

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended, who specialises in advising on the acquisition of shares and other securities.

If you have sold or otherwise transferred all of your Ordinary Shares in Highams System Services Group plc you should deliver this document together with the enclosed Form of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, this document and any accompanying documents should not be sent or transmitted in, or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations, including, but not limited to, the United States, Canada, South African, New Zealand, Australia and Japan.

Application will be made for the Placing Shares to be admitted to trading on the AIM market of London Stock Exchange Plc ("AIM"). It is expected that admission to AIM will become effective and that dealings in the Placing Shares will commence on 24 October 2008. AIM is a market designed primarily for emerging and smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. London Stock Exchange plc has not itself examined or approved the contents of this document.

The Company, the Directors, the New Directors and the Proposed Director, whose names are set out on page 6, 7 and 8, accept responsibility for the information set out in this document. To the best of the knowledge and belief of the Company, the Directors, the New Directors and the Proposed Director (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Highams Systems Services Group Plc

(incorporated and registered in England and Wales with company number 1700310)

Proposed Placing of 37,142,857 New Ordinary Shares at 1.75 pence per share

Capital Reorganisation

Board Changes

Notice of Annual General Meeting

SHARE CAPITAL FOLLOWING THE PLACING AND CAPITAL REORGANISATION

	<i>Authorised (Number)</i>	<i>Issued and Fully Paid (Number)</i>
Ordinary Shares of 0.01p each	5,554,741,568	69,018,425
Deferred Shares of 4.99p each	31,875,568	31,875,568

This document should be read as a whole. Your attention is drawn to the letter from the Chief Executive of Highams Systems Services Group plc which is set out in Part 1 of this document and which recommends that you vote in favour of the Resolutions to be proposed at the Annual General Meeting referred to below.

This document does not constitute an offer of securities and accordingly this document is not an approved prospectus for the purposes of, and as defined in, section 85 of FSMA and has not been prepared in accordance with the Prospectus Rules, or approved by the FSA or by any other authority which could be a competent authority for the purposes of the Prospectus Rules. Nor does this document constitute an admission document drawn up in accordance with the AIM Rules.

Notice of the Annual General Meeting of Highams Systems Services Group plc to be held at the offices of Charles Stanley & Company Limited, 25 Luke Street, London, EC2A 4AR at 11.00 a.m. on 23 October 2008 is set out at the end of this document. Whether or not you intend to be present at the Annual General Meeting you are urged to complete and return the enclosed Form of Proxy, in accordance with the instructions printed thereon, so as to arrive as soon as possible and in any event not later than 11.00 a.m. on 21 October 2008.

The Placing Shares have not been, nor will be, registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state of the United States or qualify for distribution under any of the relevant securities laws of Canada, Australia, the Republic of South Africa or Japan. Overseas Shareholders and any person (including, without limitation, custodians, nominees and trustees) who has a contractual or other legal obligations to forward this document to a jurisdiction outside the UK should seek appropriate advice before taking any action. The Placing Shares will rank *pari passu* in all respects with the New Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on the New Ordinary Shares after Admission. Accordingly, subject to certain exceptions, the Placing Shares may not, directly or indirectly, be offered, sold or taken up, delivered or transferred in or into the United States, Canada, Australia, the Republic of South Africa or Japan.

The Placing Shares and the Existing Ordinary Shares are not dealt in on any investment exchange other than AIM and no application has been made for them to be admitted to any other investment exchange.

Charles Stanley & Co Limited ("Charles Stanley"), which is authorised and regulated in the United Kingdom by the FSA, is the Company's nominated adviser and broker and is acting exclusively for the Company in connection with the proposed Placing and Admission and will not be responsible to any other person for providing the protections afforded to customers of Charles Stanley or for advising any other person in respect of the proposed Placing and Admission. Charles Stanley's responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed to London Stock Exchange and are not owed to the Company or to any Director, New Director or Proposed Director or to any other person in respect of his decision to acquire shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by Charles Stanley as to any of the contents of this document.

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DEFINITIONS

“1985 Act”	the Companies Act 1985 (as amended), to the extent in force and applicable
“2006 Act”	the Companies Act 2006, to the extent in force and applicable
“Admission”	admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the AIM market of the London Stock Exchange plc
“AIM Rules”	the AIM Rules for companies published by the London Stock Exchange governing admission to, and the operation of, AIM
“Annual General Meeting”	the annual general meeting of Highams convened for 23 October 2008, notice of which is set out at the end of this document, and any adjournment thereof
“Board” or “the Directors”	the directors of the Company as at the date of this document excluding the New Directors
“Capital Reorganisation”	the sub-division and redesignation of each issued Existing Ordinary Share of 5 pence into one New Ordinary Share of 0.01 pence and one Deferred Share of 4.99 pence, the sub-division of each unissued Existing Ordinary Share of 5 pence into 500 New Ordinary Shares of 0.01 pence and the amendments to the Existing Articles
“Capita Registrars”	a trading name of Capita Registrars Limited
“certificated” or “in certificated form”	an Existing Ordinary Share which is not in uncertificated form
“Charles Stanley”	Charles Stanley Securities, a trading division of Charles Stanley & Co. Ltd, Highams’ nominated adviser and broker, a member of the London Stock Exchange and authorised and regulated by the FSA
“Company” or “Highams”	Highams Systems Services Group Plc
“Deferred Shares”	the shares being issued following the Capital Reorganisation with a nominal value of 4.99 pence per share
“Enlarged Share Capital”	the 69,018,425 Ordinary Shares in issue following completion of the Placing and Capital Re-Organisation and on Admission of the Placing Shares
“Excluded Territories”	any jurisdiction where to send this document and any accompanying documents might constitute a violation of local securities law or regulation, including, but not limited to the United States, Canada, South Africa, New Zealand, Australia and Japan
“Existing Articles”	the articles of association of the Company as to the date of this document
“Existing Ordinary Shares”	the ordinary shares of 5 pence each in the share capital of the Company in issue at the date of this document
“Existing Share Capital”	the 31,875,568 Existing Ordinary Shares in issue at the date of this document

“Form of Proxy”	the form of proxy which accompanies this document, for use at the Annual General Meeting
“FSA”	the UK Financial Services Authority
“FSMA”	the UK Financial Services and Markets Act 2000 (as amended)
“Group”	the Company and its subsidiaries and subsidiary undertakings at the date of this document
“London Stock Exchange”	London Stock Exchange plc
“New Articles”	the new articles of association of the Company as amended by the Resolutions in the Notice
“New Directors”	Mark de Lacy and Kerri Sayers
“New Ordinary Shares”	the issued and unissued new ordinary shares with a nominal value of 0.01 pence each in the capital of the Company resulting from the Capital Reorganisation
“Notice”	the notice convening the Annual General Meeting which is set out at the end of this document
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares”	the ordinary shares in the share capital of the Company which may be in issue from time to time which for the avoidance of doubt shall include the Existing Ordinary Shares and the New Ordinary Shares
“Overseas Shareholders”	Shareholders resident in, or citizens of, jurisdictions outside the United Kingdom
“Placing”	the issue of 37,142,857 New Ordinary at the Placing Price
“Placing Price”	1.75 pence per share
“Placing Shares”	37,142,857 New Ordinary Shares
“Panel”	the Panel on Takeovers and Mergers
“Proposals”	the proposals set out in this document
“Proposed Director”	Ken Ford
“Prospectus Rules”	the Prospectus Rules published by the FSA
“Resolutions”	the resolutions to be proposed at the Annual General Meeting as set out in the Notice
“RIS”	Regulated Information Service
“Shareholder”	a holder of Ordinary Shares from time to time
“UK”	the United Kingdom of England, Scotland, Wales and Northern Ireland
“UKLA”	the UK Listing Authority
“US”, “USA” or “United States”	the United States of America, each State thereof (including the District of Columbia), its territories, possessions and all areas subject to its jurisdiction

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2008

Dispatch of this document	30 September
Latest time and date for receipt of Forms of Proxy for the Annual General Meeting	11.00 a.m. on 21 October
Annual General Meeting	11.00 a.m. on 23 October
Record Date for Capital Reorganisation	6.00 pm on 23 October
Admission effective and dealings commence on AIM	24 October
CREST accounts credited	24 October
Share certificates dispatched by	6 November

Notes:

1. References to time in this document are to London time.
2. If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on a RIS.
3. All events in the above timetable following the Annual General Meeting are conditional upon approval by Shareholders of the Resolutions to be proposed at the Annual General Meeting.

PLACING STATISTICS

Placing Price	1.75 pence
Number of Existing Ordinary Shares in issue at the date of this document	31,875,568
Number of Placing Shares	37,142,857
Estimated gross proceeds of the Placing	£650,000
Percentage of the Enlarged Share Capital represented by the Placing Shares	53.82%
Number of New Ordinary Shares in issue at Admission	69,018,425
Market Capitalisation of the Company on Admission at the Placing Price	£1.21 million

PART I

LETTER FROM THE CHIEF EXECUTIVE OFFICER

Highams Systems Services Group Plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 1700310)

Directors

Dave Pye
Edward Ian Andrews
John Edward Higham
Mark de Lacy
Kerri Anne Sayers
Eric Kenelm Ford (*Proposed Non-Executive Chairman*)

Registered Office:

*Quadrant House
33-45 Croydon Rd
Caterham
Surrey CR3 6PB*

To Shareholders

Dear Shareholder,

**Proposed Placing of up to 37,142,857 New Ordinary Shares
at 1.75 pence per New Ordinary Share**

Proposed Capital Reorganisation

Proposed Board Changes

Notice of Annual General Meeting

1. Introduction

The Board of Highams announced the results for the year to 31 March 2008 earlier today and at the same time also announced that it has conditionally placed 37,142,857 Placing Shares with a number of investors at a price of 1.75 pence per Placing Share. The Placing will raise approximately £650,000 (gross). The proceeds of the Placing will provide the Company with further working capital.

The Placing is subject to approval by Shareholders of the Resolutions at the Annual General Meeting. An Annual General Meeting has been convened for 11.00 a.m. on 23 October 2008, at which Shareholders will be asked to consider and, if thought fit, approve the Resolutions required *inter alia* to implement the Placing. Details of the Annual General Meeting are set out in the Notice of Annual General Meeting set out at the end of this document.

If the Resolutions are approved, it is expected that the Placing Shares will be admitted to trading on AIM at 8.00 a.m. on 24 October 2008.

The purpose of this document is to provide you with information on the Company and to set out the background to and reasons for the Placing and Capital Reorganisation and to explain why the Board considers the Placing to be in the best interests of the Company and Shareholders as a whole and why it recommends that you vote in favour of the Resolutions.

2. Background to and reasons for the Placing

Highams has not been immune from the challenges faced by others in the recruitment sector and this has had a negative impact on Highams financial performance, as evidenced by the Company's results for the year ended 31 March 2008 which were announced today. The Company has embarked upon an effort to revitalise the brand of Highams which remains strong in the market and has since the year end embarked on a programme of cost reduction. The proposed additional capital injection should ensure that the Company is able to protect its infrastructure, and further provide the requisite working capital to develop the business and brand going forward.

3. Details of the Placing

The Company is proposing to raise approximately £650,000 (gross), by way of a Placing of an aggregate of 37,142,857 New Ordinary Shares at 1.75 pence per share with certain investors. The Placing is conditional on the passing of the Resolutions set out in the Notice of Annual General Meeting and Admission.

The Placing Shares will represent approximately 53.82 per cent. of the Enlarged Share Capital of the Company following completion of the Capital Re-organisation. The Placing Price of 1.75 pence per Ordinary Share represents a 7.69 per cent. premium to the mid market closing price of 1.625 pence per Ordinary Share on 29 September 2008, being the latest practicable date prior to the posting of this document.

The net proceeds of the Placing will be utilised to reduce the levels of Company indebtedness and to provide the Company with general working capital.

The Placing is not a rights issue or open offer and the Placing Shares will not be offered generally to Shareholders on a pre-emptive basis. The Directors, the New Directors and the Proposed Director believe that the considerable extra cost and delay involved in a rights issue or open offer would not be in the best interests of the Company in the circumstances and, accordingly, the Board considers that it is in the best interests of the Company and Shareholders as a whole for the funds to be raised through the Placing.

Conditional on the passing of the Resolutions, application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that trading in the Placing Shares will commence on AIM at 8.00 a.m. on 24 October 2008.

The Placing Shares will, when issued and fully paid, rank equally in all respects with the New Ordinary Shares, including the right to receive any dividend or other distribution declared, made or paid after the date of their unconditional allotment.

It is expected that share certificates for the Placing Shares which are to be held in certificated form will be despatched to placees by 6 November 2008. The Placing Shares will be in registered form and no temporary documents of title will be issued.

4. Board Changes

The Board believes that Shareholders of the Company will be best served by a new Board which combines a mixture of members of the previous management team, who have significant operating experience in, and understanding of, Highams, as well as of the wider sector in which the Company operates. In addition, the new Chairman will bring extensive business and investment experience to the Board going forward. I am pleased to inform Shareholders that the New Directors, being Mark de Lacy and Kerri Sayers, were appointed to the Board on 29 September 2008 and the Proposed Director will be appointed to the Board immediately following Admission. Brief backgrounds and full information on the New Directors and the Proposed Director can be found in paragraph 5 below and in Part II paragraph 3 of this document.

As part of this reorganisation I will be resigning as Chief Executive following the posting of this Circular as will Ted Andrews, our Chief Operating Officer. Furthermore, Alan Howarth has announced his resignation as Chairman on 29 September effective immediately. I would like to thank Alan and Ted for their significant contribution to the business and wish them well for the future.

5. Background and information on the New Directors and Proposed Director

Mark de Lacy, aged 49, new Managing Director

Mark de Lacy has been employed by the Group since 1990. Originally brought in for his sales experience, Mark de Lacy 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 in 2007 to the role of Sales Director. Mark continues to actively develop new strategic accounts within specialist vertical markets, whilst developing the sales teams both at the Caterham and London offices.

Kerri Anne Sayers, aged 44, new Chief Operations Officer

Kerri Sayers has been employed by the Group since 1994 when she initially started in the finance department. She has since managed both the operations of the finance and HR team through various Group acquisitions and disposals. She is a member of the CIPD, and was previously twin operations manager for a high street recruiter.

Eric Kenelm (Ken) Ford, aged 59, proposed Non-Executive Chairman

Ken Ford has over 36 years of experience in the City. From 1993 he worked at Landsbanki (formerly Teather & Greenwood) serving as Head of Corporate Finance, Managing Director, Chief Executive Officer and latterly 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 Securities Institute and on the executive committee of the Quoted Companies Alliance. He is also Chairman of Brainjuicer Group plc and a director of a number of other companies.

Please find further details of the New Directors' and the Proposed Director's other directorships in Part II paragraph 3.

6. Directors' Interests

The interests of the Directors (and their immediate families and or persons connected with them), as at the date of this document and on completion of the Placing and Capital Reorganisation, in the issued share capital of the Company are as follows:

<i>Name</i>	<i>Existing Holding</i>		<i>Holding post Placing and Capital Reorganisation</i>	
	<i>Number of Existing Ordinary shares</i>	<i>%</i>	<i>Number of New Ordinary Shares</i>	<i>%</i>
John Higham*	8,697,649	27.29	9,269,078	13.43
Edward Andrews	3,570,000	11.20	3,570,000	5.17

* John Higham's interest includes 200,000 shares held by his wife and 1,230,000 shares held by The John Higham Family Trust

The interests of the New Directors and the Proposed Director (and their immediate families and or persons connected with them), as at the date of this document and on completion of the Placing and Capital Reorganisation, in the Existing Share Capital of the Company are as follows:

<i>Name</i>	<i>Existing Holding</i>		<i>Holding post Placing and Capital Reorganisation</i>	
	<i>Number of Existing Ordinary shares</i>	<i>%</i>	<i>Number of New Ordinary Shares</i>	<i>%</i>
Ken Ford**	1,250,000	3.92	18,392,857	26.65
Mark de Lacy	21,779	0.07	593,208	0.86
Kerri Sayers	1,400	0.004	572,829	0.83

** Ken Ford's interest is held by Teawood Nominees Limited

John Higham, Mark de Lacy and Kerri Sayers are investing £10,000 each in the Placing representing in 571,429 New Ordinary Shares each and Ken Ford is investing £300,000 in the Placing, representing 17,142,857 New Ordinary Shares.

7. Use of proceeds

The proceeds of the Placing will be used to reduce the levels of Company indebtedness and to provide the Company with general working capital.

8. Capital Reorganisation

The New Ordinary Shares to be issued pursuant to the Placing are all being issued at the Placing Price. This represents a premium of 7.69 per cent. to the 1.625 pence closing mid-market price of the Existing Ordinary Shares on 29 September 2008, being the last day of trading prior to the posting of this document.

The Existing Ordinary Shares have a nominal value of 5 pence each. The 1985 Act provides that a company may only lawfully issue new shares for a subscription price at or above the nominal value of those shares. In order that the Company may issue the New Ordinary Shares, pursuant to the Proposals, the Company proposes that each share in the capital of the Company currently having a nominal value of 5 pence each, be sub-divided so that every Existing Ordinary Share in issue be sub-divided and reclassified into one New Ordinary Share having a nominal value of 0.01 pence each and one Deferred Share with a nominal value of 4.99 pence (the "Capital Reorganisation"). The Deferred Shares will have no practical economic value, will not be listed, will be non-voting, will carry no right to a dividend or other distribution or to participate in any way in the income or profits of the company, will carry no right to receive notice or attend, speak or vote at any general meeting of the Company, will have no right to participate in the assets of the Company save that on the return of assets in a winding up, the holders of such Deferred Shares would be entitled only to the repayment of the amount that is paid up on such shares after (i) repayment of the capital paid up on the ordinary share capital and (ii) the payment of £10,000,000 per Ordinary share in the capital of the Company and will be subject to eventual redemption by the Company for a nominal amount and an appropriate resolution will be passed to allow for this. The proposed rights and restrictions attaching to the Deferred Shares will be set out in the new Articles to be adopted pursuant to Resolution 6 in the General Meeting Notice.

The proposed Capital Reorganisation will not affect the rights attaching to the Existing Ordinary Shares, other than to alter their nominal value. The proposed Capital Reorganisation will not affect the voting rights of the holders of Existing Ordinary Shares and will be made by reference to holdings of Existing Ordinary Shares on the register of members as at the close of business on 23 October 2008.

Certificates will not be issued for the Deferred Shares and the Company may, for administrative purposes register, the Deferred Shares in the name of a nominee for the Shareholders.

Replacement certificates will not be sent out in relation to the newly denominated Existing Ordinary Shares. Existing share certificates will remain valid in relation to the number of Ordinary Shares that each shareholder is entitled to following the Capital Reorganisation. New share certificates will only be sent out in relation to trades or transfer of Ordinary Shares effected on or after 24 October 2008.

9. Annual Report & Accounts for the Year ended 31 March 2008

Accompanying this document is the Company's Annual Report & Accounts for the year ended 31 March 2008 which sets out the financial information in respect of the Company, incorporating significant accounting policies and major notes to the accounts for the past two years.

10. Annual General Meeting

Set out at the end of this document is the Notice convening the Annual General Meeting to be held at Charles Stanley & Company Limited, 25 Luke Street, London, EC2A 4AR on 23 October 2008 at 11.00 am at which the Resolutions, some of which are inter-conditional, will be proposed to receive the Accounts, re-appoint the Auditors, approve the Capital Reorganisation and Placing, the adoption of the New Articles and to provide the Directors with section 80/95 authority.

In connection with the amendment of the Existing Articles in respect of the Placing and Capital Reorganisation, it is proposed that the Company further amends the Existing Articles to bring them in line with section 175 of the 2006 Act, which comes into force on 1 October 2008. This section of the 2006 Act creates a positive duty for Directors to avoid conflicts of interests unless authorisation has been given by the Board. Directors can only authorise the conflict if there is provision in the Company's articles of association enabling the Directors to authorise the conflict.

The Notice of the Annual General Meeting contains both ordinary resolutions (which require the approval of a simple majority of Shareholders who vote) and special resolutions (which require the approval of at least 75 per cent. of Shareholders who vote). Resolutions 1, 2, 3, 4, 5 and 7 will be proposed as ordinary resolutions and Resolutions 6, 8 and 9 will be proposed as special resolutions.

11. Action to be taken in respect of the Annual General Meeting

A Form of Proxy for use at the Annual General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's registrars, Capita Registrars (Proxies), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible, but in any event so as to be received by no later than 11.00 on 21 October 2008. The completion and return of a Form of Proxy will not preclude a Shareholder from attending the Annual General Meeting and voting in person should he or she so wish.

12. Irrevocable undertakings

The Company has received irrevocable undertakings to vote in favour of the Resolutions to be proposed at the Annual General Meeting from each of the Directors, the New Directors and the Proposed Director holding, in aggregate, 13,540,828 Existing Ordinary Shares representing approximately 42.48 per cent. of the Company's Existing Share Capital.

13. Recommendation

The Board and the New Directors consider the Proposals to be in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board and the New Directors unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the Annual General Meeting as those Directors and the New Directors holding Existing Ordinary Shares have irrevocably undertaken to do so in respect of their beneficial holdings amounting, in aggregate to, 12,290,828 Existing Ordinary Shares, representing approximately 38.55 per cent. of the Existing Share Capital.

Yours faithfully

Dave Pye
Chief Executive Officer

PART II

ADDITIONAL INFORMATION

1. Share capital

- 1.1 The authorised and issued and fully paid share capital of the Company as at the date of this document is as follows:

	<i>Authorised</i>		<i>Issued</i>	
	<i>Number</i>	<i>£</i>	<i>Number</i>	<i>£</i>
Ordinary Shares of 5p each	42,921,300	2,146,065	31,875,568	1,593,778.40

- 1.2 The authorised and issued and fully paid share capital of the Company immediately following the Placing and Capital Reorganisation will be as follows:

	<i>Authorised</i>		<i>Issued</i>	
	<i>Number</i>	<i>£</i>	<i>Number</i>	<i>£</i>
Ordinary Shares of 0.01p each	5,554,741,568	555,474.16	69,018,425	6,901.84
Deferred Shares of 4.99p each	31,875,568	1,590,590.84	31,875,568	1,590,590.84

2. Directors', Proposed Directors' and Other Interests

- 2.1 As at 29 September 2008 (being the latest practicable date prior to the publication of this document) and as they are expected to be immediately following completion of the Placing and Capital Reorganisation the interests of the Directors, the New Directors and the Proposed Director (including their connected persons within the meaning of sections 252 of the 2006 Act), all of which are beneficial (except as noted below), in the share capital of the Company are as follows:

<i>Director</i>	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of Existing Share Capital</i>	<i>No of Ordinary Shares being taken in the Placing</i>	<i>Percentage of enlarged issued ordinary share capital following completion of the Placing and Capital Reorganisation</i>	<i>Percentage of enlarged issued ordinary share capital following completion of the Placing and Capital Reorganisation</i>
John Higham*	8,697,649	27.29	571,429	9,269,078	13.43
Edward Andrews	3,570,000	11.20	—	3,570,000	5.17
Ken Ford	1,250,000	3.92	17,142,857	18,392,857	26.65
Mark de Lacy	21,779	0.07	571,429	593,208	0.86
Kerri Sayers	1,400	0.004	571,429	572,829	0.83

* John Higham's interest includes 200,000 shares held by his wife and 1,230,000 shares held by The John Higham Family Trust.

- 2.2 The Directors, the New Directors and the Proposed Director are aware of the following interests, other than those of the Directors, the New Directors and Proposed Director, held directly or indirectly in 3 per cent. or more of the issued share capital of the Company (as at 29 September 2008 being the latest practicable date prior to the publication of this document) and as they are expected to be immediately following completion of the Placing and Capital Reorganisation:

<i>Shareholder</i>	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of Existing Share Capital</i>	<i>Number of New Ordinary Shares following completion of the Placing and Capital Re-organisation</i>	<i>Percentage of enlarged issued ordinary share capital following completion of the Placing and Capital Re-organisation</i>
Brewin Nominees Limited	1,302,300	4.09	1,302,300	1.87
Resource Solutions Group Plc	1,675,000	5.25	1,675,000	2.43

Save as disclosed above the Company is not aware of any interest held directly or indirectly which as at 29 September 2008 (being the latest practicable date prior to the publication of this document) represented 3 per cent. or more of the Company's Existing Share Capital or of any persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

3. Additional Information on the New Directors and the Proposed Director

- (a) In addition to the information disclosed in Part 1 paragraph 5 of this document, the Proposed Director holds or has held the following directorships or has been a partner in the following partnerships within the five years prior to the date of this document.

<i>Proposed Director</i>	<i>Current Directorship or partnerships</i>	<i>Past Directorships within the last 5 years</i>
Ken Ford	Mintonview Ltd The Wells Fine Dining Company Ltd BrainJuicer Group plc BrainJuicer Ltd 7 safe group Ltd Lewis Communications (Holdings) Ltd Lewis Communications Limited Principal Residential Properties Limited The Flying Kiwi Inns Ltd Hybridan LLP Atlantic Coal Plc	Landsbanki Securities (UK) Holdings plc Landsbanki Securities (UK) Ltd Teather & Greenwood Nominees Ltd Teawood Nominees Ltd The Quoted Companies Alliance Camomile Wood Nominees Ltd Escalon Investments Limited First Manchester Properties Limited Nationwide Residential Properties Ltd County of Kent Development Ltd

Kerri Sayers and Mark de Lacy do not currently hold any additional directorships and neither have they done so in the past 5 years.

- (b) Save as disclosed in this document none of the New Directors and the Proposed Director has:
- (i) any unspent convictions in relation to indictable offences;
 - (ii) had any bankruptcy order made against him or entered into any voluntary arrangements;
 - (iii) been a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
 - (iv) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - (v) been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
 - (vi) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
 - (vii) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a Company.

- (c) By Board Notice 431 dated 16 July 1997 the Securities and Futures Authority (“SFA”) gave notice that disciplinary proceedings brought against Teather & Greenwood Limited Partnerships (of which Mr Ford was a partner) and Mr Ford relating to breaches of the Securities and Investment Board Principles 2 and 9 had been concluded by settlement with the following outcome:

Teather & Greenwood Limited Partnership was reprimanded, fined £50,000 and agreed to pay a contribution of £10,000 towards SFA’s costs; and,

Mr Ford was reprimanded, fined £8,000 and agreed to pay a contribution of £2,000 towards SFA’s costs.

SFA took into account that Teather & Greenwood LP had previously conducted a full internal review of its compliance procedures and had implemented a remedial action plan. SFA also took into account that neither Teather & Greenwood LP nor Mr Ford had previously been the subject of disciplinary action, both cooperated with SFA and no clients had been disadvantaged. Mr Ford was also reprimanded by the Securities Institute as a result.

There are no other details required to be disclosed under paragraph (g) of Schedule 2 of the AIM Rules.

4. Summary of the Placing Agreement

A placing agreement between Charles Stanley and the Company (the “Placing Agreement”), pursuant to which Charles Stanley has agreed to use its reasonable endeavours to procure placees to subscribe for 37,142,857 Placing Shares at the Placing Price. The obligations of Charles Stanley under the Placing Agreement were subject, amongst other things, to the Placing Agreement having become unconditional in all respects and not having been terminated, and to Admission becoming effective by no later than 24 October 2008. This date can be altered with the consent of Charles Stanley.

The Company will pay to Charles Stanley an advisory fee of £40,000 and a commission of 3 per cent. on the aggregate gross value at the Placing Price of the Placing Shares placed to placees introduced by Charles Stanley, together with VAT thereon where appropriate. The Placing Agreement provides for the Company to pay all costs, charges and expenses of, or incidental to, the Placing.

The Placing Agreement contains warranties and indemnities given by the Company in favour of Charles Stanley.

Charles Stanley may terminate the Placing Agreement in specified circumstances prior to Admission, principally in the event of a material breach of the Placing Agreement or of any of the warranties contained in it or where any event of omission relating to the Company is, or will be in the opinion of Charles Stanley, materially prejudicial to the successful outcome of the Placing, or where any change in national or international, financial, monetary, economic, political or market conditions is, or will be in the opinion of Charles Stanley, materially prejudicial to the successful outcome of the Placing.

Each of the Directors, the New Directors and the Proposed Director has confirmed that he/she was satisfied with the terms of the Placing Agreement, and in particular the matters referred to above including that the indemnities and warranties in favour of Charles Stanley were given by the Company in good faith and in the best interests of the Company and for the purpose of the Placing.

5. General

Charles Stanley has given and not withdrawn its written consent to the inclusion in this document of the references to its name in the form and context in which they appear.

Highams Systems Services Group Plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 1700310)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held on 23 October 2008 at Charles Stanley & Company Limited, 25 Luke Street, London, EC2A 4AR at 11 a.m. for the purpose of considering and, if thought fit, passing the following resolutions with Resolutions 1, 2, 3, 4, 5 and 7 being proposed as ordinary resolutions and Resolutions 6, 8 and 9 being proposed as special resolutions:

Ordinary Business:

Resolution 1 To receive and adopt the financial statements and the reports of the Directors and the Auditors for the financial year ended 31 March 2008.

Resolution 2 To re-elect John Higham, who retires by rotation, as a Director of the Company

Resolution 3 To elect Mark de Lacy as a Director of the Company.

Resolution 4 To elect Kerri Sayers as a Director of the Company.

Resolution 5 To reappoint BDO Stoy Hayward LLP as Auditors of the Company and to authorise the Board to fix their remuneration.

Special Business

Resolution 6 That:

- (a) each of the issued ordinary shares of 5p each in the capital of the Company be and is hereby sub-divided and redesignated (in the case of the Deferred Shares as defined below) into one ordinary share of 0.01p each ("New Ordinary Share") and one deferred share of 4.99p each ("Deferred Share") and each of the authorised but unissued ordinary shares of 5p each in the capital of the Company be and is hereby sub-divided into 500 New Ordinary Shares, each such New Ordinary Share and each such Deferred Share having the rights and being subject to the restrictions set out in the Articles of Association of the Company as amended pursuant to this Resolution 6;
- (b) the Articles of Association of the Company be amended to reflect the changes to the share capital of the Company and to set out the rights attaching to the Deferred Shares by deleting Article 3 thereof and replacing it with new Articles 3(i) and 3(ii) in the following form:
- "3(i) The authorised share capital of the Company at the date of adoption of this Article is £2,146,065 divided into 5,554,741,568 ordinary shares of 0.01p each (the "Ordinary Shares") and 31,875,568 deferred shares of 4.99p each ("Deferred Shares").
- 3(ii) The holders of Deferred Shares shall not by virtue of or in respect of their holdings of Deferred Shares have the right to receive notice of any general meetings of the Company nor the right to attend, speak or vote at any such general meeting. The Deferred Shares shall not entitle their holders to receive any dividend or other distribution or to participate in any way in the income or profits of the Company. The Deferred Shares shall on the return of assets in a winding up entitle the holders only to the repayment of the amount that is paid up on such shares after repayment of the capital paid up on the Ordinary Shares and the payment of £10,000,000 per Ordinary Share. Save as aforesaid, the holders of the Deferred Shares shall have no interest or right to participate in the assets of the Company. The Company shall have an irrevocable authority at any time after the adoption of this Article:
- (1) to appoint any person on behalf of any holder of Deferred Shares to enter into an agreement to transfer and to execute a transfer of the Deferred Shares to such person as the Board may determine and to execute any other documents which such person

may consider necessary or desirable to effect such transfer or to give instructions to transfer any Deferred Shares held in uncertificated form to such person as the Board may determine, in each case without obtaining the sanction of the holder(s) of them and without any payment being made in respect of that transfer;

- (2) to acquire all or any of the Deferred Shares (in accordance with the provisions of such Companies Act 1985 (as amended) (the “1985 Act”) and/or the Company Act 2006 (the “2006 Act”) and in connection with any such acquisition to appoint any person on behalf of any holder of Deferred Shares to enter into any agreement to transfer and to execute a transfer of the Deferred Shares in favour of the Company and to execute any other documents which such person may consider necessary or desirable to effect such transfer or to give instructions to transfer any Deferred Shares held in uncertificated form to the Company, in each case without obtaining the sanction of the holder(s) of them and for a payment of not more than 4.99p for all the Deferred Shares the subject of such acquisition;
- (3) to cancel all or any of the Deferred Shares for no consideration to means of a reduction in capital effected in accordance with the provisions of the 1985 Act and/or the 2006 Act without sanction on the part of the holders of the Deferred Shares; and
- (4) pending any such transfer or cancellation or acquisition to retain the certificate for any Deferred Shares held in certificated form.

Other than as specified in this Article 3(ii), the Deferred Shares shall not be transferable nor shall the holders of them be entitled to mortgage, pledge, charge or otherwise encumber them or create or dispose of or agree to create or dispose of any interest (within the meaning of section 820 of the 2006 Act) whatsoever in any Deferred Shares.”

Resolution 7 That the directors be and are hereby generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (the “Act”) to exercise all the powers of the Company to allot relevant securities (as defined in the Act) up to an aggregate nominal amount of £6,015 (being the aggregate of the nominal amount of the Placing Shares and an amount equal to one third of the issued ordinary share capital following Admission) and within that period to make any offer or agreement which would or might require such securities to be allotted after the expiry of this authority and all authorities previously conferred on the directors pursuant to section 80 of the Act be and are hereby revoked. This authority shall expire on whichever is the earlier of the conclusion of the Annual General Meeting to be held in 2009 or the date falling 15 months from the passing of this Resolution; and

Resolution 8 That, subject to the passing of Resolution 7 as set out in the notice of this meeting, the Directors be and are hereby empowered to allot equity securities (within the meaning of section 94 of the Act) pursuant to the general authority for the purposes of section 80 of the Act conferred by Resolution 7 above up to the aggregate nominal amount of £4,405 (being the aggregate of the nominal amount of the Placing Shares and an amount equal to ten per cent. of the issued ordinary share capital following Admission) as if section 89(1) of the Act did not apply to such allotment and the Company may make an offer or agreement which would or might require such securities to be allotted after the expiry of the authority and all authorities previously conferred on the directors pursuant to section 95 of the Act be and are hereby revoked. This authority shall expire on whichever is the earlier of the conclusion of the Annual General Meeting to be held in 2009 or the date falling 15 months from the passing of this Resolution.

Resolution 9 That, with effect on and from the date on which section 175 of the Companies Act 2006 is brought into force, the new Articles of Association of the Company amended pursuant to Resolution 6 above be amended by deleting Article 102 and the insertion of Articles 102-102C in their place in the form produced to the meeting and initialled by the Chairman for the purposes of identification.

BY ORDER OF THE BOARD

Edward I Andrews
Secretary

30 September 2008

REGISTERED OFFICE

Quadrant House
33-45 Croydon Road
Caterham
Surrey
CR3 6PB

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy need not be a member of the Company. The appointment of a proxy will not preclude a member from attending and voting at the meeting in person should he subsequently decide to do so.
2. To be effective, the relevant Form of Proxy must be completed and lodged with the Company's Registrars, Capita Registrars no later than 48 hours (excluding weekends and bank holidays) before the meeting.
3. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
4. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, Shareholders who hold Ordinary Shares in uncertificated form must be entered on the Company's register of members at 6.00 p.m. on 21 October 2008 in order to be entitled to attend and/or vote at the meeting in respect of the number of shares registered in their name at such time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend and/or vote at the meeting.
5. 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.
6. Biographical details of each Director who is being proposed for election by Shareholders, are set out in the letter from the Chief Executive Officer dated 30 September 2008.
7. To appoint a proxy or give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent by 11.00 a.m. on 21 October 2008. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001. In any case your proxy form must be received by the Company's registrars no later than 11.00 a.m. on 21 October 2008.
8. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – www.icsa.org.uk – for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above. A letter in this form would be acceptable to the Company and its Registrars.

