

SKY HIGH PLC

PRELIMINARY RESULTS FOR THE PERIOD ENDED 31 MARCH 2009

HIGHLIGHTS

Sky High Plc ("Sky High" or the "Group"), a holding company focusing on investments in the traffic survey data collection sector today announces its results for the year ended 31 March 2009.

- Group turnover up 21% to £5.1 million (2008: £4.2 million).
- Group profit before tax of £218k (2008: £209k)
- Sky High Technology Limited contributed turnover of £3.9 million (2008: £3.3 million) and profit before tax of £283k (2008: £299k)
- Halifax Computer Services Limited acquired on 1 September 2008 and fully integrated into Sky High Technology Limited as of 30 November 2008
- Sky High Australia Pty contributed turnover of £1.1 million (2008: £893k) and £19k of profit before tax (2008: £57k).
- Directors have carefully controlled Head Office costs, which were only £89k (2008: £144k).
- Group had net borrowings at 31 March 2009 down to £259k (2008: £327k)
- Final dividend of 0.5p per share to be paid to shareholders in October 2009

Mark Mattison, Sky High's Chief Executive, said:

"The Group has performed very well, with turnover and profit before tax both growing in a difficult operating environment. Our focus on building the business while controlling costs has ensured that all our operating subsidiaries have remained profitable".

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CHAIRMAN'S STATEMENT

I am pleased to present the Chairman's Statement for Sky High Plc for the year to 31 March 2009.

Results

In line with many businesses, the current global economic climate has had an adverse effect on the company's performance during the current year. During the second half of the year the company's traffic data businesses in the UK and Australia have experienced fluctuating demand and increasing price pressure in a very competitive market place.

Despite this I am pleased to report that the results for the year show a profit after tax of £133k (2008: £143k). Turnover was £5.1m in the period which shows growth of 21% compared to £4.2m in the same period the previous year.

Prospects

The Board has faced some difficult decisions in recent months and I believe that the efforts made to keep costs as flexible and efficient as possible in addition to the ongoing investment in the sales and marketing plan will stand the company in good stead.

The Board is very pleased with the company's performance in the current economic climate and is encouraged about its future prospects. The investment in the new offices in Luton and Cardiff has already proved a positive move and the company will continue to look into further investments as it feels appropriate.

On 1 September 2008, the company acquired 100% of the share capital of Halifax Computer Services Limited. I am pleased to report that Halifax Computer Services Limited has contributed £295k turnover and £36k profit before tax in the period since acquisition and the future prospects look very promising. Halifax Computer Services Limited has now been fully integrated into Sky High Technology Limited and its results will therefore be included in the Financial Statements of this business in future.

The costs of maintaining the Plc have been well controlled. The costs in the year were £89k compared to £144k the previous year.

Overall, the company expects the market place to remain challenging during the next 12 months. However, we do believe that by maintaining the focus on the quality of our service and by continuing to invest in our sales and marketing effort we will continue to be successful.

Dividend

The Directors have proposed the payment of a final dividend of 0.5p per share that will be paid to shareholders on 30 October 2009, with an ex-dividend date of 23 September 2009 and a record date of 25 September 2009, subject to shareholder approval at its annual general meeting on 26 October 2009.

The directors are hopeful of maintaining the dividend policy set this year but this will be reviewed against the company's working capital needs and against the plans for future growth.

Annual General Meeting

The Annual General Meeting of Sky High Plc will be held at 32 Bedford Row, London, WC1R 4HE on 26 October 2009 at 2.00pm.

Directors and Employees

Finally, I would like to say thank you to all the directors and employees of Sky High Plc and its

associated companies. In particular, I would like to thank all the employees of Sky High Technology Limited for their support during February and March 2009 when it was necessary to introduce reduced working hours.

Richard Jackson
Chairman
9 September 2009

CONSOLIDATED INCOME STATEMENT
For the year ended 31 March 2009

	<i>Note</i>	Year ended 31 March 2009	<i>Year ended 31 March 2008</i>
		£'000	<i>£'000</i>
Continuing operations			
Revenue	3	5,103	<i>4,227</i>
Cost of sales		<u>(3,235)</u>	<u><i>(2,675)</i></u>
Gross profit		1,868	<i>1,552</i>
Other administrative expenses		<u>(1,603)</u>	<u><i>(1,314)</i></u>
Profit from operating activities	4	265	<i>237</i>
Finance income		3	<i>8</i>
Finance expense		<u>(50)</u>	<u><i>(36)</i></u>
Profit before taxation		218	<i>209</i>
Income tax expense		(85)	<i>(66)</i>
Profit from continuing operations		<u>133</u>	<u><i>143</i></u>
Basic profit per ordinary share	5	<u>1.0p</u>	<u><i>1.1p</i></u>
Diluted profit per ordinary share	5	<u>1.0p</u>	<u><i>1.1p</i></u>

CONSOLIDATED BALANCE SHEET
As at 31 March 2008

	2009	2008
	£'000	£'000
Non current assets		
Property, plant and equipment	816	574
Goodwill	730	631
Other intangible assets	61	-
Total non current assets	<u>1,607</u>	<u>1,205</u>
Current assets		
Trade and other receivables	991	1,411
Cash and cash equivalents	205	145
Total current assets	<u>1,196</u>	<u>1,556</u>
Total assets	<u>2,803</u>	<u>2,761</u>
Current liabilities		
Trade and other payables	(537)	(650)
Current tax payable	(68)	(40)
Hire purchase contracts	(112)	(51)
Bank borrowings	(52)	(221)
Total current liabilities	<u>(770)</u>	<u>(962)</u>
Non current liabilities		
Bank borrowings	(27)	-
Hire purchase contracts	(272)	(200)
Other payables	(45)	-
Deferred tax provision	(62)	(46)
Total non current liabilities	<u>(406)</u>	<u>(246)</u>
Total liabilities	<u>(1,176)</u>	<u>(1,208)</u>
Net assets	<u>1,627</u>	<u>1,553</u>
Equity		
Called up share capital	1,275	1,275
Share premium account	1,657	1,657
Profit and loss account	450	381
Exchange gain reserve	19	14
Reverse acquisition reserve	(1,774)	(1,774)
Equity Attributable to Equity Holders of the Parent	<u>1,627</u>	<u>1,553</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2009

	<i>Called up share capital £'000</i>	<i>Share premium account £'000</i>	<i>Reverse acquisition reserve £'000</i>	<i>Minority interest £'000</i>	<i>Exchange gain reserve £'000</i>	<i>Retained earnings £'000</i>	<i>Total equity £'000</i>
Balance 31 March 2007	1,233	1,578	(1,774)	35	-	238	1,310
Acquisition of remaining share capital of associate	42	79	-	(35)	-	-	86
Gain on translation of subsidiary	-	-	-	-	14	-	14
Net expenses recognised in equity	42	79	-	(35)	14	-	100
Profit for the year	-	-	-	-	-	143	143
Total recognised income and expenses	42	79	-	(35)	14	143	243
Dividends paid	-	-	-	-	-	-	-
Balance 31 March 2008	1,275	1,657	(1,774)	-	14	381	1,553
Gain on translation of subsidiary	-	-	-	-	5	-	5
Net expenses recognised in equity	-	-	-	-	5	-	5
Profit for the year	-	-	-	-	-	133	133
Total recognised income and expenses	-	-	-	-	5	133	138
Dividends paid	-	-	-	-	-	(64)	(64)
Balance 31 March 2009	1,275	1,657	(1,774)	-	19	450	1,627

CONSOLIDATED CASHFLOW STATEMENT
For the year ended 31 March 2009

	Year ended 31 March 2009	Year ended 31 March 2008
	£'000	£'000
Net cash from operating activities	759	115
Interest paid	(46)	(46)
Income taxes paid	(50)	(36)
Net cash from operating activities	663	33
Cashflow from investing activities		
Acquisition of subsidiary undertakings (net of cash)	(155)	(45)
Purchases of property, plant and equipment	(174)	(184)
Proceeds from disposal of property, plant and equipment	25	27
Equity dividends paid	(64)	-
Interest received	3	10
Net cash/(outflow) from investing activities	(365)	(192)
Financing		
Proceeds of new bank loans	100	-
Repayment of bank loans	(43)	(34)
Hire purchase repayments	(96)	(43)
Net cash from financing activities	(39)	(77)
Net increase/(decrease) in cash and cash equivalents	259	(236)
Cash and cash equivalents at 1 April	(54)	182
Cash and cash equivalents at 31 March	205	(54)

As described in the accounting policies, bank overdrafts repayable on demand fluctuate from being positive to overdrawn and are considered an integral part of the Group's cash management for cash flow statement purposes.

There is no material difference between the fair value and the book value of cash and equivalents.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2009

1. General Information

Sky High Plc is a company incorporated in the United Kingdom under the Companies Act 1985. The address of the registered office is 32 Bedford Row, London, WC1R 4HE. The nature of the Group's operations and its principal activities is that of the capture of traffic data.

2. Adoption of new and revised International Financial Reporting Standards

Standards and Interpretations effective in the current period

In the current year, the Group has adopted IFRS 7 *Financial Instruments: Disclosures* which is effective for annual reporting periods beginning on or after 1 January 2007, and the consequential amendments to IAS 1 *Presentation of Financial Statements*. The impact of the adoption of IFRS 7 and the changes to IAS 1 has not impacted the audited financial statements.

Seven Interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current period. These are: IFRIC 7 *Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies*; IFRIC 8 *Scope of IFRS 2*; IFRIC 9 *Reassessment of Embedded Derivatives*; IFRIC 10 *Interim Financial Reporting and Impairment*; IFRIC 11 *IFRS 2 Group and Treasury Share Transactions*; IFRIC 12 *Service Concession Arrangements*; and IFRIC 14 *IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. The adoption of these Interpretations has not led to any changes in the Group's accounting policies.

Standards and Interpretations in issue not yet adopted

At the date of authorisation of these financial statements, other than the Standards and Interpretations adopted by the Group in advance of their effective dates (as described above) the following Interpretations were in issue but not yet effective:

- IAS 23 (Revised) *Borrowing Costs* (effective for accounting periods beginning on or after 1 January 2009); and
- IFRS 8 *Operating Segments* (effective for accounting periods beginning on or after 1 January 2009);

The directors anticipate that all of the above Interpretations will be adopted in the Group's financial statements for the period commencing 1 April 2009 and that the adoption of those Interpretations will have no material impact on the financial statements of the Group in the period of initial application.

3. Segment analysis

The primary reporting format is by geographical area.

The business comprises of one primary segment being that of the provision of traffic survey services.

Primary analysis by geographical area

The Group is organised into three major geographical areas.

England: - based primarily in Tadcaster, North Yorkshire. Includes central head office costs.

Scotland: - included within the results of Sky High Technology Limited.

Australia: - Comprises the results of separate entity, Sky High Australia PTY.

There were no discontinued operations in the year.

31 March 2009

	England £'000	Scotland £'000	Australia £'000	Total for Group £'000
Continuing operations				
Revenue from sales				
Total sales by area	3,160	984	1,127	5,251
Inter-area sales	-	(148)	-	(148)
Total external sales	3,160	816	1,127	5,103
Capital additions	197	41	197	435
Depreciation, amortisation and write downs	88	16	87	191
Balance sheet				
Total assets	2,008	226	569	2,803
Total liabilities	596	169	411	1,176

31 March 2008

	England £'000	Scotland £'000	Australia £'000	Total for Group £'000
Continuing operations				
Revenue from sales				
Total sales by area	2,566	843	894	4,303
Inter-area sales	(27)	(49)	-	(76)
Total external sales	2,539	794	894	4,227
Capital additions	173	-	174	347
Depreciation, amortisation and write downs	48	7	40	96
Balance sheet				
Total assets	2,134	158	469	2,761
Total liabilities	750	115	343	1,208

4. Operating Profit

Operating profit has been stated after charging the following:

	2009	<i>2008</i>
	£'000	<i>£'000</i>
(Profit)/loss on disposal of fixed assets	(6)	<i>1</i>
Depreciation of property, plant and equipment	186	<i>96</i>
Amortisation of intangible fixed assets	8	<i>-</i>
Auditors' remuneration		
	2009	<i>2008</i>
	£'000	<i>£'000</i>
Auditors' remuneration – Audit services to the parent company	18	<i>20</i>
Auditors' remuneration – Audit services to the Group	7	<i>5</i>
Total audit fees	25	<i>25</i>

5. Earnings per share

The calculation is based on the earnings attributable to ordinary shareholders divided by the weighted average number of Ordinary Shares in issue during the period as follows:

	2009	<i>2008</i>
	£'000	<i>£'000</i>
Numerators: earnings attributable to equity	133	<i>143</i>
	No. '000	<i>No. '000</i>
Denominators: weighted average number of equity shares:		
Basic	12,745	<i>12,588</i>
Effect of dilutive potential ordinary shares: Share options	114	<i>-</i>
Diluted	12,859	<i>12,588</i>

6. Acquisitions

On 1 September 2008, the company acquired 100% of the share capital of Halifax Computer Services Limited.

As consideration the company paid £151k in cash and further cash deferred payments are due of £50k in October 2009 and £50k in October 2010, which have been discounted for accounting purposes in these Financial Statements to £47k and £44k respectively. As part of the acquisition the company also incurred a further £6k of professional costs.

Halifax Computer Services Limited generated profits after tax of £80k for the year ended 30 November 2008, of which £11k relates to post acquisition results.

On 30 November 2008 the net assets of Halifax Computer Services Limited were hived up into Sky High Technology Limited and trading ceased in that company. From 1 December 2008 all results from that trade are included within the Financial Statements of Sky High Technology Limited.

Net assets acquired by the Group:	<i>Book value</i> £'000	<i>Adjustment</i> £'000	<i>Included in</i> <i>Group</i> £'000
Intangible assets	-	69	69
Tangible fixed assets	34	-	34
Tangible current assets	110	-	110
Creditors	(64)	-	(64)
	<hr/>	<hr/>	<hr/>
	80	69	149
Goodwill			<hr/>
			99
			<hr/>
			248
			<hr/>

Consideration paid:	<i>Cash</i>	<i>Deferred</i> <i>Cash</i>	<i>Expenses</i>	Total
	£'000	£'000	£'000	£'000
Halifax Computer Services Limited	151	91	6	248
	<hr/>	<hr/>	<hr/>	<hr/>

The expenses relating to the purchase of Halifax Computer Services Limited were all cash payments in respect of professional costs.

7. Equity capital

	<i>Ordinary</i> <i>shares 10p</i> <i>No. '000</i>	<i>Share</i> <i>capital</i> £'000	<i>Share</i> <i>Premium</i> £'000	<i>Total</i> £'000
At 31 March 2008 & 31 March 2009	12,745	1,275	1,657	2,932
	<hr/>	<hr/>	<hr/>	<hr/>
			2009 £'000	2008 £'000
Authorised				
17,336,353 (2008: 17,336,353) Ordinary Shares of 10p each			1,734	1,734
			<hr/>	<hr/>
Allotted, called up and fully paid				
12,744,737 (2008: 12,744,737) Ordinary Shares of 10p each			1,275	1,275
			<hr/>	<hr/>

The company has granted the following warrant instruments:

Grant date	Subscription price per share	Periods within which options are exercisable	Number of shares for which rights are exercisable
5 December 2002	£2.500	June 2005 to June 2009	759,868
2 November 2007	£0.205	Prior to November 2010	107,137
2 November 2007	£0.205	Prior to November 2010	134,146
			<hr/>
			1,001,151
			<hr/>

8. Events since the balance sheet date

No significant events have occurred since the balance sheet date.

9. Annual General Meeting

The Annual General Meeting of Sky High Plc will be held at 32 Bedford Row, London, WC1R 4HE on 26th October 2009 at 2.00pm.

The Annual Report and Accounts for the year ended 31 March 2009 will be sent by post to all shareholders on 21st September 2009. The Annual Report and Accounts may also be viewed on Sky High Plc's website at www.skyhighplc.co.uk.