

SKY HIGH PLC

PRELIMINARY RESULTS FOR THE PERIOD ENDED 31 MARCH 2011

HIGHLIGHTS

Sky High Plc ("Sky High" or the "Group"), the data collection and analysis group, today announces its results for the year ended 31 March 2011. Despite the impact of restrictions on Government spending relating to the Comprehensive Spending Review ('CSR') on the UK market for traffic related data collection the Group was able to recover from a substantial loss position in the first six months of the year to trade profitably in the second half of the year.

The Group achieved the following full year results:

- Group turnover down 16% to £4.8 million (2010: £5.7m million).
- Group loss before tax of £249k (2010: £267k profit).
- UK Traffic turnover of £2,705k was 26% down on 2010 and the segment made a loss before tax of £37k (2010: £330k profit).
- Sky High Australia showed a small year on year growth in profit before tax from £2k to £46k

There have been a number of positive developments since the release of interim results on 7 December 2010 which the directors believe have resulted in the Group being in a good position to move forward.

- Trading in second half of the year is substantially better than the first half producing a profit before tax of £49k compared to a loss of £299k after the first six months.
- As announced on 17 February 2011 the UK Traffic business successfully won a major contract from the Department for Transport ("DfT"). This annual revenue of the contract will be circa £900k and the contract commenced in March 2011 and is for a minimum of 2 years.
- Sky High Australia continues to grow and has outsourced its data analysis to a South Korean. There are opportunities to develop this relationship further including entering the survey market in South Korea and using this company for equipment development.
- Since the year end the Group has entered into an invoice discounting facility with its existing bank as its primary source of funding for the UK business. This should provide greater headroom and the Directors consider that this funding arrangement is better suited to the business at this time.
- The new financial year has started profitably and is significantly ahead of the equivalent period last year.
- The Board is confident that the improved trading trend in the second half of the previous year will continue in 2011 and that the Group is well positioned to take advantage of opportunities as the market improves further

Appointment of Directors

In addition to announcing our year end results we are also delighted to announce a strengthening of the Group management team by the appointment of two new Directors to the Sky High Board.

Martin Prowse the Managing Director of Sky High Australia has been appointed as an executive director. Martin has been with Sky High since 2004 and established Sky High Australia in 2005. Since this time he has grown the business to its current position in the Australian market. The directors believe that Martin will assist with the international development of the group.

Secondly, Alex Johnson has been appointed as Finance Director. Alex joined Sky High in July 2010 as Finance Director (an initial non-board position) and has contributed to the stable

operation of the business over this challenging period. He has past experience as a Finance Director but also has a Corporate Finance background which the directors believe will be important as the Group looks to develop its future strategy.

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

"This has been a challenging year for the Group as we have had to respond to the biggest cuts in public spending for decades and one of the most turbulent economic periods. We have worked hard to respond positively to the market conditions with some success as evidenced by the return to profit for the second six months trading. Despite a challenging last year and the continuing general economic uncertainty I am increasingly confident about the prospects for the Group moving forward.

I welcome Martin and Alex onto the Board and am sure they will make a positive contribution to the management of the Group."

For further information, please contact:

Sky High Plc

Mark Mattison, Chief Executive Officer

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WH Ireland Limited

Katy Mitchell

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CHAIRMAN'S STATEMENT

I am pleased to present the Chairman's Statement for Sky High Plc (the "Company" and together with its subsidiaries, the "Group") for the year to 31 March 2011.

Introduction

Despite the impact of restrictions on Government spending relating to the Comprehensive Spending Review ('CSR') on the UK market for traffic related data collection, more details of which were set out in our interim results released on 7 December 2010, the Group was able to recover from a substantial loss position in the first six months of the year to trade profitably in the second half of the year.

In addition there were a number of other positive developments in the second half of the year including the award of a significant contract, the biggest single contract the Group has ever won, which directors believe has resulted in the Group now being in a good position to move forward. Further detail regarding the director's consideration of the Group's future prospects including a review of 'going concern' are included in the Directors Report on pages 12 to 13 of the accounts and Note 4 of the accounts on pages 32 to 33.

Results

Revenues for the year were £4,757k (2010: £5,720k) from which the Group made a loss before tax of £250k (2010: £267k profit).

Trading for the second half of the year was substantially better than that of the first half. The Group recorded a loss before tax for the first six months of £299k but in the second half of the year the Group traded profitably producing a profit before tax of £49k. A more detailed commentary by segment is covered in the Chief Executive Officer's Report.

Sky High Australia traded profitably for the year and showed a small year on year growth in profit before tax to £46k from £2k in the previous year.

Gross margins for the Group for the period under review were 37.1% compared to 38.9% in the previous year but the margins in the second half of this financial year were 41% compared to 33% in the first six months. This improvement was largely achieved through cost saving measures relating to direct labour costs that were implemented by management.

Cash generated from operations reduced to £190k in 2011 from £366k in 2010 which the directors believe is a direct impact of the losses caused by the market downturn. The losses in the first six months' eroded the Company's working capital position and the Directors made a decision to move to a confidential invoice discounting facility as its primary source of funding for the business. This change of financing from overdraft to an invoice discounting facility increases the amount that can be borrowed which should provide greater headroom than was available to the business previously.

In addition Sky High Australia have their own banking arrangements which include an overdraft facility of AUS\$125,000.

Dividend

Despite the improved performance in the second half of the year it is the Directors opinion that the business needs to retain cash at this time to provide a suitable level of working capital to manage the business. Accordingly, the Directors do not recommend the payment of a final dividend.

The Directors remain hopeful that in the future if the market continues to stabilise that they will be able to return to the historic dividend policy but this will be reviewed against the Company's working capital needs and against the plans for future growth.

Additional Events

As announced on 17 February 2011, Sky High was awarded a significant contract from the Department for Transport ("DfT"). The annual revenue of this contract will be circa £900,000. This was a significant win for Sky High and provides a good basis for stability and some insulation against any general market weakness.

People

Our staff remain key to our business and I would like to take this opportunity to thank them for their continued loyalty, hard work and co-operation in what has been a challenging year. I would particularly like to acknowledge the support of all the directors and the employees in UK Traffic business where it has been necessary to introduce reduced and flexible working hours to allow us to reduce our cost base to maintain our competitiveness.

Events Post the Balance Sheet Date: Appointment of Directors

As will be announced on 28 July 2011, two new directors have been appointed to the board of Sky High, which the directors believe strengthens the existing management of the Group.

Martin Prowse the Managing Director of Sky High Australia has been appointed as an executive director. Martin has been with Sky High since 2004 and established Sky High Australia in 2005. Since this time he has grown the business to its current position in the Australian market. The directors believe that Martin will assist with the international development of the group.

Secondly, Alex Johnson has been appointed as Finance Director. Alex joined Sky High in July 2010 as Finance Director (an initial non-board position) and has contributed to the stable operation of the business over this challenging period. He has past experience as a Finance Director but also has a Corporate Finance background which the directors believe will be important as the Group looks to develop its future strategy.

Strategy and Future Prospects

Sky High's strategy has three main objectives:-

- to further grow market share in the UK traffic market through both organic growth and acquisitions leveraging off our strong market position;
- to expand the Group through acquisition in areas complementary to Sky High's core skills of data collection; and
- achieve low risk international expansion through developing existing contacts.

In previous reports I have said that the Group has been actively pursuing acquisitions that expand the service offerings and have good synergy benefits. Acquisitions remain a key part of our strategy going forward but have, in reality, been on hold during the last 12 months due to the need to focus on the core business and the difficult market for finance.

We now believe that as the Group has stabilised the time is now right to restart the acquisitions strategy and we will be proactively looking at targets over future months.

The Board remains cautious in its outlook and sensitive to the conditions in the general economy. However, the new financial year has started profitably and is significantly ahead of the equivalent period last year. The Board is confident that the improved trading trend in the second half of the previous year will continue in 2011 and that the Group is well positioned to take advantage of opportunities as the market improves further.

Richard Jackson
Chairman
28 July 2011

CHIEF EXECUTIVE OFFICER'S REPORT

I am delighted to provide an update on Sky High's business and trading during the year ended 31 March 2011.

Business Review

UK Traffic

As previously mentioned this was a challenging year for UK traffic and revenues saw a significant downturn from previous years which the Directors believe was due to the impact of public sector spending cuts as a result of the CSR process. As a response to the difficult market conditions the management of Sky High reduced costs through redundancies and through implementing more flexible working arrangements for employees, which had a positive impact on the second half year trading. Furthermore, as a consequence of these changes the results for the year include a number of non-recurring trading items (including office relocation and redundancy costs) which impacted on profit.

Revenue for the year was £2,751k (2010: £3,710k) showing a reduction of 27% year on year. The net loss before tax was £37k (2010: £330k profit).

Whilst the performance for the whole year was a loss, the second half year performance showed a significant turnaround due to cost saving measures implemented. The losses in UK traffic for the first half year were £192k. Sales in the second half of the year were 13% up on the first half year which the Directors believe was a sign that the markets were opening up slightly after the CSR process was completed in October 2010.

Despite the reduced costs Sky High maintained its investment in business development and continued to work on developing customer relationships and working on tender opportunities. This approach led to the successful tender and award for the DfT contract. The contract is a significant development for the UK Traffic business as it is worth approximately £900k per year for a minimum of 2 years and as it is based on a predetermined schedule of work, the revenue can therefore be more accurately forecast by month and is largely guaranteed.

This contract was awarded in February 2011 but operationally did not start until late March 2011 therefore approximately £84k of the £900k per annum is included in the results to March 2011.

The general market in the UK remains challenging post CSR as budgets for public sector spending have been cut. However the Directors are confident that the market is slowly improving. Furthermore, in some cases the directors believe the budget reductions have actually created opportunities for Sky High as contracting out services can be a more cost effective solution for public sector organisations than performing the services in-house.

The combination of the new DfT contract, a reduced operating cost base and a slowly improving market ensures the directors are confident for the prospects of the UK Traffic business over the next twelve months.

Australia Traffic

The market in Australia was not subject to the same type of spending review process in the UK. However there were a number of specific market issues that impacted the business and slowed the growth of the business. One issue related to the general election and subsequent hung parliament which the directors believe impacted sales in August and September as companies delayed spending until they had certainty as to the government and the subsequent impact on budgets. In addition the directors understand that the floods in Queensland in late December 2010 resulted in government budgets being reallocated to rebuild projects which impacted the budgets available for traffic surveys. The directors believed this impacted the revenue in the last quarter for our Queensland office.

Reported revenue in the year increased by 6% to £1,605k (2010: £1,510k) but this was effected by currency fluctuations between the UK pound and the Australian dollar, and in fact the underlying sales in Australia were unchanged from the previous year. However, the profit before

tax increased to £46k (2010: £2k). Again this business delivered a stronger second half performance with profits of £65k compared to a loss of £19k in the first half year. The results incorporate a number of non recurring trading items which impacted profit in the year relating to redundancies and termination payments.

Other significant events in the year saw the strengthening of the management team in Australia through the recruitment of a financial controller who improved the internal controls and management information flow in the business. Direct costs were reduced during the year through making a small number of redundancies and outsourcing the data analysis to a company in South Korea. Both these actions contributed to the increase in the gross margin in the year to 44% (2010: 40%).

The Directors remain confident about the prospects for Australia Traffic and expect this business to continue to grow and contribute more to the Group. In addition, the relationship with South Korea opens up interesting opportunities to potentially begin surveys in this market.

Data Capture

Sky High Data Capture ("SHDC") is generally less focussed on public sector markets than the UK Traffic business as it has a mix of public and private sector customers. However in this financial year the SHDC business was impacted by the public sector cuts, as one of SHDC's major clients from the public sector had its budgets reduced. The SHDC business has struggled to win new work to compensate for this. The revenue in this financial year was £401k compared to £500k in 2010 and this division produced a loss of £52k for the year (2010: £78k profit).

As this business offers the opportunity for diversification from the public sector market the directors are keen to grow the business and have invested in a business development manager which increased the costs in the year and thus contributed to loss. In the current economic climate it has proved to be more difficult to grow this business than we had hoped. . We have reduced the cost base in other areas in response to the reduction in turnover and we continue to be confident that we can grow SHDC in the medium term despite the difficulties in achieving that this year.

Head Office

Head office costs for the year were £207k (2010: £143k). The increase in costs primarily relates to a non recurring cost to resolve a historic commercial dispute.

Outlook

Despite a challenging last year and the continuing general economic uncertainty I am increasingly confident about the prospects for the Group moving forward.

Whilst the directors believe the UK market remains difficult we believe there are also signs of a slow improvement evidenced by a rise in the volumes of enquiries and a gradual improvement in the quality of the enquiries. The directors consider that this trend will continue, especially as there is no reason to believe there will be a repeat of last years CSR process.

Sky High (UK) is now in a good position to move forward with a lower cost base and a more flexible labour resource. We believe our commitment to continue to invest in the business development team through the challenging trading period was instrumental in securing the DfT contract and we believe that through continued investment we will continue to grow market share.

Sky High Australia continues to develop and we believe that this business will deliver good growth over the next few years.

In addition we believe the new funding arrangement is better suited to the business and should allow more flexibility to enable the business to grow.

Mark Mattison
Chief Executive Officer
28 July 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2011

	Year ended 31 March 2011	<i>Year ended 31 March 2010</i>
	£'000	<i>£'000</i>
Continuing operations		
Revenue	4,757	<i>5,720</i>
Cost of sales	<u>(2,992)</u>	<u><i>(3,495)</i></u>
Gross profit	1,765	<i>2,225</i>
Other administrative expenses	(1,977)	<i>(1,914)</i>
(Loss)/profit from operating activities	<u>(212)</u>	<u><i>311</i></u>
Finance income	1	<i>2</i>
Finance expense	(39)	<i>(46)</i>
(Loss)/profit before taxation	<u>(250)</u>	<u><i>267</i></u>
Taxation	52	<i>(95)</i>
(Loss)/profit from continuing operations	<u>(198)</u>	<u><i>172</i></u>
Other comprehensive income		
Gain on translation of foreign operations	32	<i>47</i>
Total comprehensive (loss)/income	<u>(166)</u>	<u><i>219</i></u>
Basic profit per ordinary share	<u>(1.6)p</u>	<u><i>1.3p</i></u>
Diluted profit per ordinary share	<u>(1.6)p</u>	<u><i>1.3p</i></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2011

	2011	2010
	£'000	£'000
Non-current assets		
Property, plant and equipment	693	817
Goodwill	730	730
Other intangible assets	34	48
Total non-current assets	<u>1,457</u>	<u>1,595</u>
Current assets		
Trade and other receivables	1,281	1,491
Cash and cash equivalents	22	101
Total current assets	<u>1,303</u>	<u>1,592</u>
Total assets	<u>2,760</u>	<u>3,187</u>
Current liabilities		
Bank borrowings	(68)	(67)
Hire purchase contracts	(100)	(110)
Trade and other payables	(894)	(923)
Current tax payable	-	(89)
Total current liabilities	<u>(1,062)</u>	<u>(1,189)</u>
Non-current liabilities		
Bank borrowings	-	-
Hire purchase contracts	(145)	(218)
Other payables	-	-
Deferred tax provision	-	(61)
Total non-current liabilities	<u>(145)</u>	<u>(279)</u>
Total liabilities	<u>(1,207)</u>	<u>(1,468)</u>
Net assets	<u>1,553</u>	<u>1,719</u>
Equity		
Called up share capital	1,275	1,275
Share premium account	1,655	1,655
Profit and loss account	299	497
Exchange reserve	98	66
Reverse acquisition reserve	(1,774)	(1,774)
Equity Attributable to Equity Holders of Parent	<u>1,553</u>	<u>1,719</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2011

	<i>Called up share capital £'000</i>	<i>Share premium account £'000</i>	<i>Reverse acquisition reserve £'000</i>	<i>Exchange reserve £'000</i>	<i>Retained earnings £'000</i>	<i>Total equity £'000</i>
For the year ended 31 March 2011						
At start of period	1,275	1,655	(1,774)	66	497	1,719
Total comprehensive income/(loss) for the period	-	-	-	32	(198)	(166)
Dividends paid	-	-	-	-	-	-
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At end of period	1,275	1,655	(1,774)	98	299	1,553
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	<i>Called up share capital £'000</i>	<i>Share premium account £'000</i>	<i>Reverse acquisition reserve £'000</i>	<i>Exchange reserve £'000</i>	<i>Retained earnings £'000</i>	<i>Total equity £'000</i>
<i>For the year ended 31 March 2010</i>						
At start of period	1,275	1,655	(1,774)	19	452	1,627
Total comprehensive income for the period	-	-	-	47	172	219
Dividends paid	-	-	-	-	(127)	(127)
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At end of period	1,275	1,655	(1,774)	66	497	1,719
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CONSOLIDATED CASHFLOW STATEMENT
For the year ended 31 March 2011

	Year ended 31 March 2011 £'000	Year ended 31 March 2010 £'000
Net cash from operating activities	190	366
Taxation		
Income taxes paid	(86)	(68)
Cashflow from investing activities		
Purchases of property, plant and equipment	(82)	(158)
Proceeds from disposal of property, plant and equipment	20	16
Equity dividends paid	-	(127)
Interest paid	(39)	(46)
Interest received	1	2
Net cash outflow from investing activities	(100)	(313)
Financing		
Repayment of bank loans	(27)	(52)
Hire purchase repayments	(116)	(124)
Net cash outflow from financing activities	(143)	(176)
Net decrease in cash and cash equivalents	(139)	(191)
Effect of exchange fluctuations	32	47
Cash and cash equivalents at 1 April	61	205
Cash and cash equivalents at 31 March	(46)	61

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 2011

1. General Information

Sky High plc is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is 12-14 Westgate, Tadcaster, Leeds, LS24 9AB. The nature of the Group's operations and its principal activities is that of data collection and analysis.

2. Adoption of new and revised International Financial Reporting Standards

Standards and Interpretations effective in the current period

The following new standards and amendments to standards have become effective from 1 January 2010 and hence are reflected in these financial statements when applicable:

- IAS 1 *Presentation of Financial Statements*. Current/non-current classification of the liability element of convertible instruments is not affected by settlement of the instrument in equity.
- IAS 7 *Statement of Cash Flows*. Only an expenditure that results in a recognised asset in the statement of financial position can be classified as a cash flow from investing activities.
- IAS 17 *Leases*. Brings classification requirements for leases of land and buildings under general lease classification rules. Potentially impacts long leases of land and buildings which have been classified as operating leases. The group has no long leases and therefore there has been no impact from adopting this improvement.
- IAS 18 *Revenue*. Determining whether an entity is acting as a principal or as an agent. Provides examples of features which indicate the entity is acting as a principal.
- IAS 27 *Consolidated and Separate Financial Statements*. Increases or decreases in a parent's ownership interest that do not result in a loss of control are accounted for as equity transactions of the consolidated entity. Losses are allocated to a non-controlling interest even if they exceed that interest's share of equity in the subsidiary. Any retained non-controlling investment at the date control is lost is remeasured to fair value.
- IAS 28 *Investments in Associates*. Disclosure required when investments in associates are accounted for at fair value through profit or loss. Clarifies requirements for impairment of investments in associates.
- IAS 32 *Financial Instruments: Disclosures*. Clarifies which rights issues will be classified as issues of equity instruments.
- IAS 36 *Impairment of assets*. Unit of accounting for goodwill impairment test is capped at the operating segment level as defined by IFRS 8 before permitted aggregation.
- IAS 38 *Intangible assets*. Additional consequential amendments from IFRS 3 to measure the fair value of an intangible asset acquired in a business combination.
- IFRS 3 *Business Combinations*. Costs incurred in an acquisition (except debt costs) and most changes to contingent consideration are period costs. A business combination leading to acquisition accounting applies only at the point where control is achieved. Option to measure non-controlling interests in the entity acquired either at fair value or at the non-controlling interest's proportionate share of the net identifiable assets of the entity acquired. Leases and insurance costs acquired are not reassessed on acquisition.
- IFRS 5 *Non-current assets held for sale and discontinued operations*. Clarifies requirements for non-current assets (or disposal groups) classified as held for sale or discontinued operations in accordance with IFRS 5. Confirms disclosures on these assets/groups may be required by other standards.

- IFRS 8 *Operating Segments*. Measure of segment assets disclosure should only be disclosed if that amount is regularly provided to the chief operating decision maker.
- IFRIC 16 *Hedges of a Net Investment in Foreign Operation*. Amendment to the restriction on the entity that can hold hedging instruments.
- IFRIC 17 *Distributions of Non-cash Assets to Owners*. Dividends payable should be measured at fair value of the net assets distributed. The difference between the dividend paid and the carrying amount of the net assets distributed is recognised in profit or loss.
- IFRIC 18 *Transfers of Assets from Customers*. Clarifies the requirements for IFRSs when an entity receives items of property, plant or equipment from a customer that the entity must then use to connect the customer to a network or to provide the customer with access to goods or services.

There have been no amendments to prior year's comparatives as a result of the adoption of the above standards.

Standards and Interpretations in issue not yet adopted

At the date of approval of these financial statements the following Standards and Interpretations were in issue and endorsed by the EU but not yet effective:

- Amendment to IFRS 1 Limited Exemption from Comparative IFRS 7 Disclosures for first time adopters.
- IFRS 7 Disclosures – Transfers of Financial Assets
- IFRS 9 (as amended in 2010) Financial Instruments
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- Amendment to IFRIC 12 Service Concession Arrangements
- IAS 24 (revised in 2009) Related Party Disclosures
- Amendments to IAS 32 Classification of Rights Issues
- Amendments to IFRIC 14 Prepayments of a Minimum Funding Requirement
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The adoption of these Standards and Interpretations is not expected to have a material impact on the financial statements of the Group.

3. Significant accounting policies

Going concern

The Directors are satisfied that the Group has adequate resources to continue in operation for the foreseeable future as disclosed in the Directors Report on page 12 to 13 and in note 4 on page 32 to 33. For this reason, they consider it appropriate to adopt the going concern basis in preparing the financial statements.

4. Segment analysis

The primary reporting format is by business operations and then split by geographical area on the same basis that management reports are prepared for the chief operating decision maker. All operations are UK based with the exception of Australia Traffic. Since last year's annual report, management have reviewed the relevant business segments for their own internal reporting purposes and have amended the segmental reporting to reflect these changes.

The relevant segments are presented below. Previously Australia Traffic was described as Australia and what was previously described as UK has now been split into UK Traffic, Data Capture and Head Office.

There were no discontinued operations in the year.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

31 March 2011	<i>UK Traffic £'000</i>	<i>Australia Traffic £'000</i>	<i>Data Capture £'000</i>	<i>Head Office £'000</i>	<i>Total for group £'000</i>
Revenue	2,751	1,605	401	-	4,757
Operating profit/(loss)	(26)	73	(52)	(207)	(212)
Finance income	1	-	-	-	1
Finance expenses	(12)	(27)	-	-	(39)
Profit/(loss) before taxation	(37)	46	(52)	(207)	(250)
Taxation	61	(9)	-	-	52
Profit/(loss) from continuing operations	24	37	(52)	(207)	(198)
Balance sheet					
Total assets	1,155	724	117	764	2,760
Total liabilities	(657)	(409)	(62)	(79)	(1,207)
<i>31 March 2010</i>	<i>UK Traffic £'000</i>	<i>Australia Traffic £'000</i>	<i>Data Capture £'000</i>	<i>Head Office £'000</i>	<i>Total for group £'000</i>
Revenue	3,710	1,510	500	-	5,720
Operating profit/(loss)	346	29	79	(143)	311
Finance income	2	-	-	-	2
Finance expenses	(18)	(27)	(1)	-	(46)
Profit/(loss) before taxation	330	2	78	(143)	267
Taxation	(63)	(24)	(8)	-	(95)
Profit/(loss) from continuing operations	267	(22)	70	(143)	172
Balance sheet					
Total assets	1,244	939	223	781	3,187
Total liabilities	(696)	(599)	(86)	(87)	(1,468)

5. (Loss)/profit from operating activities

(Loss)/profit from operating activities has been stated after charging the following:

	2011	<i>2010</i>
	£'000	<i>£'000</i>
Loss on disposal of fixed assets	1	<i>3</i>
Depreciation of property, plant and equipment	210	<i>213</i>
Amortisation of intangible fixed assets	14	<i>13</i>

Auditors' remuneration

	2011	<i>2010</i>
	£'000	<i>£'000</i>
Auditors' remuneration – Audit services to the parent company	18	<i>17</i>
Auditors' remuneration – Audit services to the Group	12	<i>20</i>
Auditors' remuneration – Non-audit services to the Group	1	<i>-</i>
Total audit fees	31	<i>37</i>

6. 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:

	2011	<i>2010</i>
	£'000	<i>£'000</i>
Numerators: earnings attributable to equity	(198)	<i>172</i>
Denominators: weighted average number of equity shares:	No. '000	<i>No. '000</i>
Basic	12,745	<i>12,745</i>
Effect of dilutive potential ordinary shares: Share options	-	<i>261</i>
Diluted	12,745	<i>13,006</i>

7. Equity capital

	<i>Ordinary shares 10p No. '000</i>	<i>Share capital £'000</i>	<i>Share Premium £'000</i>	<i>Total £'000</i>
At 31 March 2010 & 31 March 2011	12,745	1,275	1,655	2,932
			2011 £'000	2010 £'000
Authorised				
17,336,353 (2010: 17,336,353) Ordinary Shares of 10p each			1,734	1,734
Allotted, called up and fully paid				
12,744,737 (2010: 12,744,737) Ordinary Shares of 10p each			1,275	1,275

The company has granted the following share warrant instruments:

<i>Grant date</i>	<i>Subscription price per share</i>	<i>Periods within which options are exercisable</i>	<i>Number of shares for which rights are exercisable</i>
12 October 2009	£0.125	On 12 October 2010 to 12 October 2012	160,666
12 October 2009	£0.125	On 12 October 2011 to 12 October 2012	160,666
12 October 2009	£0.125	On 12 October 2012	160,668
			482,000

Share warrant instruments granted on 12 October 2009 have a vesting period of 1 year, 2 years and 3 years as shown in the tranches above. The options are exercisable by the option holder at any point following the annual vesting date and prior to October 2012.

8. Events after the balance sheet date

On 28 April 2011 additional funding in the form of Invoice Discounting was agreed with the bank that gave the UK business a potential borrowing limit of £750k.

No other significant events have occurred since the balance sheet date other than those discussed elsewhere.

9. Annual General Meeting

The Annual General Meeting of Sky High Plc will be held at 32 Bedford Row, London, WC1R 4HE on 7 September 2011 at 2.00pm.

The Annual Report and Accounts for the year ended 31 March 2011 will be sent by post to all shareholders on 5 August 2011. The Annual Report and Accounts may also be viewed on Sky High Plc's website at www.skyhighplc.co.uk.