

## **Sky High plc (formerly Myratech.net plc)**

### **Preliminary Results for the Period Ended 3 April 2007**

#### **Chairman's statement**

##### **Strategic Developments**

The past financial year has been one of considerable change for the Company. During the year your Board decided that there would be an increasing demand for knowledge created through the capture and analysis of data.

Following shareholder approval at the Extraordinary General Meeting held on 24 January 2007, the Company acquired Sky High Traffic Data Limited and its subsidiaries. Sky High is a business that is involved in the capture of traffic data and is seen as an ideal first acquisition in the development of a group focussed in this area. The Company's name was changed to Sky High Plc to reflect the new business activities.

Shareholders also approved at the same Extraordinary General Meeting a share capital reduction under which a reserve was created by the cancellation of deferred shares and the share premium account, against which the deficit on the profit and loss could be written off. Approval by the Courts during late March 2007 has allowed this process to be completed and these Report and Accounts reflect the resultant position. As a result of this exercise, the historic deficit on the profit and loss account has been eliminated and the Company will be in a position to pay a dividend when future profitability allows and the Board decides it is prudent.

##### **Results**

The Company's financial year end was shortened during the year to 31 March 2007 to bring it in line with the Sky High businesses that it had acquired. These report and accounts therefore cover the nine month period to 3 April 2007. The acquisition of the Sky High business was completed at the end of January 2007 and consequently only two months of Sky High's trading profits are included in the consolidated accounts. For the previous seven months, the Company remained a cash shell, albeit incurring some costs associated with the acquisition.

The Group's loss after tax and minority interest for the financial period was £48,000 (2006 loss: £28,000)

## **Dividend**

The Directors do not propose a dividend. The Board will determine a dividend policy in the light of future profitability and, in the short-term, the cost of investment opportunities that are being considered as part of the Group's strategy.

## **Directors and Employees**

Following the acquisition of the Sky High business, I joined the Board as Non-Executive Chairman along with my two Sky High colleagues Mark Mattison and Grant Wilson. As a result your Board now consists of two Executive and four Non-executive directors, with the appropriate skills both for running the existing business and implementing the future strategy. As noted below in the Directors' report, members of your Board are also significant shareholders in the Company and therefore their interests are aligned with yours.

I would like to thank the staff of the Sky High business for their support during the past year. I believe that the changes in the last year will be for the benefit not only for shareholders but also employees and other stakeholders alike.

## **Outlook**

The new financial year has begun with strong sales and with the Board actively looking for acquisitions. On 15th August 2007 your Company announced that it had acquired the 50% of the Ordinary share capital of Sky High Traffic Data Australia Pty that it did not already own.

## **Richard Jackson**

Chairman

21 September 2007

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## **Directors' Report for the Period Ended 3 April 2007**

### **Group Result**

The results in these report and accounts cover a nine-month accounting period, which includes two months of trading profit from the recently acquired Sky High Traffic Data Limited and its subsidiaries.

The loss before tax for the nine-month period was £24,000 (2006: loss £28,000). The acquired Sky High business contributed £22,000 of operating income (2006: £0), whilst the operating loss of Sky High Plc (other than the acquired business) was £50,000 (2006 loss: £49,000). This operating loss included the costs of completing the capital reduction exercise to eliminate the historic deficit on Sky High Plc's profit and loss account.

Net interest income for the consolidated group was £4,000 (2006: £21,000).

### **Sky High Technology Limited**

The traffic data collection business is dependent, among other things, on the timing of holidays and therefore two months trading does not provide an accurate guide to annual performance. However the business of Sky High has performed in line with management's expectations at the time of acquisition. Over the previous 12 months, the Sky High business continued its trend of year on year growth.

### **Head Office Costs**

Whilst it was a cash shell, the Company incurred minimal costs associated with maintaining the Company's listing of its shares on the Alternative Investment Market. Directors drew no remuneration during this period.

Following the acquisition of the Sky High business, it has been necessary for there to be a modest increase in Head Office costs associated with being an investment holding company. The Directors now all receive a modest remuneration for their services to the Sky High Plc Board.

### **Cash and Debt Profile**

At this early stage of the Group's development the Company is funded by its own resources and does not carry any medium or long term debt. As part of the acquisition of the Sky High business, the Company raised £310,000 before costs through a placing of 1,240,000 shares. This enabled the Company to meet all of the costs of acquisition and provide a balance for the Company to continue with its strategy.

The operating subsidiary Sky High Technology Limited utilises a bank overdraft facility to manage the movements in its working capital requirements and has a short term bank loan.

The Group had a net cash balance at 3 April 2007 of £126,000 (2006: £555,000).

**Mark Mattison**  
Director

## Consolidated Profit and Loss Account for the Period Ended 3 April 2007

	1 July 2006 to 3 April 2007		Year ended 30 June 2006
	£'000	£'000	£'000
<b>Turnover</b>			
- acquisitions		537	-
Cost of sales		(343)	-
<b>Gross profit</b>		194	-
Administrative expenses		(222)	(49)
<b>Operating loss</b>			
- continuing operations	(50)		(49)
- acquisitions	22		-
		(28)	(49)
Other interest receivable and similar income		12	21
Interest payable and similar charges		(8)	-
<b>Loss on ordinary activities before taxation</b>		(24)	(28)
Tax on loss on ordinary activities		(19)	-
<b>Loss on ordinary activities after taxation</b>		(43)	(28)
<b>Minority interests</b>			
Equity		(5)	-
<b>Loss for the financial period</b>		(48)	(28)
Basic loss per share		(0.83)p	(0.0099)p
Diluted loss per share		(0.83)p	(0.0099)p

The group has no recognised gains or losses for the period other than the results above.

There is no material difference between the result reported above and the result on an unmodified historical cost basis.

## Consolidated Balance Sheet as at 3 April 2007

	3 April 2007		30 June 2006	
	£'000	£'000	£'000	£'000
<b>Fixed assets</b>				
Intangible assets		2,023		-
Tangible assets		341		-
		<u>2,364</u>		<u>-</u>
<b>Current assets</b>				
Debtors	946		1	
Cash at bank and in hand	293		555	
	<u>1,239</u>		<u>556</u>	
<b>Creditors: Amounts falling due within one year</b>				
	<u>(623)</u>		<u>(82)</u>	
<b>Net current assets</b>		<u>616</u>		<u>474</u>
<b>Total assets less current liabilities</b>		<u>2,980</u>		<u>474</u>
<b>Creditors: Amounts falling due after more than one year</b>				
<b>Provisions for liabilities</b>		(118)		-
		<u>(27)</u>		<u>-</u>
<b>Net assets</b>		<u>2,835</u>		<u>474</u>
<b>Capital and reserves</b>				
Called up share capital		1,233		550
Share premium reserve		1,577		5,331
Merger reserve		(118)		(118)
Profit and loss reserve		101		(5,289)
<b>Equity shareholders' funds</b>		<u>2,793</u>		<u>474</u>
<b>Minority interests</b>		<u>42</u>		<u>-</u>
<b>Total funds</b>		<u>2,835</u>		<u>474</u>

## Consolidated Cash Flow Statement for the Period Ended 3 April 2007

	3 April 2007		30 June 2006	
	£'000	£'000	£'000	£'000
Net cash flow from operating activities		(187)		(2)
Returns on investment and servicing of finance		4		21
Purchase of tangible fixed assets		(17)		-
<b>Acquisitions and disposals</b>				
Acquisition of subsidiary undertaking	(338)		-	
Net cash acquired with subsidiary	(135)		-	
		<u>(473)</u>		<u>-</u>
<b>Cash (outflow)/inflow before management of liquid resources and financing</b>		(673)		19
<b>Financing</b>				
Repayment of loans and borrowings	6		-	
Issue of equity shares	310		-	
Capital element of hire purchase payments	(4)		-	
		<u>300</u>		<u>-</u>
<b>Net cash flow</b>	<u>(373)</u>		<u>19</u>	

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

	3 April 2007	30 June 2006
	£'000	£'000
(Decrease)/increase in cash in the period	(373)	19
Cash inflow from increase in debt and lease financing	(185)	-
Charge in net debt resulting from cash flows	<u>(558)</u>	<u>19</u>
Net funds at the start of the period	<u>555</u>	<u>536</u>
<b>Net (debt)/funds at the end of the period</b>	<u>(3)</u>	<u>555</u>

## Notes to the Financial Statements for the Period Ended 3 April 2007

### 1. Statutory Accounts

The financial information does not constitute statutory accounts as defined in section 240 of the Companies Act 1985, but has been extracted from the statutory accounts for the period from 1 July 2006 to 3 April 2007, on which an unqualified audit report has been issued and which will be delivered to the Registrar following their adoption at the Annual General Meeting.

Copies of the Annual Report and Accounts will be posted to shareholders with the notice of the Annual General Meeting. Further copies may be obtained by contacting the Company Secretary at Sky High plc, 32 Bedford Row, London, WC1R 4HR.

### 2. Analysis of cost of sales and net operating expenses

	Continuing operations £'000	Acquisitions £'000	Discontinued operations £'000	Total £'000
<b>Period ended 3 April 2007</b>				
Turnover	-	537	-	537
Cost of sales	-	343	-	343
Administrative expenses	50	172	-	222
<b>Year ended 30 June 2006</b>				
Turnover	-	-	-	-
Cost of sales	-	-	-	-
Administrative expenses	49	-	-	49

### 3. Operating loss

Operating loss is stated after charging:

	1 July 2006 to 3 April 2007 £'000	Year ended 30 June 2006 £'000
Hire of plant and machinery (Operating Leases)	1	-
Hire of other assets (Operating leases)	17	-
Hire of other assets (Spot hire)	77	-
The audit of the company's annual accounts	9	5
Foreign currency losses	3	-
Depreciation of owned tangible fixed assets	14	-
Amortisation of goodwill	17	-

#### 4. Loss per share

The calculation of loss per share is based on the loss after taxation of £43,000 and on 5,166,547 shares being the weighted average number of shares in issue during the year (2006: loss £28,000 and 283,645,000 being the weighted average number of shares in issue during the year).

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

#### 5. Acquisitions

	<b>Book value £'000</b>	<b>Fair value £'000</b>
<b>Fixed assets</b>		
Intangible	-	-
Tangible	337	337
Investments	-	-
<b>Current assets</b>		
Cash	26	26
WIP	138	138
Debtors	803	803
<b>Total current assets</b>	<u>967</u>	<u>967</u>
<b>Overdrafts</b>	161	161
<b>Other creditors</b>	<u>726</u>	<u>726</u>
<b>Total liabilities</b>	<u>887</u>	<u>887</u>
<b>Net assets</b>	<u>417</u>	417
<b>Minority interests</b>		(37)
<b>Goodwill</b>		<u>2,040</u>
<b>Purchase consideration</b>		<u>2,420</u>
Shares allotted		2,063
Costs of acquisition		<u>357</u>
		<u>2,420</u>

During the year to 31 March 2007, the Sky High Traffic Data Limited group generated a pre-acquisition profit of £215,000 and had total pre-acquisition profit and loss reserves of £806,000.

## 6. Reconciliation of movements in shareholders' funds

	Group		Company	
	3 April 2007 £'000	30 June 2006 £'000	3 April 2007 £'000	30 June 2006 £'000
Loss attributable to members of the group / company	(48)	(28)	(38)	(28)
Other recognised gains for the period	5,438	-	5,438	-
Reduction in share capital	(3,071)	-	(3,072)	-
Net addition/(reduction) to shareholders' funds	2,319	(28)	2,328	(28)
Opening equity shareholders' funds	474	502	443	471
Closing equity shareholders' funds	2,793	474	2,771	443