Press Release **20 March 2015**

BrainJuicer Group PLC
("BrainJuicer" or "the Company")
Results for the 12 Months ended 31 December 2014

Online market research agency, BrainJuicer Group PLC (AIM: BJU) today announces its Final Results for the 12 months ended 31 December 2014.

Highlights

- 1% revenue growth to £24.65m (2013: £24.46m)
- 5% revenue growth in constant currency
- 21% growth in operating profit to £4.30m (2013: £3.55m)
- 21% increase in profit before tax to £4.29m (2013: £3.56m)
- 14% growth in fully diluted earnings per share to 21.3p (2013: 18.7p)

Cash returned to shareholders

- Paid special dividend of 12.0p in May 2014 (£1.51m)
- Paid 2013 final dividend of 3.0p in May 2014 (£0.38m)
- Paid 2014 interim dividend of 1.0p in November 2014 (£0.13m) up from 0.9p in 2013
- Returned £1.94m of capital via share buy-backs and cash settled management equity awards
- Propose 3.3p final 2014 dividend (£0.42m) up from 3.0p in 2013

Net Cash

- Cash of £5.35m as at 31 December 2014 (31 December 2013: £6.19m)
- No debt

Commenting on the Company's results, John Kearon, Founder and Chief Juicer of BrainJuicer, said: "At BrainJuicer, we're a pioneering and vocal advocate of applying behavioural science to research and marketing. The more we help clients achieve famous marketing and accelerate their brand growth, the faster research habits will change and the more we'll find our services in demand around the world. In terms of short-term outlook, we are optimistic about our prospects for 2015, but as always, cautious too given our limited revenue visibility."

The Company can be found at www.brainjuicer.com.

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CHAIRMAN'S STATEMENT

2014 has been another successful year for BrainJuicer in most regards. Although revenue increased by only 1%, to £24.65m, the increase at constant exchange rates was 5%. Overheads were well controlled, and after a lower bonus pool than in 2013 and a modest charge for share based payments, pre-tax profits were 21% up on the prior year at £4.29m. Fully diluted earnings per share increased by 14% to 21.3p. As in previous years, this progress resulted entirely from organic growth within the business.

The Board is proposing to pay a final dividend of 3.3p per share, an increase of 10% over the comparable 2013 payment. This would take the full year ordinary dividend pay-out to 4.3p (£0.54m, an increase of 11%). In addition, a special dividend of 12.0p per share was paid to shareholders in May 2014.

In total, we returned over £3.95m of capital during 2014 via dividends, share buy-backs and cash settled management equity awards. Reflecting strong cash generation, which has always been a striking feature of our business, BrainJuicer ended 2014 with a substantial cash balance of £5.35m, equivalent to 41p per share and only £0.84m lower than at the end of 2013. BrainJuicer has no debt.

John Kearon, our Chief Executive or "Chief Juicer", and James Geddes, our Chief Financial Officer, will review BrainJuicer's progress in 2014 from their perspective in the sections which follow this Chairman's Statement. From my vantage point, and despite modest revenue growth, I have been encouraged to see BrainJuicer further strengthening its underlying position within the market research industry.

For example, we once again strengthened our relationship with a number of the world's largest consumer-goods companies; revenue from our core (and overwhelmingly "Juicy") quantitative products increased by 4%; and our business in the US (the world's largest market for market research) grew revenue by 6% (and gross profit by 11%).

We remain fully committed to delivering growth, and creating further value, over the medium and longer term. Experience has taught us that winning "mandates", or "preferred supplier" status, does not always give rise to an immediate or significant increase in revenue from the client in question. We will nonetheless continue to pursue such opportunities – not least because winning them delivers further valuable endorsement for our behavioural science-based methodology. We will try to generate growth from the introduction of new variants of some of our established products, and potentially also from acquisitions when we are convinced they will create value for BrainJuicer shareholders.

Recent or impending developments within the business have been made with this growth agenda firmly in mind. For example, Alex Hunt and Mark Johnson have been appointed to the newly created positions of Head of the Americas and Head of UK and Continental Europe respectively; we have introduced a more structured graduate recruitment and development programme in the UK and will be doing the same in New York; and we are preparing to move our HQ to larger offices in London during 2015.

Finally, and as BrainJuicer celebrates its 15th birthday, I would like to extend my thanks to all of our employees around the world for their hard work, determination, and camaraderie during what was yet again a good year for the business.

Ken Ford
Chairman
19 March 2015

CHIEF EXECUTIVE'S STATEMENT

15 Years of Pioneering

The 15^{th} of January 2015 marked BrainJuicer's 15^{th} birthday and a good moment to take stock of the past and explore what the future may hold.

Since 2000, the research industry has changed more than anyone thought likely and BrainJuicer has been at the heart of many of those changes. In 2015, the industry finds itself in a genuine state of flux, from overly-rational approaches to more emotional measures and models – a change which BrainJuicer is extremely well positioned to take advantage of. And perhaps the biggest change is yet to come. A change from market research being merely an insurance policy (preventing marketing follies) to finally becoming an *enabling policy* (driving famous marketing) – a model that BrainJuicer has championed for many years. This change in industry purpose, from prevention to promotion, is something BrainJuicer intends to be a major beneficiary of, as helping marketers do famous things becomes the norm in years to come.

Fifteen years ago, BrainJuicer was one of the first online research agencies, at a time when many heads of research at major multinationals refused to accept that online would become mainstream. Online now accounts for over 60% of all quantitative research worldwide. BrainJuicer was also the first agency to invent, trademark and patent a method of capturing qualitative open-ended answers and self-structuring them to show what large numbers of people think-and-feel about any subject. The MindReader® is still a vital component in BrainJuicer research projects and much loved by our clients.

In 2005, BrainJuicer was the first agency for decades to introduce a wholly new method for predicting the success of new product concepts. 'Predictive Markets' broke every golden rule of concept testing by utilising the wisdom of crowds to better identify winners from losers. It turns out, we're better at predicting what other people will do than we are at predicting our own behaviour. That controversial truth has now successfully been applied to over 40,000 new product concepts for many of the world's largest companies. These companies have enthusiastically adopted its predictive power and made it BrainJuicer's biggest selling and Juiciest product.

In 2006, BrainJuicer invented, validated and trademarked the first quantitative measure of emotion. FaceTrace® is now the world's most deployed measure of emotion, having been used over 5 million times with over 3 million respondents and has joined the MindReader® as a vital component in BrainJuicer research projects. Since 2009, it has also been the key measure in BrainJuicer's emotional advertising testing product, ComMotion®. As controversial now as Predictive Markets was when launched, ComMotion® is rapidly gaining a reputation for helping clients and agencies produce famous advertising campaigns. In just the last three years, ComMotion® has been instrumental in the success of some of the most famous advertising on both sides of the Atlantic; the John Lewis Christmas adverts, including the most recent blockbuster, Monty the Penguin, 3 Mobile's Moonwalking Pony and Singing Kitty and Guinness' Wheelchair Basketball advert. To highlight our ability to measure and predict famous advertising, we have launched the Global FeelMore50™ - an annual league table of the best adverts from around the world.

For the last few years, BrainJuicer has been a pioneering and vocal advocate of applying behavioural science to marketing and switching clients from over-rational research to our more emotional, intuitive research, that better predicts famous marketing. The changes to the way marketing should be practiced and measured are profound. Here are just three examples of how it changes current marketing practice:

- Seduction – not persuasion – is the swiftest route to fame and fortune;
- Penetration – not loyalty – drives growth;
- Universal human truths [UHT's] not unique selling propositions [USP's] are the basis of great advertising.

The more poetic versions can be found in the illustrated Birthday booklet we published: *The 15 Things Every Modern Marketer Should Know About Famous Brand Building*.

Our staff are dedicated and bright, our geographic footprint is global, we continue to win mandates from the world's largest companies and we have established a reputation as the 'Most Innovative' agency – as voted by clients and peers, for the last three years running in the GreenBook (GRIT) Report.

Our revenue growth in 2014 was disappointing, but changing habits and beliefs takes time. With vision, skill, patience and creativity, it's possible and it's happening at some of the world's largest companies. Where they lead, others will follow.

The more we help clients achieve famous marketing and accelerate their brand growth, the faster research habits will change and the more we'll find our services in demand around the world.

John Kearon
Chief Juicer
19 March 2015

BUSINESS AND FINANCIAL REVIEW

We have continued to develop the business, and despite the modest growth in revenue, have also generated strong profit growth and cash flow. Revenue grew 1% in 2014 over the prior year (5% in constant currency), but profit before tax increased 21% and the business turned more than 100% of its profit after tax into operating cash flow. We returned over £3.95m of capital in dividends, share buy-backs, and cash settled management equity awards, and still ended the year with cash of £5.35m (compared to £6.19m at the end of 2013) and we continue to have no debt.

We have previously claimed that, unusually, our business has both high growth and strong cash flow characteristics. This claim is based on a large addressable market within our multinational client base, our relatively unique positioning, simple and efficient operational processes which we can scale, and only minimal capital investment requirements.

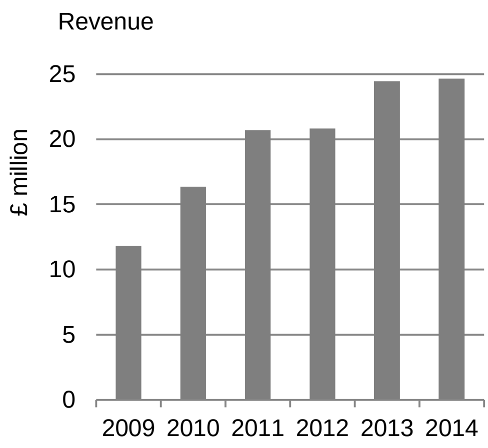
In 2014 we generated plenty of cash. What about the revenue growth?
Firstly, we did grow. Revenue from our core quantitative services, making up 88% of our business, grew 4% (8% in constant currency). It is these services that we can scale and that we are relying on for our on-going growth, and which therefore provide the best indicator of progress. Juice Generation services making up 10% of our business is more volatile and they declined 28%, which reduced our overall revenue growth to the 1% level.

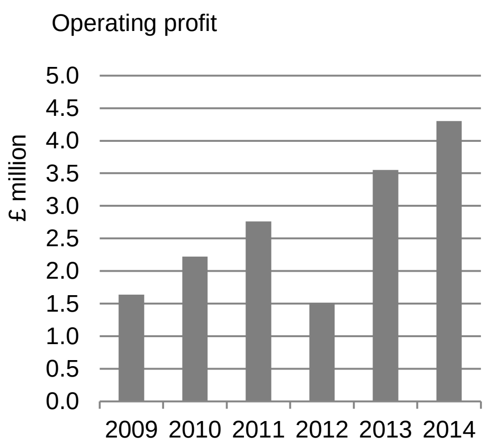
Juice Generation projects are often interesting and strategically important for clients, and the size of individual projects can be large. The flow of work is however particularly lumpy. Sometimes that works in our favour, but in 2014 it didn't. Nevertheless, the revenue from Juice Generation isn't a particularly good indicator of the value of this part of our business. Its main purpose is to forge deeper relationships with senior marketing people within client organisations and, obliquely at least, support the growth of our more scalable and higher margin quantitative services.

Secondly, we made inroads into some very large clients. One of our main objectives over the last few years has been to win mandated and preferred supplier positions within our large clients. A mandate is where a client nominates one or more suppliers to do all of a certain type of its research on an on-going basis and they can be worth several million pounds in revenue per year, if not more. During 2014, we won two such opportunities, one of which was for one of the very largest buyers of market research and advertising in the world.

However in neither case have we yet experienced the increase in revenue we were anticipating. Nevertheless, we value the endorsement from these wins and we still expect the accounts to grow, but perhaps not with the immediacy that we had previously assumed. So we will continue to seek them but will not rely on them.

How then do we view our prospects?
Notwithstanding continued forward momentum, our revenue growth has slowed of late. Rather than high growth and strong cash flow, we should perhaps re-articulate our business as one with *moderate* growth, strong cash flow, and high optionality potential.





We have few weak links: client feedback continues to be positive, our distinctive behavioural science based offerings continue to gain credence, and our staff feedback continues to indicate high levels of satisfaction. We have what we believe is one of the largest normative databases of emotional metrics in the world. These databases are what research firms use to calibrate the results of their surveys, and they take many years to build and have significant value. We are also continuing to evolve our Juicy products, by making them more robust and accessible through lower cost, more automated variants.

In this way, we envisage continuing to grow steadily and at the same time we remain confident that at some point we will break through in a more substantial way within some of our large clients.

Threats

The main foreseeable threat to our business is the risk of large competitors embracing the new thinking from behavioural science. In our view this would require some radical changes, as, for example, it would negate the current advantage of their extensive normative databases of existing measures. Copy-cat challenges to BrainJuicer are more likely to come from smaller agencies. However, it would be hard to replicate our techniques, given the need to copy our question types (which, in some cases, have copyright protections), develop the algorithms which translate respondent feedback into meaningful scores, validate the scores, populate the normative databases, and then explain to clients why the techniques are the same as a competitor's.

Historically, the industry has tended to be slow to adopt change and we are able to move quickly, by virtue of our innovative culture and relatively small size. We are continuing to invest in our product development (Labs) function, behavioural science unit and Juice Generation team, all of which will continue to fuel our on-going developments. We are also finding organisations emerging with interesting techniques, and may consider acquisition targets where they complement our offerings.

So whilst we respect the size, geographic coverage and professionalism of our competitors, we remain confident in our business too.

Financial performance

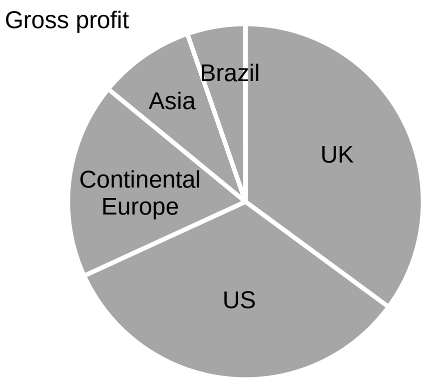
As always our profit and loss account is straightforward. Revenue grew 1% from £24.46m to £24.65m (5% at constant currency) and gross profit 2% from £19.09m to £19.41m. The adverse effect of currency movements on our top line had a favourable effect on our administrative costs, which, together with a lower bonus, resulted in a decline of 3%. The small increase in gross profit and decrease in administrative cost caused our operating profit to increase by 21%.

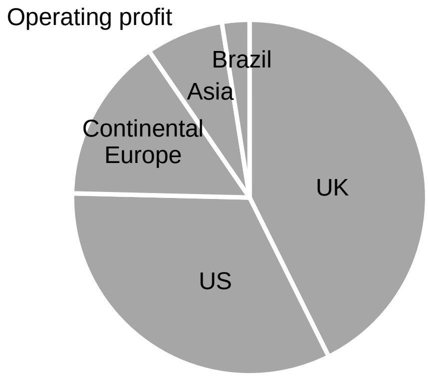
While we are always cost conscious, the decline in administrative costs was not reflective of any specific cost-cutting drive on our part. In fact, average headcount *increased* 10%, from 138 to 152 people. Average pay per person decreased, in part due to the lower bonus and currency movements, and in part due to a higher percentage of more junior people as we flesh out our teams and develop new staff. Staff costs make up 72% of our administrative costs, and most of our other costs are correlated to staff numbers.

A notable exception is our share based payment charge, relating to employee stock options. Under IFRS, the amount charged is based on our share price amongst other factors. Therefore significant changes in our share price will make a material difference to the charge, in particular increasing the liability to social security charges. Last year the steep rise in our share price caused us to expect a corresponding increase in our share based payment charge, and we announced as much. Since then our share price has settled back and the share based payment charge reduced accordingly. The charge last year, including social security charges of £129,000 (2013: £130,000), was £196,000 (2013: £278,000).

As usual, growth was organic, and there were no particularly large or unusual items. We completed 955 projects, which was 7% more than last year. Average revenue per project decreased, however, by 6% to £26,000, due to the reduction in large Juice Generation projects this year.

From a geographic standpoint, gross profit was flat in the UK, our largest market, but grew 11% in the US, our second largest market. Together our businesses in these two countries generated 68% of our gross profit and 76% of profit (before central overheads). Continental European gross profit, representing 18% of our total, fell 14%, due in large part to declines in our Swiss office, our largest in this region, where gross profit fell by 30%. We suffered sharp declines from two large Swiss clients, but we believe these were short-term dips in both cases. Historically our Swiss office has generated strong growth, which we expect to resume. Encouragingly our German office bounced back after a poor prior year, growing gross profit by 15%. In our other Continental European offices, each of which is small, we were down a little in Holland, grew well off a small base in France and declined significantly, again off a small base, in Italy. We have decided, reluctantly, to close our Italian office, and to serve our Italian clients from our UK and Swiss offices. We have accrued the costs of closure in our 2014 results. In Asia (China, Singapore and India) gross profit grew 36% (3% after adjusting for a client we reallocated from Continental Europe), and in Brazil we declined by 15% due to particularly adverse currency movements (in constant currency we declined 3%).





As we note regularly, we are a capital light business, and as in previous years capital expenditure was low at only £0.27m (2013: £0.14m), and depreciation similarly low at £0.43m (2013: £0.47m). Cash flow, therefore, was again strong.

Cash flow before financing was £3.16m (109% of profit after tax), and we finished the year with £5.35m of cash and no debt. We paid dividends, including our special dividend of 12 pence per share in May 2014, and share buy-backs (including cash settled management equity awards), totalling over £3.95m.

Our effective tax rate was 32% - similar to 2013 (32%). Our effective tax rate is higher than UK corporation tax levels, in part due to higher tax rates in our overseas operations, particularly in the US. It is also due to tax inefficiencies relating to management fees chargeable by our UK parent company to our Brazilian and Chinese subsidiary companies.

We continued to purchase back most of the shares transferred to stock option holders on exercise of options, and so there was little change in the number of issued or voting shares. As a result, our basic earnings per share grew at a similar rate to profit after tax at 19%. However due to the pay-out of a long term incentive plan to management in April 2014, which was in the main in the form of stock options, diluted earnings per share grew by a slower percentage (14%). We anticipate repurchasing most of the shares arising from the exercise of these options (provided the share price at the time represents good value), which will enhance diluted earnings per share at that time.

Capital allocation

We are asked from time to time about our views on capital allocation, and in particular our stance towards share buy-backs and dividends. Our natural instinct is to return all surplus cash to shareholders. We maintain sufficient cash buffers but don't hoard or look for ways to invest just because we have the cash.

We endeavour to maintain a consistent dividend policy, and set our ordinary interim and final dividends at a conservative percentage of earnings per share. We return surplus cash over and above ordinary dividends by way of share buy-backs when the price is attractive, and subject to practical considerations. Otherwise we return these surpluses by way of special dividends.

Our proposed final 2014 dividend of 3.3p takes our ordinary interim and final dividends for 2014 to 4.3p in aggregate, which represents 19% of basic earnings per share.

Summary

In summary, the Company is a resilient profit and cash flow generator, with a distinctive positioning in our world of market research. Growth was slower in 2014 than we would have hoped, but we continue to believe in the upside potential of the business.

We will continue developing the business as we have been, and in this way, will continue to build what some call the moat, or competitive advantage, protecting our business. The more projects we undertake, the more our normative database of emotional metrics will grow, the greater the validation of our solutions, the more credible and valuable our solutions will become. The more we hone our techniques and expand their applicability, the more difficult they will be to replicate. The longer we work for our large clients, the more we will demonstrate the value of our research, and the closer the relationships we will forge. The more we recruit at entry level and promote and develop from within the more we will nurture our culture as we grow.

We expect that this will result in the business continuing to generate attractive profits and cash flow, while also continuing to create the platform needed to realise our potential – a business several times the size it is today. In terms of short-term outlook, we are optimistic about our prospects for 2015, but as always, cautious too given our limited revenue visibility.

James Geddes
Chief Financial Officer
19 March 2015

5 YEAR SUMMARY

(£000s unless specified otherwise)

Year to 31 December	**2014**	**2013**	**2012**	**2011**	**2010**
Revenue	24,645	24,457	20,822	20,713	16,360
growth	*1%*	*17%*	-	*27%*	*38%*
Gross profit	19,410	19,087	16,068	16,063	12,622
growth	*2%*	*19%*	-	*27%*	*41%*
Operating profit	4,301	3,550	1,513	2,758	2,216
growth	*21%*	*135%*	*-45%*	*24%*	*35%*
Pre-tax profit	4,286	3,556	1,515	2,760	2,217
growth	*21%*	*135%*	*-45%*	*24%*	*34%*
Post-tax profit	2,897	2,435	1,038	1,850	1,480
growth	*19%*	*135%*	*-44%*	*25%*	*25%*
EPS – diluted	21.3p	18.7p	7.9p	14.1p	11.3p
growth	*14%*	*137%*	*-44%*	*25%*	*26%*
Cash flow pre financing	3,157	4,466	866	1,446	1,784
Cash balance (no debt)	5,347	6,188	3,755	3,683	2,770
Dividend per share (interim and final)	4.3p	3.9p	3.1p	3.0p	2.4p
growth	*10%*	*26%*	*3%*	*25%*	*26%*
Special dividend per share	12.0p	12.0p	-	-	-
Share buy-backs (net of stock option proceeds)*	1,938	71	408	217	1,046
Number of projects	955	892	794	859	745
growth	*7%*	*12%*	*-8%*	*15%*	*24%*
Average revenue per project	25.8	27.4	26.2	24.1	22.0
growth	*-6%*	*5%*	*9%*	*10%*	*12%*
Number of clients	235	224	217	199	165
growth	*5%*	*3%*	*9%*	*21%*	*18%*
Average headcount	152	138	148	124	91
growth	*10%*	*-7%*	*19%*	*36%*	*30%*

*2014 includes £1,239,000 for the cash-settling of part of the Company's long term incentive plan

PUBLICATION OF NON-STATUTORY ACCOUNTS

The financial information relating to the year ended 31 December 2014 set out below does not constitute the Group's statutory accounts but has been extracted from the statutory accounts. The statutory accounts received an unqualified auditors' report, but have not yet been filed with the Registrar.

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2014

	Note	2014	2013
		£'000	£'000
Revenue	4	**24,645**	24,457
Cost of sales		**(5,235)**	(5,370)
Gross profit		**19,410**	19,087
Administrative expenses		**(15,109)**	(15,537)
Operating profit	4	**4,301**	3,550
Gain on disposal of available for sale investments	7	**-**	14
Finance income	18	**-**	1
Finance costs	18	**(15)**	(9)
Profit before taxation		**4,286**	3,556
Income tax expense	19	**(1,389)**	(1,121)
Profit for the financial year		**2,897**	2,435
Attributable to the equity holders of the Company		**2,897**	2,435

Earnings per share attributable to equity holders of the Company

Basic earnings per share	21	**23.0p**	19.4p
Diluted earnings per share	21	**21.3p**	18.7p

All of the activities of the Group are classed as continuing.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2014

	2014	2013
	£'000	£'000
Profit for the financial year	**2,897**	2,435
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translating foreign operations	**(62)**	(55)
Other comprehensive income for the year, net of tax	**(62)**	(55)
Total comprehensive income for the year and amounts attributable to equity holders	**2,835**	2,380

CONSOLIDATED BALANCE SHEET
as at 31 December 2014

	Note	2014	2013
		£'000	£'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	**163**	112
Intangible assets	6	**797**	1,000
Deferred tax asset	20	**814**	670
		1,774	1,782
Current assets			
Inventories	9	**195**	238
Trade and other receivables	10	**6,724**	7,344
Cash and cash equivalents		**5,347**	6,188
		12,266	13,770
Total assets		**14,040**	15,552
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	11	**131**	131
Share premium account		**1,580**	1,579
Merger reserve		**477**	477
Foreign currency translation reserve		**(64)**	(2)
Retained earnings		**5,581**	5,924
Total equity		**7,705**	8,109
LIABILITIES			
Non-current liabilities			
Provisions	12	**368**	390
		368	390
Current liabilities			
Provisions	12	**269**	206
Trade and other payables	13	**5,543**	6,336
Current income tax liabilities		**155**	511
		5,967	7,053
Total liabilities		**6,335**	7,443
Total equity and liabilities		**14,040**	15,552

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2014

	Note	**2014**	2013
		£'000	£'000
Net cash generated from operations	24	**4,672**	5,343
Tax paid		**(1,242)**	(835)
Net cash generated from operating activities		**3,430**	4,508
Cash flows from investing activities			
Purchases of property, plant and equipment	5	**(159)**	(70)
Purchase of intangible assets	6	**(114)**	(69)
Sale of available for sale investments	7	**-**	97
Net cash used by investing activities		**(273)**	(42)
Net cash flow before financing activities		**3,157**	4,466
Cash flows from financing activities			
Interest	18	**(15)**	(8)
Proceeds from sale of treasury shares	11	**334**	82
Purchase of own shares	11	**(1,033)**	(153)
Purchase of equity interests	11	**(1,239)**	-
Dividends paid to owners	22	**(2,016)**	(1,903)
Net cash used by financing activities		**(3,969)**	(1,982)
Net (decrease)/increase in cash and cash equivalents		**(812)**	2,484
Cash and cash equivalents at beginning of year		**6,188**	3,755
Exchange losses on cash and cash equivalents		**(29)**	(51)
Cash and cash equivalents at end of year		**5,347**	6,188

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2014

	Note	Share capital	Share premium account	Merger reserve	Foreign currency translation reserve	Retained earnings	Total
		£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2013		**131**	**1,579**	**477**	**53**	**5,100**	**7,340**
Profit for the financial year		-	-	-	-	2,435	2,435
Other comprehensive income:							
Currency translation differences		-	-	-	(55)	-	(55)
Total comprehensive income		-	-	-	(55)	2,435	2,380
Transactions with owners:							
Employee share options scheme:							
- value of employee services		-	-	-	-	148	148
- current tax credited to equity		-	-	-	-	206	206
- deferred tax credited to equity		-	-	-	-	9	9
Dividends paid to owners		-	-	-	-	(1,903)	(1,903)
Sale of treasury shares		-	-	-	-	82	82
Purchase of treasury shares		-	-	-	-	(153)	(153)
		-	-	-	-	(1,611)	(1,611)
At 31 December 2013		**131**	**1,579**	**477**	**(2)**	**5,924**	**8,109**
Profit for the financial year		**-**	**-**	**-**	**-**	**2,897**	**2,897**
Other comprehensive income:							
Currency translation differences		-	-	-	(62)	-	(62)
Total comprehensive income		**-**	**-**	**-**	**(62)**	**2,897**	**2,835**
Transactions with owners:							
Employee share options scheme:							
- exercise of share options	11	-	1	-	-	-	1
- value of employee services	11	-	-	-	-	67	67
- current tax credited to equity		-	-	-	-	414	414
- deferred tax credited to equity	20	-	-	-	-	233	233
Dividends paid to owners	22	-	-	-	-	(2,016)	(2,016)
Sale of treasury shares	11	-	-	-	-	334	334
Purchase of treasury shares	11	-	-	-	-	(1,033)	(1,033)
Settlement of long term incentives	11	-	-	-	-	(1,239)	(1,239)
		-	**1**	**-**	**-**	**(3,240)**	**(3,239)**
At 31 December 2014		**131**	**1,580**	**477**	**(64)**	**5,581**	**7,705**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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1 General information

BrainJuicer Group PLC ("the Company") was incorporated on 19 September 2006 in the United Kingdom. The Company's principal operating subsidiary company, BrainJuicer Limited, was at that time already well established, having been incorporated on 29th December 1999. The Company is United Kingdom resident. The address of the registered office of the Company, which is also its principal place of business, is 1 Cavendish Place, London, W1G 0QF. The Company's shares are listed on the Alternative Investment Market of the London Stock Exchange ("AIM").

The Company and its subsidiaries (together "the Group") provide on-line market research services. Further detail of the Group's operations and its principal activity is set out in the Chairman's and CEO Statements and the Business and Financial Review on pages 2 to 10.

The financial statements for the year ended 31 December 2014 (including the comparatives for the year ended 31 December 2013) were approved by the board of directors on 19 March 2015.

2 Basis of Preparation

The Group has prepared its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted in the European Union, IFRIC Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Pounds Sterling (GBP), which is the Company's functional and presentation currency.

3 Principal accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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Standards, amendments and interpretations in issue but not yet effective

The following standards, amendments and interpretations to existing standards, relevant to the financial statements of the Group, have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2015 or later periods, but the Group has not adopted them early:

IFRS 9, 'Financial Instruments' (effective 1 January 2018). In November 2009, the IASB issued IFRS 9 'Financial Instruments' as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for classifying and measuring financial assets that must be applied (once endorsed by the EU). All equity investments within the scope of IFRS 9 are to be measured at fair value in the balance sheet, with value changes recognised in profit or loss, except for those equity investments for which the entity has elected to report value changes in 'other comprehensive income'. There will be no 'cost exception' for unquoted equities.

IFRS 15, 'Revenue from Contracts with Customers' (effective 1 January 2017).
IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities. IFRS 15 is effective for reporting periods beginning on or after 1 January 2017. Management consider that IFRS 15 will have no material impact upon these consolidated financial statements.

Basis of consolidation

The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to 31 December 2014. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquirer's net assets.

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The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

All transactions and balances are eliminated on consolidation. Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided to write off the cost of all property, plant and equipment to its residual value on a straight-line basis over its expected useful economic lives, which are as follows:

Furniture, fittings and equipment	5 years
Computer hardware	2 to 3 years

The residual value and useful life of each asset is reviewed and adjusted, if appropriate, at each balance sheet date.

Intangible assets

Software

Acquired computer software licenses are capitalised at the cost of acquisition. These costs are amortised on a straight-line basis over their estimated useful economic life of two years.

Costs incurred in the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include professional fees and directly-attributable employee costs required to bring the software into working condition. Non-attributable costs are expensed under the relevant income statement heading.

Furthermore, internally-generated software is recognised as an intangible asset only if the Group can demonstrate all of the following conditions:
(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
(b) its intention to complete the intangible asset and use or sell it;
(c) its ability to use or sell the intangible asset;
(d) how the intangible asset will generate probable future economic benefits;
(e) among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
(f) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
(g) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

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Internally-generated intangible assets are amortised on a straight-line basis over their useful economic lives. Where no internally-generated intangible asset can be recognised, development expenditure is charged to administrative expenses in the period in which it is incurred. Once completed, and available for use in the business, internally developed software is amortised on a straight line basis over its useful economic life which varies between 2 and 7 years.

The Group's main research software platform, which it developed over a number of years, was brought into use on 1 January 2011 and is being amortised over its estimated useful economic life of 7 years.

Amortisation on all intangible assets is charged to administrative expenses.

Impairment of property, plant and equipment and intangible assets

At each balance sheet date the Group reviews the carrying amount of its property, plant and equipment and intangible assets for any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Intangible assets not available for use are tested for impairment on at least an annual basis. The recoverable amount is the higher of the fair value less costs to sell and value in use.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank deposits available on demand.

Inventories – work in progress

Work in progress comprises directly-attributable external costs on incomplete market research projects and is held in the balance sheet at the lower of cost and net realisable value.

Income taxes

Current income tax liabilities comprise those obligations to fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement, except where it relates to items charged or credited to other comprehensive income or directly to equity.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

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Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as a component of tax expense in the income statement, except where it relates to items charged or credited to other comprehensive income or directly to equity.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the income statement net of any incentives received from the lessor on a straight-line basis over the period of the lease.

Revenue recognition

Revenue is recognised only after the final written debrief has been delivered to the client, except on the rare occasion that a large project straddles a financial period end, and that project can be sub-divided into separate discrete deliverables; in such circumstances revenue is recognised on delivery of each separate deliverable. Revenue is measured by reference to the fair value of consideration receivable, excluding sales taxes.

Cost of sales

Cost of sales includes external costs attributable to client projects including: respondent sample, data processing, language translation and similar costs.

Employee benefits

All accumulating employee-compensated absences that are unused at the balance sheet date are recognised as a liability.

The Group operates several defined contribution pension plans. The Group pays contributions to these plans based upon the contractual terms agreed with each employee. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Share-based payment transactions

The Group issues equity-settled share-based compensation to certain employees (including directors). Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payment is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the Group’s estimate of the shares that will eventually vest. With the exception of market-based awards, these estimates are subsequently revised if there is any indication that the number of options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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The fair value of option awards with time vesting performance conditions are measured at the date of grant using the Hoadley Employee Stock Option Valuation model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The fair value of awards made with market-based performance conditions (for example, the entity's share price) are measured at the grant date using a Monte Carlo simulation method incorporating the market conditions in the calculations. The awards made in respect of the Group's long term incentive scheme have been measured using such a method.

Social security contributions payable in connection with the grant of share options is considered integral to the grant itself, and the charge is treated as a cash-settled transaction.

Cash payments totalling £1,239,000 made in settlement of part of the Company's long term incentive plan during the year were accounted for as a repurchase of equity interests with the consideration paid debited to equity and disclosed in the Statement of Changes in Equity as 'Settlement of long term incentives'.

Provisions

Provisions for sabbatical leave and dilapidations are recognised when: the Group has a legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Where material, the increase in provisions due to passage of time is recognised as interest expense. The provision for sabbatical leave is measured using the projected unit credit method. The provision for dilapidations is measured at the present value of expenditures expected to be required to settle those obligations.

Foreign currencies

Items included in the individual financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates ('the functional currency'). The consolidated financial statements are presented in Sterling ('GBP'), which is the Company's functional and the Group's presentation currency.

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses arising from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The results and financial position of all Group companies that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date;
(b) income and expenses for each income statement are translated at average exchange rates; and
(c) all resulting exchange differences are recognised as a separate component of equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recognised in other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the main decision-making body of the Company, which collectively comprises the Executive Directors. The Executive Directors are responsible for allocating resources and assessing performance of the operating segments.

Financial instruments

Financial assets

The Group's financial assets comprise loans and receivables. The Group does not possess assets held at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets. The classification is determined by management at initial recognition, being dependent upon the purpose for which the financial assets were acquired. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Trade receivables are initially recorded at fair value, but subsequently at amortised cost using the effective interest rate method. Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial liabilities

Financial liabilities are initially recognised at fair value, net of transaction costs, and subsequently carried at amortised cost using the effective interest rate method. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited directly to equity.

Trade payables

Trade payables are initially recorded at fair value, but subsequently at amortised cost using the effective interest rate method.

Share capital

Ordinary shares are classified as equity. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Share premium

Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

Merger reserve

The merger reserve represents the difference between the parent company's cost of investment and a subsidiary's share capital and share premium. The merger reserve in these accounts has arisen from a group reconstruction upon the incorporation and listing of the parent company that was accounted for as a common control transaction. Common control transactions are accounted for using merger accounting rather than the acquisition method.

Foreign currency translation reserve

The foreign currency translation reserve represents the differences arising from translation of investments in overseas subsidiaries.

Treasury shares

Where the Company purchases the Company's equity share capital, the consideration paid is deducted from the total shareholders' equity and classified as treasury shares until they are cancelled. Where such shares are subsequently sold or re-issued, any consideration received is included in total shareholders' equity. No gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Significant accounting estimates and judgements

Share-based payments

The fair value of options granted is determined using the Hoadley Employee Stock Option Valuation model (for the employee share option scheme) and a Monte Carlo simulation model (for the long term incentive scheme).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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These models require a number of estimates and assumptions. The significant inputs into the models are share price at grant date, exercise price, historic exercise multiples, expected volatility and the risk free rate. Volatility is measured at the standard deviation of expected share prices returns based on statistical analysis of historical share prices.

During the year (and in previous years) the Company has often purchased shares arising from the exercise of share options in order to minimise shareholder dilution and create shareholder value. In the current reporting period the Company also cash-settled part of its long term incentive plan. Despite the repurchase of these equity interests the Company did not have an obligation to do so. Furthermore, the Company does not have a formal policy in relation to equity interests and so no constructive obligation arises either. As a result, the Company accounts for share-based payments as equity rather than cash-settled.

Employee benefits

The Group has a sabbatical leave scheme, open to all employees, that provides 20 days paid leave for each six years' of service. The carrying amount of the provision at the balance sheet date amounted to £557,000 (2013: £516,000). The provision for liabilities under the scheme is measured using the projected unit credit method. This model requires a number of estimates and assumptions. The significant inputs into the model are rate of salary growth and average staff turnover as explained in Note 12.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014

4 Segment information

When reviewing financial performance, key segmental information that management look at are revenue, gross profit, and operating profit before allocation of central overheads of the Group's geographic operating units ("Reportable Segments"), and the split of business by type of research solution.

Financial performance of	**2014**			2013		
Reportable Segments:	**Revenue**	**Gross margin**	**Operating profit****	Revenue	Gross margin	Operating Profit**
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
United Kingdom	**8,779**	**6,814**	**4,823**	8,859	6,843	4,908
US	**7,683**	**6,420**	**3,700**	7,266	5,794	2,796
Continental Europe*	**4,416**	**3,446**	**1,669**	4,895	3,992	1,859
China & Singapore*	**1,894**	**1,478**	**744**	1,461	1,112	491
Brazil	**1,580**	**1,031**	**283**	1,806	1,206	507
India	**293**	**221**	**59**	170	140	41
	24,645	**19,410**	**11,278**	24,457	19,087	10,602

*2014 revenue for China & Singapore includes £415,000 from a large client that was serviced from our Continental Europe region in 2013. Continental European revenue for 2013 included £449,000 from that client.

Revenue split by type of	**2014**			2013		
research solution:	**Juicy**	**Twist**	**Total**	Juicy	Twist	Total
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Quantitative Research	**17,605**	**4,129**	**21,734**	14,608	6,260	20,868
Juice Generation	**2,392**	**-**	**2,392**	3,337	-	3,337
Behaviour Change Unit	**519**	**-**	**519**	252	-	252
	20,516	**4,129**	**24,645**	18,197	6,260	24,457
Percentage of revenue	83%	17%		74%	26%	

Juicy products are BrainJuicer's new methodologies that challenge traditional approaches to market research. Twist products are industry standard quantitative research methods with an added BrainJuicer "twist".

Segmental revenue is revenue generated from external customers and so excludes intercompany revenue.

** Segmental operating profit excludes costs relating to central services provided by our Operations, IT, Marketing, HR and Finance teams and our Board of Directors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014

4 Segment information (continued)

A reconciliation of total operating profit for Reportable Segments to total profit before income tax is set out below:

	2014	2013
	£'000	£'000
Operating profit for reportable segments	**11,278**	10,602
Central overheads	**(6,977)**	(7,052)
Operating profit	**4,301**	3,550
Gain on disposal of available for sale investments	**-**	14
Finance costs	**(15)**	(8)
Profit before income tax	**4,286**	3,556

Revenues are attributed to geographical areas based upon the location in which the sale originated. Consolidated cash, trade receivable, property, plant and equipment and intangible asset balances are regularly provided to the executive directors but segment assets and segment liabilities are not, and accordingly the Company does not disclose segment assets and liabilities here.

BrainJuicer Group PLC is domiciled in the UK. Revenue from external customers to the UK is £8,779,000 (2013: £8,859,000), and revenue from external customers to other countries is £15,866,000 (2013: £15,598,000).

Non-current assets other than financial instruments and deferred tax assets located in the UK is £920,000 (2013: £1,067,000), and these non-current assets located in other countries is £40,000 (2013: £45,000).

Revenues of £1,871,000 (2013: £2,315,000) are derived from the Group's largest single external customer, representing 8% (2013: 9%) of Group revenues. Revenues by operating segment are as follows:

	2014	2013
	£	£
UK	**1,121,000**	1,284,000
China and Singapore	**330,000**	351,000
Continental Europe	**260,000**	349,000
US	**160,000**	271,000
Brazil	**-**	60,000
	1,871,000	2,315,000

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for the year ended 31 December 2014

5 Property, plant and equipment

For the year ended 31 December 2014

	Furniture, fittings and equipment	Computer hardware	Total
	£'000	**£'000**	**£'000**
At 1 January 2014			
Cost	337	699	1,036
Accumulated depreciation	(299)	(625)	(924)
Net book amount	**38**	**74**	**112**
Year ended 31 December 2014			
Opening net book amount	38	74	112
Additions	3	156	159
Depreciation charge for the year	(14)	(94)	(108)
Closing net book amount	**27**	**136**	**163**
At 31 December 2014			
Cost	337	861	1,198
Accumulated depreciation	(310)	(725)	(1,035)
Net book amount	**27**	**136**	**163**

For the year ended 31 December 2013

	Furniture, fittings and equipment	Computer hardware	Total
	£'000	**£'000**	**£'000**
At 1 January 2013			
Cost	335	636	971
Accumulated depreciation	(259)	(534)	(793)
Net book amount	**76**	**102**	**178**
Year ended 31 December 2013			
Opening net book amount	76	102	178
Additions	4	66	70
Depreciation charge for the year	(41)	(95)	(136)
Foreign exchange	(1)	1	-
Closing net book amount	**38**	**74**	**112**
At 31 December 2013			
Cost	337	699	1,036
Accumulated depreciation	(299)	(625)	(924)
Net book amount	**38**	**74**	**112**

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6 Intangible assets

For the year ended 31 December 2014

	Software licenses	Software	Total
	£'000	**£'000**	**£'000**
At 1 January 2014			
Cost	498	1,672	2,170
Accumulated amortisation	(415)	(755)	(1,170)
Net book amount	**83**	**917**	**1,000**
Year ended 31 December 2014			
Opening net book amount	83	917	1,000
Additions	114	-	114
Amortisation charge	(88)	(229)	(317)
Closing net book amount	**109**	**688**	**797**
At 31 December 2014			
Cost	609	1,672	2,281
Accumulated amortisation	(500)	(984)	(1,484)
Net book amount	**109**	**688**	**797**

For the year ended 31 December 2013

	Software licenses	Software	Total
	£'000	**£'000**	**£'000**
At 1 January 2013			
Cost	429	1,672	2,101
Accumulated amortisation	(315)	(526)	(841)
Net book amount	**114**	**1,146**	**1,260**
Year ended 31 December 2013			
Opening net book amount	114	1,146	1,260
Additions	69	-	69
Amortisation charge	(100)	(229)	(329)
Closing net book amount	**83**	**917**	**1,000**
At 31 December 2013			
Cost	498	1,672	2,170
Accumulated amortisation	(415)	(755)	(1,170)
Net book amount	**83**	**917**	**1,000**

Software comprises the Group's main research software platform, which it developed over a number of years and introduced in 2011, at a cost of £1,604,000. It is being amortised over 7 years and has a remaining amortisation period of 3 years. The carrying amount of this asset at the balance sheet date was £688,000 (2013: £917,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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7 Financial assets – available for sale investments

During the prior year the Company sold its minority investment in Slater Marketing Group Pty Limited for cash consideration of £97,000 realising a gain of £14,000.

8 Financial risk management

The Group's financial risk management policies and objectives are explained in the Directors' report, an extract of which is provided on page 46.

Credit risk

Credit risk is managed on a Group basis, arising from credit exposures to outstanding receivables and cash and cash equivalents. Management regularly monitor receivables reports on a Group basis. Since the vast majority of the Group's clients are large blue-chip organisations, the Group has only ever suffered minimal bad debts. The Group has concentrations of credit risk as follows:

	2014	2013
	£'000	£'000
Cash and cash equivalents		
HSBC Bank PLC	**5,225**	6,070
Deutsche Bank	**79**	65
UBS	**26**	38
Other banks	**17**	15
	5,347	6,188
Trade receivables		
Largest customer by revenue	**1,036**	956

Financial instruments by category

At the balance sheet date the Group held the following financial instruments by category:

	2014	2013
	£'000	£'000
Assets as per balance sheet		
Loans and receivables		
Trade and other receivables (ex prepayments and accrued income)	**6,304**	6,758
Cash and cash equivalents	**5,347**	6,188
	11,651	12,946
Liabilities as per balance sheet		
Other Financial liabilities carried at amortised cost		
Trade payables	**1,187**	1,402
Accruals	**3,733**	4,334
	4,920	5,736

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014

8 Financial risk management (continued)

The table below analyses the Group's financial instruments which will be settled on a gross basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
	£'000	£'000	£'000
Other financial liabilities carried at amortised cost	4,920	-	-

These cash outflows will be financed from existing cash reserves and operating cash flows.

9 Inventory

	2014	2013
	£'000	£'000
Work in progress	195	238

10 Trade and other receivables

	2014	2013
	£'000	£'000
Trade receivables	6,137	6,544
Other receivables	167	214
Prepayments	420	586
	6,724	7,344

Trade and other receivables are due within one year and are not interest bearing. The maximum exposure to credit risk at the balance sheet date is the carrying amount of receivables detailed above. The Group does not hold any collateral as security. The Directors do not believe that there is a significant concentration of credit risk within the trade receivables balance.

As of 31 December 2014, trade receivables of £1,343,000 (2013: £1,595,000) were past due but not impaired.

The ageing of these trade receivables is as follows:	2014	2013
	£'000	£'000
Up to 3 months	1,109	944
3 to 6 months	234	651
	1,343	1,595

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014

10 Trade and other receivables (continued)

As of 31 December 2014, trade receivables of £Nil (2013: £Nil) were impaired. Since the vast majority of the Group's clients are large blue-chip organisations, the Group rarely suffers a bad debt.

The carrying amount of the Group's trade and other receivables are denominated in the following currencies:

	2014	2013
	£'000	£'000
US Dollar	**2,680**	2,168
Sterling	**1,839**	1,964
Euro	**1,450**	1,460
Swiss Franc	**372**	833
Brazilian Real	**160**	268
Chinese Yuan	**135**	259
Singapore Dollar	**45**	294
Canadian Dollar	**-**	25
Indian Rupee	**35**	63
Australian Dollar	**8**	-
	6,724	7,344

11 Share capital

The share capital of BrainJuicer Group PLC consists only of fully paid Ordinary Shares ("shares") with a par value of 1p each. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the Annual General Meeting.

Allotted, called up and fully paid Ordinary Shares	**Number**	**£'000**
At 1 January 2014 and 1 January 2013	13,136,448	131
Exercise of share options	5,419	-
At 31 December 2014	**13,141,867**	**131**

During the year the Company issued 5,419 shares on the exercise of employee share options for cash consideration of £619 of which £565 was credited to share premium and £54 to share capital. The Company transferred 234,541 shares out of treasury to satisfy the exercise of employee share options over 234,541 shares at a weighted average exercise price of 142 pence per share for total consideration of £334,000. The weighted average share price at exercise date was 454 pence per share. The Company subsequently repurchased 233,049 of these shares at a weighted average price of 443 pence per share. The total consideration payable on repurchase (including stamp duty) amounted to £1,033,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014

11 Share capital (continued)

During the year, upon settlement of the Company's long term incentive plan, options over 544,968 shares with an exercise price of £Nil, and 62,024 shares transferred from treasury were awarded to senior executives. The Company settled the remainder of the long term incentive plan awards for cash consideration of £1,239,000.

Following these transactions, at the end of the year the number of shares was 13,141,867 (2013: 13,136,448) of which shares held in treasury numbered 509,268 (2013: 572,784). The treasury shares will be used to help satisfy the requirements of the Group's share incentive schemes.

Share options

Employee share option scheme

The Group issues share options to directors and to employees under an HM Revenue and Customs approved Enterprise Management Incentive (EMI) scheme and for awards which do not qualify for EMI, an unapproved scheme. Generally, with the exception of share options arising from the Company's long term incentive plan, the exercise price for share options is equal to the mid-market opening quoted market price of the Company's shares on the date of grant, and in general, they vest evenly over a period of one to three years following grant date. If share options remain unexercised after a period of ten years from the date of grant, the options expire. Share options are forfeited in some circumstances if the employee leaves the Group before the options vest, unless otherwise agreed by the Group.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2014		2013	
	Average exercise price per share	**Options**	Average exercise price per share	Options
	Pence	**No**	Pence	No
Outstanding at 1 January	**127.2**	**835,166**	127.4	900,215
Granted	**-**	**544,968**	-	-
Lapsed	**11.4**	**(602)**	94.0	(2,006)
Exercised	**139.3**	**(239,960)**	130.7	(63,043)
Outstanding at 31 December	**63.6**	**1,139,572**	127.2	835,166
Exercisable at 31 December	**63.6**	**1,139,572**	121.8	810,791

The weighted average share price at date of exercise of options exercised during the year was 452 (2013: 241.4) pence. The 544,968 options granted during the year were awarded in settlement of the Company's long term incentive plan. These options are exercisable on grant and expire on 28 May 2020. No options were granted in 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014

11 Share capital (continued)

At 31 December, the Group had the following outstanding options and exercise prices:

	2014			2013		
	Average exercise price per share	**Options**	**Weighted average remaining contractual life**	Average exercise price per share	Options	Weighted average remaining contractual life
Expiry date	**Pence**	**No**	**Months**	Pence	No	Months
2014	**-**	**-**	**-**	11.4	6,021	3.0
2015	**-**	**-**	**-**	62.3	35,826	16.0
2016	**62.3**	**6,022**	**21.0**	62.3	15,055	28.8
2017	**162.5**	**150,533**	**25.0**	162.5	150,533	37.0
2018	**147.5**	**49,716**	**39.0**	147.5	74,771	51.0
2019	**94.0**	**54,902**	**49.0**	94.0	135,368	61.0
2020	**35.2**	**861,399**	**64.4**	96.0	344,464	75.3
2021	**286.0**	**17,000**	**82.0**	296.3	45,064	92.1
2022	**-**	**-**	**-**	296.5	28,064	97.0
At 31 December	**63.6**	**1,139,572**	**57.4**	127.2	835,166	61.6

Long term incentive plan

In 2010 the Company established a long term incentive plan for senior executives. All awards vested on 30 April 2014. Upon settlement of the plan, options over 544,968 shares with an exercise price of £Nil, and 62,024 shares transferred from treasury were awarded to senior executives. The Company settled the remainder of the long term awards for cash consideration of £1,239,000.

As a result of the settlement of the scheme no units were outstanding as at 31 December 2014 (2013: 10,000).

Share-based payment charge

The total charge for the year relating to equity-settled employee share-based payment plans (for both the employee stock option plan and the senior executive long term incentive plan) was £67,000 (2013: £148,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014

12 Provisions

	Sabbatical provision	Dilapidation provisions	Total
	£'000	**£'000**	**£'000**
At 1 January 2013	189	80	269
Provided in the year	361	-	361
Utilised in the year	(33)	-	(33)
Exchange differences	(1)	-	(1)
At 31 December 2013	516	80	596
Provided in the year	99	-	99
Utilised in the year	(58)	-	(58)
At 31 December 2014	**557**	**80**	**637**
Of which:			
Current	203	66	269
Non-current	354	14	368
	557	**80**	**637**

The Group has a sabbatical leave scheme, open to all employees. The scheme provides 20 days paid leave for each successive period of 6 years' service.

There is no proportional entitlement for shorter periods of service. The provision for the liabilities under the scheme is measured using the projected unit credit method. The calculation of the provision assumes an annual rate of growth in salaries of 5% (2013: 7%), a discount rate of 2.5% (2013: 3%), based upon good quality 6-year corporate bond yields, and an average staff turnover rate of 15% (2013: 15%).

Dilapidation provisions represent the Group's best estimate of costs required to meet its obligations under property lease agreements.

13 Trade and other payables

	2014	2013
	£'000	£'000
Trade payables	**1,187**	1,402
Social security and other taxes	**623**	600
Accruals and deferred income	**3,733**	4,334
	5,543	6,336

Trade and other payables are due within one year and are not interest bearing. The contractual terms for the payment of trade payables are generally 45 days from receipt of invoice.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014

14 Commitments

The Group leases offices under non-cancellable operating leases for which the future aggregate minimum lease payments are as follows:

	2014	2013
	£'000	£'000
No later than 1 year	375	409
Later than 1 but no later than 5 years	448	479
	823	888

Included within the amounts disclosed above, the Group has the benefit of seven months rent free for the first three years of a lease with an annual rental commitment of £163,000. At this and the comparative balance sheet date no rent free month was outstanding. The benefit of the rent free months was spread over the period of the lease to the first break point in 2013.

15 Expenses by nature

	2014	2013
	£'000	£'000
Employee benefit expense	10,887	11,563
Depreciation and amortisation	426	465
Net foreign exchange losses	77	114
Other expenses	8,954	8,765
	20,344	20,907
Analysed as:		
Cost of sales	5,235	5,370
Administrative expenses	15,109	15,537
	20,344	20,907

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014

16 Profit before taxation

Profit before taxation is stated after charging:

	2014	2013
	£'000	£'000
Services provided by the company's auditor and its associates		
Fees payable to the company's auditor and its associates for the audit of the parent company and consolidated financial statements	**42**	38
Fees payable to the company's auditor and its associates for other services:		
Audit-related assurance services	**19**	3
Taxation compliance services	**65**	27
Tax advisory services	**47**	9
Other services	**7**	3
Operating lease expenses – Land and buildings	**490**	465
Depreciation and amortisation	**426**	465
Net loss on foreign currency translation	**77**	114

17 Employee benefit expense

The average number of staff employed by the Group during the financial year amounted to:

	2014	2013
	No	No
Number of administrative staff	**152**	138

The aggregate employment costs of the above were:

	2014	2013
	£'000	£'000
Wages and salaries	**8,775**	8,948
Social security costs	**1,244**	1,372
Pension costs – defined contribution plans	**257**	263
Long service leave cost	**41**	327
Share based remuneration	**67**	148
Redundancies	**27**	123
Medical benefits	**476**	382
	10,887	11,563

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014

17 Employee benefit expense (continued)

The directors have identified 6 (2013: 6) key management personnel, including three executive and three non-executive directors. Compensation to key management is set out below:

	2014	2013
	£'000	£'000
Short-term employee benefits (salaries, bonuses and benefits in kind)	**649**	782
Post-employment benefits (pension costs – defined contribution plans)	**32**	31
Share-based payment	**17**	55
	698	868

Details of directors' emoluments are given in the Remuneration Report extract on page 44.

18 Finance income and costs

	2014	2013
	£'000	£'000
Bank interest receivable	**-**	1
Other interest payable	**(15)**	(9)
Net finance costs	**(15)**	(8)

19 Income tax expense

	2014	2013
	£'000	£'000
Current tax	**1,298**	1,298
Deferred tax	**91**	(177)
	1,389	1,121

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014

19 Income tax expense (continued)

Income tax expense for the year differs from the standard rate of taxation as follows:

	2014	2013
	£'000	£'000
Profit on ordinary activities before taxation	**4,286**	3,556
Profit on ordinary activities multiplied by standard rate of tax of 21.45% (2013: 23.2%)	**919**	825
Difference between tax rates applied to Group's subsidiaries	**299**	87
Expenses not deductible for tax purposes	**74**	9
Tax on intra-group management charges (Brazil and China)	**161**	204
Adjustment to current tax in respect of prior years	**(11)**	2
Credit on exercise of share options taken to income statement	**(53)**	(6)
	1,389	1,121

20 Deferred tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2014	2013
	£'000	£'000
Deferred tax assets:		
- Deferred tax assets to be recovered after more than 12 months	**445**	476
- Deferred tax assets to be recovered within 12 months	**409**	226
	854	702
Deferred tax liabilities:		
- Deferred tax liability to be recovered within 12 months	**(40)**	(32)
Deferred tax asset (net):	**814**	670

The gross movement in deferred tax is as follows:

	2014	2013
	£'000	£'000
At 1 January	**670**	293
Foreign exchange differences	**2**	(6)
Income statement credit	**(91)**	177
Tax credited directly to equity	**233**	206
At 31 December	**814**	670

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014

20 Deferred tax (continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets	Other provisions	Overseas tax losses	Share options	Dilapidation provisions	Sabbatical provision	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2014	8	85	476	13	120	702
Foreign exchange differences	-	(5)	6	-	2	3
Charged to income statement	(11)	(25)	(45)	-	(3)	(84)
Credited directly to equity	-	-	233	-	-	233
At 31 December 2014	**(3)**	**55**	**670**	**13**	**119**	**854**

Deferred tax liabilities		Accelerated capital allowances
		£'000
At 1 January 2014		(32)
Foreign exchange differences		(1)
Charged to income statement		(7)
At 31 December 2014		**(40)**

There are no unrecognised deferred tax assets. Deferred tax assets are recognised only to the extent that their recoverability is considered probable. The deferred tax asset in respect of the Company's share option scheme relates to corporate tax deductions available on exercise of employee share options.

21 Earnings per share

(a) Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Ordinary Shares in issue during the year.

	2014	2013
Profit attributable to equity holders of the Company (£'000)	**2,897**	2,435
Weighted average number of Ordinary Shares in issue	**12,613,136**	12,563,664
Basic earnings per share	**23.0p**	19.4p

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014

21 Earnings per share (continued)

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding assuming conversion of all dilutive share options to Ordinary Shares.

	2014	2013
Profit attributable to equity holders of the Company and profit used to determine diluted earnings per share (£'000)	**2,897**	2,435
Weighted average number of Ordinary Shares in issue	**12,613,136**	12,563,664
Share options	**978,342**	426,759
Weighted average number of Ordinary Shares for diluted earnings per share	**13,591,478**	12,990,423
Diluted earnings per share	**21.3p**	18.7p

22 Dividends per share

	2014	2013
	£'000	£'000
Dividends paid on Ordinary Shares		
Interim, 1 pence per share (2013: 0.9 pence per share)	**126**	112
Special dividend, 12 pence per share (2013: 12 pence per share)	**1,512**	1,508
	1,638	1,620
Final dividend relating to 2013, 3 pence per share (2013: 2.25 pence per share relating to 2012)	**378**	283
Total ordinary dividends paid in the year	**2,016**	1,903

The directors are proposing a final dividend in respect of the year ended 31 December 2014 of 3.3 pence per share. These financial statements do not reflect this proposed dividend.

23 Related party transactions

During the year the Company's long term incentive plan for senior executives vested. In settlement John Kearon received cash of £656,000 and both James Geddes and Alex Batchelor were each awarded options over 125,722 shares in the Company at an exercise price of £Nil per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2014

23 Related party transactions (continued)

Dividends paid to directors were as follows:

	2014	2013
	£	£
John Kearon	**617,599**	584,477
James Geddes	**25,332**	23,986
Alex Batchelor	**16,296**	15,431
Ken Ford	**3,200**	3,030
Robert Brand	**4,800**	4,545
Graham Blashill	**800**	758
	668,027	632,227

24 Net cash generated from operations

	2014	2013
	£'000	£'000
Profit before taxation	**4,286**	3,556
Depreciation	**108**	136
Amortisation	**317**	329
Gain on disposal of available for sale investments	**-**	(14)
Interest paid	**15**	8
Share-based payment expense	**67**	148
Decrease/(increase) in inventory	**43**	(187)
Decrease/(increase) in receivables	**620**	(1,519)
(Decrease)/increase in payables	**(752)**	2,890
Exchange differences on operating items	**(32)**	(4)
Net cash generated from operations	**4,672**	5,343

25 Seasonality of revenues

Group revenues tend to be higher in the second-half of the financial year than in the first six months.

For the year ended 31 December 2014, revenues for the second half of the year represented 55% of total revenues compared to 56% for the year ended 31 December 2013.

26 Audit exemption

BrainJuicer Limited, company number 03900547, is exempt from the requirements for the Companies Act 2006 relating to the audit of accounts under section 479A.

REMUNERATION REPORT

Below is an extract of the Remuneration Report.

Remuneration

Remuneration in respect of the directors was as follows:

	Salary	Benefits in kind	Bonus	**2014**	2013
	£	£	£	**£**	£
John Kearon	195,160	3,991	-	**199,151**	251,250
James Geddes	169,202	4,697	-	**173,899**	219,056
Alex Batchelor	169,202	3,838	-	**173,040**	218,276
Ken Ford	37,000	-	-	**37,000**	33,990
Robert Brand	33,000	-	-	**33,000**	30,900
Graham Blashill	33,000	-	-	**33,000**	28,583
	636,564	12,526	-	**649,090**	782,055

Money purchase pension contributions in respect of the directors were as follows:

	2014	2013
	£	£
John Kearon	**11,710**	11,424
James Geddes	**10,152**	9,905
Alex Batchelor	**10,152**	9,905
	32,014	31,234

Directors' interests

Directors' interests in Ordinary Shares of 1p each as at 31 December 2013 are shown below:

Number of 1p ordinary shares	**31 Dec 2014**	1 Jan 2014
John Kearon	**3,859,996**	3,859,996
James Geddes	**158,325**	158,325
Alex Batchelor	**101,852**	101,852
Ken Ford	**20,000**	20,000
Robert Brand	**30,000**	30,000
Graham Blashill	**5,000**	5,000

Employee share options

Directors' interests in share options over 1p Ordinary Shares in the Company were as follows:

(Date of grant)	Earliest exercise date	Exercise price (p)	Number at 1 Jan 2014	Granted in year	Exercised in year	**Number at 31 Dec 2014**
John Kearon						
(19/01/2007)	01/01/2008	162.5p	60,213	-	-	**60,213**
James Geddes						
(19/01/2007)	01/01/2008	162.5p	60,213	-	-	**60,213**
(28/05/2014)*	28/05/2014	0.0p	-	*125,722	-	**125,722**
			60,213	125,722	-	**185,935**
Alex Batchelor						
(22/03/2010)	01/04/2011	149.0p	113,334	-	-	**113,334**
(18/05/2010)	01/01/2011	0.0p	116,666	-	-	**116,666**
(28/05/2014)*	28/05/2014	0.0p	-	*125,722	-	**125,722**
			230,000	125,722	-	**355,722**
Total			350,426	251,444	-	**601,870**

* awarded in settlement of the Company's 2010 long-term incentive plan (see below).

Long term incentives

During the period the Company's 2010 long-term incentive plan for senior executives vested. In settlement John Kearon received cash of £656,000 and both James Geddes and Alex Batchelor were each awarded options over 125,722 shares in the Company at an exercise price of £Nil per share. Full details of that scheme can be found in last year's annual report.

For the three-year period commencing 2014, the Remuneration Committee has put in place new arrangements for the remuneration of the management team which more closely follow the guidelines for quoted companies, and which were approved at the companies annual general meeting in May 2014. Under this scheme the executive directors forego all annual bonuses, but receive equity options based on a substantial increase in earnings per share over the three years, backed by a share price underpin. The members of the senior management team will have an increased bonus potential of up to 50% of base salary, but without any future equity participation. The Remuneration Committee believes that this:

- aligns the executive directors' remuneration to the shareholder value they create;
- provides flexible, simple and more immediate rewards for the wider management team;
- contains the dilutive impact on our equity.

DIRECTORS' REPORT

Below is an extract of the Directors' Report.

Financial risk management
The Group's activities expose it to the following financial risks to a small degree.

Credit risk
We manage credit risk on a Group basis, arising from credit exposures to outstanding receivables and cash and cash equivalents. Since the majority of the Group's clients are large blue-chip organisations, the Group rarely suffers a bad debt. The Group's cash balances are held, in the main, at HSBC Bank.

Market risk – Foreign exchange risk
In addition to the United Kingdom, the Group operates in the United States, Continental Europe, Brazil, China, Singapore and India and is exposed to currency movements impacting future commercial transactions and net investments in those countries. Management believe that both foreign currency transaction and translation risk are not material to the financial performance of the Group and do not deal in hedging instruments.

Liquidity risk
The Company monitors its cash balances regularly and holds its cash in immediately-available current accounts to minimise liquidity risk.

Other risks
Management do not consider price risk or interest rate risk to be material to the Group.

Capital risk management
The Company manages its capital to ensure that it is able to continue as a going concern while maximising its return to shareholders. The Company's capital structure consists of cash and cash equivalents and share capital. The Group has no borrowings or borrowing facilities and is not subject to any externally imposed capital requirements. The Group has not entered into any derivative contracts.

Going concern
After making enquiries, at the time of approving the financial statements the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for at least 12 months from the approval of these financial statements. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.