



Stockcube plc
Annual Report & Accounts 2006

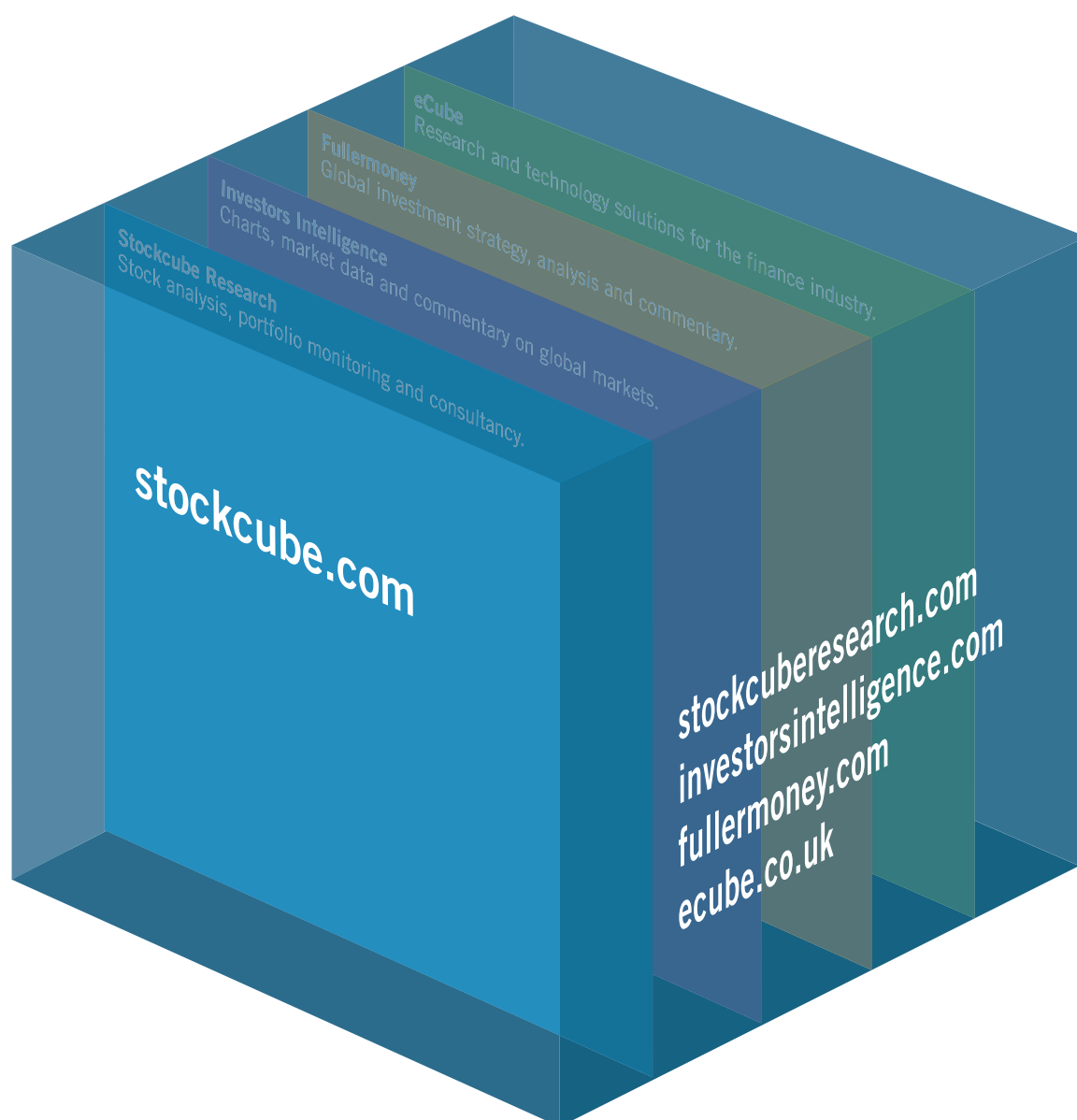




Stockcube provides technical research and financial analysis for clients around the world.

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Our Mission

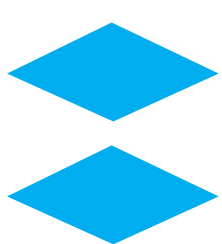
We aim to deliver and to provide for our customers:

- High-quality technical research and investment analysis
- Advice and data to assist institutions and private investors
- Stock market and sector analysis consultancy for institutional investors
- Software technology for the financial services sector

Stockcube plc is one of the world's leading providers of independent financial research.

Our analytical services have been used by institutional and private clients for over forty years and cover all investment classes including stocks, bonds, mutual funds, currencies and commodities.

We bring together a broad range of analytical and technical disciplines and our indicators and techniques are recognised as industry standard and used by investors across the globe.



stockcube

Unpacking a world of finance

Stockcube's divisions and subsidiaries publish over 60 pieces of individual research each week. The Group has four main subsidiary businesses:

Stockcube Research

Europe's leading technical research consultancy for equities.

Stockcube Research has a global reach, supplying high quality research to institutional fund managers on five continents from offices in London and New York.

Our unique, custom portfolio and watch-list analysis ensures that we provide relevant research, tailored exactly to the individual manager's requirements.

Investors Intelligence

Investors Intelligence is a leading independent provider of research and technical analysis of stocks, currencies, commodities and financial futures.

Since pioneering the use of point & figure charting in the 1950s, many of our analytical tools have become industry standards such as the NYSE Bullish % and the Advisors Sentiment Survey. We now produce technical analysis-based advisories for the majority of international financial markets. Our services are subscribed to by investors, traders and financial professionals around the world.

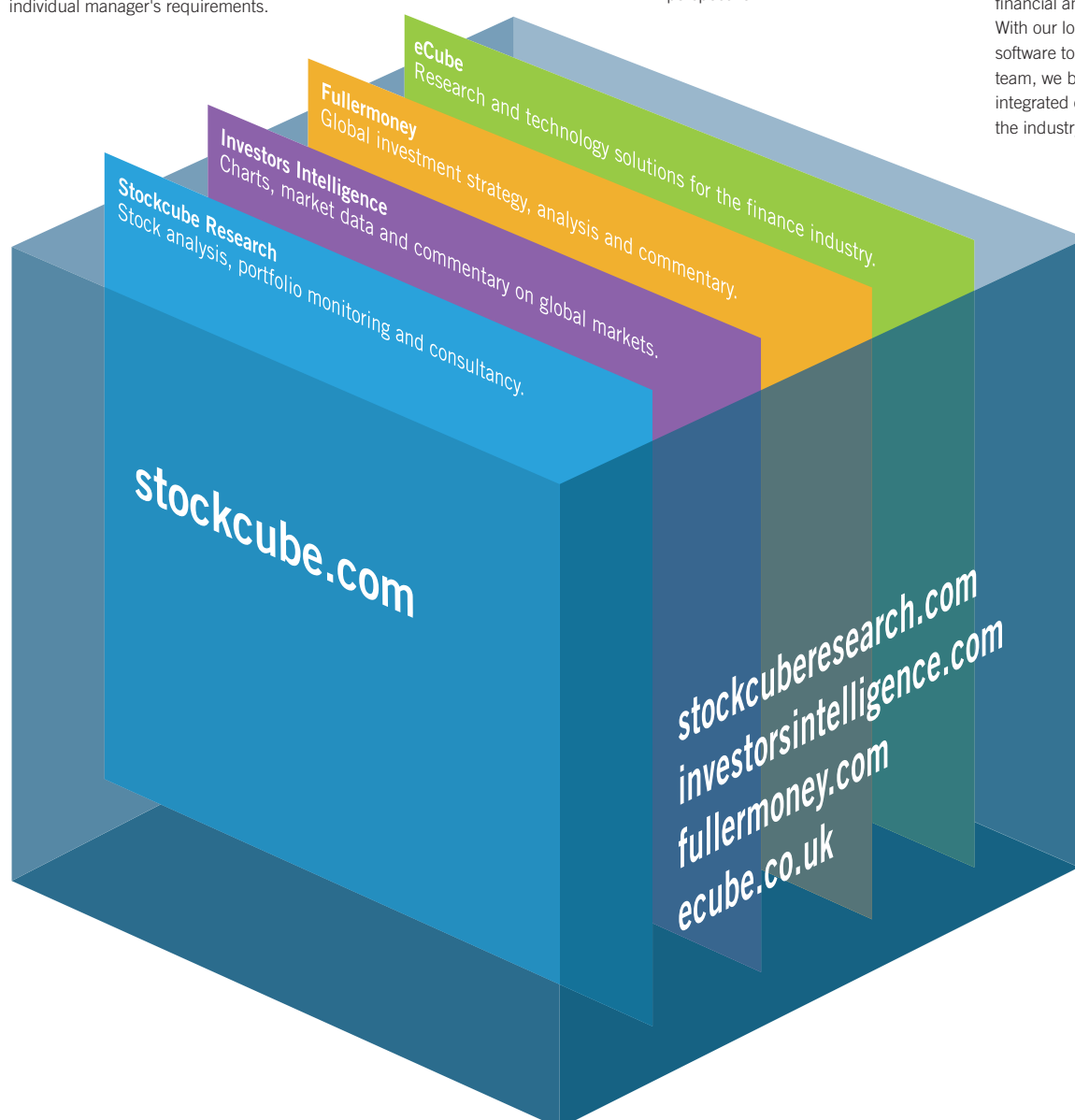
Fullermoney

Fullermoney is one of the world's most highly regarded research services covering global strategy and investment trends.

Fullermoney analyses the major markets — stocks, bonds, currencies and commodities — from both a technical, behavioural and fundamental economic perspective.

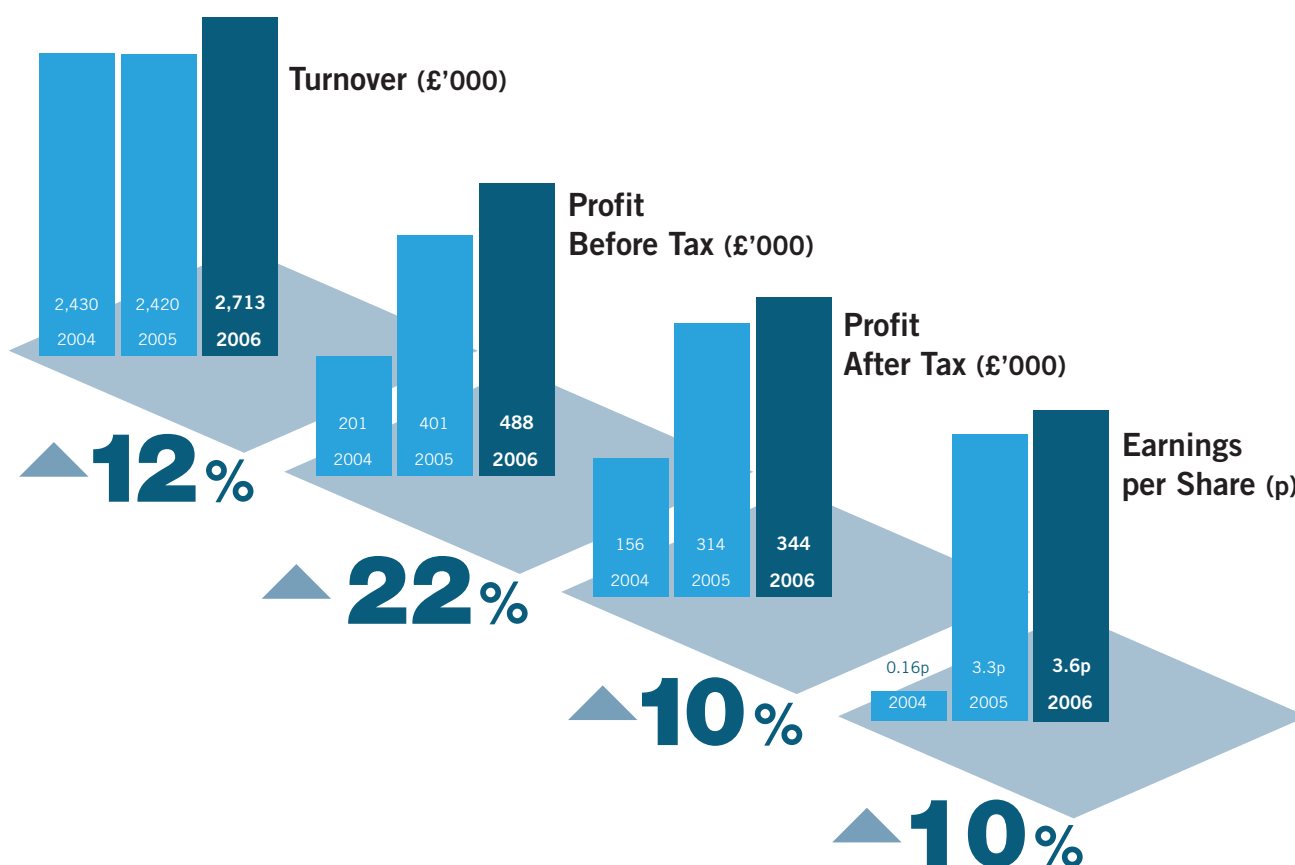
eCube

ecube are innovative and professional software developers focusing on the financial and web publishing sectors. With our long experience, established software tools and exceptional PhD-led team, we build web-based and integrated desktop solutions that lead the industry.



Highlights

- Group turnover **12%** up on last year
- Profit before tax, impairment and amortisation of goodwill up **17%** to **£507,000**
- Profit before tax and impairment up to **22%** **£488,000**
- All elements of business show satisfactory performances
- Strong balance sheet with net assets of **48.3p per share**, of which **43.5p is cash**
- Earnings per share before impairment up **10%** to **3.6p**
- Dividend (proposed) increased by **33%** to **1.0 pence per share**



Julian Burney, Chief Executive Officer, said:

"We have continued to invest in our business during 2006 principally in the quality of our staff and their remuneration structure in order to give us a broader and more stable platform for 2007 and beyond. While the payment procedures of some of our institutional customers, following regulatory clarification of research expenditure, have taken somewhat longer to bed in than we and similar firms would have wished we are able to report a 22% increase in profit before tax and impairment over 2005. We are hopeful that these payment procedures will enhance our ability both to procure customers and to receive timely and transparent payments.

"While we remain alert to growth by acquisition we have concluded that our business and our shareholders' interests will be better fulfilled through organic growth in the services we offer. The effectiveness of our consultancy services is dependent on building over time long-term relationships so we can tailor our advice to their needs and our web-based wider market services are highly scalable from a relatively fixed analytical and technology basis. We are now generating growing and sustainable profits and cash from our trading activities and so, following discussion with our advisers, we propose to return surplus cash of 25p per share to shareholders."

Chairman's statement

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Introduction

We continue our steady progress to establish Stockcube through organic growth as a leading provider of financial research and analysis.

Financial review

Turnover for the year ended 31 December 2006 was £2,713,000 — an increase of 12.1% over last year (2005: £2,420,000). Profit before tax and amortisation of goodwill was £507,000, an increase of 17% over 2005 (£433,000, before impairment). Basic earnings per share were 3.6p per 10p ordinary share, an increase of 10% over 2005 (3.3p per ordinary share before impairment).

Our balance sheet had net assets of 48.3p per share at 31 December 2006, of which 43.5p was in cash.

Business Review

Turnover from **Stockcube Research**, our institutional consultancy service, increased by 16% over 2005. We now have a solid foundation of motivated young analysts supported by a number of experienced technicians. We expect the teething problems experienced by a number of our customers in interpreting new regulatory requirements introduced in mid-2006 for paying for research will soon evolve into an efficient and effective mechanism.

The enhanced immediacy of the **Fullermoney** service through its daily online and audio formats together with the introduction of equity chart libraries and enhanced charting graphics have helped to generate an encouraging 34% increase in the number of subscriptions during the

year. Revenues from subscriptions have increased by an excellent

53% as unit prices are being steadily increased. Our bi-annual London **Chart Seminars** continue to sell out. The non-recurrence of some one-off specialist consultancy work undertaken in 2005 has reduced year-on-year profit growth to 23% but this was nevertheless a very healthy result from a highly scalable service.

Investors Intelligence online produced a very pleasing increase of 26% in revenues and continues to position itself as a business to business provider of generic statistical analysis and bespoke research. We also sell our current and historical data to third party users for on-publication or as a component in their own analytical models.

Income from our US subsidiary **Chartcraft** was up by 9% over 2005 in US dollar terms but due to the dollar's weakness against sterling showed a drop of 17% when translated.

Ecube, our in-house software business, continues to develop and support the group's technology needs and to provide invaluable web-based services to its third party customers.

Repayment of surplus cash to shareholders

As the group is cash positive and now generating sustainable operating profits we have been reviewing the structure and composition of our balance sheet and our potential funding



Stockcube Research
Timing is everything

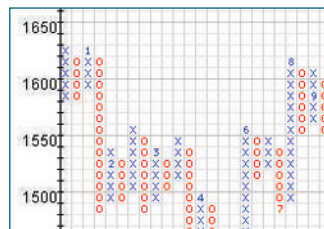


www.stockcubereseach.com

Stock analysis, market timing, portfolio monitoring and consultancy for global fund managers and institutional investors.



Investors Intelligence



www.investorsintelligence.com

Charts market data and commentary for US, UK, Europe, Japan and SE Asia stocks and indices.

Repayment of £2.4m surplus cash to shareholders



requirements.

While we continue to look closely at strategic acquisitions and other business alliances to expand more quickly our core operations we have, for some time, emphasised our position as a leading technical analysis business and, in particular, the organic strengths of our institutional advisory consultancy and the scalability of our online wider market services. We have seen few businesses that would add shareholder value or enhance earnings sufficiently to encourage us to take unnecessary risk or venture far outside our proven expertise. We have concluded, therefore, that we should return a substantial proportion of our cash deposits to shareholders for them to employ elsewhere.

Such return of surplus capital will not deflect us from succeeding with our aims of providing high quality services to our customers and sustained annual returns to shareholders.

Accordingly, we are proposing a capital reconstruction and repayment which, following shareholder and Court approval, will return 25p per ordinary share to shareholders.

I urge you therefore to read the accompanying circular to shareholders, **Stockcube plc, Recommended Proposals for the return of approximately £2.4 million to Shareholders by way of capital reorganisation** and Notice of Extraordinary General Meeting and to vote in favour of the proposals set out therein.

Staff

Once again I should like to thank all our staff for their continued efforts during the year.

Dividend

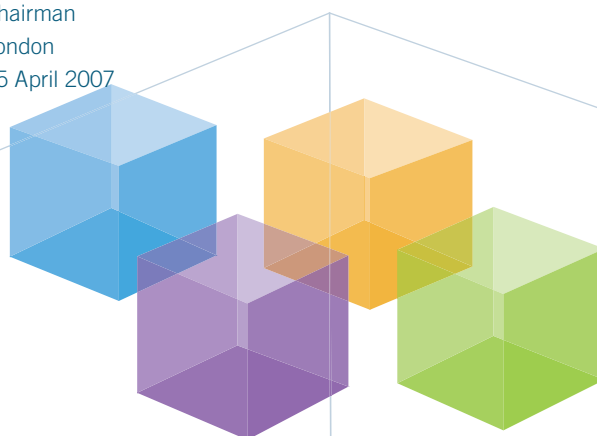
We are pleased to seek shareholder approval for a dividend of 1.0 pence per share in respect of the results for 2006, an increase of 33% over 2005.

Outlook

The current year has started satisfactorily and we expect continued and sustained growth in our business for the foreseeable future.

Edward Forbes

Chairman
London
25 April 2007



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Global investment strategy, analysis and commentary from David Fuller.
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Report on directors' remuneration

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The role of the remuneration committee is to review the performance of the executive directors of the group and to set the scale and structure of their remuneration, including bonus arrangements. The remuneration committee also administers the group's employee share option schemes and recommends the allocation of share options to directors, senior management and other employees. Approval of this report will not be sought at the Annual General Meeting.

Remuneration policy for executive directors

The policy of the board is to provide executive remuneration packages sufficient to attract and retain the directors needed to run the company successfully, bearing in mind the company's size and available capital. The aim of the board is to maintain a policy that:

- provides remuneration levels which reflect the directors' responsibilities and contain incentives to deliver the company's objectives
- rewards directors according to both individual and company performance
- establishes an appropriate balance between fixed and variable elements of total remuneration with the intention that the performance related element will form an increasingly significant proportion of the package as the company's revenue grows
- aligns the interests of the executive directors with those of the shareholders through the use of performance related rewards and share options in the company
- ensures that directors' packages are in line with the company's remuneration policy

The remuneration committee has responsibility for making recommendations to the board on the company's general policy on remuneration and also specific packages for individual directors. It carries out the policy on behalf of the board. The committee comprises Dennison Veru and Timothy Horlick, both of whom are independent, non-executive directors.

Service agreements

Julian Burney, Shirley Yeoh and Andrew Ashman each have a continuous employment contract which is terminable at not less than six months' notice by either party.

Edward Forbes is seconded to the company from Wilmore Investments Corporation Inc., as Chairman on the terms of a consultancy agreement, which is terminable at three months' notice.

Directors' remuneration

Details of each director's remuneration package can be found in note 4 to the financial statements. Details of each director's interests in shares and share options are set out in the Directors' Report. Only basic salary is being treated as pensionable. There are four main elements of each director's remuneration package:

- basic salary
- share option incentives
- benefits
- discretionary bonus

Basic salary

Basic salaries are usually reviewed annually by the committee and are set to reflect market conditions, personal performance and those paid for similar jobs in comparable organisations.

Share options incentives — Executive Directors

Following the capital reorganisation in May 2006, where ordinary share capital was consolidated from ten ordinary shares of 1p each into one new ordinary share of 10p each, the directors' interests in the company's Share Option Schemes and the share option prices were adjusted accordingly.

The executive directors have interests in the company's Share Option Schemes, details of which are below:

	Number of ordinary shares under options	Date of grant	Expiry date of option	Exercise price
Founder Employee Share Plan				
Julian Burney	—	—	—	—
Shirley Yeoh	105,000	19 April 2000	18 April 2010	85p
Andrew Ashman	303,000	19 April 2000	18 April 2010	85p
Revenue Approved Executive Share Option Scheme				
Julian Burney	12,000	4 May 2000	3 May 2010	250p
Shirley Yeoh	12,000	4 May 2000	3 May 2010	250p
Andrew Ashman	12,000	4 May 2000	3 May 2010	250p
No. 2 Executive Share Option Scheme				
Julian Burney	100,000	1 May 2004	30 April 2014	85p
Shirley Yeoh	10,000	1 May 2004	30 April 2014	85p
Andrew Ashman	10,000	1 May 2004	30 April 2014	85p



All options are due to expire ten years from the date of the grant. On 18 October 2001, the Founder Employee Share Plan was rebased to an exercise price of 85p. In all other respects, the scheme remains the same. No options have been exercised or have lapsed in the year.

Benefits

Benefits for executive directors include health and life insurance and contributions to money purchase pension plans.

Discretionary Bonus

The discretionary bonuses may be payable based on the performance of the individual and the company.

Non-executive directors

The remuneration arrangements of the Chairman and non-executive directors are decided by the board and are set out below. Edward Forbes is not remunerated by the company. His services are provided by Wilmore Investments Corporation Inc. for up to 20 hours per week at fees of £30,000 per year pro rata with his actual hours, subject to a minimum fee of £10,000 per year. The non-executive directors are not paid a fee for services. However, they are entitled to reimbursement of travel, hotel and other expenses incurred by them in performing their duties as directors.

Share options incentives — non-executive directors

The non-executive directors have options in the No. 2 Executive Share Option Scheme, details of which are below:

	Number of ordinary shares under options	Date of grant	Expiry date of option	Exercise price
Timothy Horlick	45,000	18 April 2000	17 April 2010	85p
	40,000	29 April 2002	28 April 2012	85p
	85,000			
Dennison Veru	45,000	1 May 2000	30 April 2010	85p
	40,000	29 April 2002	28 April 2012	85p
	85,000			
Wilmore Investments Corporation Inc.	90,000	18 April 2000	17 April 2010	85p
	40,000	29 April 2002	28 April 2012	85p
	130,000			

The company rebased options granted at the listing price of 25p to an exercise price of 8.5p in October 2001. Following the company's capital reorganisation in May 2006, the exercise price was adjusted to 85p from 8.5p. In all other respects, the scheme remains the same. No options have been exercised or have lapsed in the year.

Option plan for staff

The directors believe it is in the interests of the company to grant incentives to employees through participation in the company's growth. The company has therefore established three discretionary executive share option schemes: the Stockcube Founder Employee Share Plan (closed to new members on 18 April 2000), the Stockcube PLC (Revenue Approved) Executive Share Option Scheme and the Stockcube PLC (No. 2) Executive Share Option Scheme (the 'Unapproved Scheme'). (See the Directors' Report.) Agreements granting options have also been entered into with the non-executive directors and consultants.

Directors' report

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The directors present their report and financial statements for the year ended 31 December 2006.

Results and dividends

The profit for the year, after taxation, amounted to £344,000 (2005: £164,000). This was stated after writing off goodwill amortisation of £19,000 (2005: £32,000).

The directors recommend the payment of a 1.0p dividend per ordinary share (2005: 0.75p).

Principal activity and review of the business

The company is the holding company of a group whose principal activities during the period continued to be provision of research and analysis of price trends in stocks and website development.

In May 2006, the company underwent a capital reorganisation to consolidate each 10 ordinary share of 1p each to new ordinary share of 10p each. The issued ordinary share capital of the company was subsequently changed from 96,106,300 ordinary shares of 1p each to 9,610,630 ordinary share of 10p each.

The business review of the group's business is included in the Chairman's statement and the key performance indicators are shown in the Highlights.

Directors and their interests

The directors at 31 December 2006 and their interests in the share capital of the company were as follows:

	31 December 2006	31 December 2006	31 December 2005	31 December 2005
	Ordinary shares Beneficial	Ordinary shares Non-beneficial	Ordinary shares Beneficial	Ordinary shares Non-beneficial
Edward Forbes	—	50,100	—	50,100
Julian Burney	750,000	2,796,550	750,000	2,796,550
Shirley Yeoh	5,000	—	5,000	—
Andrew Ashman	—	150,000	—	150,000
Dennison Veru	15,000	—	15,000	—
Timothy Horlick	7,500	—	7,500	—

Share option schemes and other share options

Following the capital reorganisation in May 2006, the company's share options and the option prices were adjusted accordingly.

The company has adopted the following share option schemes:

(i) *The Stockcube Founder Employee Share Plan ('The Plan')*
Under this plan, options to subscribe for 711,000 ordinary shares were granted to existing group employees at the placing price of 25p (250p following consolidation of the ordinary shares in May 2006). This scheme is now closed. Following renunciations by leavers, there remain outstanding options over 559,500 ordinary shares. The company rebased the exercise price to 8.5p in October 2001 and this was adjusted to 85p following the capital reorganisation.

(ii) *The Stockcube PLC (Revenue Approved) Executive Share Option Scheme ('The Approved Scheme')*
Application was granted by the Inland Revenue for this scheme under Schedule 9 of the Income and Corporation Taxes Act 1988 ('Taxes Act'). Options granted under this scheme (which following Revenue approval, are 'approved options') are at the discretion of the Remuneration Committee. There are outstanding options over 249,441 ordinary shares.

(iii) *The Stockcube PLC (No. 2) Executive Share Option Scheme ('The Unapproved Scheme')*

Application will not be made to the Inland Revenue for the approval of this scheme. Options granted under this scheme (which will, therefore, be 'unapproved') are at the discretion of the Remuneration Committee. There are outstanding options over 544,705 ordinary shares.

Details of share options issued to directors are disclosed on the Report on Directors' Remuneration on pages 4 and 5.

Corporate governance

The board intends that, so far as is practicable and to the extent appropriate having regard to the size of Stockcube, it will consider and where appropriate comply with the principles set out in the Combined Code.

Stockcube has established audit and remuneration committees. These committees comprise non-executive directors, Timothy Horlick and Dennison Veru. The audit committee is responsible for ensuring that the financial performance of the group is properly monitored and reported on. It receives and reviews reports from management and the company's auditors relating to annual and interim financial statements and the internal control systems in use throughout the group. The roles and responsibilities of the remuneration committee are outlined on pages 4 and 5.



At present, the main areas of compliance are as follows:

The Board — comprises four executive and two non-executive directors. The directors hold board meetings at which operating and financial reports are considered. The board is responsible for formulating, reviewing and approving the group's strategy, budgets, major items of capital expenditure and senior personnel appointments.

Internal Controls — the directors have overall responsibility for ensuring that the group maintains internal controls to provide reasonable assurance on the reliability of the financial information used within the business and for safeguarding the assets. There are limitations in any system of internal control and accordingly, even the most effective system can only provide reasonable and not absolute assurance with respect to preparation of the financial information and the safeguarding of the assets.

The key elements of financial control are as follows:

Control Environment — presence of a clear organisational structure and well-defined lines of responsibility and delegation of appropriate level of authority.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the company. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

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

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board.

Liquidity risk

The group actively maintains a combination of short-term interest bearing deposits that are designed to ensure the company has sufficient available funds for operations and planned expansions.

Interest rate risk

The company has interest-bearing assets and no interest-bearing liabilities. Interest-bearing assets comprise only cash balances which

earn interest at fixed and floating rates. The directors review the appropriateness of this policy from time to time should the company's operations change in size or nature.

Risk Management — business strategy and plans are reviewed by the board.

Financial Reporting — a comprehensive system of budgets and forecasts with monthly reporting of actual results against targets is in operation.

Control Procedures and Monitoring Systems — authorisation levels, procedures and other systems of internal financial controls are documented, applied and regularly reviewed.

Creditor payment policy

It is the group's policy that payments to suppliers are made in accordance with the terms and conditions agreed between the company and its suppliers. At 31 December 2006 the group had an average of 33 (2005: 36) days' purchases outstanding in trade creditors.

Disclosure of Information to Auditors

So far as each of the directors at the time the report is approved are aware:

- there is no relevant audit information of which the auditors are unaware; and
- directors had taken all steps that the directors ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s234ZA of the Companies Act 1985

Auditors

During the year, our auditors Nexia Audit Ltd changed their name to Nexia Smith & Williamson Audit Limited and now trade as Nexia Smith & Williamson. A resolution to reappoint the auditors Nexia Smith & Williamson will be proposed at the next Annual General Meeting.

By order of the board

S Yeoh
Secretary
25 April 2007

Statement of directors' responsibilities in respect of the financial statements

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Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group at the end of the period and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the shareholders of Stockcube plc



We have audited the group and parent company accounts ('the accounts') of Stockcube plc for the year ended 31 December 2006 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, and the related notes 1 to 22. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the Directors' Report is consistent with the accounts. The information given in the Directors' Report includes that specific information presented in the Chairman's Statement that is cross-referred from the Business Review section of the Directors' Report. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited accounts. This other information comprises only the Highlights, Directors' Report, Directors' Remuneration Report and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 31 December 2006 and of the group's profit for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the accounts.

Nexia Smith & Williamson

Chartered Accountants
Registered Auditors
25 April 2007

25 Moorgate
London
EC2R 6AY

Group profit and loss account

for the year ended 31 December 2006

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	Notes	2006 £000	2005 £000
Turnover	2	2,713	2,420
Administrative expenses		(2,424)	(2,188)
Group operating profit	3	289	232
Impairment in associate		—	(150)
Share of associate profit for the year		11	6
Amortisation of goodwill		(17)	(30)
		(6)	(174)
Total operating profit: group and share of associate		283	58
Interest receivable and similar income		205	193
Profit on ordinary activities before taxation		488	251
Tax on profit on ordinary activities	6	(144)	(87)
Profit on ordinary activities after taxation		344	164
Basic earnings per share	8	3.6p	1.7p
Diluted earnings per share	8	3.0p	1.5p

All amounts relate to continuing operations.

Group statement of total recognised gains and losses

	Notes	2006 £000	2005 £000
Profit for the financial year excluding share of profit of associate		333	158
Share of associate profit for the year		11	6
Profit for the financial year attributable to members of the parent company		344	164
Exchange differences on retranslation of net assets of subsidiary undertaking	17	33	(28)
Total recognised gains/(losses) during the year		377	136

Group balance sheet

at 31 December 2006

	Notes	2006 £000	2005 £000
Fixed assets			
Intangible assets	9	16	17
Tangible assets	10	336	327
Investments in associate	11	220	226
		572	570
Current assets			
Debtors	12	719	426
Cash at bank and in hand		4,185	3,900
		4,904	4,326
Creditors: amounts falling due within one year	13	(825)	(550)
Net current assets		4,079	3,776
Total assets less current liabilities		4,651	4,346
Capital and reserves			
Called up share capital	16	961	961
Share premium account	17	3,774	3,774
Merger reserve	17	568	568
Profit and loss account	17	(652)	(957)
Equity shareholders' funds		4,651	4,346

The financial statements were approved by the Board on 25 April 2007 and signed on its behalf



Julian Burney
Director

Company balance sheet

at 31 December 2006

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	Notes	2006 £000	2005 £000
Fixed assets			
Investments	11	1,778	1,767
Current assets			
Debtors	12	388	591
Cash at bank and in hand		4,084	3,792
		4,472	4,383
Creditors: amounts falling due within one year	13	(1,362)	(1,284)
Net current assets		3,110	3,099
Total assets less current liabilities		4,888	4,866
Capital and reserves			
Called up share capital	15	961	961
Share premium account	17	3,774	3,774
Profit and loss account	17	153	131
Equity shareholders' funds		4,888	4,866

The financial statements were approved by the Board on 25 April 2007 and signed on its behalf



Julian Burney

Director

Group statement of cash flows

for the year ended 31 December 2006

	Note	2006 £000	2005 £000
Net cash inflow from operating activities	18(a)	295	276
Returns of investments and servicing of finance			
Interest and other income received		205	193
Corporation tax paid		(116)	(68)
Capital expenditure			
Payments to acquire tangible fixed assets		(27)	(14)
Equity dividends paid		(72)	(48)
Net cash inflow		285	339
Reconciliation of net cash flow to movement in net funds			
		2006 £000	2005 £000
Increase in cash and short-term deposits		285	339
Net funds at 1 January		3,900	3,561
Net funds at 31 December	18(b)	4,185	3,900

Notes to the financial statements

at 31 December 2006

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1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The group financial statements consolidate the financial statements of Stockcube plc and all of its subsidiary undertakings for the year to 31 December 2006.

Entities other than subsidiary undertakings, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence are treated as associates. In the group financial statements, associates are accounted for using the equity method. The equity accounting method involves recording the investment initially at cost to the group and then, in subsequent periods, adjusting the carrying amount of the investment to reflect the group's share of the associate's results less any impairment of goodwill and any other changes to the associate's net assets such as dividends.

No profit and loss account is presented for Stockcube plc as permitted by Section 230 of the Companies Act 1985. Profit after taxation of £94,000 (2005: £78,000) has been dealt with in the financial statements of the company.

Goodwill

Goodwill is the difference between the cost of an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life, up to a maximum of twenty years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Goodwill arising on the investments in Sportcal and Training Pages is amortised over a period of fifteen years.

Intangible fixed assets

Trademarks are written off to the profit and loss account as under current market conditions their ongoing value is uncertain.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off evenly the cost of each asset over its expected useful life, less estimated residual value, based on prices prevailing at the date of its acquisition of each asset:

Leasehold	— over the period of lease
Computer equipment	— 33% per annum
Fixtures, fittings and equipment	— 15 to 20% per annum

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

Website development

Website development expenditure is written off as incurred.

Revenue recognition

Revenue from subscriptions is recognised over the period of the contract with amounts invoiced/received in advance included in deferred income. Commission receivable and other revenue are recognised when the customer confirms that an amount is due or when cash is received.

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 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 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

Company

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward currency contract.



1. Accounting policies (continued)

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate.

All differences are taken to the profit and loss account.

Group

The financial statements of overseas subsidiary undertakings are translated at the rate ruling at the balance sheet date. The exchange differences on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account.

2. Turnover

Turnover, which is stated net of value added tax, represents the sales value of work done in the year.

Turnover is attributable mainly to the continuing activity of the provision of research and analysis of price trends in stocks, commodities, currencies and interest rates.

An analysis of turnover by geographical market is given below:

	Origin		Destination	
	2006 £000	2005 £000	2006 £000	2005 £000
United Kingdom	2,483	2,145	2,108	1,836
United States of America	230	275	357	435
Rest of Europe	—	—	62	36
Rest of the World	—	—	186	113
	2,713	2,420	2,713	2,420

An analysis of assets by geographical segment is as follows:

	2006 £000	2005 £000
United Kingdom	4,353	4,049
United States of America	64	71
	4,417	4,120
Investment in associate	220	226
	4,637	4,346

The directors believe that full compliance with the requirements of SSAP25 "Segmental Reporting" would be seriously prejudicial to the interests of the group as it would require disclosure of commercially sensitive information.

Notes to the financial statements

at 31 December 2006

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3. Operating profit

This is stated after charging/(crediting):

	2006 £000	2005 £000
Depreciation of owned fixed assets	18	36
Auditors' remuneration — holding company	10	9
— subsidiary undertakings	20	23
Remuneration of companies associated with the auditors for other services relating to taxation	9	7
Operating lease rentals — land and buildings	44	45
Profit on disposal of fixed assets	(1)	—
Foreign currency exchange	22	(30)
Website development expenditure	—	12

4. Directors' emoluments

	2006 £000	2005 £000
Fees	10	10
Emoluments	347	330
Company contributions paid to defined contribution pension schemes	16	16
	373	356

Directors	Salary/fees £'000	Benefits in kind £'000	Pension £'000	2006 Total £'000	2005 Total £'000
<i>Chairman</i>					
Edward Forbes	10	—	—	10	10
<i>Executives</i>					
Julian Burney	123	7	6	136	133
Shirley Yeoh	100	4	5	109	106
Andrew Ashman	100	3	5	108	107
<i>Non-Executives</i>					
Dennison Veru	—	—	—	—	—
Timothy Horlick	—	—	—	—	—

Edward Forbes's fees were payable to Wilmore Investment Corp. Inc.

	2006 No.	2005 No.
Members of pension schemes	3	3

Further information on directors' emoluments is given on pages 4 and 5.



5. Staff costs

	2006 £000	2005 £000
Wages and salaries	1,399	1,315
Social security costs	154	128
Other pension costs (note 19)	35	35
	1,588	1,478

The average monthly number of employees during the year was made up as follows:

	2006 No.	2005 No.
Management and administration	26	27

6. Tax on profit on ordinary activities

a) The taxation charge is comprised as follows:

	2006 £000	2005 £000
UK corporation tax	146	103
(Over) provision in respect of previous years	(2)	(16)
	144	87

b) Factors affecting current tax charge

	2006 £000	2005 £000
Profit on ordinary activities before tax	488	251

	2006 £000	2005 £000
Profit on ordinary activities multiplied by standard rate of Corporation Tax in UK of 30% (2005: 30%)	146	75
Expenses not deductible for tax purposes	11	(3)
Group relief claimed	—	11
Capital allowances in excess of depreciation	(2)	3
Other timing differences	—	1
Utilisation of brought forward tax losses	(11)	—
Total current tax (note 6a)	144	87

Notes to the financial statements

at 31 December 2006

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6. Tax on profit on ordinary activities (continued)

c) Deferred tax asset

The deferred tax asset in respect of trading losses, capital losses and deferred capital allowances has not been recognised as there is insufficient evidence that the asset will be recoverable against future taxable profits. The unrecognised asset can be analysed as follows:

	Unrecognised 2006 £000	Unrecognised 2005 £000
Trading losses	77	77
Decelerated capital allowances	—	3
	77	80

7. Dividends and other appropriations

	2006 £000	2005 £000
Equity dividends on ordinary shares — paid	72	48
Equity dividends on ordinary shares — proposed	96	72

8. Earnings per share

The calculation of basic earnings per ordinary share is based on earnings as follows:

	2006 £000	2005 £000
Profit for the year	344	164
	'000	'000
Weighted average number of ordinary shares outstanding	9,611	9,611
Profit per ordinary share (pence):		
Basic	3.6p	1.7p
Diluted	3.0p	1.5p

The diluted earnings per share is based on 10,952,135 (2005: 10,970,259) ordinary shares which takes into account theoretical ordinary shares that would have been issued based on average market value if all outstanding options were exercised.



9. Intangible fixed asset

	Goodwill £000
Cost	
At 1 January 2006 and 31 December 2006	20
Amortisation	
At 1 January 2006	3
Provided during the year	1
At 31 December 2006	4
Net book value	
At 31 December 2006	16
At 1 January 2006	17

10. Tangible fixed assets

Group	Land and buildings Long leasehold £000	Computer equipment £000	Fixtures, fittings and equipment £000	Total £000
Cost				
At 1 January 2006	309	225	141	675
Additions	—	8	19	27
Eliminated on disposal	—	(1)	—	(1)
At 31 December 2006	309	232	160	701
Depreciation				
At 1 January 2006	23	218	107	348
Provided during the year	3	10	5	18
Eliminated on disposal	—	(1)	—	(1)
At 31 December 2006	26	227	112	365
Net book value				
At 31 December 2006	283	5	48	336
At 31 December 2005	286	7	34	327

Notes to the financial statements

at 31 December 2006

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11. Investments

Group	Associated undertaking £000	Other investments £000	Total £000
Cost			
At 1 January 2006	437	235	672
Provision for diminution in value	—	(235)	(235)
At 31 December 2006	437	—	437
Accumulated provision and amortisation			
At 1 January 2006	211	235	446
Provision and amortisation	17	—	17
Provision for diminution in value	—	(235)	(235)
Share of profits of associate	(11)	—	(11)
	217	—	217
Net book value			
At 31 December 2006	220	—	226
At 31 December 2005	226	—	400

Company	Subsidiary undertaking £000	Associates £000	Total £000
Cost			
At 1 January 2006 and 31 December 2006	1,474	437	1,911
Provision for impairment			
At 1 January 2006	—	144	144
Provided during the year	—	(11)	(11)
At 31 December 2006	—	133	133
Net book value			
At 31 December 2006	1,474	304	1,778
At 31 December 2005	1,474	437	1,911

	Share of net tangible assets £000	Goodwill £000	Total £000
At 1 January 2006	(24)	250	226
Share of associate's profit	11	—	11
Amortisation of goodwill	—	(17)	(17)
At 31 December 2006	(13)	233	220



11. Investments (continued)

The Company took a 34.4% investment in Sportcal Global Communications Limited, a business to business website for sports events, in January 2004 and May 2005. Stockcube entered into option arrangements that could have led to the acquisition of 50% of Sportcal by 2007. It is unlikely the unexpired arrangements will be exercised. The total cost of the investment was £437,000. Following a review in 2005, the company wrote down its investment in Sportcal by £150,000. No further impairment reviews was required for the current year.

At 31 December 2006 the company held more than 20% of the nominal value of the share capital of the following:

Name of company	Country of incorporation	Holding	Proportion held	Nature of Business
Subsidiary undertaking				
Stockcube Research Limited	England	Ordinary shares	100%	Research, analysis and forecasting trends in stocks and commodities
Ecube Limited	England	Ordinary shares	100%	Website and technology research and development
Chartcraft Inc	USA	Ordinary shares	100%	Analysis of price trends of equities and other financial instruments
Associated undertaking				
Sportcal Global Communications Ltd	England	Ordinary shares	34.4%	Provision of information on sports events and web development

12. Debtors

	Group 2006 £000	Group 2005 £000	Company 2006 £000	Company 2005 £000
Trade debtors	639	361	—	—
Amounts owed by group undertakings	—	—	366	581
Other debtors	34	29	20	9
Prepayments and accrued income	46	36	2	1
	719	426	388	591

13. Creditors: amounts falling due within one year

	Group 2006 £000	Group 2005 £000	Company 2006 £000	Company 2005 £000
Trade creditors	68	65	4	4
Amounts due to group undertakings	—	—	1,313	1,257
Corporation tax	132	73	—	—
Other taxes and social security costs	155	55	—	—
Accruals and deferred income	470	357	45	23
	825	550	1,362	1,284

Notes to the financial statements

at 31 December 2006

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14. Other financial commitments

At 31 December 2006 the group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2006 £000	Land and buildings 2005 £000
Operating leases which expire:		
In two to five years	16	16
In over five years	20	20

15. Derivatives and other financial instruments

The group's principal financial instruments are investments and cash. The group has other financial instruments such as trade debtors and trade creditors that arise directly from its operations. As permitted by FRS 13 short-term debtors and creditors have been excluded from the disclosure of financial liabilities and financial assets. The group's policy is not to enter into any derivative transactions such as interest rate swaps or financial foreign currency contracts. The group has significant cash resources and no borrowings or borrowing facilities. In respect of financial liabilities, there are no interest rate or liquidity risks. In view of the significant short term deposit balances earning interest at variable rates, the results of the group are significantly impacted by changes in interest rates.

In view of the low level of foreign currency transactions, the board does not consider that there are significant risks in this respect. Substantially all of the financial assets and liabilities are denominated in £ sterling.

There were no financial liabilities.

Financial assets

The group has no financial assets other than £4,185,000 (2005: £3,900,000) of short-term deposits and cash at floating interest rates, all of which are denominated in sterling, except £220,000 (2005: £61,000) denominated in US dollars and £19,000 denominated in euros (2005: £6,000). The financial assets with floating interest rates generate interest based on LIBOR, which are fixed in advance for periods of up to three months. The cash is available to make selected complementary acquisitions and strategic alliances as opportunities arise.

The fair value of the group's financial assets is not considered to be materially different from the book value.



16. Share capital

	Issued		Authorised	
	No.	£	No.	£
Ordinary 1p shares				
At 1 January 2006	96,106,300	9,610,630	145,000,000	14,500,000
Ordinary 10p shares				
At 31 December 2006	9,610,630	961,063	14,500,000	1,450,000

In May 2006, the company underwent a capital reorganisation, where the ordinary share capital was consolidated on the basis of ten ordinary shares of 1p each to one new ordinary share of 10p each. Subsequently, the outstanding share options and option prices were adjusted accordingly.

At 31 December 2006, the following share options were outstanding:

Date of grant	Option Plan	Option price	Outstanding 31 December 2005	Granted/(Lapsed) during year	Outstanding 31 December 2006
18 April 2000	Executive	85p	135,000	—	135,000
19 April 2000	Founders	85p	559,500	—	559,500
1 May 2000	Executive	85p	45,000	—	45,000
4 May 2000	Approved	250p	115,000	—	115,000
18 April 2001	Executive	85p	60,000	—	60,000
29 April 2002	Executive	85p	120,000	—	120,000
1 May 2002	Approved	85p	84,194	—	84,194
1 May 2002	Executive	85p	60,000	—	60,000
1 January 2003	Approved	85p	2,500	—	2,500
1 October 2003	Approved	85p	38,147	(10,000)	28,147
1 October 2003	Executive	85p	4,705	—	4,705
1 May 2004	Executive	85p	120,000	—	120,000
1 November 2004	Approved	85p	9,500	—	9,500
Totals			1,353,646	(10,000)	1,343,546

During the year no options were exercised but options over 10,000 shares lapsed. All grants are exercisable three years after the date of grant and expire after ten years from the date of grant.

Notes to the financial statements

at 31 December 2006

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17. Reconciliation of shareholders' funds and movement on reserves

Group	Share capital £000	Share premium account £000	Merger reserve £000	Profit and loss account £000	Total shareholders' funds £000
At 31 December 2004	961	3,774	568	(1,045)	4,258
Profit for the financial year	—	—	—	164	164
Exchange differences on retranslation of net asset of subsidiary undertaking	—	—	—	(28)	(28)
Dividends paid	—	—	—	(48)	(48)
At 31 December 2005	961	3,774	568	(957)	4,346
Profit for the financial year	—	—	—	344	344
Exchange differences on retranslation of net asset of subsidiary undertaking	—	—	—	33	33
Dividends paid	—	—	—	(72)	(72)
At 31 December 2006	961	3,774	568	(652)	4,651

Company	Share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
At 31 December 2004	961	3,774	101	4,836
Retained profit for the year	—	—	78	78
Dividends paid	—	—	(48)	(48)
At 31 December 2005	961	3,774	131	4,866
Retained profit for the year	—	—	94	94
Dividends paid	—	—	(72)	(72)
At 31 December 2006	961	3,774	153	4,888



18. Notes to the statement of cash flows

a) Reconciliation of operating profit to net cash outflow from operating activities

	2006 £000	2005 £000
Operating profit	289	232
Depreciation	18	32
Amortisation of goodwill	2	2
(Increase)/decrease in debtors	(293)	124
Increase/(decrease) in creditors	279	(114)
Net cash inflow from operating activities	295	276

b) Analysis of changes in net funds

	At 1 January 2006 £000	Cash flow £000	At 31 December 2006 £000
Cash at bank and in hand	112	(3)	109
Short-term deposits	3,788	288	4,076
	3,900	285	4,185

19. Pension commitments

The group makes contributions to various defined contribution pension schemes on behalf of the directors and staff. These are based on either 3% or 5% of gross salary. Contributions are charged to the profit and loss account as they are paid. At the year end £3,966 (2005: £2,706) was still outstanding.

20. Related parties

During the year £15,000 (2005: £15,000) was receivable from New Church Cars Limited, a company of which Julian Burney is a director, for the rental of office space. At the year end, nothing (2005: £nil) was receivable from New Church Cars Limited.

The company has taken advantage of the exemptions conferred by Financial Reporting Standard 8 and has not disclosed in these financial statements transactions undertaken with its ultimate parent company and other group companies during the year.

21. Contingent liabilities

A contingent liability existed due to the company being a member of a VAT group. No security has been provided for this contingent liability. At 31 December 2006, the group had a VAT liability of £59,439 (2005: £22,552).

22. Controlling party

There is no ultimate controlling party.

Notice of Annual General Meeting

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NOTICE IS HEREBY GIVEN that THE ANNUAL GENERAL MEETING OF STOCKCUBE plc will be held at the Plaza 535, Unit 1.23, King's Road, London, SW10 0SZ, on 23 May 2007 at 11.00 a.m.

As ordinary business

1. To receive the accounts and the reports of the directors and Auditors for the year ended 31 December 2006.
2. To re-elect, as a director of the company, Mr Timothy Horlick pursuant to article 31.1 of the company's Articles of Association and who, being eligible, offers himself for re-election.
3. To reappoint Nexia Smith & Williamson as auditors and authorise the directors to agree their remuneration.
4. To grant the board the authority to grant further options during the year as the board sees fit, up to the limit approved prior to flotation.
5. To declare a final dividend of 1.0p per ordinary share in respect of the year ended 31 December 2006 payable on 1 June 2007 to shareholders on the register of members at the close of business on 4 May 2007.

As special business

6. To grant authorisation to the company to purchase its own shares.

This special resolution will authorise the company to purchase up to 20% of the issued share capital as at 28 February 2007, which is 1,922,126 ordinary shares of 10p each.

The board considers it desirable to have this authority to provide additional flexibility in the management of the company's capital resources. The authority will only be exercised if the directors believe that to do so would result in the increase in earnings per share and would be in the best interests of the shareholders generally.

The authority given by this resolution will expire at the conclusion of the next Annual General Meeting unless renewed, varied or revoked at any earlier general meeting of shareholders.

By order of the board

Shirley Yeoh

Company Secretary

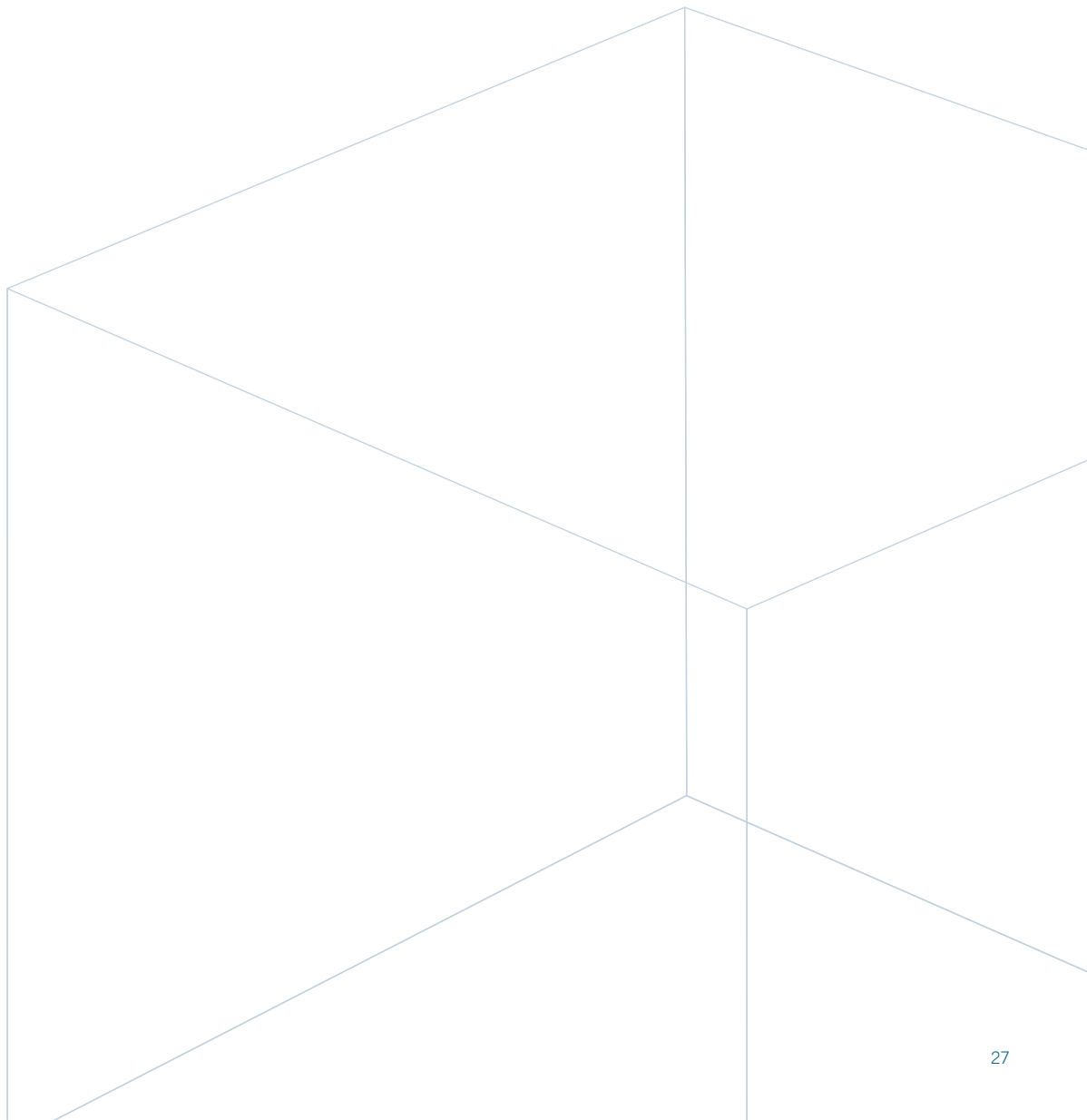
Dated 25 April 2007

Registered office: Unit 1.23, Plaza 535, King's Road,
London, SW10 0SZ, UK

Notes:

1. A member who is entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the company. A proxy is not entitled to vote except on a poll.
2. To be valid, a duly executed Form of Proxy for use at the meeting together, if appropriate, with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority or such other evidence as the directors may require must be deposited at the offices of the company's registrars, Capita Registrars Proxy Processing Centre, Telford Road, Bicester, OX26 4LD, not less than 48 hours before the time fixed for the meeting.
3. In the case of a corporation the Form of Proxy should be executed under its common seal or signed by a duly authorized officer or attorney of the corporation.
4. Completion and return of the Form of Proxy will not preclude a member from attending the meeting and voting in person if he wishes to do so.
5. Copies of each director's contract of service with the company or its subsidiaries are available for inspection at the registered office of the company during normal business hours (Saturdays excepted) except on the day of the meeting, when they will be available at the meeting venue from 10.00 a.m. until the conclusion of the meeting.
6. A register of interests and dealings of each director in shares of the company is available at the registered office of the company during normal business hours (Saturdays excepted) except on the day of the meeting when it will be available at the meeting venue from 10.00 a.m. until the conclusion of the meeting.

Shareholders Notes



Shareholders Notes

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Directors and advisers



Directors

Chairman	Edward Forbes
Chief Executive	Julian Burney
Finance Director	Shirley Yeoh
Director	Andrew Ashman
Director	Dennison Veru*
Director	Timothy Horlick*

* non-executive

Secretary

Shirley Yeoh

Nominated advisers and brokers

Blue Oar Securities Plc
30 Old Broad Street
London
EC2R 1HT

Auditors

Nexia Smith & Williamson
25 Moorgate
London
EC2R 6AY

Bankers

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Solicitors

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