

Myratech.net plc

Preliminary Results for the year ended 30 June 2006

Chairman's Statement

Introduction

Since the Company came out of administration on the 24th September 2004 it has been a cash shell listed on AIM.

Results and Finance

The operating loss for the year was £49,000 (2005: £45,000). Retained loss for the year was £28,000 (2005: profit £210,000). Basic loss per share was 0.0099p (2005: earnings per share 0.13p). The loss reported is in respect of incidental costs of maintaining the Company's AIM listing. The directors do not propose the payment of a dividend in respect of the year (2005: Nil).

Operations

The Company was released from Administration on 24 September 2004 and its shares re-admitted on AIM on 27 September 2004. The Company is currently without any trading activities ('a shell company').

Board

No changes to the board occurred during the year.

Michael Jackson MA FCA, aged 55, founded Elderstreet Investments Limited in 1990 and is its executive chairman. For the past 20 years, he has specialised in raising finance and investing in the smaller companies sector. Michael is chairman of PartyGaming plc and until August 2006 was chairman of FTSE100 company, The Sage Group plc. He is also a director and investor in many other quoted and unquoted companies, including Netstore PLC and Computer Software Group Plc. Michael studied law at Cambridge University, and qualified as a chartered accountant with Coopers and Lybrand before spending five years in marketing for various US multinational technology companies.

Vinodka Murria, aged 42, is a partner at Elderstreet Capital Partners focusing on software applications as well as mergers and acquisitions activity. Prior to joining Elderstreet Capital Partners she was European chief operating officer for Kewill Systems Plc, a \$120 million software company operating in the key application areas of enterprise systems, logistics and e-commerce. Vinodka is a director and investor in a number of quoted and unquoted companies and is chief executive officer of Computer Software Group plc, Mediasurface plc and Leeds Group plc.

David Lowe, aged 52, has been a director of many small and medium sized companies for 25 years. He is a director of Computer Software Group plc and APT Controls Limited, and is a majority shareholder and the chairman of Garran Lockers Limited. He is an independent non-executive director and represents Elderstreet on the Board of Halifax Industrial Limited (chairman) and Snacktime Limited. David was previously a majority shareholder and director of several businesses in the gravel, transport, engineering and print sectors. David qualified as an FCA in 1977.

Outlook

The Company is currently in negotiations regarding a potential acquisition which if successfully concluded would constitute a reverse takeover under the AIM Rules. Following consultation with the London Stock Exchange, trading in the Company's shares were suspended on 26 October 2006 pending completion of the negotiations.

Michael Jackson
Chairman
18 December 2006

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 June 2006

| | Year to 30 June 2006 £'000 | Year to 30 June 2005 £'000 |
|-----------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Administrative expenses | <u>(49)</u> | <u>(45)</u> |
| Operating loss | | |
| Continuing operations - loss | <u>(49)</u> | <u>(45)</u> |
| Fundamental reorganisation | - | 248 |
| Interest receivable | <u>21</u> | <u>7</u> |
| Profit/(loss) on ordinary activities before taxation | (28) | 210 |
| Taxation | <u>-</u> | <u>-</u> |
| Profit/(loss) for the year | <u><u>(28)</u></u> | <u><u>210</u></u> |
| Loss per share – Basic | (0.0099p) | 0.128p |
| Loss per share – Diluted | <u><u>(0.0099p)</u></u> | <u><u>0.128p</u></u> |

There were no recognised gains or losses other than the results for the periods reported above.

CONSOLIDATED BALANCE SHEET

At 30 June 2006

| | At 30 June 2006 £'000 | At 30 June 2005 £'000 |
|----------------------------------------------|-----------------------------|-----------------------------|
| CURRENT ASSETS | | |
| Debtors | 1 | 12 |
| Cash at bank and in hand | 555 | 536 |
| | <u>556</u> | <u>548</u> |
| CREDITORS | | |
| Amounts falling due within one year | <u>(82)</u> | <u>(46)</u> |
| Net current assets/(liabilities) | <u>474</u> | <u>502</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | <u><u>474</u></u> | <u><u>502</u></u> |
| CAPITAL AND RESERVES | | |
| Share capital | 550 | 550 |
| Merger reserve | (118) | (118) |
| Share premium account | 5,331 | 5,331 |
| Profit and loss account | (5,289) | (5,261) |
| Equity shareholders' funds | <u>474</u> | <u>502</u> |

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2006

| | Year to 30 June 2006 £'000 | Year to 30 June 2005 £'000 |
|----------------------------------------------------|-------------------------------------|-------------------------------------|
| NET CASH OUTFLOW FROM OPERATING ACTIVITIES | (2) | (139) |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | 21 | 7 |
| TAXATION | - | - |
| CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | - | - |
| | <hr/> | <hr/> |
| CASH OUTFLOW BEFORE FINANCING | 19 | (132) |
| FINANCING | - | 638 |
| | <hr/> | <hr/> |
| INCREASE/(DECREASE) IN CASH | <u>19</u> | <u>506</u> |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

| | 2006 £'000 | 2005 £'000 |
|--------------------------------------------------------|---------------|---------------|
| INCREASE IN CASH IN YEAR | 19 | 506 |
| CASH FLOW FROM DECREASE IN DEBT AND LEASE FINANCING | - | 70 |
| | <hr/> | <hr/> |
| MOVEMENT IN NET FUNDS IN THE YEAR | 19 | 576 |
| NET FUNDS AT THE BEGINNING OF YEAR | 536 | (40) |
| | <hr/> | <hr/> |
| NET FUNDS AT END OF YEAR | <u>555</u> | <u>536</u> |

NOTES

1. The financial information set out in this document, which summarises the results of the group, does not amount to statutory accounts within the meaning of Section 240 of the Companies Act 1985. The group's auditors have audited the statutory accounts and have issued an unqualified report thereon within the meaning of Section 235 and have not made any statement under Section 237(2) or (3) of the Companies Act 1985 for the year ended 30 June 2006. Statutory accounts for the year ended 30 June 2005 have been delivered to the Registrar of Companies. Statutory accounts for the year ended 30 June 2006 will be delivered to the Registrar following the Annual General Meeting.
2. The calculation of (loss)/earnings per share is based upon the loss after taxation of £28,117 and on 283,645,000 shares being the weighted average number of shares in issue during the year (2005: profit £210,225 and 164,293,458 being the number of ordinary shares in issue during the year).

The diluted (loss)/earnings per share for the year and the prior year is equivalent to the basic (loss)/earnings per share since there is a loss from continuing operations and the warrant instruments are not therefore dilutive.

3. Copies of the Company's Report and Accounts will be sent to shareholders shortly and will be available at the registered office of the Company, 32 Bedford Row, London, WC1R 4HR during normal office hours, with the exception of Saturdays, Sundays and bank holidays, free of charge for at least one month.