Company No. 3838579

Stockcube Limited

Report and Consolidated Financial Statements

31 December 2012

Stockcube Limited

CONTENTS

31 December 2012

Directors

Julian Burney		Chairman
Dennison Veru	*	
Timothy Horlick	*	

* Non-Executive

Secretary
Khorshed Khan

Auditors
Nexia Smith & Williamson
25 Moorgate
London
EC2R 6AY

Tax advisers
Smith & Williamson
25 Moorgate
London
EC2R 6AY

Bankers
HSBC Bank Plc
28 Borough High Street
Southwark
London
SE1 1YB

Solicitors
DAC Beachcroft LLP
100 Fetter Lane,
London
EC4A 1BN

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

Directors' Report

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

Principal activities

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 other financial instruments and provision of software development.

Business and Financial Reviews

Turnover of £1.824m (£2011: 2.133m) was a 14% decrease from last year from the effects of the continuing turmoil in the financial markets.

Stockcube Research, our consultancy service to institutional investors suffered a 15% reduction in turnover.

Subscriptions to Fullermoney, our on-line newsletter service saw a fall in 9% in turnover which resulted from fewer Chart Seminars held during the year.

Subscriptions to Investors Intelligence service were marginally down by 3% on last year.

Income from hosting licence and development for Ecube was in line with expectations and was fractionally down on last year.

The group have taken steps to mitigate this reduction in turnover with cost consolidations and exploring different avenues to increase turnover.

In 2011, a provision of £63,000 was made against the investment of £113,000 in MF Global, following their liquidation. This debt has been assigned through an agent to a third party and we expect to recover £102,000 from this transaction. Accordingly, £52,000 has been written back against the provision.

Results for the year and dividends

The profit for the year, after taxation, amounted to £63,000 (2011: Loss £83,000). Normalised profit after taxation was £11,000 after adjusting for the recovery of an additional £52,000 on the MF Global investment (2011: loss of £20,000 after adjusting for the provision of £63,000 against the MF Global investment).The directors do not recommend a final dividend for 2012 (2011: nil).

Directors

The directors of the company at 31 December 2012 were:

Julian Burney
Dennison Veru
Timothy Horlick

Share option schemes

The Stockcube Limited (Revenue Approved) Executive Share Option Scheme ('The Approved Scheme') is the only remaining scheme, where 44,647 options are still outstanding These options will lapse in May 2013. This scheme is now closed to new members.

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 group and its suppliers, provided that all trading terms and conditions have been complied with. At 31 December 2012 the group had an average of 10 (2011: 3) days' purchases owed to trade creditors.

Directors' Report –Cont'd

Pillar 3 Disclosure

The Pillar 3 Disclosure Statement is available at the registered office, Unit 1.23, The Plaza 535, King's Road, London SW10 0SZ and on www.stockcube.com

Regulation

Stockcube Research Limited is authorised and regulated by the Financial Conduct Authority (FCA).

Capital Requirements Directive

The Company is subject to the European Capital Requirements Directive. In the UK this is implemented through the rules issued by the FCA.

In addition to a regulatory requirement, the Company must make its own assessment of the amount of capital required to cover its business needs and risks. This is called the Internal Capital Adequacy Assessment Process (ICAAP).

In determining the total amount of capital it should carry, the Company has set the Capital Resources Requirement (CRR) as specified by the FCA, as a base, and estimated what amount of additional capital would be required to cover risk that the CRR is not designed to mitigate.

Stockcube Research Limited continually monitors its current and future capital requirements through its risk management framework and financial projections.

Disclosure of Information to the auditors

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

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

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Acts 2006.

Auditors

A resolution to re-appoint the auditors, Nexia Smith & Williamson, will be proposed at the next Annual General Meeting.

Approved by the board of directors and signed on behalf of the board

Khorshed Khan

Secretary

Statement of Directors' Responsibilities in respect of the financial statements

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 group and of the profit or loss of the group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 group will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 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 Limited

We have audited the financial statements of Stockcube Limited for the year ended 31 December 2012 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, , the Group and Parent Company Cashflow Statement and the related notes 1 to 24. 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 Financial Reporting Council's (FRC) 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 FRC'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 group's and of the parent company's affairs as at 31 December 2012 and of the group's profit for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and

- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Stephen Drew

Senior Statutory Auditor, for and on behalf of

Nexia Smith & Williamson

Statutory Auditor

Chartered Accountants

25 Moorgate

London EC2R 6AY

Consolidated Profit and Loss Account

for the year ended 31 December 2012

	Notes	2012 £000	2011 £000
Continuing Operations			
Turnover	2	1,824	2,133
Cost of sales		(304)	(351)
Gross profit		1,520	1,782
Administrative expenses		(1,588)	(1,889)
Operating loss	3	(68)	(107)
Finance income	6	135	44
Profit/ (loss) before taxation		67	(63)
Taxation	7	(4)	(20)
Profit/(loss) for the year attributable to equity holders of the parent		63	(83)

All operations are deemed to be continuing.

Consolidated Balance Sheet

At 31 December 2012

	Notes	*2012*	*2011*
		£000	*£000*
Non current assets			
Intangible assets	9	17	17
Available for sale investments	12	682	550
Property, plant and equipment	10	284	290
		983	857
Current assets			
Trade and other debtors	13	339	493
Available for sale investments	12	87	119
Cash and cash equivalents	14	617	571
Total current assets		1,043	1,183
Current liabilities			
Trade and other creditors	15	(480)	(588)
Current tax payable		–	–
Total current liabilities		(480)	(588)
Net current assets		563	595
Net assets		1,546	1,452
Capital and reserves			
Share capital	17	622	622
Capital redemption reserve	18	339	339
Merger reserve	18	568	568
Available for sale investments reserve	18	10	(24)
Translation reserve	18	(3)	–
Retained earnings	18	10	(53)
Total Capital and reserves		1,546	1,452

The financial statements were approved by the Board and authorised for issue on and signed on its behalf

Julian Burney

Director

Company Balance Sheet

At 31 December 2012

	Notes	2012 £000	2011 £000
Fixed assets			
Investments in subsidiaries	11	1,473	1,473
Available for sale investments	12	683	550
		2,156	2,023
Current assets			
Trade and other debtors	13	103	119
Available for sale investments	12	87	119
Cash and cash equivalents	14	503	389
Total current assets		693	627
Current liabilities			
Trade and other creditors	15	(1,593)	(1, 619)
Net current (liabilities)		(900)	(992)
Net assets		1,256	1,031
Capital and reserves			
Capital	17	622	622
Capital Redemption reserve	18	339	339
Available for sale investments reserve	18	10	(24)
Retained Earnings	18	285	94
Total Capital and reserves		1,256	1,031

The financial statements were approved by the Board and authorised for issue on and signed on its behalf

Julian Burney
Director

Consolidated Cash Flow Statement

for the year ended 31 December 2012

	Note	*2012*	*2011*
		£000	*£000*
Net cash inflow/(outflow)from operating activities	20	25	(415)
Cash flows from investing activities			
Interest and other income received		135	44
Sales of available-for-sale investments		803	685
Purchases of property, plant and equipment		(10)	(15)
Purchase of available-for-sale investments		(903)	(1,031)
Net cash derived/(used) in investing activities		25	(317)
Cash flows from financing activities			
Tax paid		(4)	–
Net cash (used) in financing activities		(4)	–
Net increase/(decrease) in cash and cash equivalents		46	(702)
Cash and cash equivalents at beginning of year		571	1,273
Cash and cash equivalents at end of year	14	617	571

Company Cash Flow Statement

for the year ended 31 December 2012

	Note	*2012* *£000*	*2011* *£000*
Net cash inflow/(outflow) from operating activities	20	82	(346)
Cash flows from investing activities			
Interest and other income received		133	20
Sales of available-for-sale investments		803	685
Purchase of available for sale investments		(903)	(1,031)
Net cash derived/(used) in investing activities		33	(326)
Net increase/(decrease) in cash and cash equivalents		115	(642)
Cash and cash equivalents at beginning of year		389	1,031
Cash and cash equivalents at end of year	14	504	389

Notes to the Financial Statements

for the year ended 31 December 2012

1. Accounting policies

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practices (UK GAAP). The previous year's accounts have been prepared under International Financial Reporting Standards and were not materially different from accounts prepared under UK GAAP. The principal accounting policies are summarised below. They have all been applied consistently throughout the period covered by these financial statements.

Basis of preparation

The financial statements have been prepared on a historical cost basis, except for available for sale assets which are measured at fair value.

Basis of consolidation

The group financial statements incorporate the financial statements of Stockcube Limited and all of its subsidiary undertakings for the year to 31 December 2012.

All subsidiaries are controlled by Stockcube Limited. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Property, plant and equipment

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

Depreciation is provided on property, plant and equipment 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 the acquisition of each asset:

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

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any provision for impairment

Business Combinations and Goodwill

On acquisition, the assets,liabilities and contingent liabilities of subsidiaries are measured at their fair values at the date of acquisition. Any excess of cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Goodwill arising on consolidation is capitalised,classified as an asset in the balance sheet and amortised on a straight line basis over its useful economic life up to a msimum of 20 years. It is reviewed for impairment at the end of its first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may be recoverable.

Turnover recognition

Turnover from subscriptions is recognised over the period of the subscription contract with amounts invoiced or received in advance included in deferred income within trade and other creditors. Commission receivable and other turnover are recognised when the customer confirms that a fee is due and payable or when cash is received**.** Turnover from seminars is recognised in the period when the seminars are held.

Notes to the Financial Statements

for the year ended 31 December 2012

Taxation

The tax expense represents the sum of the tax currently payable and any deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income and expense that are tax deductible in other years and it further excludes items that are never taxable or deductible. The group's liability to current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. [No timing differences are recognised in respect of (i) property revaluation surpluses where there is no commitment to sell the asset; (ii) gains on sale of assets where those assets have been rolled over into replacement assets; and (iii) additional tax which would arise if profits of overseas subsidiaries are distributed except where otherwise required by accounting standards].

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the reversal of the underlying timing differences can be deducted.

Any assets and liabilities recognised have not been discounted.

Foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Exchange gains and losses on short-term foreign currency borrowings and deposits are included within net interest payable. Exchange differences on all other transactions are taken to operating profit.

The assets and liabilities of foreign operations are translated to pounds sterling at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to pounds sterling at rates approximating to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised directly in a separate component of equity.

Finance Income

Bank interest and dividends receivable from available for sale investments are taken to the profit and loss account on an accrued basis based on the coupon rate of the investments.

Operating lease commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the initial period of the lease contract, even if the payments are not made on such basis.

Notes to the Financial Statements

for the year ended 31 December 2012

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Investments are initially measured at fair value, which ordinarily equates to cost, including transaction costs. At subsequent reporting dates, available-for-sale investments are measured at fair value or at cost where fair value is not readily ascertainable. Gains and losses are recognised when the investment is disposed of or impaired, when the fair value adjustment is then included in theprofit and loss for the period.

Trade and other debtors are measured cost. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due. The amount of any provision is recognised in the profit and loss account.

Cash and cash equivalents comprise cash held by the Group and short term bank deposits and current asset investments which have a maturity date of less than a year which are readily convertible to cash

Fixed asset investments relate to corporate bonds of fixed duration with a pre-determined redemption date. These are classified as available-for-sale investments when the maturity date is in excess of twelve months from the balance sheet date. .

Pensions

The company contributes to various defined contribution pension schemes for the benefit of the directors and staff. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Share-based payment

Following the delisting of the company's shares from trading on AIM in June 2010, there are only 44,647 options outstanding at 31 December 2012. These options lapsed in May 2013.

2. Turnover

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

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

The Group's operations are in two geographical segments, the United Kingdom and United States

	UK 2012 £000	US 2012 £000	Total £000	UK 2011 £000	US 2011 £000	Total £000
External turnover	1,374	450	1,824	1,770	363	2,133

No customer accounts for more than 10% of group revenue.

All non-current assets are located in the UK.

Notes to the Financial Statements

for the year ended 31 December 2012

3. Operating Profit

This is stated after charging/ (crediting):

	2012	*2011*
	£000	*£000*
Depreciation of owned fixed assets	16	15
Fees payable to company auditor for the audit of parent company and consolidated accounts	9	9
Fees payable to the company's auditor and its associates for other services:		
–The audit of company's subsidiaries pursuant to legislation	10	17
–Tax services	14	14
Staff costs (see Note 5)	1,239	1,371
Operating lease rentals - land and buildings	45	57
Foreign currency exchange	4	(2)
Recovery of doubtful debt provision	52	–

The company has taken advantage of the exemption provided under section 408 of the Companies Act 2006 not to publish its individual income statement and related notes. The profit dealt with in the financial statements of the parent Company was £191,000 which includes recovery of £52,000 in respect of the provision of £63,000 against the MF Global investment previously included in 2011. (2011: profit of £56,000 after a provision of £63,000 against the MF Global investment).

4. Directors' emoluments

	2012	*2011*
	£000	*£000*
Emoluments	106	107
Company contributions paid to defined contribution pension scheme	6	6
	112	113

	2012	*2011*
	£000	*£000*
Highest paid director's emoluments	106	107
Company contributions paid to defined contribution pension scheme	6	6
	112	113

	2012	*2011*
	No	*No*
Members of defined contribution pension scheme	1	1

Notes to the Financial Statements

for the year ended 31 December 2012

5. Staff costs

	2012	*2011*
	£000	*£000*
Wages and salaries	1,093	1,201
Social security costs	120	134
Other pension costs	26	36
	1,239	1,371

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

	2012	*2011*
	No	*No*
Management and administration	20	21

6. Finance Income

	2012	*2011*
	£000	*£000*
Bank interest receivable	2	8
Net income from available for sale investments	64	12
Other income	65	24
	135	44

Other interest includes interest receivable from available for sale investments

7. Tax on profit on ordinary activities

The taxation charge is comprised as follows:

	2012	*2011*
	£000	*£000*
Current tax payable	4	20
Adjustments for prior periods	–	–
Deferred tax charge	–	–
Total income tax expense for the year	4	20

Notes to the Financial Statements

for the year ended 31 December 2012

7. Tax on profit on ordinary activities - continued

The difference between the total tax expense shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2012	*2011*
	£000	*£000*
Profit/(loss) before tax	63	(63)

	2012	*2011*
	£000	*£000*
Tax on ordinary activities multiplied by standard rate of Corporation Tax in UK of 24.5% (2011:26%)	5	(13)
Effects of:	–	–
Expenses not deductible for tax purposes – fixed assets	1	2
Expenses not deductible for tax purposes/(income not taxable)	1	–
Adjustment to tax charge in respect of previous periods	–	20
Depreciation in excess of capital allowances	(3)	7
Unrelieved tax losses and other deductions in the period	–	4
Total income tax expense for the year	4	20

8. Deferred tax

	2012	*2011*
	£000	*£000*
At 1 January 2012	–	–
Debited to the income statement	–	–
At 31 December 2012	–	–

	2012	*2011*
	£000	*£000*
Tax value of loss carried-forward - Recognised	–	–
Tax value of loss carried-forward - Unrecognised	77	77
	77	77

Notes to the Financial Statements

for the year ended 31 December 2012

9. Goodwill

	Goodwill
Cost	£000
At 1 January 2011 and 1 January 2012 and 31 December 2012	20
Impairment	
At 1 January 2011 and 1 January 2012	3
Provided during the year	–
At 31 December 2011 and 31 December 2012	3
Net book value at 31 December 2012	17
Net book value at 31 December 2011	17

10. Property, plant and equipment

Group

	Land and buildings Long leasehold	*Computer equipment*	*Fixtures, fittings and equipment*	*Total*
Cost	*£000*	*£000*	*£000*	*£000*
At 1 January 2012	309	272	175	756
Additions	–	6	4	10
At 31 December 2012	309	278	179	766
Depreciation:				
At 1 January 2012	41	257	168	466
Provided during the year	3	10	3	16
At 31 December 2012	44	267	171	482
Net book value:				
At 31 December 2012	265	11	8	284
At 31 December 2011	268	15	7	290

Notes to the Financial Statements

for the year ended 31 December 2012

11. Investments

Company

	Subsidiary undertaking £000
Cost	
At 1 January 2012 and 31 December 2012	1,473
Provision for impairment	
At 1 January 2012 and 31 December 2012	–
Net book value	
At 31 December 2011 and 31 December 2012	1,473

At 31 December 2012, 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

12. Available for sale investments

	Group 2012 £000	*Group 2011 £000*	*Company 2012 £000*	*Company 2011 £000*
Valuation				
At 1 January	669	353	669	353
Additions – Non-current assets	818	947	818	947
Additions – Current assets	45	84	45	84
Disposals	(803)	(685)	(803)	(685)
Revaluations	40	(30)	40	(30)
At 31 December	769	669	769	669
Carrying Value				
At 31 December – Non-current asset	682	550	682	550
At 31 December– Current asset	87	119	87	119
	769	669	769	669

Notes to the Financial Statements

for the year ended 31 December 2012

12. Available for sale investments – continued

The fair values of these available for sale investments are based on quoted market prices. These are the only financial assets which the Group and Company carry at market value.

The available for sale investments comprise UK treasury gilts or corporate bonds where the intention is to hold the assets for more than 3 months. The investments are initially measured at market value, which ordinarily equates to cost. At subsequent reporting dates, the investments are re-valued to the market value. Gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of.

13. Trade and other debtors

	Group 2012 £000	*Group 2011 £000*	*Company 2012 £000*	*Company 2011 £000*
Trade receivables	223	364	–	–
Amounts owed by group undertakings	–	–	33	39
Other debtors	66	158	53	113
Provision for bad and doubtful debt	–	(63)	–	(63)
Prepayments and accrued income	50	34	17	30
	339	493	103	119

Other debtors include an amount of £9,618 (2011: £9,378) owed from J Burney, a director and £52,000 receivable from the MF Global investment.

14. Cash and cash equivalents

Group	*2012 £000*	*2011 £000*
Cash at bank and in hand	617	571
At 31 December	617	571

Company	*2012 £000*	*2011 £000*
Cash at bank and in hand	503	389
At 31 December	503	389

Notes to the Financial Statements

for the year ended 31 December 2012

15. Trade and other creditors

	Group 2012 £000	*Group 2011 £000*	*Company 2012 £000*	*Company 2011 £000*
Bank Loans and overdrafts	4	–	–	–
Trade creditors	47	16		
Amounts due to group undertakings	–	–	1,577	1,598
Other taxes and social security costs	50	63	–	–
Accruals and deferred income	366	500	13	–
Other creditors	13	9	3	21
	480	588	1,593	1,619

16. Other financial commitments

At 31 December 2012 the group had future annual minimum lease payments under non-cancellable operating leases as set out below:

	Land and buildings 2012 £000	*Land and buildings 2011 £000*
Operating leases which expire:		
Within one year	38	38
hin two to five years	63	63
More than five years	–	–

17. Share capital

	Allotted, called up and fully Paid		*Authorised*	
	No	*£*	*No*	*£*
Ordinary 10p shares				
At 1 January 2012 and 31 December 2012	6,221,770	622,177	14,500,000	1,450,000

The company has one class of ordinary shares which carry no right to fixed income.

Notes to the Financial Statements

for the year ended 31 December 2012

18. Reserves

	Group	Company
Capital Redemption	£'000	£'000
At 1 January 2012 and 31 December 2012	339	339

	£'000	£'000
Merger Reserve		
At 1 January 2012 and 31 December 2012	568	568

Available for sale investments		
	£'000	£'000
At 1 January 2012	(24)	6
Revaluations	34	(30)
At 31 December 2012	10	(24)

Reserves	£'000	£'000
At 1 January 2012	(53)	94
Profit for the financial year	59	191
At 31 December 2012	6	285

19. Share-based payments

At 31 December 2012, the following share options were outstanding:

Date of grant	Option Plan	Option price	Outstanding 31 December 2011	Granted/(forfeited) (lapsed) during year	Outstanding 31 December 2012
1 May 2002	Approved	85p	44,647	–	44,647

Share options are granted to directors and to selected employees. During the year no options were exercised. At the year end, a total of 44,647 options were outstanding under the Executive and Approved Options plans, which has lapsed in May 2013. At 31 December 2012, all share schemes are closed to new members.

Notes to the Financial Statements

for the year ended 31 December 2012

20. Cash generated from/(used in) operations

Group	*2012*	*2011*
	£000	*£000*
Operating loss	(72)	(107)
Depreciation	16	15
Exchange differences	(3)	(10)
Available for sale investments revaluations	34	(30)
Decrease in trade debtors	154	(300)
(Decrease)/increase in trade creditors	(104)	17
Cash inflow/(outflow) from operating activities	25	(415)

Company	*2012*	*2011*
	£000	*£000*
Operating profit/ (loss)	58	(76)
Available for sale investments revaluations	34	(30)
Decrease in trade and other debtors	(16)	(115)
(Decrease) in trade and other creditors	(26)	(125)
Net cash inflows/(outflows) from operating activities	82	(346)

21. 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 income statement as they are paid. At the year-end £2,885 (2011: £2,885) was still outstanding.

Notes to the Financial Statements

for the year ended 31 December 2012

22. Related Parties

Group

Key managers are those having authority and responsibilities for the planning, controlling and directing the activities of the Group. In the opinion of the Board, the Group's key management are the directors of Stockcube Limited. Information regarding their compensation is given below in aggregate for each category.

	2012	*2011*
	£'000	£'000
Short-term employee benefits	107	119
Post employment benefits	–	–
Dividends	–	–
Termination benefits	–	–
Share based payments	–	–

Company

During the year, no dividends were received from Stockcube Research Limited, a wholly owned subsidiary of Stockcube Limited (2011: £NIL).

At the year end, there was a balance of £9,321 (2011: £9,378) owing by Julian Burney, a director of the company to Stockcube Research Limited, in respect of personal expenditure.

23. 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 2012, the group had a VAT liability of £14,925 (2011: £26,871).

24. Controlling Party

Mr Julian Burney, a director of the company controls 58% of the issued share capital of the company in total, of which his beneficial holding is 43%.