





The Stockcube group produces research and analysis of the relative strengths and weaknesses of price trends of stocks, stock indices, currencies, commodities and bonds to assist professional and non-professional investors with the timing of investment transactions.

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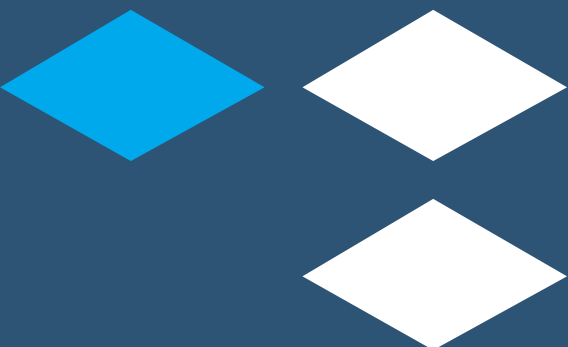
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Highlights

	2004 £000	2003 £000
Turnover	2,430	2,458
Profit before tax and amortisation of goodwill	230	141
Profit before tax	201	141
Profit after tax	156	120
Earnings — pence per share	0.16p	0.13p

- ◆ Turnover down 1.1% on last year's record.
- ◆ Profit before tax and amortisation of goodwill up 64% to £230,000.
- ◆ Profit before tax up 43% to £201,000.
- ◆ Good client retention by all elements of business.
- ◆ Strong balance sheet with net assets of 4.3p per share, of which 3.7p is cash.
- ◆ Dividend (proposed) of 0.05 pence per share.

Julian Burney, Chief Executive Officer, said:

"This is another pleasing result as we begin to generate returns on our continuing investment in product innovation, staff and technology.

"We are relieved that a cloud has been lifted from our institutional advisory services by the FSA's recognition that the cost of research is a permitted cost that may be charged direct to investment funds alongside transaction costs. The uncertainty felt by a number of our institutional customers and potential customers over the last eighteen months has undoubtedly had a restraining effect on our institutional business.

"The recent expansion of our wider market subscription services from the US to the world's other major stock markets has given us truly global coverage, but at local levels. These services under our Investors Intelligence brand are highly scalable and the recent extension of our microsite-based offerings to providers of on-line retail investment services will help us with the public exposure we need."

For further information:

Stockcube	Julian Burney	020 7352 4001
Corporate Synergy	Luke Ahern	020 7626 2244

Chairman's Statement

Introduction

We continued to make very good progress during 2004 in establishing Stockcube as a leading provider of financial research and analysis on a truly global scale.

Financial review

Turnover for the year ended 31 December 2004 was £2,430,000 — a slight decrease of 1.1% from last year's record (2003: £2,458,000). We are pleased to report that profit before tax was £201,000, an increase of 43% over 2003 (£141,000) and profit after tax increased by 30% to £156,000 (2003: £120,000). Basic earnings were 0.16p per 1p ordinary share compared to 0.13p in 2003.

Our balance sheet continues to be strong with net assets of 4.3p per share, of which 3.7p is cash, at 31 December 2004.

Operations

Turnover from [Stockcube Research](#), our stock market and sector analysis consultancy for institutional investors, recorded a 3% drop during the year after surging on a like-for-like basis by 20% in 2003. We have continued our policy to increase the spread and depth of our expertise by recruiting and training junior analysts and successfully building and nurturing research teams with regional and sector specialisms. We expect these moves to bear fruit in the future.

Despite the continuing weakness of the US\$ our US subsidiary, [Chartcraft](#), contributed £83,000 to consolidated group profits, up 33% on 2003.

During the year we launched our [Investors Intelligence](#) wider market subscription services for UK, European, Japanese and South East Asian equities, moving us further in our aim of covering local markets on a worldwide basis. Customers can now subscribe for stock research on a modular basis with common navigability across all modules. In pursuit of our strategy to seek distribution partners for our analysis work, we have built and power online research 'microsites' that host elements of our analysis for a number of leading stockbrokers providing shop windows for our complete subscription services.

We changed the [Fullermoney](#) format during the year from a monthly hard copy to a full on-line service, thereby increasing considerably its immediacy and relevance to customers. While we anticipated fallout from the switch away from hard copy, we are pleased to note that subscriptions have held up at last year's levels. We look forward to an enhanced contribution from Fullermoney to group profits following increases in subscription rates and removal of printing and distribution costs.

Our London-based [Chart Seminars](#) continue to sell out and our bespoke consultancy for in-house training is developing satisfactorily.

Staff

I should like to thank our staff for their continued contribution during the year.

Dividend

We are pleased to propose to shareholders that we pay a dividend of 0.05 pence per share in respect of the results for 2004.

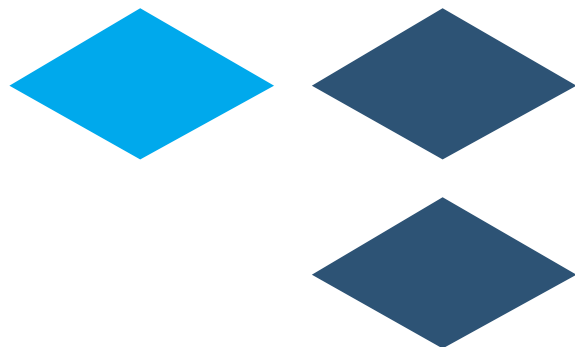
Outlook

The current year has started well and we are confident of developing further our institutional and subscriber customer base. We will continue to expand our business interests organically, in conjunction with distribution partners, as well as considering selected investments.



Edward Forbes

Chairman
London
27 April 2005



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 also administers the group's employee share option schemes and recommends the allocation of share options to directors, senior management and other employees. Approval of this report will not be sought at the Annual General Meeting.

Remuneration policy for executive directors

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

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

The remuneration committee has responsibility for making

Share option incentives — executive directors

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

	Number of ordinary shares under options	Date of grant	Expiry date of option	Exercise price
Founder Employee Share Plan				
Julian Burney	—			
Shirley Yeoh	1,005,000	19 April 2000	18 April 2010	8.5p
Andrew Ashman	3,030,000	19 April 2000	18 April 2010	8.5p

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

Service agreements

Julian Burney, Shirley Yeoh and Andrew Ashman each have a continuous employment contract which is terminable at not less than six months' notice by either party. Edward Forbes is seconded to the company from Wilmore Investments Corporation Inc. as Chairman on the terms of a consultancy agreement, which is terminable at three months' notice.

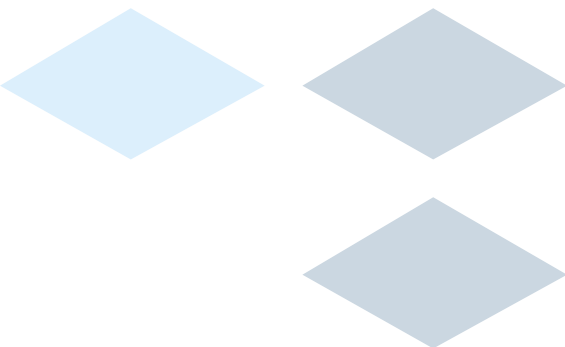
Directors' remuneration

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

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

Basic salary

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



Share option incentives — executive directors (continued)

	Number of ordinary shares under options	Date of grant	Expiry date of option	Exercise price
Revenue Approved Executive Share Option Scheme				
Julian Burney	120,000	4 May 2000	3 May 2010	25.0p
Shirley Yeoh	120,000	4 May 2000	3 May 2010	25.0p
Andrew Ashman	120,000	4 May 2000	3 May 2010	25.0p
No. 2 Executive Share Option Scheme				
Julian Burney	1,000,000	1 May 2004	30 April 2014	8.5p
Shirley Yeoh	100,000	1 May 2004	30 April 2014	8.5p
Andrew Ashman	100,000	1 May 2004	30 April 2014	8.5p

All options are due to expire ten years from the date of the grant. On 18 October 2001, founder employee share options were rebased to an exercise price of 8.5p. In all other respects, the Scheme remains the same. No options have been exercised or have lapsed in the year.

Benefits

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

Discretionary Bonus

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

Non-executive directors

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

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

	Number of ordinary shares under options	Date of grant	Expiry date of option	Exercise price
Timothy Horlick	450,000	18 April 2000	17 April 2010	8.5p
	400,000	29 April 2002	28 April 2012	8.5p
	850,000			
Dennison Veru	450,000	1 May 2000	30 April 2010	8.5p
	400,000	29 April 2002	28 April 2012	8.5p
	850,000			
Wilmore Investments Corporation Inc.	900,000	18 April 2000	17 April 2010	8.5p
	400,000	29 April 2002	28 April 2012	8.5p
	1,300,000			

The Company rebased options granted at the listing price of 25p to an exercise price of 8.5p in October 2001. In all other respects, the Scheme remains the same. No options have been exercised or have lapsed in the year.

Option plan for staff

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

Directors' Report

The directors present their report and financial statements for the year ended 31 December 2004.

Results and dividends

The profit for the year, after taxation, amounted to £156,000 (2003: £120,000). This was stated after writing off share of losses in the associated company of £8,000 and goodwill amortisation of £29,000.

The directors recommend the payment of a 0.05p dividend per ordinary share (2003: 0.05p).

Principal activity and review of the business

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

Directors and their interests

The directors at 31 December 2004 and their interests in the share capital of the company were as follows:

	31 December 2004 Ordinary shares Beneficial	31 December 2004 Ordinary shares Non-beneficial	31 December 2003 Ordinary shares Beneficial	31 December 2003 Ordinary shares Non-beneficial
Edward Forbes	—	500,100	—	500,100
Julian Burney	7,500,000	27,965,500	7,500,000	27,965,500
Shirley Yeoh	50,000	—	50,000	—
Andrew Ashman	—	1,500,000	—	1,500,000
Dennison Veru	150,000	—	150,000	—
Timothy Horlick	75,000	—	75,000	—

Share option schemes and other share options

The company has adopted the following share option schemes:

- (i) *The Stockcube Founder Employee Share Plan ('The Plan')*
Under this plan, options to subscribe for 7,110,000 ordinary shares were granted to existing group employees at the placing price of 25p. This scheme is now closed. Following renunciations by leavers, there remain outstanding 5,775,000 options. The Company rebased the exercise price to 8.5p in October 2001.
- (ii) *The Stockcube PLC (Revenue Approved) Executive Share Option Scheme ('The Approved Scheme')*
Application was granted by the Inland Revenue for this scheme under Schedule 9 of the Income and Corporation Taxes Act 1988 ('Taxes Act'). Options granted under this scheme (which, following Revenue

approval, are 'approved options') are at the discretion of the Remuneration Committee. During the year 95,000 new options were granted at 8.5p in line with the group's staff remuneration policy. There are outstanding 2,664,952 options.

- (iii) *The Stockcube PLC (No. 2) Executive Share Option Scheme ('The Unapproved Scheme')*
Application will not be made to the Inland Revenue for the approval of this scheme. Options granted under this scheme (which will, therefore, be 'unapproved') are at the discretion of the Remuneration Committee. During the year, 1,200,000 new options were granted at 8.5p. There are outstanding 5,447,058 options.

Details of share options issued to directors are disclosed in the Report on Directors' Remuneration on page 4.

Corporate governance

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

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

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

The Board — comprises three executive and three 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 financial statements.

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

Creditor payment policy

It is the group's policy that payments to suppliers are made in accordance with the terms and conditions agreed between the company and its suppliers. At 31 December 2004 the group had an average of 30 days' purchases outstanding in trade creditors.

Auditors

A resolution to reappoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

By order of the board



Shirley Yeoh

Secretary
London
27 April 2005



Statement of Directors' Responsibilities in respect of the financial statements

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

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

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



Independent auditors' report to the members of Stockcube plc

We have audited the group's financial statements for the year ended 31 December 2004 which comprise the Group Profit and Loss Account, Group Statement of Recognised Gains and Losses, Group Balance Sheet, Balance Sheet, Group Statement of Cash Flows and the related notes 1 to 20. These financial statements have been prepared on the basis of the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We have read the Directors' Report, Chairman's Statement and Report on Directors' Remuneration and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 December 2004 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 LLP

Registered Auditor
London
27 April 2005

Group Profit and Loss Account

for the year ended 31 December 2004

	Notes	2004 £000	2003 £000
Turnover	2	2,430	2,458
Administrative expenses		(2,360)	(2,452)
Group operating profit	3	70	6
Share of operating loss in associate		(8)	—
Amortisation of goodwill arising on acquisition of associate		(29)	—
Total operating profit: group and share of associate		33	6
Interest receivable and similar income		168	135
Profit on ordinary activities before taxation		201	141
Tax on profit on ordinary activities	6	(45)	(21)
Profit for the financial year		156	120
Dividends	7	(48)	(48)
Retained profit for the year	17	108	72
Basic earnings per share	8	0.16p	0.13p

Group Statement of Total Recognised Gains and Losses

	Notes	2004 £000	2003 £000
Profit for the financial year excluding share of losses of associate		164	120
Share of associate loss for the year		(8)	—
		156	120
Exchange differences on retranslation of net assets of subsidiary undertaking	17	55	34
Total recognised gains and losses during the year		211	154

Group Balance Sheet

at 31 December 2004

	Notes	2004 £000	2003 £000
Fixed assets			
Intangible asset	9	19	—
Tangible assets	10	345	345
Investment in associate	11	400	—
		764	345
Current assets			
Debtors	12	550	300
Short-term deposits		3,450	3,880
Cash at bank and in hand		111	265
		4,111	4,445
Creditors: amounts falling due within one year	13	(665)	(743)
Net current assets		3,446	3,702
Total assets less current liabilities		4,210	4,047
Capital and reserves			
Called up share capital	16	961	961
Share premium account	17	3,774	3,774
Merger reserve	17	568	568
Profit and loss account	17	(1,093)	(1,256)
Equity shareholders' funds		4,210	4,047

Approved by order of the board on 27 April 2005 .



Julian Burney
Director



Balance Sheet

at 31 December 2004

	Notes	2004 £000	2003 £000
Fixed assets			
Investments	11	1,911	1,474
Current assets			
Debtors	12	561	615
Short-term deposits		3,450	3,880
Cash at bank and in hand		16	16
		4,207	4,511
Creditors: amounts falling due within one year	13	(1,149)	(1,238)
Net current assets		2,878	3,273
Total assets less current liabilities		4,789	4,747
Capital and reserves			
Called up share capital	16	961	961
Share premium account	17	3,774	3,774
Profit and loss account	17	54	12
Equity shareholders' funds		4,789	4,747

Approved by order of the board on 27 April 2005 .



Julian Burney
Director



Group Statement of Cash Flows

for the year ended 31 December 2004

	Notes	2004 £000	2003 £000
Net cash (outflow)/inflow from operating activities	18(a)	(193)	273
Returns of investments and servicing of finance			
Interest received		168	135
Corporation tax paid		(18)	(2)
Capital expenditure			
Payments to acquire tangible fixed assets		(36)	(29)
Payments to acquire intangible fixed assets		(20)	—
Total capital expenditure		(56)	(29)
Acquisitions and disposals			
Payments to acquire investments in associate		(437)	—
Equity dividends paid		(48)	—
Net cash (outflow)/inflow before financing		(584)	377
Management of liquid resources			
Decrease/(increase) in short-term deposits		430	(1,020)
(Decrease) in cash		(154)	(643)
Reconciliation of net cash flow to movement in net funds			
	Notes	2004 £000	2003 £000
(Decrease) in cash		(154)	(643)
(Decrease)/ increase in short-term deposits		(430)	1,020
Movement in net funds		(584)	377
Net funds at 1 January		4,145	3,768
Net funds at 31 December	18(b)	3,561	4,145

Notes to the Financial Statements

At 31 December 2004

I. Accounting policies

Basis of preparation

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

Basis of consolidation

The group financial statements consolidate the financial statements of Stockcube plc and all of its subsidiary undertakings for the year to 31 December 2004.

Entities other than subsidiary undertakings, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for under the equity method.

No profit and loss account is presented for Stockcube plc as permitted by Section 230 of the Companies Act 1985. Profit after taxation of £90,000 (2003: £60,000) has been dealt with in the financial statements of the company.

Goodwill

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

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

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

Licence fees and trademarks

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

Depreciation

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

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

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

Website development

Website development expenditure is written off as incurred.

Revenue recognition

Revenue from fixed retainers and subscriptions is recognised over the period of the contract with amounts received in advance included in deferred income. Commissions and other revenue is recognised when the customer confirms that an amount is due or when cash is received.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Company

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

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

All differences are taken to the profit and loss account.

Group

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

Leasing and hire purchase commitments

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 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 schemes.

2. Turnover

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

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:

	Origin		Destination	
	2004 £000	2003 £000	2004 £000	2003 £000
United Kingdom	2,154	2,123	1,796	1,707
United States of America	276	335	460	521
Rest of Europe	—	—	94	121
Rest of the World	—	—	80	109
	2,430	2,458	2,430	2,458

An analysis of assets by geographical segment is as follows:

	Notes	2004 £000	2003 £000
United Kingdom		3,784	4,094
United States of America		26	(47)
		3,810	4,047
Share of net assets of associate		400	—
		4,210	4,047

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

3. Operating profit

This is stated after charging:

	2004 £000	2003 £000
Depreciation of owned fixed assets	36	30
Auditors' remuneration — audit services	33	33
— non-audit services	7	5
Operating lease rentals — land and buildings	62	70
— equipment	3	6
Foreign currency exchange	47	35
Website development expenditure	27	30



Notes to the Financial Statements

At 31 December 2004

4. Directors' emoluments

	2004 £000	2003 £000
Fees	10	10
Emoluments	316	300
Company contributions paid to defined contribution pension schemes	15	13
	341	323

Directors	Salary/fees £'000	Benefits in kind £'000	Pension £'000	2004 Total £'000	2003 Total £'000
<i>Chairman</i>					
Edward Forbes	10	—	—	10	10
<i>Executives</i>					
Julian Burney	117	6	7	130	121
Shirley Yeoh	94	3	4	101	96
Andrew Ashman	94	2	4	100	96
<i>Non-executives</i>					
Dan Veru	—	—	—	—	—
Tim Horlick	—	—	—	—	—

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

	2004 £000	2003 £000
Members of pension schemes	3	3

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

5. Staff costs

	2004 £000	2003 £000
Wages and salaries	1,387	1,386
Social security costs	164	150
Other pension costs (note 19)	32	35
	1,583	1,571

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

	2004 £000	2003 £000
Management and administration	30	30



6. Tax on profit on ordinary activities

a) The taxation charge is made up as follows:

	2004	2003
	£000	£000
UK corporation tax	45	23
Corporation tax (over)/under provided in previous years	—	(2)
	45	21

b) Factors affecting current tax charge

	2004	2003
	£000	£000
Profit/(loss) on ordinary activities before tax	201	141
	2004	2003
	£000	£000
Profit/(loss) on ordinary activities multiplied by standard rate of Corporation Tax in UK of 30% (2002: 30%)	60	36
Expenses not deductible for tax purposes	17	8
Capital allowance in excess of depreciation	(3)	(6)
Other timing differences	(3)	4
Adjustment to tax charge in respect of prior periods	—	(4)
Utilisation of brought forward tax losses	(26)	(17)
Total current tax (note 6a)	45	21

The effective tax rate for the current year is lower than standard, principally due to profits from the US subsidiary, Chartcraft Inc, of £83,000, which are relieved against its trading losses brought forward. Chartcraft has approximately £230,000 of trading losses carried forward. The ability to use these losses against future profit expires 20 years from the end of the accounting period to which the losses related.

c) Deferred tax asset

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

	Unrecognised	Unrecognised
	2004	2003
	£000	£000
Trading losses	158	184
Decelerated capital allowances	1	3
Capital losses	4	4
	163	191

7. Dividends and other appropriations

	2004	2003
	£000	£000
Equity dividends on ordinary shares — proposed final dividend	48	48

Notes to the Financial Statements

At 31 December 2004

8. Earnings per share

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

	2004 £000	2003 £000
Profit for the year	156	120
Weighted average number of ordinary shares outstanding	96,106	96,106
Profit per ordinary share (pence):		
Basic	0.16p	0.13p

There were no dilutive potential ordinary shares in 2004 (2003: nil).

9. Intangible fixed assets

	Directory Rights £000
Cost:	
At 1 January 2004	
Acquisitions	20
At 31 December 2004	20
Amortisation:	
At 1 January 2004	—
Provided during the year	1
At 31 December 2004	1
Net book value:	
At 31 December 2004	19
At 1 January 2004	—

Between January and March 2004, Ecube Limited purchased the rights to the business of Training Pages, a web-based directory of training courses. The total cost of the investment was £20,000.

10. Tangible fixed assets

Group	Land and buildings Long leasehold £000	Computer equipment £000	Fixtures, fittings and equipment £000	Total £000
Cost:				
At 1 January 2004	309	266	124	699
Additions	—	24	12	36
At 31 December 2004	309	290	136	735
Depreciation:				
At 1 January 2004	17	244	93	354
Provided during the year	3	27	6	36
At 31 December 2004	20	271	99	390
Net book value:				
At 31 December 2004	289	19	37	345
At 31 December 2003	292	22	31	345

11. Investments

Group	Associated undertaking £000	Other investments £000	Total £000
Cost:			
At 1 January 2004	—	235	235
Additions	437	—	437
At 31 December 2004	437	235	672
Accumulated provision and amortisation:			
At 1 January 2004	—	235	235
Provision and Amortisation	29	—	29
Share of losses of associated undertaking	8	—	8
At 31 December 2004	37	235	272
Net book value:			
At 31 December 2004	400	—	400
At 31 December 2003	—	—	—

Company	Subsidiary undertaking £000	Investment £000	Associate £000	Total £000
At 1 January 2004	1,474	235	—	1,709
Additions	—	—	437	437
At 31 December 2004	1,474	235	437	2,146
Amounts provided:				
At 1 January 2004 and at 31 December 2004	—	235	—	235
Net book value:				
At 31 December 2004	1,474	—	437	1,911
At 1 January 2004	1,474	—	—	1,474

The other investment in the company and group relates to an investment in the ordinary share capital of Sapphyr Technology Limited. Sapphyr Technology Limited is not a listed company.

In January 2004, the Company took a 32.4% investment in Sportcal Global Communications Limited, a business to business website for sports events. Stockcube made a further purchase of 2% in May 2004, and has entered into option arrangements that could lead to the acquisition of 50% of Sportcal by 2007. The total cost of the investment was £437,000.

	Share of net tangible assets £000	Goodwill £000	Total £000
At 1 January 2004	—	—	—
Additions in year	(22)	459	437
Share of losses of associated undertakings	(8)	—	(8)
Amortisation of goodwill	—	(29)	(29)
	(30)	430	400



Notes to the Financial Statements

At 31 December 2004

11. Investments (continued)

The fair values to the group of the net assets acquired in the associate is shown below:

	Fair value to the group £000
Tangible fixed assets	10
Stock	3
Debtors	27
Creditors	(62)
Share of net liabilities acquired	(22)
Goodwill arising on acquisition	459
Discharged by:	
Cash	437

The fair value of assets and liabilities acquired is materially the same as its book value.

At 31 December 2004 the company held more than 20% of the nominal value of the share capital of the following:

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

12. Debtors

	Group 2004 £000	Group 2003 £000	Company 2004 £000	Company 2003 £000
Trade debtors	456	183	—	—
Amounts owed by group undertakings	—	—	550	578
Other debtors	89	69	9	35
Prepayments and accrued income	5	48	2	2
	550	300	561	615



13. Creditors: amounts falling due within one year

	Group 2004 £000	Group 2003 £000	Company 2004 £000	Company 2003 £000
Trade creditors	49	83	7	30
Amounts due to group undertakings	—	—	1,080	1,125
Corporation tax	50	23	—	—
Other taxes and social security costs	66	54	—	—
Other creditors	—	5	—	—
Accruals and deferred income	452	530	14	35
Proposed dividend	48	48	48	48
	665	743	1,149	1,238

14. Other financial commitments

At 31 December 2004 the group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2004 £000	equipment 2004 £000	Land and buildings 2003 £000	equipment 2003 £000
Operating leases which expire:				
In two to five years	16	—	16	6
In over five years	20	—	20	—

15. Derivatives and other financial instruments

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

Financial liabilities

There were no financial liabilities.

Financial assets

The group has no financial assets other than £3,560,000 (2003: £4,145,000) of short-term deposits and cash at floating interest rates, all of which are denominated in sterling, except £68,000 (2003: £73,000) denominated in dollars. 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.

Notes to the Financial Statements

At 31 December 2004

16. Share capital

Ordinary 1p shares	No.	Issued		Authorised	
		£	No.	£	No.
At 1 January 2004 and at 31 December 2004	96,106,300	961,063	145,000,000	1,450,000	

At 31 December 2004, the following share options were outstanding:

Date of grant	Option Plan	Option price	Outstanding 31 December 2003	Granted/ (Lapsed) during year	Outstanding 31 December 2004
18 April 2000	Executive	8.5p	1,350,000		1,350,000
19 April 2000	Founders	8.5p	5,955,000	(180,000)	5,775,000
1 May 2000	Executive	8.5p	450,000		450,000
4 May 2000	Approved	25.0p	1,440,000	(120,000)	1,320,000
18 April 2001	Executive	8.5p	600,000		600,000
29 April 2002	Executive	8.5p	1,200,000		1,200,000
1 May 2002	Approved	8.5p	843,480		843,480
1 May 2002	Executive	8.5p	600,000		600,000
1 January 2003	Approved	8.5p	25,000		25,000
1 October 2003	Approved	8.5p	381,472		381,472
1 October 2003	Executive	8.5p	47,058		47,058
1 May 2004	Executive	8.5p		1,200,000	1,200,000
1 November 2004	Approved	8.5p		95,000	95,000
	Totals		12,892,010	995,000	13,887,010

No options were exercised, but 300,000 options lapsed during the year. All grants are exercisable three years after the date of grant and expire after ten years from the date of grant.

17. Reconciliation of shareholders' funds and movement on reserves

Group	Share capital £000	Share premium account £000	Merger reserve £000	Profit and loss account £000	Total shareholders' funds £000
At 31 December 2002	961	4,114	568	(1,702)	3,941
3 July 2003 — Capital Reorganisation	—	(340)	—	340	—
Retained profit for the year	—	—	—	72	72
Exchange differences on retranslation of net asset of subsidiary undertaking	—	—	—	34	34
At 31 December 2003	961	3,774	568	(1,256)	4,047
Retained profit for the year	—	—	—	108	108
Exchange differences on retranslation of net asset of subsidiary undertaking	—	—	—	55	55
At 31 December 2004	961	3,774	568	(1,093)	4,210

Company	Share capital £000	Share premium account £000	Profit and loss account £000	Total shareholders' funds £000
At 31 December 2002	961	4,114	(340)	4,735
3 July 2003 — Capital Reorganisation	—	(340)	340	—
Retained profit for the year	—	—	12	12
At 31 December 2003	961	3,774	12	4,747
Retained profit for the year	—	—	42	42
At 31 December 2004	961	3,774	54	4,789

Capital Reorganisation

On 3 July 2003, the High Court of Justice, Chancery Division, Companies Court confirmed a reduction on the share premium account of £340,050 in Stockcube plc. The impact was to transfer £340,050 from the share premium, thereby eliminating the deficit on the profit and loss account of the company as at 31 December 2002, which had arisen from the write-off of goodwill in 2002.

18. Notes to the statement of cash flows

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

	2004	2003
	£000	£000
Operating profit	70	6
Depreciation	36	30
Amortisation of goodwill	1	—
(Increase)/decrease in debtors	(250)	94
(Decrease)/increase in creditors	(50)	143
Net cash (outflow)/inflow from operating activities	(193)	273

(b) Analysis of changes in net funds

	At 1 January 2004	Cash flow	At 31 December 2004
	£000	£000	£000
Cash at bank and in hand	265	(154)	111
Short-term deposits	3,880	(430)	3,450
	4,145	(584)	3,561

19. Pension commitments

The group makes contributions to various defined contribution pension schemes on behalf of the directors and staff. These are based on either 3% or 5% of gross salary. Contributions are charged to the profit and loss account as they are paid. At the year end £2,500 (2003: £2,400) was outstanding.

20. Related parties

During the year £30,000 (2003: £36,000) was receivable from Bank of Bermuda, who are trustees to The Burney Family Trust (of which the Chief Executive is a beneficiary), for the provision of professional services. At the year end, nothing (2003: £9,000) was receivable from Bank of Bermuda.



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that THE ANNUAL GENERAL MEETING OF STOCKCUBE plc will be held at the Plaza 535, Unit 1.21, Kings Road, London, SW10 0SZ, on 27 May 2005 at 11.00 a.m.

As ordinary business

1. To receive the accounts and the report of the directors and auditors for the year ended 31 December 2004.
2. To re-elect as a director of the company Mr Timothy Horlick pursuant to article 31.1 of the company's Articles of Association and who, being eligible, offers himself for re-election.
3. To reappoint Ernst & Young as auditors and authorise the directors to agree their remuneration.
4. To grant the board the authority to grant further options during the year as the board sees fit, up to the limit approved prior to flotation.
5. To declare a final dividend of 0.05p per ordinary share in respect of the year ended 31 December 2004 payable on 6 June 2005 to shareholders on the register of members at the close of business on 4 May 2005.

As special business

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

This special resolution will authorise the company to purchase up to 20% of the issued share capital as at 28 February 2005. The board considers it desirable to have this authority to provide additional flexibility in the management of the company's capital resources. The authority will only be exercised if the directors believe that to do so would result in the increase in earnings per share and would be in the best interests of the shareholders generally and to the extent permitted by the reserves.

The authority given by this resolution will expire at the conclusion of the Annual General Meeting for 2005 unless renewed, varied or revoked at any earlier general meeting of shareholders.

By order of the board



Shirley Yeoh

Company Secretary
Dated 27 April 2005

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

Notes:

1. A member who is entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the company. A proxy is not entitled to vote except on a poll.
2. To be valid, a duly executed Form of Proxy for use at the meeting together, if appropriate, with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority or such other evidence as the directors may require must be deposited at the offices of the Company's registrars, Capita Registrars (Proxies), PO Box 25, Beckenham, Kent, BR3 4BR, 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 9.30 a.m. until the conclusion of the meeting.
6. A register of interests and dealings of each director in shares of the company is available at the registered office of the company during normal business hours (Saturday excepted) except on the day of the meeting, when it will be available at the meeting venue from 9.30 a.m. until the conclusion of the meeting.

Officers and Professional Advisers

Directors

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

* non-executive

Secretary

Shirley Yeoh

Nominated brokers and advisers

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London
EC4N 7BN

Auditors

Ernst & Young LLP
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Bankers

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London
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Solicitors

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