013: 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. 03967525)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Ebiquity plc (the 'Company') will be held at CityPoint, 1 Ropemaker Street, London, EC2Y 9AW, at 10.00 a.m. on 10 September 2014 to consider and, if thought fit, pass resolutions 1 to 7 as ordinary resolutions and resolutions 8 and 9 as special resolutions:

ORDINARY RESOLUTIONS

1. To receive and adopt the Annual Report and Accounts for the year ended 30 April 2014.
2. That Michael Greenlees, who retires by rotation pursuant to Article 110 of the Company's Articles of Association and who, being eligible, offers himself for re-election, be re-elected as a Director.
3. That Richard Nichols, who retires by rotation pursuant to Article 110 of the Company's Articles of Association and who, being eligible, offers himself for re-election, be re-elected as a Director.
4. 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.
5. To authorise the Directors to determine the remuneration of the Auditors.
6. 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 2015 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.
7. 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 £6,228,017.

   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 2015 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.

Notice of Meeting

Ebiquity plc
(Registered in England No. 03967525)

SPECIAL RESOLUTIONS

8. That subject to the passing of resolution 7 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 7 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 or open offer:

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

      b) to holders of other equity securities as required by the rights of those securities or as the Directors of the Company otherwise consider necessary, but subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

   ii. the allotment (otherwise than pursuant to paragraph (i) above) of equity securities of up to an aggregate nominal amount of £1,887,278.

The power granted by this resolution 8 shall, unless renewed, varied or revoked by the Company, expire at the conclusion of the Annual General Meeting of the Company in 2015 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 8, 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.

9. 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 3,774,556;

   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 2015 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
29 July 2014

Registered Office
CityPoint
1 Ropemaker Street
London EC2Y 9AW

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 member 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 member. A proxy need not be a member 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 with the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY 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 member 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 members entered on the Company's register of members as at 6.00pm on 8 September 2014 (or 6.00pm 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 8 September 2014 (or 6.00pm 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 the date of this Notice of Annual General Meeting the Company's issued share capital consists of 75,491,111 ordinary shares, carrying one vote each. The Ebiquity plc 2000 Employee Benefit Trust holds 4,200,000 issued ordinary shares to satisfy awards for the Company's senior management team. To date these awards have not been exercised and the trustee has agreed not to vote the ordinary shares held by it. As such, 4,200,000 ordinary shares are treated as not carrying voting rights for the purposes of the City Code on Takeovers and Mergers. Therefore, the total voting rights in the Company as at this date are 71,291,111.

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 7 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 8 and 9 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 members at the Annual General Meeting the Annual Report and Accounts for the year ended 30 April 2014 together with the independent Auditor's report on those accounts.

RESOLUTIONS 2 AND 3: RE-ELECTION OF DIRECTORS

Michael Greenlees and Richard Nichols will submit themselves for re-election by rotation pursuant to the Articles of Association.

Biographical details of each of the Directors are contained on pages 20 and 21 of the Company's Annual Report and Accounts for the year ended 30 April 2014.

RESOLUTION 4: REAPPOINTMENT OF THE AUDITORS

The Company is required to reappoint the auditors at each Annual General Meeting at which accounts are presented. Resolution 4 proposes the reappointment 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.

Notice of Meeting

Ebiquity plc
(Registered in England No. 03967525)

RESOLUTION 5: AUDITORS' REMUNERATION

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

RESOLUTION 6: POLITICAL DONATIONS

Neither the Company nor any of its subsidiaries have made any donations to political parties in the European Union ('EU') in 2013/14 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 members' approval for a general level of donation. Resolution 6 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 2015, or, if earlier, 15 months after the date of the passing of this resolution.

RESOLUTION 7: 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 £6,228,017. 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 2015. It is the Directors' intention to seek renewal of this authority annually.

RESOLUTION 8: 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 members. This cannot be done under the Companies Act 2006 unless the members 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 8 asks members to do this, but only for equity securities having a maximum aggregate nominal value of £1,887,278 (which includes the sale of any treasury shares) which is equivalent to approximately 10% of the Company's issued ordinary share capital as at the date of the notice. If the Directors wish, other than by a pre-emptive offer to existing members, to allot for cash new shares which would exceed this limit they would first have to request the members 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 members, particularly those resident overseas. To cater for this, resolution 8, 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 2015. It is the Directors' intention to seek the renewal of this authority annually.

RESOLUTION 9: PURCHASE OF OWN SHARES

This resolution seeks authority for the Company to make market purchases of its own ordinary shares. If passed, the resolution gives authority for the Company to purchase up to 3,774,556 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 2015.

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 members 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).

At the date of the notice, the total number of options to subscribe for ordinary shares in the Company amounted to 5,930,210 (excluding options issued by the Company's employee benefit trust where the employee benefit trust is holding shares to satisfy those options). This represented 7.86 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 8.27 per cent. of the issued ordinary share capital as at the date of the notice (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

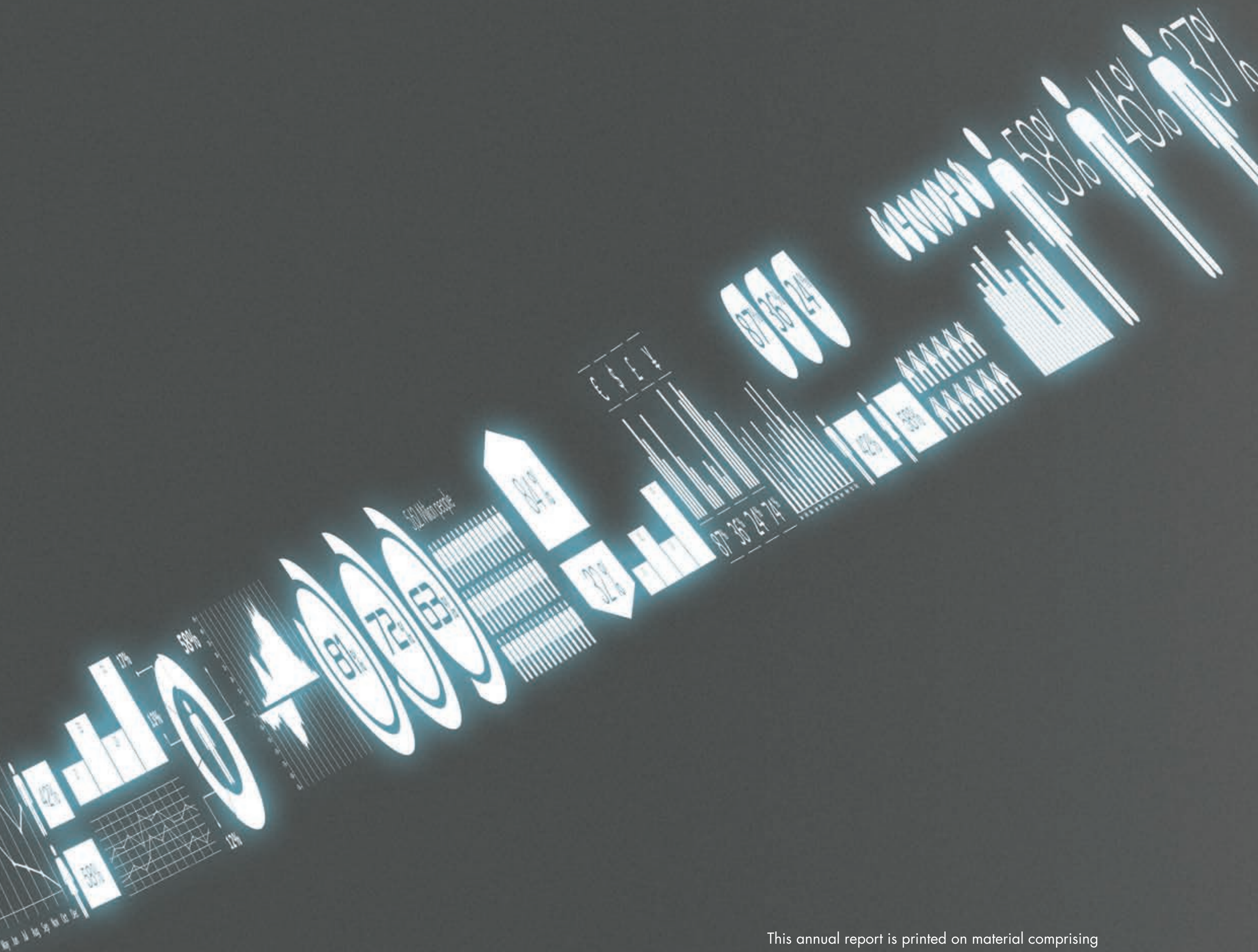
The following documents, which are available for inspection during normal business hours at the registered office of the Company on any business day until the date of the meeting, will also be available for inspection at the place of the Annual General Meeting during the meeting and for at least 15 minutes 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 members 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.

Shareholder Notes



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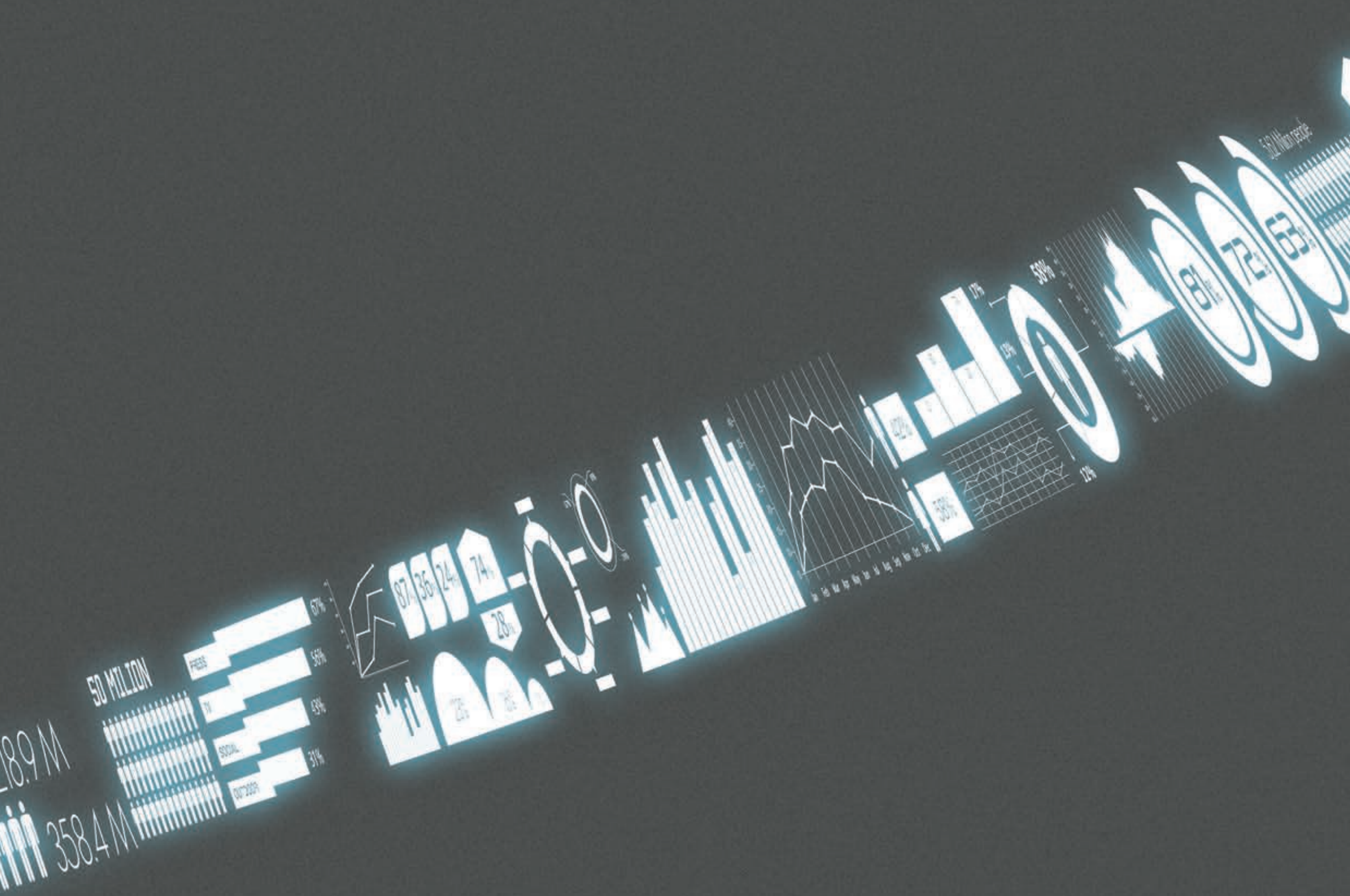

ebiquity

Data-driven insights

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