

**Oakam Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2012**

Registered number 5878249

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# **Oakam Limited**

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## **Oakam Limited**

### **Directors and Advisers**

#### **DIRECTORS**

James Roy Clark  
Paresh Mashru ( Deceased 2<sup>nd</sup> June 2013 )  
Frederic Nze  
Robert Udy

#### **AUDITOR**

Deloitte LLP  
London

#### **BANKERS**

National Westminster Bank Plc  
City Markets Group  
9th Floor  
280 Bishopsgate  
London  
EC2M 4RB

#### **REGISTERED OFFICE**

Melrose House, 42 Dingwall Road, Croydon  
CR0 2NE

#### **REGISTERED NUMBER**

5878249

# **Oakam Limited**

## **Directors' report**

The Directors present their annual report together with the financial statements and auditor's report, for the year ended 31 December 2012

### **Principal activities**

Oakam Limited ("the Company") is a specialist Financial Services provider operating through a retail network of money stores. The Company operates a total number of 20 retail stores, offering mainly medium-term lending products. The current customer base is primarily made up of recent/first generation immigrants to the UK and UK customers with either an impaired credit rating or no credit rating.

### **Business review**

The Company launched its unsecured loan product, the Bonus Loan, in June 2007 and this, along with its short-term unsecured loans amassed a total loan book which generates 97% (2010 - 95%) of the Company's turnover, a percentage which is expected to remain at a similar level throughout 2012.

The Company made a profit on ordinary activities before taxation of £2,095,558 (Restated 2011 – Profit of £587,594).

The loan book outlined above is expected to continue to grow significantly during 2013 as a result of both an increase in customer base from the existing stores and expanding the business distribution.

The Board reviews a comprehensive set of daily and monthly KPIs to monitor the progress towards achieving the agreed strategic objectives for the Company.

The key measures identified are

- Cash income,
- Gross value of loans sold,
- Default, roll, cure and hold rates,
- Costs versus gross profit

The Directors believe that disclosing the above amounts would be detrimental to the business and have therefore chosen not to do so.

### **Going concern**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found Note 1 of the financial statements.

The Company made a net profit of £2,095,558 during the year ended 31 December 2012, at that date it had net liabilities of £12,378,899 as a result of being in the start-up phase. In reaching the conclusion that the Company may be regarded as a going concern, the Directors have noted that the Company is reliant upon the continued financial support of CS Capital Partners III, L P, the major shareholder in the Company. The Directors have confirmed that CS Capital Partners III, L P have stated that it is their present intention to maintain its support for the Company in the execution of their business plans for the next 12 months in the form of the continuation of the loan note issuance facility. For this reason the Directors continue to adopt the going concern basis of preparation as set out in Note 1 of the financial statements.

## Oakam Limited

### Directors' report (continued)

#### Results and dividends

The profit and loss account is set out on page 10 and shows the profit for the year

The Directors are unable to recommend the payment of a dividend (2011 - £nil)

#### Charitable and political donations

During the year there were charitable donation of £310 (2011 - £nil) There were no political contributions (2011 - £nil)

#### Financial risk management

The main financial risks arising from the Company's activities are credit risk, liquidity risk and interest rate risk These are monitored by the Board of Directors and were not considered to be unduly significant at the balance sheet date

The Company's policy in respect of credit risk, is to require appropriate credit checks on potential loan customers before contracts are completed

The Company maintains readily accessible bank deposit accounts to ensure the Company has sufficient funds for operations The cash deposits are held in a mixture of short-term deposits and current accounts

The Company's exposure to interest rate risk is currently extremely limited as all funding and liquidity is provided by the Company's shareholders on agreed terms

#### Principal Risks and Uncertainties

<u>Area</u>	<u>Risk</u>	<u>Mitigation</u>
<b>Financial</b>		
Unsecured lending	Significant worsening of bad debt	Lending decisions and underwriting criteria are regularly reviewed and criteria/pricing modified as necessary
<b>Operational</b>		
Business interruption	IT failure	Disaster recovery planning and third party provider selection
Employees	Loss of key employees	Investment in training, competitive pay, rewards and benefits
Legislation	Non-adherence to regulation resulting in operational or financial consequences	Internal committees to maintain suitable governance control

## **Oakam Limited**

### **Directors' report (continued)**

#### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

**By Order of the Board**

A handwritten signature in black ink, appearing to be 'Frederic Nze', written over a horizontal line.

Frederic Nze

**Chief Executive Officer**

28 June 2013

# **Oakam Limited**

## **Directors' responsibilities statement**

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 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 company and of the profit or loss of the company for that period. 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,
- comply with UK Accounting Standards subject to any material departures disclosed and explained in the financial statements, and
- 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 to enable them to ensure that the financial statements comply with 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.

## **Independent auditor's report to the members of Oakam Limited**

We have audited the financial statements of Oakam Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation 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 auditor**

As explained more fully in the Directors' Responsibilities Statement, 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 Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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



## **Independent auditor's report to the members of Oakam Limited (continued)**

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Caroline Britton  
Senior statutory auditor  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

28 June 2013

## Oakam Limited

### Profit and loss account

For the year ended 31 December 2012

	Notes	2012 £	Restated 2011 £
<b>Turnover</b>			
Continuing operations	3	19,863,291	15,027,838
Cost of sales		(51,563)	(57,681)
<b>Gross profit</b>		19,811,728	14,970,157
Distribution expenses		(7,727,395)	(8,145,234)
Administrative expenses		(9,983,102)	(6,231,673)
<b>Operating profit</b>	6	2,101,231	593,250
Other interest receivable and similar income		5,517	4,928
Interest payable and similar charges	7	(11,190)	(10,584)
<b>Profit on ordinary activities before taxation</b>		2,095,558	587,594
Tax on profit on ordinary activities	8	-	-
<b>Profit for the financial year after taxation</b>		2,095,558	587,594

All amounts relate to continuing activities

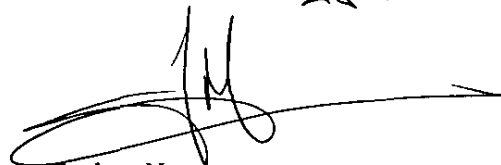
# Oakam Limited

## Balance sheet

At 31 December 2012

	Notes	2012 £	Restated 2011 £
<b>Fixed assets</b>			
Tangible Assets	9	902,838	1,144,057
		<u>902,838</u>	<u>1,144,057</u>
<b>Current assets</b>			
Stocks	11	-	-
Debtors			
– due within one year	12	17,304,459	8,967,539
– due after one year	12	3,085,339	5,883,244
Cash at bank and in hand		934,626	385,049
		<u>21,324,424</u>	<u>15,235,832</u>
<b>Creditors: amounts falling due within one year</b>	13	(34,606,162)	(30,854,346)
<b>Net current assets</b>		<u>(13,281,738)</u>	<u>(15,618,514)</u>
<b>Total assets less current liabilities</b>		<u>(12,378,899)</u>	<u>(14,474,457)</u>
<b>Creditors: amounts falling due after more than one year</b>	14	-	-
<b>Net liabilities</b>		<u>(12,378,899)</u>	<u>(14,474,457)</u>
<b>Capital and reserves</b>			
Called-up share capital	16	-	-
Profit and loss account	17	(12,378,899)	(14,474,457)
<b>Shareholders' deficit</b>	20	<u>(12,378,899)</u>	<u>(14,474,457)</u>

The financial statements of Oakam Limited (Registered No 5878249) were approved by the Board of Directors and authorised for issue on 28 June 2013. They were signed on its behalf by

  
 Frederic Nze  
 Chief Executive Officer

## **Oakam Limited**

### **Cash flow statement For the year ended 31 December 2012**

	<b>Notes</b>	<b>2012 £</b>	<b>Restated 2011 £</b>
<b>Net cash outflow from operating activities</b>	<b>18</b>	<b>(2,966,620)</b>	<b>(2,455,751)</b>
Interest paid		(5,673)	(5,656)
Capital expenditure and financial investment		(460,572)	(695,012)
		<u>          </u>	<u>          </u>
<b>Cash outflow before management of liquid resources and financing</b>		<b>(3,432,865)</b>	<b>(3,156,419)</b>
Financing		4,817,714	2,563,566
		<u>          </u>	<u>          </u>
<b>Increase/(Decrease) in cash in the year</b>	<b>19</b>	<b><u>1,384,849</u></b>	<b><u>(592,853)</u></b>

# **Oakam Limited**

## **Notes to the financial statements**

**For the year ended 31 December 2012**

### **1 Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable law and United Kingdom accounting standards.

#### **Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review which forms part of the Directors' Report. The Directors' Report also describes the financial position of the Company, its liquidity position and funding, the Company's objectives, key performance indicators, its financial risk management objectives, and its exposure to credit risk and liquidity risk.

The financial statements have been prepared on the going concern basis. In reaching the conclusion that the Company may be regarded as a going concern, the Directors have noted that the Company is reliant upon the continued financial support of CS Capital Partners III, L.P., the major shareholder in the company. The Directors have confirmed that CS Capital Partners III, L.P. have stated that it is their present intention to maintain its support for the Company in the execution of their business plans for the next 12 months in the form of the continuation of the loan note issuance facility.

If the Company was unable to obtain additional finance through the loan note facility, or obtain funding from alternative sources to fund the Company's business plan, then adjustments may be necessary to write down assets to their recoverable amounts, reclassify fixed assets and long-term liabilities as current and provide for additional liabilities.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Turnover**

Interest income on unsecured loans is recognised on an accruals basis over the life of the loan. Up-front fees received on origination of the loans are recognised over the life of the loan. Additional interest on balances in arrears and late payment fees are recognised on receipt. Commission receivable on transaction products, including Cheque Cashing and Money Transfer is recognised at the time of undertaking the transaction.

# Oakam Limited

## Notes to the financial statements

For the year ended 31 December 2012

### 1 Accounting policies (continued)

#### Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and impairment in value. Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Lease property improvements	-	33% per annum straight-line basis
IT and telecoms equipment	-	33% per annum straight-line basis
Software	-	33% per annum straight-line basis
Motor Vehicles	-	33% per annum straight-line basis

Where software is developed by third party contractors, this software is capitalised and depreciated over its expected useful life.

#### Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less selling costs to completion and disposal.

#### Taxation

UK corporation tax is provided at amounts expected to be paid/recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing difference.

#### Leases

All leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Premiums, reverse premiums and similar incentives received to enter into operating lease agreements are released to the profit and loss account over the year of the lease.

#### Trade debtors

Trade debtors are made up of customer loan repayments due and third party cheques in the clearing cycle. For medium term loans, instalments are included in the balance sheet at their current capital value plus accrued interest.

Specific provisions are made to reduce all impaired loans to their expected realisable value. Provisions are made on the basis of the ageing of the overdue loan, past experience and other relevant factors. Loans and advances are written off to the extent that there is no realistic prospect of recovery of the amount involved.

Interest on loans that have been impaired is recognised to the extent that it is believed to be recoverable.

# **Oakam Limited**

## **Notes to the financial statements**

**For the year ended 31 December 2012**

### **1 Accounting policies (continued)**

#### **Pension costs**

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable. The assets of the scheme are held separately in an independently administered fund.

#### **Dividends**

Equity dividends are recognised when they become legally payable. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Dividends on shares wholly recognised as liabilities are recognised as expenses and classified within interest payable.

#### **Financial liabilities and equity**

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

### **2 Prior Year Accounts Restatement**

In 2012, we corrected the following errors pertaining to the prior period. Following a change in accounting personnel during the year, accounting system discrepancies in respect of interest accruals and other amendments were identified. After full investigation, the directors determined that the discrepancies had arisen over several years. Corrections have been made to the accounting records to show interest income and other amendments in the correct historical period and procedural changes have been made to accrue interest correctly in future periods and to the other amendments identified.

Accordingly, the corresponding figures for 2011 have been restated to correct these figures. The effect of these adjustments were as follows.

## Oakam Limited

### Notes to the financial statements For the year ended 31 December 2012

#### 2 Prior Year Accounts Restatement (continued)

	2011 as previously reported £	Interest Accrual £	Other Amendments £	2011 as restated £
Turnover	15,402,527	(334,050)	(40,639)	15,027,838
Cost of Sales	(57,681)			(57,681)
<b>Gross Profit</b>	<b>15,344,846</b>	<b>(334,050)</b>	<b>(40,639)</b>	<b>14,970,157</b>
Distribution Expenses	(8,145,234)			(8,145,234)
Administrative Expenses	(5,984,654)	-	(247,019)	(6,231,673)
<b>Operating Profit</b>	<b>1,214,958</b>	<b>(334,050)</b>	<b>(287,658)</b>	<b>593,250</b>
Other interest receivable and similar income	4,928	-	-	4,928
Interest payable and similar charges	(10,584)	-	-	(10,584)
<b>Profit on ordinary activities before taxation</b>	<b>1,209,302</b>	<b>(334,050)</b>	<b>(287,658)</b>	<b>587,594</b>
Tax on profit on ordinary activities	-	-	-	-
<b>Profit for the financial year after taxation</b>	<b>1,209,302</b>	<b>(334,050)</b>	<b>(287,658)</b>	<b>587,594</b>



# Oakam Limited

## Notes to the financial statements

For the year ended 31 December 2012

### 2 Prior Year Accounts Restatement (continued)

	2011 as previously reported £	Interest Accrual £	Other Amendments £	2011 as restated £
<b>Fixed Assets</b>				
Tangible Assets	1,152,243	-	(8,186)	1,144,057
<b>Current Assets</b>				
Stocks	-	-	-	-
Debtors				
-due within one year	11,058,707	(799,764)	(1,291,404)	8,967,539
-due after one year	5,883,244	-	-	5,883,244
Cash at Bank and in Hand	463,022	-	(77,973)	385,049
	17,404,973	(799,764)	(1,369,377)	15,235,832
<b>Creditors: Amounts falling due within one year</b>	(30,793,307)	-	(61,039)	(30,854,346)
<b>Net current assets</b>	(3,388,334)	(799,764)	(1,430,416)	(15,618,514)
<b>Total assets less current liabilities</b>	(12,236,091)	(799,764)	(1,438,602)	(14,474,457)
<b>Creditors: Amounts falling due after one year</b>	-	-	-	-
<b>Net Liabilities</b>	(12,236,091)	(799,764)	(1,438,602)	(14,474,457)
<b>Capital and reserves</b>				
Called-up share capital				
Profit & Loss Brought Forward	(13,445,393)	(465,714)	(1,150,944)	(15,062,051)
Profit and loss account CY	1,209,302	(334,050)	(287,658)	587,594
<b>Shareholders' Deficit</b>	(12,236,091)	(799,764)	(1,438,602)	(14,474,457)

## **Oakam Limited**

### **Notes to the financial statements**

For the year ended 31 December 2012

#### **3 Turnover**

Turnover is wholly attributable to the principal activities of the company and arises solely within the United Kingdom

#### **4 Employees**

	<b>2012</b>	<b>Restated 2011</b>
	<b>£</b>	<b>£</b>
Staff costs (including Directors) consist of		
Wages and salaries	4,948,603	4,004,220
Social security costs	462,940	385,612
Employers pension costs	27,986	19,303
	<hr/>	<hr/>
	5,439,529	4,409,135
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The average number of employees (including Directors) during the year 195 (2011 - 165)

# Oakam Limited

## Notes to the financial statements

For the year ended 31 December 2012

### 5 Directors' remuneration

	2012	Restated 2011
	£	£
Directors' remuneration consists of		
Directors' emoluments	606,253	547,017
Company contributions to defined contribution pension scheme	-	-
	<u>281,253</u>	<u>338,016</u>
Emoluments of the highest paid director during the year		
	<u>281,253</u>	<u>338,016</u>

There were no Directors in the company's defined contribution pension scheme during the year (2011 – none)  
Company contributions to the defined contribution pension scheme for the highest paid director amounted to £nil (2011 - £nil)

### 6 Operating profit

	2012	Restated 2011
	£	£
This has been arrived at after charging		
Depreciation	701,791	856,678
Operating leases - land and buildings	1,172,790	705,452
Operating leases - hire of vehicles	-	-
Auditor's remuneration - Deloitte LLP, audit	44,000	36,000
- Deloitte LLP, taxation	10,000	9,000
	<u>1,928,581</u>	<u>1,607,130</u>

### 7 Interest payable and similar charges

	2012	Restated 2011
	£	£
Bank interest and charges	11,190	10,584
	<u>11,190</u>	<u>10,584</u>

# Oakam Limited

## Notes to the financial statements

For the year ended 31 December 2012

### 8 Taxation on profit from ordinary activities

	2012 £	2011 £
Profit on ordinary activities before tax	2,095,558	587,594
Expected UK corporation tax charge / (credit) at 24.5% (2011 – 26.5%)	513,412	155,712
Effects of		
Expenses not deductible for tax purposes	8,287	-
Depreciation in excess of capital allowances	34,373	226,058
Losses carried forward		
Utilisation of brought forward Losses	(554,720)	(381,770)
Group relief Claimed	(1,352)	-
Current tax charge for year	-	-

The company did not recognise a closing balance sheet deferred tax asset as at 31 December 2012 of £2,410,613 in respect of fixed asset timing differences, general provisions and losses (2011 restated – £3,217,338). This is because it is uncertain whether profits will be available against such short term timing differences and losses can be offset when they reverse.

### 9 Tangible assets

	Lease property Improvements £	IT and telecoms equipment £	Motor Vehicles £	Software £	Total £
<i>Cost</i>					
At 1 January 2012	1,677,082	980,921	4,950	1,739,186	4,402,139
Additions	159,322	136,181	0	165,069	460,572
At 31 December 2012	1,836,404	1,117,102	4,950	1,904,255	4,862,711
<i>Depreciation</i>					
At 1 January 2012	(1,320,090)	(792,191)	(2,887)	(1,142,914)	(3,258,082)
Charge for the year	(264,559)	(125,060)	(1,650)	(310,522)	(701,791)
At 31 December 2012	(1,584,649)	(917,251)	(4,537)	(1,453,436)	(3,959,873)
<i>Net book value</i>					
At 31 December 2012	251,755	199,851	413	450,819	902,838
At 31 December 2011	356,992	188,730	2,063	596,272	1,144,057

## Oakam Limited

### Notes to the financial statements

For the year ended 31 December 2012

<b>10 Investments</b>	<b>Company 2012 £</b>	<b>Restated Company 2011 £</b>
Group Undertakings	-	-

The company is 100% owner of both Oakam Finance Limited (The financing company of the group) and Oakam Broking Limited (currently dormant) Through its ownership of Oakam Finance Limited, the company is also 100% owner of Oakam Limited (a specialist financial services provider) All of the above Companies are registered in the United Kingdom The Companies make up the Oakam Group which is a Specialist Financial Services provider operating through a retail network of money stores

<b>11 Stock</b>	<b>2012 £</b>	<b>Restated 2011 £</b>
Finished goods and goods for resale	-	-

There is no material difference between the replacement cost of stocks and the amounts stated above

<b>12 Debtors</b>	<b>2012 £</b>	<b>Restated 2011 £</b>
Amounts falling due within one year		
Trade debtors	15,332,295	7,466,073
Other debtors	680,760	569,110
Amount due from group undertaking	25,056	-
Prepayments and accrued income	1,266,348	932,356
Amounts falling due after one year	17,304,459	8,967,539
Trade debtors	3,085,339	5,883,244
Total debtors	20,389,798	14,850,783

## Oakam Limited

### Notes to the financial statements For the year ended 31 December 2012

#### 13 Creditors: amounts falling due within one year

	2012	Restated 2011
	£	£
Bank overdraft	-	835,272
Trade creditors	144,964	396,403
Other taxation and social security	119,816	178,730
Accruals and deferred income	160,220	80,493
Amounts due to group undertakings	34,181,162	29,363,448
	<u>34,606,162</u>	<u>30,854,346</u>

#### 14 Creditors: amounts falling due after more than one year

	2012	Restated 2011
	£	£
Unsecured Deep Discounted Loan Notes	-	-
Costs Prepaid against Deep Discounted Bonds	-	-
Loan Notes	-	-
Interest accrual	-	-
	<u>-</u>	<u>-</u>

#### 15 Commitments under operating leases

As at 31 December 2012, the Group had annual commitments under non-cancellable operating leases as set out below

	2012 Land and buildings £	Restated 2011 Land and buildings £
Operating leases which expire		
In less than one year	-	-
In two to five years	-	45,959
After five years	218,054	531,284
	<u>218,054</u>	<u>577,243</u>

The company had no commitments under non-cancellable operating leases

# Oakam Limited

## Notes to the financial statements For the year ended 31 December 2012

### 16 Share capital

#### Authorised

	2012 number	2011 number	2012 £	2011 £
Ordinary shares of £0.01 each	100,000	100,000	1,000	1,000

#### Allotted, called up fully paid

	2012 number	2011 number	2012 £	2011 £
Ordinary shares of £0.01 each	1	1	0.01	0.01

### 17 Reserves

	Profit and loss account £	Total £
At 1 January 2012	(14,474,457)	(14,474,457)
Profit for the financial year	2,095,558	2,095,558
At 31 December 2012	(12,378,899)	(12,378,899)

### 18 Reconciliation of operating profit to net cash outflow from operating activities

	2012 £	Restated 2011 £
Operating Profit	2,101,231	593,250
Depreciation	701,791	856,678
Decrease in stock	-	16,422
Increase in debtors	(5,539,015)	(4,137,181)
(Decrease)/Increase in creditors	(230,627)	215,080
Net cash outflow from operating activities	(2,966,620)	(2,455,751)

## Oakam Limited

### Notes to the financial statements

For the year ended 31 December 2012

#### 19 Reconciliation of net cash inflow to movement in net debt

	Company 2012 £	Restated Company 2011 £
Increase/(Decrease) in cash in the year	1,384,849	(592,853)
Cash inflow from increase in debt	(4,817,714)	(2,563,600)
	<hr/>	<hr/>
Movement in net debt (see note 21)	(3,432,865)	(3,156,453)
	<hr/>	<hr/>

#### 20 Reconciliation of movements in shareholders' deficit

	2012 £	Restated 2011 £
Brought forward shareholders' deficit	(14,474,457)	(15,062,052)
Profit for the year	2,095,558	587,594
	<hr/>	<hr/>
Closing shareholders' deficit	(12,378,899)	(14,474,457)
	<hr/>	<hr/>

#### 21 Analysis of net debt

Group	At 1 January 2012 £	Cash Flow 2012 £	Other Non-cash 2012 £	At 31 December 2012 £
Cash in hand and at bank	385,049	549,577	-	934,626
Bank Overdraft	(835,272)	835,272	-	-
	<hr/> (450,223)	<hr/> 1,384,849	<hr/> -	<hr/> 934,626
Debt due within one year	(29,363,448)	(4,817,714)	-	(34,181,162)
Total	<hr/> (29,813,671)	<hr/> (3,432,865)	<hr/> -	<hr/> (33,246,536)



## **Oakam Limited**

### **Notes to the financial statements**

For the year ended 31 December 2012

#### **22 Related party transactions**

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with its wholly owned subsidiaries

#### **23 Controlling party**

At 31 December 2012 the company's intermediate parent undertaking is Oakam Holdings Limited, which is the parent of the smallest and largest groups into which the results of the company are consolidated. The financial statements of Oakam Holdings Limited are available from Companies House. The ultimate controlling party is CS Capital Partners III L.P.