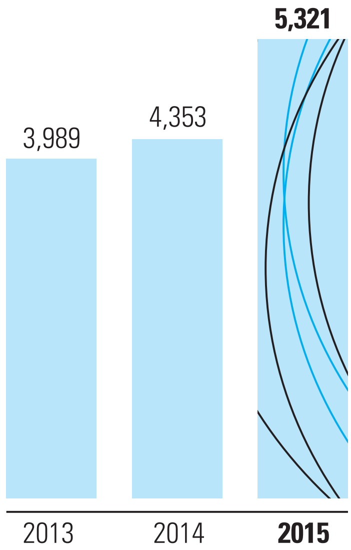
CONNECTING PEOPLE **GLOBALLY**

NAKAMA GROUP PLC

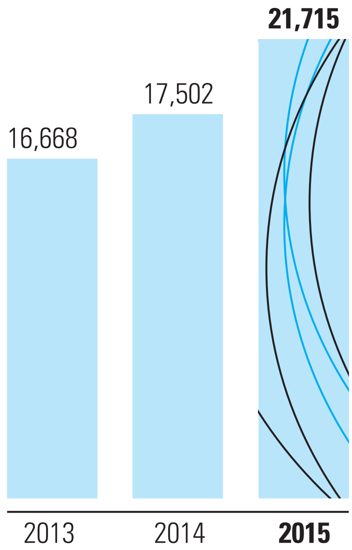
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

FINANCIAL HIGHLIGHTS

NET FEE INCOME
£'000



REVENUE
£'000



- GROUP REVENUE INCREASED BY 24 PER CENT. TO £21.7M (2014: £17.5M)
- NET FEE INCOME IMPROVED BY 22 PER CENT. TO £5.3M (2014: £4.4M)
- NET FEE INCOME PERCENTAGE REMAINED STABLE AT 25 PER CENT. (2014: 25 PER CENT.)
- REVENUE ACROSS THE APAC REGION INCREASED BY 18 PER CENT. TO £6.3M (2014: £5.3M). ON CONSTANT CURRENCY* THE INCREASE WOULD HAVE BEEN 28 PER CENT.
- REVENUE ACROSS THE UK REGION INCREASED BY 27 PER CENT. TO £15.5M (2014: £12.2M)

* Constant currency at financial year 2014 average exchange rates.

	2015 £'000	2014 £'000
Revenue	**21,715**	17,502
NFI (Net fee income)	**5,321**	4,353
EBITDA*	**548**	226
Operating profit/(loss) for the financial year	**336**	(76)
Profit/(loss) for the financial year before tax	**297**	(121)
Net current assets	**781**	323
Equity	**1,875**	1,632
Profit/(loss) per share	**0.21p**	(0.17)p

* EBITDA – Profit before interest, tax, depreciation and amortisation.

OPERATING HIGHLIGHTS

- REGIONAL DIRECTOR APPOINTED TO SINGAPORE OFFICE; REGIONAL MANAGER APPOINTED TO SYDNEY OFFICE
- APPOINTMENT OF GROUP HEAD OF PEOPLE AND CULTURE ALONGSIDE THE INITIATION OF A GLOBAL INTERNAL LEARNING AND DEVELOPMENT TRAINING PROGRAMME
- NEW LONDON OFFICE WITH INCREASED SPACE FOR GROWTH
- INFRASTRUCTURE AND OPERATIONAL CHANGES FOR WEBSITE AND EXTERNAL MARKETING
- SALES CONSULTANTS INCREASED TO 67 AT YEAR END

GROUP AT A GLANCE

OUR MARKETS

Nakama Group plc is a recruitment group of two branded solutions placing people into specialist and management positions; Nakama operates in the digital, creative, media, marketing and technology sectors all over the world from offices in the UK, Asia and Australia. The Highams brand specialises in the Financial Services sector, specifically Business Change and IT in Insurance and Investment Management currently in the UK.

OUR CONSULTANTS, CONTRACTORS AND APPLICANTS

Our speciality is finding excellent career opportunities and assignments for senior IT, business and professional services talent. We are constantly developing our relationships and networks to ensure we obtain the best available positions for such talent, whilst ensuring that their skills and personalities are compatible with the needs of our clients.

OUR PEOPLE

At Nakama, we work hard to develop and maintain long-term relationships with our clients, contractors and applicants. To do this, we focus on the development and retention of our experienced staff to ensure they are among the most knowledgeable in the industry, both in terms of recruitment best practice and the niche markets in which Nakama operates.

"YOU MISS 100% OF THE SHOTS YOU DON'T TAKE."

WAYNE GRETZKY

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Visit us online for further information at **www.nakamagroupplc.com**

CHAIRMAN'S STATEMENT

"THE RESULTS FOR THE YEAR ARE PLEASING AND WE ARE MAKING PROGRESS WITH INCREASING OUR HEADCOUNT ALONG WITH REVENUE AND PROFIT."

Introduction

Nakama Group plc is a recruitment group of two branded solutions placing people into specialist and management positions; Nakama operates in the digital, creative, media, marketing and technology sectors all over the world from offices in the UK, Asia and Australia. The Highams brand specialises in the financial services sector, specifically business change and IT in insurance and investment management currently in the UK.

The results for the year are pleasing and we are making progress with increasing our headcount along with revenue and profit. We have made particularly good progress in a buoyant digital market and are pleased with the overall results, especially in APAC.

Financial results

Group revenue for the year ended 31 March 2015 increased by 24 per cent. to £21.7m (2014: £17.5m) along with net fee income ("NFI") which improved on the prior year by 22 per cent. to £5.3m (2014: £4.4m). Our NFI percentage has remained stable at 25 per cent. (2014: 25 per cent). We saw UK revenue increase by 27 per cent. in the period to £15.5m (2014: £12.2m) due to an increase in contractors on site. APAC revenue increased by 18 per cent. to £6.3m (2014: £5.3m) driven by the continuing shortage of skilled talent within our specialised markets.

EBITDA grew to £548,000 (2014: £226,000) with profit before tax increasing substantially to £297,000 (2014: loss of £121,000).

The directors are not recommending the payment of a final dividend for the year, but a resumption in dividend payments will be kept under review.

Board changes

As announced in March, Rob Sheffield was appointed APAC CEO and made significant changes in all the Nakama APAC offices, which resulted in a much-improved performance.

Strategy

During the year we have strengthened our management team throughout the Group with strategic hires and internal promotions to ensure all offices are being managed by people who lead by example and are driven by aligning themselves to providing the quality of service that we offer and believe in. We continue to look to further recruit strong and driven individuals to meet our client and candidate needs.

We are currently upgrading our website and on-line marketing and technology infrastructure so as to improve the Group's internal and external communications capabilities and to further grow new business traffic to all our offices.

We have identified other geographies where we believe there is a strong client demand for Nakama's services and we are currently in the process of opening new offices, which we will update on in the coming months.

The Group has delivered another encouraging trading performance, in line with expectations, and is now generating encouraging momentum.

I look forward to continued good progress as we further establish and build our international footprint and brand.

Executives and staff

The Group retains a strong team of very knowledgeable and long serving staff and we look forward to continuing to build the Nakama Group. I would like to acknowledge the loyalty and commitment of all the staff to the Group and I am extremely grateful for their efforts. Again I extend a very warm welcome to all new members of the team and I look forward to their development and the future success of Nakama.

Outlook

Trading in the first quarter is in line with our expectations and not without the normal recruitment challenges we face in terms of candidates, given the current candidate driven market. The Board looks to 2016 as a year in which the Group will continue to benefit from new staff members delivering an excellent service alongside increasing client demand.

Ken Ford

24 July 2015

DIRECTORS

Eric Kenelm (Ken) Ford
Non-Executive Chairman

Ken Ford has over 37 years of experience in the City. From 1993 he worked at Teather & Greenwood stockbrokers serving as Chief Executive and later as Deputy Chairman until retirement in 2007. Prior to this he worked as a director at Aberdeen Asset Management and served for seven years as a director at Morgan Grenfell, as Head of Research and Head of Corporate Finance at Morgan Grenfell Securities. Ken is a Fellow of the Chartered Securities Institute and on the executive committee of the Quoted Companies Alliance. He is also Chairman of AIM quoted Brainjuicer Group plc, Scientific Digital Imaging plc and Gear4music plc.

Kerri Anne Sayers
Chief Operating Officer

Kerri Sayers has been employed by Nakama (previously Highams) since 1994 when she initially managed the finance department. She has since managed both the operation of the finance and HR team through various Group acquisitions and disposals. Kerri is responsible for Group operations and consolidation of shared services and finance. She has been a director of the company since 30 September 2008.

Robert James Sheffield
CEO of Nakama Asia and Australasia

Rob Sheffield joined the Group as MD international along with the acquisition of Nakama having been a founding member of that company. Rob worked alongside Paul Goodship in Aquent for many years pioneering Digital recruitment as a specialism and building the digital team before leaving in 2009 and starting Nakama. Rob now resides in Australia where he is responsible to the APAC strategy for growth, operations and delivery in current and emerging markets.

Paul Jonathan Goodship
Managing Director of Nakama London

Paul Goodship joined the Group as MD Nakama London along with the acquisition of Nakama having also been a founding member of that company. Paul worked alongside Rob Sheffield for many years in Aquent where he built their Digital marketing recruitment team through both organic growth and acquisition. London is the leader for many parts of the Digital world and it is Nakama's largest Digital recruitment team and Paul is able to drive the company's strategy for market coverage which can be replicated in other parts of the Group.

Mark de Lacy
Managing Director of Highams

Mark de Lacy has been employed by Nakama (previously Highams) since 1990. Originally brought in for his sales experience, Mark rapidly progressed to a senior role, responsible for the development of the Group's major accounts within the Life and Pensions and Insurance sectors. He moved into recruiting and developing successful sales teams before being appointed to Sales Director in 2007, and Managing Director in September 2008. Mark continues to actively develop new strategic accounts within specialist vertical markets.

John Edward Higham
Non-Executive Director and Deputy Chairman

John founded Highams (now Nakama) in 1983 after many years gaining experience of the insurance market from an IT and business perspective, both within insurance companies and software house environments. John was Chief Executive of the Group until April 2000 when he took up his current role. He has been a director of the company since 1 February 1983.

DIRECTORS AND ADVISERS

Company registration number:	1700310
Registered office:	Quadrant House 33/45 Croydon Road Caterham Surrey CR3 6PB
Directors:	EK Ford (Non-executive Chairman) KA Sayers (Chief Operating Officer) RJ Sheffield (CEO Nakama Asia and Australasia) PJ Goodship (Managing Director Nakama London) M de Lacy (Managing Director Highams) JE Higham (Non-executive and Deputy Chairman)
Secretary:	KA Sayers
Bankers:	Lloyds TSB Commercial 1st Floor 39 Threadneedle Street London EC2R 8AU
Nominated adviser and brokers:	WH Ireland 14 Martin Lane London EC4 0DR
Registrars:	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Solicitors:	Eversheds LLP 1 Wood Street London EC2V 7WS
Auditor:	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA

STRATEGIC REPORT

Business model

The Group aims to provide superior quality recruitment services to its specialist niche market clients in global geographical locations where there is both growing demand and a skills shortage. Recruitment services includes permanent staff placements and contract staff placed on a fixed term assignment.

The UK is represented by two UK offices: the Nakama brand operating from London and the Highams brand operating from Caterham. We work closely together to explore opportunities to cross-sell services into our respective client bases.

APAC is represented by two Nakama offices in Australia, one in Hong Kong and an office in Singapore. We serve digital media markets across a broad spectrum of clients ranging from corporates to digital marketing agencies.

Strategy

The Group's focus is to grow both revenue and profit through our network of global offices. The enlarged Group's target market remains the same, but the scope of its geographical spread has expanded as the Group has developed.

We aim to target those sectors where we can secure profitable business and where we can differentiate ourselves from our competitors by providing a bespoke and specialist quality service and can deliver incremental value to our clients to assist them in managing their businesses. Our increasing ability to cross-sell our services to our international clients is also key to our strategic ambition to become "The Global Specialist Recruitment Business".

By sourcing candidates though our global database, where we can track and trace our network of specialists by using real time data, we have been able to focus our efforts on building Talent Communities through recommendations, referrals, local advertising and highly specialised peer groups. Each Nakama office has a local and regional talent pool, which in aggregate combines to create an international talent pool. We have the ability to build self-generating communities in this way. We have a number of social media channels and forums that we use to identify local talent looking to relocate internationally. These avenues are typically established in line with the specialisation for which we are recruiting, across local regions and via our global footprint. Linked-In, Twitter, Facebook and Instagram are a few of the channels we currently utilise. This approach gives operational staff a full view of the businesses we are involved with and access to a global client and talent list. In short, we can deliver a well-connected organisation with a high level of specialisation and a greater reach internationally and in local markets than many of our competitors. As such, we will continue to focus on hiring and developing our sales force to enable them to perform in their local markets. Our vision for the future is to continue building head count and gaining critical mass in our current markets and to expand and establish more international offices. By doing so we believe we will be well placed to leverage off our niche specialisations and our international footprint to better drive group profitability.

We focus on competency and training development and reinforcement of our company values, with the emphasis on 360 feedback, high performing behaviours and standards using a common language across the business from the way staff describe and sell the business, to the management team's focus on growth performance and efficiency.

Review of business performance

The Board has reviewed the detail of the business during the past year and has provided an overview of the business split between UK and APAC regions and an outlook for the next financial year.

UK operations

During 2014/15 we have seen an increased demand for permanent staff, especially in the first half of the year, and an increase of short term contract hire, resulting in an increase in revenue of a pleasing 27 per cent. to £15.5m compared to £12.2m in 2014.

According to the Confederation of British Industry (CBI) and Accenture the majority of UK businesses plan to expand their workforce in 2015. This is good news for the UK market and this growth is primarily coming out of the digitisation of the UK economy.

So continuing on this path Nakama has seen an increase in the requirements coming out of large multi-national corporates as the improving economic situation has given organisations the confidence to bulk up digital marketing operations in-house as well as making larger commitments to specialist external agencies. London has seen significant uplift in programmatic advertising, email automation/data and analytics markets. The appetite for suppliers with a depth of knowledge is increasing, especially across the digital space that covers media, technology, data, mobile and social media.

There is ever increasing pressure on margins from the UK clients as competition is strong. On the upside the market is currently very candidate driven, and a skills shortage in the areas in which we operate assists us to remain competitive; although candidates certainly have more roles and choice of placement to accept.

The permanent market of the insurance and wealth management sides has also seen an uplift in requirements where our clients are looking for long term staff, and with the prospect of reducing contractors on site. Again, as the market is candidate driven, permanent placements are difficult to find and this may result in the contract market regaining a lift as transformation projects need to be moved forward in an ever changing technology world.

There is fresh activity in the insurance and financial sectors to improve digital effectiveness, with a trend to bringing skills in-house to build expertise to deliver new programmes of change, which will benefit Nakama as a whole. This will drive both permanent and contract demand.

STRATEGIC REPORT CONTINUED

APAC operations

We have seen increased appetite for hiring across the digital landscapes we operate across. Whilst the APAC region is therefore a mix of economic environments and cultures and can prove challenging; language and cultural barriers are a main concern. We have addressed this by ensuring that businesses have the right skills and talent in place that can understand and translate business objectives, and not just manage the technical skills required to get the job done. Over the past two years we have invested in building a management team, which through effective communication, training and planning, has enabled us to pursue a consistent and clear strategy in multiple markets.

The APAC offices have again experienced an increase in revenue and profit. This has yielded an 18 per cent. increase in revenue to £6.3m compared to last year's revenue of £5.3m. This performance makes APAC responsible for 29 per cent. of total Group revenue compared to 30 per cent. in the prior year.

The economic outlook in APAC is good. Whilst there are concerns around the Australian housing market and the commodities boom being over, we are seeing large scale digital and transformation projects being adopted by organisations across banking, telecommunications and retail which is driving demand for digital skills, a high proportion of which are not in the local market.

This has covered content marketing which will remain a big focus, with clients continuing to pursue programmatic advertising which we see evolving and merging engaging creative elements with existing media buying algorithms, marketing experiencing a mind shift focus from "big" data to streamlined "intelligent" data, and big momentum on employee advocacy and empowering employees to help spread brand messages online.

We have been able to leverage our global networks to deliver against these demands. Whilst we see a natural cap on the Australian market due to its size and location, we still feel that the market has a high level of growth. The Asia business is well positioned to add significant growth with Singapore serving the south eastern Asian corridor into Malaysia, Kuala Lumpur, Thailand and Hong Kong experiencing high demand locally and from China, specifically Shanghai and Beijing. Japan is a market that the Group view with interest; it has the potential to be a high net worth market. Whilst talent mobility could be an inhibitor, net fee margins remain the highest in the region averaging between 25–30 per cent. compared to 15–20 per cent. elsewhere. All the businesses benefit from a healthy balance of repeat business based on long standing existing relationships and a continued drive for new business specifically within the corporate sector.

We face the usual challenges; the market has been competitive and finding good quality candidates can be difficult. However our global connections have created opportunity. There are many factors to success in APAC, including overcoming language barriers, restrictions on hiring staff and financial constraints, along with securing trading licences, and retaining staff. However our strong understanding of local markets and our ability to work across local, regional and global markets puts us in a strong position and is beneficial on a number of levels.

The outlook for APAC is, as we see it, that it will be a significant contributor to revenue and bottom line based on the current demand for specialist digital recruitment services and we will continue to build on this platform.

Key performance indicators

The Board considers a number of key performance indicators. These include indicators such as the level of requirements received. Again, there has been a marked increase in comparison to previous periods; however the market for candidates is competitive, especially in the UK as mentioned above, which affects delivery on those requirements. The margin percentage on specialist permanent roles we recruit for has increased, but with the increase in contract revenue at a lower overall margin the margin percentage has reduced by 0.05 per cent.

KPIs	**2015 £000's**	2014 £000's
Revenue	**21,715**	17,502
NFI %	**25%**	25%
Staff costs	**3,366**	2,781
Staff cost % of NFI	**63.2%**	63.8%

The 2015 results show that we have increased staff levels during the period, some of which is in the operations, marketing and learning and development areas, which we believe will in turn produce better revenue going forward. Given that there is a recognised delay in new staff producing sales and meeting set objectives we acknowledge that they are all working towards our expectations.

Key financial risks of the group

Details of the Group's financial instruments are given in note 20 to the financial statements.

Principal risks and uncertainties of the group

The Board continuously monitors the key risks and uncertainties that may impact the business and the ability to deliver our strategy. These are identified below:

Staff
The Group has a good record of staff retention in the recruitment market. In a service company such as Nakama and if client relationships are to be maintained and new customers won, it is essential that high quality staff are recruited and retained. The use of appropriate incentives, focused training and a challenging and supportive environment all work to this end. As opportunities develop, we offer the potential for staff to relocate to any of our offices and experience different cultures and to enhance their position in the Group. We recognise that staff retention is vital to our operation, especially in our sector. We continue to recruit new staff, both experienced and non-experienced, to ensure that we mitigate any reliance on any key individuals and grow our own sales consultants.

Office locations
Nakama has offices in the UK (two), Australia (two), Hong Kong and Singapore. It is essential that we examine each of our locations for risks of performance and the operations management of these offices, ensuring we are aware of local laws and can secure licences for the employment of our own staff and those of our placements at clients.

Competition
There are many competing recruitment organisations and RPO companies. The changing social media world also creates competition as companies are moving toward an in-house recruitment model. Nakama also works with internal recruiters as the specialist agency to support the rarer skills needed with its speed of delivery. It is very important that Nakama maintains and enhances its niche market approach in order to continue to differentiate itself from its competitors.

Whilst competition remains robust, it is mainly from local SME based businesses. Competitors are now starting to look closely at the markets we operate in. We are confident however that at the time of writing there is no competitive business that operates along all of Nakama's service lines within our markets either locally or globally. Our ability to remain specialised within the digital, technology, creative and marketing industries locally and globally continues to provide a significant competitive advantage.

On-line recruiting/other competition
At this stage we have not seen much impact from online recruiters; businesses like Linked-In certainly have their place and have created a more connected market. We differentiate ourselves by being seen as providing quality, industry expertise and being a valued partner. The local and global recruitment market is becoming more saturated with agencies, but also by internal teams taking on the recruitment responsibilities on behalf of their companies. The transactional recruitment approach of simply sending CVs to a job is no longer enough – both clients and candidates demand more and will engage with recruitment partners who can really understand their business or skill set to add value. We have already seen the emergence of a new Talent Manager function within businesses, which focuses on the growth, retention and development of staff. It is no longer just about increasing headcount, but actually about how to build and retain the talent once appointed. The recruitment market will need to further develop in reaction to this.

Clients
Clients may choose not to continue to use Nakama's services if our service fails to meet the required standards. We are committed to ensuring the delivery of high standards and to retaining our excellent relationship with clients. We may also lose a client's business if that client is acquired by a competitor. Importantly, longevity of service from Nakama's staff helps provide clients with continuity of service from someone who has a detailed knowledge of their needs. This is a big factor in helping retain clients.

Candidates
Given that the permanent and contract applicants have many recruitment organisations from which to choose, the risk is that they may choose not to register with Nakama. Nakama's staff work hard to be knowledgeable about their niche business and technical areas. By developing a network of clients, contractors and applicants relevant to that niche, Nakama's staff are better positioned to attract and help talented contractors and applicants than more generalist agencies might be. Nakama's database of such applicants and contractors continues to be an excellent source for the business and processes are continually updated to ensure continuity.

Risk
The Board reviews a number of risks of operating the Group such as: key staff changes, financial, environmental and political changes on a monthly basis. We assess the likelihood of an event occurring and the impact on the business together with measures that can be taken to minimise the potential outcome.

Approval
The Strategic Report was approved by order of the Board on 24 July 2015.

Kerri Sayers
Chief Operating Officer
24 July 2015

REPORT OF THE DIRECTORS

The directors present their report with the financial statements of the company and the Group for the year ended 31 March 2015.

Review of business and future developments

The results for the year and financial position of the group and an indication of future developments are as shown in the attached financial statements, and a detailed review is set out in the Strategic Report.

Results and dividends

The group recorded a profit before taxation of £297,000 (2014: loss before taxation £121,000) on revenues of £21.7m (2014: £17.5m).

The directors do not recommend a final dividend (2014: nil). No interim dividend was paid during the year (2014: nil).

Financial risks

Details of the Group's financial instruments and risk are given in note 20 to the financial statements.

Directors

The biographies of the current directors of the group are set out on page 3. The directors that served during the year were:

EK Ford	Non-Executive Chairman
JE Higham	Non-Executive Director and Deputy Chairman
KA Sayers	Chief Operating Officer
M de Lacy	Managing Director Highams
RJ Sheffield	CEO Nakama Asia and Australasia
PJ Goodship	Managing Director Nakama London

Substantial shareholders

As at 31 March 2015, the following significant shareholdings have been notified to the company:

	Number of shares	% of issued share capital
EK Ford	13,999,997	11.89%
RJ Sheffield	13,006,137	11.04%
PJ Goodship	13,006,137	11.04%
M Dixon	21,000,000	17.80%
D and G Hart	9,714,286	8.25%
JE Higham	9,269,078	7.60%
HSBC Global Custody Nominee (UK)	6,925,000	5.88%
MJ Gray	5,304,286	4.50%

Share option schemes

Information regarding the company's share option schemes is given in note 22 to the financial statements.

Indemnity insurance for company officers

The company has maintained insurance cover (including and up to the date of this report) for the directors against liability arising from negligence, default, breach of duty and breach of trust in relation to the company.

Auditor

So far as the directors who were in office at the time that this directors' report was approved are aware, there is no relevant audit information of which the auditor is unaware. Each such director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution to reappoint BDO LLP as auditor will be proposed at the Annual General Meeting.

This report was approved by the Board of Directors on 24 July 2015.

By order of the Board

KA Sayers
Company Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' responsibilities for the financial statements

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

CORPORATE GOVERNANCE

The Board is committed to high standards of corporate governance so that the Group's management procedures are transparent and clearly understood by those who work within the Group, and by those who invest in it.

The Board

The aim of the Board is to function at the head of the Group's management structures, leading and controlling its activities and setting a strategy for enhancing shareholder value. Regular strategy meetings are held to review the Group's forward planning – vital in a rapidly changing market and technology environment.

The Board currently consists of four executive directors and two non-executive directors. The non-executive directors whilst not independent by virtue of their length of service, do provide an independent challenge. The Group does not have a Nomination Committee as such; the Board collectively undertakes the functions of such a committee.

The Chairman and the Executive Directors

With no current Group CEO, the functions of the CEO role are carried out by the executives that are on the Board. They each have a clear understanding as to the split of responsibilities between them, and they meet and communicate regularly so that each is aware of the ideas and actions of the others.

Internal control

The Board has overall responsibility for ensuring that the Group maintains systems and internal financial controls that provide them with reasonable assurance regarding the financial information both for use within the business and for external publication, and that the assets are safeguarded.

An ongoing process has been established for identifying, evaluating and managing the principal risks faced by the Group. The process has been in place for the full year under review and up to the date of approval of the annual report and financial statements. The Board regularly reviews the process.

Audit committee

The Board collectively undertakes the functions of the Audit Committee which is chaired by John Higham.

The terms of reference for the Audit Committee are to assist the Board in the discharge of its responsibilities for corporate governance, financial reporting and internal control. Its duties include maintaining an appropriate relationship with the Group's auditors, keeping under review the scope and results of the audit and its effectiveness.

The Audit Committee has sole responsibility for assessing the independence of the external auditors, BDO LLP. The committee has had due regard to the document published in November 2003 by the Institute of Chartered Accountants in England and Wales (ICAEW) "Reviewing Auditors Independence: guidance for audit committee". Each year the committee undertakes to seek reassurance that the external auditors are independent.

Remuneration committee

This committee (Remcom), which meets at least twice a year, is chaired by K Ford; the Board collectively undertakes the function of Remcom. The Board has adopted a set of operational rules for Remcom which will be available for inspection at the AGM.

The Directors' Remuneration Report is on page 11.

Going concern

After making appropriate enquiries, as disclosed in note 2, the directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

By order of the Board

KA Sayers
Company Secretary

DIRECTORS' REMUNERATION REPORT

This report sets out the remuneration policies for the Group's executive directors. It should be read in conjunction with details of directors' remuneration in note 7 which forms part of the audited financial statements. The members of the remuneration committee (Remcom) are identified on page 10.

The members of Remcom are independent of conflicts of interest arising from day to day running of the business. Remcom makes recommendations to the Board.

Remuneration policies

Remcom recommends to the Board a framework for executive remuneration. Remcom determines specific packages for each executive director, including pension rights and compensation payments.

The general philosophy underlying the Group's remuneration policy for executive directors is the same as that applied to all senior employees in order to encourage performance. The basic components of remuneration are: salary and benefits, cash bonuses, share schemes and pensions.

Salary and benefits

Remcom studies independent reports and market trends in considering the level of salary and benefits. It also takes into account experience, responsibility and performance.

Bonuses

Bonuses may be awarded at Remcom's discretion depending on Group performance and profitability within the relevant business area.

Share schemes

Details of all Company share schemes appear in note 22 to the financial statements.

Mark de Lacy and Kerri Sayers were each granted options on 2,070,530 shares exercisable at 1.25p per share pursuant to the Highams EMI Share Option Scheme. The vesting of 50 per cent. (2,070,530) of these options was contingent on the following condition: the gross profit of the group for the year ended 31 March 2011 exceeds the gross profit for the year ended 31 March 2009 by 10 per cent. The balance of the options are exercisable following the approval of the audited consolidated accounts of the Company for the financial year ending 31 March 2011. 50 per cent. of these options have now lapsed as the condition of increased gross profit was not met for the year. The options were granted by Remcom on 21 November 2008; the share price was 1.25p.

Mark de Lacy and Kerri Sayers were each granted options on 690,184 shares exercisable at 2.75p per share pursuant to the Highams EMI Share Option Scheme. These options are exercisable following the approval of the audited consolidated accounts for the financial year ending 31 March 2012 and were granted by Remcom on 7 September 2010; the share price was 2.75p.

Mark de Lacy and Kerri Sayers were also each granted options on 345,100 shares exercisable at 3.00p per share pursuant to the Highams EMI Share Option Scheme. These options are exercisable following the approval of the audited consolidated accounts for the financial year ending 31 March 2013 and were granted by Remcom on 7 July 2011; the share price was 3.00p. Mark de Lacy and Kerri Sayers were granted options on 500,000 and 1,000,000 shares respectively at 1.12p granted by Remcom on 1 August 2013. Mark de Lacy and Kerri Sayers were also each granted options on 500,000 shares exercisable at 2.88p per share granted by Remcom on 31 July 2014.

Pensions

The Group operates a defined contribution pension scheme, the contributions to which are set out in note 6 to the financial statements.

Service contract of the executive directors

Mark de Lacy, Kerri Sayers, Rob Sheffield and Paul Goodship have service agreements terminable by the company or by the executives of not less than six months notice.

Non-executive directors

Non-executive directors receive an annual fee in respect of their duties. The fees are reviewed annually and are set by the Board. Their contracts are immediately terminable.

By order of the Board

KA Sayers
Company Secretary

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NAKAMA GROUP PLC

We have audited the financial statements of Nakama Group plc for the year ended 31 March 2015, which comprise the consolidated statement of financial position and parent company balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 audit 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 auditor's 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 statement of directors' responsibilities, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements
In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2015 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the directors' report and the strategic 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Anna Draper (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom
24 July 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 £'000	2014 £'000
Revenue	4	**21,715**	17,502
Cost of sales		**(16,394)**	(13,149)
Net fee income		**5,321**	4,353
Administrative expenses		**(4,985)**	(4,429)
Operating profit/(loss)		**336**	(76)
Finance costs	5	**(39)**	(45)
Profit/(loss) before tax		**297**	(121)
Tax expense	9	**(53)**	(81)
Profit/(loss) for the period attributable to equity shareholders		**244**	(202)
Profit/(loss) per share			
Basic profit/(loss) per share from continuing operations	10	**0.21p**	(0.17)p
Diluted profit/(loss) per share from continuing operations	10	**0.19p**	(0.17)p

All of the above relate to continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015

	2015 £'000	2014 £'000
Profit/(loss) for the year	**244**	(202)
Items that will or may be reclassified to profit or loss		
Foreign currency translation difference	**(8)**	44
Total comprehensive profit/(loss) for the year attributable to equity shareholders	**236**	(158)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2015

Company number 1700310

	Note	2015 £'000	2014 £'000
Assets			
Non-current assets			
Intangible assets	11	**849**	1,037
Property, plant and equipment	13	**67**	46
Deferred tax asset	18	**178**	226
Total		**1,094**	1,309
Current assets			
Trade and other receivables	14	**3,514**	3,206
Cash and cash equivalents		**316**	114
Total		**3,830**	3,320
Total assets		**4,924**	4,629
Current liabilities			
Trade and other payables	15	**(1,978)**	(1,678)
Borrowings	16	**(1,071)**	(1,319)
Total		**(3,049)**	(2,997)
Net assets		**1,875**	1,632
Equity			
Share capital	22	**1,602**	1,602
Share premium account		**2,580**	2,580
Merger reserve		**90**	90
Employee share benefit trust reserve		**(61)**	(61)
Currency reserve		**65**	73
Retained earnings		**(2,401)**	(2,652)
Total equity attributable to the shareholders of the company		**1,875**	1,632

The financial statements were approved and authorised for issue by the Board of directors on 24 July 2015

KA Sayers
Chief Operating Officer

JE Higham
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH 2015

	Share capital £'000	Share premium £'000	Merger reserve £'000	Share benefit reserve £'000	Currency reserve £'000	Retained earnings £'000	Total equity £'000
At 1 April 2013	1,602	2,580	90	(61)	29	(2,456)	1,784
Loss for the year	–	–	–	–	–	(202)	(202)
Other comprehensive income	–	–	–	–	44	–	44
Total comprehensive income for 2014	**–**	**–**	**–**	**–**	**44**	**(202)**	**(158)**
Share based payment credit	–	–	–	–	–	6	6
Comprehensive income for the year							
At 1 April 2014	1,602	2,580	90	(61)	73	(2,652)	1,632
Profit for the year	–	–	–	–	–	244	244
Other comprehensive income	–	–	–	–	(8)	–	(8)
Total comprehensive income for the year	–	–	–	–	(8)	244	236
Share based payment credit	–	–	–	–	–	7	7
At 31 March 2015	**1,602**	**2,580**	**90**	**(61)**	**65**	**(2,401)**	**1,875**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2015

	Note	**2015 £'000**	2014 £'000
Operating activities			
Profit/(loss) for the year before tax		**297**	(121)
Depreciation of property, plant and equipment	13	**33**	35
Amortisation of intangible assets	11	**192**	177
Net finance costs		**39**	45
Tax paid		**(1)**	(6)
Changes in trade and other receivables		**(311)**	(363)
Changes in trade and other payables		**300**	(117)
Net cash generated by operating activities		**549**	(350)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(58)**	(35)
Purchase of intangible assets		**(4)**	(66)
Proceeds from the sale of tangible fixed assets		**1**	–
Net cash generated by investing activities		**(61)**	(101)
Financing activities			
(Decrease)/increase in borrowings		**(469)**	555
Finance cost paid		**(39)**	(45)
Net cash from financing activities		**(508)**	510
Net changes in cash and cash equivalents		**(20)**	59
Cash and cash equivalents at beginning of year		**114**	7
Exchange losses on cash and cash equivalents		**1**	48
Cash and cash equivalents at end of year		**95**	114

Cash and cash equivalents for the purposes of the statement of cash flows comprises:

Cash and cash equivalents	**316**	114
Bank overdrafts	**(221)**	–
	95	114

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. Nature of operations and general information
Nakama Group includes Nakama; a global recruitment consultancy for the digital technology and interactive media industry and also Highams; a technology and business information recruitment consultancy for the insurance and investment management industry.

Nakama Group plc, a public limited company, is the Group's ultimate parent company. It is registered in England and Wales. The address of Nakama Group plc's registered office, which is also its principal place of business, is Quadrant House, 33/45 Croydon Road, Caterham, Surrey CR3 6PB. The details of subsidiary undertakings are listed in note 6 to the company financial statements.

Nakama Group plc's shares are listed on the London Stock Exchange's Alternative Investment Market (AIM). Nakama Group plc's consolidated full year financial statements are presented in British pounds (£), which is also the functional currency of the ultimate parent company.

2. Accounting policies
Basis of preparation
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRS.

The financial statements have been prepared under the historical cost convention. The principal accounting policies of the group are set out below.

The accounting policies that have been applied in the opening balance sheet have also been applied throughout all periods presented in these financial statements.

The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

Going concern
The financial statements have been prepared on a going concern basis. As at 31 March 2015 the group had net assets of £1,875,000. It produced a profit for the year of £244,000. In considering the appropriateness of the going concern assumption the directors have taken into consideration:

1. Monthly operating and cash flow forecasts; and
2. Facilities available to the group.

The group has funding arrangements with its principal bankers, linked to receivables, which are renewed on a revolving basis and on similar terms.

The cash flow forecasts are based on historical results, taking into account a small level of growth for those subsidiaries that are in their early years of trading. The current economic conditions and competition in the market create uncertainty over the level of placements and the forecasts take account for possible changes in trading performance but with regular income on contractor payments, the funding arrangements in place give us the opportunity to grow the contract base within the headroom of the facility, adjusting where required.

The directors are therefore confident that the Group will be able to continue as a going concern.

Basis of consolidation
The group financial statements consolidate the results of the company and all of its subsidiary undertakings drawn up to 31 March 2015. Subsidiaries are entities controlled by the group. The company controls a subsidiary if all three of the following elements are present: power over the subsidiary; exposure to variable returns from the subsidiary; and the ability of the investor to use its power to affect those variable returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Business combinations
Business combinations of subsidiaries are dealt with by the purchase method. The equity method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the basis for subsequent measurement in accordance with the group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Direct costs of acquisition are recognised immediately as an expense.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2015

2. Accounting policies continued

Revenue

Revenue is measured at the fair value of consideration received or receivable for services provided during the accounting period net of trade discounts and value added tax. Revenue in respect of contract placements is recognised in the period in which the contractor undertakes the work. Revenue in respect of permanent placements is recognised in the period in which a candidate commences employment. A provision is made against any potential rebates that may become due on permanent placements, should the employee placed leave within a specified period of time. These provisions are reversed once this period has expired.

Goodwill

Goodwill represents any excess of the cost of a business combination over the fair value of the identifiable assets and liabilities acquired for acquisitions after 31 March 2006, together with goodwill recognised on transition to IFRS on 1 April 2006.

Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses.

Other intangible assets

Computer software included at cost is amortised on a straight-line basis over its useful economic life of two years. Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques (see note 3 related to critical estimates and judgements below). Identified intangible assets comprise of customer relationships and candidate database, which are amortised over a six and five-year period, respectively.

Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of property, plant and equipment over their estimated useful lives at the following rates:

Leasehold improvements	– over remaining period of lease on a straight-line basis
Computer equipment	– 50 per cent. per annum on a straight-line basis
Furniture, fittings and office equipment	– 25 per cent. per annum on a straight-line basis

Impairment testing of goodwill, other intangible assets and property, plant and equipment

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually on 31 March. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount the asset is written down immediately to its recoverable amount.

Leased assets

Rentals under operating leases are charged to the income statement on a straight-line basis over the lease term. All of the Group's current leases are operating leases.

Taxation

Current tax is the tax currently payable based on taxable profit for the year.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs to its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit; and
- investments in subsidiaries and jointly controlled entities where the group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets are recognised in the balance sheet only where it is probable that suitable taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred taxation is measured at the tax rates that are expected to apply in the periods in which the asset is realised or the liability is settled, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions entered into by group entities in a currency other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rate of exchange at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the income statement.

On consolidation the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at rates of exchange ruling on the balance sheet date. Exchange differences arising from this policy are recognised directly in the currency reserve, via other comprehensive income.

The Group has taken advantage of the exemption in IFRS 1 and has deemed cumulative translation differences for all foreign operations to be nil at the date of transition to IFRS. The gain or loss on disposal of these operations excludes translation differences that arose before the date of transition to IFRS and includes later translation differences.

Pension costs

The group operates a defined contribution pension scheme. The pension cost expensed to the income statement represents contributions payable by the Group to the pension scheme in the period.

Financial assets

All of the Group's financial assets are categorised as loans and receivables.

The group's financial assets comprise trade receivables, other receivables, cash and cash equivalents. Trade and other receivables are measured initially at fair value and subsequently at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired.

Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the group becomes a party to the contractual provisions of the instrument. The Group's financial liabilities comprise trade payables, other payables, and an interest bearing confidential invoice discounting facility. All financial liabilities are measured initially at fair value and subsequently at amortised cost.

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand, and - for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in the current liabilities on the consolidated statement of financial position.

Employee Share Benefit Trust

The cost of the company's shares held by the employee share benefit trust is deducted from equity in the consolidated balance sheet. Any gain or loss received by the employee share benefit trust on disposal of the shares it holds is also recognised directly in equity. Other assets and liabilities of the employee share benefit trust (including borrowings) are recognised as assets and liabilities of the group. Any shares held by the employee share benefit trust are treated as cancelled for the purposes of calculating earnings per share.

Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2015

2. Accounting policies continued

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares.
- "Merger reserve" represents the difference between the value of shares and the nominal value where issued as part of an acquisition in accordance with the requirements of Merger Relief under the Companies Act.
- "Employee share benefit trust reserve" represents the cost of the company's shares held by the employee share benefit trust.
- "Currency reserve" represents the differences arising from translation of investments in overseas subsidiaries.
- "Retained earnings" represents retained profits less accumulated losses.

New standards, interpretations and amendments effective for periods beginning on or before 1 April 2014

The new standards, interpretations and amendments, effective for periods beginning on or before 1 April 2014 have not had a material effect to the financial statements.

Standards and interpretations to existing standards that are not yet effective and have not yet been adopted by the group

The amendments and interpretations to published standards that have been published on or after 1 April 2015 or later periods have not been adopted early by the group as they are not expected to materially affect the group when they do come into effect.

3. Critical accounting judgements and estimates

In preparing the financial statements it is necessary for the directors to make estimates and judgements about the future. The key assumption made by the directors in the preparation of the financial statements this year concerns the consideration of deferred tax asset. The group has again made profits before depreciation and amortisation and is able to relieve some of its losses in determining its current tax payable for the year, which is why it is anticipated there will be no current tax liability. Furthermore, because the directors are confident of continued profitability it is still considered appropriate to recognise a deferred tax asset for the future relief of the group's remaining losses, with the amount recognised based on formalised budgets. However, the actual amount of losses that will be relieved in future will be driven by the group's actual profitability (including periods beyond those for which formal budgets are prepared) and therefore the amount of the deferred tax asset recognised this year may be greater or smaller than the actual benefit accruing to the group. Details of the group's provided and unprovided deferred tax position are shown in notes 9 and 19.

The group is required to test, on an annual basis, whether goodwill has suffered any impairment (see note 12). The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. Actual outcomes may vary.

4. Operating segments

Operating segments are reported on a geographical basis.

The Group has two main reportable segments based on the location revenue is derived from:

- Asia Pacific – this segment includes Australia, Hong Kong and Singapore.
- UK – the UK segment includes candidates placed in the UK and Europe.

These segments are monitored by the board of directors.

Factors that management used to identify the Group's reportable segments

The group's reportable segments are strategic business units that although supplying the same product offerings, operate in distinct markets and are therefore managed on a day to day basis by separate teams.

Measurement of operating segment profit or loss, assets and liabilities

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The group evaluates performance on the basis of profit or loss from operations before tax not including overhead costs incurred by the head office such as plc AIM related costs not recharged, exceptional items, amortisation and share based payments.

The board does not review assets and liabilities by segment.

	Asia Pacific 2015 £'000	**UK 2015 £'000**	**Total 2015 £'000**
Revenue from external customers	**6,250**	**15,465**	**21,715**
Segment profit before income tax	**300**	**297**	**597**

The comparisons for 2014:

	Asia Pacific 2014 £'000	UK 2014 £'000	Total 2014 £'000
Revenue from external customers	5,287	12,215	17,502
Segment profit before income tax	21	157	178

Reconciliation of reportable segment profit to the Group's corresponding amounts:

Profit or loss after income tax expense	**2015 £'000**	2014 £'000
Total profit or loss for reportable segments	**597**	178
plc costs not cross charged	**(101)**	(116)
Amortisation of intangibles	**(192)**	(177)
Share based payments	**(7)**	(6)
Profit /(loss) before income tax expense	**297**	(121)
Corporation taxes	**(53)**	(81)
Profit /(loss) after income tax expense	**244**	(202)

The Group makes sales to Europe, Asia and Australasia. An analysis of sales revenue by country is given below:

Revenue by country	**2015 £'000**	2014 £'000
United Kingdom	**14,885**	11,489
Europe	**581**	726
Hong Kong	**690**	499
Singapore	**542**	423
Australia	**5,017**	4,365
	21,715	17,502

Transactions with the Group's largest customer equates to 7 per cent. of the Group's revenue and relates to the UK segment (2014: 4 per cent.).

5. Finance costs

	2015 £'000	2014 £'000
Invoice discounting facility	**39**	45
Other	**–**	–
	39	45

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2015

6. Employees' remuneration

(a) Staff costs

Staff costs, including executive directors, during the year were as follows:

	2015 £'000	2014 £'000
Wages and salaries	**3,047**	2,509
Social security	**292**	247
Other pension costs	**20**	19
Share based payment expense	**7**	6
	3,366	2,781

(b) Staff numbers

The average number of persons employed during the year were as follows:

	2015 Number	2014 Number
Sales	**58**	56
Finance and administration	**10**	6
Management	**6**	6
	74	68

7. Directors' and key management personnel remuneration

Aggregate remuneration

Key management personnel are those persons having responsibility for planning, directing and controlling the activities of the Group. During the period these were considered to be the directors of the Company. The total amounts for Executive Directors' remuneration and other benefits were as follows:

	2015 £'000	2014 £'000
Emoluments	**463**	503
Money purchase pension contributions	**19**	18
	482	521

(a) Directors' remuneration

	Fees/basic salary 2015 £'000	Taxable benefits 2015 £'000	Total emoluments 2015 £'000	Money purchase pension contributions 2015 £'000	Total 2015 £'000
Executive					
M de Lacy	**93**	**8**	**101**	**10**	**111**
K Sayers	**88**	**9**	**97**	**9**	**106**
P Goodship	**108**	**4**	**112**	**–**	**112**
R Sheffield	**122**	**4**	**126**	**–**	**126**
Non-executive					
J Higham	**12**	**–**	**12**	**–**	**12**
K Ford	**15**	**–**	**15**	**–**	**15**
Aggregate emoluments	**438**	**25**	**463**	**19**	**482**

	Fees/basic salary 2014 £'000	Taxable benefits 2014 £'000	Total emoluments 2014 £'000	Money purchase pension contributions 2014 £'000	Total 2014 £'000
Executive					
M de Lacy	105	8	113	9	122
K Sayers	88	8	96	9	105
P Goodship (appointed 11 June 2013)	81	3	84	–	84
R Sheffield (appointed 11 June 2013)	104	3	107	–	107
Stefan Ciecierski (resigned 2 May 2013)	75	1	76	–	76
Non-executive					
J Higham	12	–	12	–	12
K Ford	15	–	15	–	15
Aggregate emoluments	480	23	503	18	521

The highest paid director was Robert Sheffield (2014: Mark de Lacy).

All executive directors are employed under a service agreement which can be terminated at any time by either the director or the company giving six months' prior notice. The services of K Ford and JE Higham are secured by letters of appointment, and these appointments can be terminated by the Company in general meeting at any time.

(b) Directors' pension entitlements

During the year, two directors were members of money purchase pension schemes (2014: two). Contributions paid by the Company in respect of such directors are shown in part (a) of this note.

(c) Directors' share options and interests

Details of directors' share options and interests are shown in the directors' remuneration report on page 11.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2015

8. Profit/(loss) on ordinary activities before taxation

The profit/(loss) on ordinary activities before taxation is stated after charging:

	2015 £'000	2014 £'000
The analysis of auditor's remuneration is as follows:		
Remuneration received by the company's auditor or an associate of the company's auditor:		
Company annual accounts	**6**	6
Group annual accounts	**11**	10
	17	16
Other fees payable to the Company's auditors:		
Audit of subsidiary companies	**39**	36
Other audit related fees	**1**	1
Tax compliance	**18**	15
	75	68
Amortisation of intangibles	**192**	177
Depreciation of property, plant and machinery	**33**	35
Foreign exchange loss/(gain)	**(11)**	94
Operating lease rentals:		
Property	**170**	54
Plant and equipment	**15**	15
Staff costs	**3,366**	2,781

9. Income tax expense

	2015 £'000	2014 £'000
Comprising:		
Current tax charge	**9**	–
Prior year period adjustment	**(3)**	6
Deferred tax asset movement	**47**	75
	53	81

The relationship between the expected tax expense based on the effective tax rate of the Group at 21% (2014: 23%) and the tax expense actually recognised in the income statement can be reconciled as follows:

	2015 £'000	2014 £'000
Result for the year before taxation	**297**	(121)
Expected tax expense	**63**	(28)
Expenses not deductible for tax purposes	**40**	47
Differences between capital allowances and depreciation	**3**	2
Income not subject to UK tax	**(62)**	(3)
Utilisation of tax losses	**(4)**	(3)
Under provision in prior year	**(3)**	6
Overseas tax suffered	**8**	–
Losses carried forward	**10**	25
Difference in tax rates	**(2)**	35
Total income tax expense	**53**	81

Please refer to note 19 for information on the entity's deferred tax assets and liabilities.

10. Profit/(loss) per share

	2015			2014		
	Profit £'000	**Weighted average number of shares '000**	**Profit per share p**	Loss £'000	Weighted average number of shares '000	Loss per share p
Basic profit/(loss) per share	**244**	**117,791**	**0.21**	(202)	117,791	(0.17)
Diluted profit/(loss) per share	**244**	**126,571**	**0.19**	(202)	117,791	(0.17)

The weighted average number of shares excludes 183,953 (2014: 183,953) shares held by the Employee Share Benefit Trust.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2015

11. Intangible assets

The amounts recognised in the balance sheet relate to the following:

	Software £'000	Goodwill £'000	Customer relationships £'000	Database £'000	Total £'000
Software					
Cost:					
At 1 April 2013	97	487	647	227	1,458
Additions	66	–	–	–	66
At 31 March 2014	163	487	647	227	1,524
Additions	4	–	–	–	4
At 31 March 2015	167	487	647	227	1,528
Amortisation/impairment:					
At 1 April 2013	85	–	161	65	311
Charge in year	23	–	108	45	176
At 31 March 2014	108	–	269	110	487
Charge for year	39	–	108	45	192
At 31 March 2015	147	–	377	155	679
Net book amount:					
At 31 March 2015	**20**	**487**	**270**	**72**	**849**
At 31 March 2014	55	487	378	117	1,037

12. Goodwill

The Goodwill arose on the acquisition of Nakama in October 2011. The business formed part of the Group with effect from the date of acquisition of Nakama offices in London, Australia and Hong Kong.

The carrying amount of goodwill was allocated to one cash generating unit (CGU) in the prior year. Following an improvement in the reliability of information on a country basis the directors have deemed it appropriate to now allocate goodwill on a smaller CGU basis and this has taken place in the current year. The goodwill has been allocated on a revenue contribution basis. This restructure would not have resulted in an impairment of any goodwill in the prior year, had this taken place then.

The carrying amount of goodwill is allocated to the cash generating units (CGUs) as follows:

	Goodwill carrying amount 2015 £'000
Nakama London	**255**
Nakama Hong Kong	**28**
Nakama Sydney	**168**
Nakama Melbourne	**36**
	487

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually on 31 March. The impairment review is based on a three year conservative forecast plus terminal value with a growth rate for each location according to our budget expectations at an average 10 per cent. (2014: 19 per cent) in the next financial year and 5 per cent. and 4 per cent. respectively thereafter (2014: 4 per cent). The discount rate used in the impairment review was 12 per cent. (2014: 21 per cent), based on the Groups post tax weighted average of capital. The recoverable amount calculated exceeds its carrying amount by £2,519,262 (2014: £1,343,000). If any of the following changes were made to the assumptions, the carrying amount and recoverable amount would be equal: if the growth rate for the first year reduced by 0.05 per cent. to 12.75 per cent. for Nakama London; if the growth rate for the first year reduced by 5 per cent. to 0.25 per cent. for Nakama Melbourne; and if the discount rate increased by 0.25 per cent. to 12.25 per cent. for Nakama London.

13. Property, plant and equipment

	Improvements to property £'000	**Computer equipment £'000**	**Furniture, fittings and office equipment £'000**	**Total £'000**
Cost:				
At 1 April 2014	**80**	**199**	**78**	**357**
Additions	**12**	**35**	**11**	**58**
Disposals	**–**	**(1)**	**–**	**(1)**
Foreign exchange difference	**3**	**4**	**–**	**7**
At 31 March 2015	**95**	**237**	**89**	**421**
Depreciation:				
At 1 April 2014	**76**	**168**	**67**	**311**
Charge for the year	**3**	**26**	**4**	**33**
Disposals	**–**	**–**	**–**	**–**
Foreign exchange difference	**1**	**9**	**–**	**10**
At 31 March 2015	**80**	**203**	**71**	**354**
Net book value 31 March 2015	**15**	**34**	**18**	**67**

	Improvements to property £'000	Computer equipment £'000	Furniture, fittings and office equipment £'000	Total £'000
Cost:				
At 1 April 2013	80	174	68	322
Additions	–	25	10	35
Disposals	–	–	–	–
At 31 March 2014	80	199	78	357
Depreciation:				
1 April 2013	75	135	66	276
Charge for the year	1	33	1	35
Disposals	–	–	–	–
At 31 March 2014	76	168	67	311
Net book value 31 March 2014	4	31	11	46

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2015

14. Trade and other receivables

	2015 £'000	2014 £'000
Trade receivables	**3,257**	3,033
Other receivables	**35**	11
Prepayments and accrued income	**222**	162
	3,514	3,206

All amounts are short-term. The carrying value of trade receivables is considered a reasonable approximation of fair value. All of the receivables have been reviewed for indicators of impairment and no provision (2014: £nil) has been considered necessary. Trade receivables amounting to £1.05m (2014: £0.57m) were pledged as collateral for the invoice discounting facility.

Some of the unimpaired trade receivables are past due as at the reporting date. The age of trade receivables past due but not impaired is as follows:

	2015 £'000	2014 £'000
More than one month but not more than three months	**1,232**	726
More than three months but not more than six months	**58**	88
More than six months but not more than one year	**12**	–
More than one year	**–**	–
	1,302	814

15. Trade and other payables

	2015 £'000	2014 £'000
Trade payables	**765**	712
Other taxes and social security costs	**819**	532
Other payables	**138**	146
Accruals and deferred income	**256**	288
	1,978	1,678

All amounts are short-term. The carrying values are considered to be a reasonable approximation of fair value. The contractual maturity of trade payables is as follows:

	2015 £'000	2014 £'000
0 to 30 days	**701**	654
31 to 60 days	**51**	35
61 to 120 days	**13**	23
	765	712

All other financial liabilities including borrowings are repayable on demand.

16. Borrowings

	2015 £'000	2014 £'000
Current liabilities		
Bank overdrafts	**221**	–
Invoice discounting	**850**	1,319
	1,071	1,319

The Group has a confidential invoice discounting facilities of £2,000,000 (2014: £2,000,000). The facility is Group cross guaranteed. The carrying values are considered to be a reasonable approximation of fair value.

17. Leases

Operating leases

The Group leases offices and equipment under non-cancellable operating leases. The total minimum lease payments under non-cancellable operating leases are as follows:

	2015		2014	
	Land and buildings £'000	**Other £'000**	Land and buildings £'000	Other £'000
Within one year	**235**	**15**	106	26
After one year and less than five years	**198**	**37**	209	27
	433	**52**	316	53

Lease payments recognised as an expense during the year amount to £140,227 (2014: £69,678). No sublease income is expected as all assets held under lease agreements are used exclusively by the Group.

The rental contract for the office building rented since July 2000 at Caterham has a lease which expired in March 2011. The lease has been renewed for a further five years, The Group has invoked its three year break clause as above and negotiated a new five year lease, with a break clause again after three years. In January 2014 the Group has taken leased office space in Singapore and Sydney, both on two years lease agreements. As at February 2015 the Group has moved from a serviced office space to a leased office space in London on a two year lease agreement.

Operating lease agreements do not contain any contingent rent clauses. None of the operating lease agreements contain renewal or purchase options or escalation clauses or any restrictions regarding further leasing.

18. Deferred tax

Deferred tax recognised in the financial statements is set out below:

Movement on deferred taxation balance in the period	2015 £'000	2014 £'000
As at 1 April 2014	**226**	301
(Charge)/credit to profit and loss account	**(48)**	(75)
Adjustment in respect of prior periods	**–**	–
As at 31 March 2015	**178**	226

	2015 £'000	2014 £'000
Available trading losses	**(154)**	(205)
Accelerated capital allowances	**(24)**	(21)
Deferred tax asset	**(178)**	(226)

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2015

18. Deferred tax continued

In accordance with IAS 12 "Income Taxes", the deferred tax asset has been recognised to the extent that trade losses will be recoverable against profits in the foreseeable future. A deferred tax asset has been recognised in relation to the trading losses in Highams Recruitment Limited only and based on current utilisation of the losses and future forecasts it is expected this asset will be fully utilised in the next four years. The temporary differences for which the deferred tax asset has not been provided in the financial statements is set out below:

	2015 £	2014 £
Losses	**300,853**	284,728
Accelerated capital allowances	**48,242**	19,519
	349,095	304,247

19. Related party transactions and controlling related party

The group's related parties include its Board of Directors. Details of the directors' remuneration are given in note 7. There were no other related parties.

20. Financial risk management objectives and policies

Financial instruments

The group uses various financial instruments; these include cash and cash equivalents, and various items such as trade receivables, trade payables that arise directly from its operations and an invoice discounting arrangement. The main purpose of these financial instruments is to raise finance for the company's operations.

The main risks arising from the company's financial instruments are interest rate risk, liquidity risk, credit risk and currency risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The group finances its operations through a mixture of retained profit, bank borrowings and invoice discounting. The group borrows in Pounds Sterling, Euros and Australian Dollars through the invoice discounting facility.

Cash deposits are non-interest bearing unless placed on money markets at overnight rates. The overdraft balances are offset against cash deposits in accordance with the facility and is managed such that no interest cost is incurred. The invoice discounting facilities are charged at 1.65 per cent. above the UK base rate for Sterling and Euro borrowing and 1 per cent. above base on the Australian facility. The group is therefore exposed to changes in interest rates primarily through its invoice discounting facility. If the bank base rates increased by 1 per cent. finance cost would increase by £18,166 (2014: £16,820).

Liquidity risk

The group manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands including on a day-to-day and week-to-week basis, as well as on a monthly basis. As at 31 March 2015 all of the group's financial liabilities are contractually due within six months of the balance sheet date. The majority of working capital is provided through the invoice discounting facility; additional draw down of these payments are directly related to the trade receivables. The group's liquidity needs are assessed periodically.

Capital management policies and procedures

The group's capital management objectives are:

- to ensure the group's ability to continue as a going concern; and
- to provide an adequate return to shareholders by pricing its offerings commensurately with the level of risk.

The group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the balance sheet. Capital for the reporting years under review is summarised as below.

Although Nakama Group plc is not constrained by any externally imposed capital requirements, its goal is to maximise its capital to overall financing structure ratio.

The group sets the amount of capital in proportion to its overall financing structure and manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	2015 £'000	2014 £'000
Capital		
Total equity	**1,875**	1,632
	1,875	1,632
Overall financing		
Total equity	**1,875**	1,632
Plus net borrowings	**1,071**	1,204
	2,946	2,836
Capital-to-overall financing ratio	**63.6%**	57.6%

Credit risk

The group's principal financial assets are cash deposits and trade receivables. Risks associated with cash deposits are low as they are held at banks with high credit ratings assigned by international credit rating agencies.

The principal credit risk lies with trade receivables. In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history. The group has historically not suffered from significant bad debt problems. The group's principal bankers are Lloyds TSB Commercial, and the group's invoice discounting facility is also held with Lloyds TSB Commercial Finance.

Currency risk

The group trades within international markets. These transactions are generally priced and invoiced in Euros, Hong Kong Dollars, Singapore Dollars and Australian Dollars.

The table below shows the group's currency exposures. Such exposures comprise the monetary assets and monetary liabilities of the group that are not denominated in its functional currency of the transactions concerned. The exposures which relate only to the sales ledger balance, purchase ledger balance and cash at bank arises only where the functional currency is Sterling, and were as follows:

	2015 £'000	2014 £'000
Euro	**21**	31

The foreign subsidiaries operate only in their functional currency.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2015

20. Financial risk management objectives and policies continued

Summary of financial assets and liabilities by category

The carrying amounts of the group's financial assets and liabilities as recognised at the balance sheet date of the years under review may also be categorised as follows:

	Cash, loans and receivables 2015 £'000	Non-financial assets 2015 £'000	Financial liabilities at amortised cost 2015 £'000	Non-financial liabilities 2015 £'000	Total for balance sheet heading 2015 £'000
Balance sheet headings					
Trade receivables	**3,257**	**–**	**–**	**–**	**3,257**
Cash at bank	**316**	**–**	**–**	**–**	**316**
Other receivables	**–**	**35**	**–**	**–**	**35**
Prepayments	**–**	**222**	**–**	**–**	**222**
Trade payables	**–**	**–**	**(765)**	**–**	**(765)**
Other taxes and social security costs	**–**	**–**	**–**	**(819)**	**(819)**
Other payables	**–**	**–**	**(359)**	**–**	**(359)**
Accruals	**–**	**–**	**(256)**	**–**	**(256)**
Borrowings	**–**	**–**	**(850)**	**–**	**(850)**
Total	**3,573**	**257**	**(2,230)**	**(819)**	**781**

	Cash, loans and receivables 2014 £'000	Non-financial assets 2014 £'000	Financial liabilities at amortised cost 2014 £'000	Non-financial liabilities 2014 £'000	Total for balance sheet heading 2014 £'000
Balance sheet headings					
Trade receivables	3,033	–	–	–	3,033
Cash at bank	114	–	–	–	114
Other receivables	–	11	–	–	11
Prepayments	–	162	–	–	162
Trade payables	–	–	(712)	–	(712)
Other taxes and social security costs	–	–	–	(532)	(532)
Other payables	–	–	(146)	–	(146)
Accruals	–	–	(288)	–	(288)
Borrowings	–	–	(1,319)	–	(1,319)
Total	3,147	173	(2,465)	(532)	323

The fair values of the financial assets and liabilities at 31 March 2015 and 31 March 2014 are not materially different from their book values.

21. Share capital

	At 31 March 2015 £'000	At 31 March 2014 £'000
Authorised		
5,554,741,568 Ordinary 5p shares subdivided to 0.01p	**555**	555
31,875,568 Deferred shares at 4.99p	**1,591**	1,591
48,773,016 New ordinary 0.01p shares issued	**5**	5
	2,151	2,151

	At 31 March 2015 £'000	At 31 March 2014 £'000
Allotted, called up and fully paid		
69,018,425 Ordinary 5p shares subdivided to 0.01p	**7**	7
31,875,568 Deferred shares at 4.99p	**1,590**	1,590
48,773,016 New ordinary shares issued	**5**	5
	1,602	1,602

	Number	Number
Movement in Ordinary shares		
Total number of shares in issue	**117,791,441**	117,791,441
Deferred shares		
Deferred shares of 4.99p	**31,875,568**	31,875,568

The deferred shares do not carry any voting rights and do not entitle the holders to receive any dividend or other distribution.

22. Employee share schemes

(a) EMI option scheme

The EMI option scheme was amended with effect from 29 March 2007 in order to reflect legislative changes since the scheme's creation in 2000. Options over 4,141,060 ordinary shares were granted on 21 November 2008 at an exercise price of 1.25 pence per share. Fifty per cent. of these options have since lapsed leaving 2,070,530 under option.

Options over 1,380,368 ordinary shares were granted on 7 September 2010 at an exercise price of 2.75p per share. Options over 690,200 ordinary shares were granted on 7 July 2011 at an exercise price of 3.00p per share. Options over 513,900 ordinary shares were granted on 11 December 2012 at an exercise price of 1.88p. Options over 1,500,000 ordinary shares were granted on 1 August 2013 at an exercise price of 1.12p. Options over 2,150,000 ordinary shares were granted on 31 July 2014 at an exercise price of 2.88p.

The share based payment expenses for the period are shown in note 6 and are immaterial and therefore no further IFRS 2 disclosures are given.

(b) Employee Share Benefit Trust

An Employee Share Benefit Trust was established in November 1995 and its Trustees have the power to grant options to eligible employees over shares in the Company at the Trust's expense, and at the company's discretion, upon such terms as they think fit and to purchase such shares to be acquired by the eligible employees.

The company did not make any contributions to the Trust during the year (2014: £nil). The Trust holds 183,953 shares in the Company, with a market value of £7,588 (2014: 183,953 shares at a market value of £5,150). These shares were purchased at a cost of £61,000.

No shares have been transferred to employees or were under option as at 31 March 2015. The Trust's only other asset at 31 March 2015 was cash at bank of £2,182 (2014: £2,237) which is included in the group's balance sheet as part of cash and cash equivalents. The Trust had no liabilities.

All other options granted in prior years have lapsed and no other types of options were granted in the year.

COMPANY BALANCE SHEET
AT 31 MARCH 2015

	Notes	**2015 £'000**	2014 £'000
Fixed assets			
Tangible assets	5	**12**	24
Investments	6	**1,346**	1,346
		1,358	1,370
Current assets			
Debtors: amount due greater than one year	7	**848**	959
Debtors: amount due within one year	7	**37**	68
Cash at bank and in hand		**2**	2
		887	1,029
Creditors: amount falling due within one year	8	**(86)**	(128)
Net current assets		**801**	901
Total assets less current liabilities being net assets		**2,159**	2,271
Capital and reserves			
Called up share capital	9	**1,602**	1,602
Share premium account	9	**2,580**	2,580
Merger reserve	9	**297**	297
Employee share benefit trust reserve	9	**(61)**	(61)
Profit and loss account	9	**(2,259)**	(2,147)
Shareholders' funds		**2,159**	2,271

The financial statements were approved by the Board of Directors and authorised for issue on 24 July 2015.

K A Sayers
Chief Operating Officer

J E Higham
Director

The accompanying notes on pages 35 to 39 are an integral part of these financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. Principal accounting policies

Basis of preparation

The parent company financial statements are prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Leasehold improvements	– over period of lease
Computer equipment	– 50 per cent. on cost per annum
Furniture, fittings and office equipment	– 25 per cent. on cost per annum
Motor vehicles	– 25 per cent. on written down value per annum

Investments

Investments are stated at cost less provision for impairment.

Leased assets

Rentals payable under operating leases, being leases which do not result in the transfer to the company of substantially all the risks and rewards of ownership of the assets, are charged to the profit and loss account on a straight line basis over the lease term.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except for deferred tax assets which are only recognised to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit and loss account over the remaining vesting period.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Related parties

The exemption has been taken not to disclose related party transactions between wholly owned members of the group.

2. Directors' remuneration

Directors' remuneration has been disclosed within the report of the directors and note 7 to the group financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2015

3. Auditor remuneration

Auditor remuneration attributable to the company is as follows:

	2015 £'000	2014 £'000
Audit fees – statutory audit	**6**	6

4. Loss for the financial year

The parent Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements and is reporting under UK GAAP. The loss for the financial year was £119,029 (2014: Loss of £116,985).

5. Tangible fixed assets

	Leasehold improvements £'000	**Motor vehicles £'000**	**Computer equipment £'000**	**Fixtures, fittings and office equipment £'000**	**Total £'000**
Cost:					
At 1 April 2014	80	–	92	52	224
Additions	–	–		–	–
Disposals	–	–	–	–	–
At 31 March 2015	**80**	**–**	**92**	**52**	**224**
Depreciation:					
At 1 April 2014	76	–	72	52	200
Provided in the year	1	–	11	–	12
Eliminated on disposals	–	–	–	–	–
At 31 March 2015	**77**	**–**	**83**	**52**	**212**
Net book amount:					
At 31 March 2015	**3**	**–**	**9**	**–**	**12**
At 31 March 2014	4	–	20	–	24

6. Investments

The amounts recognised in the Company's balance sheet relate to the following:

	£'000
Cost:	
At 1 April 2014	1,346
At 31 March 2015	**1,346**

The value carried relates to the acquisition of Nakama on 14 October 2011.

Subsidiaries	Principal activity	Class of shares held	Country of incorporation
Highams Recruitment Limited*	Recruitment	Ordinary	UK
Highams Recruitment BV*,**	Dormant	Ordinary	The Netherlands
RWP Recruitment Services Limited	Dormant	Ordinary	UK
EquationHR Limited	Dormant	Ordinary	UK
Highams Holding BV*	Holding company	Ordinary	The Netherlands
Highams Share Scheme Trustee Limited*	Trustee of Employee Benefit Trust	Ordinary	UK
Nakama Financial Services Limited*	Dormant	Ordinary	UK
Nakama Limited*	Recruitment	Ordinary	UK
Nakama Hong Kong**	Recruitment	Ordinary	Hong Kong
Nakama Sydney pty**	Recruitment	Ordinary	Australia
Nakama Melbourne pty**	Recruitment	Ordinary	Australia
Nakama Singapore pte*,**	Recruitment	Ordinary	Singapore
Highams Recruitment Services (N.E.) Limited*	Dormant	Ordinary	UK

All subsidiaries marked with * are wholly owned by the company, all others are indirectly wholly owned.

All subsidiaries marked with ** are incorporated outside the UK.

7. Debtors

	2015 £'000	2014 £'000
Prepayments and accrued income	**30**	57
Other debtors	**8**	11
Amounts due from subsidiary undertakings	**849**	959
	887	1,027

The balance of amounts due from subsidiary undertakings as shown above is repayable in more than one year.

8. Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	**26**	66
Other taxes and social security costs	**9**	9
Accruals and deferred income	**51**	53
	86	128

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MARCH 2015

9. Reconciliation of movements in shareholders' funds

	Share capital £'000	Share premium £'000	Merger reserve £'000	Employee share benefit reserve £'000	Retained earnings £'000	Total Shareholder fund £'000
At 1 April 2013	1,602	2,580	297	(61)	(2,036)	2, 382
Share based payment credit	–	–	–	–	6	6
Loss for the year	–	–	–	–	(117)	(117)
At 1 April 2014	1,602	2,580	297	(61)	(2,147)	2,271
Share based payment credit	–	–	–	–	7	7
Loss for the year	–	–	–	–	(119)	(119)
At 31 March 2015	**1,602**	**2,580**	**297**	**(61)**	**(2,259)**	**2,159**

10. Financial commitments

	Land and buildings 2015 £'000	**Other 2015 £'000**	Land and buildings 2014 £'000	Other 2014 £'000
Annual commitments under non-cancellable operating leases expiring:				
Within one year	**–**	**7**	–	1
Between two and five years	**34**	**10**	34	28
	34	**17**	34	29

11. Share capital

	At 31 March 2015 £'000	At 31 March 2014 £'000
Authorised		
5,554,741,568 ordinary 5p shares subdivided to 0.01p	**555**	555
31,875,568 Deferred shares at 4.99p	**1,591**	1,591
48,773,016 new ordinary 0.01p shares issued	**5**	5
	2,151	2,151

	At 31 March 2015 £'000	At 31 March 2014 £'000
Allotted, called up and fully paid		
69,018,425 ordinary 5p shares subdivided to 0.01p	**7**	7
31,875,568 Deferred shares at 4.99p	**1,590**	1,590
48,773,016 new ordinary 0.01p shares issued	**5**	5
	1,602	1,602

	Number	Number
Movement in ordinary shares		
Total number of shares in issue	**117,791,441**	117,791,441
Deferred shares		
Deferred shares of 4.99p	**31,875,568**	31,875,568

The deferred shares do not carry any voting and do not entitle the holders to receive any dividend or other distribution.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Nakama Group plc (the "Company") will be held at the offices of WH Ireland, 24 Martin Lane, London EC4 0DR on Monday 7 September 2015 at 11.00 a.m. for the following purposes:

Ordinary Business

1. To receive and adopt the financial statements for the year ended 31 March 2015, together with the Reports of the Directors and of the Auditors thereon.
2. To re-appoint BDO LLP as auditors to the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
3. To authorise the Directors to determine the remuneration of the auditors of the Company.
4. To re-elect as a Director Robert James Sheffield who retires by rotation, in accordance with Article 76 of the Company's Articles of Association.
5. To re-elect as a Director John Higham who retires by rotation, in accordance with Article 76 of the Company's Articles of Association.

To transact any other ordinary business of the Company.

Special Business

As special business, to consider and if thought fit pass the following resolutions which will be proposed as to resolution 6 as an ordinary resolution and as to resolutions 7 and 8 as special resolutions:

6. THAT, subject to and in accordance with Article 6.2 of the Articles of Association of the Company, the board be and it is hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (in substitution for any existing authority to allot shares) to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £3,926 (being approximately one third of the current issued ordinary share capital) provided that such authority shall expire on the conclusion of the next annual general meeting of the Company after the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require such shares to be allotted or rights to subscribe for or convert securities into shares to be granted after such expiry, and the board may allot shares and grant rights to subscribe or convert securities into shares in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.
7. THAT, subject to the passing of resolution 6 as set out in the notice of this meeting, and in accordance with Article 6.2 of the Articles of Association of the Company, the board be empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of the said Act) for cash pursuant to the general authority conferred by resolution 6 as set out in the notice of this meeting as if section 561(1) of the said Act did not apply to such allotment, provided that this power shall be limited to allotments of equity securities:
   (i) in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of shares in the Company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory;

   (ii) otherwise than pursuant to sub-paragraph (i) above, up to an aggregate nominal amount of £589.00 and such power shall expire on the conclusion of the next annual general meeting of the Company after the passing of this resolution 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 board may allot equity securities in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

8. THAT, the Company be generally and unconditionally authorised pursuant to section 701 of the Companies Act 2006, to make market purchases (as defined in section 693(4) of the Companies Act 2006) of up to 11,779,144 ordinary shares of £0.01 each in the capital of the Company (being approximately 10 per cent. of the current issued ordinary share capital of the Company) on such terms and in such manner as the directors of the Company may from time to time determine, provided that:

   (i) the amount paid for each share (exclusive of expenses) shall not be more than the higher of (1) five per cent. above the average market value for the five business days before the date on which the contract for the purchase is made, and (2) an amount equal to the higher of the price of the last independent trade and current independent bid as derived from the trading venue where the purchase was carried out or less than £0.01 per share; and

   (ii) the authority herein contained shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2016 or the date falling not more than 15 calendar months from the date of this resolution, whichever is earlier, provided that the Company may, before such expiry, make a contract to purchase its own shares which would or might be executed wholly or partly after such expiry, and the Company may make a purchase of its own shares in pursuance of such contract as if the authority hereby conferred hereby had not expired.

Adoption of FRS 101 – 'Reduced Disclosure Framework'

Following the publication of FRS 100 'Application of Financial Reporting Requirements' by the Financial Reporting Council, the company is required to change its accounting framework for its entity financial statements for its financial year commencing 1 April 2016. The directors consider that it is in the best interests of the Group for the company to adopt FRS 101 'Reduced Disclosure Framework'. No disclosures in the current UK

GAAP financial statements would be omitted on adoption of FRS 101. A shareholder or shareholders holding in aggregate five per cent. or more of the total allotted shares in the company may serve objections to the use of the disclosure exemptions on the company in writing, to its registered office, not later than 30 September 2015.

By Order of the Board
Kerri Sayers
Secretary

Registered Office:
Quadrant House
33/45 Croydon Road
Caterham
Surrey
CR3 6PB

Dated: 24 July 2015

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

Notes:

1. Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (who need not be a member of the Company) to attend and to vote instead of the member. Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person, should he subsequently decide to do so.
2. In order to be valid, any form of proxy and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, must reach the Company's Registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, not less than 48 hours before the time of the meeting or of any adjournment of the meeting.
3. The right of members to vote at the Annual General Meeting is determined by reference to the register of members. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, shareholders (including those who hold shares in uncertificated form) must be entered on the Company's share register at 6 p.m. on 3 September 2015 in order to be entitled to attend and vote at the Annual General Meeting. Such shareholders may only cast votes in respect of shares held at such time. Changes to entries on the relevant register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
4. Copies of the service contracts and letters of appointment of each of the directors will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays and public holidays excluded) and at the place of the Annual General Meeting from at least 15 minutes prior to and until the conclusion of the Annual General Meeting.
5. Biographical details of each director who is being proposed for re-election by shareholders are set out at Nakamagroupplc.com

FINANCIAL CALENDAR

Last date and time for receipt of proxy for the Annual General Meeting	11 a.m. on 3 September 2015
Annual General Meeting	11 a.m. on 7 September 2015

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