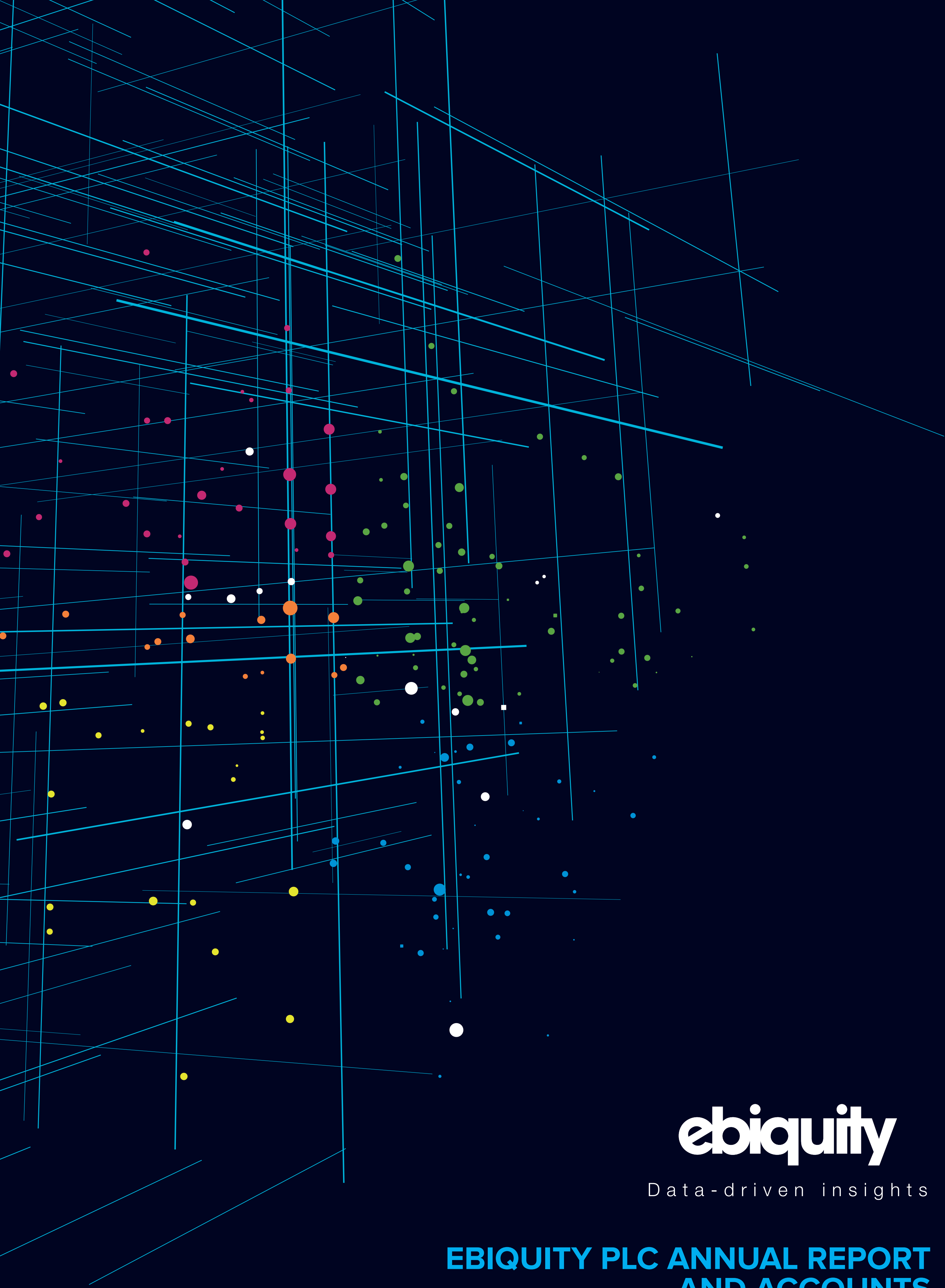


ebiquity

Data-driven insights

EBIQUITY PLC ANNUAL REPORT AND ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2015

Stock code: EBQ


ADVERTISING
EFFECTIVENESS
INTELLIGENCE
DATA-DRIVEN
ADVICE
MARKETING
OPTIMISATION
MEASUREMENT
DIGITAL
MEDIA
REPUTATION
VALUE
ANALYTICS
CONTRACTS
PERFORMANCE
ROI

CONTENTS

Michael Greenlees, Executive Director, commented:

"These results reflect a consistent and on-going demand for our services and a particularly strong performance from our MPO practice with new and larger assignments from our significant global clients."

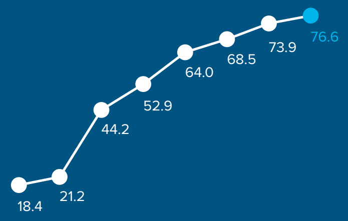
Michael Karg, CEO, commented:

"During 2015 we continued to lay the foundations upon which we will build our future growth plans. There is clear evidence of the continuing demand for our products and services, and the increased level of visibility we have over 2016 revenues provides confidence about the year ahead. The demand for MPO continues to be buoyant and we are positioning ourselves to capitalise on this opportunity."

Revenue

CY 2015: £76.6m

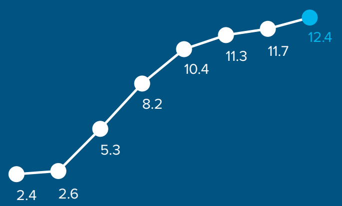
FY 2014/15: £73.9m



Underlying Operating Profit*

CY 2015: £12.4m

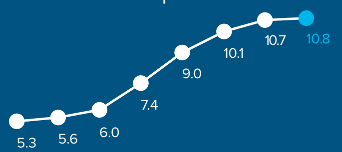
FY 2014/15: £11.7m



Underlying Diluted EPS*

CY 2015: 10.8p

FY 2014/15: 10.7p



* Underlying operating profit and underlying diluted EPS are stated before highlighted items.

HIGHLIGHTS

CONTINUED GROWTH AND STRONG CASH CONVERSION

Ebiquity plc, the independent marketing analytics specialists, announces final results for the 8 month period ended 31 December 2015. Ebiquity provides services to more than 1,100 clients across 85 countries, including over 80% of the top 100 global advertisers.

As previously announced, the Group has changed its financial year end to 31 December. As a consequence, this report shows audited results for the 8 months to 31 December 2015. Given the seasonal nature of the business, with revenues and profits weighted to the first half of the calendar year, to provide further context, we also show information on a calendar 12 month basis (unaudited), with commentary and analysis in comparison with the equivalent 12 months ended 31 December 2014.

FY2015 is the financial period from 1 May 2015 to 31 December 2015 (audited)

FY2014/15 is the financial year from 1 May 2014 to 30 April 2015 (audited)

CY2014 is the calendar year from 1 January 2014 to 31 December 2014 (unaudited)

CY2015 is the calendar year from 1 January 2015 to 31 December 2015 (unaudited)

Revenue growth and strong profit uplift over 2014 calendar year results

- Revenue for the 12 months to December 2015 of £76.6m
  - Revenue up 7.9% from £71.0m in CY2014 on a like for like basis
  - Revenue up 3.7% from £73.9m in FY2014/15
  - Revenue of £43.3m for the 8 months ended 31 December 2015
- Underlying operating profit for the 12 months to December 2015 of £12.4m
  - Underlying operating profit up 50.8% from £8.2m in CY2014 on a like for like basis
  - Underlying operating profit up 5.8% from £11.7m in FY2014/15
  - Underlying operating loss of £3,000 for the 8 months ended 31 December 2015
- Underlying PBT for the 12 months to December 2015 of £11.2m
  - Underlying PBT up 64.9% from £6.8m in CY2014
  - Underlying PBT up 6.2% from £10.6m in FY2014/15
  - Underlying loss before tax of £0.8m for the 8 months ended 31 December 2015 for the 12 months to December 2015
- Underlying diluted EPS for the 12 months to December 2015 up 63.4% to 10.8p (CY2014: 6.6p per share)
- Intended dividend of 0.4p per share in respect of the 8 months to December 2015 (equivalent to an increase of 50% to 0.6p per share on an annualised basis (FY 2014/15: 0.4p per share)), to be paid following completion of a share capital reduction

Strong demand for media and marketing analytics drives growth

- Media Value Measurement ("MVM") revenue grew by 15.0% in CY2015 on a like for like[1] constant currency[2] basis compared to CY2014
- Marketing Performance Optimization ("MPO") continued to deliver an outstanding performance, with revenue up 38.4% in CY2015 on a like for like constant currency basis, and now accounts for 13% of Group revenue
- Together MVM and MPO accounted for 67.8% of Group revenue in CY2015 (CY2014: 62.3%)
- Within Market Intelligence ("MI") our Portfolio platform is now showing signs of improvement with revenues from our Portfolio platform up 0.4% on a like for like constant currency basis in CY2015, although a decline in project work means that the practice as a whole continues to underperform with MI revenue down 3.6% in CY2015 on a like for like constant currency basis.
- We have fully impaired the goodwill, purchased intangible asset and related capitalised development costs in relation to the Reputation business resulting in a non-cash impairment charge of £4.4m in CY2015.

[1] Like for like means prior year results are adjusted to include the results of recent acquisitions as if they had been owned for the same period in the prior year.

[2] Constant currency is calculated by taking current year denominated results restated at last year's foreign exchange rates.

Marketing analytics enables brands to understand how – and why – their marketing programs are really performing, and what they can do to achieve more.

EBIQUITY EXPLAINED

Ebiquity is the leading provider of marketing analytics, uniquely differentiated by our independence. We provide online platforms, analysis and objective advice that help brands across the world to optimise their performance in a rapidly changing marketing landscape.

Demand for help and advice from brands in this area is growing. The global market for marketing analytics is forecast to reach $100bn by 2018[1].

We understand the value of having knowledge in key markets, and have experts around the world. Unlike agencies, we don't make money from executing or transacting, and we are vendor-neutral. We recommend what actions are best for our clients, without any vested interest. They value this objectivity.

We help our clients achieve greater brand and business performance in three key ways:

- Marketing Performance Optimization
- Media Value Measurement
- Market Intelligence

[1] Big Data Spending to reach $114 billion in 2018 – ABI Research 2013
http://tinyurl.com/q8u3apr

"They have added real value... to the extent that we are seeing benefits this year and look forward to next."

Entertainment client

Our Clients
We work with more than 1,100 clients worldwide including over 80% of the top 100 global advertisers

Global Locations
Global expertise and offices in 14 countries across North America, Europe and Asia Pacific

Our People
Employing over 900 people with agency, client, and consultancy backgrounds

MARKETING PERFORMANCE OPTIMIZATION

06

We help our clients decide how to allocate and optimise their marketing budgets.

MEDIA VALUE MEASUREMENT

08

We help our clients improve the efficiency of their media spend, increasing transparency and contractual compliance.

MARKET INTELLIGENCE

10

We enable our clients to monitor competitor advertising and conversations on social networks, to better plan their own communications.

We help our clients decide how to allocate and optimise their marketing budgets.

MARKETING PERFORMANCE OPTIMIZATION

Marketers today have an ever-growing number of media channels through which to reach and influence consumers. Their need has never been greater to understand which are working and which aren't. Digital technology means they are more able to make rapid changes. A recent Forbes[2] article said:

> *"Marketing is going through its own transformation, away from traditional tactics to analytics- and data-driven strategies that deliver measurable results."*

Marketers are increasingly employing our analysts to undertake marketing mix modelling to make budgets go further and optimise their ROI. We're seeing growing demand too from brands who need help to enrich and exploit their customer data sets. Our multi-channel analytics is fuelling clients' desires to personalise and automate their marketing communications across multiple channels.

[2] Roundup Of Analytics, Big Data & Business Intelligence Forecasts And Market Estimates, 2014 – Forbes June 2014 http://tinyurl.com/m574d4r

www.ebiquity.com
Stock Code: EBQ

IN ACTION

Multi-channel analytics helps InterContinental Hotels Group understand its customers and improve ROI

A lack of management trust in their data prompted the hotel group to overhaul their global analytics. They invested in people and technology in-house, but also in external help. Ebiquity was chosen because of the "unbiased advice about the tools we should recruit and deploy" says Garrod Gibb. Five years into our contract with IHG the Director, Digital Analytics & Site Optimization, says we have "evolved into a strategic partner" due to our "understanding of both technology and the digital analytics space."

IHG use digital analytics to gain insights into who their customers are, what they want, and what they prefer like never before, significantly reducing guesswork, reducing waste and enabling commercial teams to focus on the things that were working. Having seen typical returns of 600-800 percent in tests, management "are confident in the insights and implications we get from our data". Consequently IHG's annual results reports are "full of digital success stories about the outcomes of our campaigns".

Optimising budget allocation across brands and countries saves FMCG client €15m

When a major long-term FMCG client made the decision to centralise their allocation of their marketing budget, they were faced with 96 brand/market combinations. Their goal was to optimise its allocation, and achieve buy-in for their conclusions from local marketers and their agencies.

We devised a tailored approach to make the best use of the data our client had. We proposed a combination of econometrics in main markets with data landscaping and benchmarking elsewhere. We built strategic scoring into our models that allowed the client to allocate budget based not only on the current performance of each brand, but on their potential performance.

We recommended the client redistribute their budget in a more profitabe way. This allowed them to realise €15m in efficiency gains; a result which changed their way of working. Ebiquity's involvement is now yearly in their budget allocation process.

Rapid Growth
Fast growing multi-country MPO business

Objective
No vested media interests – our advice is always objective and non-partisan

Advanced Methods
Sophisticated statistical analysis methods and tools

Experienced
700+ effectiveness projects evaluating $18bn of marketing spend

We help our clients improve the efficiency of their media spend, increasing transparency and contractual compliance.

MEDIA VALUE MEASUREMENT

Paid media is becoming increasingly complex and opaque, making it harder for brands to extract the maximum value from their investments. Media agency practices[3] are increasingly under the spotlight[4] as their profits continue to rise[5]. Brands who seek greater transparency and accountability value advice that is both informed and independent. We provide such advice to help them choose the right agency, put in place the right contract, set their agency targets, measure their performance against these targets, and to pay their agency appropriately. We benchmark their agency's planning and buying performance using our media cost pools; the largest in most markets worldwide.

Digital channels are taking a growing share of marketers' budgets. Worldwide for example advertisers have doubled their investment in programmatic buying in the last year. However 85% of them are concerned about ads being placed against inappropriate content, according to a survey amongst members of the World Federation of Advertisers[6]. The survey also found that 76% of respondents think trading desks are less transparent than traditional methods of trading.

> *"I personally believe we're living through the least transparent time for the media industry in our careers."*

Bill Duggan, Group Exec VP, Association of National Advertisers

[3] Former Mediacom CEO Alleges Widespread U.S. Agency 'Kickbacks' – Ad Age March 2015 http://tinyurl.com/kudpxou

[4] There Is A Bear In Madison Avenue's Woods, And It's Kicking Back: Analyst Says Agency Rebates Are No Bull – MediaPost April 2015 http://tinyurl.com/p2toko5

[5] Advertising giant WPP annual profits hit record - BBC News March 2015 http://tinyurl.com/pshkwry

[6] Marketers Double Programmatic Spend Despite Worries About Transparency and Fraud – Ad Age Sep 2014 http://tinyurl.com/noy5plu

Global Leaders
The number 1 player in media benchmarking and auditing worldwide, working with over 250 advertisers

Largest Database
The world's largest media cost database ($41bn pool)

Advanced Tools
Market-leading processes, tools, and methodologies

Endorsed
Effectiveness partners of World Federation of Advertisers

Market Expertise
Experienced practitioners with agency and advertiser backgrounds in all major markets

IN ACTION

Delivering continuous improvement and support for major Hollywood movie studio

Opening weekend ticket sales are critical to film studios. This studio wanted to ensure they were planning their time-sensitive media buys across the world as efficiently and effectively as possible. They sought to establish whether their media agencies were delivering competitive value, and whether relationships with their agencies were being managed effectively.

Ebiquity's on-going analysis of their agencies' planning and buying strategies regularly identifies areas in which they can improve performance. Our recommendations have generated double-digit media value savings for the client each year, helping cement our status as trusted adviser across Europe, Asia, and Latin America, with a remit that includes advice on remuneration, contracts, and on performance-related agency fees.

"Your team has been a critical asset to us during our transition of agencies."

Technology client (Pitch Management)

We enable our clients to monitor competitor advertising and conversations on social networks, to better plan their own communications.

MARKET INTELLIGENCE

Marketers are finding it increasingly difficult to plan their communication strategies. The rate of change is simply increasing. It is becoming harder for marketers to know what consumers are being told by competitor brands, by the press, and by other consumers online. This can all affect sales and the reputation of their brand.

Ebiquity has the world's largest database of global advertising creatives, updated regularly. We provide our clients access so they can see what their competitors are saying, where and when, and how much they are spending. This data enables them to plan better and react quicker. Our Reputation and Research teams tell clients how their brands are portrayed in earned media and the impact this is having on stakeholders across their business like customers, employees, shareholders and supply chain partners.

The importance of this intelligence is articulated by Jeff Bezos Founder & CEO, Amazon:

> *"We watch our competitors, learn from them, see what they are doing for customers and copy those things as much as we can."*

Largest Advertising Database
The most comprehensive international database containing over 25m creatives; multimedia coverage in 80+ countries, updated daily since the 1950s

Expert Categorisation
Category experts viewing over 2,000 ads each month

Delivery
Online platform, workshops, scorecards, alerts, reports, and presentations

Social Media
Analysing billions of social interactions across multiple global platforms in real time

Reputation
Our reputation and communications effectiveness research has helped over 500 blue-chip clients

IN ACTION

Australian drinks industry thrives on innovative ad planning, response tool

With a large volume of retailer ads featuring multiple brands, varying offers and different price points, the Australian alcoholic drinks market is intensely competitive. Competitor monitoring was a laborious task which The Drinks Association sought to modernise for its members with Ebiquity's help. Using our Portfolio database as the engine, we created a bespoke, timely, accurate and well-tagged monitoring service that provided creative and spend intelligence in near real-time.

The service has become firmly embedded in the industry thanks to the value it has given to the Association's members. Around 70% of members use the system daily both strategically (price planning, positioning etc) and tactically (defensive price promotions etc). The unique speed of our comprehensive monitoring allows us to deliver express alerts at the start of the working day. Over 700 recipients across 26 members can now see competitor activity in time to plan and react effectively.

"You act as a vital part of our partnership management operations, to keep tabs on how our brand is being used, and sometimes abused!"

Automotive client (Advertising Compliance)

CHAIRMAN'S STATEMENT

Clients increasingly seek to understand how to turn data into a competitive advantage and Ebiquity's capabilities and independence put us in a strong position

Highlights

- 7.9% revenue growth over calendar year 2014
- Successful transition to new CEO
- Ebiquity well positioned to capitalise on a rapidly evolving market

Following our change in year end to 31 December, this report is for the 8 month period ended 31 December 2015. The first quarter of the calendar year is our busiest period for contract renewals and completing contracts reviewing media spend. Moving our year end from 30 April to 31 December allows the business to have earlier visibility of financial performance and thereby plan for the year ahead with more confidence.

The 8 month period to 31 December 2015 excludes our busiest period and this has a significant impact on the Group's reported performance. To provide more comparable information we therefore present performance on a calendar year basis. In the 12 months ended December 2015 we achieved revenue of £76.6m, a like for like increase of 7.9% over calendar year 2014, together with excellent profit growth. I am delighted to report this continued strong performance.

The market in which we operate is undergoing massive technological change and facing an increasingly complex relationship between advertisers and their marketing and media service providers. The impact of these changes will be profound both for our clients and our business. Clients increasingly seek to understand how to turn data into a competitive advantage and Ebiquity's capabilities and independence put us in a strong position to be at the centre of this change and thereby continue to grow our business.

As previously announced, Michael Karg succeeded Michael Greenlees as Company CEO at the beginning of 2016. I would like to thank Michael Greenlees on behalf of myself and the Board for his extraordinary leadership and for ensuring a seamless handover to Michael Karg. Michael Greenlees joined the Board in April 2007 as a Non-Executive Director and became Chief Executive in October 2007. In the eight years which followed, he has led the transformation of Ebiquity into a leading marketing analytics specialist providing services to more than 1,100 clients across 85 countries and this roster includes over 80% of the top global advertisers.

We are delighted that Michael Karg has joined us to lead the business into the next phase of its development. Michael Karg was previously with Razorfish, the digital business transformation agency of Publicis Groupe, where he was most recently Chief Executive, International. Michael brings with him a clear understanding of the evolving landscape of the marketing industry, a genuinely international perspective and real passion for consumer analytics.

Finally I would like to thank our employees throughout the Group who make what we do possible by bringing their own personal expertise and efforts every day to create the collective capability of Ebiquity.

I look forward to 2016 with both excitement and great confidence for the future.

Michael Higgins
Chairman

29 March 2016

GROWING DEMAND FOR OUR SERVICES

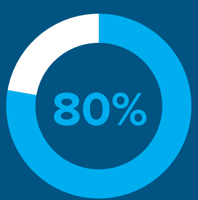
Strategic Report

Highlights

- Continued strong demand for Marketing Performance Optimization (MPO) services
- Active in a large number of media agency pitches (MVM)
- Encouraging response to first phase of new Advertising Intelligence product roll out (MI)
- Jointly appointed by American Association of National Advertisers (ANA) to conduct media trading transparency study

OVER
1,100
CLIENTS WORLDWIDE

OVER
900
PEOPLE



OF THE TOP GLOBAL ADVERTISERS

BACKGROUND

With the explosion in consumer choice and the rapid growth of the digital landscape, the marketing industry has never been more complex.

The era of multichannel marketing has arrived, with its opportunities and obstacles. Rarely has there been a more vibrant but challenging time in the marketing industry, with uncharted territory for everyone involved.

For advertisers in particular there has never been more uncertainty. Ebiquity is well positioned to provide insightful, independent and data-driven solutions which help our clients manage their marketing investments, in this dynamic and complex market place.

DATA MANAGEMENT

Data management continues to be a major challenge in the age of digital marketing. Our survey of senior marketing managers conducted in 2015 in partnership with the CMO Council identified the management and use of data as the number one preoccupation of today's Chief Marketing Officers, and this is set to become more pronounced in 2016.

Data provides a rich and important understanding of both consumer behaviour and the competitive landscape, and increasingly influences every aspect of a brand owner's product and marketing activity. Tracking customer journeys, capturing customer profiles, and having the right analytics tools are critical. This continues to be one of the key drivers of Ebiquity's Marketing Performance Optimization (MPO) practice and accounts for its dramatic and continuing growth story. Data Management Platforms will increasingly drive multiple channels, and brand owners will need more and better independent advice and technology implementation to manage complex, multichannel 'tech stacks'.

The increasing personalisation of advertising that new media technology facilitates will continue to drive the growth in 'programmatic' delivery; creating new and more complex issues for our clients as they wrestle with issues of both targeting and customer engagement.

The trending buzz phrase of late 2015 was 'ad blocking', as people aim to shut out unwanted and intrusive messaging. Recent studies report that 15 percent of consumers in the US have now installed 'ad blockers' posing yet greater complexity for advertisers, who need the kind of impartial data-driven insights which are Ebiquity's speciality. Our investment in digital data analytics, and especially the acquisition of Stratigent in 2013, is proving to be a significant growth driver for our business.

CONSUMER ENGAGEMENT

Much online advertising continues to be wasted - poorly targeted and plagued by inefficiencies. This growing and dynamic market is overdue a complete reappraisal, one which must address the much discussed but unresolved inefficiencies of poor viewability, mass fraud, and poor performance.

With an estimated 15–20 cents in each dollar spent actually reaching consumers, 2016 should see many more advertisers drawing the line at this massive wastage and aiming to reinvest in other more efficient marketing channels.

Ebiquity expects to see brand owners demanding much greater transparency of performance in online advertising, with systematic and continuous tracking of audience delivery. We will launch a new online reporting tool this year to help our clients measure their performance in the most under-reported of channels.

MEDIA AGENCY REVIEWS

During 2015 approximately $21 billion of media spend was reviewed by advertisers worldwide and Ebiquity managed approximately one third of those reviews on behalf of our clients. It is already clear from this trend that advertisers are asking ever more critical questions as it relates to their buying strategy and performance.

Data transparency - and ultimately ownership - forms a key component of this analysis as advertisers demand greater clarity of where their money is going and greater objectivity in understanding their advertising effectiveness.

During 2016 the US Association of National Advertisers ('ANA') is due to report on the North American media trading market with specialist expertise being provided by Ebiquity. We believe that out appointment as an advisor to the ANA further demonstrates our leading position in the industry.

THE FUTURE

2016 will be another year of change, and it won't be augmented reality, artificial intelligence, or the Internet of Things that keep advertisers awake at night. As ever, it will be, 'How do I navigate my way through this sea of uncertainty to deliver better business results, now and into the future?' And they will look to a new breed of advisors to help them answer this evergreen question.

Marketing continues to change dramatically as companies seek to achieve increased competitive advantage through a deeper understanding of their customers' purchasing behaviour, developing better targeted messages and by ensuring a better return on their investment in advertising and media.

Our financial year 2015 was one in which our unique position as an independent provider of critical insights, based on independent data analytics, began to show clear evidence of increasing client traction.

Research recently conducted by the CMO Council on behalf of Ebiquity has shown that seven out of ten global CMOs plan to appoint external consultancies to help them manage their consumer data, with almost eight in ten planning to work with external partners to automate and personalise their marketing programmes. It is this, together with the increasing drive for greater transparency and accountability in the media trading market that continues to drive our business forward.

Ebiquity now works with over 1,100 clients worldwide in over 85 countries from 21 offices, providing independent marketing analytics and insights across the marketing and media landscape

OUR STRATEGY

Our vision is to be the most respected, independent marketing analytics partner for brands and businesses worldwide.

In doing so, we aim 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 PAGE **16**

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 the performance of their marketing

GROW PAGE **18**

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

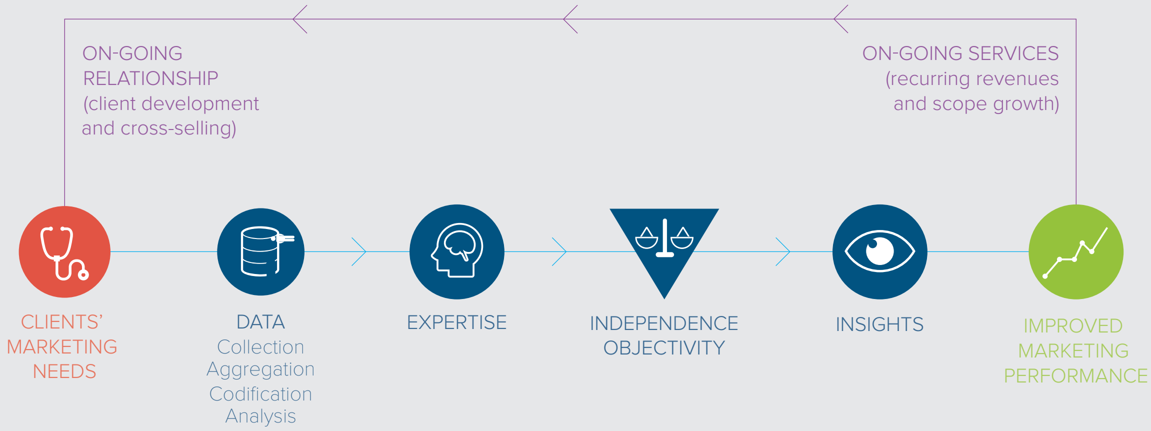
DEVELOP PAGE **20**

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

INCREASE PAGE **22**

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

BUSINESS MODEL



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 the performance of their marketing

KPIs

Revenue from recurring / renewable sources.

In CY2015 renewable revenue increased by 4.3% (vs FY2014/15).

2015/16 Priorities

(full financial year)

To continue the redevelopment of our Portfolio platform and add further digital capabilities.

To bring our new digital media measurement product to market.

To continue to expand our MPO capacity and service offerings globally.

2015 Progress

(8 month period)

Portfolio platform development continued with updates released in 2015 and further developments scheduled for release in 2016.

2016 Priorities

Exploit new Portfolio platform to drive organic growth.

Continue global expansion of MPO capabilities through organic or acquisition means as appropriate.

Risks

We operate in a highly competitive and dynamic market. Our investments may not result in the anticipated returns. We manage this risk by staying close to our clients' needs and by offering multiple sources of revenue.

Developments in marketing and data analytics technology are moving fast. Our Chief Strategy Officer is tasked to ensure that our future service offerings are in line with market developments.

Acquisition targets in the media and marketing analytics space are highly valued. We may not be able to afford to pay what sellers are asking for.

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

KPIs

Revenue from international sources (multi-territory or non-UK domestic contracts).

In CY2015 international revenue increased by 4.8% (vs FY2014/15).

2015/16 Priorities

(full financial year)

To integrate and streamline our analytics systems throughout our network of offices to provide greater consistency of output and improve efficiency.

To establish a footprint for multi-channel analytics in the European market.

2015 Progress

(8 month period)

Media Platform development well-under way as part of the Digital Media measurement product development – first delivery anticipated during 2016.

Multi-channel analytics offering introduced in the UK.

Double-digit growth of SE Asia in May-Dec 2015.

Iberia operations (acquired February 2015) fully integrated into the European organisation.

2016 Priorities

Develop plans for further expansion in SE Asia.

Drive for growth in North America, building on our increased profile and strong pipeline.

Risks

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.

DEVELOP

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

KPIs

Percentage of clients taking two or more services.

In CY2015 this was 18% (FY2014/15: 17%).

2015/16 Priorities

(full financial year)

To continue to establish a stratum of client development specialists to further relationships with our most strategic 100-150 clients globally.

To continue to supplement our leadership talent at local level.

2015 Progress

(8 month period)

Our capabilities in Media Value Measurement have been further developed through the dedicated focus brought about by the appointment of a Strategy Development Director.

We have continued to see expansion in the number of clients seeing Ebiquity as an important strategic partner and therefore taking a broader range of our services.

2016 Priorities

Create a global account management infrastructure (people and processes) to develop more strategic partnerships with a number of our current or potential multinational clients with complex and varied marketing analytics needs.

Identify capability leaders for all three segments.

Ensure that our organisational structure fosters collaboration and releases the potential of our people to develop world-leading capabilities and drive organic revenue growth.

Risks

Experienced media and marketing experts are in high demand. Acquiring and retaining top talent is a constant challenge. We continue to see the demand for marketing analytics specialists increasing which puts pressure on wages. 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.

INCREASE

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

KPIs

We continue to monitor the awareness of Ebiquity amongst the global marketing community.

We use a range of tools and data-points to assess awareness and direct future initiatives in this area.

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2015/16 Priorities

(full financial year)

To build on the findings of the awareness research and implement marketing and PR activities with a particular focus on raising awareness of Ebiquity's MPO services amongst senior marketers, especially in the UK and the US, and to continue to provide thought leadership on the issues of transparency in media buying.

2016 Priorities

Undertake further research in collaboration with a renowned industry body as a follow-up to the CMO Council research.

Increase investment in PR and marketing activities intended to raise our profile and share our thought leadership.

2015 Progress

(8 month period)

Appointment by the ANA as 'expert' advisor to study led by K2 into issues surrounding transparency in the US media industry.

Continued to develop partnership with the World Federation of Advertisers, and exploit opportunities through PR and events to raise profile of Ebiquity globally and in key influential markets.

Risks

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.

INDUSTRY GUIDANCE IN 2015

A selection of our presentations, papers and articles from the last 12 months

PRESENTATIONS

Throughout the year we were invited to speak at a number of important industry events

Festival of Media Asia Pacific
Singapore – March 2015
FirmDecisions spoke about how and why agency transparency is being eroded.

Procurecon Marketing
London – June 2015
We guided delegates through a 'path to value' that included how to put agency contracts up for pitch.

Ensighten Agility Conference
San Francisco – April 2015
Alongside Capital One and Experian, Stratigent discussed tag management innovation.

Advertising Week
New York – October 2015
We joined an industry leaders' discussion on ad fraud, kickbacks, opaque billing practices, false attribution, and more.

ANA Advertising Financial Management Conference
Phoenix – April 2015
Ebiquity and FirmDecisions provided efficiency and effectiveness advice to senior Finance and Procurement delegates.

World Federation of Advertisers Media Forum
New York – October 2015
Ebiquity and Stratigent explained how to track consumers across multiple channels using modelling and multi-channel analytics.

PAPERS

We published a growing number of papers and reports to guide our clients.

How to manage budgets between markets and brands to maximize success – Aug 2015
Mike Campbell, Ebiquity's Head of International Effectiveness looks at, the world of macro budget allocation and strategic scoring, where econometric modelling is applied simultaneously across brands and markets to ensure that the right budgets are allocated across a portfolio of products.

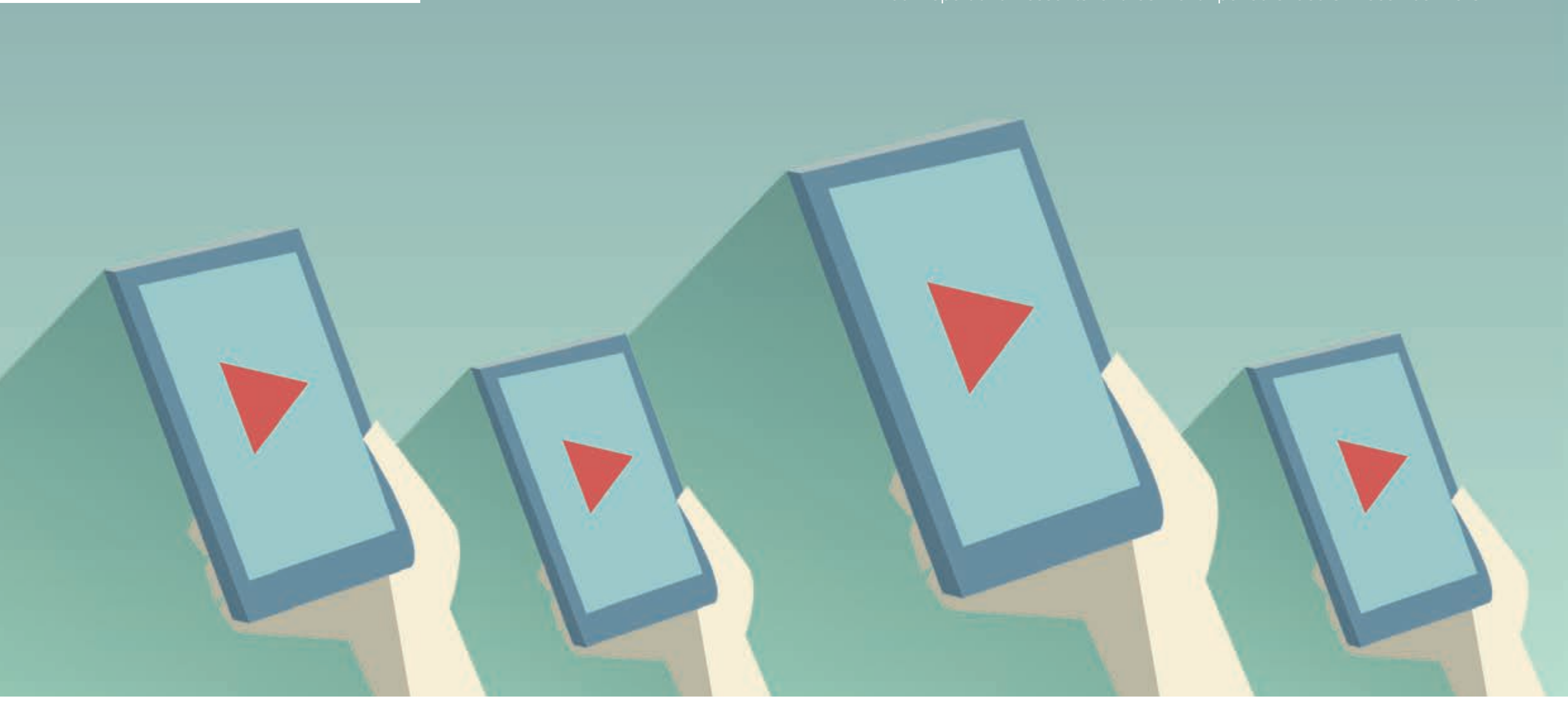
The Path Forward: Marketing's Outlook Into The Digital Future – Aug 2015
Senior marketers across the world are asking more questions of their existing agency partners, whilst recruiting new ones with the skills necessary to help them exploit the digital future. This is the key theme of a new strategic report resulting from joint research by Ebiquity and The CMO Council.

Everything you always wanted to know about online video advertising, but were to afraid to ask – Oct 2015
Simon Cross in Ebiquity's UK Media Value Practice, encourages advertisers to thoroughly scrutinize the data, rationale, cost, and potential ROI before investing any of their budget in online video and VOD.

Australia's Advertiser Report – Mar 2015
In their analysis of the year's advertising activity, our Australian team observed a gradual but definite switch from brand building, emotive activity into retail, price-driven activity.

Getting the promotional mix right. How to secure the optimal promotional strategy across products and retailers – Nov 2015
Martin Wheeler, Head of Promotional Effectiveness at Ebiquity, shows it is eminently possible to ensure that promotions deliver real benefit, despite the complexities involved in balancing the needs of both manufacturers and retailers.

ARTICLES →



Simon Cross
Client Service & Product Development Director in Ebiquity's UK Team

WHAT EVERY ADVERTISER SHOULD KNOW ABOUT ONLINE VIDEO

Media agencies routinely recommend that advertisers invest up to 15 percent of their TV budgets in online video content. Simon Cross, Client and Product Development Director at Ebiquity, gives the inside track on everything advertisers should know about online video, and urges them to ask probing and challenging questions of their media agencies when and if they suggest using it.

"Brand owners need to be aware that media agencies typically make significantly more revenue from inducing their clients to buy online video."

The world is changing how it accesses video content, with more and more consumers taking control of when, where, and how they obtain films, TV programs, and user-generated content (UGC). Drivers of this revolution in viewing include:

- Rapid spread of cheap broadband and 4G cellular connections
- Proliferation of always-on devices to which consumers can download and stream content, from laptops to smart TVs, tablets to smartphones Explosive popularity of UGC on platforms including YouTube, Facebook, and Vimeo
- Development and adoption of new distribution channels, from Netflix to Amazon Prime

We have truly entered the age of online video

All major linear TV broadcasters have created online video services (which we've abbreviated to B-VOD, or Broadcaster Video On Demand for the purposes of this article), often also known as catch-up TV. Commercial stations offer advertisers the chance to reach viewers who choose to stream and download content on their platforms by advertising in B-VOD content. Social video sharing platforms (e.g., YouTube and Vimeo) are also offering advertising in video content, as are publishers (e.g., Sky and The Guardian), and we refer to this as social and publisher video (or S&P-VOD).

Our clients tell us that agencies typically recommend that at least 5 percent (and often 10 percent or more) of their TV budgets should be invested in online video. Our own data shows that 8.6 percent of UK TV budgets went to all types of video advertising in 2014. Broadcasters, platform owners, and media agencies say that advertising using B-VOD delivers incremental coverage (or reach) – to supplement linear TV audiences – and that this is, more often than not, the best reason to use it. In addition, it is said that B-VOD is particularly effective in providing targeted access to hard-to-reach, digitally savvy audiences, notably younger men.

Latest figures from the UK's Thinkbox Truth about Youth study suggest that 3 percent of all viewing in the UK is currently in the form of B-VOD. This figure is rising rapidly – albeit from a low starting point – particularly among harder-to-reach, younger consumers, where 7 percent of 16–24s' viewing is

B-VOD. Broadcasters currently provide very little audience data about B-VOD to enable advertisers to assess ROI. S&P-VOD platforms do provide some viewing and impression numbers, but there are major gaps in the data about where and to whom ads are delivered and how viewable and viewed they really are.

Ebiquity's position

In an increasingly fractured and fragmented, consumer-controlled market, advertisers naturally want effective and efficient ways to reach their audiences with commercial messages. As online video takes increasing audience and market share, advertising spend will inevitably follow consumer behavior.

However, we believe that there is currently little compelling evidence that advertising using B-VOD adds significant incremental reach above linear TV advertising campaigns.

Recent figures from the Internet Advertising Bureau (IAB) show that incremental reach of online video on linear TV campaigns is typically less than 0.5 percent. Moreover, our data shows that TV ratings delivered by online video are significantly more expensive than linear TV: typically between three and eight times the cost.

How linear TV and B-VOD build coverage

Linear TV's cover build is typically described by a curve of diminishing returns. But the top – or flat – part of the curve only occurs when a significant proportion of the population has already seen the ad. So, if your linear TV budget hasn't got you to that part of the curve, then the budget you planned for online video would be better spent on more linear TV. The online video activity, being a multiple of linear TV's price per TV rating, couldn't possibly buy as many cover points as incremental linear TV would.

The recent IAB report shows that between 80 and 90 percent of the online video audience bought typically generates frequency rather than incremental coverage, at a multiple of the price of linear TV. The best case cited was for an FMCG beverage alcohol brand, targeting 16–34s, where coverage added by B-VOD to linear TV was just 1.33%. But linear TV coverage in that instance finished at a point on the curve where it was still building relatively quickly.

When we refer back to the data we have about time spent on TV versus online video by the same demographics and age-breaks, we find that older cohorts spend least time on online video and most time on linear TV. So for brands targeting age-defined audiences of 45+, there is little need currently for advertisers to consider online video at all in cover-build terms. Moreover, brand owners need to be aware that media agencies typically make significantly more revenue from inducing their clients to buy online video – as digital inventory – than they do from linear TV.

So the notion that online video is invaluable for building coverage when the audience is defined in socio-demographic or age- break terms is, at best, spurious. Where online video has the potential to target in a genuinely exciting way is in behavioral terms, as 'standard' digital display can. This is where the audience isn't defined by age or class, but their behavior online (viewing, purchasing, etc.), and third- party data is enriching the buy. But even when the brand is buying that way, it is too often in the dark about vital placement information.

What marketers should do

We believe that there is no justification for a blanket allocation of a fixed percentage of TV budgets to online video, particularly for mass-market products with an established presence on linear TV. The apparent accountability and data promised by digital media advertising has not yet been delivered for online video – particularly B-VOD.

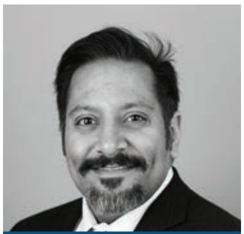
As a condition of spending money in online video, advertisers should demand increased transparency from both their media agencies and broadcasters (see 10 questions below) so that they have the same degree of accountability and depth of data that they are provided with for linear TV. Much of it could and should be provided routinely. It just isn't.

Moreover, both broadcasters and media agencies should follow the lead – taken by S&P-VOD platforms including YouTube and independent players such as Tubemogul – and provide advertisers with more complete data about where, when, and to whom ads are delivered via B-VOD.

This would allow advertisers to make properly informed decisions about how much of their total advertising budget they should divert into online video as a whole.

TEN QUESTIONS EVERY ADVERTISER SHOULD ASK THEIR MEDIA AGENCY ABOUT ONLINE VIDEO

1. Fundamentally, is online video right for my brand/ category/target audience?
2. What does the 'online video' (or VOD) line on my media budget represent and what's the detail of the plan you're recommending to us for online video?
3. What's the split between social and publisher online video (e.g., YouTube) and broadcaster online video (e.g., ITV Player, catch-up TV)?
4. Where will my online video ads actually appear, in terms of TV channels, programs, and sites?
5. What audience are we really delivering with online video?
6. How does the online video plan you're recommending deliver incremental reach?
7. Does my online video plan mirror or complement my linear TV plan?
8. Can we monitor whether our ads are good quality placements and seen by real people?
9. Is my online video creative designed to mirror TV or tell a different story? Is it intended to deliver (additional) reach, or virality and engagement?
10. What are the completion rates for our ads served on online video? What proportion of them are seen through to the end? What proportion are skipped as soon as they can be?



Vivek Radia
Vice President,
North America,
FirmDecisions

KEEP YOUR EYES ON THE SMALL PRINT OF AGENCY CONTRACTS

Changes in the nature of client–agency relationships should be well understood. Vivek Radia, President North America of FirmDecisions, explains what to look out for.

Advertisers often tell us media agencies are offering them new ways of buying media. These approaches come with apparent advantages, such as advanced targeting techniques and cost savings, but also distinct disadvantages, including waived rights to audit. As clients are being asked to trade better media buying opportunities for transparency, the bigger shift involves the relationship between the agency and the advertiser. Previously a media agency acted on an advertiser's behalf in buying media. Now, agencies increasingly act as principal where they act on their own behalf in selling media to advertisers.

As new trading practices emerge, advertisers should require clarity from their agencies as to how these practices may change in their contractual relationships. They should work hard to ensure they understand the implications of their new contracts, the true cost of the media they are buying, and the quality of the media transacted. It's time for clarity to replace confusion and for what are sometimes sharp practices to be revealed for what they really are.

Giving up audit rights is a case in point. While it's true that some agencies ask their clients to do this explicitly and in a manner that requires proper approval, others simply use passive email approval to effect the change, and there are others yet who simply effect it and hope they won't get caught. Advertisers and agencies alike are best protected by such changes being explicit and receiving full approval from an advertiser, not skirting a review process.

Consider the case of an ad purchased directly from a genuine, external vendor at the cost of $50,000. The agency may offer the client a similar space for $45,000, and yet that fee may exclude additional costs that are essential to programmatic media. Those additional charges include privacy compliance charges, content curation charges for dynamic ad builders (software that allows an online display ad to instantly tailor the creative elements and message it shows the ad's consumer) plus data fees related to targeting and ad serving costs.

What's more, programmatic buying may require an advertiser to waive audit rights related to audience and quality metrics. So, advertisers have been left wondering if their ads are actually seen by real people. These additional elements can end up making ads less effective and more expensive than expected and promised in the headline cost. Advertisers may conclude, after careful consideration, that programmatic buying may still be worthwhile. Our suggestion is simply that all relevant considerations be weighed and properly evaluated when it comes to the true cost of programmatic.

Advertisers should be particularly keen to protect their rights when it comes to verification of media audiences and quality metrics. Advertisers should make sure – at a contractual level – that their agencies factor in all relevant components of the buy as the media is traded and a healthier amount of transparency related to viewability, non- human traffic, and other quality metrics are agreed.

Although media buying companies are still referred to as 'agencies,' the truth is – for many markets – they haven't been the advertisers' agent for some time now. In part due to the rise of monolithic, publicly traded holding companies who now own a range of firms managing media transactions, there has been a correlated escalation in intra-company dealings which add complexity and may result in new and sometimes questionable remuneration tactics.

A case in point is the following illustrative transactional sequence: Media buying groups buy media into group company A (as principal) and then resell it to group company B (at a mark-up). Company B then sells it to the advertiser with the mark-up hidden and often taxed with a supplemental buying charge.

"As new trading practices emerge, advertisers should require clarity from their agencies as to how these practices affect contractual relationships."

For advertisers who lack proper contractual audit rights, this turbo- charging effect on holding company profits is achieved in a non-transparent manner for the clients they are serving. An agency – in its technical and legal definition – is permitted to acquire property on behalf of the client as if the client were present and acting in person. It has become clear that – in practice – media buying companies have evolved and moved away from the concept of an agency relationship so clients need to prepare themselves with proper audit rights to understand how their interests are being served in today's multifaceted media trading environment.

The complexity of today's media trading environment has grown exponentially, and the constant state of flux shows no signs of slowing down. If advertisers can work with their agencies to understand all elements of this new trading environment, this will help to reestablish some of the trust that has eroded between clients and agencies in recent times.

"As new trading practices emerge, advertisers should require clarity from their agencies as to how these practices affect contractual relationships."

THE IMPORTANCE OF A CLIENT CONTROLLED DATA LAYER

Jeremy Banks
Senior Team Leader
at Stratigent

A data layer is a variable — or set of properties and values — that define a piece or grouping of information to be accessed and used for the purpose of tracking data and/or interactions. At its best, a data layer creates a "one-stop shop" for referencing any data that needs to be tracked.

Client controlled means that it is created and maintained by the client, whether it is done via the IT department, marketing department, or within a CDN. But, what are the core reasons why you should have a client controlled data layer? And how can you take the steps to get there? Read on to learn more.

The Why

Page Scraping (Client-side)

With this methodology, the only values available to track are those that exist within the content of the page(s). This also means that there are certain scenarios that have inherent flaws in their implementation of tracking. These are just a few to consider.

Sometimes, the content of your page (headings, titles, etc.) is in such language that only a core group of people may understand (for example, doctors). Medical ailments, treatments, and their descriptions may make sense to the ones looking at the site, but not to those doing the analysis of the data. So, the data that is pulled directly from the page may just be passed into the analytics tools "as-is", which can lead to confusion when trying to analyze the data. If any conversion takes place within the browser (client-side), then that is just more setup that needs to be updated and maintained, and can generate excess load on the page to load the extra conversion data.

Elements and page templates change over time. As content is added, removed, and/or updated on pages, the following steps may need to be taken:

- New elements may have to be added to the logic in order to "scrape" the content from the page
- Removed elements should be deleted from the logic for clarity
- Updated elements would need to have their logic updated as well, even if the values did not change

Depending on a site's content or purpose, there is often a need to obfuscate data to hide the value behind codes and algorithms so as to not let the true values be seen in the data stores. In the client-side methodology, this process is less secure due to the need for these algorithms to be made available locally. This means that with these algorithms available for anyone to access, someone with malicious intent could reverse engineer the obfuscation to make any future calls visible to them.

Data Layer (Server-side)
Within this methodology, you have complete control over what values are to be utilized for tracking. The same scenarios that have flaws in the client-side methodology are ultimately solutions in this one.

When setting the values within the data layer, IT has the ability to make the values human readable, which will only aid in performing analysis. This can allow for grouping of content more easily, classifying pages, and more. No longer does it mean having to decipher medical terminology by those without medical degrees. It also means little to no code has to be sent to the page in order to make these conversions. In turn, this means less load on the page.

As elements and page templates are changed over time, no updates to the data layer may be necessary as content changes do not necessarily dictate value changes. This means that the same data structure will still fire exactly the same tracking calls regardless of the content of the page. However, if values do need updating or adding, IT can make the necessary changes to the data values and/or structure, and the tracking code would only need to be updated to accommodate new properties within the structure.

For data obfuscation, the algorithms can be stored and process the values on the server before making the data layer available on the page for tracking. This allows for more secure algorithms since they won't be visible to anyone who visits the page. A malicious visitor would have to engineer their own methods for reversing the obfuscation.

The Who
You! If you have a site that needs to obfuscate data, such as healthcare, financial, or any profile data, you need to take the right steps. In addition, if you need to make your data human readable in order to make sense for reporting, or if you have a site that changes content often (but not the needs for tracking), then this all applies to you!

The Where
Your site is where a controlled data layer occurs. This can be implemented across your entire site, or set of sites, in order to create a unified approach to data collection.

The When
There's no better time than the present! The sooner you implement this approach, the sooner you can see the benefits.

Isabelle Dunn
Digital Client Service Director at Ebiquity Australia

THE KEY TO SUCCESSFUL VIDEO CONTENT MARKETING

Video marketing can be a powerful way for advertisers to create a strong emotional connection with consumers, to show rather than just tell their stories, and to invite viewers to become active advocates. If done well, video marketing can drive a significant uplift in brand affinity, brand favourability, and purchase intent. However, not done the right way, it can end up being a costly trial and error exercise. Isabelle Dunn, Digital Client Service Director at Ebiquity Australia, explains.

What makes great branded video content?

Looking back at the top viral video success stories from recent years, the most popular branded videos all seem to share a strong common theme. For consumers to feel compelled enough to share, they need to feel a powerful emotion and score well on at least two or three of the key universal triggers and amplifiers.

8 x Key Triggers			
Funny	Touching	Illuminating	Spectacular
Shocking	Random	Useful	Interactive
4 x Amplifiers			
Celebrity	Topicality	Controversy	Music

Key triggers and amplifiers

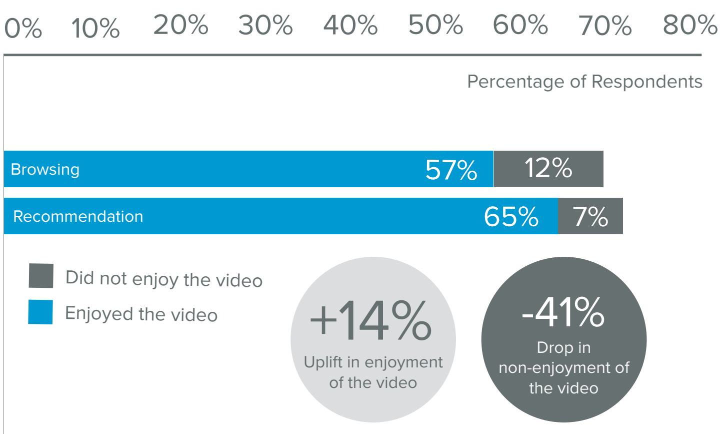
For instance, one of the most shared videos of all time is the Budweiser commercial 'Puppy Love' which tells the tale of a very special friendship between a puppy and some Clydesdale horses. It has driven over 58m views and 2m shares on YouTube since its debut during last year's Super Bowl, simply because it makes you smile, laugh and cry all at the same time. The popular sound track 'Let Her Go' by Passenger is also another bonus.

Why is sharing such a key success metric?

A recent social ad effectiveness study by Unruly Media has established that people who watched a video following a recommendation or because a friend shared a link were far more likely to enjoy it than those who had discovered it by browsing or were forced to view it as they landed on a website. Video enjoyment is important because it has a direct impact on key brand metrics and positive uplifts. Viewers who enjoyed the video they watched demonstrated a much higher brand affinity, purchase intent, and brand favourability than their counterparts who did not enjoy the video.

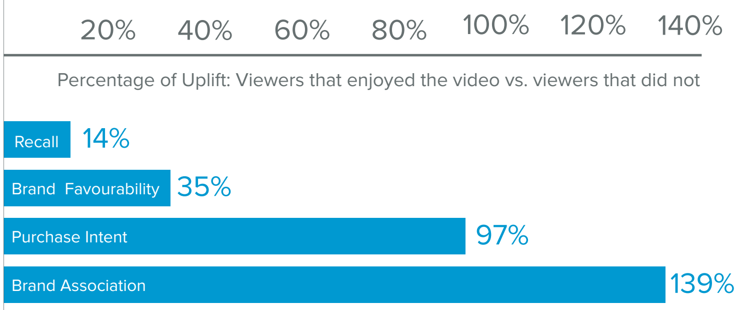
Video Discovery Mechanic
Video Enjoyment vs. Social Video Discovery Mechanic

Base: discovered video through browsing (n-284); discovered video from a recommendation (n=557)



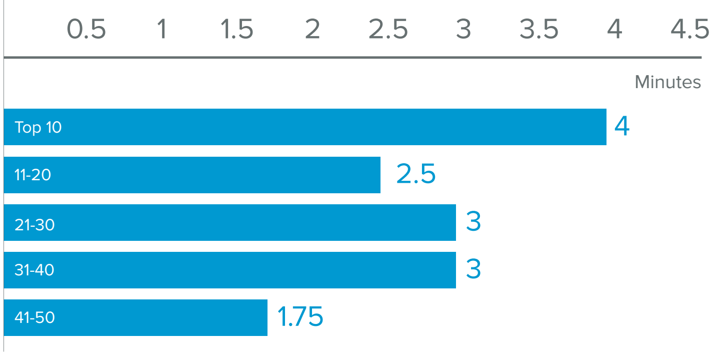
Brand Metric
Percentage Uplift in Key Brand Metrics for Viewers that Enjoyed a Video vs. Viewers that Did Not:

Base: enjoyed video (n=522); did not enjoy video (n=319)



Average video length for top 50 ads

Source: YouTube viral video chart



What is the optimum video duration?

One common suggestion is that shorter videos are better because people are more likely to watch the full video if it is short in length. While it's true that the average completion rate for video content online tends to drop past 30 seconds, the average duration of the top 10 most shared ads of all time on YouTube is 4 minutes 11 seconds. This goes to show that, as long as you make a strong emotional connection with people and tell them an engaging story, they are willing to watch as long as it takes to get there – at least as far as just over four minutes. In fact, the shorter the ad, the fewer shares it tends to attract so, while longer-form content is harder to get right, it can also be a lot more effective when it comes to driving your business goals.

How do you drive scale?

Viral videos don't generally just happen to go viral. In most cases, the videos that gain most scale do so because of a robust seeding plan put in place to create early hype for the release of the video.

It all starts with selecting the right platform Video Discovery Mechanic for the video concept and duration. While Facebook may be a viable and cost-effective option for shorter-form films relating to live or topical events, YouTube remains the destination of choice when it comes to longer- form video as part of an integrated content strategy. Once you've selected the best platform for your specific project, it's time to think about ways to leverage your broader digital ecosystem, such as social communities, email database, and websites to kick-start your organic exposure.

"As long as you make a strong emotional connection with people and tell them an engaging story, they are willing to watch as long as it takes to get there."

With regards to driving scale, the more organic and user-driven the better. This can be done in many different ways, including leveraging existing social communities,influencer outreach programs, PR and editorial coverage, content recommendation platforms, search, and SEO. However, steer clear of traditional media formats wherever possible, as these will just end up turning an authentic and considered piece of content into yet another ad, which defeats the point.

THE DIGITAL LIFE OF TEENS IN 2015

Martin Broad
Senior Analyst, UK
at Ebiquity

Today's teenagers have never lived a purely analog existence. Ebiquity's Senior Insight Analyst Martin Broad explores the consequences of their always-on, hyper-connected lives and how brands should approach and interact with them.

"76 percent of millennials have their own smartphone, and US youths spend on average 7.5 hours a day consuming media."

Brands often talk about the need to target digital natives: the generation of youngsters who have grown up always surrounded by digital technologies. However, the lack of common ground between marketers and young people makes targeting this demographic effectively particularly difficult. So what is life like for an adolescent today and what trends should marketers follow and avoid?

It would be tempting when considering this issue to romanticize the past, but in many ways the world before the rise of digital was a 'golden age' of childhood play. School days were shorter, children had less homework, and – perhaps critically in terms of play and early development – the sense of innocence that comes with less access to media still existed.

Anyone with children will tell you it's different today. Children are under intense pressure to perform well at school – indeed, the stress of government inspections and ratings has led many teachers to train students for exams, rather than allow them to explore the love of learning – and this emphasis on work can stifle creativity.

Most importantly, children have a very different understanding of 'play' today. The days of being turned out to play in the streets until dinner are over. Moreover, the figure of an adult is never far away. Scores of parents drop their kids off at playdates and pick them up with military precision, with the child always under the watchful eye of a guardian.

Generation smartphone

When they're not busy with school or with play, teens and tweens are busy with media. 76 percent of millennials have their own smartphone, and US youths spend on average 7.5 hours a day consuming media. No other generation has been exposed to information so continuously, and it's changing their worldview. In 2014, Variety magazine asked 13-18-year-olds who they rated as the most influential contemporary celebrities. Only a few years ago, mainstream figures such as Justin Timberlake or Britney Spears would have headed the charts, but the top five celebrities named were exclusively YouTube stars like PewDiePie (an online comedian, for those readers older than 14) and cross-media sitcom creators, The Fine Bros. The power of the smartphone also means how teens actively engage with the world is different, too. Any parent with a teenage child knows that they are effectively addicted to their mobiles. In fact, a recent study from CTIA Harris and Interactive found that 47 percent of US teens say their social lives "would end or be dramatically worsened" without their mobile phone. For this generation, the mobile phone goes hand-in-hand with the selfie.

"The new wave of YouTube stars have a pre-packaged audience of engaged young people, and although they will soon come under restrictions regarding brand promotions... transparency partnerships will inevitably reap valuable dividends for brands."

Today's children spend more time online being rated by their peers than any other generation in history, through likes, retweets, shares, pins, fans, and followers. The selfie invites opinions to be registered and for the child posting to be positively evaluated, and therefore 'popular.' Yet wherever there is a popular child, there is one who is equally unpopular, and it is here that the pressures of digital life for young people can have profound consequences.

Cyberbullying is a well-publicized phenomenon, and no demographic feels this more acutely than teenagers. Ask.FM is a 'Q&A' social network with around 150 million monthly users (particularly young people) who are able to send questions and answers to each other. The relatively unfiltered nature of the site led to several extreme cases of cyberbullying in 2013, ending in the suicides of a number of teenagers. Despite being under immense pressure from parents to shut down, Ask.FM remained live and instead focused on trying to provide a safer and more responsible forum for people to communicate. Laudable as that may be, the clear lesson here is that young people are invested in their digital lives to such a degree that criticism from their peers can have tragic outcomes.

Finding a voice on social and digital media

So given the particular and often intense dynamics of teenagers' digital existence, how should brands and marketers speak to them in digital and social media? The starting point must be to recognize that life for young people is pressured and stressful. The democratization and independence that come with the internet and access to content are double-edged swords, and brands that can alleviate some of the strains of the digital life – and even tackle the issues that lurk in the underbelly of the internet – will prosper. Brands may also need to think about the ambassadors they choose to speak to young people. One of the key takeaways from the Variety poll is that, as new technologies emerge and youngsters continue to live in online arenas of which adults are relatively ignorant, newer and more influential figures will continue to take over. The new wave of YouTube stars have a pre-packaged audience of engaged young people, and although they will soon come under restrictions regarding brand promotions – YouTube stars Dan Howell and Phil Lester have already had an ad with Oreos banned under new legislation – transparent partnerships will inevitably reap valuable dividends for brands.

There may also be something to be said about the nature of 'play' for today's children. Brands should take note that the notion of play has in some ways perhaps become too structured and authoritarian for children today. Undoubtedly parents are a key gateway to younger children and should certainly be included to a degree. But brands that can offer fun, exciting, and safe arenas for children to play and interact with each other in meaningful ways will undoubtedly strike a chord with the next generation.

What happens when today's teenage consumers become tomorrow's marketers is another question altogether.

CONTINUED GROWTH AND STRONG CASH CONVERSION

Summary of results

Highlights

- 8% revenue growth
- Combined revenue growth from MVM and MPO of 16%
- Improvement in underlying operating profit margin to 16.2%
- Growth in underlying diluted EPS to 10.8p
- Increase in proposed dividend on an annualised basis

The Group has changed its financial year end to 31 December. As a consequence, this report shows audited results for the 8 months to 31 December 2015. To provide further insight, we also show information on a calendar 12 month basis (unaudited), with commentary and analysis in comparison with the equivalent 12 months ended 31 December 2014.

FY2015 is the financial period from 1 May 2015 to 31 December 2015 (audited)

FY2014/15 is the financial year from 1 May 2014 to 30 April 2015 (audited)

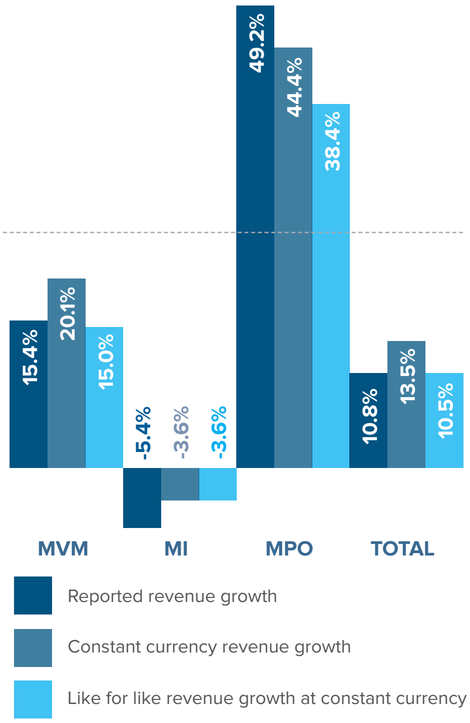
CY2014 is the calendar year from 1 January 2014 to 31 December 2014 (unaudited)

CY2015 is the calendar year from 1 January 2015 to 31 December 2015 (unaudited)

On a statutory basis for the 8 months to 31 December 2015:

- Revenue of £43.3m (FY2014/15: £73.9m)
- Underlying operating loss of £3,000 (FY2014/15: profit of £11.7m)
- Underlying loss before tax of £0.8m (FY2014/15: profit of £10.6m)
- Reported loss before tax of £7.4m (FY2014/15: profit of £4.7m)
- Underlying cash from operations of £6.9m (FY2014/15: £10.3m)
- Underlying diluted EPS of (0.43)p (FY2014/15: 10.71p)
- Intended dividend of 0.4p per share in respect of the 8 months to December 2015 (FY2014/15: 0.4p per share), to be paid following completion of a share capital reduction

REVENUE GROWTH BY SEGMENT – CY2015 vs CY2014



On a 12 month calendar year to 31 December 2015 comparative basis:

- Like for like revenue growth of 7.9%, with growth of 10.5% on a like for like[1] constant currency[2] basis
- Like for like underlying operating profit growth of 50.8%, with growth of 64.3% on a constant currency basis
- MVM like for like constant currency revenue growth of 15.0%
- MPO like for like constant currency revenue growth of 38.4%
- MI like for like constant currency revenue decline of 3.6%
- MVM and MPO together account for 67.8% of revenue (CY2014: 62.3%)
- Underlying diluted EPS of 10.8p up 63.4% (CY2014: 6.6p)
- Intended dividend of 0.4p per share in respect of the 8 months to December 2015 equivalent to 0.6p per share on an annualised basis (FY2014/15: 0.4p per share), to be paid following completion of a share capital reduction.

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.

[1]Like for like means prior year results are adjusted to include the results of recent acquisitions as if they had been owned for the same period in the prior year.

[2]Constant currency is calculated by taking current year denominated results restated at last year's foreign exchange rates.

Revenue	CY2015 Unaudited £'000	CY2014 Unaudited £'000	FY2015 Audited £'000	FY2014/15 Audited £'000
Media Value Measurement	41,998	36,386	20,409	40,046
Marketing Performance Optimization	9,936	6,661	6,899	8,060
Market Intelligence	24,650	26,059	16,002	25,768
Total Revenue	**76,584**	**69,106**	**43,310**	**73,874**
Underlying operating profit/(loss)				
Media Value Measurement	12,057	7,950	(81)	11,224
Marketing Performance Optimization	2,802	2,196	1,874	2,905
Market Intelligence	3,668	3,452	2,070	3,447
Central costs	(6,116)	(5,636)	(3,866)	(5,847)
Total underlying operating profit/(loss)	**12,411**	**7,962**	**(3)**	**11,729**
Highlighted items	(8,768)	(7,815)	(6,656)	(5,913)
Reported operating profit/(loss)	**3,643**	**147**	**(6,659)**	**5,816**
Net finance costs	(1,199)	(1,164)	(800)	(1,171)
Share of profit of associates	18	10	13	12
Reported profit/(loss) before tax	**2,462**	**(1,007)**	**(7,446)**	**4,657**
Underlying profit/(loss) before tax	**11,230**	**6,808**	**(790)**	**10,570**

The table below sets out our results on a reported and constant currency basis on a calendar 12 month basis:

	CY2015 Unaudited (constant currency) £'000	CY2015 Unaudited (as reported) £'000	CY2014 Unaudited (as reported) £'000
Revenue	**78,424**	**76,584**	69,106
Underlying operating profit	**13,079**	**12,411**	7,962
Underlying operating profit margin %	**16.7%**	**16.2%**	11.5%

The strong revenue and profit growth in CY2015 are helped by a strong first quarter of 2015, which was noted in the Company's Annual Report for the year to April 2015. For reporting purposes this quarter is not included within the results for the 2014 calendar year and this, together with an uncharacteristic slower start in the first quarter of CY2014, dampened the results for the 2014 calendar year.

In CY2015, at constant currency rates revenue has grown by 13.5% from CY2014 and underlying operating profit by 64.3% from CY2014 with a resulting increase in underlying operating margin from 11.5% to 16.7% between CY2014 and CY2015.

The reported results reflect the continued impact of foreign exchange on our recent performance (the average rate of the Euro moved from £1 : €1.2404 in CY2014 to £1 : €1.3771 in CY2015 which offset the movement in the average rate of the US Dollar from £1 : $1.6476 in CY2014 to £1 : $1.5283 in CY2015).

We continued to enjoy strong growth from both MPO and MVM, with like for like constant currency growth at 38.4% and 15.0% respectively on a 12 month calendar year basis. Within MI, revenues from our Portfolio platform stabilised showing like for like constant currency growth of 0.4% on a 12 month calendar year basis. However, a decline in project work resulted in an overall like for like constant currency revenue decline of 3.6% for the MI segment as a whole on a 12 month calendar year basis.

The underlying operating profit margin increased significantly from CY2014 to CY2015 from 11.5% to 16.2% and 16.7% on a constant currency basis as costs increased by only 5% on a reported basis and 7% on a constant currency basis between CY2014 and CY2015.

Highlighted items total £8.8m in CY2015, (CY2014: £7.8m) and £6.7m in the 8 months to December 2015. Highlighted items in CY2015 include a non-cash charge of £4.4m in respect of the full impairment of the goodwill, purchased intangible asset and related capitalised development costs of the Reputation business. This business, formerly Echo Research Group, was acquired in 2011. Over the last four years we have integrated the business fully into our Market Intelligence Practice; the technologies and methodologies which were represented by the goodwill, purchased intangibles and related capitalised development costs have been replaced, integrated or superseded and the client relationships have in many cases evolved into more integrated contracts. We are no longer able to support the original carrying value and believe that full impairment reflects the evolution of this part of our business in line with our longer-term corporate strategy. Additionally, highlighted items comprise £2.0m of purchased intangible asset amortisation, £0.9m of share based payment expenses, £0.1m credit in respect of adjustments to the fair value of deferred consideration as a result of revised expectations of performance from recent acquisitions combined with the impact of discounting deferred consideration. Other items included within highlighted items are office relocation costs (£0.4m), professional fees in relation to acquisitions (£0.5m), the costs of management restructuring (£0.5m) and the cost of the CEO transition (£0.2m).

Net finance costs were £1.2m in CY2015 (CY2014: £1.2m). Net finance costs were £0.8m for the 8 months ended 31 December 2015.

Underlying profit before tax is £11.2m for CY2015 (CY2014: £6.8m) as a result of the stronger operating performance in 2015. Reported profit before tax is £2.5m for CY2015 (CY2014: loss £1.0m) as a result of the increase in underlying operating profit offset by higher highlighted items

During 2015 approximately $21 billion of media spend was under review by advertisers worldwide and Ebiquity managed approximately one third of that on behalf of its clients. This has seen an unprecedented level of activity within this practice during the last year with high levels of client engagement. As a result much of our auditing and benchmarking work was delayed resulting in a slow final quarter in 2015.

MVM experienced a very strong first quarter to CY2015 which more than offset a slower final quarter. The strong start to CY2015 enabled the practice to grow by 15% on a like for like constant currency basis. This revenue growth combined with close control of our costs, has led to an increase in reported underlying operating profit margin to 28.7% in CY2015 compared with 21.8% in CY2014.

The growing importance of data continues to drive MPO which again represents our fastest growing practice with demand both in Europe and the US. MPO now accounts for 13% of Group revenues and provides significant opportunity for further growth. Revenue grew by 49.2% between CY2014 and CY2015 and by 38.4% on a like for like constant currency basis. We continue to invest in MPO to enable our growth to be sustainable over the longer term. This investment resulted in an expected decline in operating margin from 33.0% in CY2014 to 28.2% in CY2015.

Revenues from our Portfolio platform stabilised, showing like for like constant currency growth of 0.4% on a 12 month calendar year basis. However, MI's overall performance in CY2015 was negatively impacted by a slowdown in project work meaning that revenue for the MI practice was down 3.6% on a like for like constant currency basis in CY2015. The change in revenue profile combined with ongoing cost efficiencies within our data centres has positively impacted underlying operating profit margins which increased to 14.9% in CY2015 (CY2014: 13.2%).

2016 will see the full launch of our new Portfolio platform which will provide a better user experience, integrated spend modules and better digital media monitoring.

Central costs include central salaries (Board, Finance, IT, Marketing and HR), legal and advisory costs and property costs. Central costs have increased by £0.5m or 8.5% between CY2014 and CY2015 due to increased staff costs and related recruitment, training and travel costs.

MVM - MEDIA VALUE MEASUREMENT (55% OF TOTAL REVENUE)

	CY2015 Unaudited £'000	CY2014 Unaudited £'000	FY2015 Audited £'000	FY2014/15 Audited £'000
Revenue	41,998	36,386	20,409	40,046
Underlying operating profit	12,057	7,950	(81)	11,224
Underlying operating profit margin %	28.7%	21.8%	(0.4)%	28.0%

MPO - MARKETING PERFORMANCE OPTIMIZATION (13% OF TOTAL REVENUE)

	CY2015 Unaudited £'000	CY2014 Unaudited £'000	FY2015 Audited £'000	FY2014/15 Audited £'000
Revenue	9,936	6,661	6,899	8,060
Underlying operating profit	2,802	2,196	1,874	2,905
Underlying operating profit margin %	28.2%	33.0%	27.2%	36.0%

MI - MARKET INTELLIGENCE (32% OF TOTAL REVENUE)

	CY2015 Unaudited £'000	CY2014 Unaudited £'000	FY2015 Audited £'000	FY2014/15 Audited £'000
Revenue	24,650	26,059	16,002	25,768
Underlying operating profit	3,668	3,452	2,070	3,447
Underlying operating profit margin %	14.9%	13.2%	12.9%	13.4%

CENTRAL COSTS

	CY2015 Unaudited £'000	CY2014 Unaudited £'000	FY2015 Audited £'000	FY2014/15 Audited £'000
Central costs	(6,116)	(5,636)	(3,866)	(5,847)

TAXATION

The total tax credit for the 8 months ended December 2015 is £1.3m (FY2014/15 charge: £0.5m) representing a current tax credit of £0.1m (FY2014/15: charge of £1.1m) and a deferred tax credit of £1.2m (FY2014/15: £0.6m).

On a statutory reported basis, the tax credit on underlying profits for the year is £0.6m (FY2014/15: charge of £1.7m), representing a current tax charge of £nil (FY2014/15: £1.5m) and a deferred tax credit of £0.6m (FY2014/15: charge of £0.2m). This is an effective tax rate on underlying profits of (72.9)% (FY2014/15: 16.0%). The effective tax rate is lowered by £0.4m of over provisions from the prior year and the recognition of deferred tax assets on losses carried forward.

On a calendar year comparative basis, the underlying effective rate of tax for CY2015 is 22.2% (CY2014: 20.0%).

DIVIDEND

It is the Board's intention to pay a dividend of 0.4 pence per share for the 8 months ended 31 December 2015, (FY2014/15: 0.4 pence per share). This would represent an increase in dividend per share on a pro-rata basis and would also represent the continuation of a progressive dividend policy which commenced with our maiden dividend paid in October 2015. This dividend cannot be recommended as a conventional final dividend at the Company's AGM on 11 May 2016 as a result of the write down of the Company's investment in its Reputation business which has resulted in the Company (at the Ebiquity plc level, not at the Group level) having negative distributable reserves.

The Company does have sufficient share premium available to eliminate these negative reserves and to enable it to pay this dividend. Share premium is not distributable. However, the Company intends, conditional on the approval of its shareholders and the confirmation of the Court, to reduce its share premium to create distributable reserves. Accordingly, the Company shall propose at its AGM a resolution to reduce its share premium in order to create such reserves.

Assuming that shareholders pass this resolution and that the Court subsequently confirms the reduction of share premium (and subject to the discharge of any undertaking or other form of creditor protection that the Court may require), the Company intends to make payment of the dividend of 0.4 pence per share described above as an interim dividend during 2016. The Company shall make further announcements regarding the expected date of payment of this dividend.

EQUITY

During the 8 months to December 2015, 390,034 shares were issued upon the exercise of employee share options. As a result our share capital increased to 77,161,688 ordinary shares (30 April 2015: 76,771,654).

EARNINGS PER SHARE

Underlying diluted earnings per share was 10.8p in CY2015 (CY2014: 6.6p), being an increase of 63.4%, reflecting the increase in operating profit between CY2015 and CY2014. Underlying earnings per share for FY2014/15 was 10.7p.

CASH CONVERSION

	12 months to December 2015 Unaudited £'000s	8 months to December 2015 Audited £'000	12 months to April 2015 Audited £'000
Reported cash from operations	11,515	5,028	7,927
Underlying cash from operations	13,673	6,889	10,345
Underlying operating profit/(loss)	12,411	(3)	11,729
Cash conversion	110.2%	n/a	88.2%

Underlying cash from operations represents the cash flows from operations excluding the impact of highlighted items. The underlying net cash inflow from operations has improved significantly to £13.7m in CY2015 (FY2014/15: £10.3m).

After highlighted items are considered, reported net cash inflow from operations for CY2015 was £11.5m to (FY2014/15: £8.0m).

Cash conversion has improved considerably in CY2015 due to both the continued focus on working capital management and the change in year end to 31 December. The strong underlying cash from operations in the 8 months to 31 December 2015 reflects the seasonality of revenue and billing.

NET DEBT AND BANKING FACILITIES

	31 December 20105 Audited £'000s	31 December 2014 Unaudited £'000s	30 April 2015 Audited £'000
Net cash	6,364	3,838	7,884
Bank debt[1]	(35,250)	(35,401)	(34,576)
Net debt[1]	(28,886)	(31,563)	(26,692)

[1] Bank debt in the Statement of Financial Position at 31 December 2015 is shown net of £0.2m (April 2015: £0.3m, December 2014: £0.3m) 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.

All bank borrowings are held jointly with Barclays and Royal Bank of Scotland ('RBS'). The committed facility, totalling £40,000,000, comprises a term loan of £10,000,000 (of which £6,250,000 remains outstanding at 31 December 2015 (30 April 2015: £8,125,000)), and a revolving credit facility of £30,000,000, (of which £29,000,000 was drawn down at 31 December 2015 (30 April 2015: £26,451,000).

During the period the Group continued to trade within all of its banking facilities and associated covenants. Net debt to EBITDA was 2.04 for the 12 months ended December 2015.

STATEMENT OF FINANCIAL POSITION AND NET ASSETS

Net current assets as at 31 December 2015 decreased by £4.4m to £5.6m (FY2014/15: £10.0m) and total net assets decreased by £6.3m to £42.4m (FY2014/15: £48.7m) primarily as a result of the impairment of goodwill and purchased intangible assets of the Reputation business combined with the impact of operating performance over the 8 months to 31 December 2015.

Goodwill as at 31 December 2015 was £54.8m (30 April 2015: £58.1m) with the decrease due to the impairment of the goodwill of the Reputation business which resulted in a decrease in goodwill of £3.1m. Management undertakes an annual impairment review of goodwill. Management have performed additional sensitivity analysis of the underlying assumptions and believe that the results of this analysis currently support the remaining goodwill carrying value.

Deferred contingent consideration has decreased by £4.1m since 30 April 2015, due to the settlement of deferred consideration. At 31 December 2015 the remaining deferred consideration is estimated to be £4.9m which relates to our three most recent acquisitions, £3.4m of which is forecast to be settled in the next 12 months.

OUTLOOK

During 2015 we continued to lay the foundations upon which we will build our future growth plans. There is clear evidence of the continuing demand for our products and services, and the increased level of visibility we have over 2016 revenues provides confidence about the year ahead. The demand for Marketing Performance Optimization continues to be buoyant and we are positioning ourselves to capitalise on this opportunity.

By order of the Board

Michael Karg
Chief Executive Officer

Andrew Beach
Chief Financial and Operating Officer

29 March 2016

LEADING GROWTH

Directors and Advisers

MICHAEL KARG

Group Chief Executive Officer

Michael Karg took up his post on 1 January 2016. He was previously CEO International for Razorfish, the digital business transformation agency of Publicis Groupe, and held senior international leadership positions with both Razorfish and Digitas over a fifteen-year career. A native of Austria, he has been based in Boston, Paris and London and was responsible for Razorfish's and Digitas' growth and strategic development in Europe (UK, Germany, France, Italy and Spain), India, China, South East Asia, Australia and Brazil. He advised clients globally across industries on marketing and digital strategies, worked closely with technology partners, and led the integration of acquired businesses. Michael holds a degree in Finance and Accounting and a doctorate in Management from the University in St. Gallen, Switzerland and was a visiting Fellow at Harvard University from 1999 to 2000. He is a member of the Board and Chair of the Compensation Committee of Travelzoo Inc. (NASDAQ: TZOO).

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 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. Michael is also Chairman of the Quoted Companies Alliance and is a member of the Panel on Takeovers and Mergers as the appointee 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 Nomination Committee and sits on the Remuneration Committee and the Audit 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. In 2014 Andrew was promoted to Chief Financial and Operating Officer, with a widening of his responsibilities to include IT and global data centres.

NICK MANNING

Chief Strategy Officer

Nick has spent 35 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 agency 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.

MORAG BLAZEY

UK CEO

Morag spent more than 20 years in ad agencies as a TV buyer, planner and account director. She became Managing Director of PHD in 1999 and served as CEO from 2006 to 2008. She assisted PwC and Fishburn Hedges in the development of a communications strategy for the pensions reform bill, and worked with the Olympic Delivery Authority before joining Ebiquity in 2009 as International Practice Leader for Advertising Intelligence. She was appointed to the newly created role of CEO UK in 2012 and as an Executive Director in 2015. Morag is a fellow of the IPA.

MICHAEL GREENLEES

Executive Director

Michael was one of the original founding partners of Gold Greenlees Trott plc (GGT) an international advertising and marketing group. 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 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. Having served as Equity's Group CEO since October 2007, Michael stepped down from this role in January 2016 and will leave the Board with effect from 30 April 2016.

RICHARD NICHOLS

Non-Executive Director

Richard is Chief Executive of Instinctif Partners, 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 Nomination Committee.

JULIE BADDELEY

Non-Executive Director

Julie is one of the UK's most experienced female company directors, having served in both executive and non-executive capacities on the boards of leading companies in the FTSE100 and FTSE250 as well as a number of major public sector organisations. She has chaired the remuneration committee of several boards on which she has served and been chairman of Harvey Nash plc since June 2013. Julie has broad experience both of businesses in professional services like Ebiquity, and of those in the consumer industry sectors Ebiquity serves, including BOC, Yorkshire Building Society, Camelot and Greggs. As Associate Fellow at Oxford University Said Business School, from 2000 to 2010, she coached top business teams from around the world on the execution of business strategy, having previously run a global team as the partner in charge of a substantial part of Accenture's change management practice. She is Chairman of Ebiquity's Remuneration Committee and sits on the Nomination Committee.

TOM ALEXANDER

Non-Executive Director

Tom brings a wealth of international business experience and consumer instinct to Ebiquity. Following senior sales positions with Telia and BT Cellnet, Tom founded Virgin Mobile in 1999 and subsequently built the business to revenues of £1 billion and 4.3 million customers in eight years. He led the company's IPO in 2004 and eventual sale to ntl in 2006. From 2007 he was Chief Executive Officer of Orange, leading its turnaround and subsequent successful merger in 2010 with T-Mobile to create Everything Everywhere. After running EE for a further year he left to pursue private equity opportunities and non-executive roles. He sits on Ebiquity's Nomination Committee, Remuneration Committee and Audit Committee.

DIRECTORS

Michael Higgins
Non-Executive Chairman

Michael Karg
Group Chief Executive Officer

Andrew Beach
Chief Financial and Operating Officer

Nick Manning
Chief Strategy Officer

Morag Blazey
UK CEO

Michael Greenlees[1]
Executive Director

Richard Nichols
Non-Executive Director

Julie Baddeley
Non-Executive Director

Tom Alexander
Non-Executive Director

COMPANY SECRETARY

Andrew Watkins

REGISTERED OFFICE

CityPoint
One Ropemaker Street
London EC2Y 9AW

REGISTRATION

Registered and incorporated in England & Wales

Registration number 03967525

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
1 Embankment Place
London WC2N 6RH

[1] Steps down as a director on 30 April 2016.

NOMINATED ADVISER AND BROKER

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

REGISTRARS

Computershare Investor Services plc
PO Box 82
The Pavilions
Bridgwater Road

Corporate Governance Report

INTRODUCTION

This report describes the framework for corporate governance and internal control that the Directors have established. Ebiquity is committed to robust standards of Corporate Governance.

As a company listed on AIM, Ebiquity is not required to comply with the UK Corporate Governance Code. Ebiquity has adopted the Corporate Governance Code for Small and Mid-Size Quoted Companies (2013) produced by the Quoted Companies Alliance (the "QCA Code"). The Quoted Companies Alliance is the membership organisation which represents the interests of small and mid-size quoted companies, of which Ebiquity is a member.

The QCA Code contains minimum disclosure requirements for a company to meet in order for that company to state 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.

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 58.

Composition of the Board

During the eight months ended December 2015, Morag Blazey, the CEO of Ebiquity's UK business, was appointed a director of the Company. In January 2016, Michael Karg was appointed as Ebiquity's Group Chief Executive Officer and as a director of the Company. With effect from 30 April 2016, Michael Greenlees will stand down as an Executive Director.

Accordingly, as of 1 May 2016, the Board of Directors will comprise an independent Non-Executive Chairman, three further independent Non-Executive Directors and four Executive Directors. Michael Higgins is Ebiquity's Chairman. Richard Nichols, Julie Baddeley and Tom Alexander are Ebiquity's independent Non-Executive Directors.

Michael Higgins is a qualified chartered accountant. He brings to the Board significant experience of advising smaller quoted companies and is a director of a number of such companies. Michael is also currently the Chairman of the Quoted Companies Alliance. The Directors are of the view that Michael Higgins retains his independence notwithstanding that he chairs the Board.

Richard Nichols is also a qualified chartered accountant. His previous experience includes serving as Finance Director and Chief Executive Officer of a number of listed and private companies. Richard is currently Chief Executive Officer of Instinctif Partners, who provide Ebiquity with financial PR advice. Richard is not part of the Instinctif team which advises Ebiquity and in the event that the Board formally discuss Instinctif's instruction by the Company, Richard would excuse himself from those discussions. Accordingly the Board considers Richard to be independent.

Julie Baddeley has significant experience of serving on the boards of listed companies, both as an executive and as a non-executive director, and of serving on and chairing board committees. Julie has experience across industry sectors, including in professional services organisations such as Accenture. She is currently chairman of Harvey Nash plc, which is listed on the Official List. Julie brings valuable governance experience to Ebiquity.

Tom Alexander has enjoyed a highly successful career in the telecoms industry. The commercialism and business instinct developed by Tom during his career is of great value to the Board. The Board also draws upon Tom's experience of an industry undergoing rapid technological change in guiding Ebiquity's management through similar changes in the sectors in which the Company operates.

Further biographical details regarding the Directors are contained on pages 43 to 45.

Each of the Non-Executive Directors has a written letter of appointment with the Company. These are available for inspection on Ebiquity's website. Each of the Executive Directors has a written service agreement with the Company. None of these service agreements entitles a director to receive more than six months' notice terminating his/her employment.

Chairman and Group 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 Karg is the Group's 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 Group 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 written list of such matters (which is available on Ebiquity's website) and which include:

- Approving the annual budget and quarterly reforecasts
- Changes to the Group's capital structure
- Approving the Company's dividend policy
- Reviewing non-routine regulatory news service announcements made by the Company
- Approving material contracts to be entered into by the Group

Board meetings

Between 1 May and 31 December 2015, the Board met formally on four occasions. There were in addition a small number of meetings convened on short notice to consider ad hoc matters.

The Board receives monthly management accounts and other relevant information as appropriate in advance of each Board meeting. This information is made available electronically via an online platform. Directors are able to access this information at any time, including following Board meetings.

There are a number of standing agenda items reviewed by the Board at each regular Board meeting, including current trading and outlook. Other items are considered by the Board as appropriate, including as a minimum an annual review of the Company's governance arrangements. A principal area of focus for the Board during the eight months ended December 2015 was the appointment of a Group Chief Executive Officer to succeed Michael Greenlees.

Detailed minutes are taken of all Board meetings. Minutes are circulated to the Board and approved at the following Board meeting.

Advisers to the Board and its committees

The Board seeks advice from external advisers, including legal, tax, financial and other advisers, on various matters as and when appropriate. The Company Secretary attends all Board meetings and is available to advise on any corporate governance issues which may arise.

The Company's auditors, PricewaterhouseCoopers LLP, attend meetings of the Audit Committee.

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

The Nomination Committee took external advice during the exercise to identify and appoint the successor to Michael Greenlees as the Group's Chief Executive Officer.

Corporate Governance Report

Risk management

The Board retains ultimate control and direction over appropriate strategic, financial, organisational and compliance issues. The Board has put in place an organisational structure with defined lines of responsibility. The Executive Committee, which is described further below, has responsibility for ensuring compliance with the organisational structure. The Company has adopted an authority matrix which sets out the delegation of authority to individual business units and members of staff.

The internal control system put in place by the Company is designed to provide reasonable assurance against material misstatement or loss. Commercial risks are an inherent part of business and as such the internal control system cannot provide absolute assurance against these risks.

Director 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 been an annual assessment of the performance of the Non-Executive Directors nor of the Board as a whole or any of its committees. It was not considered appropriate for such assessments to be introduced during the year, given the change of Group Chief Executive Officer which took place in January 2016.

The Board intends to commence a board evaluation exercise during the year ending December 2016. This will comprise an internal assessment to establish a benchmark against which future exercises can be compared.

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. The Audit Committee comprises Richard Nichols, Michael Higgins and Tom Alexander. The Board considers Richard Nichols to have recent and relevant financial experience. Richard is a qualified chartered accountant and has served as the Finance Director and Chief Executive Officer of listed and private companies. Richard currently serves as the Chief Executive Officer of a private-equity backed company.

The purpose of the Audit 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.

The Audit Committee's report can be found on pages 56 to 57.

Remuneration Committee

The Remuneration Committee, which meets at least twice a year, is chaired by Julie Baddeley. The Remuneration Committee comprises Julie Baddeley, Michael Higgins and Tom Alexander. The Remuneration Committee is responsible for the Executive Directors' remuneration and other benefits and terms of employment, including performance related bonuses and share options.

The Remuneration Committee's report can be found on pages 54 to 55.

Nomination Committee

The Nomination Committee is chaired by Michael Higgins. The Nomination Committee comprises Michael Higgins, Richard Nichols, Julie Baddeley, Tom Alexander and, until he steps down as a director on 30 April 2016, Michael Greenlees. The Nomination Committee meets as 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.

Attendance at meetings

Details of the Directors' attendance at the regular Board and Committee meetings in the period 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	Nomination
Michael Higgins	4/4	2/2	2/2	3/3
Michael Greenlees	4/4	—	—	3/3
Andrew Beach	4/4	—	—	—
Nick Manning	3/4	—	—	—
Morag Blazey	1/1	—	—	—
Richard Nichols	4/4	2/2	—	3/3
Julie Baddeley	4/4	—	2/2	3/3
Tom Alexander	4/4	1/2	2/2	3/3

EXECUTIVE COMMITTEE

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

The Executive Directors, together with the US CEO, the CEO of Continental Europe, CEO of FirmDecisions, the HR/Marketing Director, the Group IT Director, the General Counsel/Company Secretary and the Group Finance Director comprise the Executive Committee, which meets on a monthly basis. The Executive Committee provides a principal vehicle for directing the Group's business at an operational level.

SHAREHOLDERS

The Executive Directors meet regularly with institutional shareholders to discuss the Company's performance and future prospects. The views of institutional shareholders as presented at these meetings are reported by the Executive Directors to the Board. The principal vehicle for communications with private shareholders is the Company's Annual General Meeting. The information displayed on the Investor Relations pages of the Company's website is regularly refreshed in order to provide accurate and up-to-date information to all shareholders.

Directors' Report

The Directors present their report and the audited consolidated financial statements for the eight months ended 31 December 2015.

GENERAL INFORMATION

Ebiquity plc is incorporated in England and Wales under registered number 3967525. 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 14 to 23.

DIVIDENDS

It is the Board's intention to pay a dividend of 0.4 pence per share for the eight months ended 31 December 2015, (FY2014/15: 0.4 pence per share). This would represent an increase in dividend per share on a pro-rata basis and would also represent the continuation of a progressive dividend policy which commenced with the Company's maiden dividend paid in October 2015. This dividend cannot be recommended as a conventional final dividend at the Company's AGM on 11 May 2016 as a result of the write down of the Company's investment in its Reputation business which has resulted in the Company (at the Ebiquity plc level, not at the Group level) having negative distributable reserves.

The Company does have sufficient share premium available to eliminate these negative reserves and to enable it to pay this dividend. Share premium is not distributable. However, the Company intends, conditional on the approval of its shareholders and the confirmation of the Court, to reduce its share premium to create distributable reserves. Accordingly, the Company shall propose at its AGM a resolution to cancel its share premium in order to create such reserves.

Assuming that shareholders pass this resolution and that the Court subsequently confirms the cancellation of share premium (and subject to the discharge of any undertaking or other form of creditor protection that the Court may require), the Company intends to make payment of the dividend of 0.4 pence per share described above as an interim dividend during 2016. The Company shall make further announcements regarding the expected date of payment of this dividend.

RESEARCH AND DEVELOPMENT

The Group continues to invest in the development of products. During the period a total of £0.7m was capitalised in relation to development projects. This has resulted in the development of a number of new initiatives.

POLITICAL DONATIONS AND POLITICAL EXPENDITURE

No political donations were made and no political expenditure was incurred in the period (2014/15: nil).

POST BALANCE SHEET EVENTS

On 11 March 2016 the Group acquired the outstanding 50% interest in its Irish media audit associate, Fairbrother Marsh Company Limited (FMC). The 50% interest in FMC was acquired for an initial cash consideration of €150,000. The maximum total consideration is up to €2m, payable in cash, depending on the performance of the FMC business during the period ending 31 December 2020.

The Group acquired Stratigent LLC (Stratigent) on 19 August 2013. Stratigent's management held a 7% economic interest in Stratigent which was acquired by the Group for a total consideration to be determined by the financial performance of Stratigent over the three financial years ending 30 April 2016 and capped at $1.5m. Stratigent's financial performance over the first two financial years resulted in consideration of $1.1m being paid to Stratigent's management. In order to ensure that management remains incentivised to continue to drive and generate the financial performance achieved over the first two financial years, the Group agreed to increase the total cap on consideration payable to management. Accordingly, in March 2016, the cap on consideration was increased by an amount of $1.5m, with any excess over and above the existing cap on consideration payable 25% in cash and 75% in new ordinary shares in Ebiquity plc (capped at 600,000 new shares). This has been treated as a non-adjusting event since no constructive obligation existed at the period end.

DIRECTORS AND DIRECTORS' INTERESTS

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

Michael Higgins	Non-Executive Chairman	
Andrew Beach	Executive Director	Chief Financial and Operating Officer
Nick Manning	Executive Director	Chief Strategy Officer
Morag Blazey[1]	Executive Director	UK CEO
Michael Greenlees[2]	Executive Director	
Richard Nichols	Non-Executive Director	
Julie Baddeley	Non-Executive Director	
Tom Alexander	Non-Executive Director	

[1] Appointed 15 October 2015

[2] Stands down as director on 30 April 2016

Michael Karg was appointed a director on 27 January 2016.

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

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

	Number of ordinary shares 31 December 2015	**Options 31 December 2015**	Number of ordinary shares 30 April 2015	Options 30 April 2015
Michael Higgins	**64,500**	**–**	64,500	–
Michael Greenlees	**324,267**	**3,741,368**	324,267	3,741,368
Andrew Beach	**20,000**	**260,000**	20,000	310,000
Nick Manning	**230,000**	**2,670,230**	230,000	2,370,230
Morag Blazey	**–**	**728,169**	–	478,169
Richard Nichols	**100,000**	**–**	100,000	–
Julie Baddeley	**–**	**–**	–	–
Tom Alexander	**–**	**–**	–	–

No Director has any direct interest in the shares of any subsidiary company. There have been no changes in the above Directors' shareholdings or holdings of options between 31 December 2015 and the date of this report. Michael Karg, who was appointed a director subsequent to 31 December 2015, was awarded options over a total of 500,000 ordinary shares in the Company on 27 January 2016.

Further information about the Directors' interests is provided in the Remuneration Report on pages 54 to 55.

DIRECTORS' THIRD-PARTY AND PENSION SCHEME INDEMNITY PROVISIONS

The Company purchased and maintained throughout the period and up to the date 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 period.

Directors' Report

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 2011, 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 the date of this report the Company's issued share capital consisted of 77,161,688 ordinary shares of 25p each and a total of 72,961,688 voting rights. The Ebiquity plc 2010 Employee Benefit Trust (the "EBT") held 4,200,000 issued ordinary shares to satisfy awards for the Company's senior management team. At the date of this report, 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 the date of this report the following had notified the Company that they held more than 3% of the Company's ordinary share capital, other than the shareholdings held by Directors and the EBT. 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	9,945,522	12.89	13.63
Kabouter Management	7,827,917	10.14	10.73
T Rowe Price Global Investments	6,776,200	8.78	9.29
Invesco Perpetual	6,531,663	8.46	8.95
JO Hambro Capital Management	5,933,247	7.69	8.13
Herald Investment Management	5,491,125	7.12	7.53
Hargreave Hale	4,330,000	5.61	5.93
Legal & General	3,945,200	5.11	5.41
Fidelity International	3,443,664	4.46	4.72
Henderson Global Investors	3,060,000	3.97	4.19
Miton Group	2,521,932	3.27	3.46

AGM NOTICE

The notice of the Company's Annual General Meeting is set out on pages 120 to 125.

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
29 March 2016

Remuneration Report

REMUNERATION POLICY

The Board recognises the role of appropriate remuneration in attracting and retaining the people needed to develop and grow the business, and driving their and its performance.

The Remuneration Committee has maintained the policy set out in the Annual Report for the year ended 30 April 2015, 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 is as follows:

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. *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. 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 from third parties in setting specifics of the Executive Directors' remuneration.

DIRECTORS' REMUNERATION IN THE 8 MONTHS ENDED 31 DECEMBER 2015

	Salary/ Fees £'000	**Taxable Benefits £'000**	**Bonus £'000**	**8 months ended 31 December 2015 Total £'000**	12 months to 31 December 2015 Total £'000	Year ended 30 April 2015 Total £'000
Executive						
Michael Greenlees	213	4	–	**217**	326	326
Nick Manning	200	–	–	**200**	300	295
Andrew Beach	140	6	–	**146**	219	219
Morag Blazey*	45	2	–	**47**	47	–
Non-Executive						
Michael Higgins	45	–	–	**45**	68	68
Richard Nichols†	33	–	–	**33**	45	32
Julie Baddeley†	35	–	–	**35**	47	15‡
Tom Alexander†	28	–	–	**28**	40	15‡
				751	1,092	970

* Morag Blazey has been employed by the Company since 1 May 2010 and was appointed as a Director on 15 October 2015.

‡ Julie Baddeley and Tom Alexander were appointed to the Board on 21 November 2014.

† Non-Executive Directors' fees for the period included one-off costs associated with the appointment of the new Group CEO, totalling £27,000.

The totals above are inclusive of annual performance bonuses. The Company did not pay a performance bonus to Directors in respect of the 8 months ended 31 December 2015 (FY 2014/15: £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.

No Director was a member of a company pension scheme (FY2014/15: nil). Contributions totalling £6,721 (FY2014/15: £7,980) were made to Directors' private pension schemes (£nil to the highest paid Director, FY2014/15: £nil) during the period.

One Director exercised a total of 150,000 share options during the period (FY2014/15: 60,280) (the highest paid Director exercised no share options, FY2014/15: nil).

Termination Payments to Directors

No Directors left the Company in the period ended 31 December 2015 and no termination payments were made to Directors (FY2014/15: £nil).

Long-Term Incentives

During the fiscal period, 400,000 (FY2014/15: 1,060,000) share options were granted to the Directors.

These were made 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
Nick Manning	300,000	1 October 2015	30 April 2018	£0.25	3-yr EPS growth across three years starting 1 May 2015; min. 4% to vest 20%, 10% to vest 100%, 8% to vest 60% with straight-line vesting between these points
Andrew Beach	100,000	1 October 2015	30 April 2018	£0.25	

IMPLEMENTATION OF REMUNERATION POLICY IN 2016

The Executive Directors' remuneration for the year that commenced on 1 January 2016 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 for the Group CEO and 30% for the other Executive Directors. 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 full 100% achievement of the theoretical bonus. Thresholds below budgeted levels of revenue (min. 97.5% of budget) and operating profit (min. 90% of operating profit post-bonus) have been set to allow for pro-rata payment of bonuses at a level which protects operating profit margins and overall Group performance. Each Director has the potential to achieve up to a maximum of 200% of their theoretical target bonus as a result of exceptional individual and Company performance.

500,000 share options have been granted to Directors since 1 January 2016.

Audit Committee Report

INTRODUCTION

The Audit Committee is a key component of the Group's governance framework. The Board has delegated to the Committee oversight of the Group's financial reporting.

All of the members of the Committee are independent Non-Executive Directors with a combination of accounting, financial and commercial experience. The Board considers Richard Nichols, who chairs the Committee, to have recent and relevant financial experience. Richard is a chartered accountant with significant financial and commercial experience in both listed and unquoted companies. Richard's biography and appointments are set out on page 45.

The Committee met twice during the 8 months to December 2015. The attendance of its members is set out in the table on page 49. All meetings of the Audit Committee are comprised of three sections. The first section of meetings of the Committee are also normally attended by the Group Chief Executive Officer, the Chief Financial and Operating Officer, the Company Secretary and other members of the senior management together with representatives from the external auditors, PricewaterhouseCoopers LLP (PwC) which ensures the Committee and the external auditors have access to all financial and operational knowledge. Subsequently, Committee members also meet with the external auditors without the Executive Directors and other senior management in attendance, which ensures that the Committee maintains an independent view. Finally, there is a section of the meeting attended solely by the members of the Committee.

ROLE AND RESPONSIBILITY OF THE AUDIT COMMITTEE

The Committee's terms of reference can be found on the Company's website. The principal responsibilities of the Committee include:

- Monitoring the integrity of the Group's financial statements, including a review of significant financial reporting issues and judgements;
- Reviewing the external auditors' independence and objectivity, the effectiveness of the external audit process and the appointment, reappointment and removal of the external auditors;
- Reviewing the Group's financial controls and other internal reporting systems; and
- Reviewing progress on implementing control improvements.

ACTIVITIES DURING THE PERIOD

The key matters the Committee considered during the financial period are as follows:

- The assessment of the carrying value of goodwill and intangible assets: the Committee assesses on a twice-yearly basis whether there are any indicators of impairment to the holding value of any cash-generating unit and makes recommendations to the Board in this regard.
- Going concern: the Committee reviews in particular management's forecasts of the Group's performance against the covenants contained in the credit agreement with Barclays and RBS.
- Presentation of highlighted items: the Committee reviews the nature and quantum of the items proposed by management to be classified as highlighted to ensure they are consistent with the Group's accounting policies.
- Deferred contingent consideration: the Group has been acquisitive over recent years and the Committee reviews management's forecasts regarding the Group's future obligations to pay consideration for acquisitions.
- Capitalisation of intangibles: the Committee reviews the nature and quantum of the items proposed by management to be capitalised, together with the period over which the capitalised items will be amortised, to ensure they are consistent with the Group's accounting policies.
- Revenue and accrued/deferred income: the Committee reviews the quantum of accrued/deferred income particularly around the cut-off dates of half year and full year.
- Taxation: management reports to the Committee the overall effective tax rate of the Group as a whole.

With regard to Ebiquity's external auditors the Committee's principal activities were to:

- Approve the terms of engagement and fees to be paid to the external auditors;
- Approve the annual audit plan;
- Review the findings of the auditors and management's response; and
- Evaluate the independence and objectivity of the external auditors.

EXTERNAL AUDITORS

PwC have been the external auditors of the Group since 2012, when a full tender process was carried out. The current audit partner has served since the firm's appointment and is due for rotation in 2017. A review of PwC's independence is carried out each year before a recommendation is made to the Board to propose PwC for re-election at the AGM. In assessing PwC's independence, the Committee received confirmation that, in PwC's professional judgement, PwC is independent within the meaning of relevant UK regulatory and professional requirements.

PROVISION OF NON-AUDIT SERVICES

The Committee reviews with management the engagement of the external auditors for non-audit services and the level of associated non-audit fees.

During the period, the external auditors did not supply any non-audit services to Ebiquity.

Richard Nichols
Chair of the Audit Committee
29 March 2016

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, comprising Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101), 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 comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the Group and parent company financial statements respectively; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EBIQUITY PLC

REPORT ON THE GROUP FINANCIAL STATEMENTS

Our opinion

In our opinion, Ebiquity plc's group financial statements (the "financial statements"):

- give a true and fair view of the state of the group's affairs as at 31 December 2015 and of its loss and cash flows for the 8 month period (the "period") 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Consolidated Income Statement and Consolidated Statement of Comprehensive Income as at 31 December 2015;
- the Consolidated Statement of Financial Position for the period then ended;
- the Consolidated Cash Flow Statement for the period then ended;
- the Consolidated Statement of Changes in Equity for the period 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 the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

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.

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 period 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.

Independent Auditors' Report

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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("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 parent 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.

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

We conducted our audit in accordance with 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.

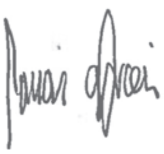
We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in 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.

OTHER MATTER

We have reported separately on the parent company financial statements of Ebiquity plc for the 8 month period ended 31 December 2015.



Simon O'Brien (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 March 2016

Consolidated Income Statement

for the 8 month period ended 31 December 2015

		8 month period ended 31 December 2015			Year ended 30 April 2015		
	Note	**Before highlighted items £'000**	**Highlighted items (note 3) £'000**	**Total £'000**	Before highlighted items £'000	Highlighted items (note 3) £'000	Total £'000
Revenue	2	**43,310**	**–**	**43,310**	73,874	–	73,874
Cost of sales		**(22,514)**	**–**	**(22,514)**	(32,383)	–	(32,383)
Gross profit		**20,796**	**–**	**20,796**	41,491	–	41,491
Administrative expenses		**(20,799)**	**(6,656)**	**(27,455)**	(29,762)	(5,913)	(35,675)
Operating (loss)/profit	4	**(3)**	**(6,656)**	**(6,659)**	11,729	(5,913)	5,816
Finance income	6	**13**	**–**	**13**	8	–	8
Finance expenses	6	**(813)**	**–**	**(813)**	(1,179)	–	(1,179)
Net finance costs		**(800)**	**–**	**(800)**	(1,171)	–	(1,171)
Share of profit of associates	13	**13**	**–**	**13**	12	–	12
(Loss)/profit before taxation		**(790)**	**(6,656)**	**(7,446)**	10,570	(5,913)	4,657
Taxation credit/(charge)	7	**576**	**756**	**1,332**	(1,693)	1,155	(538)
(Loss)/profit for the period/year		**(214)**	**(5,900)**	**(6,114)**	8,877	(4,758)	4,119
Attributable to:							
Equity holders of the parent		**(336)**	**(5,885)**	**(6,221)**	8,346	(4,723)	3,623
Non-controlling interests		**122**	**(15)**	**107**	531	(35)	496
		(214)	**(5,900)**	**(6,114)**	8,877	(4,758)	4,119
Earnings per share							
Basic	8			**(8.08)p**			4.78p
Diluted	8			**(8.08)p**			4.65p

The notes on pages 66 to 105 form part of these financial statements.

Consolidated Statement of Comprehensive Income

for the 8 month period ended 31 December 2015

	8 month period ended 31 December 2015 £'000	Year ended 30 April 2015 £'000
(Loss)/profit for the period/year	**(6,114)**	4,119
Other comprehensive (expense)/income:		
Items that will not be reclassified subsequently to profit or loss		
Exchange differences on translation of overseas subsidiaries	**(116)**	350
Movement in valuation of hedging instruments	**–**	52
Total other comprehensive (expense)/income for the period/year	**(116)**	402
Total comprehensive (expense)/income for the period/year	**(6,230)**	4,521
Attributable to:		
Equity holders of the parent	**(6,337)**	4,025
Non-controlling interests	**107**	496
	(6,230)	4,521

The notes on pages 66 to 105 form part of these financial statements.

Consolidated Statement of Financial Position

as at 31 December 2015
Company number: 03967525

	Note	**31 December 2015 £'000**	30 April 2015 £'000
Non-current assets			
Goodwill	9	**54,827**	58,096
Other intangible assets	10	**13,527**	15,178
Property, plant and equipment	11	**2,928**	3,194
Investment in associates	13	**45**	32
Deferred tax asset	20	**2,267**	1,408
Total non-current assets		**73,594**	77,908
Current assets			
Trade and other receivables	14	**24,318**	29,879
Cash and cash equivalents	15	**8,755**	9,295
Total current assets		**33,073**	39,174
Total assets		**106,667**	117,082
Current liabilities			
Trade and other payables	16	**(6,566)**	(7,489)
Accruals and deferred income	17	**(12,340)**	(11,510)
Financial liabilities	18	**(8,227)**	(8,761)
Current tax liabilities		**(251)**	(1,280)
Provisions	19	**(89)**	(121)
Total current liabilities		**(27,473)**	(29,161)
Non-current liabilities			
Financial liabilities	18	**(34,055)**	(35,957)
Provisions	19	**(486)**	(485)
Deferred tax liability	20	**(2,244)**	(2,821)
Total non-current liabilities		**(36,785)**	(39,263)
Total liabilities		**(64,258)**	(68,424)
Total net assets		**42,409**	48,658
Equity			
Ordinary shares	22	**19,290**	19,193
Share premium	23	**11,764**	11,657
Other reserves	23	**656**	772
Retained earnings	23	**9,891**	16,012
Equity attributable to the owners of the parent		**41,601**	47,634
Non-controlling interests		**808**	1,024
Total equity		**42,409**	48,658

The financial statements on pages 61 to 105 were approved and authorised for issue by the Board of Directors on 29 March 2016 and were signed on its behalf by:

Michael Karg
Director

Andrew Beach
Director

The notes on pages 66 to 105 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the 8 month period ended 31 December 2015

	Note	Ordinary shares £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total £'000	Non-controlling interests £'000	Total equity £'000
1 May 2014		18,873	10,750	367	13,810	43,800	717	44,517
Profit for the year		–	–	–	3,623	3,623	496	4,119
Other comprehensive income		–	–	402	–	402	–	402
Total comprehensive income for the year		**–**	**–**	**402**	**3,623**	**4,025**	**496**	**4,521**
Shares issued for cash	22	79	110	3	(3)	189	–	189
Acquisition of non-controlling interest	22	241	797	–	(2,563)	(1,525)	113	(1,412)
Share options charge	3	–	–	–	1,215	1,215	–	1,215
Deferred tax on share options	20	–	–	–	(70)	(70)	–	(70)
Dividends paid to non-controlling interests		–	–	–	–	–	(302)	(302)
30 April 2015		**19,193**	**11,657**	**772**	**16,012**	**47,634**	**1,024**	**48,658**
(Loss)/profit for the period		–	–	–	(6,221)	(6,221)	107	(6,114)
Other comprehensive expense		–	–	(116)	–	(116)	–	(116)
Total comprehensive (expense)/income for the period		**–**	**–**	**(116)**	**(6,221)**	**(6,337)**	**107**	**(6,230)**
Shares issued for cash	22	97	107	–	–	204	–	204
Acquisition of non-controlling interest		–	–	–	(23)	(23)	(20)	(43)
Share options charge	3	–	–	–	228	228	–	228
Deferred tax on share options	20	–	–	–	186	186	–	186
Dividends paid to shareholders	26	–	–	–	(291)	(291)	–	(291)
Dividends paid to non-controlling interests		–	–	–	–	–	(303)	(303)
31 December 2015		**19,290**	**11,764**	**656**	**9,891**	**41,601**	**808**	**42,409**

The notes on pages 66 to 105 form part of these financial statements.

Consolidated Cash Flow Statement

for the 8 month period ended 31 December 2015

	Note	8 month period ended 31 December 2015 £'000	Year ended 30 April 2015 £'000
Cash flows from operating activities			
Cash generated from operations	27	**5,028**	7,927
Finance expenses paid		**(601)**	(1,242)
Finance income received		**13**	8
Income taxes paid		**(892)**	(1,618)
Net cash generated from operating activities		**3,548**	5,075
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		**(3,002)**	(5,248)
Proceeds from disposal of investments		**–**	68
Net purchase of property, plant and equipment		**(502)**	(1,464)
Net purchase of intangible assets	10	**(826)**	(1,664)
Net cash used in investing activities		**(4,330)**	(8,308)
Cash flows from financing activities			
Proceeds from issue of share capital (net of issue costs)		**205**	252
Proceeds from bank borrowings		**2,578**	36,703
Repayment of bank borrowings		**(1,982)**	(31,107)
Bank loan fees paid		**–**	(360)
Interest rate swap closure		**–**	(29)
Acquisition of interest in a subsidiary from non-controlling interests		**(1,105)**	(282)
Dividends paid to shareholders		**(291)**	–
Dividends paid to non-controlling interests		**(195)**	(259)
Capital repayment of finance leases		**(4)**	(197)
Net cash flow (used in)/generated from financing activities		**(794)**	4,721
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		**(1,576)**	1,488
Cash, cash equivalents and bank overdraft at beginning of period/year	15	**7,884**	6,521
Effect of unrealised foreign exchange losses		**56**	(125)
Cash, cash equivalents and bank overdraft at end of period/year	15	**6,364**	7,884

The notes on pages 66 to 105 form part of these financial statements.

Notes to the Consolidated Financial Statements

for the 8 month period ended 31 December 2015

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 21 offices across 14 countries.

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 IFRS IC 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 18.

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 periods/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 period beginning on or after 1 May 2015 that have had a material impact on the Group.

Basis of consolidation

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

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

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

Business combinations

Acquisition method of accounting

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

1. ACCOUNTING POLICIES CONTINUED

Where the consideration for the acquisition includes a contingent deferred consideration arrangement, this is measured at fair value at the acquisition date. Any subsequent changes to the fair value of the contingent deferred consideration are adjusted against the cost of the acquisition if they occur within the measurement period and only if the changes relate to conditions existing at the acquisition date. 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.

Notes to the Consolidated Financial Statements

for the 8 month period ended 31 December 2015

1. ACCOUNTING POLICIES CONTINUED

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

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

Finance income and expenses

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

Foreign currencies

For the purposes of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company, and the 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 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 potential acquisitions (where formal discussion is undertaken), completed 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. Costs associated with ongoing market landscaping, acquisition identification and early stage discussions with acquisition targets are reported in underlying administrative expenses.

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.

1. ACCOUNTING POLICIES CONTINUED

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.

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.

Notes to the Consolidated Financial Statements

for the 8 month period ended 31 December 2015

1. ACCOUNTING POLICIES CONTINUED

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.

Computer software

Purchased computer software intangible assets are amortised on a straight-line basis over their useful lives which vary from 2 to 5 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.

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.

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 liabilities.

Bank borrowings

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

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

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

Derivative financial instruments

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

Cash flow hedges were used to hedge against fluctuations in future cash flows on the Group's debt funding due to movements in interest rates. 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.

Notes to the Consolidated Financial Statements

for the 8 month period ended 31 December 2015

1. ACCOUNTING POLICIES CONTINUED

Employee Share Ownership Plan (ESOP)

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

Share-based payments

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

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

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 financial statements.

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.

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.

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. 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

No new standards and changes came into effect during the period beginning 1 May 2015.

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:

Amendments to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible assets' (effective on or after 1 January 2016). This amendment provides clarification of acceptable methods of depreciation and amortisation. The Group will apply these amendments from 1 January 2016.

IFRS 15 'Revenue from Contracts with Customers' (effective on or after 1 January 2018). 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 January 2018.

Notes to the Consolidated Financial Statements

for the 8 month period ended 31 December 2015

1. ACCOUNTING POLICIES CONTINUED

IFRS 9 'Financial Instruments' (effective on or after 1 January 2018). This standard addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard. The Group will apply IFRS 9 from 1 January 2018.

IFRS 16 'Leases' (effective on or after 1 January 2019). This standard replaces IAS 17 'Leases' and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. IFRS 16 eliminates the two lease classifications that IAS 17 has (operating and finance leases) for the lessee, and instead all leases will have the same classification. The Group will apply IFRS 16 from 1 January 2019.

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

2. SEGMENTAL REPORTING

In accordance with IFRS 8 the Group's operating segments are based on the reports reviewed by the Executive Directors that are used to make strategic decisions.

Certain operating segments have been aggregated to form 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 and multi-channel analytics services.

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 8 month period ended 31 December 2015 is as follows:

8 month period ended 31 December 2015

	Media Value Measurement £'000	Market Intelligence £'000	Marketing Performance Optimization £'000	Reportable Segments £'000	Unallocated £'000	Total £'000
Revenue	**20,409**	**16,002**	**6,899**	**43,310**	**–**	**43,310**
Operating (loss)/profit before highlighted items	**(81)**	**2,070**	**1,874**	**3,863**	**(3,866)**	**(3)**
Total assets	**53,011**	**29,398**	**10,640**	**93,049**	**13,618**	**106,667**
Other segment information						
Capital expenditure – property, plant and equipment	**26**	**–**	**12**	**38**	**512**	**550**
Capital expenditure – intangible assets	**77**	**–**	**–**	**77**	**750**	**827**
Total	**103**	**–**	**12**	**115**	**1,262**	**1,377**

2. SEGMENTAL REPORTING CONTINUED

Year ended 30 April 2015

	Media Value Measurement £'000	Market Intelligence £'000	Marketing Performance Optimization £'000	Reportable Segments £'000	Unallocated £'000	Total £'000
Revenue	40,046	25,768	8,060	73,874	–	73,874
Operating profit/(loss) before highlighted items	11,224	3,447	2,905	17,576	(5,847)	11,729
Total assets	59,432	40,104	9,580	109,116	7,966	117,082
Other segment information						
Capital expenditure – property, plant and equipment	743	146	20	909	585	1,494
Capital expenditure – intangible assets	1,936	757	–	2,693	539	3,232
Capital expenditure – goodwill	2,790	–	–	2,790	–	2,790
Total	5,469	903	20	6,392	1,124	7,516

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

	8 month period ended 31 December 2015 £'000	Year ended 30 April 2015 £'000
Reportable segment operating profit before highlighted items	**3,863**	17,576
Unallocated costs:		
Staff costs	**(3,281)**	(4,773)
Property costs	**(260)**	(404)
Exchange rate movements	**31**	(179)
Other administrative expenses	**(356)**	(491)
Operating (loss)/profit before highlighted items	**(3)**	11,729
Highlighted items (note 3)	**(6,656)**	(5,913)
Operating (loss)/profit	**(6,659)**	5,816
Net finance costs	**(800)**	(1,171)
Share of profit of associates	**13**	12
(Loss)/profit before tax	**(7,446)**	4,657

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

Notes to the Consolidated Financial Statements

for the 8 month period ended 31 December 2015

2. SEGMENTAL REPORTING CONTINUED

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

	31 December 2015 £'000	30 April 2015 £'000
Total assets for reportable segments	**93,049**	109,116
Unallocated amounts:		
Property, plant and equipment	**2,278**	1,450
Other intangible assets	**2,853**	954
Other receivables	**2,892**	985
Cash and cash equivalents	**3,478**	3,309
Deferred tax asset	**2,113**	1,236
Investments in associates	**4**	32
Total assets	**106,667**	117,082

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

	8 month period ended 31 December 2015		Year ended 30 April 2015	
	Revenue by location of customers £'000	**Non-current assets £'000**	Revenue by location of customers £'000	Non-current assets £'000
United Kingdom	**13,142**	**46,955**	23,864	51,152
Rest of Europe	**14,786**	**7,957**	23,726	8,356
North America	**10,376**	**6,297**	17,227	6,185
Rest of world	**5,006**	**10,118**	9,057	10,807
	43,310	**71,327**	73,874	76,500
Deferred tax assets	**–**	**2,267**	–	1,408
Total	**43,310**	**73,594**	73,874	77,908

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.

	8 month period ended 31 December 2015			Year ended 30 April 2015		
	Cash £'000	**Non-cash £'000**	**Total £'000**	Cash £'000	Non-cash £'000	Total £'000
Administrative Expenses						
Recurring:						
Share option charge	**203**	**228**	**431**	140	1,215	1,355
Amortisation of purchased intangibles	**–**	**1,327**	**1,327**	–	2,030	2,030
	203	**1,555**	**1,758**	140	3,245	3,385
Non-recurring:						
Acquisition and integration costs	**533**	**–**	**533**	1,730	–	1,730
Impairment costs	**–**	**4,365**	**4,365**	–	–	–
Refinancing costs	**–**	**–**	**–**	404	–	404
Property costs	**–**	**–**	**–**	394	–	394
	533	**4,365**	**4,898**	2,528	–	2,528
Total highlighted items before tax	**736**	**5,920**	**6,656**	2,668	3,245	5,913
Taxation credit	**(128)**	**(628)**	**(756)**	(309)	(846)	(1,155)
Total highlighted items after tax	**608**	**5,292**	**5,900**	2,359	2,399	4,758

Amortisation of purchased intangibles of £1,327,000 relates to acquisitions made in prior years.

Share option charges include the non-cash IFRS 2 charge (£228,000), along with the cash element in relation to the exercising of share options (£203,000).

Acquisition costs represent professional fees incurred in relation to acquisitions (£167,000) and adjustments to the fair value of deferred consideration (a credit of £230,000; April 2015: £548,000 debit) resulting primarily from a downward revision of deferred consideration in relation to one acquisition and discounting all deferred consideration balances to net present value, partially offset by the related foreign exchange impacts (£198,000). Integration costs include certain one-off costs incurred whilst integrating the acquisitions made in the prior financial years including severance costs arising from the restructure of senior management following these acquisitions (£151,000). Also included are fees in relation to the appointment and ongoing transition costs in relation to the new Group CEO (£247,000).

The impairment costs include £3,129,000 goodwill impairment, £559,000 purchased intangible assets impairment, £214,000 capitalised development costs impairment and £463,000 pre-acquisition adjustments in relation to the Reputation business.

We are fully impairing the goodwill, purchased intangible asset and related capitalised development costs in relation to the Reputation business. This business, formerly Echo Research Group, was acquired in 2011. Over the last four years we have integrated the business fully into our Market Intelligence Practice; the technologies and methodologies which were represented by the goodwill and purchased intangibles have been replaced, integrated or superseded and the client relationships have in many cases evolved into more integrated contracts. We are no longer able to support the original carrying value and believe that full impairment reflects the evolution of this part of our business in line with our longer-term corporate strategy.

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 and integration costs, are included as a cash item.

As at 31 December 2015, £442,000 of the £736,000 cash highlighted items had been settled.

Notes to the Consolidated Financial Statements

for the 8 month period ended 31 December 2015

4. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	8 month period ended 31 December 2015 £'000	Year ended 30 April 2015 £'000
Operating lease rentals		
— other	**43**	54
— land and buildings	**1,475**	1,667
Depreciation and amortisation (notes 10 and 11)	**2,481**	3,764
Impairment (notes 9 and 10)	**3,902**	–
Loss on disposal of fixed assets	**18**	–
Research costs – expensed	**337**	454
Foreign exchange loss	**16**	694

Auditors' remuneration

During the 8 month period the Group (including its overseas subsidiaries) obtained the following services from the Group's auditors at costs as detailed below:

	8 month period ended 31 December 2015 £'000	Year ended 30 April 2015 £'000
Fees payable to the Company's auditors for the audit of the parent company and consolidated financial statements	**84**	73
Fees payable to the Company's auditors and their associates for other services:		
— The audit of the Company's subsidiaries, pursuant to Legislation	**112**	108
— Other audit-related assurance services	**24**	22
	220	203

5. EMPLOYEE INFORMATION

The monthly average number of employees employed by the Group during the period, including Executive Directors, was as follows:

	8 month period ended 31 December 2015 No.	Year ended 30 April 2015 No.
Media Value Measurement	**291**	252
Market Intelligence	**373**	396
Marketing Performance Optimization	**71**	46
IT development and support	**56**	50
Administration	**104**	100
Directors	**7**	6
	902	850

At 31 December 2015, the total number of employees of the Group was 926 (30 April 2015: 885).

5. EMPLOYEE INFORMATION CONTINUED

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

	8 month period ended 31 December 2015 £'000	Year ended 30 April 2015 £'000
Wages and salaries	**23,968**	32,970
Social security costs	**2,839**	3,868
Other pension costs	**493**	924
Share options charge	**228**	1,392
	27,528	39,154

Directors' Remuneration

During the period no Non-Executive Directors were appointed to the Board (30 April 2015: 2). One Executive Director was appointed (30 April 2015: none) and none resigned from the Board during the period (30 April 2015: none).

Total Directors' remuneration was £727,000 (£218,000 to the highest paid Director) (30 April 2015: £971,000, £326,000 to the highest paid Director) inclusive of performance bonuses, totalling £nil (30 April 2015: £nil). Directors are eligible for cash bonuses as a percentage of base salary, dependent on individual and company performance against established financial targets. Fees of £27,000 payable to three Non-Executive Directors were incurred in relation to the appointment of the new Group CEO (30 April 2015: £nil). These costs have been recorded as highlighted items (see note 3).

No Directors were a member of a company pension scheme as at 31 December 2015 (30 April 2015: none). Contributions totalling £7,000 (30 April 2015: £8,000) were made to Directors' private pension schemes (£nil to the highest paid Director, 30 April 2015: £nil) during the period.

One Director exercised 150,000 share options during the period (with a gain of £92,000 made on exercise) (30 April 2015: 60,280) (the highest paid Director exercised no share options; 30 April 2015: nil).

During the period 400,000 (30 April 2015: 1,060,000) share options were granted to Directors (nil to the highest paid Director; 30 April 2015: 800,000) 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.

See the Remuneration Report on pages 54 to 55 for more details.

Notes to the Consolidated Financial Statements

for the 8 month period ended 31 December 2015

6. FINANCE INCOME AND EXPENSES

	8 month period ended 31 December 2015 £'000	Year ended 30 April 2015 £'000
Finance income		
Bank interest	**7**	8
Other interest	**6**	–
Finance income	**13**	8
Finance expenses		
Bank loans and overdraft interest	**(752)**	(1,088)
Loan fee amortisation	**(60)**	(88)
Finance lease interest	**(1)**	(3)
Finance expenses	**(813)**	(1,179)

7. TAXATION (CREDIT)/CHARGE

	8 month period ended 31 December 2015			Year ended 30 April 2015		
	Before highlighted items £'000	**Highlighted items £'000**	**Total £'000**	Before highlighted items £'000	Highlighted items £'000	Total £'000
UK tax						
Current period/year	**194**	**(128)**	**66**	570	(298)	272
Adjustment in respect of prior year	**(236)**	**–**	**(236)**	(798)	–	(798)
	(42)	**(128)**	**(170)**	(228)	(298)	(526)
Foreign tax						
Current year	**248**	**–**	**248**	2,079	(11)	2,068
Adjustment in respect of prior year	**(160)**	**–**	**(160)**	(399)	–	(399)
	88	**–**	**88**	1,680	(11)	1,669
Total current tax	**46**	**(128)**	**(82)**	1,452	(309)	1,143
Deferred tax						
Origination and reversal of temporary differences (note 20)	**(622)**	**(628)**	**(1,250)**	241	(846)	(605)
Total tax (credit)/charge	**(576)**	**(756)**	**(1,332)**	1,693	(1,155)	538

7. TAXATION (CREDIT)/CHARGE CONTINUED

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

	8 month period ended 31 December 2015 £'000	Year ended 30 April 2015 £'000
(Loss)/profit before tax	(7,446)	4,657
Corporation tax at 20.0% (30 April 2015: 20.9%)	(1,489)	974
Non-deductible taxable expenses/income	943	460
Overseas tax rate differential	24	617
Losses not relieved against other Group entities	832	38
Utilisation of previously unrecognised tax losses now recouped to reduce current tax expense	(80)	(115)
Adjustment in respect of prior years	(396)	(1,197)
Effect of charge in deferred tax rate	(265)	–
Deferred tax	(985)	(605)
Other	84	366
Total tax (credit)/charge	(1,332)	538

The applicable tax rate has decreased from 20.9% to 20.0% due to the reduction of the UK Corporation Tax rate to 20.0% in April 2015.

A further rate reduction to 19% effective from 1 April 2017 and then to 18% from 1 April 2020 was substantively enacted on 28 October 2015 and therefore any relevant deferred tax balances have been measured at these rates.

8. EARNINGS PER SHARE

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

	8 month period ended 31 December 2015 £'000	Year ended 30 April 2015 £'000
Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the parent	(6,221)	3,623
Adjustments:		
Impact of highlighted items (net of tax) [1]	5,885	4,723
Earnings for the purpose of underlying earnings per share	(336)	8,346
Number of shares:		
Weighted average number of shares during the period		
— Basic	76,976,240	75,820,669
— Dilutive effect of share options	1,993,033	2,084,430
— Diluted	78,969,273	77,905,099
Basic earnings per share	(8.08)p	4.78p
Diluted earnings per share	(8.08)p	4.65p
Underlying basic earnings per share	(0.44)p	11.01p
Underlying diluted earnings per share	(0.43)p	10.71p

[1] Highlighted items attributable to equity holders of the parent (see note 3), stated net of their total tax impact.
[2] 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 8 month period ended 31 December 2015

9. GOODWILL

	£'000
Cost	
At 1 May 2014	55,121
Adjustments in respect of a pre-acquisition period	3
Acquisitions	2,787
Foreign exchange differences	185
At 30 April 2015	58,096
Adjustments in respect of a pre-acquisition period	**(177)**
Foreign exchange differences	**37**
At 31 December 2015	**57,956**
Accumulated impairment	
At 1 May 2014	–
At 30 April 2015	–
Impairment	**(3,129)**
At 31 December 2015	**(3,129)**
Net book value	
At 31 December 2015	**54,827**
At 30 April 2015	58,096
At 1 May 2014	55,121

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill may be potentially impaired. Goodwill is allocated to the Group's cash-generating units (CGUs) in order to carry out impairment tests.

Goodwill has been allocated to the following segments:

	8 month period ended 31 December 2015 £'000	Year ended 30 April 2015 £'000
Media Value Measurement	**26,886**	27,337
Market Intelligence	**21,904**	24,886
Marketing Performance Optimization	**6,037**	5,873
	54,827	58,096

The impairment test involves comparing the carrying value of the CGU to which the goodwill has been allocated to the recoverable amount. The recoverable amount of all CGUs has been determined based on value in use calculations.

The goodwill impairment charge of £3,129,000 (30 April 2015: £nil) relates to the full impairment of the goodwill in relation to the Reputation CGU, included in the Market Intelligence segment. This business, formerly Echo Research Group, was acquired in 2011. Over the last four years we have integrated the business fully into our Market Intelligence Practice; the technologies and methodologies which were represented by the goodwill have been replaced, integrated or superseded and the client relationships have in many cases evolved into more integrated contracts. We are no longer able to support the original carrying value and believe that full impairment reflects the evolution of this part of our business in line with our longer-term corporate strategy.

Under IFRS, an impairment charge is required for goodwill when the carrying amount exceeds the recoverable amount, defined as the higher of fair value less costs to sell and value in use.

9. GOODWILL CONTINUED

Value in use calculations

The value in use calculations are based on assumptions regarding the discount rates, and revenue and cost growth rates. The Directors prepare a three year pre-tax cash flow forecast based on the following financial year's budget as approved by the Board, with revenue and cost forecasts for the following 2 years adjusted by segment and geography. The forecast takes account of actual results from previous years combined with management expectations of market developments.

The Directors estimate discount rates using rates that reflect current market assessments of the time value of money and risk specific to the cash-generating units. The three-year pre-tax cash flow forecasts have been discounted at between 8.2% and 9.7% (30 April 2015: 9.5%).

Cash flows beyond the three year period are extrapolated at a rate of 2.25% (30 April 2015: 2.0%), which does not exceed the long-term average growth rate in any of the markets in which the Group operates.

The excess of the value in use to the goodwill carrying values for each CGU gives the level of headroom in each CGU.

Sensitivity analysis

Sensitivity analysis has been performed on the value in use calculation by changing the key assumptions applicable to each CGU.

The following sensitivities have been applied to the value in use assumptions:

- Increase in pre-tax discount rates by 5%
- Decrease in future cash flows by 10%

As a result of applying these sensitivities no CGUs have a value in use below recoverable value.

A specific sensitivity analysis was applied to each of the following CGUs, which reside in the MI segment, have a combined carrying value of £21.1 million and are the most sensitive CGUs, to identify the size of any change in assumption required to indicate an impairment of goodwill:

	Adjustment to discount rate	Adjustment to future cash flows
Advertising UK, US and International	+7.4pp	–46.0pp
Advertising Germany	+8.6pp	–59.0pp

The Directors consider that the result of the above sensitivity analysis means that there is no further impairment of goodwill.

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for the 8 month period ended 31 December 2015

10. OTHER INTANGIBLE ASSETS

	Capitalised development costs £'000	Computer software £'000	Purchased intangible assets £'000	Total intangible assets £'000
Cost				
At 1 May 2014	1,948	1,696	21,856	25,500
Additions	1,057	615	–	1,672
Acquisitions	–	1	1,559	1,560
Disposals	–	(21)	–	(21)
Foreign exchange	(8)	(97)	(156)	(261)
At 30 April 2015	2,997	2,194	23,259	28,450
Additions	**652**	**175**	**–**	**827**
Disposals	**–**	**(13)**	**–**	**(13)**
Foreign exchange	**(11)**	**27**	**40**	**56**
At 31 December 2015	**3,638**	**2,383**	**23,299**	**29,320**
Amortisation and impairment				
At 1 May 2014	(855)	(1,022)	(9,197)	(11,074)
Charge for the year	(281)	(204)	(2,030)	(2,515)
Disposals	–	21	–	21
Foreign exchange	–	85	211	296
At 30 April 2015	(1,136)	(1,120)	(11,016)	(13,272)
Charge for the period	**(194)**	**(190)**	**(1,327)**	**(1,711)**
Disposals	**–**	**12**	**–**	**12**
Impairment	**(214)**	**–**	**(559)**	**(773)**
Foreign exchange	**–**	**(22)**	**(27)**	**(49)**
At 31 December 2015	**(1,544)**	**(1,320)**	**(12,929)**	**(15,793)**
Net Book Value				
At 31 December 2015	**2,094**	**1,063**	**10,370**	**13,527**
At 30 April 2015	1,861	1,074	12,243	15,178
At 1 May 2014	1,093	674	12,659	14,426

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 capitalised development costs impairment charge of £214,000 and the purchased intangible assets impairment charge of £559,000 (30 April 2015: £nil), which relates to the full impairment of the purchased intangibles, is in relation to the Reputation CGU which is included in the Market Intelligence segment. This business, formerly Echo Research Group, was acquired in 2011. Over the last four years we have integrated the business fully into our Market Intelligence Practice; the technologies and methodologies which were represented by the purchased intangibles and related capitalised development costs have been replaced, integrated or superseded and the client relationships have in many cases evolved into more integrated contracts. We are no longer able to support the original carrying value and believe that full impairment reflects the evolution of this part of our business in line with our longer-term corporate strategy.

Under IFRS, an impairment charge is required for indefinite-lived assets when the carrying amount exceeds the recoverable amount, defined as the higher of fair value less costs to sell and value in use.

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 2014	39	1,815	5,389	1,613	8,856
Additions	17	112	953	377	1,459
Acquisitions	–	11	24	–	35
Disposals	(14)	(298)	(351)	(914)	(1,577)
Foreign exchange	(5)	(56)	(142)	(27)	(230)
At 30 April 2015	37	1,584	5,873	1,049	8,543
Additions	**–**	**92**	**355**	**103**	**550**
Disposals	**–**	**(201)**	**(1,307)**	**(2)**	**(1,510)**
Foreign exchange	**1**	**15**	**21**	**–**	**37**
At 31 December 2015	**38**	**1,490**	**4,942**	**1,150**	**7,620**
Depreciation					
At 1 May 2014	(9)	(994)	(3,717)	(974)	(5,694)
Charge for the year	(5)	(135)	(830)	(279)	(1,249)
Acquisitions	–	(3)	(13)	–	(16)
Disposals	10	269	322	836	1,437
Foreign exchange	1	42	118	12	173
At 30 April 2015	(3)	(821)	(4,120)	(405)	(5,349)
Charge for the period	**(3)**	**(83)**	**(527)**	**(157)**	**(770)**
Disposals	**–**	**161**	**1,307**	**2**	**1,470**
Foreign exchange	**–**	**(10)**	**(26)**	**(7)**	**(43)**
At 31 December 2015	**(6)**	**(753)**	**(3,366)**	**(567)**	**(4,692)**
Net Book Value					
At 31 December 2015	**32**	**737**	**1,576**	**583**	**2,928**
At 30 April 2015	34	763	1,753	644	3,194
At 1 May 2014	30	821	1,672	639	3,162

The Group holds assets under finance leases within fixtures and fittings, with cost of £21,000 (30 April 2015: £21,000) and accumulated depreciation of £8,000 (30 April 2015: £5,000).

Notes to the Consolidated Financial Statements

for the 8 month period ended 31 December 2015

12. SUBSIDIARIES

Details of the Company's subsidiaries are set out below.

* Principal trading entity
† Shares held by an intermediate holding company

Subsidiary undertaking	Proportion of nominal value of issued ordinary shares held	Country of incorporation	Nature of business
Adtrack Limited	100%†	UK	Non-trading
AMMO Limited	100%†	UK	Non-trading
Axiology Limited	100%†	UK	Non-trading
Barsby Rowe Limited	100%†	UK	Non-trading
BCMG Acquisitions Limited	100%†	UK	Non-trading
BCMG Limited	100%	UK	Holding company
Billetts Consulting Limited	100%†	UK	Non-trading
Billetts International Limited	100%†	UK	Non-trading
Billetts Limited	100%†	UK	Non-trading
Billetts Marketing Investment Management Limited	100%†	UK	Non-trading
Billetts Marketing Sciences Limited	100%†	UK	Non-trading
Billetts Media Consulting Limited	100%†	UK	Non-trading
Brief Information Limited	100%†	UK	Non-trading
Checking Advertising Services Limited	100%	UK	Non-trading
China Media (Shanghai) Management Consulting Company Limited*	100%†	China	Media consultancy
China Media Consulting Group Limited	100%†	Hong Kong	Holding company
Data Management Services Group Limited	100%†	UK	Non-trading
Digireels Limited UK	100%†	UK	Non-trading
Ebiquity Asia Pacific Limited	100%†	UK	Holding company
Ebiquity Associates Limited*	100%	UK	Media monitoring and consultancy
Ebiquity Germany GmbH*	94.03%†	Germany	Media monitoring and consultancy
Ebiquity Holdings Inc.	100%	USA	Holding company
Ebiquity Inc.*	100%†	USA	Media monitoring and consultancy and reputation management
Ebiquity Italia S.r.l.*	51%†	Italy	Media consultancy
Ebiquity Pte. Limited*	100%†	Singapore	Media consultancy
Ebiquity Pty Limited*	100%†	Australia	Media monitoring and consultancy
Ebiquity Russia Limited*	50.1%†	UK	Media consultancy
Ebiquity Russia OOO*	50.1%†	Russia	Media consultancy
Ebiquity SAS*	80%†	France	Media consultancy
Ebiquity US Financing Limited	100%	UK	Non-trading
Ebiquity US Holdings Limited	100%†	UK	Holding company
Ebiquity US Holdings LLC	100%†	USA	Holding company
Echo Group Limited	100%	UK	Holding company
Echo Research Limited*	100%†	UK	Reputation management
Echo Research Pte Limited	100%	Singapore	Reputation management
Efficiency Elements SL*	100%†	Spain	Marketing effectiveness
Fairbrother Lenz Eley Limited	100%†	UK	Non-trading

12. SUBSIDIARIES CONTINUED

Subsidiary undertaking	Proportion of nominal value of issued ordinary shares held	Country of incorporation	Nature of business
Faulkner Group Pty Limited	100%†	Australia	Non-trading
Firm Decisions ASJP Germany GmbH	100%†	Germany	Media consultancy
Firm Decisions Group Limited	100%	UK	Holding company
FirmDecisions ASJP LLC*	100%†	USA	Media consultancy
FirmDecisions Pty Limited*	100%†	Australia	Media consultancy
FirmDecisions Limited*	100%†	UK	Media consultancy
FLE Holdings Limited	100%	UK	Holding company
Fouberts Place Subsidiary No. 4 Limited	100%†	UK	Non-trading
Freshcorp Limited	100%†	UK	Non-trading
Media Value SL*	100%†	Spain	Media consultancy
Mediaadvantage Consulting L.d.a*	100%†	Portugal	Media consultancy
Nova Vision Europe S.A.	100%†	Belgium	Non-trading
Prominent Pages Limited	100%†	UK	Non-trading
Shots Limited	100%†	UK	Non-trading
Stratigent LLC*	100%†	USA	Multi-channel analytics consultancy
Telefoto Monitoring Services Limited	100%†	UK	Non-trading
The Billett Consultancy Limited	100%†	UK	Non-trading
The Communication Trading Company Limited	100%†	UK	Non-trading
The Press Advertising Register Limited	100%†	UK	Non-trading
The Register Group Limited	100%†	UK	Non-trading
Worldwide Media Management Limited	100%†	UK	Non-trading
Xtreme Information Limited	100%†	UK	Non-trading
Xtreme Information Services (Australia) Pty Limited	100%†	Australia	Non-trading
Xtreme Information Services Limited	100%	UK	Holding company
Xtreme Information Services SPRL	100%†	Belgium	Non-trading
Xtreme Information (USA) Limited	100%†	UK	Non-trading

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13. INVESTMENT IN ASSOCIATES

	31 December 2015 £'000	30 April 2015 £'000
Aggregated amounts relating to associates		
Total assets	**362**	200
Total liabilities	**(275)**	(142)
Revenues	**365**	526
Profit	**27**	24
Opening balance	**32**	87
Disposals	**–**	(67)
Group's share of profit	**13**	12
Net investment in associates	**45**	32

As at the period end, the Group held 50% of the ordinary shares of Fairbrother Marsh Company Limited (incorporated in Ireland). In the prior year the Group sold its entire holding of 25% in SLiK Media Limited (incorporated in the United Kingdom).

14. TRADE AND OTHER RECEIVABLES

	31 December 2015 £'000	30 April 2015 £'000
Trade and other receivables due within one year		
Net trade receivables (note 25)	**16,283**	17,390
Other receivables	**1,104**	921
Prepayments	**1,678**	1,716
Accrued income	**5,253**	9,852
	24,318	29,879

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

15. CASH AND CASH EQUIVALENTS

	31 December 2015 £'000	30 April 2015 £'000
Cash and cash equivalents	**8,755**	9,295

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 1.5%.

Cash and cash equivalents include the following for the purposes of the cash flow statement:

	31 December 2015 £'000	30 April 2015 £'000
Cash and cash equivalents	**8,755**	9,295
Bank overdrafts (note 18)	**(2,391)**	(1,411)
Cash, cash equivalents and bank overdrafts	**6,364**	7,884

16. TRADE AND OTHER PAYABLES

	31 December 2015 £'000	30 April 2015 £'000
Trade payables	**3,538**	3,866
Other taxation and social security	**2,302**	2,660
Other payables	**726**	963
	6,566	7,489

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

17. ACCRUALS AND DEFERRED INCOME

	31 December 2015 £'000	30 April 2015 £'000
Accruals	**4,663**	4,577
Deferred income	**7,677**	6,933
	12,340	11,510

18. FINANCIAL LIABILITIES

	31 December 2015 £'000	30 April 2015 £'000
Current		
Bank overdraft	**2,391**	1,411
Bank borrowings	**2,410**	2,411
Finance lease liabilities	**4**	4
Contingent deferred consideration	**3,422**	4,935
	8,227	8,761
Non-current		
Bank borrowings	**32,615**	31,880
Finance lease liabilities	**9**	13
Contingent deferred consideration	**1,431**	4,064
	34,055	35,957
Total financial liabilities	**42,282**	44,718

Notes to the Consolidated Financial Statements

for the 8 month period ended 31 December 2015

18. FINANCIAL LIABILITIES CONTINUED

	Bank overdrafts £'000	Bank borrowings £'000	Finance lease liabilities £'000	Interest rate swaps £'000	Contingent deferred consideration £'000	Total £'000
At 1 May 2014	–	29,178	214	52	8,663	38,107
Recognised on acquisition	–	–	–	–	4,773	4,773
Additions	1,411	(360)	–	–	–	1,051
Utilised	–	–	(197)	–	(5,156)	(5,353)
Charged to the Income Statement	–	219	–	–	279	498
Charged to reserves	–	–	–	(52)	–	(52)
Borrowings	–	36,703	–	–	–	36,703
Repayments	–	(31,107)	–	–	–	(31,107)
Foreign exchange released to the Income Statement	–	(342)	–	–	269	(73)
Foreign exchange released to reserves	–	–	–	–	171	171
At 30 April 2015	1,411	34,291	17	–	8,999	44,718
Additions	**980**	**–**	**–**	**–**	**–**	**980**
Utilised	**–**	**–**	**(4)**	**–**	**(4,063)**	**(4,067)**
Charged to the Income Statement	**–**	**60**	**–**	**–**	**(82)**	**(22)**
Discounting charged to the Income Statement	**–**	**–**	**–**	**–**	**(148)**	**(148)**
Discounting charged to the Statement of Financial Position	**–**	**–**	**–**	**–**	**(49)**	**(49)**
Borrowings	**–**	**2,578**	**–**	**–**		**2,578**
Repayments	**–**	**(1,982)**	**–**	**–**	**–**	**(1,982)**
Foreign exchange released to the Income Statement	**–**	**78**	**–**	**–**	**198**	**276**
Foreign exchange released to reserves	**–**	**–**	**–**	**–**	**(2)**	**(2)**
At 31 December 2015	**2,391**	**35,025**	**13**	**–**	**4,853**	**42,282**

A currency analysis for the bank borrowings is shown below:

	31 December 2015 £'000	30 April 2015 £'000
Pound Sterling	**32,096**	31,440
Euros	**2,929**	2,851
Total bank borrowings	**35,025**	34,291

18. FINANCIAL LIABILITIES CONTINUED

All bank borrowings are held jointly with Barclays and Royal Bank of Scotland ('RBS'). The committed facility, totalling £40,000,000, comprises a term loan of £10,000,000 (of which £6,250,000 remains outstanding at 31 December 2015 (April 2015: £8,125,000)), and a revolving credit facility ('RCF') of £30,000,000 (of which £29,000,000 was drawn down at 31 December 2015 (April 2015: £26,451,000)). Both the term loan and the RCF have a maturity date of 2 July 2018. The £10,000,000 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.

Loan arrangement fees of £225,000 (April 2015: £285,000) are offset against the term loan, and are being amortised over the period of the loan.

The facility bears variable interest of LIBOR plus a margin of 2.50%. The margin rate is able to be lowered each quarter end depending on the Group's net debt to EBITDA ratio.

The undrawn amount of the revolving credit facility is liable to a fee of 40% of the prevailing margin. The Group may elect to prepay all or part of the outstanding loan subject to a break fee, by giving 5 business days' notice.

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

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 Statement of Financial Position date. All amounts are expected to be fully paid by August 2017.

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	
	31 December 2015 £'000	30 April 2015 £'000
Amounts due:		
Within one year	**6**	6
Between one and five years	**12**	18
	18	24
Less: finance charges allocated to future periods	**(5)**	(7)
Present value of lease obligations	**13**	17

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

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19. PROVISIONS

	Onerous property leases £'000	Dilapidations £'000	Total £'000
At 1 May 2014	191	884	1,075
Utilisation of provision	(141)	(308)	(449)
Unused amounts released to income statement	–	(37)	(37)
Increase in provision	1	12	13
Foreign exchange	4	–	4
At 30 April 2015	55	551	606
Utilisation of provision	**(47)**	**–**	**(47)**
Unused amounts released to income statement	**(1)**	**–**	**(1)**
Increase in provision	**–**	**17**	**17**
At 31 December 2015	**7**	**568**	**575**
Current	**7**	**82**	**89**
Non-current	**–**	**486**	**486**

The onerous property lease obligations relate to properties that the Group has vacated where there is a shortfall between the head lease costs and sub-lease income, properties with excess vacant space and certain property leases held in acquired companies upon acquisition, where lease payments are payable above a fair market rate. The provision was fully utilised in 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.

20. DEFERRED TAX

	Intangible assets £'000	Share-based payment £'000	Tax losses £'000	Other timing differences £'000	Total £'000
At 1 May 2014	(2,888)	1,208	80	89	(1,511)
Arising on acquisition	(437)	–	–	–	(437)
Credit/(charge) to income	504	199	(80)	(18)	605
Charge to equity	–	(70)	–	–	(70)
At 30 April 2015	(2,821)	1,337	–	71	(1,413)
Credit/(charge) to income	**577**	**46**	**631**	**(4)**	**1,250**
Credit to equity	**–**	**186**	**–**	**–**	**186**
At 31 December 2015	**(2,244)**	**1,569**	**631**	**67**	**23**

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:

	31 December 2015 £'000	30 April 2015 £'000
Deferred tax assets – non-current	**2,267**	1,408
Deferred tax liabilities – non-current	**(2,244)**	(2,821)
	23	(1,413)

20. DEFERRED TAX CONTINUED

At the period end, the Group had tax losses of £3,154,000 (30 April 2015: £nil) available for offset against future profits. A deferred tax asset of £631,000 (30 April 2015: £nil) has been recognised in respect of such losses.

The Group has unrecognised tax losses of £1,060,000 (30 April 2015: £nil) and unrecognised deferred tax assets of £212,000 (30 April 2015: £nil) in relation to tax losses.

21. OPERATING LEASES

Operating leases - lessee

The Group leases various offices under non-cancellable operating leases expiring within one to five years. The leases have varying terms, break clauses and renewal rights.

The Group had future aggregate minimum lease payments under non-cancellable operating leases at 31 December 2015 and 30 April 2015 which fall due as follows:

	31 December 2015		30 April 2015	
	Land and buildings £'000	**Other £'000**	Land and buildings £'000	Other £'000
Within one year	**1,883**	**80**	1,784	61
Between one and five years	**5,763**	**220**	6,011	176
After five years	**–**	**–**	89	5
	7,646	**300**	7,884	242

Operating leases - lessor

The Group sub-lets properties or parts of properties that have been vacated prior to the end of the lease term. Since the rents receivable over the lease terms are contracted to be less than the obligation to the head lessor, onerous lease provisions have been recognised (note 19). The sub-lease rental income for the 8 month period to 31 December 2015 was £nil (30 April 2015: £2,000).

There is no minimum aggregate future rent receivable under non-cancellable operating leases as at the period end.

22. ORDINARY SHARES

	Number of shares	**Nominal value £'000**
Allotted, called up and fully paid		
At 1 May 2014 – ordinary shares of 25p	75,491,111	18,873
Issued to acquire share of minority in Ebiquity Germany GmbH	966,413	241
Share options exercised	314,130	79
At 30 April 2015 – ordinary shares of 25p	76,771,654	19,193
Share options exercised	**390,034**	**97**
At 31 December 2015 – ordinary shares of 25p	**77,161,688**	**19,290**

Ordinary shares carry voting rights and are entitled to share in the profits of the Company (dividends). At the period end 4,201,504 shares were held by the ESOP (30 April 2015: 4,201,504). The Company does not have a limited amount of authorised capital.

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23. RESERVES

Share premium

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

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 period.

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 31 December 2015:

Name of share option scheme	Life of option	Exercise period	Exercise price (pence)	Weighted average exercise price	Number
EMI and UCSOP scheme	10 years	May 2004 – August 2021	nil – 72p	38.3p	924,593
Executive Incentive Plan – 12 May 2010	10 years	May 2011 – May 2020	35p	35.0p	4,200,000
Executive Share Option Plan – 27 September 2012	10 years	September 2012 – September 2022	25 – 98p	97.5p	228,833
Executive Share Option Plan – 23 May 2013	10 years	May 2016 – May 2023	25p	25p	390,000
Executive Share Option Plan – 17 January 2014	10 years	May 2016 – January 2024	25p	25p	1,025,000
Executive Share Option Plan – 15 May 2014	10 years	May 2017 – April 2024	25p	25p	1,992,500
Executive Share Option Plan – 01 October 2015	10 years	May 2018 – October 2025	25p	25p	1,519,111
					10,280,037

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.

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.

Executive share option plan (ESOP)

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

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 150,000 options was 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. These performance criteria were met in full and all of these options were exercised during the 8 month period.

The remaining 728,443 options that were issued on 27 September 2012 have a weighted exercise price of 97.5p and have no performance conditions attached.

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24. SHARE BASED PAYMENTS CONTINUED

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 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 between 5% and 15%.

On 15 May 2014, 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 between 4% and 10%.

Also on 15 May 2014, 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") in each of the three years ending 30 April 2017. Following the 30 April 2015 year end 108,640 of these options vested.

On 1 October 2015, 1,519,111 options with an exercise price of 25p were awarded under the ESOP scheme. 400,000 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 31 December 2017. On the basis of a reference EPS for the year ended 31 December 2014, options will vest based on a sliding scale of compound growth rates of between 4% and 10%.

The following share options were outstanding at 31 December 2015 and 30 April 2015:

	31 December 2015		30 April 2015	
	Number of share options	**Weighted average exercise price (pence)**	Number of share options	Weighted average exercise price (pence)
Outstanding at beginning of period/year	**9,463,919**	**33.7**	7,905,210	37.5
Granted during the period/year	**1,519,111**	**25.0**	2,225,000	25.0
Exercised during the period/year	**(390,034)**	**46.4**	(327,678)	57.4
Forfeited during the period/year	**(312,959)**	**35.3**	(338,613)	42.5
Outstanding at the end of the period/year	**10,280,037**	**31.9**	9,463,919	33.7
Exercisable at the end of the period/year	**5,367,537**	**38.2**	5,658,089	37.8

The weighted average share price on the dates of exercise for options exercised during the period was 130p (30 April 2015: 110p).

The options outstanding at the end of the period have a weighted average remaining contractual life of 6.4 years (30 April 2015: 6.6 years), with a range of exercise prices being between 25p and 97.5p. Options exercised in the period resulted in 390,034 shares (30 April 2015: 327,678 shares) being issued at a weighted average price of 46p each (30 April 2015: 57p).

24. SHARE BASED PAYMENTS CONTINUED

During the period, share options were granted with a weighted average fair value of 122p (30 April 2015: 104p). These fair values were calculated using the Black–Scholes model with the following inputs:

	31 December 2015	30 April 2015
Weighted average share price	146.5p	128.5p
Exercise price	25p	25p
Expected volatility[1]	18.9%	20%
Vesting period	0 to 3 years	3 years
Risk-free interest rates	0% to 0.52%	1.16%

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

A dividend of £291,000 was paid during the current financial period (30 April 2015: £nil). A dividend in respect of the period ended 31 December 2015 is intended to be paid following completion of a share capital reduction.

Subsequent to the period end, 200,000 options with an exercise price of 25p each were awarded under the ESOP scheme to an Executive Director. 100,000 of these options will vest after six months' service and the remaining 100,000 options will vest after 12 months' service, in each case subject to the Executive Director remaining in the employment of the Company.

Also subsequent to the period end, an additional 300,000 options with an exercise price of 25p each were granted to an Executive Director. These options will vest conditional on the satisfaction of performance criteria relating to the growth of the Company's diluted adjusted earnings per share ('EPS') as described in the paragraph below. 200,000 options ("tranche one") will vest conditional on the EPS growth for the financial year ending 31 December 2016 over the previous 12 month period ended 31 December 2015. 100,000 options ("tranche two") will vest conditional on the EPS growth for the financial year ending 31 December 2017 over the prior financial year. Any options from tranche one which do not vest will be rolled over into tranche two and will be capable of vesting along with the options granted as part of tranche two.

EPS growth, over the relevant performance period for each tranche, of 10% or more will result in all of the options in that tranche vesting. EPS growth of 4% over the relevant performance period will vest one fifth of the options in that tranche. None of the options in a tranche will vest if EPS growth over the relevant performance period is less than 4%. Three-fifths of the options in a tranche will vest if EPS growth over the relevant performance period is 8%. The options in a tranche will vest on a straight-line basis where EPS growth over the relevant performance period is between 4% and 8% or between 8% and 10%.

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

	31 December 2015	30 April 2015
Current financial assets		
Loans and receivables:		
Trade and other receivables[1]	**17,387**	18,324
Cash and cash equivalents	**8,755**	9,295
Total financial assets	**26,142**	27,619

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

FINANCIAL LIABILITIES

	31 December 2015	30 April 2015
Current financial liabilities		
Other financial liabilities at amortised cost:		
Trade and other payables[2]	**4,264**	4,829
Accruals	**4,663**	4,577
Bank overdrafts	**2,391**	1,411
Finance lease liabilities	**4**	4
Loans and borrowings	**2,410**	2,411
Liabilities at fair value through profit and loss:		
Contingent deferred consideration	**3,422**	4,935
	17,154	18,167
Non-current financial liabilities		
Other financial liabilities at amortised cost:		
Loans and borrowings	**32,615**	31,880
Finance lease liabilities	**9**	13
Liabilities at fair value through profit and loss:		
Contingent deferred consideration	**1,431**	4,064
	34,055	35,957
Total financial liabilities	**51,209**	54,124

[2] Trade and other payables includes trade payables and other payables 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 credit worthiness of a new customer is in doubt, credit limits and payment terms are established and authorised by the Group Finance Director. The Group will suspend the services provided to customers who fail to meet the terms and conditions specified in their contract where it is deemed necessary.

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

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

The Directors consider that the carrying amount 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 31 December 2015	**4,865**	**1,825**	**3,040**
At 30 April 2015	6,144	2,804	3,340

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

	31 December 2015			30 April 2015		
	Gross value £'000	**Provision £'000**	**Carrying value £'000**	Gross value £'000	Provision £'000	Carrying value £'000
Trade receivables	**16,472**	**(189)**	**16,283**	17,508	(118)	17,390

Notes to the Consolidated Financial Statements

for the 8 month period ended 31 December 2015

25. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

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

	31 December 2015 £'000	30 April 2015 £'000
Opening balance	**118**	177
Increase in provision	**132**	159
Written off against provision	**(62)**	(207)
Recovered amount reversed	**–**	(7)
Foreign exchange	**1**	(4)
Closing balance	**189**	118

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.

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 £95,000 (30 April 2015: £128,000).

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. 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 period end can be illustrated by the following:

	31 December 2015		30 April 2015	
	Increase in profit before tax £'000	**Increase in equity £'000**	Increase in profit before tax £'000	Increase in equity £'000
10% strengthening of USD	**123**	**4,119**	197	4,328
10% strengthening of EUR	**104**	**1,257**	(7)	1,131
10% strengthening of AUD	**(10)**	**469**	(23)	502

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 31 December 2015 is as follows:

	Cash and cash equivalents		Gross trade receivables	
	31 December 2015 £'000	30 April 2015 £'000	**31 December 2015 £'000**	30 April 2015 £'000
Pounds Sterling	**3,267**	4,916	**5,229**	5,647
US Dollar	**2,014**	1,873	**4,605**	4,679
Euros	**2,218**	1,647	**5,663**	5,686
Australian Dollar	**444**	169	**642**	944
Russian Rouble	**201**	148	**83**	145
Singapore Dollar	**–**	–	**73**	50
Chinese Renminbi	**611**	542	**134**	341
New Zealand Dollar	**–**	–	**43**	16
	8,755	9,295	**16,472**	17,508

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 8 month period the Group maintained a draw down facility with Barclays and Royal Bank of Scotland ('RBS') (see note 18) to manage any short-term cash requirements. At 31 December 2015 £nil (30 April 2015: £2,549,000) was undrawn. The facility expires in July 2018 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.

Notes to the Consolidated Financial Statements

for the 8 month period ended 31 December 2015

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 31 December 2015			
Trade and other payables	**4,264**	**–**	**4,264**
Accruals	**4,663**	**–**	**4,663**
Finance lease liabilities	**6**	**12**	**18**
Bank loans and overdrafts	**6,011**	**34,382**	**40,393**
Contingent deferred consideration	**3,422**	**1,431**	**4,853**
Total financial liabilities	**18,366**	**35,825**	**54,191**
Less: finance charges allocated to future periods	**(1,212)**	**(1,770)**	**(2,982)**
Present value	**17,154**	**34,055**	**51,209**
At 30 April 2015			
Trade and other payables	4,830	–	4,830
Accruals	4,577	–	4,577
Finance lease liabilities	6	18	24
Bank loans and overdrafts	5,101	33,742	38,843
Contingent deferred consideration	4,722	4,021	8,743
Total financial liabilities	19,236	37,781	57,017
Less: finance charges allocated to future periods	(1,282)	(1,866)	(3,148)
Present value	17,954	35,915	53,869

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 31 December 2015				
Financial liabilities				
Contingent deferred consideration	**–**	**–**	**4,853**	**4,853**
	–	**–**	**4,853**	**4,853**
At 30 April 2015				
Financial liabilities				
Contingent deferred consideration	–	–	8,743	8,743
	–	–	8,743	8,743

Refer to note 18 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 and note 23 for a breakdown of the Group's capital.

26. DIVIDENDS

A dividend of £291,000 (0.4p per share) was paid during the current financial period (30 April 2015: £nil). A dividend of 0.4p per share in respect of the period ended 31 December 2015 is intended to be paid following completion of a share capital reduction. These financial statements do not reflect this intended dividend payable.

Dividends were paid to Non-Controlling Interests as shown in the Consolidated Statement of Changes in Equity.

27. CASH GENERATED FROM OPERATIONS

	8 month period ended 31 December 2015 £'000	Year ended 30 April 2015 £'000
(Loss)/profit before taxation	**(7,446)**	4,657
Adjustments for:		
Depreciation (note 11)	**770**	1,249
Amortisation (note 10)	**1,711**	2,515
Impairment of goodwill	**3,129**	–
Impairment of intangible assets	**773**	–
Finance costs – loan fees written off	**–**	131
Interest rate swap closure	**–**	29
Loss/(profit) on disposal	**18**	(1)
Unrealised foreign exchange loss	**(95)**	208
Share option charges (note 3)	**228**	1,215
Finance income (note 6)	**(13)**	(8)
Finance expenses (note 6)	**813**	1,179
Share of profit of associates (note 13)	**(13)**	(12)
Contingent deferred consideration revaluations	**(32)**	548
	(157)	11,710
Decrease/(increase) in trade and other receivables	**5,549**	(2,270)
Decrease in trade and other payables	**(333)**	(1,040)
Movement in provisions	**(31)**	(473)
Cash generated from operations	**5,028**	7,927

Notes to the Consolidated Financial Statements

for the 8 month period ended 31 December 2015

28. ACQUISITIONS

Transactions with non-controlling interests

On 15 December 2015, the Group acquired the remaining 35% in its subsidiary undertaking, Fairbrother Iberica and Partners SL, from the minority shareholder for cash consideration of €60,000 (£43,000). Subsequently Fairbrother Iberica and Partners SL was liquidated and its business and assets were transferred to Media Value SL.

29. CONTINGENT LIABILITIES

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

30. RELATED PARTY TRANSACTIONS

The Group has a related party relationship with its subsidiaries (note 12), its associates (note 13), 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 (30 April 2015: £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 £35,000 (30 April 2015: £40,000) for public relations consultancy were charged to the Company by Instinctif Partners Limited, who has a common director with the Company.

As at the period end, £9,000 (30 April 2015: £10,000) was owed to Instinctif Partners Limited and £nil (30 April 2015: £nil) was owed to The Quoted Companies Alliance.

On 15 December 2015, the Group acquired the remaining 35% in its subsidiary undertaking, Fairbrother Iberica and Partners SL, from the minority shareholder for cash consideration of €60,000 (£43,000). Subsequently Fairbrother Iberica and Partners SL was liquidated and its business and assets were transferred to Media Value SL. This minority shareholding was acquired from Juan Luis Gil, the director of Fairbrother Iberica and Partners SL at that time and now an employee of Media Value SL.

Transactions with associates

Revenue of £21,000 (30 April 2015: £36,000) was earned by Ebiquity Associates Limited from Fairbrother Marsh Company Limited during the period.

Costs of £24,000 (30 April 2015: £48,000) were charged to Ebiquity Associates Limited by Fairbrother Marsh Company Limited during the period.

As at the period end £nil (30 April 2015: £nil) was owed to or by any associate companies.

31. EVENTS AFTER THE REPORTING PERIOD

On 11 March 2016 the Group acquired the outstanding 50% interest in its Irish media audit associate, Fairbrother Marsh Company Limited (FMC). The 50% interest in FMC was acquired for an initial cash consideration of €150,000. The maximum total consideration is up to €2m, payable in cash, depending on the performance of the FMC business during the period ending 31 December 2020.

Subsequent to the period end, the Group agreed to increase the total cap on consideration payable on the Stratigent LLC ('Stratigent') acquisition. The Group acquired Stratigent on 19 August 2013. Stratigent's management held a 7% economic interest in Stratigent which was acquired by the Group for a total consideration to be determined by the financial performance of Stratigent over the three financial years ending 30 April 2016 and capped at $1.5m. Stratigent's financial performance over the first two financial years resulted in consideration of $1.1m being paid to Stratigent's management. In order to ensure that management remains incentivised to continue to drive and generate the financial performance achieved over the first two financial years, the Group agreed to increase the total cap on consideration payable to management. Accordingly, in March 2016, the cap on consideration was increased by an amount of $1.5m, with any excess over and above the existing cap on consideration payable 25% in cash and 75% in new ordinary shares in Ebiquity plc (capped at 600,000 new shares). This has been treated as a non-adjusting event since no constructive obligation existed at the period end.

Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EBIQUITY PLC

REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS

Our opinion

In our opinion, Ebiquity plc's parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the parent company's affairs as at 31 December 2015;
- 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Company Statement of Financial Position as at 31 December 2015;
- the Company Statement of Changes in Equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (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.

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 period 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 parent 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.

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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("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 parent 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.

What an audit of financial statements involves

We conducted our audit in accordance with 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 parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

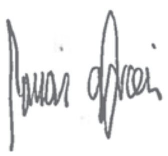
We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in 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.

OTHER MATTER

We have reported separately on the group financial statements of Ebiquity plc for the 8 month period ended 31 December 2015.



Simon O'Brien (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 March 2016

Company Statement of Financial Position

as at 31 December 2015

Company number: 03967525

	Note	**31 December 2015 £'000**	30 April 2015 £'000
Fixed assets			
Intangible assets	6	**358**	269
Property, plant and equipment	7	**32**	40
Investments in subsidiaries	8	**74,288**	78,298
		74,678	78,607
Current assets			
Trade and other receivables	9	**12,352**	11,131
Cash at bank and in hand		**–**	–
		12,352	11,131
Creditors: amounts falling due within one year	10	**(6,318)**	(5,110)
Net current assets		**6,034**	6,021
Total assets less current liabilities		**80,712**	84,628
Creditors: amounts falling due after more than one year	11	**(54,967)**	(52,440)
Net assets		**25,745**	32,188
Equity			
Ordinary shares	12	**19,290**	19,193
Share premium	13	**11,764**	11,657
Other reserves	13	**(733)**	(733)
Retained earnings	13	**(4,576)**	2,071
Total shareholders' funds		**25,745**	32,188

The financial statements on pages 108 to 119 were approved and authorised for issue by the Board of Directors on 29 March 2016 and were signed on its behalf by:

Michael Karg
Director

Andrew Beach
Director

The notes on pages 110 to 119 form part of these financial statements.

Company Statement of Changes in Equity

for the 8 month period ended 31 December 2015

	Note	Called up share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total £'000
At 1 May 2014		18,873	10,750	(788)	5,426	34,261
Loss for the year		–	–	–	(4,603)	(4,603)
Other comprehensive (loss)/income for the year		–	–	52	–	52
Total comprehensive loss for the year		**–**	**–**	**52**	**(4,603)**	**(4,551)**
Proceeds from shares issued	12	79	110	3	(3)	189
Share-based payments charge	14	–	–	–	953	953
UITF 44 adjustment		–	–	–	298	298
Acquisition of non-controlling interest		241	797	–	–	1,038
At 30 April 2015		**19,193**	**11,657**	**(733)**	**2,071**	**32,188**
Loss for the period		–	–	–	(6,584)	(6,584)
Other comprehensive (loss)/income for the period		–	–	–	–	–
Total comprehensive loss for the period		**–**	**–**	**–**	**(6,584)**	**(6,584)**
Proceeds from shares issued	12	97	107	–	–	204
Share-based payments charge	14	–	–	–	(45)	(45)
UITF 44 adjustment	8	–	–	–	273	273
Dividends to shareholders		–	–	–	(291)	(291)
At 31 December 2015		**19,290**	**11,764**	**(733)**	**(4,576)**	**25,745**

The notes on pages 110 to 119 form part of these financial statements.

Notes to the Company Financial Statements

for the 8 month period ended 31 December 2015

1. GENERAL INFORMATION

Ebiquity plc (the Company) acts as a holding company. The Company is AIM listed and is incorporated and domiciled in the UK. The address of its registered office is CityPoint, One Ropemaker Street, London, EC2Y 9AW.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

BASIS OF PREPARATION

The separate financial statements of the Company are presented as required by Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). They have been prepared on a going concern basis under the historical cost convention. These are the first financial statements of the Company prepared in accordance with FRS 101.

The Company has transitioned to FRS 101 from previously extant UK Generally Accepted Accounting Practice for all periods presented.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

a. The requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payment (details of the number of weighted-average exercise prices of share options, and how the fair value of goods and services received was determined)

b. The requirements of IFRS 7 Financial Instruments: Disclosures

c. The requirements of paragraphs 91 to 99 of IFRS 13 Fair value measurement (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)

d. The requirement in paragraph 38 of IAS 1 Presentation of financial statements to present comparative information in respect of

   i. paragraph 79(a)(iv) of IAS 1;

   ii. paragraph 73(e) of IAS 16 Property, plant and equipment;

   iii. paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period);

- The following paragraphs of IAS 1 Presentation of financial statements

   i. 10(d) (statement of cashflows);

   ii. 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);

   iii. 16 (statement of compliance with all IFRS);

   iv. 38A (requirement for minimum of two primary statements, including cash flow statements);

   v. 38B-D (additional comparative information);

   vi. 40A-D (requirements for a third statement of financial position);

   vii. 111 (cash flow statement information); and

   viii. 134–136 (capital management disclosures)

e. IAS 7 Statement of cash flows

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

f. Paragraphs 30 and 31 of IAS 8 Accounting policies, changes in accounting estimates and errors (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)

g. Paragraph 17 of IAS 24 Related party disclosures (key management compensation)

h. The requirements in IAS 24 Related party disclosures to disclose related party transactions entered into between two or more members of a group.

These financial statements represent the results for the 8 month period ended 31 December 2015 whilst the comparatives represent the results for the year ended 30 April 2015. The change of year end is to enable greater certainty of year end out-turn earlier in the Company's financial year.

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 currency transactions

The results and financial position of the Company are expressed in pounds sterling, which is the functional currency of the Company and the presentation currency for the Company financial statements.

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 income statement as and when they arise.

Share-based payments

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

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

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

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 financial statements. This is referred to as the UITF 44 Group and Treasury Share Transactions adjustment.

Retirement benefits

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

Dividend income

Dividend income is recognised when the right to receive payment is established.

Notes to the Company Financial Statements

for the 8 month period ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Dividend distribution

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

Intangible assets

Computer software

Purchased computer software intangible assets are amortised on a straight-line basis over their useful lives which vary from 4 to 5 years.

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:

Fixtures, fittings and equipment	20% per annum straight-line
Computer equipment	25% straight-line

Investments in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and short term deposits. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Share capital

Ordinary shares are classified as equity.

Deferred taxation

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.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company 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.

2. SUMMARY OF SIGNIFICANT 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.

Bank borrowings

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

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

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

Derivative financial instruments

The Company 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 were used to hedge against fluctuations in future cash flows on the Group's debt funding due to movements in interest rates. 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.

Provisions

Provisions are recognised when the Company 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.

Related party transactions

In accordance with FRS 101 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.

Notes to the Company Financial Statements

for the 8 month period ended 31 December 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Employee Share Ownership Plan (ESOP)

As the Company is deemed to have control of its ESOP trust, it is treated as a subsidiary and consolidated for the purposes of the Group financial statements. 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.

3. 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 income statement in these financial statements.

The movement in reserves of the Company includes a loss of £6,584,000 (30 April 2015: loss of £4,603,000).

4. OPERATING PROFIT

Auditors' remuneration

Fees for the audit of the Company are £3,000 (30 April 2015: £3,000). Fees paid to the Company's auditors for services other than the statutory audit of the Company are disclosed in the consolidated financial statements.

Directors' remuneration

Fees paid to the Company's Directors are disclosed in the consolidated financial statements.

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	8 months ended 31 December 2015 £'000	Year ended 30 April 2015 £'000
The tax charge is made up as follows:		
Current year corporation tax	**–**	–
	–	–
Deferred tax		
Origination and reversal of timing differences	**–**	–
Taxation on ordinary activities	**–**	–

5. TAX ON LOSS ON ORDINARY ACTIVITIES CONTINUED

The tax assessment for the year differs to the standard rate of corporation tax in the UK of 20.0% (April 2015: 20.9%). The differences are explained below:

	8 months ended 31 December 2015 £'000	Year ended 30 April 2015 £'000
Loss on ordinary activities before taxation	**(6,584)**	(4,603)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 20.0% (April 2015: 20.9%)	**(1,317)**	(963)
Effects of:		
Expenses not deductible for tax purposes	**868**	217
Capital allowances for year in excess of depreciation	**(11)**	–
Relieved to other group companies	**308**	746
Losses carried forward	**152**	–
Current tax charge for the year	**–**	–

The Company has approximately £1,356,000 (April 2015: £593,000) of management expenses to carry forward against future trading profits. A deferred tax asset has not been recognised in relation to these given the uncertainty surrounding the future profitability of the Company.

6. INTANGIBLE ASSETS

	Computer software £'000	**Total £'000**
Cost		
At 1 May 2015	312	312
Additions	**142**	**142**
At 31 December 2015	**454**	**454**
Depreciation		
At 1 May 2015	(43)	(43)
Charge for the year	**(53)**	**(53)**
At 31 December 2015	**(96)**	**(96)**
Net Book Value		
At 31 December 2015	**358**	**358**
At 30 April 2015	269	269

Notes to the Company Financial Statements

for the 8 month period ended 31 December 2015

7. PROPERTY, PLANT AND EQUIPMENT

	Fixtures, fittings and equipment £'000	Computer equipment £'000	Total £'000
Cost			
At 1 May 2015	1	46	47
Additions	–	–	–
At 31 December 2015	**1**	**46**	**47**
Depreciation			
At 1 May 2015	–	(7)	(7)
Charge for the year	–	(8)	(8)
At 31 December 2015	**–**	**(15)**	**(15)**
Net Book Value			
At 31 December 2015	**1**	**31**	**32**
At 30 April 2015	1	39	40

8. INVESTMENTS IN SUBSIDIARIES

	£'000
Cost and Net Book Value	
At 1 May 2015	78,298
Additions	**273**
Impairment	**(4,283)**
At 31 December 2015	**74,288**

The additions relate to the UITF 44 'Group and Treasury Share Transactions' adjustment (£273,000).

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

The impairment charge of £4,283,000 (30 April 2015: £nil) relates to the full impairment of the investment in Echo Group Limited. Echo Group Limited was acquired in 2011 and over the last four years we have integrated the business fully into our Market Intelligence Practice; the technologies and methodologies which were represented by the investment amount have been replaced, integrated or superseded and the client relationships have in many cases evolved into more integrated contracts. We are no longer able to support the original carrying value and believe that full impairment reflects the evolution of this part of our business in line with our longer-term corporate strategy.

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

9. TRADE AND OTHER RECEIVABLES

	31 December 2015 £'000	30 April 2015 £'000
Amounts owed by group undertakings	**12,034**	10,905
Other receivables	**8**	9
Prepayments	**310**	217
	12,352	11,131

Included within the amounts owed 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.

9. TRADE AND OTHER RECEIVABLES CONTINUED

Also included within the amounts owed by group undertakings above is an amount which is unsecured, earns interest at 2.65% above LIBOR, has no fixed date of repayment and is repayable on demand.

Also included within the amounts owed by group undertakings above is a further amount which is unsecured, earns interest at 2.65% above LIBOR, 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.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2015 £'000	30 April 2015 £'000
Bank loans and overdrafts	**4,800**	3,819
Trade creditors	**641**	662
Other taxation and social security	**12**	30
Other creditors	**1**	–
Accruals	**864**	599
	6,318	5,110

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

	31 December 2015 £'000	30 April 2015 £'000
Bank loans and overdrafts – between 2 and 5 years	**32,615**	31,881
Amounts owed to group undertakings	**22,352**	20,559
	54,967	52,440

All bank borrowings are held jointly with Barclays and Royal Bank of Scotland ('RBS'). The committed facility, totalling £40,000,000, comprises a term loan of £10,000,000 (of which £6,250,000 remains outstanding at 31 December 2015 (April 2015: £8,125,000)), and a revolving credit facility ('RCF') of £30,000,000 (of which £29,000,000 was drawn down at 31 December 2015 (April 2015: £26,451,000)). Both the term loan and the RCF have a maturity date of 2 July 2018. The £10,000,000 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.

Loan arrangement fees of £225,000 (April 2015: £285,000) are offset against the term loan, and are being amortised over the period of the loan.

The facility bears variable interest of LIBOR plus a margin of 2.50%. The margin rate is able to be lowered each quarter end depending on the Group's net debt to EBITDA ratio.

The undrawn amount of the revolving credit facility is liable to a fee of 40% of the prevailing margin. The Group may elect to prepay all or part of the outstanding loan subject to a break fee, by giving 5 business days' notice.

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

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

Notes to the Company Financial Statements

for the 8 month period ended 31 December 2015

12. ORDINARY SHARES

	Number of shares	Nominal value £'000
Allotted, called up and fully paid		
At 30 April 2014 – ordinary shares of 25p	75,491,111	18,873
Share options exercised	314,130	79
Issued to acquire share of minority in Ebiquity Germany GmbH	966,413	241
At 30 April 2015 – ordinary shares of 25p	76,771,654	19,193
Share options exercised	**390,034**	**97**
At 31 December 2015 – ordinary shares of 25p	**77,161,688**	**19,290**

Ordinary shares carry voting rights and are entitled to share in the profits of the Company (dividends).

During the period the Company paid a dividend of 0.4p per share, a total of £291,000 (April 2015: £nil) to shareholders.

13. RESERVES

Share premium

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

Other reserves

Other reserves consists of the merger reserve and ESOP reserve.

Merger reserve

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

ESOP reserve

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

The ESOP trusts were created to award shares to certain employees at less than market value. The trusts in aggregate hold unallocated shares costing £1,471,000 (30 April 2015: £1,471,000) 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 4,201,504 (30 April 2015: 4,201,504), 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 (30 April 2015: all had vested).

Retained earnings

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

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

14. SHARE-BASED PAYMENTS

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

15. COMMITMENTS

Capital commitments contracted but not provided for by the Company amount to £nil (30 April 2015: £nil).

The Company has no operating lease commitments (30 April 2015: none).

16. 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.

17. 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 2).

18. TRANSITION TO FRS 101

For all periods up to and including the year ended 30 April 2015, the Company prepared its financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. These financial statements, for the period ended 31 December 2015, are the first the Company has prepared in accordance with FRS 101.

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2015 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 May 2014, the Company's date of transition to FRS 101, with assessments made as to adjustments required for the first-time adoption of FRS 101. In doing so it transpired that no adjustments were required.

Notice of Meeting

Ebiquity plc
(Registered in England No. 3967525)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Ebiquity plc (the "Company") will be held at CityPoint, One Ropemaker Street, London, EC2Y 9AW, at 10 am on 11 May 2016 to consider and, if thought fit, pass resolutions 1 to 10 as ordinary resolutions and resolutions 11 to 14 as special resolutions:

ORDINARY RESOLUTIONS

1. To receive and adopt the audited Annual Report and Accounts for the period ended 31 December 2015 together with the Directors' report and the Auditors' reports on these.

2. To re-elect Nick Manning, who retires at the meeting, as a director of the Company.

3. To re-elect Michael Higgins, who retires at the meeting, as a director of the Company.

4. To re-elect Richard Nichols, who retires at the meeting, as a director of the Company.

5. To re-elect Michael Karg, who retires at the meeting, as a director of the Company.

6. To re-elect Morag Blazey, who retires at the meeting, as a director of the Company.

7. That PricewaterhouseCoopers LLP be reappointed as Auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next General Meeting at which accounts are laid before the Company.

8. To authorise the Directors to determine the remuneration of the Auditors.

9. 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 2017 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.

10. 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 £6,365,839.

    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 2017 or 15 months following the passing of this resolution, whichever is the earlier, save that the Company may, before such expiry, make offers or agreements which would or might require shares to be allotted, or any such rights to be granted, after such expiry, and the Directors of the Company may allot shares or grant any such rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

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

SPECIAL RESOLUTIONS

11. That subject to the passing of resolution 10 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 10 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:

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

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

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

ii. the allotment (otherwise than pursuant to paragraph i above) of equity securities of up to an aggregate nominal amount of £1,929,042.

The power granted by this resolution 11 shall, unless renewed, varied or revoked by the Company, expire at the conclusion of the Annual General Meeting of the Company in 2017 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 11, 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.

12. That the share premium account of the Company be and is cancelled.

13. 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 3,858,084;

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

ii. 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; and

iii. The authority conferred by this resolution shall expire at the conclusion of the Company's Annual General Meeting in 2017 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.

14. That the terms of an agreement proposed to be made between (1) RBC cees Trustee Limited (as trustee of The Ebiquity plc 2010 Employee Benefit Trust) and (2) the Company for the purchase by the Company of an aggregate maximum number of 4,200,000 ordinary shares of £0.25 each at a purchase price of £0.35 per ordinary share, as set out in the draft agreement produced to the meeting and initialled by the Chairman for the purposes of identification, be and they are approved and any director of the Company be and is authorised to enter into the agreement on behalf of the Company. The authority conferred by this resolution shall expire at the conclusion of the Company's Annual General Meeting in 2017 or 15 months following the passing of this resolution, whichever is the earlier.

By order of the Board

Andrew Watkins
Company Secretary
8 April 2016

Registered Office
CityPoint
One Ropemaker Street
London
EC2Y 9AW

Notice of Meeting

Ebiquity plc

(Registered in England No. 3967525)

NOTES:

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

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 Powers 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 10 am on 9 May 2016.

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

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.

In accordance with Section 360B of the Companies Act 2006 and Regulation 41 of the Uncertificated Securities Regulations 2001, only those Shareholders entered on the Company's register of members as at 6 pm on 9 May 2016 (or 6 pm 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 pm on 9 May 2016 (or 6 pm 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.

As at the date of this notice of Annual General Meeting the Company's issued share capital consists of 77,161,688 ordinary shares, carrying one vote each. The Ebiquity plc 2010 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 72,961,688.

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 10 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 11 to 14 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 period

The Directors will present to Shareholders at the Annual General Meeting the Annual Report and Accounts for the period ended 31 December 2015 together with the independent Auditors' report on those accounts.

Resolutions 2 to 6: Re-election of Directors

The Company's articles of association require that one-third of Directors must retire by rotation at each Annual General Meeting. Nick Manning, Michael Higgins and Richard Nichols are required to retire this year. In addition, Morag Blazey and Michael Karg are required to retire this year, it being the first Annual General Meeting since their appointments by the Directors. Being eligible they offer themselves for re-election.

Biographical details of each of the Directors are contained on pages 43 to 45 of the Company's Annual Report and Accounts for the period ended 31 December 2015.

Resolution 7: Reappointment of the Auditors

The Company is required to reappoint the Auditors at each Annual General Meeting at which accounts are presented. Resolution 7 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.

Resolution 8: Auditors' Remuneration

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

Resolution 9: Political Donations

Neither the Company nor any of its subsidiaries made any donations to political parties in the European Union ("EU") in 2015 and it is the Company's current policy not to do so. However, the Political Parties, Elections and Referendums Act 2000 (the "Act") defines EU political organisations very widely and, as a result, in certain circumstances donations intended for charitable or similar purposes may now be regarded as political in nature.

In order to comply with these obligations and to avoid any inadvertent infringement of the Act, the Directors of the Company consider it prudent to seek Shareholders' approval for a general level of donation. Resolution 9 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 2017, or, if earlier, 15 months after the date of the passing of this resolution.

Resolution 10: 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 £6,365,839 representing approximately one-third of the nominal value of the issued ordinary share capital of the Company as at the date of this notice. 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 2017. It is the Directors' intention to seek renewal of this authority annually.

Resolution 11: Allotment of shares for cash

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

There may be circumstances, however, when it is in the interests of the Company for the Directors to be able to allot some new shares for cash other than by way of a pre-emptive offer to existing Shareholders. This cannot be done under the Companies Act 2006 unless the Shareholders have first waived their pre-emption rights. This also applies to the sale of any shares held by the Company in treasury for cash. Resolution 11 asks Shareholders to do this, but only for equity securities having a maximum aggregate nominal value of £1,929,042 (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 this notice. If the Directors wish, other than by a pre-emptive offer to existing Shareholders, to allot for cash new shares which would exceed this limit they would first have to request the Shareholders to waive their pre-emption rights in respect of the new shares which exceed it.

Notice of Meeting

Ebiquity plc
(Registered in England No. 3967525)

There are legal, regulatory and practical reasons why it may not always be possible to issue new shares under a pre-emptive issue to some Shareholders, particularly those resident overseas. To cater for this, resolution 11, 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 2017. It is the Directors' intention to seek the renewal of this authority annually.

Resolution 12: Cancellation of share premium account

As announced on 29 March 2016, in order to support the Company's ability to pay future dividends, the Company is proposing to increase its distributable reserves by the cancellation of the Company's share premium account. The Company's distributable reserves were impacted in the 8 months ended 31 December 2015 by the impairment charges incurred in relation to the write down of its investment in the Reputation business, resulting in a negative distributable reserves position as at 31 December 2015.

As at 31 December 2015, the Company had retained losses of approximately £4.6 million (compared with retained profits of approximately £2.1 million as at 30 April 2015) and the balance standing to the credit of the Company's share premium account was approximately £11.7 million. The Company is therefore seeking the approval of shareholders to cancel its share premium account, which will enable the Company to eliminate the retained losses and create distributable reserves equal to the balance (approximately £7.1 million), subject to any required creditor protection, as described below. If approved by shareholders, the cancellation will require subsequent confirmation by the Court.

In seeking this confirmation, the Company will be required to give such undertakings or other form of creditor protection as the Court may require for the benefit of the Company's creditors at the date on which the cancellation of the share premium account becomes effective. These may include seeking the consent of the creditors to the cancellation or the provision by the Company to the Court of an undertaking to deposit a sum of money into a blocked account created for the purpose of discharging creditors of the Company. It is anticipated that the initial directions hearing in relation to the cancellation will take place shortly following the date of the Annual General Meeting, with the final hearing taking place several weeks later and the cancellation becoming effective shortly thereafter, following the necessary registration of the Court order at Companies House.

Assuming that shareholders pass this resolution and that the Court subsequently confirms the cancellation of share premium (and subject to the discharge of any undertaking or other form of creditor protection that the Court may require and compliance with the requirements of the Companies Act 2006), the Company intends to make payment of the dividend of 0.4 pence per share for the 8 months ended 31 December 2015 as an interim dividend during 2016. This would represent an increase in dividend per share on a pro-rata basis and would also represent the continuation of a progressive dividend policy which commenced with the Company's maiden dividend paid in October 2015. If the resolution is passed, the Company shall make further announcements regarding the capital reduction process and the expected date of payment of this dividend in due course.

Resolution 13: Market purchase of own shares

This resolution seeks authority for the Company to make market purchases of its own ordinary shares and is proposed as a special resolution. If passed, the resolution gives authority for the Company to purchase up to 3,858,084 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 2017.

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

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

At the date of the notice, the total number of options to subscribe for ordinary shares in the Company amounted to 6,080,037. This represented 7.87 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 8.29 per cent. of the issued ordinary share capital as at the date of this notice. These calculations exclude the 4,200,000 options in respect of which the Ebiquity plc 2010 Employee Benefit Trust holds an equal number of issued ordinary shares.

Resolution 14: Off-market purchase of own shares

In April 2010 two directors of the Company, Michael Greenlees and Nick Manning, were awarded interests and options over, in aggregate, up to 4,200,000 ordinary shares under the Ebiquity plc Joint Share Plan (the "JSP") and the Ebiquity plc Executive Incentive Plan (the "EIP"). Contemporaneous with the award of these interests and options, the Company issued 4,200,000 ordinary shares to RBC cees Trustee Limited (the "Trustee") as trustee of the Ebiquity plc 2010 Employee Benefit Trust (the "Trust"). The Trustee agreed with the Company to transfer shares to Nick Manning under either the JSP or the EIP, and to transfer shares to Michael Greenlees under the JSP, upon the vesting and unwind and exercise of these awards and options. Due to tax considerations, the Company will issue any shares to Michael Greenlees on exercise by him of his options under the EIP.

Following the vesting and unwind and exercise of all awards and options under the JSP and the EIP there may be a balance of issued ordinary shares remaining in the Trust. The purpose of the Trust in respect of these awards and options is solely to transfer shares upon the vesting and unwind and exercise of such awards and options. As such, in the event that any ordinary shares remain in the Trust in these circumstances, the Company wishes to retain the flexibility to purchase those shares from the Trust.

Under the Companies Act 2006 a company may only make a purchase of its own shares off-market where the form of contract pursuant to which those shares will be purchased has been approved in advance by Shareholders. This resolution seeks approval of the buy-back of shares and the form of contract for the Company to make an off-market purchase of its own ordinary shares from the Trustee. Any ordinary shares purchased pursuant to this contract will be acquired from the Trustee at a price of 35 pence per ordinary share. The resolution is proposed as a special resolution and it is the Directors' intention to seek the renewal of this authority annually.

The resolution approves the purchase of up to a maximum of 4,200,000 ordinary shares (which is equivalent to approximately 5.44 per cent. of the Company's issued ordinary share capital as at the date of this notice) as it is not possible at this time to state the exact number of shares which may remain in the Trust following the vesting and unwind and exercise of all awards and options under the JSP and EIP. The buy-back contract therefore includes a formula to calculate the number of shares to be purchased, which will be the number of shares remaining in the Trust following the vesting and unwind and exercise of all awards and options made to Nick Manning and Michael Greenlees under the JSP and EIP. 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).

DOCUMENTS AVAILABLE FOR INSPECTION

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

- Copies of the executive directors' service contracts
- Copies of letters of appointment of the non-executive directors
- A copy of the Company's Articles of Association
- A copy of the proposed agreement for the own-purchase of shares by the Company pursuant to Resolution 14

RECOMMENDATION

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

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Data-driven insights

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