

Registered Number: 02802862

Harris Interactive UK Limited
Annual report and financial statements
For the year ended 30 June 2014

Annual Report and Financial Statements 2014

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Harris Interactive UK Limited

Annual report and financial statements for the year ended 30 June 2014

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Harris Interactive UK Limited

Company information

Directors

M Blayney

Company Secretary

Nabarro Nathanson
50 Stratton Street
London
W1X 5FL

Registered Office

Vantage West
Great West Road
Brentford
London
Middlesex
TW8 9AG

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Reading Central
23 Forbury Road
Reading
Berkshire
RG1 3JH

Bankers

Barclays Bank PLC
1 World Business Centre
Newall Road
Heathrow Airport
Hounslow
Middlesex
TW6 2RE

Solicitors

Nabarro Nathanson
50 Stratton Street
London
W1X 5FL

Harris Interactive UK Limited

Directors' report for the year ended 30 June 2014

The directors present their annual report and the audited financial statements of the company for the year ended 30 June 2014.

Principal activities

The company's principal activity during the year was the provision of market research services.

Results and dividends

The profit for the financial year was £1.9m (2013: loss £0.6m). The directors do not recommend the payment of a dividend (2013: £nil).

Directors

The directors of the company, who held office during the year and up to the date of signing the financial statements, unless otherwise stated, were:

E Narowski (Resigned 3 February 2014)

M Blayney

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Financial risk management

The company has considered the risk of liquidity and pricing and their potential impact on the business. The directors do not consider such risks to be applicable or to have any significant impact on the business.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The company's finance department implements policies set by the board of directors.

Liquidity risk and interest rate cash flow risk

The company, as part of a larger group, actively maintains an appropriate level of debt finance through loans due to group undertakings that are designed to ensure that the company has sufficient available funds for operations and planned expansions.

With the exception of the loan with group undertaking Harris Interactive France, the company is funded by loans due to group undertakings which are interest free, mitigating interest rate cash flow risk.

The principal amount of the loan with Harris Interactive France is £0.72m and is repayable on demand. The applicable interest rate on the loan with Harris Interactive France is 2.5% which is also payable on demand.

The directors have received confirmation from the parent undertaking that repayment of the loans will not be demanded within 12 months of the date of signing these financial statements.

Harris Interactive UK Limited

Directors' report for the year ended 30 June 2014 (continued)

Financial risk management (continued)

Foreign exchange risk

As a result of operating in foreign markets the company's results could be affected by changes in foreign currency exchange rates. The company has international sales in Europe and the rest of the world and transacts business in several currencies. Foreign exchange translation gains and losses are included in the operating result. Management mitigate exposure to translation gains and losses by operating bank accounts in several currencies.

Credit risk

The company's exposure to credit risk is mitigated by the breadth of the customer base. The exposure is further mitigated by requiring stage payments throughout the life of a contract. For these reasons the directors do not believe that the company's exposure to any individual customer is significant.

Charitable donations

Charitable contributions of £50 were made (2013: £394).

No political contributions were made (2013: £nil).

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company, ITWP Acquisitions Limited. The directors have received confirmation that ITWP Acquisitions Limited intends to support the company for at least one year after the date these financial statements are signed.

Harris Interactive UK Limited

Directors' report for the year ended 30 June 2014 (continued)

Disclosure of information to auditors

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the Board



M Blayney
Director

23 January 2015

Harris Interactive UK Limited

Strategic report for the year ended 30 June 2014

The directors present their strategic report on the company for the year ended 30 June 2014.

Review of the business

The company's principal activity during the year was the provision of market research services.

On the 3 February 2014, the company became a wholly owned subsidiary of Nielsen Consumer Insights following the successful acquisition of its ultimate parent company, Harris Interactive Inc. The company was then further acquired on 30 June 2014 and became a wholly owned subsidiary of ITWP Acquisitions Limited.

As shown in the company's profit and loss account on page 10, revenue increased by 6% to £7.8m (2013: £7.4m), while the company showed an operating profit of £1.9m, compared to an operating loss of £0.6m in 2013.

The principal reason for the significant operating profit in the year was a one-off restructuring gain of £1.8m. This amount relates to intercompany debt forgiveness and reduction to provision for an onerous lease.

The company would have recorded an operating profit of £0.1m during the year ended 30 June 2014 prior to the above gain.

The external, commercial environment in which the company operates is expected to remain competitive throughout 2015. The acquisition of Harris Interactive UK Limited on 30 June 2014 by ITWP Acquisitions Limited, the holding company of Toluna Group Limited, will provide access to panel and technology that should assist in securing increased business win rates and client satisfaction. Therefore Management are confident that the business is well positioned heading into the year ended 30 June 2015 and beyond.

Performance and position of the business

The company's profit for the financial year was £1,868,000 (2013: loss of £626,000).

The balance sheet for the company shows net liabilities of £12,197,000 (2013: £14,065,000).

Key Performance Indicators

Harris Interactive group managed its worldwide operations on a global basis. For this reason, the director does not believe that further key performance indicators would be necessary or appropriate for an understanding of the development, performance or position of the company. Performance by geographic region was discussed in the group's annual financial review prior to the acquisition by Nielsen Consumer Insights. Following the acquisition by ITWP Acquisitions Ltd on 30 June 2014 as noted above, the director believes that the current key performance indicators remain sufficient and valid.

Harris Interactive UK Limited

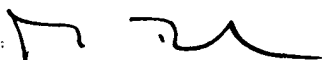
Strategic report for the year ended 30 June 2014 (continued)

Principal risks and uncertainties

The principal risks and uncertainties relate to the highly competitive market in which we operate. The company attempts to minimise these risks through leveraging and exploiting our relationship with the global ITWP organisation.

The company is financed by ITWP Acquisitions Limited and has no third party debt.

On behalf of the Board



M Blayney

Director

23 January 2015

Harris Interactive UK Limited

Independent auditors' report to the members of Harris Interactive UK Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 30 June 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

What we have audited

The financial statements, which are prepared by Harris Interactive UK Limited, comprise:

- the balance sheet as at 30 June 2014;
- the profit and loss account for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

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

Harris Interactive UK Limited

Independent auditors' report to the members of Harris Interactive UK Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

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

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

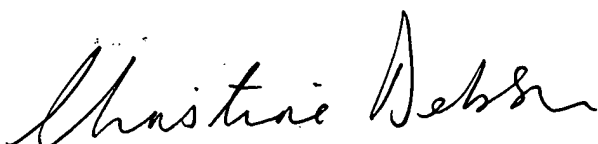
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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



Christine Dobson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
23 January 2015

Harris Interactive UK Limited

Profit and loss account for the year ended 30 June 2014

	Note	2014 £'000	2013 £'000
Turnover	2	7,796	7,358
Cost of sales		(3,539)	(3,217)
Gross profit		4,257	4,141
Other administrative expenses		(4,120)	(4,219)
Exceptional administrative income/(expenses)	3	1,801	(508)
Total administrative expenses		(2,319)	(4,727)
Operating profit/(loss)	4	1,938	(586)
Interest payable and similar charges	5	(19)	(19)
Profit/(loss) on ordinary activities before taxation		1,919	(605)
Tax on profit/(loss) on ordinary activities	9	(51)	(21)
Profit/(loss) for the financial year	19,20	1,868	(626)

The company has no recognised gains and losses other than the results above and therefore no separate statement of total recognised gains and losses has been prepared.

There is no difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial years stated and their historical cost equivalents.

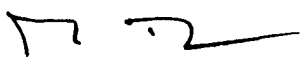
The results above are wholly derived from continuing operations.

Harris Interactive UK Limited

Balance sheet as at 30 June 2014

	Note	2014 £'000	2013 £'000
Fixed assets			
Intangible assets	11	-	-
Tangible assets	12	153	207
Investments	10	5,800	5,800
		5,953	6,007
Current assets			
Debtors	13	1,991	2,102
Cash at bank and in hand		492	733
		2,483	2,835
Creditors - Amounts falling due within one year	14	(2,779)	(3,375)
Net current liabilities		(296)	(540)
Total assets less current liabilities		5,657	5,467
Creditors - Amounts falling due after more than one year	15	(17,521)	(18,836)
Provisions for liabilities	16	(333)	(696)
Net liabilities		(12,197)	(14,065)
Capital and reserves			
Called up share capital	18	400	400
Profit and loss account (deficit)	19	(12,597)	(14,621)
Other reserves	19	-	156
Total shareholders' deficit	20	(12,197)	(14,065)

The financial statements on pages 10 to 26 were approved by the board of directors on 23 January 2015 and were signed on its behalf by:



M Blayney

Director

Registered Number: 02802862

Harris Interactive UK Limited

Notes to the financial statements for the year ended 30 June 2014

1 Accounting policies

Basis of preparation

The financial statements are prepared, on a going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently throughout the year, is set out below.

Going concern

ITWP Acquisitions Limited, the company's ultimate parent, has confirmed its intention to provide sufficient working capital to the company to enable it to carry on its business without a significant curtailment of its operations for the foreseeable future and for at least for the next 12 months from the date of approval of these financial statements. On this basis, the directors consider it appropriate for the financial information to be prepared on a going concern basis.

Turnover

Turnover comprises the value of services supplied in the ordinary course of business during the year, net of trade discounts, excluding value added tax.

Revenue recognition is based on the stage of completion determined for each project at the balance sheet date. In assessing contract performance both input and output criteria are reviewed. Costs incurred are used as an objective input measure of performance. The primary input of all work performed is labour. As a result of the relationship between labour and cost, there is normally a direct relationship between the costs incurred and the proportion of the contract performed to date. Costs incurred as an initial proportion of expected total costs is used as an initial proportional performance measure. This indicative proportional performance measure is validated against more subjective criteria (i.e. relevant output measures) such as the percentage of interviews completed, percentage of reports delivered to a client and the achievement of any project milestones stipulated in the contract. In the event of divergence between the objective and more subjective measures, the more subjective measures take precedence since these are output measures.

Revenue from services is derived principally from Custom Research – including, but not limited to, customer satisfaction surveys, market share studies, new product introduction studies, brand recognition studies, reputation studies, ad concept testing, employee satisfaction surveys and tracking studies, being studies that regularly ask identical questions to similar demographic groups within a constant interval (once a month, once a quarter etc) to feed business decision makers with dynamic data and intelligence.

Where on any contract the amount of recorded turnover is in excess of payments on account, the excess is classified as "amounts recoverable on contracts" and is separately disclosed within debtors. Where on any contract the progress payments received or receivable exceed the recorded turnover the excess is classified as "payments received on account", and is separately disclosed within creditors.

Harris Interactive UK Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

1 Accounting policies (continued)

Goodwill

Purchased goodwill is eliminated by amortisation through the profit and loss account over the useful economic life, which is considered by the directors to be 20 years. Goodwill represents the difference between the cost of acquiring an entity or assets and liabilities and the aggregate fair value of the separately identifiable assets and liabilities. The directors review goodwill for impairment in periods where events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible fixed assets and depreciation

The cost of tangible fixed assets comprises the purchase price and any incidental expenses of acquisitions. Tangible fixed assets are stated at historical purchase cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset, less any estimated residual value, evenly over its expected useful economic life. The expected useful lives of the principal categories are:

Leasehold improvements	-	the lease term
Office equipment, fixtures and fittings	-	5 years

The carrying values of tangible fixed assets are reviewed for impairment in periods where events or changes in circumstances indicate the carrying value may not be recoverable.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the Balance Sheet date. All differences are taken to the profit and loss account.

Operating Leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Harris Interactive UK Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

1. Accounting policies (continued)

Pension contributions

The company contributes to various non-occupational defined contribution pension schemes for its employees. The pension charge in the financial statements represents contributions payable by the company for the year. The company's liability is limited to the amount of the contributions.

Employee services settled in equity instruments

The company recognises expense for its share based payments in accordance with FRS 20 "Share-based Payment". The fair value of the employee services received in exchange for the grant of options in the company's previous ultimate parent undertaking, Harris Interactive Inc, is recognised as an expense, with the corresponding credit made to other reserves. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options determined at the grant date excluding the impact of non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity. Upon exercise of the options, the provision was previously credited with any recharges from Harris Interactive Inc., the company's previous parent undertaking.

As a result of the acquisition by ITWP Acquisitions Limited the director exercised share options and the related reserve account has been transferred to profit and loss account, refer to notes 7 and 19.

Cash flow statement

The company has taken advantage of the provision of FRS 1 (Revised 1996) available to wholly owned subsidiary companies not to prepare a cash flow statement. The company is included in the consolidated financial statements of ITWP Acquisitions Limited that are publicly available.

Related party transactions

Transactions between the company and other group companies have not been disclosed in accordance with the exemption in paragraph 3(c) of FRS 8. The company is a wholly owned subsidiary that is included in the consolidated financial statements of ITWP Acquisitions Limited that are publicly available. Transactions between the company and previous parent company Harris Interactive, Inc. are disclosed in note 23.

Consolidated financial statements

The company is exempt under section 401 of the Companies Act 2006 from publishing consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of ITWP Acquisitions Limited as at 30 June 2014.

Provisions policy

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Harris Interactive UK Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

1 Accounting policies (continued)

Investment in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

2 Turnover

In the opinion of the directors, all of the company's operations comprise one class of business originating in the UK as detailed in the directors' report.

Geographical segment by destination

	2014 £'000	2013 £'000
United Kingdom	3,190	3,881
Rest of Europe	2,619	2,216
Rest of the World	1,987	1,261
	7,796	7,358

3 Exceptional administrative income/(expenses)

Non-operating exceptional items include:

- A gain of £1.80m recorded for one-off restructuring charges, relating to forgiveness of intercompany loan and adjustment to provision for onerous lease (2013: Provision for onerous lease charge £0.51m).

4 Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2014 £'000	2013 £'000
Depreciation of tangible fixed assets – owned	68	124
Operating lease charges - Land and buildings	133	181
Auditors' remuneration - audit services	35	33
Loss on foreign currency translation	15	33

Harris Interactive UK Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

5 Interest payable and similar charges

	2014 £'000	2013 £'000
Interest payable to group undertakings	19	19

6 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was:

By activity	2014 Number	2013 Number
Administration	11	13
Research	51	53
Total	62	66

The total remuneration of permanent employees (including executive directors) was:

	2014 £'000	2013 £'000
Wages and salaries	2,943	2,970
Social security costs	320	320
Other pension costs (note 21)	167	157
Share based payments charge (note 7)	-	25
Staff costs	3,430	3,472

Harris Interactive UK Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

7 Share based payments

The long term incentive plan was introduced in 1999. Under the company's long term incentive plan the compensation committee can grant options over the shares in the parent company to employees of the group. Options are granted with a fixed exercise price equal to the market price of the shares under option at the date of grant. Awards under the plan are generally reserved for employees at senior management level and above. The company has made periodic grants during each year since the inception of the plan. Exercise of an option is subject to continued employment. Options were valued using the Black-Scholes option-pricing model. No performance conditions were included in the fair value calculations.

During the year ended 30 June 2014 the company had 6 share based payment arrangements with employees (2013: 6). No new arrangements were entered into during the year (2013: £nil). Under the terms of 5 of the 6 arrangements 25% of the total granted vest after one year and then either:

- 1/48 of the total granted options vest monthly over the following 36 months; or
- 25% vest annually on the same date for the remaining three years.

The remaining share based payment arrangement vests in the event that certain performance criteria stipulated in the terms of the arrangement are satisfied years.

The fair value per option granted and the assumptions used in the calculation are as follows:

The expected volatility is based on historical volatility of daily share price observations for the company's stock covering a period commensurate with the expected term of the options granted. The expected life is the average expected period to exercise. The risk free rate of return is the yield on zero coupon US Treasury bonds of a term consistent with the assumed option life. A reconciliation of option movements over the year to 30 June 2014 is shown below. An exchange rate of £1 = \$1.67 (2013: £1=\$1.59) was used in the calculation of the annual expense.

Harris Interactive UK Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

7 Share based payments (continued)

	2014			2013		
	Number	Weighted ave exercise price (\$US)	Weighted ave fair value (\$US)	Number	Weighted ave exercise price (\$US)	Weighted ave fair value (\$US)
Outstanding at 1 July	130,850	1.34	0.87	130,850	1.34	0.87
Granted	-	-	-	-	-	-
Exercised	(112,500)	0.68	0.49	-	-	-
Forfeited	(18,350)	5.36	3.17	-	-	-
Outstanding at 30 June	-	-	-	130,850	1.34	0.87
Exercisable at 30 June	-	-	-	89,548	1.66	1.05

2014				2013			
Ex price range (\$US)	Weighted av exercise price (\$US)	Number of shares	Contractual life remaining (years)	Ex price range (\$US)	Weighted ave exercise price (\$US)	Number of shares	Contractual life remaining (years)
-	-	-	-	0.63 – 5.00	0.90	118,850	7.64
-	-	-	-	5.01 – 6.38	5.62	12,000	2.51

Options exercised in 2014 resulted in 112,500 shares being issued at a weighted average price of \$0.68 each. The related weighted average share price at the time of exercise was \$2.04 per share.

The total charge for the year ended 30 June 2014 relating to employee share-based payment plans was £nil (2013: £23,860), all of which related to equity-settled share-based payment transactions.

Restricted Stock

From time to time, the Company also grants restricted stock under its long-term incentive compensation plan.

The shares of restricted stock are similar to the Share options above in that they are restricted by continuing employment of the employee. They vest 25% on the one year anniversary of the grant date, and then 25% annually on same date for remaining 3 years.

Fair value of the shares of restricted stock is equal to the closing price of the Company's stock on the grant date.

During the year, the Company granted cash equivalents in lieu of restricted shares to employees amounting to £60,000 (2013: £nil). There are no restricted shares outstanding at 30 June 2014.

Harris Interactive UK Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

8 Directors' emoluments

	2014 £'000	2013 £'000
Aggregate emoluments	305	189
Company contributions to money purchase pension schemes	12	21
	317	210

Retirement benefits were accruing to one director (2013: one) under personal money purchase pension arrangements.

During the year one director (2013: nil) exercised share options in the previous ultimate parent company, Harris Interactive Inc.

During the year no directors (2013: nil) was granted share options in the previous ultimate parent company, Harris Interactive, Inc.

In respect of the highest paid director:	2014 £'000	2013 £'000
Aggregate emoluments	305	189
Company contributions to money purchase pension schemes	12	21
	317	210

The above disclosures relate to one director. The other director is remunerated through the previous ultimate parent company, Harris Interactive, Inc.

9 Tax on profit/(loss) on ordinary activities

	2014 £'000	2013 £'000
Deferred tax: (note 17)		
Origination and reversal of timing differences	(60)	3
Adjustments in respect of prior year	9	(24)
Tax on profit/(loss) on ordinary activities	(51)	(21)

Harris Interactive UK Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

9 Tax on profit/(loss) on ordinary activities (continued)

The tax assessed for the year is lower (2013: lower) than the standard effective rate of corporation tax in the UK (22.5%). The differences are explained below:

	2014 £'000	2013 £'000
Profit/(loss) on ordinary activities before tax	1,919	(605)
Profit/(loss) on ordinary activities multiplied by standard rate of UK corporation tax of 22.5% (2013: 23.75%)	432	(144)
Effects of:		
Expenses not deductible for tax purposes	(24)	1
Accelerated capital allowances and other timing differences	(25)	15
Unutilised current year loss	-	128
Non-taxable income	(383)	-
Current tax credit/(charge) for the year	-	-

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 30 June 2014 has been calculated based on the rates of 20% substantively enacted at the balance sheet date.

10 Fixed asset investments

Cost and Net Book Value

At 30 June 2014 & 1 July 2013

£'000

5,800

Details of the principal subsidiary undertakings are as follows:

Name of subsidiary undertaking	Nature of business	Class of shares held	Proportion held
Wirthlin Europe Limited	Dormant	£0.10 ordinary	100%

The directors believe that the book value of investments is supported by their underlying net assets. Wirthlin Europe Limited is incorporated in England and Wales.

Harris Interactive UK Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

11 Intangible fixed assets

	Goodwill £'000
Cost	
As at 1 July 2013 and 30 June 2014	10,531
Accumulated amortisation	
As at 1 July 2013 and 30 June 2014	(10,531)
Net book amount as at 1 July 2013 and 30 June 2014	

12 Tangible fixed assets

	Leasehold improvements £'000	Office equipment, fixtures and fittings £'000	Total £'000
Cost			
At 1 July 2013	399	839	1,238
Additions	-	14	14
At 30 June 2014	399	853	1,252
Accumulated depreciation			
At 1 July 2013	297	734	1,031
Charge for the year	24	44	68
At 30 June 2014	321	778	1,099
Net book amount			
At 30 June 2014	78	75	153
At 30 June 2013	102	105	207

Harris Interactive UK Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

13 Debtors

	2014 £'000	2013 £'000
Amounts falling due within one year		
Trade debtors	887	800
Amounts recoverable on contracts	569	710
Amounts owed by group undertakings	57	37
Other debtors	27	25
Deferred tax (see note 17)	230	281
Prepayments and accrued income	221	249
	1,991	2,102

The amounts owed by group undertakings are unsecured, interest free trading balances and are repayable on demand.

14 Creditors - Amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	338	636
Payments on account	322	484
Amounts owed to group undertaking	845	1,050
Other creditors	117	47
Accruals and deferred income	1,157	1,158
	2,779	3,375

With the exception of the loan with group undertaking Harris Interactive France, amounts owed to group undertakings are unsecured, interest free and are repayable on demand. The principal amount of the loan with Harris Interactive France is £0.72m (2013: £0.77m) and is repayable on demand. The applicable interest rate on the loan with Harris Interactive France is 2.5% which is also payable on demand.

15 Creditors - Amounts falling due after more than one year

	2014 £'000	2013 £'000
Amounts owed to group undertakings	17,521	18,836

The amounts owed to group undertakings are unsecured, interest free loans which are repayable on demand. The directors have received confirmation from the parent undertaking that repayment of the loans will not be demanded within 12 months of the signing of these financial statements.

Harris Interactive UK Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

16 Provisions for liabilities

	Dilapidations £'000	Onerous Lease £'000	Total Provision £'000
Balance at 1 July 2013	62	634	696
Charged/(credited) to the profit and loss	14	(101)	(87)
Utilised in the year	-	(276)	(276)
At 30 June 2014	76	257	333

The dilapidations provision has been calculated by using an assumed rate per square foot for the property we lease to put it back to its original condition, and this is built up over the expected life of the lease.

The onerous lease provision has been calculated from estimating the period of time until the unutilised property we lease can be sublet. This provision is unwound against the expenses in relation to this unutilised leased property as they occur.

17 Deferred tax

Deferred tax asset

	Recognised		Unrecognised	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Accelerated capital allowances	209	261	-	-
Other timing differences	21	20	-	-
Losses	-	-	881	1,021
Stock options	-	-	-	33
	230	281	881	1,054

Harris Interactive UK Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

17 Deferred tax (continued)

Movements in deferred tax asset

	£'000
At 1 July 2013	281
Profit and loss account	(51)
At 30 June 2014	230

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset in relation to accelerated capital allowances and other timing differences, and therefore the asset has been recognised in these financial statements.

The directors do not consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the unrecognised deferred tax assets above in relation to tax losses and the asset has not been recognised.

18 Called up share capital

	2014 £'000	2013 £'000
Authorised, allotted, called up and fully paid		
400,000 ordinary shares of £1 each (2013: 400,000)	400	400

19 Reserves

	Other reserves £'000	Profit and loss account (deficit) £'000
At 1 July 2013	156	(14,621)
Profit for the financial year	-	1,868
Share based payment charge for year	(156)	156
At 30 June 2014	-	(12,597)

Harris Interactive UK Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

20 Reconciliation of movements in shareholders' (deficit)

	2014 £'000	2013 £'000
Profit/(loss) for the financial year	1,868	(626)
Net change to equity shareholder's funds	1,868	(626)
Addition to other reserves relating to share based payments	-	24
Shareholders' deficit 1 July	(14,065)	(13,463)
Total shareholders' deficit at 30 June	(12,197)	(14,065)

21 Pension commitments

The company contributes to various non-occupational defined contribution pension schemes for its employees. The assets of the schemes are held separately from those of the company in independently administered funds. The pension charge for the year amounted to £167k (2013: £157k). The contributions outstanding at year end were £27k (2013: £26k).

22 Financial commitments

Commitments under non-cancellable operating leases falling due within a year of 30 June 2014 as follows (analysed in the period which each lease expires):

	Land and buildings 2014 £'000	Other 2014 £'000	Land and buildings 2013 £'000	Other 2013 £'000
Within one year	343	-	47	-
Between two and five years	-	-	282	-
	343	-	329	-

23 Related party transactions

During the year Harris Interactive UK Limited purchased services from previous parent company Harris Interactive, Inc. in value of £1.6m. There were no outstanding related party balances with Harris Interactive, Inc. as at 30 June 2014.

Harris Interactive UK Limited

Notes to the financial statements for the year ended 30 June 2014 (continued)

24 Ultimate parent company and controlling party

The company's immediate parent company is Romtec UK Limited.

The ultimate parent undertaking and controlling party is ITWP Acquisitions Limited, "a" company incorporated in the UK. This is the largest and smallest group of which the company is a member and for which group financial statements are prepared. Copies of the ITWP Acquisition Limited consolidated financial statements may be obtained from ITWP Acquisition Limited, 29 Curzon Street, London W1J 7TL.