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Stockcube Plc

Interim Report

for the six months ended 30 June 2009

The Stockcube group produces research and technical analysis of the relative strengths and weaknesses of price trends of stocks, stock and sector indices, currencies, bonds and financial data to assist institutional and private investors with the timing of investment decisions.

BOARD OF DIRECTORS

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Stockcube plc Interim Report 2009

The Stockcube group produces research and technical analysis of the relative strengths and weaknesses of price trends of stocks, stock and sector indices, currencies, bonds and financial data to assist institutional and private investors with the timing of investment decisions.

Highlights for the six months ended 30 June, 2009

- Turnover of £1,214,000 (2008: £1,372,000)
- Operating profit of £36,000 (2008: £111,000)
- Profit before tax of £75,000 (2008: £165,000)
- Earnings per share of 0.61p (2008: 0.77p)

"We have been weathering these extraordinary economic conditions, and in particular the caution being exercised by clients in our institutional business, as well as can be expected. We have witnessed an unprecedented period of market turbulence which had impacted our institutional clients negatively with consequent knock-on effects to us. We continue to improve our services and certainly there is little doubt that we have had early sight, and so have our customers, of what significant trend changes there have been in the major markets.

"While it is important that we continue to improve our products and continually upgrade our services we also have to be mindful of a relatively fixed cost base. We will continue to monitor the efficiency of our research production and respond accordingly if the market for our services shifts significantly in relation to recent events."

Julian Burney

Chief Executive of Stockcube,
17 September, 2009

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Our website is:	www.stockcube.com	

Introduction

We have continued to provide our customers with clear and valuable timing advice during the first six months of the year when market direction has shown sharp reversals of trends.

Financial review

Turnover for the six months ended 30 June, 2009 was down 12% to £1,214,000 (2008: £1,372,000) and group operating profit decreased by 68% from £111,000 to £36,000 in 2009. Like for like, before the tax on the grant of share of share options of £30,000, this is a decrease of 41%.

Profit before tax amounted to £75,000 a decrease of 55% from £165,000 in 2008. Like for like, a decrease of 36%.

Basic earnings per share of 0.61p compared to 0.77p in 2008, a fall of 21%.

The group balance sheet showed net tangible assets of 27p per share at 30 June, 2009 of which cash, cash equivalents and marketable bonds of £2,652,000 (June 2008: £2,590,000) represented 28p per share.

Review of operations

Our **institutional investor consultancy**, although ahead of budget, continues to reflect the uncertainties with which our institutional customers are grappling, recording a 26% drop in revenues in the first six months of the year. We do not expect such uncertainty to diminish until these customers have greater visibility in the trends of their business.

Demand for **Fullermoney**, our global investment strategy service has weakened with a drop of 13% in revenues as private investors have indicated they are prepared to sit out current market conditions.

More positively, income from our US business, **Chartcraft Inc**, showed an 11% increase in US\$ terms (and a flattering 38% increase in sterling terms due to favourable £/US\$ exchange movements) and our non-US wider market activities conducted through **Investors Intelligence** showed a 12% increase in income between 2008 and 2009.

Ecube, our website developer, continues to expand its customer base with an encouraging 38% increase in third party development and hosting and licensing income, partly reflecting the impact of new work deferred by customers from the first half of 2008 to first half of 2009. Ecube is building a valuable reputation for website development and integrated online financial research production and distribution systems.

Trading outlook

The trading outlook is uncertain and we do not see any signs of an imminent recovery in stock market activity although there is a general consensus that the economic shocks suffered in the last eighteen months are being absorbed.

We will continue to develop and improve our analysis and systems so we are in the best possible position to service and benefit from any increase in investor activity.

Edward Forbes,

Chairman

London

17 September 2009

Stockcube Plc
Consolidated Income Statement
for the six months ended 30 June 2009

	<i>Notes</i>	<i>Unaudited Six Months to 30 June 2009 £'000</i>	<i>Unaudited Six Months to 30 June 2008 £'000</i>	<i>Audited Year to 31 Dec 2008 £'000</i>
<i>Revenue</i>	3,4	1,214	1,372	2,586
<i>Cost of sales</i>		(157)	(119)	(328)
<i>Gross Profit</i>		<u>1,057</u>	<u>1,253</u>	<u>2,258</u>
<i>Administrative expenses</i>		(1,021)	(1,142)	(2,184)
Group operating profit		<u>36</u>	<u>111</u>	<u>74</u>
Investment revenues		39	54	118
<i>Profit before taxation</i>		<u>75</u>	<u>165</u>	<u>192</u>
Taxation	5	(16)	(91)	(110)
<i>Profit for the period attributable to equity holders of the parent</i>		<u>59</u>	<u>74</u>	<u>82</u>
<i>Earnings per share</i>	6			
Basic		0.61p	0.77p	0.85p
Diluted		0.61p	0.77p	0.85p

Stockcube Plc
Consolidated Statement of Comprehensive Income
for the six months ended 30 June 2009

	<i>Unaudited</i> <i>Six Months to</i> <i>30 June</i> <i>2009</i> <i>£'000</i>	<i>Unaudited</i> <i>Six Months to</i> <i>30 June</i> <i>2008</i> <i>£'000</i>	<i>Audited</i> <i>Year to</i> <i>31 Dec</i> <i>2008</i> <i>£'000</i>
<i>Profit for the period</i>	59	74	82
<i>Other comprehensive income</i>			
Fair value unrecognised gain on available-for-sale financial assets	—	—	9
Exchange differences on translation of subsidiary	13	(2)	(27)
<i>Total comprehensive income for the period attributable to equity holders of the parent</i>	72	72	64

Stockcube Plc
Consolidated Statement of Financial Position
as at 30 June 2009

	<i>Unaudited</i> <i>As at</i> <i>30 June</i> <i>2009</i> <i>£'000</i>	<i>Unaudited</i> <i>As at</i> <i>30 June</i> <i>2008</i> <i>£'000</i>	<i>Audited</i> <i>As at</i> <i>31 Dec</i> <i>2008</i> <i>£'000</i>
Non Current Assets			
Intangible assets	17	17	17
Available- for- sale investments	1,127	—	700
Property, plant and equipment	314	333	329
	<u>1,458</u>	<u>350</u>	<u>1,046</u>
Current assets			
Trade and other receivables	311	856	229
Available- for- sale investments	584	—	515
Cash and cash equivalents	941	2,590	1,413
	<u>1,836</u>	<u>3,446</u>	<u>2,157</u>
Current Liabilities			
Trade and other payables	(692)	(1,050)	(603)
Current tax payable	(50)	(41)	(60)
Financial Liability	—	(170)	—
	<u>(742)</u>	<u>(1,261)</u>	<u>(663)</u>
Net current assets	<u>1,094</u>	<u>2,185</u>	<u>1,494</u>
Total assets less current liabilities	<u>2,552</u>	<u>2,535</u>	<u>2,540</u>
Equity			
Share Capital	961	961	961
Share premium account	1,294	1,322	1,294
Merger reserve	568	568	568
Share options reserve	71	—	41
Investments revaluation reserve	(9)	—	9
Translation reserve	(7)	5	(20)
Retained earnings	(326)	(321)	(313)
Equity shareholders' funds	<u>2,552</u>	<u>2,535</u>	<u>2,540</u>

Approved by Order of the Board on 17 September 2009

Julian Burney
Director

Stockcube Plc
Consolidated Statement of Changes in Equity
for the six months ended 30 June 2009

Group

	<i>Share Capital</i>	<i>Share Premium</i>	<i>Merger Reserve</i>	<i>Translation Reserve</i>	<i>Share Option reserve</i>	<i>Investments Revaluation reserve</i>	<i>Retained earnings</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Balance at 1 January 2008	961	1,327	568	7	—	—	(275)	2,588
Total comprehensive income for the period	—	—	—	(2)	—	—	74	72
Capital reorganisation – legal expenses	—	(5)	—	—	—	—	—	(5)
Dividends paid	—	—	—	—	—	—	(120)	(120)
Balance at 30 June 2008 (Unaudited)	961	1,322	568	5	—	—	(321)	2,535
Balance at 1 January 2008	961	1,327	568	7	—	—	(275)	2,588
Total comprehensive income for the period	—	—	—	(27)	—	9	82	64
Capital reorganisation – legal expenses	—	(33)	—	—	—	—	—	(33)
Share options charge	—	—	—	—	41	—	—	41
Dividends paid	—	—	—	—	—	—	(120)	(120)
Balance at 31 December 2008 (Audited)	961	1,294	568	(20)	41	9	(313)	2,540
Balance at 1 January 2009	961	1,294	568	(20)	41	9	(313)	2,540
Total comprehensive income for the period	—	—	—	13	—	—	59	72
AFS revaluation recognised in profit during the year	—	—	—	—	—	(18)	—	(18)
Share options charge	—	—	—	—	30	—	—	30
Dividends paid	—	—	—	—	—	—	(72)	(72)
Balance at 30 June 2009(Unaudited)	961	1,294	568	(7)	71	(9)	(326)	2,552

Stockcube Plc
Consolidated Statement of Cash Flows
for the six months ended 30 June 2009

Group

		<i>Unaudited</i> <i>Six months to</i>	<i>Unaudited</i> <i>Six months</i> <i>to</i>	<i>Audited</i> <i>Year to</i>
		<i>30 June</i> <i>2009</i>	<i>30 June</i> <i>2008</i>	<i>31 December</i> <i>2008</i>
	<i>Notes</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Net cash from operating activities</i>	8	59	357	526
<hr/>				
<i>Net cash flows from investing activities</i>				
Interest and other income received		39	54	118
Purchases of property, plant and equipment		(2)	(4)	(10)
Sales of available-for-sale investments		645	—	—
Purchases of available-for-sale investments		(1,141)	—	(1,206)
<hr/>				
<i>Net cash generated from investing activities</i>		(459)	50	(1,098)
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<i>Cash flows from financing activities</i>				
Capital reorganisation - associated expenses		—	(5)	(203)
Equity dividends paid		(72)	(120)	(120)
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<i>Net cash used in financing activities</i>		(72)	(125)	(323)
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<i>Net increase/ (decrease) in cash and cash equivalents</i>		(472)	282	(895)
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Cash and cash equivalents at beginning of period		1,413	2,308	2,308
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Cash and cash equivalents at end of period	9	941	2,590	1,413
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Stockcube Plc

Notes to the Interim Report

for the six months ended 30 June 2009

1. Statement of Compliance

The consolidated financial information has been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as adopted by the European Union applied in accordance with the provisions of the Companies Act 1985 and in accordance with IAS 34, Interim Financial Reporting.

The results for the year ended 31 December 2008 have been audited whilst the results for the six months ended 30 June 2009 and 30 June 2008 are un-audited. The financial information contained in this interim report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The statutory accounts for the previous year, which were prepared under IFRS have been delivered to the Registrar of Companies. The auditors’ opinion on those accounts was unqualified and did not contain a statement made under s237 (2) or s237 (3) of the Companies Act 1985

2. Accounting Policies

Basis of preparation of interim financial statements

The interim financial information has been prepared using accounting policies consistent with IFRS, as set out in the last annual report to 31 December 2008, except as described below:

The Group has applied the following standards which are effective for the period beginning on or after January 1, 2009. The adoption of these standards only impacts the presentation and the extent of the disclosures presented in the financial statements:

- IAS 1 revised, Presentation of Financial Statements
- IFRS 8, Operating Segments

Principle risks and uncertainties for the remaining six months of the financial year

The group does not have any gearing which would impact the results over the remaining six months of the year.

Further, the group has surplus cash available and should be in a strong position to take advantage of situations arising out of the current economic environment.

3. Revenue

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

An analysis of the Group’s revenue is as follows:

	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	<i>Six months to</i>	<i>Six months to</i>	<i>Year to</i>
	<i>30 June</i>	<i>30 June</i>	<i>31 December</i>
	<i>2009</i>	<i>2008</i>	<i>2008</i>
	<i>£’000</i>	<i>£’000</i>	<i>£’000</i>
Rendering of services	1,214	1,372	2,586

4. Operating segments

In accordance with IFRS 8, Operating Segments, the information presented in this note is the same as that reported to the Chief Operating Decision Maker for the purposes of making decisions about allocating resources to the segment and assessing its performance.

The segments presented in this note reflect the separate companies within the Group and is how management information is presented to the Chief Operating Decision Maker.

30 June 2009 (unaudited)	Stockcube plc	Stockcube Research Limited	Ecube Limited	Chartcraft Inc.	Eliminations	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<i>Revenues</i>						
Third party	—	930	84	200	—	1,214
Inter segment	—	—	99	—	(99)	—
Total Revenue	—	930	183	200	(99)	1,214
<i>Profit/(loss) before tax</i>	(62)	112	(35)	59	1	75
<i>Total assets</i>	4,201	3,065	92	254	(4,318)	3,294
31 December /2008 (audited)	Stockcube plc	Stockcube Research Limited	Ecube Limited	Chartcraft Inc.	Eliminations	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<i>Revenues</i>						
Third party	—	2,094	145	347	—	2,586
Inter segment	—	—	273	—	(273)	—
Total Revenue	—	2,094	418	347	(273)	2,586
<i>Profit/(loss) before tax</i>	49	117	(40)	65	1	192
<i>Total assets</i>	4,303	2,799	102	234	(4,235)	3,203
30 June 2008 (unaudited)	Stockcube plc	Stockcube Research Limited	Ecube Limited	Chartcraft Inc.	Eliminations	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<i>Revenues</i>						
Third party	—	1,160	68	144	—	1,372
Inter segment	—	—	117	—	(117)	—
Total Revenue	—	1,160	185	144	(117)	1,372
<i>Profit/(loss) before tax</i>	(36)	198	(55)	57	1	165
<i>Total assets</i>	4,400	3,275	52	165	(4,096)	3,796

There has been no alteration from the last annual financial statements in the basis of segmentation, however the information has been restated in order to reflect the adoption of IFRS 8.

5. Tax on profit on ordinary activities

The taxation charge is comprised as follows:

	<i>Unaudited</i> <i>30 June</i> <i>2009</i> <i>Total</i> <i>£'000</i>	<i>Unaudited</i> <i>30 June</i> <i>2008</i> <i>Total</i> <i>£'000</i>	<i>Audited</i> <i>31Dec</i> <i>2008</i> <i>Total</i> <i>£'000</i>
Current tax	16	36	56
Adjustments for prior periods	—	—	(1)
Deferred tax charge	—	55	55
	<u>16</u>	<u>91</u>	<u>110</u>

6. Earnings per share

	<i>Unaudited</i> <i>30 Jun</i> <i>2009</i> <i>£'000</i>	<i>Unaudited</i> <i>30 Jun</i> <i>2008</i> <i>£'000</i>	<i>Audited</i> <i>31Dec</i> <i>2008</i> <i>£'000</i>
Earnings			
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to equity shareholders	59	74	82
	<u>59</u>	<u>74</u>	<u>82</u>
Number of shares			
Weighted average number of ordinary shares for the purposes of basic earnings per share	9,611	9,611	9,611
Number of dilutive shares under option	—	—	—
	<u>9,611</u>	<u>9,611</u>	<u>9,611</u>
Weighted average number of ordinary shares for the purposes of basic earnings per share	9,611	9,611	9,611
	<u>9,611</u>	<u>9,611</u>	<u>9,611</u>
Profit per ordinary share (pence):			
Basic	0.61p	0.77p	0.85p
Normalised basic	0.93p	1.34p	1.85p
Diluted	0.61p	0.77p	0.85p
Normalised diluted	0.93p	1.34p	1.85p

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. Based on these calculations there were no dilutive potential ordinary shares in 2009 (2008: nil).

Normalised basic and diluted earnings per share are calculated by adding back the notional charge of £30,000 (Dec 2008:£41,000; June 2008: nil) in respect of the cost of share options and deferred tax charge of £nil (December 2008: £55,000; June 2008: £55,000) to earnings.

7. Dividends and other appropriations

	<i>Unaudited</i> <i>Six Months to</i> <i>30 June</i> <i>2009</i> <i>£'000</i>	<i>Unaudited</i> <i>Six Months to</i> <i>30 June</i> <i>2008</i> <i>£'000</i>	<i>Audited</i> <i>Year to</i> <i>31 Dec</i> <i>2008</i> <i>£000</i>
Equity dividends on ordinary shares –Paid	72	120	120

8. Cash generated from operations

<i>Group</i>	<i>Unaudited</i> <i>Six Months to</i> <i>30 June</i> <i>2009</i> <i>£'000</i>	<i>Unaudited</i> <i>Six Months to</i> <i>30 June</i> <i>2008</i> <i>£'000</i>	<i>Audited</i> <i>Year to</i> <i>31 Dec</i> <i>2008</i> <i>£'000</i>
Operating profit	36	111	74
Depreciation	17	9	20
Exchange differences	13	–	(27)
Share Option benefits charge	30	–	41
AFS investments charge	(18)	–	–
(Increase)/decrease in trade receivables	(82)	(65)	562
Increase/(decrease)/increase in trade payables	89	352	(95)
<i>Cash generated from operations</i>	85	407	575
Tax (paid)	(26)	(50)	(49)
Net cash from operating activities	59	357	526

9. Reconciliation of net cash flow

<i>Group</i>	<i>Unaudited</i> <i>Six Months to</i> <i>30 June</i> <i>2009</i> <i>£'000</i>	<i>Unaudited</i> <i>Six Months to</i> <i>30 June</i> <i>2008</i> <i>£'000</i>	<i>Audited</i> <i>Year to</i> <i>31 Dec</i> <i>2008</i> <i>£'000</i>
Cash at bank and in hand			
At start of period	1,413	2,308	2,308
Net (decrease)/increase in cash flow	(472)	282	(895)
At end of period	941	2,590	1,413

10. Share-based payments

The following options were outstanding:

	Founders	Executive No.2	Approved Scheme	EMI	Total
At 30 June 2008	43,000	70,000	95,647	1,464,500	1,673,147
Renunciations	—	—	—	—	—
New Options	—	—	—	—	—
At 31 December 2008	43,000	70,000	95,647	1,464,500	1,673,147
Renunciations	—	—	—	—	—
New Options	—	—	—	—	—
At 30 June 2009	43,000	70,000	95,647	1,464,500	1,673,147

By order of the board

Edward Forbes
Chairman

Julian Burney
Chief Executive