

Global media and marketing analytics

digital resource

media insight

evaluation

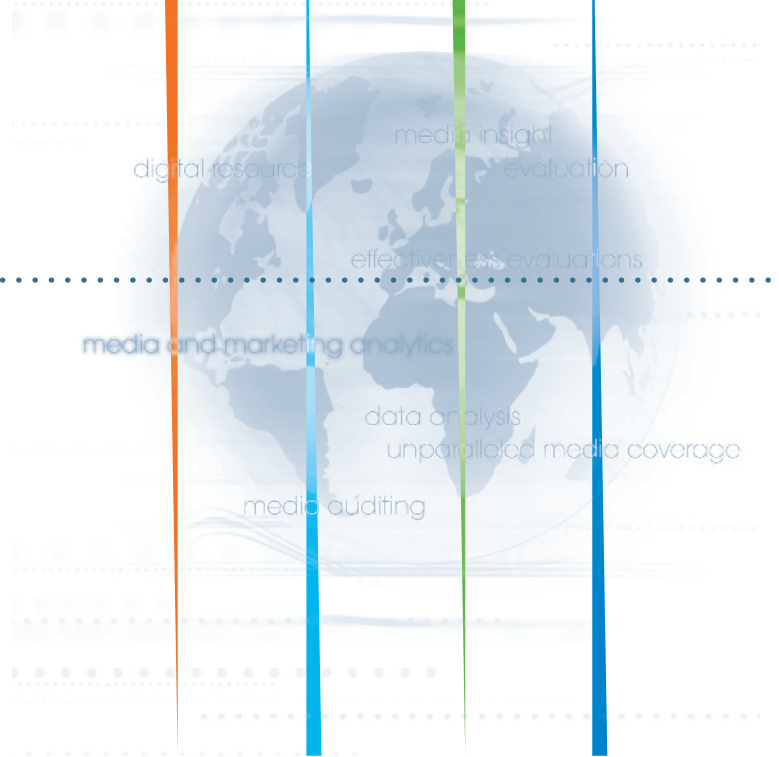
effectiveness evaluations

media and marketing analytics

data analysis

unparalleled media coverage

media auditing



Ebiquity is the leading independent provider of efficiency and effectiveness solutions to the global marketing community.

We monitor, measure, analyse and interpret more media and marketing data than anyone else, allowing us to offer clients unique insights and truly independent advice that enhance marketing and business performance.

The Ebiquity team



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Highlights

Total Group revenues increased by 15% to £21.2 million, including a 10% increase from organic¹ business

- Analytics business revenue increased by 18% to £15.2 million representing 75% of total organic revenue
- Revenue from international assignments within Analytics grew by 32% to £8.0 million, now representing over 50% of Analytics revenue
- Platform business renewals at 80%

Underlying² operating profit up 12%, including a 7% increase from organic business

- Group underlying operating profit of £2.6 million (2009: £2.4 million)
- Reported profit before tax of £0.1 million (2009: £1.2 million)
- Underlying diluted EPS up 5% to 5.55p (2009: 5.28p)
- Basic EPS of 0.50p (2009: 0.27p)

Strong cash flow and net debt performance

- Net cash from operating activities of £2.4 million (2009: £0.8 million)
- Net debt reduced to £1 million before the impact of acquisitions
- Net debt at 30 April 2010 of £2.0 million (2009: £2.2 million)

Investing in future international growth

- Acquisition in April 2010 of Xtreme Information Services Limited, an international media intelligence group with annual revenues of £18 million
- Significant restructuring under way which will generate cash savings for future years
- Continued investment strengthening global presence, with further acquisitions in Germany and France

1 Organic revenue excludes the results of acquisitions in the year

2 Underlying results are stated before highlighted items (see note 3)



Chairman's Statement

'We entered this year with a clear focus on continuing to build a strong, growing and sustainable revenue stream by developing new and innovative ways to serve our clients.'

The Company has begun to prosper and is now benefiting from the firm foundations that have been put in place over recent years.

We entered this year with a clear focus on continuing to build a strong, growing and sustainable revenue stream by developing new and innovative ways to serve our clients. Despite our good financial performance, strong recurring revenues and continued international growth driven by the demand for transparency, benchmarking and measurement, the various business lines have been imbalanced in both geographic reach and scale. Traditionally it has proven difficult to fully exploit the relationship between our different activities.

The acquisition in April 2010 of Xtreme Information has addressed, in a very material way, the geographic reach and balance of our data capture capabilities and creates a business of scale that can rest comfortably alongside the domestic and international capabilities in our analytics business.

I believe our Company is now better positioned than any other in our marketplace, not only to help our clients understand their performance in an increasingly complex market environment, but also to provide a far greater level of insight, thus enabling them to improve their competitive performance and marketing efficiency.

We have put in place foundations upon which our business can now grow significantly on a global basis mirroring the business models of our clients, both corporate and in the agency world. We have the chance to penetrate and exploit the market opportunity that exists currently.

None of this would have been possible without the leadership of our management team and the commitment of our people. I would like to thank the Ebiquity team who have been with us throughout the year, and also the employees of Xtreme whom we welcome into our enlarged enterprise with a sense of excitement and confidence.

I would also like to welcome Jeff Stevenson and Chris Russell who have joined the Board following the acquisition of Xtreme. We look forward to benefiting from their insight and experience.

We have a scalable business and an experienced management team that have the capability to run a much bigger business. We are excited about the future.

Michael Higgins
Chairman
23 July 2010

Highlights

- Continuing to build a strong and continuous revenue stream
- Geographical reach increased and data capture balanced
- In a better position to provide our clients with greater level of insight
- Jeff Stevenson and Chris Russell join our Board

Our network of offices

“Ebiquity is a global analytics solutions provider designed to help our clients improve their media and marketing performance.”

We capture media and marketing data in over 70 countries throughout the world, enabling us to deliver intelligence and insights both locally and internationally.

Uniquely we combine local expertise and experience with centralised reporting capacities, allowing us to deliver deep local understanding coordinated centrally.

Many of our clients commission us from a single point, and we are able to deliver a fully global advertising monitoring service.

For clients who retain us to measure marketing and media value and performance, we are able to provide a highly localised service reflecting the essentially local nature of the media market. We deliver media benchmarking and auditing via our network of offices located in key advertising geographies across Europe, the Americas and Asia Pacific.

Data analytics is a key to our service and technology and technology solutions is an essential part of our DNA.

We collect and aggregate ‘real-time’ data from around the world allowing us to analyse our clients’ marketing and media performance.

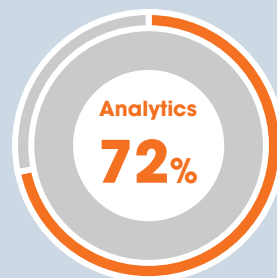
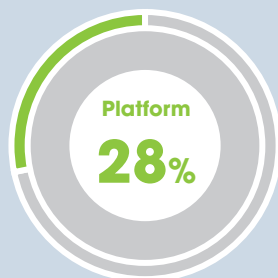
In an age of increasing investment scrutiny, we provide the transparency necessary for clear and informed decision-making both locally and globally.

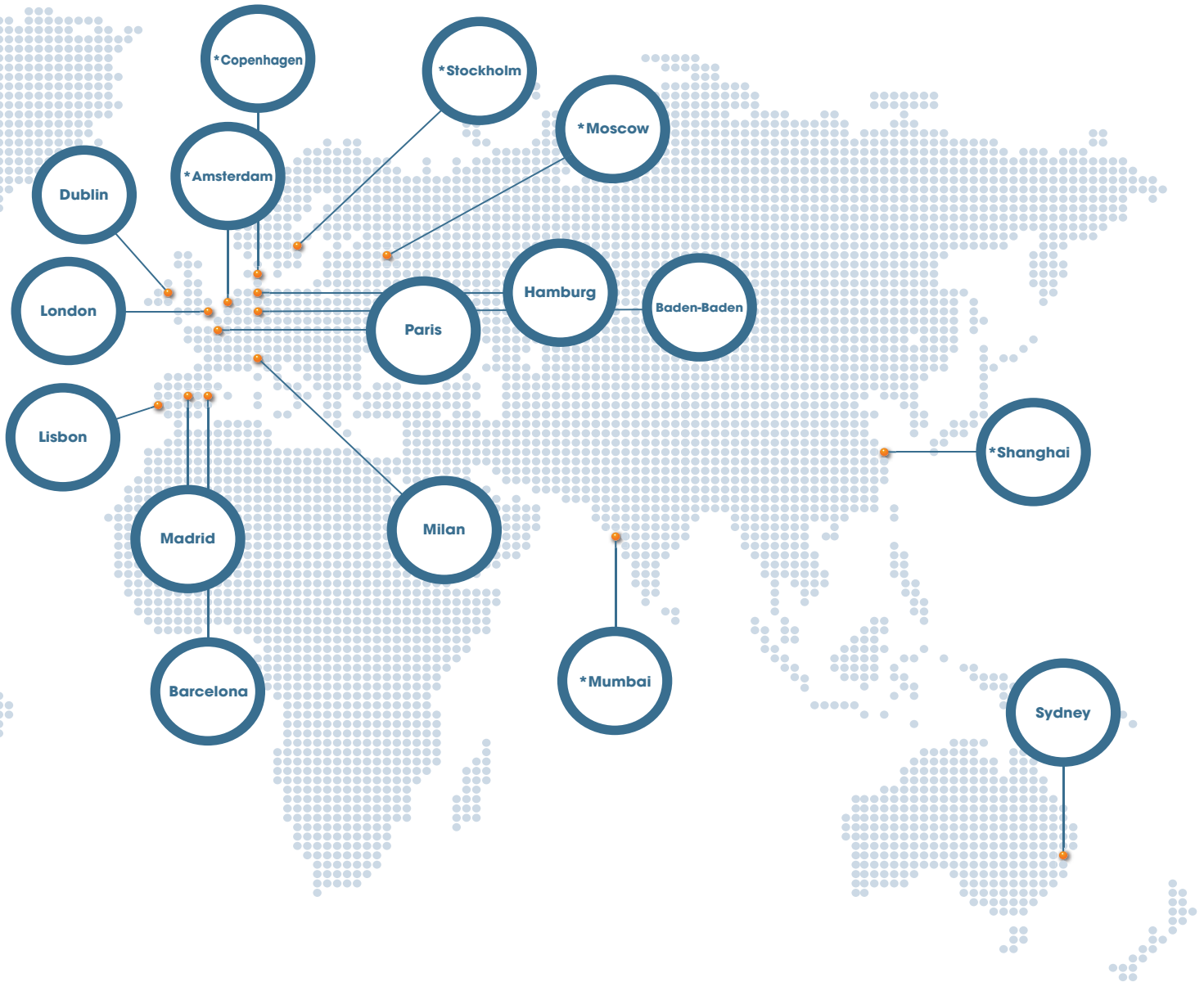


Group revenue

£21.2m

(2009: £18.4m)





*Partner offices

Chief Executive's Review



“In the coming year we plan to create a powerful company capable of delivering our unique set of services to a growing number of international clients.”

OVERVIEW

During the last twelve months we have made significant progress in developing our Company. We are pleased with these financial results and are excited by the opportunities that exist in our marketplace, opportunities that we now feel better equipped to exploit than at any time in our history.

Total revenue on an organic basis (excluding the impact of acquisitions) for the year to 30 April 2010 was up 10% on the prior year to £20.2 million. Analytics revenue increased by 18% to £15.2 million and now represents 75% of total organic revenue. Within this sales from international assignments grew 32%.

We are also pleased with the renewal rate in our platform business which during the period was 80%, demonstrating the resilient nature of this business.

Group underlying operating profit (before highlighted items) was up 7% to £2.5 million on an organic basis. Excluding the impact of non-trading foreign exchange movements, underlying operating profit (before highlighted items) showed an organic increase of 30% to £2.7 million compared to the prior year.

This strong performance took place in the face of the continuing impact of the economic downturn, which required us to manage our costs carefully whilst ensuring that we continued to develop our business in line with the needs of our clients.

As a result we have increased our organic gross margin from 53% to 54% and we have significantly increased our underlying operating margin (excluding non-trading foreign exchange movements) from 11.2% to 13.3% on an organic basis.

COMBINED GROUP RESULTS

The acquisitions of Xtreme and TMC have had a marginal impact on this year's results given that these transactions were completed just 17 days before our year end. In combination with the Ebiquity full year results, revenues were £21.2 million (£20.2 million on an organic basis) and operating profit was £2.6 million (£2.5 million on an organic basis).

Our cash position improved significantly during the year with a strong conversion of profits into cash. Cash flow of £2.4 million was generated from operating activities. At the time of the acquisition, net debt was £1 million.

Fully diluted underlying earnings per share increased from 5.28p to 5.55p.

THE NEW ECONOMIC REALITY HAS RESET THE MARKETING AND MEDIA AGENDA

In recent years, media and marketing spend has come under pressure as never before. The new economic reality facing most companies means that marketing executives are now being asked to justify every pound they spend in terms of value, effectiveness and financial return.

Highlights

- Strong performance in the economic downturn
- Combined Group revenue of £21.2 million
- Acquisition of Xtreme Information was completed in April
- Strong representative offices in a growing number of geographies

Chief Executive's Review

Corporate procurement in particular is playing a large and growing part in the increasing trend to benchmark expenditure against clearly defined objectives and key performance indicators.

In the USA, the CMO Council's 'State of the Market' review stated that: '31% of marketers expect to initiate or undertake marketing performance measurement programs in 2010'. Here in the UK, Marketing Week said: 'Insight and analytics have to be at the heart of how marketing addresses a transformed marketplace in 2010... marketing has no choice.'

EBIQUITY IS UNIQUELY POSITIONED TO TAKE ADVANTAGE OF THIS TREND

This increasing need for accountability and transparency within the marketing community continues to be the key driver of our growth. Already a global leader in marketing and media analytics, our ambition is to become a dominant player in this growing market, and as

the marketing and media landscape evolves, so our business opportunities will increase.

Media and marketing choices confronting our clients have expanded rapidly, and as media channels multiply, brand-owners demand integrated multi-channel solutions with the ability to measure the effect of their activities across platforms. The continuing growth of digital media in particular means that our clients now seek faster, higher quality and more actionable insights that ever before — and they expect the same from traditional media too.

Significantly it is global companies, operating in multiple geographies, which are the most focused on this agenda. As Western markets begin to recover from recession at different speeds, and greater opportunities appear in the BRIC markets, so the allocation of marketing and media funds across geographies has become one of the most important business decisions faced by our clients.

It is for this reason that the development of our international business has continued throughout the year (see below). In particular, the acquisition of Xtreme Information, completed in April 2010, along with the acquisition of the outstanding interest in TMC (a German advertising monitoring business, in which we already held a 50% equity position) is set to transform our Company into a leading media and marketing analytics and insight business with unsurpassed global reach.

XTREME INFORMATION

Xtreme captures and archives over 25,000 new TV and press advertisements every month from over 60 countries worldwide. In addition, Xtreme captures internet banner advertisements for Western Europe as well as cinema, radio and outdoor advertisements for the UK and Germany.

The addition of Xtreme's international data platform to Ebiquity's UK and German advertising monitoring businesses, and in combination with Ebiquity's international analytics and consultancy business, will enable the Company to offer a genuinely distinctive global offering. In addition, the combination of international competitive monitoring and media and marketing analytics will help to increase the Company's penetration of this significant global market opportunity.

Xtreme Information

The benefits of our recent acquisition

In combination, our two companies provide us with the opportunity to build a company with:

- *Greater global scale*
- *A wider and more comprehensive range of products and services*
- *A more integrated customer service offering*
- *A stronger management team*

The acquisition of Xtreme is part of our longer-term vision to build an *integrated media and marketing intelligence business with global reach*. Together, our companies provide us with the opportunity to build a Group with:

- Greater global scale;
- A wider and more comprehensive range of products and services;
- A more integrated customer service offering; and
- A stronger management team.

In the coming months we will continue to focus on the smooth integration of our two businesses and I am pleased to report that we have made a good start. Our management teams are working closely together and we have begun to take the first steps to ensure that we can deliver the cost synergies that we have built into our projections, which are currently in line with our expectations.

INTERNATIONAL DEVELOPMENT

For reasons described above, our international business has continued to expand significantly during the last twelve months, with revenue increasing by 32% to £8.0 million. We have also taken steps to ensure that we have strong representative offices in a growing number of geographies. In March 2010 we completed the acquisition of 82.5% of Excellence Media in Paris and have recently acquired a majority stake in Media Advisor in Milan.

In Germany, we are in the process of merging TMC with Xtreme Information GmbH, which will create a powerful competitive monitoring business in Europe's most important advertising market. This step, together with the acquisition of a 51% majority stake in Billetts Germany (which we formalised in May 2010), will enable us to combine competitive monitoring and marketing and media analytics, a combination which has already proven successful in the UK.

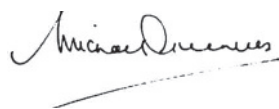
In the US, Billetts America in New York is now beginning to partner with Xtreme's office in Chicago to bring a combined analytics and monitoring and insight capability to our US-based clients.

OUTLOOK

Looking forward, we plan to focus on completing the integration of Xtreme Information in order to create a powerful company capable of delivering our unique set of services to a growing number of international clients.

The process of integration has started well and we are confident that we will deliver the growth and cost synergies that will drive earnings.

The Company is now well positioned to exploit the global opportunity created through the development of market leading media monitoring and analytic businesses. We are excited by the opportunity that the next phase of our development affords.



Michael Greenlees
Chief Executive Officer
23 July 2010

Financial Review

INTRODUCTION

Ebiquity Plc is publishing its final results for the year ended 30 April 2010. All results are stated before taking into account highlighted items unless otherwise stated. These include share option costs, amortisation of intangible assets acquired through business combinations, and restructuring and other non-recurring items.

INTRODUCTION TO SEGMENTAL REPORTING PRESENTATION

From financial years commencing on or after 1 January 2009, companies that comply with IFRS are required to follow new guidelines in relation to the reporting of their segmental results (in accordance with IFRS 8, Operating Segments). Consistent with our Interim Financial Review for the six months ended 31 October 2009, we are presenting this review in accordance with these new requirements.

Our two segments are 'Analytics' and 'Platform'. The Analytics division consists of our media auditing, consultancy and marketing effectiveness practices and our Platform division consists of advertising and editorial monitoring and publisher services.

IMPACT OF ACQUISITIONS DURING THE FINANCIAL YEAR

During the year, the Group made the following acquisitions:

- 100% of Xtreme Information Services Limited ('Xtreme', an international group, headquartered in the UK) was purchased on 13 April 2010 for a total consideration of £15.3 million, consisting of a cash payment of £0.8 million funded through a placing, the issue of 16,706,639 new ordinary shares, and convertible loan notes convertible into 13,802,861 ordinary shares.
- The remaining 50% of Thomson Media Control GmbH & Co KG ('TMC', a German partnership) not already owned by the Group was purchased on 13 April 2010 for a total consideration of £1.2 million, consisting of a £26,000 cash payment and 1,451,330 new ordinary shares.
- 82.5% of the trade and assets of Excellence Media SARL (a French company) was purchased with an effective date of 1 March 2010 for a total potential consideration of £300,000 consisting of an initial cash payment of £134,000, to be followed by two earn-out cash payments to a maximum of £44,000 each. The purchase was made by a newly created French company, Billetts France SAS, which is 82.5% owned by the Group.

The results of Xtreme and TMC are consolidated into our Platform division from 13 April 2010 (approximately three weeks of trade), and the results of Billetts France are consolidated into our Analytics division from 1 March 2010 (two months of trade).

REVENUE

	Year ended 30 April 2010			Year ended
	Organic	Acquisitions	Total	30 April 2009
	£'000	£'000	£'000	Total £'000
Analytics	15,176	21	15,197	12,842
Platform	5,001	1,020	6,021	5,633
Intersegment elimination	—	—	—	(56)
Total revenue	20,177	1,041	21,218	18,419



The only impact on our reporting of revenue under the new segmental guidelines is the addition of an intersegment eliminations line, whereby the revenue is initially shown on a gross basis. During the current year there have been no intersegment revenues.

Total Group revenue increased by 15% to £21.2 million (2009: £18.4 million). On an organic basis, the revenue increase is 10% (from £18.4 million to £20.2 million).

The organic growth was driven by Analytics, where revenue increased by 18% to £15.2 million, and now represents 75% of total organic Group revenue (2009: 70%). Within this division, revenue from international audit assignments (defined as non-UK sourced revenue, or UK sourced revenue where marketing activity is analysed in more than one country) grew by 32% to £8.0 million.

Our Platform division has been challenged by the domestic nature of its advertising monitoring product in an increasingly globalised world. Revenue was down 11% on an organic basis. This was in part due to a softening in the advertising monitoring renewal rate (by value) to 80% (2009: 84%) and slower new sales of advertising monitoring. Offsetting this, Newslive 2.0, our new editorial monitoring product, has seen good sales traction and now accounts for 13% of this division's revenue (2009: 7%).

GROSS PROFIT

	Year ended 30 April 2010			Year ended
	Organic Acquisitions		Total	30 April 2009
	£'000	£'000	£'000	Total £'000
Analytics	8,532	(5)	8,527	6,907
Platform	2,432	639	3,071	2,938
Total gross profit	10,964	634	11,598	9,845

Gross profit for the period was up 18% to £11.6 million (2009: £9.8 million), yielding an improved gross margin of 55% (2009: 53%). On an organic basis, the gross profit increase is 11% (from £9.8 million to £11.0 million).

Analytics gross profit has improved from £6.9 million to £8.5 million, with margins increasing from 54% to 56%. The margin increase principally reflects the uplift in revenues, together with tight control of data costs and headcount increases, particularly in our UK and US businesses, but partly offset by a reallocation of staff costs from overheads to costs of sales (£175,000).

On an organic basis, Platform gross profit has reduced from £2.9 million to £2.4 million, with margins decreasing from 52% to 49%. The margin decrease reflects the fall in revenue driven by our advertising monitoring platform, offset by an increase in Newslive revenue and a reduction in data capture headcount.

Financial Review

OPERATING PROFIT

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

	Year ended 30 April 2010			Year ended
	Organic	Acquisitions	Total	30 April 2009
	£'000	£'000	£'000	Total £'000
Analytics	7,623	(20)	7,603	6,017
Platform	942	342	1,284	1,296
Central costs	(5,874)	(203)	(6,077)	(5,242)
Underlying operating profit excluding impact of non-trading foreign exchange movements	2,691	119	2,810	2,071
Non-trading foreign exchange movements	(167)	—	(167)	292
Underlying operating profit	2,524	119	2,643	2,363
Highlighted items			(2,186)	(933)
Reported operating profit			457	1,430

Underlying operating profit was £2.6 million (2009: £2.4 million), representing a 12% increase over the prior year. On an organic basis, the underlying operating profit increase is 7% (from £2.4 million to £2.5 million).

During the year, non-trading foreign exchange losses reduced underlying operating profit by £167,000. This compares to a gain last year of £292,000. These foreign exchange movements were predominantly generated in the first half of our financial year by the US\$1.2 million loan to our US subsidiary, Billets America LLC. Excluding these foreign exchange movements, the organic underlying operating profit shows an improvement of 30%, from £2.1 million to £2.7 million.

To avoid a similar level of foreign exchange movements in the second half of the year we established a hedge by translating a portion of our UK term loan into a US dollar denominated loan. Following the date that we translated our UK loan to US dollars, we generated a foreign exchange gain of £10,000.

On an organic basis, the Analytics division has continued to perform well with increased revenues from a well managed cost base. At the gross profit level, we have seen an increase of £1.6 million as explained above. Administrative expenses have increased by £19,000, primarily as a result of an increase in foreign exchange losses (£195,000) partly offset by the staff cost allocation noted above.

The Platform division has seen an organic decrease at the gross profit level of £506,000 as explained above. Administrative expenses have decreased by £152,000 due to cost-cutting measures.

Central costs predominantly represent central salaries (Board, Finance, IT and HR), property costs, and central legal and advisory costs. Under previous IFRS segmental reporting, the majority of these costs were allocated to the divisions. Central costs, excluding non-trading foreign exchange movements, have increased by £632,000 on an organic basis. The increase includes the accrual of a UK staff bonus, and an increase in legal and property costs.

In total, the organic underlying operating profit margin has decreased from 12.8% to 12.5%. Taking into account the impact of non-trading foreign exchange movements, the margin has increased from 11.2% to 13.3%.

HIGHLIGHTED ITEMS

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

In the current financial year the non-recurring items almost exclusively relate to the acquisition of Xtreme.

	Year ended 30 April 2010			Year ended 30 April 2009		
	Cash £'000	Non-cash £'000	Total £'000	Cash £'000	Non-cash £'000	Total £'000
Administrative Expenses						
Recurring:						
Share-based expenses	—	308	308	—	313	313
Amortisation of purchased intangibles	—	412	412	—	362	362
	—	720	720	—	675	675
Non-recurring:						
Acquisition integration costs	212	—	212	—	—	—
Severance costs	1,132	—	1,132	258	—	258
Property costs	—	122	122	—	—	—
	1,344	122	1,466	258	—	258
Total highlighted items — administrative expenses	1,344	842	2,186	258	675	933
Acquisition finance costs	214	—	214	—	—	—
Total highlighted items	1,558	842	2,400	258	675	933

Amortisation of purchased intangibles relates to acquisitions prior to the financial year (£362,000) and to acquisitions during the financial year (£50,000).

Severance costs relates to pre acquisition management restructuring (£159,000), senior management redundancy of the acquired companies (£651,000) and the anticipated redundancy costs associated with the merger of our acquired operations in Germany (£322,000).

Property costs represent the future onerous lease costs of vacating certain offices during the restructuring process.

Acquisition finance costs relate to costs incurred in cancelling both Ebiquity and Xtreme's former borrowing arrangements in order to obtain the refinancing required for the acquisition.

As at 30 April 2010, £872,000 of the £1,558,000 had been settled in cash.

PROFIT BEFORE TAX

	Year ended 30 April 2010 £'000	Year ended 30 April 2009 £'000
Reported operating profit	457	1,430
Underlying net finance costs	(138)	(243)
Highlighted finance costs	(214)	—
Share of loss of associates	(5)	(14)
Profit before tax	100	1,173

Financial Review

Underlying net finance costs were £138,000 (2008: £243,000) which reflects a reducing debt position prior to the acquisitions late in the year.

Share of loss of associates represents our share of the losses of Billetts Germany GmbH, a company in which we had a 10% stake throughout the financial year. On 1 May 2010, this stake was increased to 51%.

Underlying profit before tax was up 19% to £2.5 million (2009: £2.1 million). Reported profit before tax is £100,000 (2009: £1.2 million).

TAXATION

	Year ended 30 April 2010 £'000	Year ended 30 April 2009 £'000
Current tax charge	467	349
Deferred tax (credit)/charge	(536)	735
Total tax (income)/charge	(69)	1,084

The increase in the current tax charge reflects an increase in our underlying profitability, particularly in the US where our brought forward tax losses have now been fully utilised.

The deferred tax credit for the year is largely due to deferred tax on share options, following the significant increase in the Company's share price. The prior year charge was largely due to a reduction in the level of brought forward recognised tax losses.

EQUITY

During the year, 19,532,969 new ordinary shares were issued in relation to the acquisitions during the year, thus increasing our issued share capital to 51,672,404 shares. Also in relation to the acquisitions, convertible loan notes were issued that are convertible into 13,802,861 ordinary shares. These convertible loan notes have been included within equity as they demonstrate the characteristics of ordinary share capital. They are also included within the number of shares for the purposes of both the basic and diluted earnings per share calculations.

Consistent with prior periods, the Board is not currently recommending the payment of a dividend.

EARNINGS PER SHARE

Underlying diluted earnings per share was 5.55p (2009: 5.28p). Excluding the impact of acquisitions, the underlying EPS would have been 5.11p. This marginal decrease on the prior year is caused by two main factors: firstly, an increase in the number of potentially dilutive number of shares caused by an increase in the average share price during the year; and secondly, an increase in the effective tax rate due to historic tax losses in the US being fully utilised during the year.

The Group reports a diluted EPS of 0.46p (2009: 0.26p).

OPERATING CASH FLOW AND NET DEBT

	As at 30 April 2010 £'000	As at 30 April 2009 £'000
Net cash from operating activities	2,421	827
Cash	5,243	1,246
Loans to associates	285	362
Debt	(7,569)	(3,800)
Net debt	(2,041)	(2,192)

Net cash from operating activities for the year was £2.4 million (2009: £0.8 million), reflecting the underlying profitability of the Group, together with an increase in trade payables due largely to the timings of payment of acquisition related costs.

At 30 April 2010, the cash balance is high due to the timing of acquisition cost settlement and integration implementation.

Loans to associates reflect loans made to Billetts Germany GmbH. The full balance is repayable on demand.

FINANCING AND TREASURY

To coincide with the timing of the acquisitions of Xtreme and TMC on 13 April 2010, the Group undertook a refinancing initiative. Ebiquity's outstanding debt with Bank of Scotland (£3.2 million) and Xtreme's outstanding debt with Barclays (£2.3 million) were repaid. New facilities have been taken out with Bank of Ireland, and these comprise a term loan of £8.0 million, a revolving credit facility of £2.5 million and an acquisition facility of £1.5 million, all with a maturity date of 31 March 2014. Other than for the repayment of existing loans, the term loan is available for use towards the acquisition costs and the cost of integrating the businesses. The revolving credit facility is available for integration costs and working capital requirements.

The Group's hedging strategy is to minimise fluctuations and exposures to interest rate and foreign exchange movements.

Interest rate risk is mitigated through the use of floating to fixed interest rate swaps; however, there were no such instruments outstanding at the year end following the refinancing in April 2010. Subsequent to the year end, the Group swapped 70% of its term loan into fixed rate borrowings for the period from February 2011 to April 2014.

The Group is exposed to currency risk on foreign currency trading and intercompany balances, and also on the foreign currency bank accounts which it holds. These risks are offset by the holding of certain foreign currency bank borrowings and the use of forward currency contracts.

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



Andrew Beach
Chief Financial Officer
23 July 2010

Directors and Advisers

MICHAEL HIGGINS

Non-Executive Chairman

Joining the Board on 1 May 2006, Michael spent the previous 10 years as a Partner at KPMG following 12 years at Charterhouse Bank (the last 8 as a Director). Currently a Senior Adviser with KPMG, Michael works with a number of private media and technology companies. He is also a Board member of the Quoted Companies Alliance. In addition to chairing the Ebiquity Board, Michael chairs the Remuneration Committee.

MICHAEL GREENLEES

Chief Executive Officer

Michael was one of the original founding partners of Gold Greenlees Trott (GGT) which under Michael's guidance became one of the great names in British advertising and subsequently growing into an international advertising and marketing group. Michael occupied the role of Chief Executive Officer for over 10 years until the sale of GGT to Omnicom in 1998 when he joined the Board of Omnicom, serving as the President & Chief Executive of TBWA Worldwide. In 2001 he was made Executive Vice-President of Omnicom Inc.

NICK MANNING

Chief Operating Officer

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

PAUL ADAMS

Chief Information Officer

Paul joined the Wellcome Foundation in 1989 as a systems analyst and programmer. During 1995 and 1997 he provided systems development services for Mintel International Group Limited in the capacity of Chief Systems Developer. Working with Ebiquity from its inception and becoming IT Director in 1999, Paul shaped the development of the Group's technology platforms. Now Chief Information Officer, he has responsibility for the Company's Platform businesses, software development, infrastructure, data capture and QA.

ANDREW BEACH

Chief Financial Officer

Andrew qualified at PricewaterhouseCoopers, and worked within their Assurance business for 9 years until 2007. For the last 6 years he specialised in Entertainment and Media clients and headed up the firm's Publishing knowledge network. He joined Ebiquity as Group Financial Controller in March 2007 and was promoted to Chief Financial Officer in April 2008. Andrew also acts as Company Secretary for the Group.

STEPHEN THOMSON

Non-Executive Director

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

SARAH JANE THOMSON
Non-Executive Director

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

RICHARD NICHOLS
Non-Executive Director

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

JEFFREY STEVENSON
Non-Executive Director

Jeffrey is the Managing Partner of Veronis Suhler Stevenson (VSS), a private equity fund with \$2.5 billion of capital under management. VSS manages equity and Structured Capital funds dedicated to companies engaged in the information, education, media, business and marketing services industries. Jeffrey joined the firm in 1982 and has been the head of its private equity business since its first investment in 1989. He serves as director to a number of companies including Cambium Learning and Advanstar Communications.

CHRISTOPHER RUSSELL
Non-Executive Director

Chris is a Managing Director at VSS and is responsible for originating, structuring and monitoring US and international investments, and is also actively involved in all aspects of the firm's investment process, fundraising, operations, and administrative matters. Chris currently serves as a director of Brand Connections, Advanstar Communications, Infobase Publishing and Market Strategies, and previously served on the Boards of Hanley Wood and ITE Group Plc.

Company Secretary

Andrew Beach

Registered office

The Registry
Royal Mint Court
London EC3N 4QN

Registration

Registered and incorporated in
England & Wales
Registration number 3967525

Independent Auditors

BDO LLP
55 Baker Street
London W1U 7EU

Nominated adviser and broker

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

Solicitors

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

Registrars

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

Directors' Report

The Directors present their annual report and Group audited accounts for the year ended 30 April 2010.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

Ebiquity plc is the holding company for a Group which continues to provide a range of business critical data, analysis and consultancy services to advertisers, media owners and PR professionals, both in the UK and internationally. The Chief Executive's Review on pages 6 to 9 sets out the full activities of the Group.

The profit for the year after taxation amounted to £169,000 (30 April 2009: £89,000). Full details of the results for the year are set out in the Financial Review on pages 10 to 15.

BUSINESS ENVIRONMENT

The sector in which Ebiquity operates has attractive growth characteristics due to the increasing focus by companies on bringing more accountability to their marketing spend and analysing its return on investment. The advertising market has historically operated as a 'trust' industry with high fragmentation and low levels of transparency around pricing. This is now changing rapidly as a result of improved technology and measurement techniques, new media channels and an increasing focus by advertisers on value for money. As set out in the Chief Executive Officer's Review on pages 6 to 9, the Group believes that it continues to be well placed to take advantage of these market trends.

STRATEGY

A review of the Group's strategy is included in the Chief Executive's Review on pages 6 to 9.

RESEARCH AND DEVELOPMENT

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

TRADING REVIEW AND FUTURE DEVELOPMENT

A review of the business and future outlook are included in the Chief Executive's Review on pages 6 to 9.

PRINCIPAL RISKS AND UNCERTAINTIES

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

IT Systems

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

Economic cycle

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



Loss of key staff

Our Directors and staff are critical to the servicing of existing customers and the winning of new business. The departure of key individuals and the inability to recruit people with the right experience and skills could adversely affect the Group's results. With this risk in mind, key staff are subject to financial lock-ins and long-term incentive arrangements linked to Group results which are designed to reward loyalty and performance. We have further reviewed our incentive packages during the year, and will continue to do so in the current financial year.

Competition

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

Integration of acquisitions

The current year has seen the Group make transformational acquisitions that change the shape and structure of the Company. Such acquisitions require significant integration activities. If the integration process does not proceed as planned, the acquired businesses may not achieve the levels of profitability and cash flows that we currently forecast. To mitigate these risks we have developed detailed integration plans which include regular milestones and steering committee meetings to ensure that our integration plans are successful.

Directors' Report

KEY PERFORMANCE INDICATORS ('KPIs')

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

KPI	Year ended 30 April 2010	Year ended 30 April 2009	Definition, method of calculation and analysis
Core revenues (£'000)	21,218	18,419	<p>Revenues from our Analytics and Platform businesses.</p> <p>The core business has continued to grow well during 2009/10 as a result of organic growth, particularly from our international business, and through acquisitions in April 2010. Note that we have no non-core revenues in either financial year presented.</p>
Underlying operating profit (£'000)	2,643	2,363	<p>Operating profit before highlighted items. See note 3 of the consolidated financial statements.</p> <p>Underlying operating profit was up 12% in 2009/10, reflecting an improved performance from our international business and the impact of acquisitions late in the financial year. On an organic basis, the underlying operating profit is up 7%.</p>
Subscriptions Renewal Rate (%)	80%	84%	<p>Percentage of advertising monitoring business (by contract value) which has renewed over the previous 12 months.</p> <p>The decrease in renewal rate reflects the impact of recessionary factors on our clients, through consolidation, administration, and cost-cutting exercises.</p>
Net Cash From Operating Activities (£'000)	2,421	827	<p>Cash flow before investing and financing activities.</p> <p>Cash flow increased in 2009/10 due to the underlying profitability of the Group, and due to positive net movements in working capital.</p>

DIVIDENDS

The Directors do not recommend the payment of a dividend (2009: £nil).



EMPLOYEES

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

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

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

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

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

CREDITOR PAYMENT POLICY

The Group's policy is to comply wherever possible with any payment terms agreed with suppliers. As at 30 April 2010, the Group's average creditor days figure was 56 days (2009: 56 days). The Group had trade creditors of £2,993,000 at the year end (2009: £1,075,000).

SUBSTANTIAL SHAREHOLDINGS

At 23 July 2010 the following held more than 3% of the Company's ordinary share capital, other than the shareholdings held by Directors. No other person has reported an interest of more than 3% in the Company's ordinary shares.

Name	No of shares	%
VS&A Communications Partners III (VSS)	15,109,549	27.04%
Kabouter Management	3,750,000	6.71%
Herald Investment Management	3,429,450	6.14%
Mark H Dixon	2,200,000	3.94%

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

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 of the consolidated financial statements.

Directors' Report

GOING CONCERN

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

DIRECTORS' INDEMNITY

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

DIRECTORS

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

Michael Higgins	Non-Executive Chairman
Michael Greenlees	Chief Executive Officer
Nick Manning	Chief Operating Officer
Paul Adams	Chief Information Officer
Andrew Beach	Chief Financial Officer
Stephen Thomson	Non-Executive Director
Sarah Jane Thomson	Non-Executive Director
Richard Nichols	Non-Executive Director
Jeffrey Stevenson	Non-Executive Director (appointed 13 April 2010)
Christopher Russell	Non-Executive Director (appointed 13 April 2010)
Fiona Driscoll	Non-Executive Director (resigned 31 July 2009)

DIRECTORS' INTERESTS

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

	Number of ordinary shares 30 April 2010	Options 30 April 2010	Number of ordinary shares 30 April 2009	Options 30 April 2009
Michael Higgins	64,500	—	64,500	—
Michael Greenlees	230,000	1,919,760	50,000	1,919,760
Nick Manning	230,000	1,464,285	50,000	1,464,285
Paul Adams	908,804	1,308,451	908,804	1,308,451
Andrew Beach	20,000	189,476	20,000	164,476
Stephen Thomson	5,302,393	145,921	5,302,393	145,921
Sarah Jane Thomson	5,302,394	145,921	5,302,394	145,921
Richard Nichols	35,000	—	—	—
Jeffrey Stevenson	—	—	—	—
Christopher Russell	—	—	—	—

No Director has any direct interest in the shares of any subsidiary company. Subsequent to the year end, Michael Greenlees and Nick Manning were granted 2.4 million and 1.8 million share options respectively. These replaced the options granted to them on 1 April 2008 under the Ebiquity Plc 2008 Executive Incentive Plan. This will bring the total options held by Michael Greenlees and Nick Manning to 2,519,760 and 1,914,286 respectively. There have been no other changes in the above Directors' shareholdings between 30 April 2010 and 23 July 2010.

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

AUDITORS

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



Andrew Beach
Company Secretary
23 July 2010

Board of Directors, Committees and Corporate Governance

BOARD OF DIRECTORS

The Board of Directors, which comprises four Executive Directors, five independent Non-Executive Directors, and an independent Non-Executive Chairman, meets approximately seven times a year. The Board is responsible for leading and controlling the Group. The four Executive Directors and a further four members of senior management comprise the Group's Executive Committee, which meets on a frequent basis, and provides the principal vehicle for directing the Group's business at an operational level.

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

COMPLIANCE WITH THE COMBINED CODE

Under the rules of the AIM market the Group is not required to comply with the Combined Code. However, the Directors have taken steps to comply with the Combined Code in so far as it can be applied practically, given the size of the Group and the nature of its operations.

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



Statement of Directors' Responsibilities

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

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

In preparing these accounts, the Directors are required to:

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

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

WEBSITE PUBLICATION

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

Independent Auditor's Report

TO THE MEMBERS OF EBIQUITY PLC

We have audited the financial statements of Ebiquity Plc for the year ended 30 April 2010 which comprise the consolidated statement of financial position and Company balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity and the related notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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 and 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.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent company's affairs as at 30 April 2010 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Andrew Viner
(senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor
London, United Kingdom
23 July 2010

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

Consolidated Income Statement

for the year ended 30 April 2010

	Note	Year ended 30 April 2010			Year ended 30 April 2009		
		Before highlighted items £'000	Highlighted items (note 3) £'000	Total £'000	Before highlighted items £'000	Highlighted items (note 3) £'000	Total £'000
Revenue		21,218	—	21,218	18,419	—	18,419
Cost of sales		(9,620)	—	(9,620)	(8,574)	—	(8,574)
Gross profit		11,598	—	11,598	9,845	—	9,845
Administrative expenses		(8,955)	(2,186)	(11,141)	(7,482)	(933)	(8,415)
Operating profit		2,643	(2,186)	457	2,363	(933)	1,430
Finance income	6	14	—	14	25	—	25
Finance expenses	6	(152)	(214)	(366)	(268)	—	(268)
Net finance costs		(138)	(214)	(352)	(243)	—	(243)
Share of loss of associates	13	(5)	—	(5)	(14)	—	(14)
Profit before taxation		2,500	(2,400)	100	2,106	(933)	1,173
Taxation	7	(290)	359	69	(1,366)	282	(1,084)
Profit for the year		2,210	(2,041)	169	740	(651)	89
Attributable to:							
Equity holders of the parent		2,210	(2,041)	169	738	(651)	87
Minority interests		—	—	—	2	—	2
		2,210	(2,041)	169	740	(651)	89
Earnings per share							
Basic	8			0.50p			0.27p
Diluted	8			0.46p			0.26p

The notes on pages 33 to 68 form part of these financial statements.

Consolidated Statement of Comprehensive Income

for the year ended 30 April 2010

	Year ended 30 April 2010 £'000	Year ended 30 April 2009 £'000
Profit for the year	169	89
Other comprehensive income:		
Exchange differences on translation of overseas subsidiary	45	(180)
Total comprehensive profit/(loss) for the year	214	(91)
Attributable to:		
Equity holders of the parent	214	(93)
Minority interest	—	2
	214	(91)

Consolidated Statement of Financial Position

as at 30 April 2010

	Note	30 April 2010 £'000	30 April 2009 £'000
Non-current assets			
Goodwill	9	30,235	8,754
Other intangible assets	10	9,983	2,795
Property, plant and equipment	11	2,044	971
Investment in joint ventures	12	—	115
Investment in associates	13	12	17
Loans and other financial assets	14	—	77
Deferred tax asset	20	670	142
Total non-current assets		42,944	12,871
Current assets			
Loans and other financial assets	14	679	362
Trade and other receivables	15	12,437	5,932
Cash and cash equivalents	16	5,243	1,246
Total current assets		18,359	7,540
Total assets		61,303	20,411
Current liabilities			
Other financial liabilities	17	(2,077)	(2,513)
Trade and other payables	18	(4,922)	(1,852)
Current tax liabilities		(425)	(306)
Provisions	19	(650)	(51)
Accruals and deferred income		(11,206)	(4,266)
Total current liabilities		(19,280)	(8,988)
Non-current liabilities			
Other financial liabilities	17	(5,627)	(1,332)
Provisions	19	(855)	(99)
Deferred tax liability	20	(2,608)	(565)
Total non-current liabilities		(9,090)	(1,996)
Total liabilities		(28,370)	(10,984)
Total net assets		32,933	9,427
Capital and reserves			
Share capital	22	12,918	8,035
Share premium	23	2,259	1,846
Convertible loan note reserve	23	9,445	—
Merger reserve	23	3,667	(4,504)
Translation reserve	23	(72)	(117)
Retained earnings	23	4,716	4,167
Capital and reserves attributable to the equity holder of the parent		32,933	9,427
Minority interest		—	—
Total equity		32,933	9,427

The financial statements on pages 28 to 68 were approved and authorised for issue by the Board of Directors on 23 July 2010 and were signed on its behalf by:



Michael Greenlees
Director



Andrew Beach
Director

Consolidated Statement of Changes in Equity

for the year ended 30 April 2010

	Note	Share capital £'000	Share premium £'000	Convertible loan note reserve £'000	Merger reserve £'000	Translation reserve £'000	Retained earnings £'000	Total £'000
1 May 2008		8,035	1,846	—	(4,504)	63	3,765	9,205
Total comprehensive income for the year		—	—	—	—	(180)	89	(91)
Share options charge	24	—	—	—	—	—	313	313
30 April 2009		8,035	1,846	—	(4,504)	(117)	4,167	9,427
Total comprehensive income for the year		—	—	—	—	45	169	214
Shares issued for cash	22	344	433	—	—	—	—	777
Share issue costs		—	(20)	—	—	—	—	(20)
Acquisition of subsidiaries	22	4,539	—	9,662	8,171	—	—	22,372
Loan note issue costs		—	—	(217)	—	—	—	(217)
Share options charge	24	—	—	—	—	—	308	308
Deferred tax on share options	20	—	—	—	—	—	72	72
30 April 2010		12,918	2,259	9,445	3,667	(72)	4,716	32,933

Consolidated Cash Flow Statement

for the year ended 30 April 2010

	Year ended 30 April 2010 £'000	Year ended 30 April 2009 £'000
Cash flows from operating activities		
Profit before taxation	100	1,173
Adjustments for:		
Depreciation	352	364
Amortisation	582	487
Capitalised development costs write-off	49	106
Unrealised foreign exchange loss/(gain)	194	(298)
Share option charges	308	313
Finance income	(14)	(25)
Finance expenses	366	268
Call/put options valuation (net)	(21)	(6)
Share of loss of associates	5	14
	1,921	2,396
Increase in trade receivables	(1,354)	(10)
Increase/(decrease) in trade payables	2,306	(951)
Increase/(decrease) in provisions	370	(71)
Cash generated from operations	3,243	1,364
Net finance expenses paid	(271)	(268)
Income taxes paid	(551)	(269)
Net cash from operating activities	2,421	827
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	(326)	—
Purchase of property, plant and equipment	(164)	(454)
Purchase of intangible assets	(135)	(511)
Purchase of investments	—	(26)
Purchase of investments in associates	—	(17)
Repayment/(grant) of loan to associates	66	(362)
Finance income	14	25
Net cash used in investing activities	(545)	(1,345)
Cash flows from financing activities		
Proceeds from issue of share capital	750	—
Proceeds from long-term borrowings	8,000	1,113
Repayment of bank loans	(5,884)	(1,013)
Bank loan fees paid	(406)	—
Bank securities paid	(100)	—
Loan note issue costs	(217)	—
Loan note settlement	—	(51)
Net cash flow from financing activities	2,143	49
Net increase/(decrease) in cash, cash equivalents and bank overdrafts	4,019	(469)
Effect of unrealised foreign exchange (losses)/gains	(22)	28
Cash, cash equivalents and bank overdraft at beginning of period	1,246	1,687
Cash, cash equivalents and bank overdraft at end of period (note 16)	5,243	1,246

Notes to the Consolidated Financial Statements

for the year ended 30 April 2010

1. ACCOUNTING POLICIES

BASIS OF PREPARATION

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

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

SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are set out below.

CHANGES IN ACCOUNTING POLICIES

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 May 2009.

IAS 1 (revised), 'Presentation of financial statements'. The revised standard separates the presentation of 'non-owner changes in equity' in the statement of changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement. The Group has elected to present two statements: an income statement and a statement of comprehensive income. The financial statements have been prepared under the revised disclosure requirements. The presentation of certain comparative balances has changed as a result of the adoption of this standard. This has not resulted in any material change to the comparative balances.

IFRS 8, 'Operating segments'. IFRS 8 replaces IAS 14, 'Segment reporting'. The standard requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has not led to a change in the classification of the Group's operating segments; however, we are now not required to allocate central costs to the divisions for the purpose of segmental reporting. Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Directors. The Executive Directors have been identified as the chief operating decision maker that makes strategic decisions.

IFRS 2 (amendment), 'Share-based payment' deals with vesting conditions and cancellations. The standard clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The amendment does not have a material impact on the Group's or Company's financial statements.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 May 2009, but have no impact on the Group:

- IFRIC 13, 'Customer loyalty programmes';
- IFRIC 15, 'Agreements for the construction of real estate';
- IFRIC 16, 'Hedges of a net investment in a foreign operation';
- IFRIC 18, 'Contributions of assets from customers';
- IFRIC 9 (amendment), 'Embedded derivatives';
- IFRS 7 (amendment), 'Financial instruments: presentation and disclosure';
- IAS 16 (amendment), 'Property, plant and equipment';
- IAS 20 (amendment), 'Government grants';
- IAS 23 (amendment), 'Borrowing costs';
- IAS 28 (amendment), 'Investments in associates';

Notes to the Consolidated Financial Statements

for the year ended 30 April 2010

1. ACCOUNTING POLICIES CONTINUED

- IAS 32 (amendment), 'Financial instruments: Presentation';
- IAS 36 (amendment), 'Impairment of assets';
- IAS 38 (amendment), 'Intangible assets';
- IAS 19 (amendment), 'Employee benefits'; and
- IAS 39 (amendment), 'Financial instruments: Recognition and measurement'.

BASIS OF CONSOLIDATION

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

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

Minority interest represents the portion of profit and net assets in subsidiaries that is not held by the Group.

BUSINESS COMBINATIONS

PURCHASE METHOD OF ACCOUNTING

The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. 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.

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

MERGER METHOD OF ACCOUNTING

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

INVESTMENTS IN JOINT VENTURES

A jointly controlled entity is an entity over which the Group exercises joint control through a contractual arrangement. The Group's investment in its jointly controlled entities is recognised using the equity method of accounting. The investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss of the jointly controlled entity after the date of acquisition. The Group's share of the profit or loss of the jointly controlled entity is recognised in the Group's profit or loss. To the extent that distributions received from the jointly controlled entity are made out of pre-acquisition profits then such dividends are applied to reduce the carrying amount of the investment.

INVESTMENTS IN ASSOCIATES

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

1. ACCOUNTING POLICIES CONTINUED

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

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

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

GOODWILL

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

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

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

REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes. Income is recognised evenly over the period of the contract for media monitoring, news and vouching subscription, and in accordance with the stage of completion of the contract activity for consultancy income.

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 EXPENSE

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.

Notes to the Consolidated Financial Statements

for the year ended 30 April 2010

1. ACCOUNTING POLICIES CONTINUED

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

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

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

HIGHLIGHTED ITEMS

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

TAXATION

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

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

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

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting 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 carrying amount of deferred tax assets is reviewed at each year end date.

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

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

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

1. ACCOUNTING POLICIES CONTINUED

PROPERTY, PLANT AND EQUIPMENT

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

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

Motor vehicles	25% per annum reducing balance
Fixtures, fittings and equipment	25% per annum reducing balance
Computer equipment	25% per annum on cost
Short leasehold land and buildings improvements	Over the life of the lease
Plant and equipment	Straight-line over 3–10 years

OTHER INTANGIBLE ASSETS

INTERNALLY GENERATED INTANGIBLE ASSETS — DEVELOPMENT EXPENDITURE

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

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

Internally generated intangible assets are amortised on a straight-line basis over their useful lives. Amortisation commences when the asset is available for use and useful lives range from 1 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 1.5 to 10 years. The amortisation expense is included as a highlighted item within the administrative expenses line in the Income Statement. Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques. The significant intangibles recognised by the Group are customer relationships and database content.

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.

Notes to the Consolidated Financial Statements

for the year ended 30 April 2010

1. ACCOUNTING POLICIES CONTINUED

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

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

FINANCIAL INSTRUMENTS

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

FINANCIAL ASSETS

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

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

Other financial assets consist of call options, which are carried at fair value with changes in fair value being reflected in the Income Statement.

FINANCIAL LIABILITIES

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

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

CASH AND CASH EQUIVALENTS

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

PROVISIONS

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

1. ACCOUNTING POLICIES CONTINUED

EMPLOYEE SHARE OWNERSHIP PLAN (ESOP)

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

SHARE-BASED PAYMENTS

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

RETIREMENT BENEFITS

Contributions to defined contribution pension schemes are charged to the income statement in the year to which they relate.

LEASED ASSETS

Where substantially all of the risks and rewards incidental to ownership 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 land and buildings elements of property leases are considered separately for the purposes of lease classification.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

CARRYING VALUE OF GOODWILL AND OTHER INTANGIBLE ASSETS

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

INCOME TAXES

The Group is subject to income taxes in all the territories in which it operates, and judgement and estimates of future profitability are required to determine the Group's deferred tax position. If the final tax outcome is different to that assumed, resulting changes will be reflected in the income statement, unless the tax relates to an item charged to equity in which case the changes in the tax estimates will also be reflected in equity. The Company 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 to the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

VALUATION OF SHARE-BASED PAYMENTS

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

Notes to the Consolidated Financial Statements

for the year ended 30 April 2010

1. ACCOUNTING POLICIES CONTINUED

PROVISIONS

The Group has recorded a provision for deferred consideration on the acquisition of the trade and assets of Excellence Media. 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.

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

The Group provides for the costs of property leases where the property is vacant or if the lease is considered onerous. The quantification of these provisions depends upon the Group's ability to exit the leases early or to sublet the properties and has been determined based on external professional advice. In general, property costs are expected to be incurred over periods for which individual properties remain vacant or, where occupied, to the termination of the leases in question, which range from 1 to 4 years.

ADOPTION OF NEW STANDARDS AND INTERPRETATIONS

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

IFRIC 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009). This interpretation provides guidance on accounting for arrangements whereby an entity distributes non-cash assets to shareholders. The Group will apply IFRIC 17 from 1 May 2010. It is not expected to have a material impact on the Group's financial statements.

IAS 27 (revised), 'Consolidated and separate financial statements' (effective from 1 July 2009). The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply IAS 27 (revised) prospectively to transactions with non-controlling interests from 1 May 2010.

IFRS 3 (revised), 'Business combinations' (effective from 1 July 2009). The revised standard continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply IFRS 3 (revised) prospectively to all business combinations from 1 May 2010.

IAS 38 (amendment), 'Intangible Assets' (effective from 1 July 2009). The amendment is part of the IASB's annual improvements project published in April 2009 and the Group and Company will apply IAS 38 (amendment) from the date IFRS 3 (revised) is adopted. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination. The amendment will not result in a material impact on the Group's financial statements.

IFRS 5 (amendment), (effective from 1 January 2010). *'Non-current assets held for sale and discontinued operations'*. The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. The Group will apply IFRS 5 (amendment) from 1 May 2010. It is not expected to have a material impact on the Group's financial statements.

IAS 1 (amendment), 'Presentation of financial statements' (effective from 1 January 2010). The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. The Group will apply IAS 1 (amendment) from 1 May 2011. It is not expected to have a material impact on the Group's financial statements.

1. ACCOUNTING POLICIES CONTINUED

IFRS 2 (amendments), 'Group cash-settled share-based payment transaction' (effective from 1 January 2010). In addition to incorporating IFRIC 8, 'Scope of IFRS 2', and IFRIC 11, 'IFRS 2 — Group and treasury share transactions', the amendments expand on the guidance in IFRIC 11 to address the classification of Group arrangements that were not covered by IFRIC 11. The Group will apply IFRS 2 amendments from 1 May 2011. The new guidance is not expected to have a material impact on the Group's financial statements.

2. SEGMENTAL REPORTING

The Group has adopted IFRS 8 'Operating Segments' for the year ended 30 April 2010. In accordance with IFRS 8 the Group's operating segments are based on the reports reviewed by the Executive Directors that are used to make strategic decisions. Certain operating segments have been aggregated to form two reportable segments, Analytics and Platform:

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

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

The segment information provided to the Executive Directors for the reportable segments for the year ended 30 April 2010 is as follows:

YEAR ENDED 30 APRIL 2010

	Analytics £'000	Platform £'000	Unallocated £'000	Total £'000
Total segment revenue	15,197	6,021	—	21,218
Inter-segment revenue	—	—	—	—
Revenue from external customers	15,197	6,021	—	21,218
Operating profit before highlighted items	7,603	1,284	(6,244)	2,643
Total assets	16,214	39,339	5,750	61,303
Other segment information				
Capital expenditure — property, plant and equipment	15	4	145	164
Capital expenditure — intangible assets	242	7,600	—	7,842
Capital expenditure — goodwill	205	21,276	—	21,481
Total	462	28,880	145	29,487

Notes to the Consolidated Financial Statements

for the year ended 30 April 2010

2. SEGMENTAL REPORTING CONTINUED

YEAR ENDED 30 APRIL 2009 (RESTATED)

	Analytics £'000	Platform £'000	Unallocated £'000	Total £'000
Total segment revenue	12,842	5,633	—	18,475
Inter-segment revenue	(56)	—	—	(56)
Revenue from external customers	12,786	5,633	—	18,419
Operating profit before highlighted items	6,017	1,296	(4,950)	2,363
Total assets	12,689	4,404	3,318	20,411
Other segment information				
Capital expenditure — property, plant and equipment	—	8	446	454
Capital expenditure — intangible assets	138	373	—	511
Total	138	381	446	965

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

	Year ended 30 April 2010 £'000	Year ended 30 April 2009 £'000
Segment operating profit before highlighted items	8,887	7,313
Unallocated costs:		
Staff costs	(3,365)	(2,993)
Property costs	(942)	(857)
Exchange rate movements	(257)	457
Other administrative expenses	(1,680)	(1,557)
Operating profit before highlighted items	2,643	2,363
Highlighted items (note 3)	(2,186)	(933)
Operating profit	457	1,430
Net finance costs	(352)	(243)
Share of loss of associates	(5)	(14)
Profit before tax	100	1,173

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

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

	2010 £'000	2009 £'000
Total assets for reportable segments	55,553	17,093
Unallocated amounts:		
Property, plant and equipment	581	609
Trade and other receivables	865	1,017
Cash and cash equivalents	3,356	1,444
Deferred tax asset	584	84
Other unallocated amounts	352	32
Investments in associates and JVs	12	132
Total assets	61,303	20,411

2. SEGMENTAL REPORTING CONTINUED

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

	Year ended 30 April 2010		Year ended 30 April 2009	
	External revenue by location of customers £'000	Non-current assets £'000	External revenue by location of customers £'000	Non-current assets £'000
United Kingdom	15,040	35,249	13,904	12,639
Rest of Europe	1,515	3,338	1,198	—
North America	3,394	127	2,207	13
Rest of world	1,269	3,560	1,110	—
Total	21,218	42,274	18,419	12,652

Non-current assets exclude deferred tax assets and financial instruments.

3. HIGHLIGHTED ITEMS

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

	Year ended 30 April 2010			Year ended 30 April 2009		
	Cash £'000	Non-cash £'000	Total £'000	Cash £'000	Non-cash £'000	Total £'000
Administrative expenses						
Recurring:						
Share-based expenses	—	308	308	—	313	313
Amortisation of intangibles	—	412	412	—	362	362
		720	720	—	675	675
Non-recurring:						
Acquisition integration costs	212	—	212	—	—	—
Severance costs	1,132	—	1,132	258	—	258
Property costs	—	122	122	—	—	—
	1,344	122	1,466	258	—	258
Total highlighted items — administrative expenses	1,344	842	2,186	258	675	933
Acquisition finance costs	214	—	214	—	—	—
Total highlighted items	1,558	842	2,400	258	675	933

Amortisation of intangibles relates to acquisitions prior to the financial year (£362,000) and to acquisitions during the financial year (£50,000).

Severance costs relates to pre-acquisition management restructuring (£159,000), senior management redundancy of the acquired companies (£651,000) and the redundancy costs associated with the merger of our acquired operations in Germany (£322,000).

Property costs represent the future onerous lease costs of vacating certain offices during the restructuring process.

Acquisition finance costs relate to costs incurred in cancelling both Ebiquity and Xtreme's former borrowing arrangements in order to obtain the refinancing required for the acquisition.

As at 30 April 2010, £872,000 of the £1,558,000 had been settled in cash.

Notes to the Consolidated Financial Statements

for the year ended 30 April 2010

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Year to 30 April 2010 £'000	Year to 30 April 2009 £'000
Operating lease rentals		
— motor vehicles	20	21
— land and buildings	520	460
Depreciation — owned assets	351	365
Depreciation — leased assets	1	—
Amortisation of capitalised development costs	170	125
Amortisation of purchased intangible assets	412	362
Development costs — expensed	647	470
Foreign exchange loss/(gain)	257	(457)
Income from sub-leases	(86)	(86)

AUDITOR REMUNERATION

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

	Year to 30 April 2010 £'000	Year to 30 April 2009 £'000
Fees payable to the Company's auditors for the audit of the parent company and consolidated financial statements	38	5
Fees payable to the Company's auditors and its associates for other services:		
— The audit of the Company's subsidiaries, pursuant to legislation	152	68
— Other services	345	12
	535	85

5. EMPLOYEE INFORMATION

The average number of employees of the Group, including Executive Directors, was as follows. The classification has been changed from the prior year to align disclosure of staff numbers to that of the Group's business segments.

	2010 No.	2009 No.
Platform	141	135
Analytics	82	78
IT development and support	18	16
Administration	21	18
Directors	7	8
	269	255

Following the acquisitions of Xtreme and TMC in April 2010, the total number of employees of the Group at 30 April 2010 was 619, including 455 in the Platform division.

5. EMPLOYEE INFORMATION CONTINUED

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

	Year ended 30 April 2010 £'000	Year ended 30 April 2009 £'000
Wages and salaries	9,804	9,354
Social security costs	1,051	1,014
Pension costs	166	164
Share options charge	308	313
	11,329	10,845

DIRECTORS' REMUNERATION

	Year ended 30 April 2010 Total £'000	Year ended 30 April 2009 Total £'000
Michael Higgins	68	68
Michael Greenlees	358	304
Nick Manning	294	253
Andrew Beach	176	101
Paul Adams	198	181
Stephen Thomson	33	72
Sarah Jane Thomson	29	70
Fiona Driscoll ¹	5	36
Richard Nichols ²	43	14
Jeffrey Stevenson ³	—	—
Christopher Russell ³	—	—
	1,204	1,099

¹ Resigned on 31 July 2009.

² Appointed on 1 November 2008.

³ Appointed on 13 April 2010.

No Director was a member of a Company pension scheme as at 30 April 2010 (2009: nil). Contributions totalling £30,000 (2009: £30,000) were made to Directors' private pension schemes (£nil to the highest paid Director; 2009: £nil) during the year. Performance bonuses, which are included in the above analysis, totalled £182,000 (2009: £nil), including £53,000 to the highest paid Director (2009: £nil).

No Director exercised any share options during the year (2009: nil). During the year 276,589 share options were granted to Directors, 251,589 of which related to the cancel and reissue of EMI options on 13 May 2009. See note 24 for more details.

Notes to the Consolidated Financial Statements

for the year ended 30 April 2010

6. FINANCE INCOME AND EXPENSES

	Year ended 30 April 2010 £'000	Year ended 30 April 2009 £'000
Finance income		
Bank interest	1	20
Interest on loan to associates	13	5
Finance income	14	25
Finance expenses		
Bank loans and overdrafts interest	(152)	(267)
Loan note interest	—	(1)
Finance expenses before highlighted items	(152)	(268)
Highlighted finance expenses — bank break fees	(214)	—
Total finance expenses	(366)	(268)

7. TAXATION

	Year ended 30 April 2010 £'000	Year ended 30 April 2009 £'000
UK tax		
Current year	316	420
Prior year	(49)	(80)
	267	340
Foreign tax		
Current year	200	9
Total current tax	467	349
Deferred tax		
Origination and reversal of temporary differences (note 20)	(536)	735
Total tax (income)/expense	(69)	1,084

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

	Year ended 30 April 2010 £'000	Year ended 30 April 2009 £'000
Profit before tax	100	1,173
Corporation tax at 28% (2009: 28%)	28	328
Non-deductible expenses	60	36
Overseas tax rate differential	68	(5)
Overseas losses unrecognised	6	4
Capital allowances	14	4
Additional deduction for R&D expenditure	(108)	(47)
Losses not relieved against other Group entities	304	—
Over provision of current and prior year tax	(49)	(80)
Other temporary differences	(392)	844
Total tax (income)/expense	(69)	1,084

8. EARNINGS PER SHARE

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

	Year ended 30 April 2010 £'000	Year ended 30 April 2009 £'000
Earnings for the purpose of basic EPS being net profit attributable to equity holders of the parent	169	87
Adjustments:		
Deferred tax	(536)	735
Highlighted items — recurring ¹	720	675
Highlighted items — non-recurring ¹	1,466	258
Highlighted items — finance costs	214	—
Earnings for the purpose of underlying EPS	2,033	1,755
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic EPS	33,692,309	32,139,435
Effect of dilutive potential ordinary shares:		
Share options ²	2,929,073	1,082,978
Weighted average number of ordinary shares for the purpose of diluted EPS	36,621,382	33,222,413
Basic earnings per share	0.50p	0.27p
Diluted earnings per share	0.46p	0.26p
Underlying basic earnings per share	6.03p	5.46p
Underlying diluted earnings per share	5.55p	5.28p

¹ Highlighted items (see note 3).

² Note that certain share options have been excluded from the calculation of diluted EPS as their exercise price is greater than the weighted average share price during the year (i.e. they are out-of-the-money) and therefore it would not be advantageous for the holders to exercise those options. 13,186 (2009: 1,601,673) share options have not been included within the diluted earnings per share calculation at 30 April 2010 as they are anti-dilutive for the periods presented. These shares could potentially dilute earnings per share in the future.

Subsequent to the year end, 4,262,015 share options were issued to employees of the Group. Of these, 3,150,000 arose on the cancellation of an equivalent number of existing awards. See note 24 for further details.

Notes to the Consolidated Financial Statements

for the year ended 30 April 2010

9. GOODWILL

	£'000
Cost and net book value	
At 30 April 2008 and 2009	8,754
Acquisitions	21,481
At 30 April 2010	30,235

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill may be impaired. The recoverable amounts are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates and growth rates. Management estimates discount rates using rates that reflect current market assessments of the time value of money and risk specific to the cash-generating units. The Group prepares three-year cash flow forecasts, and these are consistent with the business acquisitions plans. The cash flows have been discounted at 10% (2009: 10%). No impairment of goodwill was recognised in 2010 (2009: £nil).

Goodwill has been allocated to the following CGUs:

	Year ended 30 April 2010 £'000	Year ended 30 April 2009 £'000
Analytics	8,960	8,754
Platform	21,275	—
	30,235	8,754

10. OTHER INTANGIBLE ASSETS

	Capitalised development costs £'000	Purchased intangible assets £'000	Total intangible assets £'000
Cost			
At 1 May 2008	572	3,395	3,967
Additions	511	—	511
Write-off	(131)	—	(131)
At 30 April 2009	952	3,395	4,347
Additions	135	—	135
Acquisitions	—	7,707	7,707
Write-off	(49)	—	(49)
Foreign exchange	—	(23)	(23)
At 30 April 2010	1,038	11,079	12,117
Amortisation			
At 1 May 2008	(77)	(1,014)	(1,091)
Provision for the year	(125)	(362)	(487)
Write-off	26	—	26
At 30 April 2009	(176)	(1,376)	(1,552)
Provision for the year	(170)	(412)	(582)
Foreign exchange	—	—	—
At 30 April 2010	(346)	(1,788)	(2,134)
Net book value			
At 30 April 2010	692	9,291	9,983
At 30 April 2009	776	2,019	2,795

10. OTHER INTANGIBLE ASSETS CONTINUED

Amortisation is charged within highlighted administrative expenses so as to write off the cost of the purchased intangible assets over their estimated useful lives. The assets, initial values and amortisation periods used are as follows:

PURCHASED INTANGIBLES

	Cost £'000	Current carrying value £'000	Useful economic life Years	Remaining period of amortisation Years
Xtreme customer relationships	5,812	5,784	10	10
Xtreme database content	632	622	3	3
TMC customer relationships	1,110	1,104	8	8
Excellence Media customer relationships	130	123	3	3
Billets Media Consulting customer relationships	2,859	1,525	10	5.3
Billets Marketing Sciences customer relationships	271	18	5	0.3
Billets trade name	215	115	10	5.3
Other	50	—	1.5 to 2	—
Total	11,079	9,291		

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 2008	1	593	1,884	190	2,668
Additions	—	48	334	72	454
Disposals	(1)	—	—	—	(1)
At 30 April 2009	—	641	2,218	262	3,121
Additions	—	—	164	—	164
Acquisitions	5	461	714	79	1,259
Disposals	—	—	(5)	—	(5)
Foreign exchange	—	—	2	—	2
At 30 April 2010	5	1,102	3,093	341	4,541
Depreciation					
At 1 May 2008	(1)	(343)	(1,437)	(5)	(1,786)
Charge for the year	—	(72)	(249)	(44)	(365)
Disposals	1	—	—	—	1
At 30 April 2009	—	(415)	(1,686)	(49)	(2,150)
Charge for the year	—	(51)	(244)	(57)	(352)
Disposals	—	—	5	—	5
At 30 April 2010	—	(466)	(1,925)	(106)	(2,497)
Net book value					
At 30 April 2010	5	636	1,168	235	2,044
At 30 April 2009	—	226	532	213	971

The Group holds assets under finance leases with cost of £59,000 (2009: £nil) and accumulated depreciation of £1,000 (2009: £nil).

Notes to the Consolidated Financial Statements

for the year ended 30 April 2010

12. INVESTMENT IN JOINT VENTURES

	£'000
At 1 May 2009	115
Transfer (note 26)	(115)
At 30 April 2010	—

The investment in joint ventures related to the Group's 50% fixed capital investment in Thomson Media Control GmbH & Co Kg (TMC), a media monitoring business incorporated in Baden-Baden, Germany. The remaining 50% of TMC was purchased on 13 April 2010 and therefore the Company is now consolidated as a subsidiary. Immediately after acquisition the trade and assets of the Company were transferred to Xtreme Information GmbH.

SUBSIDIARIES

Details of the Company's principal operating subsidiary undertakings at 30 April 2010, which are all registered and operating in the UK unless otherwise indicated, are set out below. Shares held by an intermediate holding company are indicated with an asterisk (*):

Subsidiary undertaking	Proportion of nominal value of issued ordinary shares held	Nature of business
Ebiquity Associates Limited	100%	Media monitoring
Billets Media Consulting Limited	100%*	Media consultants
Billets Marketing Sciences Limited	100%*	Marketing consultants
Billets America LLC ¹	95%*	Media consultants
Billets France SARL ²	82.5%*	Media consultants
Xtreme Information Limited	100%*	Media monitoring
Xtreme Information Services (Australia) Pty Limited ³	100%*	Media monitoring
Xtreme Information (USA) Limited ⁴	100%*	Media monitoring
Xtreme Information GmbH ⁵	100%*	Media monitoring

¹ Incorporated in the USA.

² Incorporated in France.

³ Incorporated in Australia.

⁴ Incorporated in the UK, operating in the USA.

⁵ Incorporated in Germany.

13. INVESTMENT IN ASSOCIATES

	30 April 2010 £'000	30 April 2009 £'000
Aggregated amounts relating to associates		
Total assets	474	372
Total liabilities	(728)	(489)
Revenues	1,341	253
Loss	(46)	(140)
Group's investment in associate	17	31
Group's share of loss	(5)	(14)
Net investment in associates	12	17

The above amounts relate solely to the Group's associate in Germany, Billetts Germany GmbH. Billetts Germany GmbH was incorporated in Germany and BCMG Limited (a 100% owned subsidiary of Ebiquity plc) holds 10% of the voting interest in the Company. Since two employees of the Group sit on the Board of Billetts Germany, it was concluded that Ebiquity has significant influence over the Company.

Subsequent to the year end, the Group increased its holding in Billetts Germany to 51%.

14. LOANS AND OTHER FINANCIAL ASSETS

	30 April 2010 £'000	30 April 2009 £'000
Current		
Bank security deposits	300	—
Call option	94	—
Loans to associates	285	362
	679	362
Non-current		
Call option	—	77
Total loans and other financial assets	679	439

Bank security deposits represent cash deposits placed as security against Company credit card limits and forward currency contracts.

The loans to associates relates to the loan to Billetts Germany GmbH. This loan is repayable on demand. The entire balance is to be repaid by 30 October 2011 if not called earlier. Interest is payable at 3% above 12-month Euribor.

Ebiquity Plc has the right, under a call option, to purchase 25% of the share capital of Media Value S.L., a media auditing and consultancy business registered in Spain. The call option can be exercised when certain criteria have been met. The amount shown is the fair value as at the year end valued in accordance with IAS 39. The call option is classified under IFRS 7 as Level 3 in the fair value hierarchy. The movement on the fair value of £17,000 has been credited to the income statement under administrative expenses. See note 17 for the corresponding put option.

Notes to the Consolidated Financial Statements

for the year ended 30 April 2010

15. TRADE AND OTHER RECEIVABLES

	30 April 2010 £'000	30 April 2009 £'000
Trade and other receivables due within one year		
Net trade receivables	8,300	3,118
Other receivables	490	362
Prepayments and accrued income	3,647	2,452
	12,437	5,932

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

16. CASH AND CASH EQUIVALENTS

	30 April 2010 £'000	30 April 2009 £'000
Cash and cash equivalents	5,243	1,246

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

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

The acquisitions of Xtreme and TMC represent significant non-cash transactions in the year. See note 26 for further details.

17. OTHER FINANCIAL LIABILITIES

	30 April 2010 £'000	30 April 2009 £'000
Current		
Bank borrowings	1,994	2,513
Finance lease liabilities	19	—
Put option	44	—
Forward currency contracts	20	—
	2,077	2,513
Non-current		
Bank borrowings	5,575	1,287
Finance lease liabilities	52	—
Put option	—	45
	5,627	1,332
Total other financial liabilities	7,704	3,845

As part of the acquisition of Xtreme the Group undertook a refinancing initiative, with all bank borrowings now being held with Bank of Ireland. The new facility comprises term loans of £8,000,000, a revolving credit facility of £2,500,000 and an acquisition facility of £1,500,000, all with a maturity date of 30 April 2014. The term loan is to be repaid on a quarterly basis over the four years following drawdown and the acquisition facility is repayable on a quarterly basis from October 2011 to maturity. The facility initially bears variable interest of LIBOR plus a margin of 3.25%. The margin rate may be lowered from July 2011 to 2.75% depending on the Group's net debt to EBITDA ratio. The rate may be further lowered to 2.25% from July 2012. Subsequent to the year end, the Group entered into a floating to fixed interest rate swap covering 70% of the term loan.

17. OTHER FINANCIAL LIABILITIES CONTINUED

£500,000 of the Revolving Credit Facility is held in a guarantee arrangement with Barclays, and therefore is not available to be drawn down. Interest on this guarantee is charged at the prevailing margin. The undrawn amount of the revolving credit facility is liable to a fee of 46.15% of the prevailing margin. The Group may elect to prepay all or part of the loan subject to a break fee, by giving five business days' notice.

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

All finance lease liabilities fall due within five years.

The put option reflects Media Value's shareholders' right to enforce Ebiquity plc to purchase 25% of Media Value where the call option criteria have been met but not yet exercised (see note 14 for corresponding call option). The put option is classified under IFRS 7 as Level 3 in the fair value hierarchy. The movement on the fair value of £1,000 has been charged to the income statement under administrative expenses. These options are fair valued in accordance with IAS 39.

The forward currency contracts were acquired with Xtreme businesses and are classified under IFRS 7 as Level 3 in the fair value hierarchy. There has been no movement in the fair value of the instruments since acquisition.

18. TRADE AND OTHER PAYABLES

	30 April 2010 £'000	30 April 2009 £'000
Trade payables	2,993	1,075
Other taxation and social security	1,548	650
Other creditors	381	127
	4,922	1,852

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

Notes to the Consolidated Financial Statements

for the year ended 30 April 2010

19. PROVISIONS

	Onerous property leases £'000	Dilapidations £'000	Severance £'000	Contingent deferred consideration £'000	Total £'000
At 1 May 2008	116	105	—	—	221
Utilisation of provision	(51)	(20)	—	—	(71)
At 30 April 2009	65	85	—	—	150
Arising on acquisition	219	615	—	88	922
Increase in provision	122	—	362	—	484
Utilisation of provision	(51)	—	—	—	(51)
At 30 April 2010	355	700	362	88	1,505
Current	159	85	362	44	650
Non-current	196	615	—	44	855

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, and certain property leases acquired as part of acquisitions where lease payments are payable above a fair market rate. The provision will be fully utilised by August 2014, the date of the next break clause.

The dilapidations provision arising on acquisition relates to the expected costs of vacating various properties of the acquired companies. The provision is expected to be fully utilised by August 2014. The pre-existing provision relates to a property that the Group vacated during the year ended 30 April 2008. This provision is expected to be fully utilised by September 2010.

Severance provisions relate to the restructuring of the Group's German operations, the details of which were announced to employees before the year end. The provision is expected to be fully utilised by December 2010.

Contingent deferred consideration represents additional amounts that are expected to be payable for the acquisition of Excellence Media. Payments of €50,000 (£44,000) are expected to be payable in both 2011 and 2012.

20. DEFERRED TAX

	Intangible assets £'000	Share-based payment £'000	Tax losses £'000	Other timing differences £'000	Total £'000
At 1 May 2008	(799)	47	1,036	28	312
Credit/(charge) to income	17	37	(793)	4	(735)
At 30 April 2009	(782)	84	243	32	(423)
Arising on acquisition	(2,158)	—	—	35	(2,123)
Credit/(charge) to income	139	499	(122)	20	536
Charge to equity	—	72	—	—	72
At 30 April 2010	(2,801)	655	121	87	(1,938)

20. DEFERRED TAX CONTINUED

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

	30 April 2010 £'000	30 April 2009 £'000
Deferred tax assets	670	142
Deferred tax liabilities	(2,608)	(565)
	(1,938)	(423)

At the year end, the Group had tax losses of £433,327 (2009: £868,000) available for offset against future profits. A deferred tax asset of £121,000 (2009: £243,000) has been recognised in respect of such losses.

In addition, the Group has unrecognised deferred tax assets of £1,870,000. These have not been recognised due to the uncertainty over their recoverability.

21. OPERATING LEASES

OPERATING LEASES — LESSEE

The Group had future minimum lease payments under non-cancellable operating leases at 30 April 2010 and 30 April 2009 which fall due as follows:

	30 April 2010		30 April 2009	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Within one year	1,608	67	729	14
Between one and five years	3,115	44	2,178	—
After five years	6	—	—	—
	4,729	111	2,907	14

OPERATING LEASES — LESSOR

In the period ended 30 April 2008, the Group vacated one of its properties prior to the end of the lease term. This property was sub-let in January 2008. In addition, a sub-let property was acquired as part of the Xtreme acquisition. Since the rents receivable over the lease terms are contracted to be less than the obligation to the head lessor, onerous lease provisions have been recognised (note 19). The sub-lease rental income for the year to 30 April 2010 was £86,000.

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

	30 April 2010 £'000	30 April 2009 £'000
Within one year	49	95
Between one and five years	8	25
	57	120

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22. SHARE CAPITAL

	Number of shares	Nominal value £'000
Allotted, called up and fully paid		
At 1 May 2008 and 30 April 2009 — ordinary shares of 25p	32,139,435	8,035
Share placing	1,375,000	344
Issued to acquire Xtreme Information Services Limited	16,706,639	4,176
Issued to acquire Thomson Media Control GmbH & Co Kg	1,451,330	363
At 30 April 2010 — ordinary shares of 25p	51,672,404	12,918

Ordinary shares carry voting rights and are entitled to share in the profits of the Company (dividends). At the year end 448,671 shares were held by the ESOP (2009: 478,671).

23. RESERVES

SHARE PREMIUM

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

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. The movement of £8,171,000 in the current year represents the premium paid on the shares issued as acquisition consideration.

CONVERTIBLE LOAN NOTE RESERVE

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

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.

24. SHARE-BASED PAYMENTS

Options outstanding at 30 April 2010:

Name of share option scheme	Life of option	Exercise period	Exercise price (pence)	Weighted average exercise price	Number
EMI scheme	10 years	October 2005– December 2019	nil–228p	34p	2,057,094
Unapproved Company share option plan — 7 January 2005	10 years	March 2007– January 2015	nil	nil	376,764
Unapproved Company share option plan — 1 April 2008	10 years	October 2009– March 2018	25p	25p	3,150,000
Unapproved Company share option plan — 8 September 2008	10 years	March 2010– September 2018	25p–37p	28p	1,070,270
					6,654,128

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.

On 13 May 2009, 337,218 outstanding EMI options with an exercise price in excess of 50p were cancelled. These options were then reissued with a new exercise price of 35p and vesting periods split between 1, 2 and 3 years. The total incremental fair value was £18,000.

UNAPPROVED COMPANY SHARE OPTION PLAN (UCSOP)

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

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

The performance criteria attached to the share options granted under the UCSOP scheme on 1 April 2008 are as follows:

MARKET CONDITIONS

- The options were divided into two parts. Part 1 of the options would vest if the share price of the Company equals or exceeds 150 pence on any 10 dealing days within the period of 30 days preceding 31 October 2009. Failing to satisfy the above-mentioned vesting criteria, Part 1 options would also vest if the share price equals or exceeds 150 pence on any 10 dealing days within any 30-day period during the Measurement Period (the period beginning 31 October 2009 and ending 31 October 2011).
- Part 2 of the options would vest if the share price equals or exceeds 150 pence on any 10 dealing days in any 30-day period during the six month period preceding 30 April 2011. Failing to satisfy the above-mentioned criteria, Part 2 options would also vest if the share price equals or exceeds the 150 pence on any 10 dealing days within any 30-day period during the Measurement Period (the period beginning 30 April 2011 and ending 31 October 2011).

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24. SHARE-BASED PAYMENTS CONTINUED

NON-MARKET CONDITIONS

- Share options would vest if the Company is subjected to a liquidation or change of control. Also, Part 1 and Part 2 of the options would only vest if the recipients remain employed by the Company until the end of the Holding Period (being 31 October 2009 for Part 1 and 30 April 2011 for Part 2).
- Upon vesting, the options can be exercised by the recipients during the period commencing on the date the relevant part of the options vest and expiring on the Lapse Date (31 March 2018).

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

MARKET CONDITIONS

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

NON-MARKET CONDITIONS

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

The following share options were outstanding at 30 April 2010 and 30 April 2009:

	30 April 2010		30 April 2009	
	Number of share options	Weighted average exercise price (pence)	Number of share options	Weighted average exercise price (pence)
Outstanding at beginning of period	6,351,966	31	5,058,875	33
Granted during the period	705,397	33	1,533,582	31
Cancelled during the period	(337,218)	114	—	—
Exercised during the period	(30,000)	46	—	—
Forfeited during the period	(36,017)	61	(240,491)	79
Outstanding at the end of the period	6,654,128	27	6,351,966	31
Exercisable at the end of the period	896,095	19	941,012	20

The options outstanding at the end of the period have a weighted average remaining contractual life of 7.6 years (2009: 7.9 years), with a range of exercise prices being between nil and 228p.

24. SHARE-BASED PAYMENTS CONTINUED

During the period, share options were granted with a weighted average fair value of 7p (2009: 16p). These fair values (with the exception of options that are subject to market based performance conditions and nil-cost options) were calculated using the Black–Scholes model with the following inputs:

	30 April 2010	30 April 2009
Weighted average share price	35p	37p
Exercise price	33p to 48p	37p
Expected volatility ¹	25%	66%
Vesting period	1 to 3 years	3 years
Risk-free interest rates	2%	6%

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

There are no expected dividends.

Subsequent to the year end, the 3,150,000 outstanding options issued under the Unapproved Company Share Option Plan on 1 April 2008 were cancelled, and a total of 4,200,000 new options were awarded in their place. These shares have been issued by the Company into a new Employee Benefit Trust.

Of these new options, 1,050,000 and 450,000 respectively will vest immediately with an exercise price of 35 pence. However, even if the rights to acquire them are exercised, they must be retained until after the announcement of the Company's results for the financial year ended 30 April 2011.

Vesting of the balance (which will also have an exercise price of 35 pence) will be subject to the satisfaction of new performance criteria designed to achieve growth of the business while at the same time maintaining and enhancing the underlying earnings per share over a period of three years ending on 30 April 2013. The options will also vest immediately if the Group's share price averages £1.50 or greater for any 14 days during a six month period.

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

Notes to the Consolidated Financial Statements

for the year ended 30 April 2010

25. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT

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

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

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

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

CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The following table sets out the categories of financial instruments held by the Group. All of the Group's financial assets are in the category of loans and receivables measured at amortised cost, except the call option which is held at fair value through the income statement and all of its financial liabilities are in the category of other financial liabilities measured at amortised cost, except the put option which is held at fair value through the income statement.

FINANCIAL ASSETS

	30 April 2010 £'000	30 April 2009 £'000
Current financial assets		
Trade and other receivables	8,790	3,480
Cash and cash equivalents	5,243	1,246
Bank security deposits	300	—
Call option	94	—
Loans to associates	285	362
	14,712	5,088
Non-current financial assets		
Call option	—	77
Total financial assets	14,712	5,165

25. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

FINANCIAL LIABILITIES

	30 April 2010 £'000	30 April 2009 £'000
Current financial liabilities		
Trade and other payables	3,374	1,202
Finance lease liabilities	19	—
Forward currency contracts	20	—
Put option	44	—
Loans and borrowings	1,994	2,513
	5,451	3,715
Non-current financial liabilities		
Loans and borrowings	5,575	1,287
Finance lease liabilities	52	—
Put option	—	45
	5,627	1,332
Total financial liabilities	11,078	5,047

GENERAL OBJECTIVES, POLICIES AND PROCESSES

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

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

CREDIT RISK

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

TRADE RECEIVABLES

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

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

Notes to the Consolidated Financial Statements

for the year ended 30 April 2010

25. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

FINANCIAL ASSETS PAST DUE BUT NOT IMPAIRED

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

	Total £'000	Past due +30 days £'000	Past due +60 days £'000
At 30 April 2010	1,536	524	1,012
At 30 April 2009	314	143	171

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

	30 April 2010			30 April 2009		
	Gross value £'000	Provision £'000	Carrying value £'000	Gross value £'000	Provision £'000	Carrying value £'000
Trade receivables	8,441	141	8,300	3,223	105	3,118

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

	30 April 2010 £'000	30 April 2009 £'000
Opening balance	105	17
Increase in provisions	101	105
Recognised on acquisition	36	—
Written off against provisions	(5)	(17)
Recovered amount reversed	(96)	—
Closing balance	141	105

MARKET RISK

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

INTEREST RATE RISK

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

Interest rate risk is mitigated through the use of floating to fixed interest rate swaps; however, there were no such instruments outstanding at the year end following the refinancing in April 2010. Subsequent to the year end, the Group swapped 70% of its term loan into fixed rate borrowings for the period from February 2011 to April 2014.

To illustrate the Group's exposure to interest rate risk, a 0.5% increase/decrease in the rate applied to the Group's borrowings would have resulted in a post-tax movement of £9,000 (2009: £7,000).

CURRENCY RISK

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

25. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

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

	30 April 2010		30 April 2009	
	Increase in profit before tax £'000	Increase in equity £'000	Increase in profit before tax £'000	Increase in equity £'000
10% strengthening of USD	121	192	132	79
10% strengthening of Euro	130	427	93	101
10% strengthening of AUD	69	341	—	—

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

The currency profile of the financial assets at 30 April 2010 is as follows:

	Cash and cash equivalents		Gross trade receivables	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Pounds sterling	3,607	602	4,259	1,840
US dollars	782	242	1,786	945
Euros	755	402	1,988	438
Australian dollars	99	—	408	—
	5,243	1,246	8,441	3,223

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. It is the risk 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 is held centrally to maximise the returns on deposits through economies of scale. The type of cash instrument used and its maturity date will depend on the Group's forecast cash requirements. The Group maintains a drawdown facility with the Bank of Ireland (see note 17) to manage any unexpected short-term cash shortfalls. At 30 April 2010, £2,000,000 is undrawn. The facility expires in April 2014 at which point drawn down amounts will be repayable.

Notes to the Consolidated Financial Statements

for the year ended 30 April 2010

25. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT CONTINUED

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

	Within one year £'000	One to five years £'000	Total £'000
At 30 April 2010			
Trade and other payables	3,374	—	3,374
Finance lease liabilities	19	52	71
Forward currency contracts	20	—	20
Put option	44	—	44
Bank loans and overdrafts	1,994	5,575	7,569
Total financial liabilities	5,451	5,627	11,078
At 30 April 2009			
Trade and other payables	1,202	—	1,202
Put option	—	45	45
Bank loans and overdrafts	2,513	1,287	3,800
Total financial liabilities	3,715	1,332	5,047

OTHER INSTRUMENTS

BCMG Limited ('BCMG') (a 100% owned subsidiary of Ebiquity plc) has a 10% stake in Billetts Germany GmbH and the balance of the 90% is held by other external shareholders. BCMG has a call option over 41% of the shares held by external shareholders. No financial asset is recognised in relation to this option since the call will be exercised at a fair market value.

Subsequent to the year end, on 1 May 2010, the Group exercised this option.

CAPITAL DISCLOSURES

The Group considers its capital to comprise its ordinary share capital, share premium, convertible loan notes, minority interest, 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 Group's capital increased significantly in the year due to the acquisitions of Xtreme and TMC, which were largely financed through share issues. The Directors believe the Group has sufficient capital to continue trading in the foreseeable future. Refer to note 23 for a breakdown of the Group's capital.

26. ACQUISITIONS

XTREME

On 13 April 2010 the Group acquired 100% of the issued share capital of Xtreme Information Services Limited ('Xtreme') for total consideration of £15,251,000.

Xtreme contributed £898,000 to revenue and £134,000 to profit before tax and highlighted items and incurred costs that were included in highlighted items of £1,409,000 for the period between the date of acquisition and the year end.

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

	Carrying value £'000	Recognised on acquisition £'000
Intangible assets	—	6,447
Property, plant and equipment	1,147	1,147
Trade and other receivables	4,828	4,828
Deferred tax asset	35	35
Cash and cash equivalents	1,302	1,302
Trade and other payables	(6,308)	(6,388)
Borrowings	(10,417)	(10,417)
Other creditors and provisions	(665)	(836)
Deferred tax liability	—	(1,805)
Net liabilities acquired	(10,078)	(5,687)
Goodwill arising on acquisition		20,938
		15,251

The goodwill is attributable to the assembled workforce, which does not qualify for separate recognition, and synergies expected from combining the operations of Xtreme with the existing operations of the Group.

Purchase consideration:

	£'000
Cash	770
Fair value of 16,706,639 shares issued	11,695
Convertible loan notes issued	9,662
Direct costs relating to the acquisition	1,398
Less: payments to vendor to acquire outstanding debt	(8,274)
Total purchase consideration	15,251

Net cash out flow arising on acquisition:

	£'000
Purchase consideration settled in cash	770
Direct costs relating to the acquisition	1,398
Less cash and cash equivalents in subsidiary acquired	(1,302)
Net cash outflow on acquisition	866

Notes to the Consolidated Financial Statements

for the year ended 30 April 2010

26. ACQUISITIONS CONTINUED

TMC

On 13 April 2010 the Group acquired the remaining 50% of the issued share capital of Thomson Media Control GmbH & Co KG ('TMC') for total consideration of £1,181,000, taking the Group's total shareholding in TMC to 100%.

TMC contributed £128,000 to revenue and £12,000 to profit before tax and highlighted items and incurred costs that were included in highlighted items of £7,000 for the period between the date of acquisition and the year end.

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

	Carrying value £'000	Recognised on acquisition £'000
Intangible assets	—	1,130
Property, plant and equipment	112	112
Trade and other receivables	517	517
Cash and cash equivalents	184	184
Trade and other payables	(711)	(711)
Other creditors and provisions	(73)	(73)
Deferred tax liability	—	(316)
Net assets acquired	29	843
Goodwill arising on acquisition		338
		1,181

The goodwill is attributable to the assembled workforce, which does not qualify for separate recognition, and synergies expected from combining the operations of TMC with the existing operations of the Group.

Purchase consideration:

	£'000
Cash	26
Fair value of 1,451,330 shares issued	1,016
Initial 50% investment previously held as joint venture (note 26)	115
Direct costs relating to the acquisition	24
Total purchase consideration	1,181

Net inflow arising on acquisition:

	£'000
Purchase consideration settled in cash	26
Direct costs relating to the acquisition	24
Less cash and cash equivalents in subsidiary acquired	(184)
Net cash inflow on acquisition	(134)

26. ACQUISITIONS CONTINUED

OTHER ACQUISITIONS

On 1 March 2010, the Group's 82.5% owned subsidiary, Billetts France SARL, acquired the trade of Excellence Media for initial cash consideration (including acquisition costs) of €247,000 (£213,000). Contingent deferred consideration is payable and has been recognised to a maximum of €100,000 (£88,000). The acquisition resulted in intangible assets of £130,000 and goodwill of £205,000.

If all of the above acquisitions had been completed on 1 May 2009, Group revenue would have been £41,226,000 and Group operating profit before highlighted items would have been £4,060,000, before any potential synergistic benefits are taken into account.

Subsequent to the year end, on 1 May 2010, the Group exercised a call option to increase its stake in its associated undertaking, Billetts Germany GmbH, from 10% to 51%.

On 23 June 2010, the Group acquired a 51% stake in Media Advisor, a privately held independent media consultancy based in Milan. The business was acquired from management, who will continue to hold 49% of the Company.

27. RELATED PARTY TRANSACTIONS

The ultimate controlling party of the Group is Ebiquity Plc (incorporated in the United Kingdom). The Group has a related party relationship with its subsidiaries (note 12), 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 the key management personnel of the Group, is set out below:

	30 April 2010 £'000	30 April 2009 £'000
Short-term employee benefits	1,204	1,099
Share-based payments	234	277
	1,438	1,376

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

Notes to the Consolidated Financial Statements

for the year ended 30 April 2010

27. RELATED PARTY TRANSACTIONS CONTINUED

TRANSACTIONS WITH ASSOCIATES

During the prior year, loans totalling £362,000 were made to associates; £285,000 of the balance remains outstanding at the year end. The interest charged on the loan during the year was £13,000 (2009: £5,000). This loan is repayable on demand and no security is held against this loan.

28. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 1 May 2010, the Group exercised a call option to increase its stake in its associated undertaking, Billetts Germany GmbH, from 10% to 51%.

On 23 June 2010, the Group acquired a 51% stake in Media Advisor, a privately held independent media consultancy based in Milan. The business was acquired from management, who will continue to hold 49% of the Company.

On 12 May 2010, 4,200,000 share options were granted to certain Directors under the existing Executive Incentive Plan and a new Joint Share Plan. Of these, 3,150,000 arose on the cancellation of an equivalent number of existing awards. An additional 62,015 options were granted to certain employees under the Unapproved Share Option Plan. See note 24 for further details.

Company Balance Sheet

as at 30 April 2010

	Note	30 April 2010 £'000	30 April 2009 £'000
Fixed assets			
Investments	4	26,750	18,777
Current assets			
Debtors	5	4,411	20
Cash at bank and in hand		—	—
		4,411	20
Creditors: amounts falling due within one year	6	(2,052)	(2,513)
Net current assets/(liabilities)		2,359	(2,493)
Total assets less current liabilities		29,109	16,284
Creditors: amounts falling due after one year	7	(5,575)	(6,081)
Accruals and deferred income	8	(40)	(45)
Net assets		23,494	10,158
Capital and reserves			
Share capital	9	12,918	8,035
Share premium	11	2,232	1,820
Convertible loan note reserve	11	9,445	—
Other reserve	11	746	746
Profit and loss account	11	(1,847)	(443)
Shareholders' funds	10	23,494	10,158

The financial statements on pages 69 to 76 were approved and authorised for issue by the Board of Directors on 23 July 2010 and were signed on its behalf by:



Michael Greenlees
Director



Andrew Beach
Director

The notes on pages 70 to 76 form part of these financial statements.

Notes to the Company Financial Statements

for the year ended 30 April 2010

1. ACCOUNTING POLICIES

BASIS OF PREPARATION

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

SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are set out below.

INVESTMENTS

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

SHARE-BASED PAYMENTS

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

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

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

DEFERRED TAXATION

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

Deferred tax balances are not discounted.

FINANCIAL INSTRUMENTS

- The Group does not hold or issue derivative financial instruments for trading purposes.
- Financial instruments are initially and subsequently recorded at fair value.

Detailed information in respect of financial instruments is included in the Group IFRS financial statements.

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

PENSION COSTS

Company contributions to personal pension schemes are charged to the Profit and Loss account as incurred.

FOREIGN CURRENCY TRANSACTIONS

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

1. ACCOUNTING POLICIES CONTINUED

All transactions involving foreign exchange gains and losses are dealt with through the Profit and Loss as and when they arise.

FINANCE COSTS

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

CASH FLOW STATEMENT

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

RELATED PARTY TRANSACTIONS

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

EMPLOYEE SHARE OWNERSHIP PLAN (ESOP)

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

2. COMPANY RESULTS FOR THE PERIOD

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 not to present its own profit and loss account in these financial statements. The Company acts as a holding company. The movement in reserves of the Company shows a loss of £1,712,000 (2009: £950,000).

3. OPERATING PROFIT

AUDITORS' REMUNERATION

Fees for the audit of the Company are £2,000 (2009: £1,000). Fees paid to the Company's auditors for services other than the statutory audit of the Company are disclosed in the consolidated financial statements. The audit fees are borne by Ebiquity Associates Limited.

4. INVESTMENTS

	£'000
Cost and net book value	
At 1 May 2009	18,777
Additions	7,973
At 30 April 2010	26,750

The addition relates to the acquisition of Xtreme (£7,733,000), the movement in value of the right to purchase 25% share capital of Media Value S.L. (£68,000) and the UITF 44 'Group and Treasury Share Transactions' adjustment (£172,000).

The Company's principal trading subsidiaries and associated undertakings, which are all incorporated in Great Britain (except where noted) are listed in note 12 of the consolidated financial statements.

Notes to the Company Financial Statements

for the year ended 30 April 2010

5. DEBTORS

	2010 £'000	2009 £'000
Other debtors	120	20
Amounts due from subsidiaries	4,291	—
	4,411	20

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £'000	2009 £'000
Bank loans	1,994	2,513
Put option	44	—
Accruals	14	—
	2,052	2,513

7. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2010 £'000	2009 £'000
Bank loans — between two and five years	5,575	1,287
Amounts due to subsidiaries	—	4,794
	5,575	6,081

As part of the acquisition of Xtreme the Company undertook a refinancing initiative, with all bank borrowings now being held with Bank of Ireland. The new facility comprises term loans of £8,000,000, a revolving credit facility of £2,500,000 and an acquisition facility of £1,500,000 with a maturity date of 30 April 2014. The term loan is to be repaid on a quarterly basis over the four years following drawdown and the acquisition facility is repayable on a quarterly basis from October 2011 to maturity.

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 subsidiary companies.

8. ACCRUALS AND DEFERRED INCOME

	2010 £'000	2009 £'000
Accruals	40	45

9. SHARE CAPITAL

	Number of shares	Nominal value £'000
Allotted, called up and fully paid		
At 1 May 2009 — ordinary shares of 25p	32,139,435	8,035
Share placing	1,375,000	344
Issued to acquire Xtreme Information Services Limited	16,706,639	4,177
Issued to acquire Thomson Media Control GmbH & Co Kg	1,451,330	363
At 30 April 2010 — ordinary shares of 25p	51,672,404	12,918

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	2010 £'000	2009 £'000
Opening shareholders' funds	10,158	10,604
Issue of shares (net of issue costs)	5,295	—
Issue of convertible loan notes (net of issue costs)	9,445	—
Loss for the financial period	(1,712)	(950)
Share options charge	136	134
UITF 44 adjustment	172	370
Closing shareholders' funds	23,494	10,158

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

Shares that were issued as acquisition consideration during the year have been recognised at their nominal value as permitted under sections 612 and 615 of the Companies Act 2006.

The ESOP trust was created to award shares to certain employees at less than market value. The trust holds unallocated shares costing £130,000 (2009: £130,000) funded by the Company. The sponsoring company is responsible for the administration and maintenance of the trust. The number of shares held by the trust is 448,671 (2009: 478,671), all of which are under option to the employees of the Group. As at the balance sheet date (and 30 April 2009) all the shares in the ESOP had vested unconditionally.

11. RESERVES

	Share premium £'000	Convertible loan note reserve £'000	Other reserve £'000	Profit and loss account £'000
At 1 May 2009	1,820	—	746	(443)
Issue of shares	432	—	—	—
Share issue costs	(20)	—	—	—
Issue of convertible loan notes	—	9,662	—	—
Convertible loan note issue costs	—	(217)	—	—
Loss for the financial period	—	—	—	(1,712)
Share options charge	—	—	—	136
UITF 44 adjustment	—	—	—	172
At 30 April 2010	2,232	9,445	746	(1,847)

Notes to the Company Financial Statements

for the year ended 30 April 2010

12. SHARE-BASED PAYMENTS

Options outstanding at 30 April 2010:

Name of share option scheme	Life of option	Exercise period	Exercise price (pence)	Weighted average exercise price	Number
EMI scheme	10 years	October 2005– December 2019	nil–228p	34p	2,057,094
Unapproved Company share option plan — 7 January 2005	10 years	March 2007– January 2015	nil	nil	376,764
Unapproved Company share option plan — 1 April 2008	10 years	October 2009– March 2018	25p	25p	3,150,000
Unapproved Company share option plan — 8 September 2008	10 years	March 2010– September 2018	25p–37p	28p	1,070,270
					6,654,128

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.

On 13 May 2009, 337,218 outstanding EMI options with an exercise price in excess of 50p were cancelled. These options were then reissued with a new exercise price of 35p and vesting periods split between 1, 2 and 3 years. The total incremental fair value was £18,000.

UNAPPROVED COMPANY SHARE OPTION PLAN (UCSOP)

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

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

The performance criteria attached to the share options granted under the UCSOP scheme on 1 April 2008 are as follows:

MARKET CONDITIONS

- The options were divided into two parts. Part 1 of the options would vest if the share price of the Company equals or exceeds 150 pence on any 10 dealing days within the period of 30 days preceding 31 October 2009. Failing to satisfy the above-mentioned vesting criteria, Part 1 options would also vest if the share price equals or exceeds 150 pence on any 10 dealing days within any 30-day period during the Measurement Period (the period beginning 31 October 2009 and ending 31 October 2011).
- Part 2 of the options would vest if the share price equals or exceeds 150 pence on any 10 dealing days in any 30-day period during the six month period preceding 30 April 2011. Failing to satisfy the above-mentioned criteria, Part 2 options would also vest if the share price equals or exceeds the 150 pence on any 10 dealing days within any 30-day period during the Measurement Period (the period beginning 30 April 2011 and ending 31 October 2011).

12. SHARE-BASED PAYMENTS CONTINUED

NON-MARKET CONDITIONS

- Share options would vest if the Company is subjected to a liquidation or change of control. Also, Part 1 and Part 2 of the options would only vest if the recipients remain employed by the Company until the end of the Holding Period (being 31 October 2009 for Part 1 and 30 April 2011 for Part 2).
- Upon vesting, the options can be exercised by the recipients during the period commencing on the date the relevant part of the options vest and expiring on the Lapse Date (31 March 2018).

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

MARKET CONDITIONS

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

NON-MARKET CONDITIONS

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

The following share options were outstanding at 30 April 2010 and 30 April 2009:

	30 April 2010		30 April 2009	
	Number of share options	Weighted average exercise price (pence)	Number of share options	Weighted average exercise price (pence)
Outstanding at beginning of period	6,351,966	31	5,058,875	33
Granted during the period	705,397	33	1,533,582	31
Cancelled during the period	(337,218)	114	—	—
Exercised during the period	(30,000)	46	—	—
Forfeited during the period	(36,017)	61	(240,491)	79
Outstanding at the end of the period	6,654,128	27	6,351,966	31
Exercisable at the end of the period	896,095	19	941,012	20

The options outstanding at the end of the period have a weighted average remaining contractual life of 7.6 years (2009: 7.9 years), with a range of exercise prices being between nil and 228p.

Notes to the Company Financial Statements

for the year ended 30 April 2010

12. SHARE-BASED PAYMENTS CONTINUED

During the period, share options were granted with a weighted average fair value of 7p (2009: 16p). These fair values (with the exception of options that are subject to market based performance conditions and nil-cost options) were calculated using the Black-Scholes model with the following inputs:

	30 April 2010	30 April 2009
Weighted average share price	35p	37p
Exercise price	33p to 48p	37p
Expected volatility ¹	25%	66%
Vesting period	1 to 3 years	3 years
Risk-free interest rates	2%	6%

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

There are no expected dividends.

Subsequent to the year end, the 3,150,000 outstanding options issued under the Unapproved Company share option plan on 1 April 2008 were cancelled, and a total of 4,200,000 new options were awarded in their place. These shares have been issued by the Company into a new Employee Benefit Trust.

Of these new options, 1,050,000 and 450,000 respectively will vest immediately with an exercise price of 35 pence. However, even if the rights to acquire them are exercised, they must be retained until after the announcement of the Company's results for the financial year ended 30 April 2011.

Vesting of the balance (which will also have an exercise price of 35 pence) will be subject to the satisfaction of new performance criteria designed to achieve growth of the business while at the same time maintaining and enhancing the underlying earnings per share over a period of three years ending on 30 April 2013. The options will also vest immediately if the Group's share price averages £1.50 or greater for any 14 days during a six month period.

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

13. POST-BALANCE SHEET EVENTS

On 12 May 2010, 4,200,000 share options were granted to certain Directors under the existing Executive Incentive Plan and a new Joint Share Plan. Of these, 3,150,000 arose on the cancellation of an equivalent number of existing awards. An additional 62,015 options were granted to certain Group employees under the Unapproved Share Option Plan. See note 12 for further details.

Notice of Meeting

Ebiquity plc
(Registered in England No.3967525)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Ebiquity plc (the "Company") will be held at 2nd Floor, The Registry, Royal Mint Court, London, EC3N 4QN, at 10am on 10 September 2010 to consider and, if thought fit, pass resolutions 1 to 9 as ordinary resolutions and resolution 10 as a special resolution:

ORDINARY RESOLUTIONS

- 1 To receive and adopt the Annual Report and Accounts for the year ended 30 April 2010.
- 2 That Nick Manning, who retires by rotation pursuant to Article 110 of the Company's Articles of Association and who, being eligible, offers himself for re-election, be re-elected as a Director.
- 3 That Andrew Beach, who retires by rotation pursuant to Article 110 of the Company's Articles of Association and who, being eligible, offers himself for re-election, be re-elected as a Director.
- 4 That Stephen Thomson, who retires by rotation pursuant to Article 110 of the Company's Articles of Association and who, being eligible, offers himself for re-election, be re-elected as a Director.
- 5 That Sarah Jane Thomson, who retires by rotation pursuant to Article 110 of the Company's Articles of Association and who, being eligible, offers herself for re-election, be re-elected as a Director.
- 6 That BDO LLP be reappointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next General Meeting at which accounts are laid before the Company.
- 7 To authorise the Directors to determine the remuneration of the Auditors.
- 8 That in accordance with section 366 of the Companies Act 2006, the Company and all companies which are subsidiaries of the Company at any time during the period for which this resolution has effect be and are hereby authorised: (a) to make political donations to political parties; (b) to make political donations to political organisations other than political parties; and/or (c) incur political expenditure in a total aggregate amount not exceeding £10,000, provided that this authority shall expire at the conclusion of the Annual General Meeting of the Company in 2011 or 15 months following the passing of this resolution, whichever is the earlier. For the purposes of this resolution, the terms 'political donation', 'political parties', 'political organisation' and 'political expenditure' have the meanings given by sections 363 to 365 of the Companies Act 2006.
- 9 That in accordance with section 551 of the Companies Act 2006, the Directors of the Company be generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company, up to an aggregate nominal amount of £5,749,344.

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

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

Notice of Meeting

Ebiquity plc
(Registered in England No.3967525)

SPECIAL RESOLUTIONS

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

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

- i) to the holders of ordinary shares in proportion (as nearly as may be practicable to their respective holdings); and
 - ii) to holders of other equity securities as required by the rights of those securities or as the directors of the Company otherwise consider necessary, but subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
- ii. the allotment (otherwise than pursuant to paragraph (i) above) of equity securities of up to an aggregate nominal amount of £1,742,226.

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

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

By order of the Board
Andrew Beach
Company Secretary
12 August 2010

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

Notes:

- (i) Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A Shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a Shareholder of the Company. A member may appoint two or more persons as proxies to exercise the rights attached to the same shares in the alternative, but if he/she shall do so, only one such proxy may attend and vote in respect of the shares. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.
- (ii) To be valid, any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Ebiquity Plc, 2nd Floor, The Registry, Royal Mint Court, London, EC3N 4QN or electronically at company.secretary@ebiquity.com no later than 48 hours in advance of the meeting.
- (iii) The return of a completed proxy form, or other such instrument, will not prevent a Shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.)

- (iv) To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), Shareholders must be registered in the Register of Members of the Company at The Pavilions, Bridgwater Road, Bristol, BS13 8AE 6.00pm on the day which is no later than 48 hours prior to the meeting. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- (v) As at 12 August 2010 (being the last day prior to the publication of this Notice of Annual General Meeting) the Company's issued share capital consists of 55,886,162 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 12 August 2010 are 55,886,162.
- (vi) In accordance with Regulation 41 of the Uncertified Securities Regulations 2001, only those Shareholders entered on the Company's register of members as at 6.00pm on 7 September 2010 shall be entitled to attend and vote at the meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to entries on the register after 6.00pm on 7 September 2010 shall be disregarded in determining the rights of any persons to attend or vote at the meeting.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

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

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

Resolution 1: Annual Report and Accounts for the Year

The Directors will present to Shareholders at the Annual General Meeting the Annual Report and Accounts for the year ended 30 April 2010 together with the independent Auditor's report on those accounts.

Resolutions 2 to 5: Re-election of Directors

Nick Manning, Andrew Beach, Stephen Thomson and Sarah Jane Thomson will submit themselves for re-election by rotation pursuant to the Articles of Association.

Biographical details of each of the Directors are contained on page (16-17) of the Company's Annual Report and Accounts for the year ended 30 April 2010.

Resolution 6: Re-appointment of the Auditors

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

Resolution 7: Auditors' Remuneration

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

Resolution 8: Political Donations

Neither the Company nor any of its subsidiaries have made any donations to political parties in the European Union ("EU") in 2009/10 and it is the Company's current policy not to do so. However, the Political Parties, Elections and Referendums Act 2000 (the "Act") defines EU political organisations very widely and, as a result, in certain circumstances donations intended for charitable or similar purposes may now be regarded as political in nature.

In order to comply with these obligations and to avoid any inadvertent infringement of the Act, the Directors of the Company consider it prudent to seek Shareholders' approval for a general level of donation. Resolution 8 seeks authority for the Company to make donations to EU political organisations or to incur EU political expenditure not exceeding £10,000 in total during the period from the date of the Annual General Meeting, until the conclusion of the Annual General Meeting held in 2011, or, if earlier, 15 months after the date of the passing of this resolution.

Notice of Meeting

Ebiquity plc
(Registered in England No.3967525)

Resolution 9: Authority to Allot Shares

This resolution is to renew the general authority to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company, up to an aggregate nominal amount of £5,749,344. 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 2011. It is the Directors' intention to seek renewal of this authority annually.

Resolution 10: Allotment of shares for cash

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

There may be circumstances, however, when it is in the interests of the Company for the Directors to be able to allot some new shares for cash other than by way of a pre-emptive offer to existing Shareholders. This cannot be done under the Companies Act 2006 unless the Shareholders have first waived their pre-emption rights. This also applies to the sale of any shares held by the Company in treasury for cash. Resolution 10 asks Shareholders to do this, but only for equity securities having a maximum aggregate nominal value of £1,742,226 (which include the sale of any treasury shares) which is equivalent to approximately 10% of the Company's issued ordinary share capital plus convertible loan notes as at the date of this notice. If the Directors wish, other than by a pre-emptive offer to existing Shareholders, to allot for cash new shares which would exceed this limit they would first have to request the Shareholders to waive their pre-emption rights in respect of the new shares which exceed it.

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

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

The authority conferred by this resolution will expire at the conclusion of the Company's Annual General Meeting in 2011 or 15 months from the date of the resolution, whichever is earlier. It is the Directors' intention to seek the renewal of this authority annually.

Any shares purchased would either be cancelled or would be held by the Company as treasury shares, in which case they would carry no voting rights and no entitlement to receive any dividend for as long as they are held as treasury shares.

Documents available for inspection

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

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

Recommendation

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

Form of Proxy

Ebiquity plc

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

Form of proxy for use at the Annual General Meeting to be held at 2nd Floor, The Registry, Royal Mint Court, London EC3N 4QN on 10 September 2010 at 10.00 a.m.

I/We (FULL NAME IN BLOCK LETTERS PLEASE)

Of

..... (ADDRESS IN BLOCK LETTERS PLEASE)

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

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

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

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

Resolution	For	Against	Vote withheld*	Discretionary*
1 To receive and approve the Audited Annual Report and Accounts for the year ended 30 April 2010				
2 To re-elect Nick Manning				
3 To re-elect Andrew Beach				
4 To re-elect Stephen Thomson				
5 To re-elect Sarah Jane Thomson				
6 To re-appoint BDO LLP as Auditors				
7 To authorise the Directors to determine the remuneration of the Auditors				
8 To authorise political donations to political parties				
9 To authorise Directors to allot shares and grant rights to subscribe for Ordinary Shares				
10 To authorise the Directors of the Company to allot equity securities on a non-pre-emptive basis up to an aggregate nominal value of £1,742,226				

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

Date

Signature or Common Seal

Form of Proxy

Ebiquity plc

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

Notes

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



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