Company No. 3838579

Stockcube PLC

Report and Consolidated Financial Statements

31 December 2011

Stockcube PLC

CONTENTS

31 December 2011

Registered No: 3838579

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
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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

HIGHLIGHTS

	2011	*2010*
	£000	*£000*
Turnover	2,133	2,044
(Loss) before tax	(63)	(345)
Normalised (loss)/profit before tax	-	(59)
(Loss) after tax	(83)	(349)
Normalised (loss) after tax	(20)	(63)

Group turnover 4% up on 2010.

Loss before tax of £63,000 (2010: loss £345,000) Normalised loss after tax was £20,000 after adjusting for a provision of £63,000 in respect of the MF Global investment (2010 was £63,000 after adjusting for costs associated with the delisting of £248,000 and share options charge of £38,000).

Statement of Financial Position with net assets of 23.3p per share (2010: 25.3p) with a balance of £1.240m in cash and marketable bonds after repayment of capital and provision on the MF Global investment of £63,000 in 2011 (2010: £1.625m)

No dividend will be proposed for the year (2010: Nil)

Julian Burney, Chairman, said:

"A stronger performance by the group from last year with a slight upturn in turnover. Following the company's exit from AIM, the company, the company will be seeking shareholders' approval to re-register as a limited company.

We remain confident that we are on our recovery path"

For further information:

Stockcube plc Julian Burney 020-7352-4001

Chairman's Statement

Introduction

The continuing turmoil in the financial markets and the current economic downturn presents tough challenges to the group. Cost reduction measures taken by the group alleviated the reduction in the losses.

Financial review

A net increase of 4% on turnover to £2.133mn for the year ended 31 December 2011 from £2.044mn in 2010. Loss before tax for the year was £63,000, resulting in a normalised break-even for the year after adjusting for a provision of £63,000 in respect of the MF Global investment ((2010: loss £345,000 and normalised loss was £59,000 after adjusting for costs associated with the delisting of £248,000 and share options charge of £38,000).) Loss after tax was £83,000. Normalised loss after tax was £20k (2010: £63,000). The Statement of Financial Position shows net assets of 23.3pence per share (2010:25.3p).

Business review

The group continued to evolve organically.

Stockcube Research, our institutional consultancy service for institutional investors, increased its turnover for 2011 by 3%, signalling the stabilisation of institutional and hedge fund activities.

Income from **Fullermoney** increased by 9% mainly from the additional presentations of The Chart Seminar overseas, which were very well received.

Subscriptions to the Investors Intelligence service increased by 22%, as the division continued to provide a valuable service to its business to business customers.

Chartcraft Inc., our US subsidiary recorded a 15% decrease in revenues in US dollar terms over 2010
Ecube, our software business, which develops and supports the group's in house technology, recorded an increase of 12% in revenues from third parties in 2011 from existing and new customers.

We continue to increase our yield from our **Treasury activities** during the year which generated a return of 7% on cash and available-for-sale investments.

Key performance indicators

The Board measures the group's performance, principally using the following financial indicators:

	2011 £'000	2010 £'000	% improvement/(deterioration)
Normalised operating (loss)	(44)	(200)	78%
Normalised (loss) before tax	(-)	(59)	100%
Dividend yield (proposed and paid)	-	-	-

Normalised loss is after adjusting for a provision of £63k in respect of the MF Global investment(2010 is after adjusting for costs associated with the delisting of £248,000 and share options charge of £38,000).

Two overseas seminars were held in Far East and Australia during the year, both of which were very well received. As a result, seminar income increased by 143% from 2010. The number of subscribers to the group's wider markets services was fairly stable from the previous year.

Staff

I should like to thank all our staff for their contributions during the year.

Dividend

The company will not be proposing a final dividend for the year (2010: nil).

We will continue to invest for the future to ensure that we strengthen our competitive position.

Julian Burney,
Chairman,
London

Directors' Report

The directors present their report and the financial statements for the year ended 31 December 2011.

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 Review

The review of the group's business is included in the Chairman's statement and the key performance indicators are on page 4.

Results for the year and dividends

The loss for the year, after taxation, amounted to £83,000 (2010: Loss £349,000). Normalised loss was £20k after adjusting for a provision of £63,000 against the MF Global investment (2010: loss of £63,000 after adjusting for costs associated with the delisting of £248,000, share options charge of £38,000).The directors do not recommend a final dividend for 2011 (2010: nil).

Directors

The directors of the company at 31 December 2011 were:

Julian Burney

Dennison Veru

Timothy Horlick

Share option schemes

Following the delisting, all the company's option schemes are closed to new members. The remaining scheme, where there are still options outstanding are as below:

(i) *The Stockcube PLC (Revenue Approved) Executive Share Option Scheme ('The Approved Scheme')*
Approval 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. Following renunciations, there remain outstanding options over 44,647 ordinary shares. 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 2011 the group had an average of 3 (2010: 3) days' purchases owed to trade creditors.

Directors' Report

Pillar 3 Disclosure

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

Regulation

Stockcube Research Limited is authorised and regulated by the Financial Services Authority.

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 FSA.

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 FSA, 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 were 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 applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006. 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;
- state that the financial statements comply with IFRSs as adopted by the European Union;
- 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors' Report to the shareholders of Stockcube Plc

We have audited the financial statements of Stockcube plc for the year ended 31 December 2011 which comprise the Group Statement of Comprehensive Income and Statement of Comprehensive Income, the Group and Parent Company Statements of Financial Positions, the Group and Parent Company Statements of Cash Flows, the Group and Parent Company Statements of Changes in Equity and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2011 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; 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

Stephen Drew

Senior Statutory Auditor, for and on behalf of

Nexia Smith & Williamson

Statutory Auditor

Chartered Accountants

25 Moorgate

London EC2R 6AY

Consolidated Income Statement
for the year ended 31 December 2011

	Notes	*2011* *£000*	*2010* *£000*
Continuing Operations			
Revenue	3	2,133	2,044
Cost of sales		(351)	(297)
Gross profit		1,782	1,747
Administrative expenses		(1,889)	(2,233)
Operating loss	5	(107)	(486)
Finance income	8	44	141
Loss before taxation		(63)	(345)
Taxation	9	(20)	(4)
Loss for the year attributable to equity holders of the parent		(83)	(349)

All operations are deemed to be continuing.

Consolidated Statement of Comprehensive Income for the year ended 31 December 2011

	2011	*2010*
	£000	*£000*
Loss for the year	(83)	(349)
Other comprehensive income		
Available for sale assets:		
Gains/(losses) arising during the year	9	(8)
Less: Reclassification adjustments for losses/(gains) included within profit and loss	(39)	3
Exchange differences on translation of subsidiary	(10)	10
Total comprehensive loss for the year attributable to equity holders of the parent company	(123)	(344)

Company Statement of Comprehensive Income
for the year ended 31 December 2011

	2011	*2010*
	£000	*£000*
Loss for the year	(56)	(392)
Other comprehensive income		
Available for sale assets:		
Gains/(losses) arising during the year	9	(8)
Less: Reclassification adjustments for losses/(gains) included within profit and loss	(39)	3
Total comprehensive loss for the year attributable to equity holders of the company	(86)	(397)

Consolidated Statement of Financial Position

At 31 December 2011

	Notes	2011 £000	2010 £000
Non current assets			
Intangible assets	11	17	17
Available for sale investments	14	550	238
Property, plant and equipment	12	290	290
		857	545
Current assets			
Trade and other receivables	15	493	193
Available for sale investments	14	119	115
Cash and cash equivalents	16	571	1,273
Total current assets		1,183	1,581
Current liabilities			
Trade and other payables	17	(588)	(551)
Current tax payable		–	–
Total current liabilities		(588)	(551)
Net current assets		595	1,030
Net assets		1,452	1,575
Equity			
Share capital	20	622	622
Capital redemption reserve	22	339	339
Merger reserve	22	568	568
Available for sale investments reserve	22	(24)	6
Translation reserve	22	–	10
Retained earnings	22	(53)	30
Total equity		1,452	1,575

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

Julian Burney

Director

Consolidated Statement of Changes in Equity

for the year ended 31 December 2011

	Share capital	*Share Premium account*	*Capital Redemption reserve*	*Merger reserve*	*Translation reserve*	*Share Option reserve*	*Available for sale investment reserve*	*Retained Earnings*	*Total Shareholders' Funds*
	(note 20)	*(note 21)*	*(note 22)*	*(note 22)*	*(note 22)*	*(note 22)*	*(note 22)*	*(note 22)*	
	£000	*£000*	*£'000*	*£000*	*£000*	*£000*	*£000*	*£000*	*£000*
At 1 January 2010	961	1,294	–	568	–	103	11	(310)	2,627
(Loss) for the year	–	–	–	–	–	–	–	(349)	(349)
Other comprehensive income for the year	–	–	–	–	10	–	(5)	–	5
Total comprehensive income	–	–	–	–	10	–	(5)	(349)	(344)
Share options charge	–	–	–	–	–	38	–	–	38
Transfer to Retained earnings		(1,294)	–	–	–	(141)	–	1,435	–
Capital Reduction	(339)	–	339	–	–	–	–	(746)	(746)
At 31 December 2010	622	–	339	568	10	–	6	30	1,575
(Loss) for the year	–	–	–	–	–	–	–	(83)	(83)
Other comprehensive income for the year	–	–	–	–	(10)	–	(30)	–	(40)
Total comprehensive income	–	–	–	–	(10)	–	(30)	(83)	(123)
At 31 December 2011	622	–	339	568	–	–	(24)	(53)	1,452

Company Statement of Financial Position

At 31 December 2011
Company number: 3838579

	Notes	2011 £000	2010 £000
Non- current assets			
Investments in subsidiaries	13	1,473	1,473
Available for sale investments	14	550	238
		2,023	1,711
Current assets			
Trade and other receivables	15	119	4
Available for sale investments	14	119	115
Cash and cash equivalents	16	389	1,031
Total current assets		627	1,150
Current liabilities			
Trade and other payables	17	(1, 619)	(1,744)
Net current (liabilities)/assets		(992)	(594)
Net assets		1,031	1,117
Equity			
Share capital	20	622	622
Capital Redemption reserve	22	339	339
Available for sale investments reserve	22	(24)	6
Retained Earnings	22	94	150
Total equity		1,031	1,117

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

Julian Burney
Director

Company Statement of Changes in Equity

At 31 December 2011

	Share capital	*Capital Redemption reserve*	*Share premium account*	*Share Option reserve*	*Available for sale investment reserve*	*Retained earnings*	*Total Shareholders' Funds*
	£000	*£000*	*£000*	*£000*	*£000*	*£000*	*£000*
At 1 January 2010	961	–	1,294	103	11	(301)	2,068
(Loss) for the year	–	–	–	–	–	(238)	(238)
Other comprehensive income for the year	–	–	–	–	(5)	–	(5)
Total comprehensive income	–	–	–	–	(5)	(238)	(243)
Share options charge	–	–	–	38	–	–	38
Dividends paid							
	–	–	(1,294)	(141)	–	1,435	–
	(339)	339	–	–	–	(746)	(746)
At 31 December 2010	622	339	–	–	6	150	1,117
Loss for the year							
Other comprehensive income/(loss) for the year	–	–	–	–	(30)	(56)	(86)
Total comprehensive income/(loss)	–	–	–	–	(30)	(56)	(86)
At 31 December 2011	622	339	–	–	(24)	94	1,031

Consolidated Statement of Cash Flows

for the year ended 31 December 2011

	Note	2011	2010
		£000	£000
Net cash(outflow)from operating activities	24	(385)	(315)
Cash flows from investing activities			
Interest and other income received		44	141
Sales of available-for-sale investments		685	2,439
Purchases of property, plant and equipment		(15)	(9)
Purchase of available-for-sale investments		(1,031)	(1,011)
Net cash (used)/derived in investing activities		(317)	1,560
Cash flows from financing activities			
Capital reorganisation - cash repaid to shareholders		–	(746)
Net cash used in financing activities		–	(746)
Net (increase)/decrease in cash and cash equivalents		(702)	499
Cash and cash equivalents at beginning of year		1,273	774
Cash and cash equivalents at end of year	16	571	1,273

Company Statement of Cash Flows

for the year ended 31 December 2011

	Note	*2011* *£000*	*2010* *£000*
Net cash (outflow) from operating activities	24	(316)	(347)
Cash flows from investing activities			
Interest and other income received		20	131
Sales of available-for-sale investments		685	2,439
Purchase of available for sale investments		(1,031)	(1,011)
Net cash (used)/derived in investing activities		(326)	1,559
Cash flows from financing activities			
Capital reorganisation - cash repaid to shareholders and associated expenses		–	(746)
Equity dividends paid		–	–
Net cash used in financing activities		–	(746)
Net (decrease)/increase in cash and cash equivalents		(642)	466
Cash and cash equivalents at beginning of year		1,031	565
Cash and cash equivalents at end of year	16	389	1,031

Notes to the Financial Statements

for the year ended 31 December 2011

1. Statement of Compliance

The consolidated financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union applied in accordance with the provisions of the Companies Act 2006.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial information in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of current and contingent assets and liabilities and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually reviewed and are based on historical experience and other factors, and expectations of future events that are believed to be reasonable under the circumstances. The judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are:

- Going Concern

The group is not dependent on any bank facilities for its operations. There is no material uncertainty which would cast doubt on the group's or the company's ability to operate as a going concern. The directors have a reasonable expectation that the group and the company have adequate resources to continue trading in the foreseeable future. The directors believe that it is therefore appropriate to prepare the financial statements on a going concern basis.

- MF Global Recovery

The company had a cash balance of £17,000 and investments of £96,000 with MF Global, which went into liquidation at the end of October 2011. The directors are confident that the full amount would be recoverable in due course. The company is eligible to make a claim to the FSCS for up to £50,000. Accordingly, for sake of prudence, a provision of £63,000 has been included in the accounts pending the final outcome of the administration.

Notes to the Financial Statements

for the year ended 31 December 2011

New standards and interpretations

The following are published standards and interpretations with an effective date after the date of these financial statements which are related to the group's operations. They have not been adopted early by the Group as the Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's reported income or net assets in the period of adoption.

Standard	Amendment	Effective Date	Adopted by EU	Impact
IFRS 7 (Amended)	Financial Instruments: Disclosure	1 January 2013	Not yet	Disclosure only
IFRS 9	Financial Instruments	1 January 2015	Not yet	Classification of financial assets and liabilities
IFRS 10	Consolidated Financial Statements	1 January 2013	Not yet	Provides a single consolidation model with control being the basis for consolidation
IAS 12	Deferred Tax	1 January 2012	Not yet	Disclosure only
IFRS 13	Fair Value Measurement	1 January 2013	Not yet	Defines fair value and sets out a single framework for measuring fair value.
IAS 1 Amended	Other comprehensive income	1 July 2012	Yes	Disclosure only

The subsidiaries have not adopted IFRS in their individual accounts.

2. Accounting policies

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 information has been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the EU and applied in accordance with the provisions of the Companies Act 2006.

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

Notes to the Financial Statements

for the year ended 31 December 2011

Basis of consolidation

The group financial statements incorporate the financial statements of Stockcube PLC and all of its subsidiary undertakings for the year to 31 December 2011.

All subsidiaries are controlled by Stockcube Plc. 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 and 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. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to profit and loss in the period of acquisition. Goodwill arising on consolidation is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

Revenue recognition

Revenue 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 payables. Commission receivable and other revenue are recognised when the customer confirms that a fee is due and payable or when cash is received**.** Revenue from seminars is recognised in the period when the seminars are held.

Notes to the Financial Statements

for the year ended 31 December 2011

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 income statement 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 the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised in respect of all temporary differences and deferred tax assets are recognised only to the extent that the directors consider that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax is calculated at tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current assets and liabilities on a net basis.

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. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Notes to the Financial Statements

for the year ended 31 December 2011

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 income statement on a straight line basis over the initial period of the lease contract, even if the payments are not made on such basis.

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 arising from changes in fair value of available for sale investments are recognised in other comprehensive income until the investment is disposed of or impaired, when the fair value adjustment is then included in income statement for the period.

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest method. 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 income statement.

Cash and cash equivalents comprise cash held by the Group and short term bank deposits which are readily convertible to cash

Current asset investments relate to UK treasury gilts or corporate bonds of fixed duration with a pre-determined redemption date. These are classified as current available-for-sale investments when the maturity date is in excess of three months from the date of acquisition. Bonds with shorter maturities are classified as cash and cash equivalents.

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

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.

Notes to the Financial Statements

for the year ended 31 December 2011

Share-based payment

The cost of share-based employee compensation arrangements, whereby employees receive remuneration in the form of shares or share options, is recognised as an employee benefit expense in the income statement.

The total expense to be apportioned over the vesting period of the benefit is determined by reference to the fair value (excluding the effects of non market-based vesting conditions) at the date of grant. The assumptions underlying the number of awards that are expected to vest are subsequently adjusted for the effects of non market-based vesting conditions to reflect the conditions prevailing at the balance sheet date. Fair value is measured by the use of the Black-Scholes options pricing model. The expected life used in the model has been adjusted, based on management's best estimate of the effects of the non-transferability, exercise restrictions and behavioural considerations.

Following the delisting of the company's shares from trading on AIM, there are only 44,647 options outstanding at 31 December 2011. These options will lapse in May 2013.

3. Revenue

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	US		UK	US	
	2011	2011	Total	2010	2010	Total
	£000	£000	£000	£000	£000	£000
External turnover	1,770	363	2,133	1,530	514	2,044

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 2011

5. Operating Profit

This is stated after charging/ (crediting):

	2011	*2010*
	£000	*£000*
Depreciation of owned fixed assets	15	19
Fees payable to company auditor for the audit of parent company and consolidated accounts	9	11
Fees payable to the company's auditor and its associates for other services:		
–The audit of company's subsidiaries pursuant to legislation	17	15
–Tax services	14	10
Staff costs (see Note 7)	1,371	1,433
Operating lease rentals - land and buildings	46	58
Foreign currency exchange	(2)	34
Delisting costs	–	402
Share option benefits charge	–	38

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 loss dealt with in the financial statements of the parent Company was £56,000 after a provision of £63,000 against the MF Global account (2010: Loss £392,000 after accounting for costs associated with the delisting of £248,000 and share options charge of £38,000).

6. Directors' emoluments

	2011	*2010*
	£000	*£000*
Fees	–	5
Emoluments	107	234
Company contributions paid to defined contribution pension scheme	6	12
	113	251

	2011	*2010*
	£000	*£000*
Highest paid director's emoluments	107	116
Company contributions paid to defined contribution pension scheme	6	6
	113	122

	2011	*2010*
	No	*No*
Members of defined contribution pension scheme	1	3

Notes to the Financial Statements

for the year ended 31 December 2011

7. Staff costs

	2011	*2010*
	£000	*£000*
Wages and salaries	1,201	1,257
Social security costs	134	139
Other pension costs	36	37
	1,371	1,433

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

	2011	*2010*
	No	*No*
Management and administration	21	23

8. Finance Income

	2011	*2010*
	£000	*£000*
Bank interest receivable	8	70
Net income from available for sale investments	12	61
Other income	24	10
	44	141

Other interest includes interest receivable and net gains from available for sale investments

9. Taxation

The taxation charge is comprised as follows:

	2011	*2010*
	£000	*£000*
Current tax payable	20	18
Adjustments for prior periods	–	(14)
Deferred tax charge	–	–
Total income tax expense for the year	20	4

Notes to the Financial Statements

for the year ended 31 December 2011

9. Taxation–Cont'd

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:

	2011	*2010*
	£000	*£000*
Loss before tax	(63)	(345)

	2011	*2010*
	£000	*£000*
Tax on ordinary activities multiplied by standard rate of		
Corporation Tax in UK of 20% (2010:21%)	(13)	(77)
Effects of:		
Expenses not deductible for tax purposes – fixed assets	-	1
Expenses not deductible for tax purposes/(income not taxable)	2	39
Additional deduction for R&D expenditure	-	-
Surrender of tax losses for R&D tax credit refund	-	-
Adjustment to tax charge in respect of previous periods	-	(8)
Foreign tax	20	-
Depreciation in excess of capital allowances	7	(1)
Unrelieved tax losses and other deductions in the period	4	50
Total income tax expense for the year	20	4

10. Deferred tax

	2011	*2010*
	£000	*£000*
At 1 January 2011	–	–
Debited to the income statement	–	–
At 31 December 2011	–	–

	2011	*2010*
	£000	*£000*
Tax value of loss carried-forward - Recognised	–	–
Tax value of loss carried-forward - Unrecognised	77	64
	77	64

Notes to the Financial Statements

for the year ended 31 December 2011

11. Goodwill

	Goodwill
Cost	£000
At 1 January 2010 and 1 January 2011 and 31 December 2011	20
Impairment	
At 1 January 2010and 1 January 2011	3
Provided during the year	–
At 31 December 2010 and 31 December 2011	3
Net book value at 31 December 2011	17
Net book value at 31 December 2010	17

12. 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 2010	309	254	169	732
Additions	–	7	2	9
At 1 January 2011	309	261	171	741
Additions	–	11	4	15
At 31 December 2011	309	272	175	756
Depreciation:				
At 1 January 2010	35	243	154	432
Provided during the year	3	7	9	19
At 1 January 2011	38	250	163	451
Provided during the year	3	7	5	15
At 31 December 2011	41	257	168	466
Net book value:				
At 31 December 2011	268	15	7	290
At 31 December 2010	271	11	8	290

Notes to the Financial Statements

for the year ended 31 December 2011

13. Investments

Company

	Subsidiary undertaking £000
Cost	
At 1 January 2011 and 31 December 2011	1,473
Provision for impairment	
At 1 January 2011 and 31 December 2011	–
Net book value	
At 31 December 2010 and 31 December 2011	1,473

At 31 December 2010 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

14. Available for sale investments

	Group 2011 £000	*Group 2010 £000*	*Company 2011 £000*	*Company 2010 £000*
Valuation				
At 1 January	353	1,786	353	1,786
Additions – Non-current assets	947	911	947	911
Additions – Current assets	84	100	84	100
Disposals	(685)	(2,439)	(685)	(2,439)
Revaluations	(30)	(5)	(30)	(5)
At 31 December	669	353	669	353
Carrying Value				
At 31 December – Non-current asset	550	238	550	238
At 31 December– Current asset	119	115	119	115
	669	353	669	1,786

Notes to the Financial Statements

for the year ended 31 December 2011

14. Available for sale investments – Cont'd

The fair values of these available for sale investments are based on quoted market prices. Under IFRS 7 Financial instruments: Disclosures, these are classified under the fair value hierarchy as Level 1. These are the only financial assets which the Group and Company carry at fair 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 fair 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.

15. Trade and other receivables

	Group 2011 £000	*Group 2010 £000*	*Company 2011 £000*	*Company 2010 £000*
Trade receivables	364	127	–	–
Amounts owed by group undertakings	–	–	39	–
Other debtors	158	21	113	–
Provision for bad and doubtful debt	(63)		(63)	
Prepayments and accrued income	34	45	30	4
	493	193	119	4

Other debtors include an amount of £9,378 (2010: nil) owed from J Burney, a director and the group's and the company's cash and cash equivalent balance of £113,000, currently held with MF Global, a company which went into administration at the end of October 2011. Of the amount held at MF Global, the company is entitled to make a claim of up to £50,000 to The Financial Services Compensation Scheme. Accordingly, the company has made a provision of £63,000 on its account with MF Global. However, the directors are optimistic that the full amount will be recoverable in due course.

16. Cash and cash equivalents

Group	*2011 £000*	*2010 £000*
Cash at bank and in hand	571	1,273
At 31 December	571	1,273

Company	*2011 £000*	*2010 £000*
Cash at bank and in hand	389	1,031
At 31 December	389	1,031

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Notes to the Financial Statements

for the year ended 31 December 2011

With the rest of the assets, the directors consider that their carrying amount approximates to their fair value and consider that the credit risk on liquid funds is limited because the counter-parties are UK financial institutions with high credit rating.

17. Trade and other payables

	Group 2011 £000	*Group 2010 £000*	*Company 2011 £000*	*Company 2010 £000*
Trade payables	16	25	–	–
Amounts due to group undertakings	–	–	1,598	1,729
Other taxes and social security costs	63	81	–	–
Accruals and deferred income	500	445	–	–
Other creditors	9	–	21	15
	588	551	1,619	1,744

18. Other financial commitments

At 31 December 2011 the group had future annual minimum lease payments under non-cancellable operating leases as set out below:

	Land and buildings 2011 £000	*Land and buildings 2010 £000*
Operating leases which expire:		
Within one year	38	29
Within two to five years	63	73
More than five years	-	–

19. 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. 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 sufficient cash resources relative to shareholders' funds and no borrowings or borrowing facilities. In respect of financial liabilities, there are no interest rate or liquidity risks. In view of the short term deposit balances earning interest at variable rates, the results of the group are significantly impacted by changes in interest rates.

The board does not consider that there are significant risks from foreign currency transactions as substantially all of the financial assets and liabilities are denominated in pounds sterling.

Notes to the Financial Statements

for the year ended 31 December 2011

Financial assets

The group's main financial asset is £1,240,000 (2010: £1,273,000) of short-term deposits, available for sale investments in UK corporate bonds and Treasury gilts and cash at floating interest rates, all of which are denominated in sterling, except £102,000 (2010: £91,000) denominated in US dollars and £7,000 denominated in Euros (2010: £3,000). Available for sale investments are revalued to market value at each balance sheet date, with the gain or loss on revaluation taken to reserves. 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.

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.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position.

The available for sale investments represent investments in UK Treasury gilts and corporate bonds that offer the Group the opportunity for return through dividend income and fair value gains. The fair values of the listed securities are based on quoted market prices.

Included in the group's and the company's other debtors are cash of £17,000 and investments of £96,000, currently held with MF Global, a company which went into administration at the end of October 2011. Of the amount held at MF Global, the company is entitled to made a claim up to £50,000 to The Financial Services Compensation Scheme. Accordingly, the company has a provision of £63,000 on its account with MF Global. However, the directors are optimistic that the full amount will be recoverable in due course.

The Directors consider that the carrying value of trade and other receivables approximates their fair value. Trade receivables are financial assets. Debts are provided once they are overdue and attempts are made to recover them. There are no material un-provided debts.

Notes to the Financial Statements

for the year ended 31 December 2011

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.

The following table shows the contractual maturities of the group's and the company's financial liabilities, all of which are measured at amortised cost:

Group	2011	2010
Less than 1 year	£'000	£'000
Trade payables	16	25
Accruals	143	116
	159	141

Company	2011	2010
Less than 1 year	£'000	£'000
Trade payables	–	–
Other Creditors	–	15
Amounts due to group undertakings	1,597	1,729
	1,597	1,744

Interest rate risk and sensitivity analysis

The company has interest-bearing assets and no interest-bearing liabilities. Interest-bearing assets comprise only cash balances and available-for-sale investments which earn interest and dividends 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.

The Group has not entered into derivatives transactions.

The group has investments in corporate bonds and treasury gilts, which generated an average yield of 7%. Net gains from investments generated a further average yield of 7%. However, the group made a 53% loss on its investments in MF Global.

As at 31 December 2011, if LIBOR had increased by 0.5% with all other variables held constant, post tax profit and equity would have been £1,000 (2010:£6,000) higher. Conversely, if LIBOR had fallen by 0.5% with all other variables held constant, post tax profit and equity would have been £1,000 (2010: £3,000) lower.

Notes to the Financial Statements

for the year ended 31 December 2011

Capital Risk Management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

The Group defines capital as being share capital, share premium plus reserves.

However, the above objective must be achieved in accordance with guidelines set by the FSA, the regulator for the Group. The FSA sets out the requirements for the Group in respect of the minimum level of capital it must hold at any point. In pursuing its primary objective the Group also ensures that it is compliant with the FSA requirements. The subsidiary of the Company, Stockcube Research Limited is a CAD Exempt firm and therefore the Group does not need to report to the FSA under Consolidated Supervision. Therefore the capital requirement disclosures disclosed below are for the Stockcube Research Limited only.

Stockcube Research Limited was in compliance with the capital requirements set by the FSA throughout the year.

In calculating capital, Stockcube Research Limited's capital is analysed into tier 1 capital. Tier 1 capital is the core measure of a Company's financial strength from a regulator's point of view. It consists of the types of financial capital considered the most reliable and liquid, primarily being shareholders' equity.

Stockcube Research Limited's Tier 1 capital consists of share capital, share premium and retained earnings.

Stockcube Research Limited's Regulatory position is set out below. There have been no changes in the Company's management of capital during the year.

	2011	2010
	£'000	£'000
Called up share capital	501	501
Share Premium	1,099	1,099
Profit and loss reserve	139	451
Total tier 1 capital and regulatory capital	1,739	2,051

20. Share capital

	Allotted, called up and fully Paid		*Authorised*	
	No	*£*	*No*	*£*
Ordinary 10p shares				
At 1 January 2011 and 31 December 2011	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 2011

21. Capital Redemption Reserve

	2011	2010
	£'000	£'000
At 1 January 2011 and 31 December 2011	339	339

22. Reserves

- Share capital

The share capital account represents the par value for all shares issued and outstanding

- Capital Redemption reserve

The capital redemption reserve is a non distributable reserve and arose following the purchase of the company's own shares.

- Merger reserve

The merger reserve account arose from merger accounting of the subsidiaries. The use of this reserve is restricted by the Companies Act 2006.

- Translation reserve

The translation reserve account represents the net exchange gains and losses from the retranslation of the assets and liabilities of the overseas subsidiary to pounds sterling.

- Available for sale investment reserve

The available for sale investment reserve represents the net gains or losses on revaluation of the investments to market value.

- Retained Earnings

The retained earnings reserve includes accumulated profits and losses arising from the consolidated Income Statement attributable to equity shareholders net of distributions to shareholders.

23. Share-based payments

At 31 December 2011, the following share options were outstanding:

Date of grant	Option Plan	Option price	Outstanding 31 December 2010	Granted/ (lapsed) during year	Outstanding 31 December 2011
18 April 2001	Executive	60p	60,000	(60,000)	–
1 May 2002	Approved	85p	44,647	–	44,647
	Totals		104,647	(60,000)	44,467

Notes to the Financial Statements

for the year ended 31 December 2011

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 will lapse in May 2013.

At 31 December 2011, all share schemes are closed to new members.

24. Cash generated (used in)/from operations

Group	*2011*	*2010*
	£000	*£000*
Operating loss	(107)	(486)
Depreciation	15	19
Exchange differences	(10)	10
Share options charge	–	38
(Increase)/decrease in trade receivables	(300)	145
Increase/(decrease)/increase in trade payables	17	(41)
Cash (used in/ from operations	(385)	(315)
Tax paid	–	–
Net cash (outflows) from operating activities	(385)	(315)

Company	*2011*	*2010*
	£000	*£000*
Operating (loss)	(76)	(368)
Share options charge	–	38
(Increase)/decrease in trade and other receivables	(115)	132
(Decrease) in trade and other payables	(125)	(149)
Net cash (outflows) from operating activities	(316)	(347)

25. 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 (2010: £4,550) was still outstanding.

Notes to the Financial Statements

for the year ended 31 December 2011

26. 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 plc. Information regarding their compensation is given below in aggregate for each category specified in IAS 24 *Related Party Disclosures*:

	2011	*2010*
	£'000	£'000
Short-term employee benefits	119	263
Post employment benefits	–	–
Dividends	–	–
Termination benefits	–	–
Share based payments	–	10

Company

During the year, no dividends were received from Stockcube Research Limited, a wholly owned subsidiary of Stockcube plc (2010: £NIL).

At the year end, there is a balance of £9,378 owing by Julian Burney, a director of the company to Stockcube Research Limited, in respect of personal expenditure.

27. 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 2011, the group had a VAT liability of £26,871 (2010: £39,520).

28. 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%.