COMPANY REGISTRATION NUMBER 02686721

THE GALLUP ORGANIZATION LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2012



THE GALLUP ORGANIZATION LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

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THE GALLUP ORGANIZATION LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS	L J Gambles P Flade K Andersen J Hunt
COMPANY SECRETARY	L J Gambles
REGISTERED OFFICE	The Adelphi 1-11 John Adam Street London WC2N 6HS
AUDITOR	Menzies LLP Chartered Accountants Ashcombe House 5 The Crescent Leatherhead Surrey KT22 8DY

THE GALLUP ORGANIZATION LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal activities are to provide clients with research based consulting services, to improve business performance, including customer engagement, employee engagement studies, related consultancy, personnel selection and development services and social and economic opinion research

The company achieved a turnover of £10,267,958 (2011 - £10,348,736) resulting in a profit on ordinary activities before taxation of £414,095 (2011 - £205,925)

PRINCIPLE RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of key risks The key risks and uncertainties affecting the company are considered to relate to competition from consultancy businesses and the impact of the current economic climate on the recruitment and retention of employees

KEY PERFORMANCE INDICATORS

The company uses a series of key performance indicators to monitor the performance of the business These include, but are not limited to, the following,

Financial Indicators

- Total Turnover
- Gross profit by project
- Total company net profit
- Payroll to turnover
- Overheads as a percentage of turnover

Non-Financial Indicators

- Staff turnover and retention rates
- Chargeable hours as a percentage of total hours
- Client retention numbers
- New client numbers
- Customer engagement as measured by CE11
- Staff engagement as measured by Q12

FUTURE DEVELOPMENTS

The directors anticipate that the external commercial environment will continue to be extremely competitive over the forthcoming year The company enters 2013 from a good position and is ready to respond to the market challenges and opportunities as they develop

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £290,819 The directors have not recommended a dividend

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

There are no matters concerning financial risk which are material for the assessment of the assets, liabilities, financial position and profit or loss of the company

RESEARCH AND DEVELOPMENT

The company continues to develop their research base to further enhance their services to their clients The directors feel that this is critical to the future success of the business in keeping them at the leading edge of their science

DIRECTORS

The directors who served the company during the year were as follows

L J Gambles	
P Flade	
K Andersen	(Appointed 17 August 2012)
J Hunt	(Appointed 17 August 2012)
R Norby	(Retired 17 August 2012)

FIXED ASSETS

The directors do not consider that there is any significant difference between the market value and net book value of the company's tangible fixed assets

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 elected to prepare 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 year

In preparing those 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,
- 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

DONATIONS

During the year the company made the following contributions

	2012 £	2011 £
Charitable	4,690	4,080

AUDITOR

Menzies LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed by order of the directors

L J. Gambles.

L J Gambles
Company Secretary

Approved by the directors on 11/3/13

THE GALLUP ORGANIZATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF THE GALLUP ORGANIZATION LIMITED

YEAR ENDED 31 DECEMBER 2012

We have audited the financial statements of The Gallup Organization Limited for the year ended 31 December 2012 on pages 5 to 14 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)

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements.

- give a true and fair view of the state of the company's affairs as at 31 December 2012 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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, 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, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Menzies LLP

TERENCE GALE FCA (Senior Statutory Auditor)
For and on behalf of
MENZIES LLP
Chartered Accountants
& Statutory Auditor

Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

18 March 2013

THE GALLUP ORGANIZATION LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
TURNOVER	2	10,267,958	10,348,736
Cost of sales		3,909,021	4,138,859
GROSS PROFIT		6,358,937	6,209,877
Marketing expenses		1,117,970	1,136,515
Administrative expenses		4,827,144	4,753,574
OPERATING PROFIT	3	413,823	319,788
Interest receivable		272	4,137
Interest payable and similar charges	6	–	(118,000)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		414,095	205,925
Tax on profit on ordinary activities	7	123,276	111,541
PROFIT FOR THE FINANCIAL YEAR		290,819	94,384

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 7 to 14 form part of these financial statements.

THE GALLUP ORGANIZATION LIMITED

BALANCE SHEET

31 DECEMBER 2012

	Note	2012 £	2012 £	2011 £	2011 £
FIXED ASSETS					
Tangible assets	9		822,287		1,017,470
Investments	10		100		100
			822,387		1,017,570
CURRENT ASSETS					
Debtors	11	2,043,714		2,543,437	
Cash at bank		951,190		748,580	
		2,994,904		3,292,017	
CREDITORS: Amounts falling due within one year	12	2,176,124		2,809,045	
NET CURRENT ASSETS			818,780		482,972
TOTAL ASSETS LESS CURRENT LIABILITIES			1,641,167		1,500,542
CREDITORS: Amounts falling due after more than one year	13		284,730		415,401
PROVISIONS FOR LIABILITIES					
Other provisions	15		587,692		607,215
			768,745		477,926
CAPITAL AND RESERVES					
Called-up equity share capital	18		2,000,000		2,000,000
Profit and loss account	19		(1,231,255)		(1,522,074)
SHAREHOLDER'S FUNDS	20		768,745		477,926

These financial statements were approved by the directors and authorised for issue on 11/3/13 , and are signed on their behalf by

P Flade

Company Registration Number 02686721

The notes on pages 7 to 14 form part of these financial statements.

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

Going Concern

The financial statements are prepared on a going concern basis as, despite the deficit on reserves at 31 December 2012 of £1,231,255, the Directors forecast that this will be eliminated during the year to 31 December 2013 by profits to be generated, which will also generate positive cash flows to enable the company to continue in operational existence for the foreseeable future

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cashflow on the grounds that the company is a 100% subsidiary, whose parent company, Gallup Inc , prepare consolidated financial statements that are publicly available

Turnover

The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax Also included in turnover are recharges in respect of amounts billed to clients for expenses incurred on their behalf

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold land and buildings	-	The period of the lease
Fixtures & Fittings	-	7 years straight line
Computer equipment	-	2 - 5 years straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Where the company has a contract which is onerous, the present obligation under the contract is recognised and measured as a provision and is reduced by the full amount of any unamortised operating lease incentive received in respect of that contract

Pension costs

The company has entered into pension fund arrangements for the benefit of certain directors and employees The company operates a defined contribution scheme Contributions made by the company and its employees are administered by trustees in funds independent from the company's assets

Contributions, which are expected to cover the cost of benefits arising from the current service of employees, are charged to the profit and loss account as incurred

1. ACCOUNTING POLICIES *(continued)*

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction All exchange differences are dealt with through the profit and loss account

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Income from investments

Investment income comprises dividends declared during the accounting period in respect of listed and unlisted investments, interest receivable on long term deposits and fixed interest securities and rents receivable

Fixed asset investments

Fixed asset investments are included in the balance sheet at cost after provision for any permanent diminution in value

Accrued and deferred income

Accrued income, included in debtors, represents level of completion of contracts in excess of amounts invoiced

Deferred income, included in creditors, represents amounts invoiced in advance of the outstanding stage of completion of contracts

Premiums received as operating lease incentives are taken to deferred income and released to the rental charge to match the increased rentals paid in later periods

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2012	2011
	£	£
United Kingdom	4,540,368	4,916,960
Overseas sales	5,727,590	5,431,776
	10,267,958	10,348,736

3. OPERATING PROFIT

Operating profit is stated after charging

	2012 £	2011 £
Depreciation of owned fixed assets	244,501	266,994
Loss on disposal of fixed assets	10,792	2,137
Auditor's remuneration		
- as auditor	26,450	26,450
- for other services	17,586	14,605
Operating lease costs		
- Plant and equipment	10,795	13,638
- Other	715,994	723,592
Net loss on foreign currency translation	53,242	52,957
Depreciation of reinstatement provision	-	165,751

4. PARTICULARS OF EMPLOYEES

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

	2012 No	2011 No
Management	4	4
Administration staff	17	17
Interviewers and researchers	47	46
	68	67

The aggregate payroll costs of the above were

	2012 £	2011 £
Wages and salaries	4,113,858	3,904,285
Social security costs	485,243	462,230
Other pension costs	88,254	65,758
	4,687,355	4,432,273

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2012 £	2011 £
Remuneration receivable	394,870	381,487
Value of company pension contributions to money purchase schemes	4,000	4,000
	398,870	385,487

Remuneration of highest paid director:

	2012 £	2011 £
Total remuneration (excluding pension contributions)	228,146	215,665
Value of company pension contributions to money purchase schemes	2,000	2,000
	230,146	217,665

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Other similar charges payable	-	118,000

Other finance costs is the unwinding of the discount of the reinstatement provision as detailed in note 15

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2012 £	£	2011 £	£
Current tax:				
UK Taxation				
In respect of the year				
UK Corporation tax based on the results for the year at 24 50% (2011 - 26 49%)		107,388		89,814
Foreign tax				
Current tax on income for the year		35,411		23,583
Total current tax		142,799		113,397
Deferred tax				
Origination and reversal of timing differences (note 15)				
Capital allowances	(18,052)		(2,119)	
Other	(1,471)		263	
Total deferred tax (note 15)		(19,523)		(1,856)
Tax on profit on ordinary activities		123,276		111,541

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 24 50% (2011 - 26 49%)

	2012 £	2011 £
Profit on ordinary activities before taxation	414,095	205,925
Profit on ordinary activities by rate of tax	101,453	54,550
Expenses not deductible for tax purposes	2,171	18,628
Depreciation in excess of capital allowances	34,310	18,080
Pension expenses paid in excess of accrued charge	3,296	(517)
Capital items expensed	(3,019)	397
Dilapidations provision	-	24,324
Over/ under provision in current year	4,588	-
Over/ under provision in previous year	-	(2,065)
Total current tax (note 7(a))	142,799	113,397

8. DIVIDENDS

Equity dividends

	2012 £	2011 £
Paid during the year		
Equity dividends on ordinary shares	-	2,262,316

9. TANGIBLE FIXED ASSETS

	Land and buildings £	Furniture and equipment £	Computer equipment £	Total £
COST				
At 1 January 2012	1,723,053	365,657	643,765	2,732,475
Additions	–	21,087	39,023	60,110
Disposals	–	(24,555)	(281,678)	(306,233)
At 31 December 2012	1,723,053	362,189	401,110	2,486,352
DEPRECIATION				
At 1 January 2012	876,409	303,607	534,989	1,715,005
Charge for the year	162,941	34,855	46,705	244,501
On disposals	–	(21,459)	(273,982)	(295,441)
At 31 December 2012	1,039,350	317,003	307,712	1,664,065
NET BOOK VALUE				
At 31 December 2012	683,703	45,186	93,398	822,287
At 31 December 2011	846,644	62,050	108,776	1,017,470

10. INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2012 and 31 December 2012	100
NET BOOK VALUE	
At 31 December 2012 and 31 December 2011	100

The company owns 100% of the issued ordinary share capital of Selection Research Limited, a dormant company and 33% of the issued share capital of The Gallup Organization-Europe SA, a company incorporated in Belgium

	2012 £	2011 £
Aggregate capital (deficiency) and reserves		
Selection Research Limited	100	(2,273,107)
The Gallup Organization-Europe SA	413,696	385,333
Profit and (loss) for the year		
Selection Research Limited	2,273,107	–
The Gallup Organization-Europe SA	37,760	65,060

The financial statements present information about The Gallup Organization Limited as an individual undertaking and do not include the results of its subsidiary undertakings and other investments

11. DEBTORS

	2012	2011
	£	£
Trade debtors	1,364,199	1,846,316
Amounts owed by group undertakings	108,713	227,512
Prepayments	434,258	416,143
Other debtors	11,617	20,781
Accrued income	124,927	32,685
	2,043,714	2,543,437

12. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	108,095	165,625
Amounts owed to group undertakings	107,879	250,799
Taxation and social security	246,895	303,720
Accruals and deferred income	1,713,255	2,088,901
	2,176,124	2,809,045

13. CREDITORS: Amounts falling due after more than one year

	2012	2011
	£	£
Accruals and deferred income	284,730	415,401

14. PENSIONS

The company operates a defined contribution scheme for certain employees The assets of this scheme are held separately from those of the company in an independent administered fund The pension charge for this scheme amounted to £88,254 (2011 - £65,758) As at 31 December 2012 there were £60,500 of pension contributions accrued (2011- £47,048)

15. OTHER PROVISIONS

	Reinstatement provision - The Adelphi	Deferred taxation	Total
	£	£	£
Balance brought forward	560,000	47,215	607,215
Profit and Loss Account movement arising during the year	-	(19,523)	(19,523)
Balance carried forward	560,000	27,692	587,692

The company has a commitment in respect of its leased premises to reinstate to the original condition upon the expiry of the lease in 2020

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2012	2011
	£	£
Excess of taxation allowances over depreciation on fixed assets	44,269	62,321
Other timing differences	(16,577)	(15,106)
	27,692	47,215

16. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as set out below

	2012		2011	
	Land and buildings	**Other Items**	Land and buildings	Other Items
	£	**£**	£	£
Operating leases which expire Within 2 to 5 years	1,060,748	10,035	1,050,327	10,035

17. RELATED PARTY TRANSACTIONS

The directors have taken the available exemption under Financial Reporting Standard No 8 not to disclose transactions with related companies This exemption is available as the company is 100% owned by Gallup BV which is a wholly owned subsidiary of Gallup Inc, who prepare consolidated financial statements that are publicly available

There were no transactions with the directors during the year

18. SHARE CAPITAL

Authorised share capital:

	2012	2011
	£	£
3,000,000 Ordinary shares of £1 each	3,000,000	3,000,000

Allotted, called up and fully paid:

	2012		2011	
	No	**£**	No	£
2,000,000 Ordinary shares of £1 each	2,000,000	2,000,000	2,000,000	2,000,000

19. PROFIT AND LOSS ACCOUNT

	2012	2011
	£	£
Balance brought forward	(1,522,074)	645,858
Profit for the financial year	290,819	94,384
Equity dividends	-	(2,262,316)
Balance carried forward	(1,231,255)	(1,522,074)

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2012	2011
	£	£
Profit for the financial year	290,819	94,384
Equity dividends	-	(2,262,316)
Net addition/(reduction) to shareholder's funds	290,819	(2,167,932)
Opening shareholder's funds	477,926	2,645,858
Closing shareholder's funds	768,745	477,926

21. ULTIMATE PARENT COMPANY

The company is 100% owned by Gallup BV with the ultimate parent undertaking being Gallup Inc , a company which is incorporated in Delaware, USA

Copies of the group accounts of Gallup Inc may be obtained from 1001 Gallup Drive Omaha NE 68102 USA

The directors consider that, as Gallup Inc is employee-owned, there is no single ultimate controlling party