

Nakama Group plc (AIM: NAK)
Formerly
Highams Systems Services Group plc

("Highams" or "Nakama" or "the Group")

The AIM quoted technology recruitment consultancy, specialising in IT staffing to the financial services sector, and digital technology and interactive internet media staffing to international markets, announces its interim results for the six months ended 30 September 2011.

INTERIM RESULTS

For the six months ended 30 September 2011

Highlights

- Revenue grew by 8% to £4.78m (2010: £4.41m)
- Profit before tax increased substantially by 23% to £152,000 (2010: £123,000)
- Net fee income (NFI) rose by 15% to £888,000 (2010: £770,000)
- NFI percentage increased to 18.55% (2010: 17.46%)
- EPS up 22% to 0.22p (2010: 0.18p)
- Activity levels in UK financial services markets held firm

Ken Ford, Chairman of Nakama, commented:

"We are pleased to report our interim results, which show an increase in revenue of 8% to £4.78m (2010: £4.41m) on the same period last year, with an increase in net fee income (NFI) and profit before tax.

Activity levels in Highams' core UK Financial Services sector have held firm in spite of economic uncertainty.

For some time we have been looking for an acquisition to enhance the Group's offering and we were delighted to announce the acquisition of Nakama on 13 October 2011 and the change of name to Nakama Group plc. We now move into the second half of the year with a stronger platform on which to continue to develop. Not only will we see the reopening of a London office but furthermore, Nakama's exposure to international markets provides the opportunity to broaden geographical spread, cross sell to an enlarged client base and diversify risk. A copy of the announcement giving full details of the terms of the acquisition is at www.highams.com.

The acquisition of Nakama brings many other potential benefits and brings on board the experienced recruitment specialist, Stefan Ciecierski, who I am delighted to welcome to the Board as CEO. I therefore very much look forward to a new chapter of growth for the enlarged Group".

Enquiries:

Stefan Ciecierski, Chief Executive Officer
Nakama Group plc

Tel: 020 3170 8202

Mark de Lacy, Managing Director
Nakama Group plc
www.highams.com

Tel: 01883 341 144

Jonathan Wright (Nominated adviser)
Seymour Pierce Limited

Tel: 0207 107 8000

Tarquin Edwards
Peckwater PR

Tel: 07879 458 364

CHAIRMAN'S STATEMENT

Interim results for the six months ended 30 September 2011

Introduction

We are pleased to report our interim results, which show an increase in revenue of 8% to £4.78m (2010: £4.41m), on the same period last year, with an increase in net fee income (NFI) and profit before tax.

Activity levels in Highams' core UK Financial Services sector have held firm in spite of economic uncertainty.

Financials

The results for the 6 months to 30 September 2011 do not reflect the acquisition of Nakama which took place after the period end.

We have had a good start to the year: turnover increased to £4.78 million (2010: £4.41 million), and NFI increased to £887,000 (2010: £770,000). The operating profit before interest and tax was £155,000 (2010: £128,000).

A return to future dividend payments is being kept under review by the Board, but following the recent acquisition and on-going integration of the two businesses, the directors are not recommending that the Company does so at the current time.

Recent News

For some time we have been looking for an acquisition to enhance the Group's offering and we were delighted to announce the acquisition of Nakama on 13 October 2011 and the change of name to Nakama Group plc. We now move into the second half of the year with a stronger platform on which to continue to develop. Not only will we see the reopening of a London office but, furthermore, Nakama's exposure to international markets provides the opportunity to broaden geographical spread, cross sell to an enlarged client base and diversify risk. A copy of the announcement giving full details of the terms of the acquisition is at www.highams.com.

Although both Highams and Nakama supply technology, business and professional services personnel, Nakama's focus on the digital technology and interactive media sector is sufficiently distinct from Highams' focus on the financial services industry to provide some diversity of risk and the opportunity of cross-selling to each other's client base, while providing an enlarged database of contractors with a wider range of opportunity. We also expect to experience some operational cost savings from the merger of the two companies.

The acquisition of Nakama brings many other potential benefits and brings on board the experienced recruitment specialist, Stefan Ciecierski, who I am delighted to welcome to the Board as CEO. I therefore very much look forward to a new chapter of growth for the enlarged Group.

Summary and Outlook

We continue to make good progress and we now move into the second half of the year with a stronger platform on which to continue to develop the enlarged Group.

We have, over the past few months, recruited more personnel into the Highams sales team to enhance delivery and I welcome all new joiners to the Group. I am particularly pleased to welcome our new colleagues from Nakama in the UK, Hong Kong and Australia, some 30 people, into the enlarged Group.

Integration of the back office systems will take place over the coming months which should bring operational benefits to the Group as a whole; these benefits should be reflected in the second half of the year to 31 March 2012 and for the full year to 31 March 2013.

Ken Ford
Chairman

10 November 2011

**Consolidated statement of comprehensive income
for the six months ended 30 September 2011**

	Note	6 months to 30 Sep 2011 Unaudited £'000	6 months to 30 Sep 2010 Unaudited £'000	12 months to 31 Mar 2011 Audited £'000
Total Revenue		4,779	4,409	9,020
Cost of sales		(3,892)	(3,639)	(7,390)
Net fee income		887	770	1,630
Other administrative costs		(732)	(642)	(1,317)
Operating profit		155	128	313
Finance costs		(3)	(5)	(10)
Profit on ordinary activities before taxation		152	123	303
Tax credit		-	-	200
Profit and total comprehensive income for the period attributable to equity shareholders		152	123	503
Basic earnings per share	2	0.22 p	0.18 p	0.73 p
Diluted earnings per share	2	0.21 p	0.17 p	0.71 p

**Statement of changes in equity
at 30 September 2011**

	Share capital £'000	Share premium £'000	Merger reserve £'000	Employee share benefit reserve £'000	Currency Reserve £'000	Retained earnings £'000	Total equity £'000
At 1 April 2009	1,597	1,239	90	(61)	3	(2,805)	63
Currency adjustments	-	-	-	-	1	-	1
Profit to 31 March 2010	-	-	-	-	-	232	232
At 31 March 2010	1,597	1,239	90	(61)	4	(2,573)	296
Share based payment credit	-	-	-	-	-	2	2
Profit to 31 March 2011	-	-	-	-	-	503	503
At 31 March 2011	1,597	1,239	90	(61)	4	(2,068)	801
Profit to 30 September 2011	-	-	-	-	-	152	152
At 30 September 2011	1,597	1,239	90	(61)	-	(1,916)	953

**Consolidated balance sheet
as at 30 September 2011**

	6 months to 30 Sep 2011 Unaudited £'000	6 months to 30 Sep 2010 Unaudited £'000	12 months to 31 Mar 2011 Audited £'000
Assets			
Non-current assets			
Property, plant and equipment	4	3	5
Deferred tax asset	301	101	301
Total	305	104	306
Current assets			
Trade and other receivables	1,590	1,255	1,592
Cash and cash equivalents	346	-	176
Total	1,936	1,255	1,768
Total assets	2,241	1,359	2,074
Liabilities			
Current liabilities			
Trade and other payables	(1,288)	(750)	(1,273)
Borrowings	-	(190)	-
Total	(1,288)	(940)	(1,273)
Net assets/(liabilities)	953	419	801
Equity			
Share capital	1,597	1,597	1,597
Share premium account	1,239	1,239	1,239
Merger reserve	90	90	90
Employee share benefit trust reserve	(61)	(61)	(61)
Currency reserve	4	4	4
Retained earnings	(1,916)	(2,450)	(2,068)
Total equity	953	419	801

**Consolidated Cash Flow Statement
as at 30 September 2011**

	6 months to 30 Sep 2011 Unaudited £'000	6 months to 30 Sep 2010 Unaudited £'000	12 months to 31 Mar 2011 Audited £'000
Operating activities			
Profit before taxation	152	123	303
Depreciation of tangible assets	1	4	8
Net finance costs	3	5	10
Changes in trade and other receivables	2	36	(301)
Changes in trade and other payables	15	(126)	399
Net cash used in operating activities	173	42	419
Cash flows from investing activities			
Purchase of property plant and equipment	-	-	(6)
Net cash used in investing activities	-	-	(6)
Financing activities			
Reduction in borrowings	-	(80)	(231)
Interest paid	(3)	(5)	(10)
Net cash from financing activities	(3)	(85)	(241)
Net changes in cash and cash equivalents	170	(43)	172
Cash and cash equivalents at beginning of period	176	4	4
Cash and cash equivalents at end of period	346	(39)	176

Notes to the Interim Report

1. Basis of Preparation

This unaudited consolidated interim financial information has been prepared using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and Interpretations adopted for use in the European Union (collectively EU IFRSs). The principal accounting policies used in preparing the interim results are those that the Group expects to apply in its financial statements for the year ended 31 March 2012 and are unchanged from those disclosed in the Group's Annual Report for the year ended 31 March 2011

The financial information for the six months ended 30 September 2011 and 30 September 2010 is unreviewed and unaudited and does not constitute the Group's statutory financial statements for those periods. The comparative financial information for the full year ended 31 March 2011 has, however, been derived from the audited statutory financial statements for that period. A copy of those statutory financial statements has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2)-498(3) of the Companies Act 2006.

The financial information in the Interim Report is presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

2. Earnings per share

	6 months to 30 Sept 2011 Unaudited			6 months to 30 Sept 2010 Unaudited			12 Months to 30 March 2011 Audited		
	Profit £'000	Weighted average number of shares '000	Profit per share p	Profit £'000	Weighted average number of shares '000	Profit per share p	Profit £'000	Weighted average number of shares '000	Profit per share p
Basic earnings per share	152	68,834	0.22	123	68,834	0.18	503	68,834	0.73
Diluted earnings per share	152	72,976	0.21	123	70,992	0.17	503	72,285	0.71