



**Timing is everything!**



Investment Research and Analysis

Interim Report 2006

The Stockcube group produces research and technical analysis of the relative strengths and weaknesses of price trends of stocks, stock and other financial instruments to assist institutional and private investors with the timing in investment transactions.



## Investment Research and Analysis

### BOARD OF DIRECTORS

<b>Edward Forbes</b>	Chairman
<b>Julian Burney</b>	Chief Executive Officer
<b>Shirley Yeoh</b>	Finance Director
<b>Andrew Ashman</b>	Director
<b>Timothy Horlick</b>	Director*
<b>Dennison Veru</b>	Director*

\* non executive

### ENQUIRIES

**Julian Burney**  
Chief Executive Officer +44 (0)207-352-4001

**Shirley Yeoh**  
Finance Director +44 (0)207-352-4001

**Our website is:** [www.stockcube.com](http://www.stockcube.com)

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The advances reported last year in all aspects of our business are beginning to show through in the results for the first half of 2006.

**HIGHLIGHTS** for the six months ended 30 June 2006

- Turnover up 13.8% to £1,371,000 (2005: £1,205,000)
- Operating profit up 296% to £194,000 (2005: £49,000)
- Profit before tax of £286,000 (2005: loss £20,000)
- Earnings per share of 2.20p (2005: loss per share of 0.6p)

“Revenues generated in our consultancy and global strategy businesses in particular have shown good growth and we continue to look for value for money from our cost base.

“Regulatory changes that clarify the way we bill our services are now being implemented by the investment management industry which results in a greater opportunity for us as independent research providers.

“Naturally, we are sensitive to the wide fluctuations in investor sentiment that prevail in all the world’s major financial

markets in periods of uncertainty. However, we are confident that the services and information we provide to customers and the perspective we bring to their investment decisions will remain of value and we will see continuation of the growth in our business and financial performance.”



**Julian Burney**

Chief Executive of Stockcube  
30 August 2006

We are pleased to report that our increasing reputation for providing clear and timely research and analysis of the world's major financial markets has begun to generate some tangible reward.

## CHAIRMAN'S STATEMENT

### Financial review

Turnover for the six months ended 30 June, 2006 was up 13.8% to £1,371,000 (2005: £1,205,000) and group operating profit increased very significantly by 296% to £194,000 from £49,000 in 2005.

### **EARNINGS PER SHARE OF 2.2p COMPARE TO LOSSES OF 0.6p**

Profit before tax amounted to £286,000 compared to a published loss of £20,000 in 2005 and, like-for-like, increased by 120% over £130,000 (before exceptional impairment charges) reported for 2005.

Earnings per share of 2.2p compare to losses of 0.6p, re-stated for the effect of the consolidation of our issued and authorised ordinary capital into 1 (new) for 10 (old) ordinary shares

### **ASSETS PER SHARE AMOUNTED TO 46.8p OF WHICH CASH REPRESENTED 44.1p PER SHARE**

in May 2006 and, like for like, increased by 120% over earnings per share of 1.0p (before exceptional impairment charges) reported for 2005.

We had cash balances of £4,242,000 at 30 June 2006 compared with £3,900,000 at the beginning of the year. Assets per share amounted to 46.8p (2005: 43.1p) of which cash represented 44.1p per share (2005: 40.3p).

### Review of operations

We have continued to devote greater attention to individual client requirements in our **institutional investor consultancy** and analysis services where turnover showed an encouraging 18% increase over



2005. We are now poised for greater penetration of the institutional sector with a dedicated sales and marketing effort and with the clarity of regulatory changes in respect of payment for our services.

### **FULLERMONEY REVENUES INCREASED BY 26% DURING THE PERIOD**

The growing demand for **Fullermoney**, our global investment strategy service, reported during 2005 has continued apace with a 24% increase in subscriptions over the same period last year. Revenues increased by 26% during the period, reflecting gradual increases in unit prices.

Turnover in our wider market services under the **Investors Intelligence** brand moved up slightly by 3% over the period absorbing the re-positioning of our services mix from individual subscriptions which fell in number

by 4% to 'bloc' arrangements with institutional customers on a business to business basis.

**Ecube** has continued to provide valuable technology services to both its in-house and third party customers.

**Sportcal** continues to trade profitably and contributed £8,000 to group profits in the first six months.

### **Trading outlook**

We are confident that the encouraging start recorded for the first six months will continue for the remainder of 2006.



### **Edward Forbes**

Chairman  
London  
30 August 2006

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Unaudited Six Months to 30 June 2006 £'000	Unaudited Six Months to 30 June 2005 £'000	Audited Year to 31 Dec 2005 £'000
Turnover	1,371	1,205	2,420
Administrative expenses	(1,177)	(1,156)	(2,186)
Group operating profit	194	49	234
Impairment in investment in associate	–	(150)	(150)
Share of operating profit of associate	8	3	6
Amortisation of goodwill arising on acquisition of associate	(15)	(15)	(32)
	(7)	(162)	(176)
Profit/(loss) on ordinary activities	187	(113)	58
Interest receivable and similar income	99	93	193
Profit/(loss) on ordinary activities before taxation	286	(20)	251
Tax on profit/(loss) on ordinary activities	(78)	(35)	(87)
Profit/(loss) on ordinary activities after taxation	208	(55)	164
Basic/diluted earnings/(loss) per share	2.2p	(0.6)p	1.7p
Basic/diluted earnings per share before impairment	2.2p	1.0p	3.3p

## GROUP STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES

	Unaudited Six Months to 30 June 2006 £'000	Unaudited Six Months to 30 June 2005 £'000	Audited Year to 31 Dec 2005 £'000
Profit/(loss) on ordinary activities after taxation	208	(55)	164
Exchange differences on retranslation of net assets of subsidiary undertaking	20	(17)	(28)
Total recognised gains and losses during the period	228	(72)	136

## CONSOLIDATED BALANCE SHEET

	Unaudited As at 30 June 2006 £'000	Unaudited As at 30 June 2005 £'000	Audited As at 31 Dec 2005 £'000
<b>Fixed assets</b>			
Intangible assets	17	18	17
Tangible assets	324	340	327
Investments	219	239	226
	<b>560</b>	<b>597</b>	<b>570</b>
<b>Current assets</b>			
Debtors	506	441	426
Cash at bank and in hand	4,242	3,872	3,900
	<b>4,748</b>	<b>4,313</b>	<b>4,326</b>
<b>Creditors:</b> amounts falling due within one year	<b>(806)</b>	<b>(772)</b>	<b>(550)</b>
<b>Net current assets</b>	<b>3,942</b>	<b>3,541</b>	<b>3,776</b>
<b>Total assets less current liabilities</b>	<b>4,502</b>	<b>4,138</b>	<b>4,346</b>
<b>Capital and reserves</b>			
Called up share capital	961	961	961
Share premium account	3,774	3,774	3,774
Merger reserve	568	568	568
Profit and loss account	(801)	(1,165)	(957)
Equity shareholders' funds	<b>4,502</b>	<b>4,138</b>	<b>4,346</b>

Approved by Order of the Board on 30 August 2006



**Julian Burney**  
Director

## CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Six Months to 30 June 2006 £'000	Unaudited Six Months to 30 June 2005 £'000	Audited Year to 31 Dec 2005 £'000
Net cash inflow from operating activities	284	276	276
Returns on investments and servicing of finance			
Interest received	99	93	193
Taxation	36	–	(68)
Capital expenditure			
Payments to acquire tangible fixed assets	(5)	(10)	(14)
Equity dividends paid	(72)	(48)	(48)
Net cash inflow before financing	342	311	339

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

	Unaudited Six Months to 30 June 2006 £'000	Unaudited Six Months to 30 June 2005 £'000	Audited Year to 31 Dec 2005 £'000
Increase in cash	342	311	339
Net funds at 1 January	3,900	3,561	3,561
Net funds	4,242	3,872	3,900

### Analysis of net funds

	Unaudited Six Months to 30 June 2006 £'000	Unaudited Six Months to 30 June 2005 £'000	Audited Year to 31 Dec 2005 £'000
Cash at bank and in hand	132	172	112
Short term deposits	4,110	3,700	3,788
Net funds	4,242	3,872	3,900

### 1. Basis of preparation of interim financial information

The interim financial information has been prepared on the basis of the accounting policies set out in the group statutory accounts for the year ended 31 December 2005. The taxation charge is calculated by applying the directors' best estimate of the annual tax rate to the profit for the period. All other accounting policies set out in the accounts for Stockcube Plc for the year ended 31 December 2005 were applied for the purposes of this statement.

### 2. Turnover

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

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

An analysis of turnover by geographical market is given below:

	Unaudited Six Months to 30 June 2006 £'000	Unaudited Six Months to 30 June 2005 £'000	Audited Year to 31 Dec 2005 £'000
<b>Origin</b>			
United Kingdom	1,247	1,069	2,145
United States of America	124	136	275
	<b>1,371</b>	1,205	2,420

### 3. Earnings per share

Following a 1 for 10 consolidation of the Company's existing ordinary shares, the company's issued shares were reduced to 9,610,630 from 96,106,300 ordinary shares. This was effected at an Extraordinary General Meeting held on 24 May 2006.

The calculation of the basic earnings per ordinary share is based on profits after tax of £208,000 (December 2005: profit of £164,000, June 2005: losses of £55,000) and on 9,610,630 (December 2005 and June 2005: 96,106,300 before capital consolidation of 1 for 10 shares) ordinary shares. The comparative earnings per share figures have been re-stated based on the new capital structure.

There are no dilutive potential ordinary shares at 30 June 2006 (31 December 2005 and 30 June 2005: nil).

**4. Reconciliation of operating profit to net cash inflow from operating activities**

	Unaudited Six Months to 30 June 2006 £'000	Unaudited Six Months to 30 June 2005 £'000	Audited Year to 31 Dec 2005 £'000
Operating profit	194	49	234
Depreciation	7	15	32
Exchange differences on inter-company loans	20	(16)	(29)
Goodwill amortisation	1	1	2
(Increase)/decrease in debtors	(80)	109	124
Increase/(decrease) in creditors	142	118	(87)
Net cash inflow from operating activities	<b>284</b>	276	276

**5. Dividends and other appropriations**

	Unaudited Six Months to 30 June 2006 £'000	Unaudited Six Months to 30 June 2005 £'000	Audited Year to 31 Dec 2005 £'000
Equity dividends on ordinary shares – Paid	72	48	48

**6. Publication of non-statutory accounts**

The results for the year ended 31 December 2005 have been audited, whilst the results for the six months ended 30 June 2005 and 30 June 2006 are unaudited.

The financial information contained in this interim report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985.

The financial information for the preceding full year is based on the statutory accounts of Stockcube Plc for the year ended 31 December 2005. Those accounts, upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies.

## 7. Reconciliation of shareholders' funds and movement in reserves

### Group

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 31 December 2004	961	3,774	568	(1,045)	<b>4,258</b>
Retained profit for the year	–	–	–	116	<b>116</b>
Exchange differences on retranslation of net assets of subsidiary undertaking	–	–	–	20	<b>20</b>
Dividends paid				(48)	<b>(48)</b>
At 31 December 2005	961	3,774	568	(957)	<b>4,346</b>
Retained profit for the period				208	<b>208</b>
Exchange differences on retranslation of net assets of subsidiary undertaking	–	–	–	20	<b>20</b>
Dividends paid	–	–	–	(72)	<b>(72)</b>
At 30 June 2006	961	3,774	568	(801)	<b>4,502</b>

The financial information for the six months ended 30 June 2006 has not been reviewed in accordance with the guidance contained in Bulletin 1999/4 "Review of interim financial information" issued by the Auditing Standards Board.



Unit 1.23, Plaza 535,  
Kings Road,  
London SW10 0SZ  
[www.stockcube.com](http://www.stockcube.com)