

SKY HIGH PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

COMPANY NUMBER: 3896384

SKY HIGH PLC
COMPANY INFORMATION

DIRECTORS	Richard Jackson (Chairman) Michael Jackson David Lowe Mark Mattison Grant Wilson
SECRETARY	Alex Johnson (appointed 6 August 2010)
COMPANY NUMBER	3896384
REGISTERED OFFICE	10 High Street Tadcaster Leeds LS24 9AT
AUDITORS	RSM Tenon Audit Limited Statutory Auditors 2 Wellington Place Leeds LS1 4AP
BANKERS	National Westminster Bank Plc 32 Bridge Street Tadcaster Leeds LS24 9AH
SOLICITORS	Shulmans LLP 120 Wellington Street Leeds LS1 4LT
REGISTRARS	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0GA
NOMINATED ADVISORS	Astaire Securities Plc 46 Worship Street London EC2A 2EA
BROKERS	Astaire Securities Plc 46 Worship Street London EC2A 2EA

SKY HIGH PLC

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SKY HIGH PLC
CHAIRMAN'S STATEMENT

I am pleased to present the Chairman's Statement for Sky High Plc for the year to 31 March 2010.

Results

The group has experienced an excellent year that has surpassed the directors' expectations. In view of the difficult trading conditions during the financial year, the directors were expecting a significant challenge in growing the business. However, I'm delighted to report that the group managed to increase turnover by 12% and turnover for the year to 31 March 2010 is £5,720k (2009: £5,103k). Despite price pressure in a competitive market place the profit margins have also held and the group profit before tax for the year is £267k (2009: £218k).

The traffic data collection business in the UK has performed extremely well during the year. Record sales were achieved in October 2009 and overall the turnover grew year on year to £3,710k (2009: £3,681k). Profit before tax from UK traffic data collection amounted to £330k (2009: £263k).

The traffic data collection business in Australia has experienced a difficult year. Sales in the first six months of the year were very disappointing and resulted in the Board investing significant management time and expense in supporting the Australian management team. As a result, further investment was made in Sales and Marketing to ensure that the group made the most of the undoubted potential in the Australian market. I'm very pleased to say that this resulted in record sales orders in the final quarter of the year and that this allowed the business to return an unexpected profit. Turnover for the year was £1,510k (2009: £1,127k) and profit before tax was £2k (2009: £19k) although it should be remembered that there has been a 25% fluctuation in the Australian Dollar to Sterling exchange rate during the year, which contributed £235k to turnover and £19k to profit before tax.

Sky High Data Capture ("SHDC") has also experienced a pleasing year. This area of the business achieved turnover of £500k (2009: £295k) and profit before tax of £78k (2009: £35k) in its first full year of consolidation. The comparative figures for 2009 reflect only 7 months contribution following the acquisition of Halifax Computer Services Limited on 1 September 2008.

The running costs of the Plc have been higher than anticipated during the year. The Plc costs were £143k (2009: £99k). The main reason for the increase in costs has been the management time, travel costs and professional costs associated with the assistance provided to the Australian subsidiary company. In addition, the accounts for the year ended 31 March 2010 include a full year's amortisation of the intangible assets acquired as part of the acquisition of Halifax Computer Services Limited on 1 September 2008.

Group Re-Organisation

On 31 March 2010, Sky High Plc undertook a re-organisation of the group structure. The company has transferred the trade, employees, assets and liabilities of Sky High Technology Limited to Sky High Plc resulting in the group having only one trading company in the UK.

The re-organisation was undertaken to deliver improved tax efficiency in the UK and at the same time to promote the Sky High Plc brand in a more consistent manner.

SKY HIGH PLC
CHAIRMAN'S STATEMENT

Prospects

It is widely acknowledged that the UK continues to face economic uncertainty as the new government addresses the country's financial problems. The government has initiated a full review on public sector spending which will be completed by the end of October. This is expected to result in considerable cuts to public sector spending. There is little detail available at the moment on the specific areas to be impacted by the spending cuts but they are likely to have an impact on the budgets of the transport departments and agencies that make up the majority of Sky High Plc's customer base.

The uncertainty surrounding the outcome of the spending review has resulted in a significant reduction in public sector spending since June which has reduced the overall transport survey spend in the UK over this period.

Sky High Plc has assembled an excellent Sales and Marketing team that has already proved its ability to deliver growth in a difficult market, and who have consistently worked hard to maintain market share. Despite their efforts the overall reduction in the market has impacted our UK traffic turnover in the current financial year. The Board have implemented cost saving initiatives to mitigate the impact of the sales reduction but have been unable to totally compensate for the sales reduction with overhead cuts. This has resulted in year to date losses in the current financial year for the UK traffic business. SHDC and Sky High Australia have not been affected by the spending review and these businesses continue to trade profitably in the current financial year and have good growth prospects. The profitable trading of these two businesses has been insufficient to offset the losses in the larger UK traffic business and therefore the year to date performance of the group overall shows a loss position.

The Board are optimistic that after the results of the spending review are announced in late October the market will start to normalise with increased levels of activity and that this will lead to improved financial performance in the later part of the financial year. The Board remain committed to targeting market share growth and will continue to focus on effective sales and marketing.

Diversity will be important to Sky High Plc in the coming years both in terms of the services it offers and the geographic markets it operates in. As mentioned above, Sky High Australia Pty Limited is now experiencing growth and having successful business units operating outside of the UK help to balance the group's risk. The Australian traffic survey market has not had been impacted by the same issues as the UK market, such as the UK public spending review discussed above.

The group has been actively pursuing acquisitions that expand the service offerings and have good synergy benefits. The group views the data capture area of the business as an area of great potential based on the progress of the SHDC business and the more positive market for these services and we continue to review acquisitions in this area.

Overall, the Board believe that the investment in Sales and Marketing and the strategy of adding new services and/or geographical markets through acquisition will ensure that the group continues to grow and progress.

Dividend

Despite the positive results in the financial year to March 2010, due to the current uncertainty in the market, 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 through this uncertain period. Accordingly, the Directors do not recommend the payment of a final dividend.

The directors are hopeful that when the market stabilises 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.

SKY HIGH PLC
CHAIRMAN'S STATEMENT

Directors and Employees

I would like to say thank you to all the directors and employees of Sky High Plc and its associated companies in what has been an excellent year for the group.

In addition, I would like to acknowledge the support of all the directors and the employees in our UK traffic business during the difficult start to this current financial year when it has been necessary to introduce reduced and flexible working hours.

Richard Jackson
Chairman
29 September 2010

SKY HIGH PLC
DIRECTORS' REPORT
For the year ended 31 March 2010

The Directors present their Report and the annual Financial Statements for the year ended 31 March 2010.

Principal activities

During the year the principal activity of the Company is that of a holding company. From 1 April 2010 the principal activity of the Company is that of data collection and analysis.

Sky High Technology Limited ceased trading on 31 March 2010 and the assets and liabilities of the company were hived up to its ultimate parent company, Sky High Plc.

The principal activity of the Group is that of data collection and analysis.

Business review and future developments

The KPI's of the business are the monitoring of sales orders and enquiries, the comparison of actual financial results against budgets, with significant variances being investigated and acted upon. The company monitors the performance of each regional business unit in order to make better use of resources.

Group Result

The results for the group are set out in the financial statements.

Total group turnover for the year was £5,720k (2009: £5,103k). The group profit before tax was £267k (2009: £218k).

A review of the Group's activities and performance together with an indication of future developments is contained in the Chairman's Statement on page 3 to 5.

Sky High Technology Limited

Sky High Technology Limited has continued to grow during the year. Turnover from Sky High Technology Limited was £4,210k (2009: £3,851k) and the company contributed profit before tax of £2,258k (2009: £283k), however this includes net profit before tax of £1,850k (2009: £nil) which was generated when the business was hived up (see below) and is eliminated on group consolidation.

The company ceased trading on 31 March 2010 and the assets and liabilities of the company were hived up to its ultimate parent company, Sky High Plc. All future UK trading from 1 April 2010 will be carried out by Sky High Plc. The trade continues to perform in line with the management's expectations.

Halifax Computer Services Limited

Halifax Computer Services Limited has contributed £nil to turnover (2009: £125k) and £nil to profit before tax (2009: £15k). Halifax Computer Services Limited has now been fully integrated into Sky High Technology Limited and from 1 December 2008 became dormant.

Sky High Australia Pty

Sky High Australia contributed £1,510k of turnover (2009: £1,127k) and £2k of profit before tax (2009: £19k).

SKY HIGH PLC
DIRECTORS' REPORT
For the year ended 31 March 2010

The Sky High Australia business has performed well and the management expect the business to grow in line with expectations.

Head Office costs

Head Office costs amounted to £143k (2009: £99k).

The Directors consider that the costs associated with Head Office are now well controlled.

Working capital and Debt Profile

The Group continues to be funded through a bank overdraft facility and a short term loan without any medium or long term debt.

The Group had net borrowings at 31 March 2010 of £294k (2009: £259k) principally related to asset finance.

Principal risks and uncertainties facing the Company

A significant proportion of Sky High's business is derived from local government or transport consultants who are ultimately working for local government. As such Sky High's business could be vulnerable to a change in the budgets of local government, or to a significant change in the transport or planning policies or procedures, as detailed further in the Chairman's Statement on page 4 and further referenced in the going concern notes on pages 9 and 19.

The risk management objectives and policies of the company in relation to the use of financial instruments can be found in note 18 to the financial statements.

Dividends

Ordinary dividends of £127k were paid during the year (2009: £64k).

The Directors do not recommend the payment of a final dividend.

SKY HIGH PLC
DIRECTORS' REPORT
For the year ended 31 March 2010

Directors

The following Directors held office during the financial year ended 31 March 2010:

Richard Jackson (Non-Executive Chairman)

Age 60. Richard Jackson joined the Board on 25 January 2007 following the acquisition of Sky High Traffic Data Limited. Richard was Chairman of Sky High Traffic Data Ltd for the preceding five years. A lawyer with over 30 years' experience he is currently senior partner of Jackson Heath Solicitors, based in Leeds. Richard is a member of the Audit and Remuneration Committees.

Mark Mattison (Executive Director)

Age 48. Mark Mattison joined the Board on 25 January 2007 following the acquisition of Sky High Traffic Data Limited. Mark has worked in the Sky High business since its original establishment in 1989 initially as a surveyor and analyst, and later as a contract manager. He is currently responsible for the day to day running of the operation within England and the overall strategy of the Sky High traffic survey business.

Grant Wilson (Executive Director)

Age 37. Grant Wilson joined the Board on 25 January 2007 following the acquisition of Sky High Traffic Data Limited. Grant had joined the Sky High business in March 2001 and is responsible for the running of the operation in Scotland and Ireland. Prior to joining Sky High he obtained relevant experience working for Count on Us Limited and a local authority.

Michael Jackson (Non-Executive Director)

Age 60. Michael Jackson MA FCA joined the Board on 13 August 2004. Michael 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 FTSE 100 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. Michael is the chairman of the Audit and Remuneration Committees.

David Lowe (Non-Executive Director)

Age 55. David Lowe FCA joined the Board on 13 August 2004. David has been a director of many small and medium sized companies for 25 years. He is a director of 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 a chartered accountant in 1977.

SKY HIGH PLC
DIRECTORS' REPORT
For the year ended 31 March 2010

Directors' interests in shares and warrants

The Directors who held office at 31 March 2010 had the following interests in the shares of the Company, including family interests:

	Ordinary shares of 10p each	
	At 31 March 2010	<i>At 31 March 2009</i>
Richard Jackson	3,588,512	3,588,512
Michael Jackson	1,971,756	1,971,756
David Lowe	400,000	400,000
Mark Mattison	3,929,389	3,929,389
Grant Wilson	415,993	392,939

The amounts noted above for Richard Jackson and Michael Jackson includes 1,571,756 ordinary shares that are held jointly as trustees of W & E Jackson Settlement Trust.

The Directors have interests in the following share warrants as further described in note 20:

	Ordinary shares of 10p each	
	At 31 March 2010	<i>At 31 March 2009</i>
David Lowe	255,000	-
Grant Wilson	127,000	-

Donations

Charitable and political donations made by the Group during the year amounted to £1,376 (2009: £nil).

Creditor payment policy and practice

It is Group policy to agree the terms of payment with suppliers when agreeing each transaction and to abide by the terms of payment. At 31 March 2010, the amount of trade creditors shown in the group balance sheet represents 59 days (2009: 38 days).

Post balance sheet events

On 1 September 2010, Sky High Technology Limited paid a dividend of £2,190,503 to Sky High Traffic Data Limited. Sky High Traffic Data Limited subsequently paid a dividend of £2,190,503 to Sky High Plc on 2 September 2010. Both are eliminated on group consolidation.

Going concern

As discussed in the Chairman's Statement on page 4, despite recording record profits for the year to March 2010, the group has incurred losses following the year end and this has created uncertainty over the company's short term future profitability. The group is reliant on continued bank support, largely through an overdraft facility. This facility has no termination date but there is a requirement for an annual review. The next annual review is due in the new calendar year and the directors have no reason to believe that this facility will be withdrawn. The directors have prepared forecasts to 31 March 2012 using assumptions which incorporate all known factors regarding existing turnover sources, potential new sources of turnover based on past experience of business wins and the ability of the company to generate new work. Based on these forecasts the company is shown to be operating

SKY HIGH PLC
DIRECTORS' REPORT
For the year ended 31 March 2010

within its agreed borrowing facility limit throughout the period of the forecasts, enabling the company to meet its day to day commitments. In addition should the need arise the Directors believe alternative sources of finance will be available. However, there is an inherent risk within the forecasts prepared as there can be no guarantee that forecasted levels will be achieved. This indicates the existence of uncertainty which may cast some doubt upon the company's ability to continue as a going concern.

Nevertheless, after considering the uncertainties described above, and on the basis of current financial projections and facilities expected to be available, the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

Corporate governance

The Company's shares are listed on the Alternative Investment Market. As such, the Company is not bound by the Combined Code on Corporate Governance. The Company does, however, seek to comply with those provisions of the Code that it considers appropriate to its current strategy and size.

An audit committee and a remuneration committee have been formally constituted as sub-committees of the main Board, both with written terms of reference. These committees are both chaired by Michael Jackson and have Richard Jackson as a member. The Committees meet as often as required in order to carry out their remit in a satisfactory manner.

Internal control

The Board acknowledges its responsibility for establishing and monitoring the Group's systems of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Company's systems are designed to provide the Directors with reasonable assurance that problems are identified on a timely basis and so can be dealt with appropriately.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. As required by the AIM Rules of the London Stock Exchange the Directors are required to prepare the Group Financial Statements in accordance with IFRS's as adopted by the EU and applicable laws and have elected to prepare the Parent Company Financial Statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The Group Financial Statements are required by law and IFRS's as adopted by the EU to present fairly the financial position and the performance of the Group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

The Parent Company financial statements are required by law to give a true and fair view of the state of affairs of the Parent Company. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;

SKY HIGH PLC
DIRECTORS' REPORT
For the year ended 31 March 2010

- make judgements and estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRS's as adopted by the EU;
- for the Parent Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Directors Report and other information contained in the annual report is prepared in accordance with company law in the United Kingdom.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included in the Company's website. Legislation in the UK governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report each confirm the following:

- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The audit business of RSM Bentley Jennison, who had previously been appointed as the company's auditors has merged with that of RSM Tenon Audit Limited who succeeded to the office of auditors to the company. The audit report on the financial statements has therefore been issued by the successor firm, RSM Tenon Audit Limited.

A resolution will be proposed at the forthcoming Annual General Meeting for the re-appointment of RSM Tenon Audit Limited as auditors of the Company in accordance with Section 489 of the Companies Act 2006 and that the Directors be authorised to fix their remuneration.

This report was approved by the Board on 29 September 2010 and signed on its behalf.

M Mattison
Director

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SKY HIGH PLC**

We have audited the Group Financial Statements (the "Financial Statements") of Sky High Plc for the year ended 31 March 2010 which comprise the Consolidated Income Statement, the Consolidated Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and the related notes. These Financial Statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 10 and 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRS's as adopted by the European Union; and
- have been prepared in accordance with the Companies Act 2006 and Article 4 of the IAS Regulations.

Emphasis of matter

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosure made in note 3 to the financial statements concerning the company's ability to continue as a going concern. The matters explained in note 3 to the financial statements, indicate the existence of a material uncertainty which may cast doubt over the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

SKY HIGH PLC

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime.

P Coleman
Senior Statutory Auditor

For and on behalf of:
RSM Tenon Audit Limited
Statutory Auditor
2 Wellington Place
Leeds
LS1 4AP

29 September 2010

SKY HIGH PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2010
Company Number: 3896384

	<i>Note</i>	Year ended 31 March 2010	<i>Year ended 31 March 2009</i>
		£'000	<i>£'000</i>
Continuing operations			
Revenue	3,5	5,720	<i>5,103</i>
Cost of sales		<u>(3,495)</u>	<u><i>(3,235)</i></u>
Gross profit		2,225	<i>1,868</i>
Other administrative expenses		(1,914)	<i>(1,603)</i>
Profit from operating activities	5,6	<u>311</u>	<u><i>265</i></u>
Finance income	8	2	<i>3</i>
Finance expense	8	(46)	<i>(50)</i>
Profit before taxation		<u>267</u>	<u><i>218</i></u>
Income tax expense	9	(95)	<i>(85)</i>
Profit from continuing operations		<u>172</u>	<u><i>133</i></u>
Other comprehensive income			
Gain on translation of foreign operations		47	<i>5</i>
Total comprehensive income		<u>219</u>	<u><i>138</i></u>
Basic profit per ordinary share	10	<u>1.3p</u>	<u><i>1.0p</i></u>
Diluted profit per ordinary share	10	<u>1.3p</u>	<u><i>1.0p</i></u>

SKY HIGH PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2010
Company Number: 3896384

	<i>Note</i>	2010	<i>2009</i>
		£'000	<i>£'000</i>
Non current assets			
Property, plant and equipment	12	817	816
Goodwill	13	730	730
Other intangible assets	14	48	61
Total non current assets		1,595	<i>1,607</i>
Current assets			
Trade and other receivables	15	1,491	991
Cash and cash equivalents	15	101	205
Total current assets		1,592	<i>1,196</i>
Total assets		3,187	<i>2,803</i>
Current liabilities			
Bank borrowings	16	(67)	(53)
Hire purchase contracts	16	(110)	(112)
Trade and other payables	17	(923)	(537)
Current tax payable		(89)	(68)
Total current liabilities		(1,189)	<i>(770)</i>
Non current liabilities			
Bank borrowings	16	-	(27)
Hire purchase contracts	16	(218)	(272)
Other payables	17	-	(45)
Deferred tax provision	19	(61)	(62)
Total non current liabilities		(279)	<i>(406)</i>
Total liabilities		(1,468)	<i>(1,176)</i>
Net assets		1,719	<i>1,627</i>
Equity			
Called up share capital	20	1,275	1,275
Share premium account	20	1,657	1,657
Profit and loss account		495	450
Exchange gain reserve		66	19
Reverse acquisition reserve	21	(1,774)	(1,774)
Equity Attributable to Equity Holders of Parent		1,719	<i>1,627</i>

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2010. They were signed on its behalf by:

M Mattison
Director

SKY HIGH PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2010

	<i>Called up share capital £'000</i>	<i>Share premium account £'000</i>	<i>Reverse acquisition reserve £'000</i>	<i>Exchange gain reserve £'000</i>	<i>Retained earnings £'000</i>	<i>Total equity £'000</i>
For the year ended 31 March 2010						
At start of period	1,275	1,657	(1,774)	19	450	1,627
Total comprehensive income for the period	-	-	-	47	172	219
Dividends paid	-	-	-	-	(127)	(127)
At end of period	1,275	1,657	(1,774)	66	495	1,719

	<i>Called up share capital £'000</i>	<i>Share premium account £'000</i>	<i>Reverse acquisition reserve £'000</i>	<i>Exchange gain reserve £'000</i>	<i>Retained earnings £'000</i>	<i>Total equity £'000</i>
For the year ended 31 March 2009						
At start of period	1,275	1,657	(1,774)	14	381	1,553
Total comprehensive income for the year	-	-	-	5	133	138
Dividends paid	-	-	-	-	(64)	(64)
At end of period	1,275	1,657	(1,774)	19	450	1,627

SKY HIGH PLC
CONSOLIDATED CASHFLOW STATEMENT
For the year ended 31 March 2010

	<i>Note</i>	Year ended 31 March 2010 £'000	<i>Year ended 31 March 2009 £'000</i>
Net cash from operating activities	22	366	765
Taxation			
Income taxes paid		(68)	(46)
Cashflow from investing activities			
Acquisition of subsidiary undertakings (net of cash)		-	(155)
Purchases of property, plant and equipment		(158)	(174)
Proceeds from disposal of property, plant and equipment		16	25
Equity dividends paid		(127)	(64)
Interest paid		(46)	(50)
Interest received		2	3
Net cash (outflow) from investing activities		(313)	(415)
Financing			
Proceeds of new bank loans		-	100
Repayment of bank loans		(52)	(43)
Hire purchase repayments		(124)	(96)
Net cash from financing activities		(176)	(39)
Net increase in cash and cash equivalents		(191)	265
Effect of exchange fluctuations		47	(6)
Cash and cash equivalents at 1 April		205	(54)
Cash and cash equivalents at 31 March	23	61	205

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.

SKY HIGH PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2010

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 10 High Street, Tadcaster, Leeds, LS24 9AT. The nature of the Group's operations and its principal activities is that of data collection and analysis.

Transactional currency exposures arise in Sky High Technology where contracts are won in Euros and the costs are predominately in Sterling. Turnover in Euros was £108k (2009: £332k) in the last financial year.

Credit risk in Sky High Technology is primarily attributable to its trade debtors, where the business's principal clients are either local government or transport consultants who themselves may ultimately be working for local government. Where it is felt necessary, credit risk on new customers is managed by credit checks. The incidence of bad debts in the Sky High business has historically been very low.

As Sky High Technology has grown, steps have been taken to increase the numbers of people involved in management to lessen reliance on key personnel.

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 2009 and hence are reflected in these financial statements:

- IAS 1 (revised) *Presentation of Financial Statements*. The most significant change within IAS 1 (revised) is the requirement to produce a statement of comprehensive income setting out all items of income and expense relating to non-owner changes in equity. There is a choice between presenting comprehensive income in one statement or in two statements comprising an income statement and a separate statement of comprehensive income. The Group has elected to present the income statement and comprehensive income as a single statement. In addition, IAS1 (revised) requires the statement of changes in shareholders' equity to be presented as a primary statement; and
- IFRS 8 *Operating Segments* (effective for accounting periods beginning on or after 1 January 2009). The adoption of this standard has not resulted in a change of the groups reportable segments.

There have been no amendments to prior years 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:

- Revised IFRS 3 'Business Combinations' (mandatory for the year commencing on or after 1 July 2009)
- Amendment to IAS32 'Classification of Rights Issues' (effective 1 February 2010)

SKY HIGH PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2010

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- IFRIC 17 'Distribution of Non Cash Assets to Owners' (effective 1 July 2009)
- IFRIC 18 'Transfer of Assets from Customers' (effective 1 July 2009)
- IFRIC 19 'Extinguishing Financial Liabilities with Equity' (effective 15 July 2010)

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

Basis of Accounting

The Financial Statements, upon which this financial information is based, have been prepared using accounting policies consistent with the EU adopted International Financial Reporting Standards (IFRS).

The financial information has been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") at 31 March 2010 as well as all interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") at 31 March 2010. The Group has not availed itself of early adoption options in such standards and interpretations.

Going Concern

As discussed in the Chairman's Statement on page 4, despite recording record profits for the year to March 2010, the group has incurred losses following the year end and this has created uncertainty over the company's short term future profitability. The group is reliant on continued bank support, largely through an overdraft facility. This facility has no termination date but there is a requirement for an annual review. The next annual review is due in the new calendar year and the directors have no reason to believe that this facility will be withdrawn. The directors have prepared forecasts to 31 March 2012 using assumptions which incorporate all known factors regarding existing turnover sources, potential new sources of turnover based on past experience of business wins and the ability of the company to generate new work. Based on these forecasts the company is shown to be operating within its agreed borrowing facility limit throughout the period of the forecasts, enabling the company to meet its day to day commitments. In addition should the need arise the Directors believe alternative sources of finance will be available. However, there is an inherent risk within the forecasts prepared as there can be no guarantee that forecasted levels will be achieved. This indicates the existence of uncertainty which may cast some doubt upon the company's ability to continue as a going concern.

Nevertheless, after considering the uncertainties described above, and on the basis of current financial projections and facilities expected to be available, the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

SKY HIGH PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

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The Financial Statements, upon which this financial information is based, have been prepared under the historical cost basis. The principal accounting policies adopted are set out below:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 September and 31 March each year. Control is achieved where the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Pounds Sterling, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on foreign currency borrowings; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

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Translation of financial statements of foreign entities

The assets and liabilities of foreign operations are translated using exchange rates at the balance sheet date. The components of shareholders' equity are stated at historical value. An average exchange rate for the period is used to translate the results and cashflows of foreign operations.

Exchange differences arising on translating the results and net assets of foreign operations are taken to the translation reserve in equity until the disposal of the investment. The gain or loss in the income statement on the disposal of foreign operations includes the release of the translation reserve relating to the operation that is being sold.

Business combinations

The purchase method of accounting is used for all acquired businesses as defined by IFRS 3 – Business Combinations.

As a result of the application of the purchase method of accounting, goodwill is initially recognised as an asset being the excess at the date of acquisition of the fair value of the purchase consideration plus directly attributable costs of acquisition over the net fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiaries acquired.

Where fair values are estimated on a provisional basis they are finalised within 12 months of acquisition with consequent changes to the amount of goodwill.

Goodwill

Goodwill arising on consolidation represents the excess cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is initially recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication of impairment. The amount of the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

SKY HIGH PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

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Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Revenue is recognised on services not yet billed at the fair value of consideration expected to be receivable to the extent that the work has already been carried out at the year end.

Where the outcome of a contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on work performed and its receipt is considered probable.

Where the outcome of a contract cannot be estimated reliably, contract revenue is only recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognized as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

SKY HIGH PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

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Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profits for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profits will be available to allow all, or part, of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives using the straight-line method, is reassessed annually, on the following bases:

Fixtures and fittings	15% per annum reducing balance basis
Motor vehicles	25% per annum reducing balance basis
Computer equipment	33% per annum straight line basis

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

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Other intangible assets

Intangible assets other than goodwill that are acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Amortisation is included within other administrative expenses within the Statement of Comprehensive Income. The rate of amortisation attempts to write-off the cost of the intangible asset over its estimated useful life using the following rates:

Customer related intangibles	10 years
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Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair values less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimate of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and overheads. Cost is calculated using the first in first out (FIFO) basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing and selling.

SKY HIGH PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

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Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, demand deposits and are net of bank overdrafts where the group has a right of set off. These are subject to an insignificant risk of changes in value.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate compound at initial recognition.

Financial liability and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual agreements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recognised at the amount of proceeds received net of costs directly attributable to the transaction. To the extent that those proceeds exceed the par value of the shares issued they are credited to a share premium account.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in profit or loss using effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Bank borrowings are not held at amortised cost where the effect of discounting is deemed to be immaterial

Trade payables

Trade payables are not interest-bearing and are stated at their face value. They are not held at amortised cost where the effect of discounting is deemed to be immaterial.

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Pensions

The Group operates a number of defined contribution pension schemes. Contributions are charged to the income statement as they become payable in accordance with the rules of the scheme.

Equity Instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. Critical accounting judgements and key sources of estimation uncertainty

In application of the Group's accounting policies above, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities. These estimates and assumptions are based on historical experience and other factors considered relevant. Actual results may differ from estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The events described in the Chairman's Statement on page 4, regarding the current market conditions, constitutes uncertainty on the assumptions of future cash generation. The directors consider this to be a non adjusting post balance sheet event as this uncertainty could not be clearly seen at year end when the impairment review was undertaken. Therefore, there was no impairment of goodwill during the year.

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Valuation of intangibles

Determining the value of contracts and customer relationships requires an estimation of the value of such intangibles upon acquisition. The future profit generation of such contracts and relationships is estimated based on known information and anticipated profit generation.

5. Segment analysis

The primary reporting format is by geographical area on the same basis that management reports are prepared for the chief operating decision maker.

The business comprises of one primary segment being that of the provision of data collection and analysis.

Primary analysis by geographical area

The Group is organised into two major geographical areas.

- UK: - based primarily in Tadcaster, Leeds and Scotland but also includes the data inputting facilities at Halifax that were acquired in September 2008. This is shown as a separate cash generating unit for the purpose of the goodwill impairment review as described in note 13.
- Australia: - Comprises the results of separate entity, Sky High Australia PTY Limited.

Central head office costs are apportioned to England.

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.

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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31 March 2010

Continuing operations	UK £'000	Australia £'000	Total for group £'000
Revenue from sales			
Total sales by area	4,215	1,510	5,725
Inter-area sales	(5)	-	(5)
Total external sales	<u>4,210</u>	<u>1,510</u>	<u>5,720</u>
Continuing operations	UK £'000	Australia £'000	Total for Group £'000
Segment result – operating profit/(loss)	282	29	311
Other interest income and similar profit/loss items	2	-	2
Interest expense	(19)	(27)	(46)
Profit before tax	265	2	267
Tax charge	(71)	(24)	(95)
Profit/(loss) for the year	<u>194</u>	<u>(22)</u>	<u>172</u>
Other information			
Capital additions	99	59	158
Depreciation, amortisation and write downs	117	109	226
Balance sheet			
Total assets	<u>2,393</u>	<u>794</u>	<u>3,187</u>
Total liabilities	<u>869</u>	<u>599</u>	<u>1,468</u>

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

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31 March 2009

Continuing operations	UK £'000	Australia £'000	Total for Group £'000
Revenue from sales			
Sales by area:	4,124	1,127	5,251
Inter area sale	(148)	-	(148)
Total external sales	<u>3,976</u>	<u>1,127</u>	<u>5,103</u>

Continuing operations	UK £'000	Australia £'000	Total for Group £'000
Segment result – operating profit/(loss)	219	46	265
Other interest income and similar profit/loss items	3	-	3
Interest expense for group companies	(23)	(27)	(50)
Profit before tax	199	19	218
Tax	(67)	(18)	(65)
Profit for the year	<u>132</u>	<u>1</u>	<u>133</u>

Other information

Capital additions	238	197	435
Depreciation, amortisation and write downs	104	87	191
Balance sheet			
Total assets	<u>2,234</u>	<u>569</u>	<u>2,803</u>
Total liabilities	<u>765</u>	<u>411</u>	<u>1,176</u>

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6. Profit from operating activities

Profit from operating activities has been stated after charging the following:

	2010	<i>2009</i>
	£'000	<i>£'000</i>
(Profit)/loss on disposal of fixed assets	3	<i>(6)</i>
Depreciation of property, plant and equipment	213	<i>183</i>
Amortisation of intangible fixed assets	13	<i>8</i>

Auditors' remuneration

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Auditors' remuneration – Audit services to the parent company	17	<i>18</i>
Auditors' remuneration – Audit services to the Group	20	<i>7</i>
Auditors' remuneration – Non-audit services to the Group	-	<i>-</i>
Total audit fees	37	<i>25</i>

7. Personnel costs

	2010	<i>2009</i>
	No.	<i>No.</i>
The average monthly number of full time and part time employees (including executive Directors)	405	<i>379</i>

The split of employees by function within the Group is as follows:

	No.	<i>No.</i>
Production	377	<i>355</i>
Administration	11	<i>11</i>
Management	17	<i>13</i>
Total	405	<i>379</i>

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

continued

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Their aggregate remuneration comprised		
Wages and salaries	3,080	<i>2,913</i>
Social security costs	205	<i>158</i>
Pension costs	10	<i>9</i>
	<u>3,295</u>	<u><i>3,080</i></u>
	2010	<i>2009</i>
	£'000	<i>£'000</i>
Directors' emoluments for the group		
Emoluments (including benefits in kind)	451	<i>378</i>
Company pension contributions	10	<i>9</i>
	<u>461</u>	<u><i>387</i></u>
	No.	<i>No.</i>
Number of Directors accruing benefits under money purchase schemes	<u>1</u>	<u><i>1</i></u>

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

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Directors' remuneration and transactions

The aggregate emoluments of the Directors of the Company who served during the year were:

	Salary and fees £'000	Benefits £'000	Bonuses £'000	Total emoluments £'000	Company pension contributions £'000	2010 £'000	<i>2009</i> <i>£'000</i>
Board of Directors:							
Richard Jackson	30	-	-	30	-	30	30
Michael Jackson	10	-	-	10	-	10	5
David Lowe	10	-	-	10	-	10	5
Mark Mattison	97	10	62	169	10	179	178
Grant Wilson	55	-	17	72	-	72	77
Other Group Directors:							
Paul Jackson	34	-	-	34	-	34	-
Martin Prowse	84	-	2	86	-	86	71
Kevin Stewart	36	-	4	40	-	40	21
Total	356	10	85	451	10	461	387

Paul Jackson, Martin Prowse and Kevin Stewart are not directors of Sky High Plc.

The pension contributions disclosed above were all in respect of a money purchase scheme.

8. Finance income and expenses

	2010 £'000	<i>2009</i> <i>£'000</i>
Finance income		
Bank interest	<u>2</u>	<u>3</u>
Finance expenses		
Interest on bank overdraft and loans	11	13
Interest on obligations under hire purchase	31	36
Other interest	<u>4</u>	<u>1</u>
	<u>46</u>	<u>50</u>

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

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9. Income taxes

	2010	<i>2009</i>
	£000	<i>£000</i>
Current taxes	96	61
Under/(over) provision in previous year	-	8
Total income taxes	96	69
Deferred tax charge – current year	5	16
Adjustment to previous year	(6)	-
Total deferred tax	(1)	16
Total income taxes on continuing operations	95	85

Tax rate reconciliation

	2010	<i>2009</i>
	£000	<i>£000</i>
Profit for the year	267	218
Corporation tax charge thereon at 28% (2009: 28%)	75	61
Adjusted for the effects of:		
Expenses not deductible for tax purposes	62	82
Other adjustments	(36)	(66)
Adjustments relating to prior years	(6)	8
Income tax expense for the year	95	85
Effective tax rate	35.9%	31.7%

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

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10. 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:

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Numerators: earnings attributable to equity	172	<i>133</i>
	No. '000	<i>No. '000</i>
Denominators: weighted average number of equity shares:		
Basic	12,745	<i>12,745</i>
Effect of dilutive potential ordinary shares: Share options	261	<i>145</i>
Diluted	13,006	<i>12,859</i>

11. Dividend

Ordinary dividends of £127k were paid during the year (2009: £64k).

The Directors do not recommend the payment of a final dividend.

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

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12. Property, plant and equipment

	<i>Motor vehicles £'000</i>	<i>Computer equipment £'000</i>	<i>Fixtures & Fittings £'000</i>	<i>Total £'000</i>
Cost				
At 31 March 2008	350	103	433	886
Additions	195	73	133	401
Acquired on acquisition	13	-	21	34
Disposals	(14)	(14)	-	(28)
Exchange rate adjustment	6	5	2	13
At 31 March 2009	550	167	589	1,306
Additions	14	78	66	158
Disposals	(49)	-	-	(49)
Exchange rate adjustment	62	42	21	125
At 31 March 2010	577	287	676	1,540
Depreciation				
At 31 March 2008	90	51	171	312
Charge for the year	92	42	49	183
Eliminated on disposal	(4)	(4)	-	(8)
Exchange rate adjustment	1	1	1	3
At 31 March 2009	179	90	221	490
Charge for the year	90	60	63	213
Eliminated on disposal	(30)	-	-	(30)
Exchange rate adjustment	21	18	11	50
At 31 March 2010	260	168	295	723
Net Book Value				
At 31 March 2010	317	119	381	817
At 31 March 2009	371	77	368	816

Hire purchase and finance lease agreements

Included within net book value is £287k (2009: £334k) relating to assets held under hire purchase and finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £81k (2009: £84k).

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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continued

13. Goodwill

Cost	<i>Goodwill £'000</i>
At 31 March 2008	631
Acquisitions	99
At 31 March 2009 & 31 March 2010	730

To ensure that goodwill is not carried above its recoverable amount an impairment review is performed comparing the net carrying value with the recoverable amount using value in use calculations. These calculations are performed annually at the group's year end. For the purposes of the impairment review the group has been allocated into separate cash generating units (or groups of cash generating units) that reflect the separately identifiable elements of the group's goodwill. These cash generating units are shown below. The value in use of each cash generating unit has been calculated using the group's own budget information and appropriate discount rates. Values have been estimated using cash flow projections over a period of up to 5 years derived from the approved budget for the coming year. The core assumptions (turnover, margins and overheads) used to prepare the budgets are based on past experience. The discount rate applied was 7.35% being the group's estimated weighted average cost of capital. A growth rate factor was not applied to the projections as value in use exceeded the carrying amounts before any such assumption was applied. Based on this testing the Directors do not consider any of the goodwill to be impaired even allowing for a reasonable degree of sensitivity to the underlying assumptions. Sky High Traffic Data comprises of the cash generating units of England and Scotland but excludes the operating segment of Halifax which is treated as a separate cash generating unit for the purposes of the goodwill impairment review.

The carrying amount of goodwill and other assets has been allocated to cash generating units (or groups of cash generating units) as follows:

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Sky High Traffic Data	470	<i>470</i>
Australia	161	<i>161</i>
Halifax	99	<i>99</i>
	730	<i>730</i>

As a result of the events that have taken place after the year end, as described in the Chairman's Statement on page 4, some of the key assumptions such as future revenues, used when undertaking the impairment review may have changed. The directors are unable to ascertain the extent of any changes that may be required due to the uncertainty surrounding the market and are unable to quantify the effect that these changes may have on the carrying value of goodwill. The directors expect to have a clearer understanding of these effects in the coming months and will perform a further impairment review in the interim accounts as at 30 September 2010. The directors consider these changes to be non adjusting post balance sheet events since they reflect conditions that have taken place following the balance sheet date.

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

continued

14. Other intangible assets

	<i>Customer Relationship £'000</i>
Cost	
At 31 March 2008	-
Acquisitions	69
	69
At 31 March 2009 & 31 March 2010	69
Amortisation	
At 31 March 2008	-
Charge for the year	8
	8
At 31 March 2009	8
Charge for the year	13
	21
At 31 March 2010	21
Net Book Value	
At 31 March 2010	48
At 31 March 2009	61

Customer relationships have estimated useful lives of 5 years for the use in the calculation of amortisation. The remaining amortisation will take 44 months.

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

continued

15. Other financial assets

Trade and other receivables

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Amounts receivable for sale of services	1,122	<i>611</i>
Unbilled debtors	252	<i>291</i>
Allowance for doubtful debts	-	<i>(13)</i>
Trade receivables	1,374	<i>889</i>
Other receivables	22	<i>24</i>
Prepayments and accrued income	95	<i>78</i>
	1,491	<i>991</i>

The average credit period taken on sales is 72 days (2009: 44 days). No interest is charged on overdue receivables. There is no material difference between the fair value of receivables and their book value.

The Group has provided fully for all receivables which are not considered recoverable. Trade receivables over 90 days due are provided for based on estimated irrecoverable amounts from the sale of services, determined by reference to past default experience.

There is no concentration of credit risk. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer.

Ageing of past due but not impaired receivables:

	2010	<i>2009</i>
	£'000	<i>£'000</i>
61 – 90 days	40	<i>57</i>
91+ days	43	<i>66</i>
	83	<i>123</i>

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

continued

Movement in the allowance for doubtful debts:

	2010	<i>2009</i>
	£'000	<i>£ 000</i>
Balance as at 1 April	13	<i>4</i>
Uplift provision	-	<i>9</i>
Provision release	(7)	<i>-</i>
Amounts written off as uncollectible	(6)	<i>-</i>
	-	<i>13</i>
Balance at 31 March	-	<i>13</i>

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

Included in the allowance for doubtful debts are individually impaired trade receivables with a balance of £nil (2009: £nil) which have been placed under liquidation.

The directors consider that the carrying amount of trade and other receivables approximates their fair value.

Cash and cash equivalents

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Cash and cash equivalents	101	<i>205</i>
	101	<i>205</i>

Cash and cash equivalents comprises cash held by the Group and short-term bank deposits with an original maturity of 6 months or less. The carrying amount of these assets approximates their fair value.

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

continued

16. Borrowings

Borrowings comprise bank overdrafts and loans and hire purchase contracts.

Unsecured borrowing at amortised cost

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Bank overdrafts	40	-

The bank overdrafts are unsecured and repayable on demand.

Secured borrowing at amortised cost

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Bank loans - current	27	53
Bank loans – non-current	-	27
	27	80

Total bank borrowings

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Current	67	53
Non-current	-	27
	67	80

Other secured borrowings

	2010	<i>2009</i>
	£'000	<i>£'000</i>
<i>Due within 1 year</i>		
Hire purchase contracts - current	110	112
<i>Due between 1 and 2 years</i>	115	54
<i>Due between 2 and 3 years</i>	88	115
<i>Due between 3 and 4 years</i>	15	88
<i>Due between 4 and 5 years</i>	-	15
Hire purchase contracts - non-current	218	272
	328	384

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

continued

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Total unsecured and secured borrowings	395	<i>464</i>

Total borrowings

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Amount due for settlement within 12 months	177	<i>165</i>
Amount due for settlement after 12 months	218	<i>299</i>
	395	<i>464</i>

Borrowing facilities not drawn

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Bank overdraft	160	<i>200</i>

All borrowings are in Pounds Sterling.

Bank borrowings

The bank loan is repayable in monthly instalments of £5k (2009: £5k), with interest charged at 2% above the bank base rate. The average interest rate charged during the year was 2.50% (2009: 5.62%).

Hire purchase liabilities

Hire purchase liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Gross hire purchase liabilities – minimum lease payments		
No later than 1 year	138	<i>141</i>
Later than 1 year and no later than 5 years	235	<i>314</i>
	373	<i>455</i>
Future finance charges on hire purchase liabilities	(45)	<i>(71)</i>
Present value of hire purchase liabilities	328	<i>384</i>

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

continued

The present value of hire purchase liabilities is as follows:

	2010	<i>2009</i>
	£'000	<i>£'000</i>
No later than 1 year	110	<i>112</i>
Later than 1 year and no later than 5 years	218	<i>272</i>
Present value of hire purchase liabilities	328	<i>384</i>

Liquidity Risk

The following are cash flows relating to the Group's financial liabilities, including estimated interest payments, but excluding the impact of netting agreements, based on the assumption that the year end loans are repaid at the end of the committed period and interest rates remain constant.

	<i>Carrying amount</i>	<i>Contractual cashflows</i>	<i>Less than 1 year</i>	<i>1-2 years</i>	<i>2-5 years</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
31 March 2010					
Secured bank loans	27	27	27	-	-
Hire purchase	328	373	138	220	15
Trade and other payables	602	602	602	-	-
Total	957	1,002	767	220	15

	<i>Carrying amount</i>	<i>Contractual cashflows</i>	<i>Less than 1 year</i>	<i>1-2 years</i>	<i>2-5 years</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
31 March 2009					
Secured bank loans	80	81	54	27	-
Hire purchase	384	455	141	208	106
Trade and other payables	454	454	409	45	-
Total	918	990	604	280	106

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

continued

17. Other financial liabilities

Trade and other payables

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Trade payables – current	204	149
Other payables	398	305
Accrued liabilities and deferred income – current	321	128
	923	582
	923	582

Other payables comprise:

	2010	<i>2009</i>
	£'000	<i>£ 000</i>
Social security and other taxes – current	353	204
Other – current	45	49
Other – non current	-	45
Directors' current accounts – current	-	7
	398	305
	398	305

Presented as:

	2010	<i>2009</i>
	£'000	<i>£ 000</i>
Current liabilities	923	537
Non current liabilities	-	45
	923	582
	923	582

Accrued liabilities and deferred income represents miscellaneous contractual liabilities that relate to expenses that were incurred, but not paid for at the year-end and income received during the period, for which the Group had not supplied the goods or services at the end of the year.

The Directors consider that the book value of trade payables, accrued liabilities and deferred income approximates to their fair value at the balance sheet date.

The average credit period taken for trade purchases is 59 days (2009: 38 days).

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

continued

18. Financial instruments: information on financial risks

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 16, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 20 to 21.

Gearing ratio

The gearing ratio at the year end is as follows:

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Debt	395	<i>464</i>
Cash and cash equivalents	(101)	<i>(205)</i>
Net Debt	294	<i>259</i>
Equity	1,719	<i>1,627</i>
Net debt to equity ratio	17.1%	<i>15.9%</i>

Debt is defined as long and short-term borrowings, as detailed in note 16.

Equity includes all capital and reserves of the Group attributable to equity holders of the parent.

SKY HIGH PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

continued

Categories of financial instruments

	2010	<i>2009</i>
	£'000	<i>£'000</i>
<i>Financial assets</i>		
Loans and Receivables: Trade and other receivables	1,491	991
Cash and cash equivalents	101	205
	<hr/> 1,592	<hr/> 1,196
	<hr/> 2010	<hr/> <i>2009</i>
	£'000	<i>£'000</i>
<i>Financial liabilities</i>		
Measured at amortised cost:		
- Borrowings	395	464
- Trade and other payables (current)	923	537
- Other payables (non current)	-	45
	<hr/> 1,318	<hr/> 1,046

Financial risk management objectives

The main market risks to which the Group is exposed are interest rates. There is also exposure to credit risk and liquidity risk. The Group monitors these risks and will take appropriate action to minimize any exposure.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

SKY HIGH PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 March 2010

continued

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 3% of gross monetary assets at any time during the year. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Financial liabilities maturity analysis

The following table analyses financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	<i>Borrowings</i>	<i>Trade and other payables</i>
	<i>£'000</i>	<i>£'000</i>
Less than 1 year	177	920
1 – 2 years	218	-
	<u>395</u>	<u>920</u>

At present the Group does expect to pay all liabilities at their contractual maturity. In order to meet such cash commitments the Group expects the operating activity to generate sufficient cash inflows. In addition, the Group holds financial assets for which there is a liquid market and that are readily available to meet liquidity needs.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The group has no specific policy to mitigate foreign exchange fluctuations other than by matching costs and revenues denominated in Australian Dollars.

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Market risks

Interest rate risk

The Group's exposure to interest rate risk mainly concerns financial liabilities. Liabilities are both fixed rate and floating rate. At present the Group does not hold loans and receivables that are short-term in nature. The following table analyses the breakdown of liabilities (excluding derivatives) by type of interest rate:

	2010	<i>2009</i>
	£'000	<i>£'000</i>
<i>Financial liabilities</i>		
Fixed rate (in relation to hire purchase contracts)	328	<i>384</i>
Floating rate (in relation to bank borrowings)	67	<i>80</i>
Non-interest bearing	923	<i>537</i>
	1,318	<i>1,001</i>

There is no material difference between the fair value and amortised cost.

Sensitivity analysis

A hypothetical increase in interest rates by 50 basis points on a parallel yield curve would cut profits after tax by £nil (2009: £nil).

A hypothetical increase in interest rates by 100 basis points on a parallel yield curve would cut profit after tax by £1k (2009: £1k).

A hypothetical increase in interest rates by 150 basis points on a parallel yield curve would cut profits after tax by £1k (2009: £1k).

A hypothetical increase in interest rates by 200 basis points on a parallel yield curve would cut profits after tax by £2k (2009: £2k).

A hypothetical increase in foreign exchange rates by 5% on a parallel yield curve would increase the loss after tax £1k (2009: £nil).

A hypothetical increase in foreign exchange rates by 10% on a parallel yield curve would increase the loss after tax by £2k (2009: £1k).

A hypothetical increase in foreign exchange rates by 15% on a parallel yield curve would increase the loss after tax by £3k (2009: £1k).

A hypothetical increase in foreign exchange rates by 20% on a parallel yield curve would increase the loss after tax by £4k (2009: £1k).

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

continued

19. Deferred taxation

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Deferred tax on continuing operations		
Deferred tax liabilities	61	<i>62</i>

The temporary difference in respect of the movement of deferred tax liabilities on continuing operations in the period as follows:

	<i>Accelerated tax depreciation</i>	<i>Total</i>
	<i>£'000</i>	<i>£'000</i>
At start of year	62	62
Income statement	(1)	(1)
	61	61
At 31 March 2010	61	<i>61</i>

SKY HIGH PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

continued

20. Equity capital

	Ordinary shares 10p No. '000	Share capital £'000	Share Premium £'000	Total £'000
At 31 March 2009 & 31 March 2010	12,745	1,275	1,657	2,932
			2010 £'000	2009 £'000
Authorised			1,734	1,734
17,336,353 (2009: 17,336,353) Ordinary Shares of 10p each				
Allotted, called up and fully paid			1,275	1,275
12,744,737 (2009: 12,744,737) Ordinary Shares of 10p each				

The company has granted the following share warrant instruments:

Grant date	Subscription price per share	Periods within which options are exercisable	Number of shares for which rights are exercisable
2 November 2007	£0.205	Prior to November 2010	107,317
2 November 2007	£0.205	Prior to November 2010	134,146
12 October 2009	£0.125	October 2010 to October 2012	160,666
12 October 2009	£0.125	October 2011 to October 2012	160,666
12 October 2009	£0.125	On 12 October 2012	160,668
			723,463

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.

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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continued

21. Other reserves

	<i>Reverse acquisition reserve £'000</i>	<i>Total £'000</i>
At 31 March 2009	(1,774)	(1,774)
At 31 March 2010	(1,774)	(1,774)

All reserves classified on the face of the balance sheet as retained earnings represents past accumulated earnings and are distributable.

22. Net cash from operations

	2010 £'000	<i>2009 £'000</i>
Results from operating activities	311	265
Depreciation of property, plant and equipment	213	183
Amortisation of intangible fixed assets	13	8
(Profit)/loss on disposal of property, plant and equipment	3	(6)
Decrease/(increase) in receivables	(500)	534
Increase/(decrease) in payables	326	(219)
Net cash from operations	366	765

23. Analysis of net debt

	2010 £'000	<i>2009 £'000</i>
Cash and cash equivalent per balance sheet	101	205
Bank overdraft	(40)	-
Cash and cash equivalent per cash flow statement	61	205
Bank loan due within one year	(27)	(53)
Bank loan due after one year	-	(27)
Hire purchase obligations within one year	(110)	(112)
Hire purchase obligations over one year	(218)	(272)
Net debt	(294)	(259)

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

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24. Transactions with related parties

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and related parties who are not members of the group are disclosed below.

Included within administrative expenses is £nil (2009: £14k) paid by Sky High Technology Limited to Jackson Heath Solicitors, a law firm in which Richard Jackson is a partner.

Included within administrative expenses is £10k (2009: £5k) paid by Sky High Plc to Fb Limited, a company in which David Lowe is a director.

Included within administrative expenses is £20k (2009: £30k) paid by Sky High Technology Limited and £10k (2009: £nil) paid by Sky High Plc to G J S Properties (West Yorkshire) Limited, a company in which Richard Jackson is a director.

Professional fees within administrative expenses includes £31k (2009: £27k) paid by Sky High Technology Limited and £18k (2009: £13k) paid by Sky High Plc to Motiv1 Limited, a company in which Mark Powell is a director.

Rent within administrative expenses includes £17k (2009- £6k) paid by Sky High Technology Limited to Kevin Stewart, a director of Sky High Technology Limited.

Included in other receivables within current assets is an amount of £8k (2009: £nil) due from Martin Prowse, a director of Sky High Australia PTY Limited.

Included in other payables within current liabilities is an amount of £nil (2009: £7k) due to Martin Prowse, a director of Sky High Australia PTY Limited.

Rent within administrative expenses includes £23k (2009- £nil) paid by Sky High Australia PTY Limited to the partnership trust of The Hopes Investment Trust & Prowse Family Proprietary Limited, of which Martin Prowse is a 50% partner.

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosure*.

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Short-term employee benefits	451	<i>378</i>
Post employment benefits	10	<i>9</i>
	461	<i>387</i>
	461	<i>387</i>

SKY HIGH PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2010

continued

25. Operating lease commitments

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Minimum lease payments under operating leases recognised as an expense in the year	110	<i>117</i>

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Within one year	99	<i>114</i>
In the second to fifth years inclusive	84	<i>182</i>
	183	<i>296</i>

Operating lease payments represent rentals payable by the Group for certain of its office properties and equipment. Leases are negotiated over the term considered most relevant to the individual subsidiary and rentals are fixed where possible for that term.

26. Events after the balance sheet date

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SKY HIGH PLC**

We have audited the Parent Company Financial Statements (the "financial statements") of Sky High Plc for the year ended 31 March 2010 set out on pages 53 to 61. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 10 and 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosure made in note 3 to the group financial statements concerning the company's ability to continue as a going concern. The matters explained in note 3 to the group financial statements, indicate the existence of a material uncertainty which may cast doubt over the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

SKY HIGH PLC

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime.

P Coleman
Senior Statutory Auditor

For and on behalf of:
RSM Tenon Audit Limited
Statutory Auditor
2 Wellington Place
Leeds
LS1 4AP

29 September 2010

SKY HIGH PLC
PARENT COMPANY BALANCE SHEET
As at 31 March 2009

	Note	2010 £'000	2009 £'000
Fixed assets			
Intangible assets	III	2,020	-
Tangible assets	IV	446	-
Investments in subsidiaries	V	507	2,616
		<u>2,973</u>	<u>2,616</u>
Current assets			
Debtors: Amounts falling due within one year	VI	1,078	10
Debtors: Amounts falling due after more than one year	VII	-	1,068
Cash at bank and in hand		94	53
		<u>1,172</u>	<u>1,121</u>
Creditors: Amounts falling due within one year	VIII	<u>(2,734)</u>	<u>(84)</u>
Net current (liabilities)/assets		<u>(1,562)</u>	<u>1,037</u>
Total assets less current liabilities		1,411	3,653
Creditors: Amounts falling due after more than one year	IX	(62)	-
Provisions for liabilities	XI	(61)	-
		<u> </u>	<u> </u>
Net assets		<u>1,288</u>	<u>3,653</u>
Capital and Reserves			
Share capital	XII	1,274	1,274
Share premium	XII	1,655	1,655
Profit and loss account	XIII	(1,641)	724
		<u> </u>	<u> </u>
Equity shareholders' funds		<u>1,288</u>	<u>3,653</u>

The Financial Statements were approved by the Board of Directors and authorised for issue on 29 September 2010. They were signed on its behalf by:

M Mattison
Director

SKY HIGH PLC

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS For the year ended 31 March 2009

I. Accounting Policies

The Financial Statements have been prepared on the historical cost basis. The principal accounting policies are noted below.

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

The Company has taken advantage of section 408 of the Companies Act 2006 and has not included an income statement in these financial statements. The loss attributable to members of the parent Company for the year ended 31 March 2010 was £2,365k (2009: profit of £906k).

The separate Financial Statements of the Company are presented as required by the Companies Act 2006. As permitted by that Act, the separate Financial Statements have been prepared in accordance with United Kingdom accounting standards.

The Company's financial risk management policies are disclosed in the consolidated financial statements.

On 31 March 2010, Sky High Plc undertook a re-organisation of the group structure. The company has transferred the trade, employees, assets and liabilities of Sky High Technology Limited up in to Sky High Plc resulting in the group having only one trading company in the UK.

II. Operating loss

The auditors' remuneration for audit and other services is disclosed in note 6 of the consolidated financial statements.

The Company has no employees other than the Directors and the related Directors' emolument disclosures can be found in note 7 to the consolidated financial statements.

SKY HIGH PLC

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
For the year ended 31 March 2009

III. Tangible fixed assets

	<i>Motor vehicles £'000</i>	<i>Computer equipment £'000</i>	<i>Fixtures & Fittings £'000</i>	<i>Total £'000</i>
Cost				
At 31 March 2009	-	-	-	-
Transfer from group company	137	30	279	446
	<hr/>			<hr/>
At 31 March 2010	137	30	279	446
	<hr/>			<hr/>
Depreciation				
At 31 March 2009	-	-	-	-
Charge for the year	-	-	-	-
	<hr/>			<hr/>
At 31 March 2010	-	-	-	-
	<hr/>			<hr/>
Net Book Value				
At 31 March 2010	137	30	279	446
	<hr/> <hr/>			<hr/> <hr/>
At 31 March 2009	-	-	-	-
	<hr/> <hr/>			<hr/> <hr/>

SKY HIGH PLC

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
For the year ended 31 March 2009

IV. Intangible fixed assets

	Goodwill £'000
Cost	
As at 1 April 2009	-
Transfer from group company	2,020
As at 31 March 2010	<u>2,020</u>
Provision	
As at 1 April 2009	-
Charge for the year	-
As at 31 March 2010	<u>-</u>
Net book value	
As at 31 March 2010	<u><u>2,020</u></u>
As at 31 March 2009	<u><u>-</u></u>

SKY HIGH PLC
NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
For the year ended 31 March 2009

V. Investments held as fixed assets

	Group shares £'000
Cost	
As at 1 April 2009 and 31 March 2010	<u>3,483</u>
Provision	
As at 1 April 2009	867
Charge for the year	2,109
As at 31 March 2010	<u>2,976</u>
Net book value	
As at 31 March 2010	<u><u>507</u></u>
As at 31 March 2009	<u><u>2,616</u></u>

On 1 September 2010, Sky High Technology Limited paid a dividend of £2,190,503 to Sky High Traffic Data Limited. Sky High Traffic Data Limited subsequent paid a dividend of £2,190,503 to Sky High Plc on 2 September 2010.

SKY HIGH PLC

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
For the year ended 31 March 2009

Details of the Company's subsidiaries at 31 March 2010 are as follows:

<u>Name of subsidiary</u>	<u>Company number</u>	<u>Place of incorporation (or registration) and operation</u>	<u>Proportion of ownership interest & of voting power held</u>	<u>Holding</u>	<u>Principal activity</u>
Sky High Technology Limited	02383178	UK	100%	Ordinary shares	Dormant
Sky High Traffic Data Limited	04258332	UK	100%	Ordinary shares	Dormant
Sky High Traffic Data Australia PTY Limited	56112563201	Australia	100%	Ordinary shares	Data collection and analysis
Burra Burra Distribution Limited	01616437	UK	100%	Ordinary shares	Dormant
The Web Factory Birmingham Limited	03211201	UK	100%	Ordinary shares	Dormant
Forsyth Whitehead & Associates Limited	02631557	UK	100%	Ordinary shares	Dormant
Sky High Technology (Scotland) Limited	05064418	UK	100%	Ordinary shares	Dormant
Count On Us Traffic Limited	05066587	UK	100%	Ordinary shares	Dormant
Sky High NCS Limited	05121297	UK	100%	Ordinary shares	Dormant
Halifax Computer Services Limited	04935845	UK	100%	Ordinary shares	Dormant
Skyhightraffic Limited	05055712	UK	100%	Ordinary shares	Dormant
The Traffic Survey Company Limited	05574532	UK	100%	Ordinary shares	Dormant
The People Counting Company Limited	05877333	UK	100%	Ordinary shares	Dormant
Myratech.net Limited	06023527	UK	100%	Ordinary shares	Dormant
Footfall Verification Limited	07086920	UK	100%	Ordinary shares	Dormant

SKY HIGH PLC

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
For the year ended 31 March 2009

VI. Debtors: Amounts falling due within one year

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Trade debtors	612	-
Unbilled debtors	222	-
Amounts owed by Group undertakings	144	-
Other debtors	22	-
Prepayments and accrued income	78	<i>10</i>
	<u>1,078</u>	<i><u>10</u></i>

VII. Debtors: Amounts falling due after more than one year

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Amounts owed by Group undertakings	-	<i>1,058</i>
	<u>-</u>	<i><u>1,058</u></i>

VIII. Creditors: Amounts falling due within one year

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Bank loans and overdrafts	27	-
Obligations under finance leases and hire purchase contracts	48	-
Trade creditors	137	<i>8</i>
Amounts owed to group undertakings	1,989	<i>62</i>
Corporation tax	72	-
Social security and other taxes	186	-
Other creditors	45	-
Accruals and deferred income	230	<i>14</i>
	<u>2,734</u>	<i><u>84</u></i>

SKY HIGH PLC

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
For the year ended 31 March 2009

IX. Creditors: Amounts falling after more than one year

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Obligations under finance leases and hire purchase contracts	<u>62</u>	<u>-</u>
	<u>62</u>	<u>-</u>

X. Security of borrowings

The bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company.

XI. Provisions for liabilities

	Deferred tax provision £'000
As at 1 April 2009	-
Transfer from group company	61
	<hr/>
As at 31 March 2010	<u>61</u>

XII. Share capital, share premium account and other reserve

The movements on these items are disclosed in notes 20 and 21 to the consolidated financial statements.

XIII. Profit and loss reserves

	2010	<i>2009</i>
	£'000	<i>£'000</i>
Balance at 1 April	724	(182)
Profit/(loss) for the year	(2,365)	906
	<hr/>	<hr/>
Balance at 31 March	<u>1,641</u>	<u>724</u>

SKY HIGH PLC

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
For the year ended 31 March 2009

XIV. Controlling party

The shareholdings are such that the Directors are unable to establish whether there is a controlling party.

SKY HIGH PLC

NOTICE OF ANNUAL GENERAL MEETING

The tenth Annual General Meeting of the Company will be held at 32 Bedford Row, London, WC1R 4HE on 30 November 2010 at 2.00pm for the following purposes:

Ordinary business

To consider, and if thought fit, pass the following resolutions which will be proposed as an ordinary resolution:

1. To receive the report of the directors, the financial statements for the year ended 31 March 2010 and the report of the auditors thereon.
2. To re-appoint RSM Tenon Audit Limited as auditors of the Company from the conclusion of this meeting until the conclusion of the next general meeting at which the financial statements are laid before the Company and to authorise directors to fix their remuneration.

Special business

To consider, and if thought fit, pass the following resolutions of which resolution 3 will be proposed as an ordinary resolution and resolution 4 will be proposed as a special resolution:

3. That the Directors be and hereby generally and unconditionally authorised pursuant to section 80 of the Companies Act 1985 ("the Act") to exercise all the powers of the Company to allot relevant securities as defined in section 80(2) of the Act on and subject to such terms as the Directors may determine. The maximum aggregate nominal amount of relevant securities which may be allotted pursuant to this authority shall be £410,000. The authority hereby conferred shall expire at the conclusion of the Annual General Meeting to be held in 2010 unless renewed, varied or revoked by the Company in general meeting. The Directors shall be entitled under this authority, to make at any time prior to the expiry of this authority any offer or agreement which would or might require relevant securities to be allotted after the expiry of this authority. This authority shall be in substitution for and supersede and revoke any earlier such authority conferred on the Directors.
4. The Directors be and are hereby empowered, pursuant to section 95(1) of the Companies Act 1985 ("the Act"), to allot equity securities (as defined in section 94(2) of the Act) pursuant to the general authority conferred by resolution 3 above as if section 89(1) of the Act did not apply to such allotment, save that such power shall be limited to:
 - a. The allotment of equity securities in connection with a rights issue or other issue in favour of holders of ordinary shares where the equity securities respectively attributable to the interests of the ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of the ordinary shares held or deemed to be held by them, subject only to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with fractional entitlements, legal or practical problems arising in any overseas territory or by virtue of shares being represented by depositary receipts, the requirements of any regulatory body or stock exchange, or any matter whatsoever; and
 - b. To the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities wholly for cash up to an aggregate nominal value of £61,000 (representing approximately 5% of the nominal value of the issued share capital of the Company at the date of this notice) and shall expire on the date which is 15 months after the date on which this resolution is passed or, if earlier, at the conclusion of the Annual

SKY HIGH PLC
NOTICE OF ANNUAL GENERAL MEETING

General Meeting of the Company to be held in 2011, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

10 High Street
Tadcaster
Leeds
LS24 9AT

By Order of the Board

Alex Johnson
Company Secretary
29 September 2010

1. A member entitled to attend and vote may appoint a proxy to attend and to vote in his or her stead. A proxy need not be a member of the Company. A form of proxy is included with this document. To appoint more than one proxy, the Proxy Form should be photocopied and completed for each proxy holder. The proxy holder's name should be written on the Proxy Form together with the number of shares in relation to which the proxy is authorized to act.
2. To be valid, the form of proxy and any power of attorney or the authority under which it is signed (or a materially certified or office copy of it) must be completed and lodged at the Registrars of the Company, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, not later than 2 days before the time of the meeting or the adjourned meeting.
3. Completion and return of a form of proxy does not preclude a member from subsequently attending and voting at the meeting.
4. Copies of the Directors' service contracts will be available for inspection at the registered office of the Company during normal business hours until the date of the Annual General Meeting and on that day, at the place of meeting from at least 15 minutes prior to the meeting until its conclusion.
5. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders registered in the register of members of the Company at 5.00pm on 29 November 2010 as holders of ordinary shares of 10p each in the capital of the Company shall be entitled to vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members of the Company after 29 November 2010 shall be disregarded in determining the rights of any person to attend and vote at the meeting.