



**Stockcube plc** Report and Accounts 2000

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## Officers and **Professional Advisers**

### **DIRECTORS**

Edward Forbes *Chairman*

Julian Burney *Chief Executive*

Shirley Yeoh *Finance Director*

Dan Veru \*

Tim Horlick\*

\* *Non-Executive*

### **AUDITORS**

Ernst & Young

Rolls House

7 Rolls Buildings

Fetter Lane

London

EC4A 1NH

### **SECRETARY**

Jennifer McGregor

### **NOMINATED ADVISER**

Altium Capital Limited

5 Ralli Courts

West Riverside

Manchester

M3 5FT

### **NOMINATED BROKERS**

Numis Securities Limited

Cheapside House

138 Cheapside

London

EC2V 6LH

### **BANKERS**

Barclays Bank Plc

P O Box 15165

50 Pall Mall

London

SW1A 1QF

### **SOLICITORS**

Hammond Suddards Edge

7 Devonshire Square

Cutler's Gardens

London

EC2M 4YH

### **REGISTERED OFFICE**

Unit 1.23

Plaza 535

Kings Road

London

SW10 0SZ

# Chairman's Statement

## Introduction

I am pleased to report our first set of annual results as a public company following admission to the *Alternative Investment Market* on 4 May, 2000.

Stockcube plc is one of the largest investment research companies in Europe analysing the relative strengths and weaknesses of price trends across the full global range of financial instruments.

Founded over twelve years ago, we provide advice to large institutions and professional investors through EFMTech which makes up nearly three-quarters of the group's turnover. We expect that this core element of our business will continue to deliver rapid growth as the number of institutions investing in the market continues to expand.

In 2000 EFMTech made significant in-roads into European and offshore fund management companies and turnover in these segments rose 342%. This year we are concentrating on raising further the group's profile in the US where we have identified a potential market of 5,000 qualifying investment institutions. The internal growth rate we have set for EFMTech's turnover is 30% per year for the foreseeable future.

Stockcube's services for experienced non-professional investors has been consolidated and the product offerings expanded substantially. We will roll these out steadily in the coming year through the Fullermarkets.com brand and the new Stockcube.com portal.

Stockcube has grown rapidly but sensibly in the past twelve months and has established a solid platform for continued expansion.

## Financial review

Turnover for the year ended 31 December 2000 was £1,590,000, an increase of 59% over 1999. Despite heavy investment in staff and operating systems we recorded a post tax profit of £17,000 for the year (1999: £26,000 loss), and earnings of 0.02p per 1p ordinary share compare to losses of (0.04p) per share in 1999 on a like-for-like basis.

Our balance sheet is strong and we had available cash reserves of £4,257,000 at the year end (1999: £1,285,000).

## Operations

Stockcube's business provides investment research and advice for the professional and non-professional investor markets distributed primarily through the internet.

Our global research for professional investors, available at [www.efmtech.com](http://www.efmtech.com), has been well-received and we doubled the number of subscribers taking our service in the year. The web platform on which the service runs is robust and capable of considerable expansion and supporting an extensive number of research products. During the year we expanded the coverage of shares and other financial instruments we research, analyse and rank daily from 1,500 to more than 3,000 worldwide.

Following encouraging results from market research conducted during mid-2000 we are now engaged in field trials with 6 UK blue chip companies for our on-line *Market Intelligence Report*. Available on-line and updated daily, the Report derives its data from EFMTEch and analyses changes in market sentiment towards shares and sectors from the perspective of senior management of quoted companies. We are hopeful that this will establish an entirely new market - corporate customers - to produce incremental revenues for our existing research product.

We have completed the revision of our Fullermarkets brand. Our global strategy newsletter, *Fullermoney*, and our point and figure chart data libraries are now available and updated daily on-line through [www.fullermarkets.com](http://www.fullermarkets.com). These services are now supplemented by weekly investment recommendations and Daily StockPicks email alerts which are triggered by pre-determined market signals.

On 1 December, 2000 we welcomed Investors Intelligence Chartcraft Inc ("Chartcraft"), a long-established firm of technical analysts based in New Rochelle, New York, to the Stockcube group. Chartcraft analyses in point and figure chart format price trends of over 6,000 equities and other quoted financial instruments traded on the US markets and distributes its research in hard copy by mail. We see considerable scope for reducing costs and enhancing Chartcraft's services to its existing 1,600 subscribers through our on-line systems and internet know-how. For the last six months Stockcube has provided Chartcraft with technical and operational advice and support both on-site in the US and from London. We have already made good progress in the move to more effective research and cost efficient distribution.

Our offering for the non-professional investor has completed its design stage and is currently undergoing testing. The provision and distribution of research and advice to non-professional investors through "white" or "own label" arrangements with stockbrokers and other financial service providers remains our favoured route for running and operating this product stream.

Raising brand awareness for our products and services is developing on a steady basis. Members of our team appear regularly on Bloomberg and CNBC's *Squawkbox* and *European Market Wrap* helping viewers to understand markets and encouraging them to subscribe for our services.

## Staff and establishment costs

All in all this has been an eventful and fruitful year. I wish to thank our staff for their creativity, hard work and dedication during the last twelve months.

We have now expanded our establishment to 27 staff, including 13 full time analysts. This provides Stockcube with one of the largest, dedicated and independent technical analytical teams anywhere in the world in its chosen field of research.

We have consolidated our investment in productive resources for the time being and our on-going technology spend has now levelled off. We should now see increased sales revenues making their way into reported operating profit.

## Outlook

There has been an encouraging start to 2001. To date we have experienced a 100% client retention rate amongst our professional customers from 2000 and we have been steadily adding to our client base since then.

For some time we have been observing both an expansion of the underlying market for the group's services and an increase in demand. This has arisen as large fund management houses and entrepreneurial fund managers establish specialist hedge funds or money management businesses to generate superior returns from flattening equity markets. We think the trend will continue and we expect to benefit from new businesses keen to have access to proven and successful analytical research facilities. We believe our position will be further enhanced as institutional investors place increasing value on the independence of research and advice.

In 2000 70% of our revenues derived from the institutional investment community. This proven customer base will continue to provide the engine for the group's expansion and we see the European and offshore specialist fund markets, and now the US, as the most promising regions for our global stock research products.

We have set an internal target for growth in turnover of our professional business of 30% per year for the foreseeable future.

The true depth of the market for provision of research and analysis for the non-professional investor, at least on commercially acceptable terms, has been brought into question by a number of well-publicised dot.com difficulties and failures over the last year.

There is a clear distinction between publication of information and Stockcube's business of providing well-resourced research, opinion and advice for which there is a premium. For Stockcube the marginal additional cost of providing first class research to non-professional investors is low since we are drawing on the technological infrastructure developed and operated for our institutional investor customers.

While the non-professional investor market remains quiet in the UK we intend to target this segment in the US which has a well-developed user base.

The real benefit of the internet for our business is the way it has successfully allowed us to take our global research and analytical products into parts of the world - at all times of their trading day - in a way that would not be possible otherwise. We intend to keep capitalising on this opportunity and are well positioned to do so.



**Edward Forbes**

*Chairman*

London

16 March 2001

# Report on **Directors' Remuneration**

The role of the remuneration committee is to review the performance of the executive directors of the group and to set the scale and structure of their remuneration, including bonus arrangements. The remuneration committee will also administer the group's employee share option schemes and recommend the allocation of share options to directors, senior management and other employees. In exercising this role, the terms of reference of the remuneration committee require compliance with the Combined Code. Approval of this report will not be sought at the Annual General Meeting.

## **Remuneration policy for executive directors**

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

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

The remuneration committee has responsibility for making recommendations to the board on the company's general policy on remuneration and also specific packages for individual directors. It carries out the policy on behalf of the board. The committee is comprised of Dan Veru and Tim Horlick, both of whom are independent Non-Executive directors. The committee has met once since flotation.

## **Service agreements**

On 18 April 2000, Julian Burney, Shirley Yeoh and Edward Forbes entered into new service agreements with the company. Julian Burney's contract is for an initial period of twelve months after which it is terminable at not less than six months by either party. Shirley Yeoh's contract is for a six month initial period after which it is terminable at not less than six months' notice by either party.

Edward Forbes is seconded to the company from Wilmore Investments Corporation Inc., as Chairman on the terms of a consultancy agreement. The agreement is for an initial twelve month period and is terminable at three months' notice.

## **Directors' remuneration**

Details of each director's remuneration package can be found in note 4 to the financial statements. Details of each director's interests in shares and share options are set out in the Directors' Report. There are no other elements of remuneration, other than basic salary, which are treated as being pensionable. There are four main elements of the directors' remuneration package:

- basic salary
- share option incentives
- group-wide bonus scheme (related to annual growth in earnings per share)
- benefits



### *Basic salary*

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

### *Share options incentives - Executive Directors*

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

	<i>Founder option</i>	<i>Revenue approved</i>	<i>Total</i>	<i>Exercise period</i>
Julian Burney	-	120,000	120,000	3-10 years from grant
Shirley Yeoh	1,005,000	120,000	1,125,000	3-10 years from grant

Founder options were granted on 18 April 2000 and the approved options were granted on 3 May 2000. All options, which were granted at the listing price of 25p, can be exercised after three years from the date of grant and are due to expire ten years from the date of the grant. No options have been exercised or have lapsed in the year.

### *Bonus scheme*

The terms of the group-wide bonus scheme have been agreed and are included in the annual budget approved by the board. The scheme will reward the directors once the company's earnings per share each year reach a hurdle of at least 15% over the previous year.

### *Benefits*

Benefits for executive directors include health and life insurance, the use of a motor vehicle and pension.

## **Non-executive directors**

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

### *Share options incentives - Non-Executive Directors*

Tim Horlick	450,000	granted 18 April 2000
Dan Veru	450,000	granted 1 May 2000
Wilmore Investments Corporation Inc	900,000	granted 18 April 2000

All options, which were granted at the listing price of 25p, can be exercised after three years from the date of the grant and are due to expire ten years from the date of grant. No options have been exercised or have lapsed in the year.

## **Option plan for staff**

The directors believe it is in the interests of the company to incentivise employees through participation in the company's growth. The company has therefore established three discretionary executive share option schemes: the Stockcube Founder Employee Share Plan, the Stockcube PLC (Revenue Approved) Executive Share Option Scheme and the Stockcube PLC (No. 2) Executive Share Option Scheme (the 'Unapproved Scheme'). Agreements granting options have also been entered into with the Non-Executive directors and consultants.

## Directors' Report

The directors present their report and accounts for the period from incorporation on 9 September 1999 to 31 December 2000.

### Incorporation

The company was incorporated on 9 September 1999 with the name EFM Holdings Limited, changed its name to Stockcube Limited with effect from 27 October 1999 and then to Stockcube PLC on 17 April 2000.

On 4 May 2000, Stockcube PLC was admitted to the Alternative Investment Market through a placing and offer to subscribe for 13,960,000 ordinary shares of 1p each at a price of 25p per share. This represents 14.53% of the issued share capital of the company.

### Group structure and reorganisation

On 20 December 1999, the company acquired by way of a share for share exchange all of the share capital of Stockcube Research Limited.

On 7 February 2000, a group reorganisation was carried out so that shares in Sapphyr Technology Limited (representing 20% of issued share capital) were transferred from Stockcube Research Limited to Stockcube PLC at a cost of £221,208. On the same day the shares in Ecube Limited (50%) were transferred from Stockcube Research Limited to Stockcube PLC at a cost of £500.

### Results and dividends

The profit for the year, after taxation, amounted to £17,000 (31 December 1999: loss £26,000). This was stated after writing off website development costs as incurred of £198,010 and amortisation of goodwill arising on the Fullermarkets business of £46,106. The directors do not recommend the payment of a dividend.

### Principal activity and review of the business

The company is the holding company of a group whose principal activity during the period continued to be provision of research and analysis of price trends in stocks. On 20 October 1999, the company acquired the trade, business and undertaking of DSF and VGF Limited (formerly Fullermarkets Limited) providing research and analysis in price trends in stocks, commodities, currencies and interest rates. On 20 December 1999, the company acquired Stockcube Research Limited in a share for share exchange.

On 1 December 2000, the company acquired Investors Intelligence Chartcraft Inc ('Chartcraft'), a company incorporated in the United States, for a nominal consideration.

### Directors and their interests

The directors at 31 December 2000 and their interests in the share capital of the company were as follows:

	<i>31 December 2000</i>	<i>31 December 2000</i>	<i>31 December 1999</i>	<i>31 December 1999</i>
	<i>Ordinary shares</i>	<i>Ordinary share</i>	<i>Ordinary shares</i>	<i>Ordinary shares</i>
	<i>Beneficial</i>	<i>Non-beneficial</i>	<i>Beneficial</i>	<i>Non-beneficial</i>
Edward Forbes	-	500,100	-	-
Julian Burney	7,500,000	27,965,550	7,500,000	26,715,600
Shirley Yeoh	50,000	-	-	-
Dan Veru	150,000	-	-	-
Tim Horlick	75,000	-	-	-

## Share option schemes and other share options

On 17 April 2000 the shareholders of the company passed resolutions adopting the following share option schemes:

(i) The Stockcube Founder Employee Share Plan ('The Plan')

Under this plan, options to subscribe for 7,215,000 ordinary shares were granted to existing group employees at the placing price. This scheme is now closed.

(ii) The Stockcube PLC (Revenue Approved) Executive Share Option Scheme ('The Approved Scheme')

Application was granted by the Inland Revenue for this scheme under Schedule 9 of the Income and Corporation Taxes Act 1988 ('Taxes Act'). Options granted under this scheme (which following Revenue approval, are 'approved options') will be at the discretion of the Remuneration Committee.

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

Application will not be made to the Inland Revenue for the approval of this scheme. Options granted under this scheme (which will, therefore, be 'unapproved') will be at the discretion of the Remuneration Committee.

On the same date the company entered into or agreed to enter into agreements for the grant (conditional upon admission) of options to subscribe for up to a total amount of 2,400,000 ordinary shares to Tim Horlick, Dan Veru, Wilmore Investments Corporation Inc., (in which Edward Forbes is non-beneficially interested) and Ian Laurence (a director of Ecube Limited).

Details of share options issued and directors are disclosed on the Report on Directors' Remuneration on page 7.

## Corporate governance

The board intends that, so far as is practicable and, to the extent appropriate having regard to the size of Stockcube, it will comply with the Combined Code prepared by the Committee on Corporate Governance chaired by Sir Ronald Hampel and which is appended to the Listing Rules of the Financial Services Authority. The board requires its directors and senior employees to comply with the AIM Model Code (which forms part of the AIM Rules).

Stockcube has established audit and remuneration committees. These committees comprise Tim Horlick and Dan Veru. The audit committee is responsible for ensuring that the financial performance of the group is properly monitored and reported on. It will receive and review reports from management and the company's auditors relating to annual and interim accounts and the internal control systems in use throughout the group. The roles and responsibilities of the remuneration committee are outlined on page 6.

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

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

*Going Concern* - the directors are satisfied that the group has adequate resources to continue in existence for the foreseeable future and, for this reason, they continue to adopt the going concern basis of preparing the accounts.

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

The key elements of financial control are as follows:

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

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

*Financial Reporting* - a comprehensive system of budgets and forecasts with monthly reporting of actual results against targets.

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

## **Creditor payment policy**

It is the group's policy that payments to suppliers are made in accordance with the terms and conditions agreed between the company and its suppliers. At 31 December 2000 the group had an average of 41 days' purchases outstanding in trade creditors.

## **Auditors**

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

Ernst & Young has stated that, during 2001, it is intending to transfer its business to a limited liability partnership, incorporated under the Limited Liability Partnerships Act 2000, to be called Ernst & Young LLP. If this happens, it is the current intention of the directors to use their statutory powers to treat the appointment of Ernst & Young as extending to Ernst & Young LLP.

By order of the board



**Jennifer McGregor**

*Secretary*

15 March 2001

## *Statement of **Directors' Responsibilities in Respect of the Accounts***

Company law requires the directors to prepare accounts for each financial year which 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 those accounts, the directors are required to:

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

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

# Report of the Auditors

**to the shareholders of Stockcube PLC**

We have audited the accounts on pages 13 to 29, which have been prepared under the historical cost convention and the accounting policies set out on pages 18 to 19.

## **Respective responsibilities of directors and auditors**

As described on page 11 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

## **Basis of opinion**

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

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

## **Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group as at 31 December 2000 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Ernst & Young**

*Registered Auditors*

London

16 March 2001

# Group Profit and Loss Account

for the year ended 31 December 2000

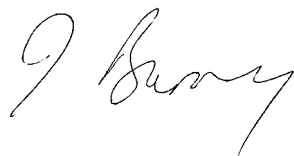
	Notes	Year to 31 December 2000 £000	Proforma Year to 31 December 1999 £000
<b>Turnover</b>			
Continuing operations:			
Ongoing		1,561	977
Acquisitions		29	-
		1,590	977
Discontinued operations		-	25
	2	1,590	1,002
Administrative expenses:			
Ongoing (excluding website development costs)		(1,541)	(728)
Website development costs		(198)	(148)
		(1,739)	(876)
Acquisitions		(32)	-
Discontinued		-	(147)
<b>Administrative expenses</b>		(1,771)	(1,023)
<b>Operating (loss)/profit</b>			
Ongoing		(178)	82
Acquisitions		(3)	19
Discontinued operations		-	(122)
<b>Group operating loss</b>	3	(181)	(21)
Interest receivable and similar income		207	40
Interest payable and similar charges	6	(16)	(5)
<b>Profit on ordinary activities before taxation</b>		10	14
Tax on profit on ordinary activities	7	7	(40)
<b>Profit/(loss) retained for the financial year</b>	19	17	(26)
<b>Earnings/(loss) per share</b>	8	0.02p	(0.04p)
<b>Diluted earnings/(loss) per share</b>	8	0.02p	(0.04p)

There were no recognised gains or losses other than the profit/(loss) for the year.

# Group Balance Sheet

at 31 December 2000

	Notes	2000 £000	1999 £000
<b>Fixed assets</b>			
Intangible assets	9	1,184	907
Tangible assets	10	383	322
Investments	11	235	221
		<b>1,802</b>	<b>1,450</b>
<b>Current assets</b>			
Debtors	13	560	340
Cash at bank and in hand		4,257	1,285
		<b>4,817</b>	<b>1,625</b>
<b>Creditors: amounts falling due within one year</b>	14	<b>(693)</b>	<b>(759)</b>
		<b>4,124</b>	<b>866</b>
<b>Net current assets</b>			
		<b>5,926</b>	<b>2,316</b>
<b>Total assets less current liabilities</b>			
		<b>5,926</b>	<b>2,316</b>
<b>Creditors: amounts falling due after more than one year</b>	15	<b>–</b>	<b>(151)</b>
		<b>5,926</b>	<b>2,165</b>
<b>Capital and reserves</b>			
Called up share capital	18	961	514
Share premium account	19	4,114	817
Merger reserve	19	568	568
Profit and loss account	19	283	266
Equity shareholders' funds		<b>5,926</b>	<b>2,165</b>



**Julian Burney**  
Director

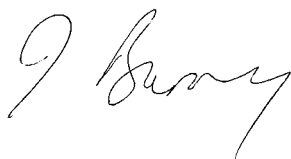
15 March 2001



# Company Balance Sheet

at 31 December 2000

	Notes	2000 £000
<b>Fixed assets</b>		
Investments	11	1,559
<b>Current assets</b>		
Debtors	13	383
Cash at bank and in hand		3,129
		3,512
<b>Creditors: amounts falling due within one year</b>	14	(53)
<b>Net current assets</b>		3,459
<b>Total assets less current liabilities</b>		5,018
<b>Capital and reserves</b>		
Called up share capital	18	961
Share premium account	19	4,114
Profit and loss account	19	(57)
<b>Equity shareholders' funds</b>		5,018



**Julian Burney**  
*Director*

15 March 2001

# Group Statement of Cashflows

at 31 December 2000

	Note	Year to 31 December 2000 £000	Proforma Year to 31 December 1999 £000
<b>Net cash (outflow)/inflow from operating activities</b>	21(a)	<b>(595)</b>	286
<b>Returns on investments and servicing of finance</b>			
Interest received		207	40
Interest paid		(16)	(5)
		<b>191</b>	35
<b>Taxation</b>			
		<b>(16)</b>	(69)
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		<b>(118)</b>	(207)
Receipts from sales of tangible fixed assets		–	8
		<b>(118)</b>	(199)
<b>Acquisitions and disposals</b>			
Payments to acquire Fullermarkets business		–	(298)
Net cash acquired with subsidiary undertaking		20	–
Payments to acquire investment		<b>(14)</b>	(221)
		<b>6</b>	(519)
<b>Net cash outflow before financing</b>		<b>(532)</b>	(466)
<b>Management of liquid resources</b>			
Increase in short-term deposits		<b>(1,950)</b>	(1,150)
		<b>(2,482)</b>	(1,616)
<b>Financing</b>			
Issue of shares (net of expenses)		<b>3,745</b>	960
Net movement in short-term borrowings		<b>(25)</b>	151
Net movement in long-term borrowings		<b>(216)</b>	(39)
		<b>3,504</b>	1,072
<b>Increase/(decrease) in cash</b>		<b>1,022</b>	(544)

# Group Statement of Cashflows

at 31 December 2000

## Reconciliation of net cash flow to movement in net funds

		Year to 31 December 2000 £000	Proforma Year to 31 December 1999 £000
	Note		
(Decrease)/increase in cash		1,022	(544)
Increase in short-term deposits		1,950	1,150
Repayment of debt and lease financing		241	40
Cash inflow from increase in loans		–	(151)
<hr/>			
<b>Movement in net funds</b>		<b>3,213</b>	<b>495</b>
Loans/finance leases acquired/disposed of with subsidiaries		(90)	–
<b>Net funds at 1 January</b>		<b>1,134</b>	<b>639</b>
<hr/>			
<b>Net funds at 31 December</b>	21(b)	<b>4,257</b>	<b>1,134</b>

## 1. Accounting policies

### ***Basis of preparation***

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

### ***Basis of consolidation***

The group accounts consolidate the accounts of Stockcube PLC and all of its subsidiary undertakings for the period from incorporation on 9 September 1999 to 31 December 2000. No profit and loss account is presented for Stockcube PLC as permitted by Section 230 of the Companies Act 1985.

On 20 December 1999, the company acquired by way of a share for share exchange the whole of the issued share capital of Stockcube Research Limited. Accordingly, as permitted by Financial Reporting Standard No. 6, the combination has been merger accounted for as if the group as currently constituted had been in place for the whole of the period covered by these accounts. The group profit and loss account is prepared for the period since incorporation on this basis.

The group profit and loss account has also been presented on a proforma basis for the year ended 31 December 1999 to compare more meaningfully the performance of the underlying group against the year ended 31 December 2000. The proforma results for 1999 incorporate the results and cash flows of Fullermarkets Limited for the four month period from its acquisition on 1 September 1999. The statutory profit and loss account for the 16 month period since incorporation is included in note 24 on page 29.

Entities other than subsidiary undertakings in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence are treated as associates.

### ***Goodwill***

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

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

### ***Depreciation***

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

Leasehold	-	over the period of lease
Computer equipment	-	50% per annum
Fixtures, fittings and equipment	-	15 to 20% per annum
Motor vehicles	-	25% per annum

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

### ***Website development***

Website development expenditure is written off as incurred. During the year the company incurred £198,010 (31 December 1999: £147,000) in respect of database and website development expenditure which was written off directly to the profit and loss account.

## 1. Accounting policies (continued)

### **Deferred taxation**

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Deferred taxation assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

### **Foreign currencies**

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

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

All differences are taken to the profit and loss account.

### **Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated in the same manner as other tangible fixed assets. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding. Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

### **Pensions**

The company contributes to various 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.

## 2. Turnover

Turnover, which is stated net of value added tax, represents the sales value of work done in the period, including commission earned but not invoiced.

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

An analysis of turnover by geographical market is given below:

	Year to 31 December 2000 £000	Proforma Year to 31 December 1999 £000
United Kingdom	846	778
United States of America	90	33
Rest of Europe	287	151
Rest of the World	367	40
	<hr/> 1,590 <hr/>	<hr/> 1,002 <hr/>

## Notes to the Accounts

continued

### 3. Operating loss

This is stated after charging:

	Year to 31 December 2000 £000	Proforma Year to 31 December 1999 £000
Depreciation of owned fixed assets	56	32
Amortisation of goodwill	46	15
Auditors' remuneration - audit services	18	12
- non-audit services	17	-
Operating lease rentals - land and buildings	23	25
Foreign currency exchange	4	2
Website development expenditure	198	148
	<u>          </u>	<u>          </u>

### 4. Directors' emoluments

	Year to 31 December 2000 £000	Proforma Year to 31 December 1999 £000
Emoluments	128	69
Company contributions paid to pension schemes	4	1
	<u>          </u>	<u>          </u>
	132	70
	<u>          </u>	<u>          </u>

Directors	Salary/fees	Benefits in kind	Pension	Year to 31 December 2000 Total	Proforma Year to 31 December 1999 Total
<i>Chairman</i>					
Edward Forbes	-	-	-	-	-
<i>Executives</i>					
Julian Burney	66	2	1	69	68
Shirley Yeoh	58	2	3	63	2
<i>Non-Executives</i>					
Dan Veru	-	-	-	-	-
Tim Horlick	-	-	-	-	-

	Year to 31 December 2000 No.	Proforma Year to 31 December 1999 No.
Members of pension schemes	2	2
	<u>          </u>	<u>          </u>

Further information on directors' emoluments is given on pages 6 and 7.

## 5. Staff costs

	<b>Year to 31 December 2000 £000</b>	Proforma Year to 31 December 1999 £000
Wages and salaries	729	390
Social security costs	77	40
Other pension costs (note 22)	15	8
	<u>821</u>	<u>438</u>

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

	<b>Year to 31 December 2000 No.</b>	Proforma Year to 31 December 1999 No.
Management and administration	<u>20</u>	<u>9</u>

## 6. Interest payable and similar charges

	<b>Year to 31 December 2000 £000</b>	Proforma Year to 31 December 1999 £000
Bank loans and overdrafts	<u>16</u>	<u>5</u>

## 7. Tax on profit on ordinary activities

The taxation charge is made up as follows:

	<b>Year to 31 December 2000 £000</b>	Proforma Year to 31 December 1999 £000
UK corporation tax	12	12
Corporation tax (over)/underprovided in previous years	(19)	28
	<u>(7)</u>	<u>40</u>

# Notes to the Accounts

continued

## 8. Earnings/(loss) per share

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

	<b>Year to 31 December 2000 £000</b>	Proforma Year to 31 December 1999 £000
Profit/(loss) for the year	17	(26)
Weighted average number of ordinary shares outstanding (000)	90,723	65,187
(Loss)/profit per ordinary share (pence): Basic and diluted	0.02p	(0.04p)

The diluted earnings per share is based on 90,722,944 (1999: 65,187,492) ordinary shares which takes into account theoretical ordinary shares that would have been issued based on average market value if all outstanding options were exercised.

The 1999 earnings per share has been updated to reflect the 2: 1 bonus issue in 2000.

## 9. Intangible fixed assets

Group	Goodwill £000
Cost:	
At 9 September 1999 and 1 January 2000	922
Increase during the year	323
At 31 December 2000	<u>1,245</u>
Amortisation:	
At 1 January 2000	15
Provided during the year	46
At 31 December 2000	<u>61</u>
Net book value:	
At 31 December 2000	<u>1,184</u>
At 1 January 2000	<u>907</u>



## 10. Tangible fixed assets

Group	Land and buildings Long leasehold £000	Computer equipment £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
Cost:					
At 1 January 2000	299	143	71	-	513
Additions	10	77	25	6	118
Disposals	-	(2)	-	-	(2)
At 31 December 2000	<b>309</b>	<b>218</b>	<b>96</b>	<b>6</b>	<b>629</b>
Depreciation:					
At 1 January 2000	5	129	57	-	191
Provided during the year	3	38	15	-	56
Disposals	-	(1)	-	-	(1)
At 31 December 2000	<b>8</b>	<b>166</b>	<b>72</b>	<b>-</b>	<b>246</b>
Net book value:					
At 31 December 2000	301	52	24	6	383
At 1 January 2000	<b>294</b>	<b>14</b>	<b>14</b>	<b>-</b>	<b>322</b>

## 11. Investments

Group	Investment £000
Cost:	
At 9 September 1999	-
Additions	221
At 1 January 2000	221
Additions	14
At 31 December 2000	<b>235</b>

An investment was made in Sapphyr Technology Limited on 8 October 1999 for a consideration of £200,000, being 20% of Sapphyr's issued share capital. Total costs of £35,491 associated with the investment were also capitalised. Sapphyr is involved in the development of websites. In September 2000, Sapphyr Technology Limited made a rights issue which was not taken up by the company which subsequently reduced its holding from 20% to 19.99%. In last year's accounts of Stockcube Research Limited, Sapphyr was disclosed as an associated company, although the results were not equity accounted as they were not material. In the current year the directors have noted that they have no significant influence over the company and as a result that it is inappropriate to equity account Sapphyr's results. As a result, this is accounted for as a trade investment.

# Notes to the Accounts

continued

## 11. Investments (continued)

Company	Subsidiary undertakings £000	Investment £000	Total £000
At 9 September 1999	-	-	-
Additions	1,324	235	1,559
At 31 December 2000	<u>1,324</u>	<u>235</u>	<u>1,559</u>

At 31 December 2000 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
<b>Subsidiary undertaking</b>				
Stockcube Research Limited	England	Ordinary shares	100%	Research, analysis and forecasting trends in stocks and commodities
Ecube Limited	England	Ordinary shares	50%	Website and technology research and development
Ecube is accounted for as a subsidiary as the company exercises dominant influence over it.				
Chartcraft Inc	USA	Ordinary shares	100%	Analysis of price trends of equities and other financial instruments

## 12. Acquisitions

On 1 December 2000, the group acquired the entire share capital of Chartcraft Inc., a company incorporated in the United States for £nil consideration. The investment in Chartcraft Inc. has been included in the company's balance sheet at its fair value at the date of the acquisition, which was the same as the book value. The net liabilities at the date of acquisition were as follows:

	Book and fair value to the group £000
Fixed assets	1
Debtors	5
Cash	20
Creditors	(259)
Loan from parent undertaking	(65)
Other loans	(25)
	<u>(323)</u>
Goodwill arising on acquisition	323
	<u>-</u>

Chartcraft Inc. contributed a deficit of £4,000 to the group's operating cash flow and incurred losses of £3,000 in respect of the period from date of acquisition to 31 December 2000. No audited accounts are available for Chartcraft Inc. as under US accounting regulations, there is no requirement for the company to prepare audited accounts.

### 13. Debtors

	<b>Group 2000 £000</b>	Group 1999 £000	Company 2000 £000
Trade debtors	303	179	-
Amounts owed by group undertakings	-	84	178
Other debtors	192	67	199
Prepayments and accrued income	65	10	6
	<u>560</u>	<u>340</u>	<u>383</u>

### 14. Creditors: amounts falling due within one year

	<b>Group 2000 £000</b>	Group 1999 £000	Company 2000 £000
Trade creditors	93	199	28
Corporation tax	8	31	-
Other taxes and social security costs	52	40	-
Other creditors	19	187	-
Accruals and deferred income	521	302	25
	<u>693</u>	<u>759</u>	<u>53</u>

### 15. Creditors: amounts falling due after more than one year

Group	<b>2000 £000</b>	1999 £000
Bank loans	-	151
Amounts falling due:		
In more than one year but not more than two years	-	28
In more than two years but not more than five years	-	42
	-	70
In more than five years	-	81
	-	151

### 16. Other financial commitments

At 31 December 2000 the group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	<b>2000 £000</b>	1999 £000
Operating leases which expire:		
In over five years	34	19

## 17. Derivatives and other financial instruments

The company's principal financial instruments are investments and cash. The company has other financial instruments such as trade debtors and trade creditors that arise directly from its operations. As permitted by FRS 13 short-term debtors and creditors have been excluded from the disclosure of financial liabilities and financial assets. The group's policy is not to enter into any derivative transactions such as interest rate swaps of financial foreign currency contracts. In view of the low level of foreign currency transactions, the board does not consider that there are significant risks in this respect. Substantially all of the financial assets and liabilities are denominated in '£' sterling.

### *Financial liabilities*

Financial liabilities requiring disclosure under FRS 13 comprise bank loans at the end of 1999 but these have now all been repaid.

There were no outstanding bank loans and mortgages at the end of the year (1999: £151,060). Bank loans and mortgages are all denominated in sterling. The loans in 1999 were repayable in a period of up to twenty years at a floating rate of base plus 2%. The maturity profile of these liabilities is set out in note 15. The commercial mortgage loan facility of £150,000 was repaid in June 2000.

### *Financial assets*

The company has no financial assets that require disclosure under FRS 13 other than £4,257,406 (1999: £1,284,573) of short-term deposits and cash at floating interest rates and an interest free investment of £235,491 (1999: £221,208). All except £15,125 is denominated in sterling (1999: £2,662). The cash is available to make selected complementary acquisitions and strategic alliances as opportunities arise.

The fair value of the liabilities and assets are not considered to be materially different from the book value.

## 18. Share capital

	No.	Issued £	No.	Authorised £
On incorporation 9 September 1999	1	1	1,000	1,000
At 13 December 1999				
Increase in authorised capital	-	-	619,000	619,000
At 20 December 1999				
Issue of shares	473,000	473,000	-	-
At 23 December 1999	40,987	40,987	-	-
	513,987	513,987	620,000	620,000
At 6 April 2000	33,655	33,655	-	-
	547,642	547,642	620,000	620,000
At 4 May 2000				
Subdivision from £1 to 1p shares	54,216,558	-	61,380,000	-
Increase in authorised capital	-	-	83,000,000	830,000
Bonus issue	27,382,100	273,821	-	-
	82,146,300	821,463	145,000,000	1,450,000
Initial public offering	13,960,000	139,600	-	-
	96,106,300	961,063	145,000,000	1,450,000

## 18. Share capital (continued)

The entire issued share capital of Stockcube Research Limited was acquired in consideration for the issue to their shareholders of 473,000 shares of £1 each, fully paid. On 23 December 1999, 40,987 shares of £1 were issued for consideration of £858,213 paid in cash. On 6 April 2000, 33,655 shares of £1 were issued for consideration of 1,009,650 paid in cash.

At the initial public offering 13,960,000 ordinary 1p shares were placed at 25p each.

Under the Stockcube Founder Employee Share Plan, options of 7,215,000 options were granted during the year and 645,000 options lapsed. At 31 December 2000, 6,570,000 options under this scheme were outstanding, exercisable between 20 April 2003 and 19 April 2010 at a price of 25p.

Under the Stockcube PLC (Revenue Approved) Executive Share Option Scheme 2,280,000 options were granted during the year and 480,000 options lapsed. At 31 December 2000, 1,800,000 options under this scheme were outstanding, exercisable between 4 May 2003 and 3 May 2010 at a price of 25p.

Under Stockcube PLC (No. 2) Executive Share Option Scheme, 2,400,000 options were granted during the year, all of which were outstanding at 31 December 2000, exercisable between 4 May 2003 and 3 May 2010 at a price of 25p.

In addition, 1,600,000 share warrants were issued on 20 April 2000. Each warrant confers the right to subscribe for and be issued ordinary shares at a price of 25p during the period 4 May 2001 to 3 May 2002.

## 19. Reconciliation of shareholders' funds and movement on reserves

Group

	Share capital £000	Share premium account £000	Merger reserve £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 1999	410	-	154	292	856
Shares issued	104	817	414	-	1,335
Loss for the year	-	-	-	(26)	(26)
At 1 January 2000	514	817	568	266	2,165
Shares issued	173	4,326	-	-	4,499
Bonus issue	274	(274)	-	-	-
Expenses of issue	-	(755)	-	-	(755)
Profit for the year	-	-	-	17	17
At 31 December 2000	<b>961</b>	<b>4,114</b>	<b>568</b>	<b>283</b>	<b>5,926</b>

## Notes to the Accounts

continued

### 19. Reconciliation of shareholders' funds and movement on reserves (continued)

Company	Share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
On incorporation	-	-	-	-
Acquisition of Stockcube Research Limited	473	-	-	473
Shares issued	214	5,143	-	5,357
Bonus issue	274	(274)	-	-
Expenses of issue	-	(755)	-	(755)
Loss for the year	-	-	(57)	(57)
At 31 December 2000	<u>961</u>	<u>4,114</u>	<u>(57)</u>	<u>5,018</u>

On 20 December 1999 the company acquired all of the share capital of Stockcube Research Limited by way of a share for share exchange. This was merger accounted with no adjustment resulting in respect of fair values and an adjustment to consolidated reserves of £568,000 representing the excess of the share capital and share premium in Stockcube Research Limited over the investment in the balance sheet of Stockcube PLC.

### 20. Profit and loss account

Loss after taxation amounting to £57,371 has been dealt with in the accounts of the company.

### 21. Notes to the statement of cash flows

(a) Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities

	2000 £000	1999 £000
Operating (loss)	(181)	(21)
Depreciation	56	32
Amortisation of goodwill	46	15
Loss on disposal	1	1
(Increase) in debtors	(215)	(118)
(Decrease)/increase in creditors (Include Chartcraft creditors of £259,000)	(302)	377
Net cash (outflow)/inflow from operating activities	<u>(595)</u>	<u>286</u>

At 31 December 2000, the operating loss is stated after writing off the website development expenses of £198,010.

## 21. Notes to the statement of cash flows (continued)

### (b) Analysis of changes in net funds

	At 1 January 2000 £000	Cash flow £000	At 31 December 2000 £000
Cash at bank and in hand	135	1,022	1,157
Short-term deposits *	1,150	1,950	3,100
Debt due after one year	(151)	151	-
	<u>1,134</u>	<u>3,123</u>	<u>4,257</u>

\* short-term deposits are included within cash at bank and in hand in the balance sheet

### (c) Major non-cash transactions

See note 12 for an analysis of the acquisition of Chartercraft Inc. (1999: Fullermarkets business).

## 22. Pension commitments

The company makes contributions to various pension schemes on behalf of the directors and staff. These are based on 5% of gross salary. Contributions are charged to the profit and loss account as they are paid. The charge for the year was £14,642 (31 December 1999: £8,200).

## 23. Related parties

Amounts of £220,125 (1999: £77,877) were paid in the year to Sapphyr Technology Limited. At the balance sheet date £19,622 (1999: £62,590) was due to Sapphyr.

£3,000 was receivable from Luanshya Services Limited, a company in which Julian Burney's father is a director, for the rental of office space. At the balance sheet date, £2,000 was owing from Luanshya Services Limited which has subsequently been received. In 1999, consultancy fees of £25,000 were paid to Luanshya, all of which were paid in the year.

## 24. Statutory group profit and loss account for the period

	Period 9 September 1999 to 31 December 2000 £000
Turnover	2,013
Administrative expenses	(2,343)
Group operating loss	(330)
Interest receivable and similar income	218
Interest payable and similar charges	(19)
<b>Loss on ordinary activities before taxation</b>	(131)
Taxation	(6)
<b>Loss retained for the period</b>	<u>(137)</u>

# Notice of Annual General Meeting

**This notice is an important document and requires your immediate attention.** If you are in doubt about the action that you should take, you should consult an appropriate independent adviser. If you have sold or transferred all of your registered holding of Ordinary Shares in Stockcube plc prior to the date of this notice, you should immediately send this document and the accompanying form of proxy to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the Conrad International Hotel, Chelsea Harbour, London SW10 0XG on Friday 20 April 2001 at 3 pm for the following purposes:

## As Ordinary Business

1. To receive and adopt the report of the directors and the audited accounts for the year ended 31 December 2000.
2. To re-elect Timothy Horlick as a director of the Company, who retires from the Board by rotation in accordance with article 31.1 of the Articles of Association of the Company and who, being eligible, offers himself for re-election.
3. To appoint Ernst & Young as auditors until the conclusion of the next following Annual General Meeting and to authorise the directors to fix their remuneration.

## As Special Business

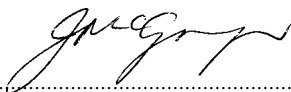
To consider and, if thought fit, adopt the following Resolutions as Ordinary Resolutions:

4. That the directors be and are hereby generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 (as amended) (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80 of the Act) in the capital of the Company up to an aggregate nominal value of £192,213, such authority, unless previously revoked or varied by the Company in general meeting, to expire five years from the date of the passing of this Resolution, provided that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

To consider and, if thought fit, approve the following Resolutions as Special Resolutions:

5. That the directors be and are hereby empowered pursuant to Section 89 of the Act to make allotments of equity securities (as defined by Section 94 of the Companies Act 1985) pursuant to the authority conferred on them by Resolution 4 above as if sub-section (1) of Section 89 of the Act) for cash did not apply to such allotment, provided that this power shall be limited to:
  - (a) the allotment of equity securities in connection with an issue in favour of shareholders where equity securities respectively attributable to the interests of the shareholders are proportionate (as nearly as may be) to the respective number of ordinary shares held by them, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with legal or practical problems in respect of overseas shareholders, fractional entitlements or otherwise; and
  - (b) the allotment otherwise than pursuant to sub-paragraph a) above of equity securities up to an aggregate nominal value of £192,213 provided that this power shall, unless previously revoked or varied by special resolution of the Company in general meeting, expire fifteen months from the date of this Resolution or, if earlier, on the date of the next Annual General Meeting of the Company save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

By order of the Board



.....  
Company Secretary

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

Dated the 15th day of March 2001

### Notes:

1. A member who is entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company. A proxy is not entitled to vote except on a poll.
2. To be valid, a duly executed Form of Proxy for use at the meeting together, if appropriate, with the power of attorney or other authority (if any) under which it is signed or a notorially certified copy of such power or authority of such other evidence as the directors may require must be deposited at the offices of the Company's registrars, Northern House, Woodsome Park, Fenay Bridge, Huddersfield HD8 0LA, United Kingdom, not less than 48 hours before the time fixed for the meeting.
3. In the case of a corporation the Form of Proxy should be executed under its common seal or signed by a duly authorised officer or attorney of the corporation.
4. Completion and return of the Form of Proxy will not preclude a member from attending the meeting and voting in person if he wishes to do so.
5. Copies of each director's contract of service with the Company or its subsidiaries, are available for inspection at the registered office of the Company during normal business hours (Saturdays excepted) except on the day of the meeting, when they will be available at the meeting venue from 2.45pm until the conclusion of the meeting.
6. A register of interests and dealings of each of director in shares of the Company is available at the registered office of the Company during normal business hours (Saturdays excepted) except on the day of the meeting when it will be available at the meeting venue from 2.45pm until the conclusion of the meeting.



# Form of Proxy

I, .....

of .....

being a member of Stockcube plc, hereby appoint the Chairman of the Meeting,

or failing him ..... of .....

..... as my proxy, to vote for

me on my behalf at the ANNUAL GENERAL MEETING of the Company to be held on the 20th day of April 2001, and at any adjournment thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution No. 1                      for                       against

Resolution No. 2                      for                       against

Resolution No. 3                      for                       against

Resolution No. 4                      for                       against

Resolution No. 5                      for                       against

Unless otherwise instructed, the Proxy will vote at he/she thinks fit.

Signature of Member: ..... Date: .....

## Notes:

1. A member who is entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company. A proxy is not entitled to vote except on a poll.
2. To be valid, a duly executed Form of Proxy for use at the meeting together, if appropriate, with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority of such other evidence as the directors may require must be deposited at the offices of the Company's registrars, Northern House, Woodsome Park, Fenay Bridge, Huddersfield HD8 0LA, United Kingdom, not less than 48 hours before the time fixed for the meeting.
3. In the case of a corporation the Form of Proxy should be executed under its common seal or signed by a duly authorised officer or attorney of the corporation.
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SECOND FOLD

BUSINESS REPLY SERVICE  
Licence No. HF106



**Northern Registrars  
Northern House  
Woodsome Park  
Fenay Bridge  
Huddersfield  
HD8 0JQ**

FIRST FOLD

THIRD FOLD





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