



For further information, please
refer to our guidance at
www.gov.uk/companieshouse

1 Company details

Company number 0 5 8 7 8 2 4 9

Company name in full Oakam Ltd

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Andrew

Surname Tate

3 Administrator's address

Building name/number Montague Place

Street Quayside

Post town Chatham Maritime

County/Region Kent

Postcode M E 4 4 Q U

Country

4 Administrator's name ①

Full forename(s) James

Surname Hopkirk

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

Building name/number Montague Place

Street Quayside

Post town Chatham Maritime

County/Region Kent

Postcode M E 4 4 Q U

Country

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 2	^d 4	^m 0	^m 2	^y 2	^y 0	^y 2	^y 2
To date	^d 2	^d 3	^m 0	^m 8	^y 2	^y 0	^y 2	^y 2

7 Progress report

☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 2	^d 2	^m 0	^m 9	^y 2	^y 0	^y 2	^y 2
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**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Rob Sage**

Company name **Kreston Reeves LLP**

Address **Montague Place**

Quayside

Post town **Chatham Maritime**

County/Region **Kent**

Postcode **M E 4 4 Q U**

Country

DX

Telephone **01634 899800**

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Oakam Ltd
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 24/02/2022 To 23/08/2022 £	From 24/02/2022 To 23/08/2022 £
OTHER DIRECT COSTS		
Customer Refund	12,426.62	12,426.62
	(12,426.62)	(12,426.62)
TRADING EXPENDITURE		
Funds with Soldo	19,700.00	19,700.00
Sundry Expenses	74,197.91	74,197.91
PAYE/NI	45,235.79	45,235.79
Wages	129,758.17	129,758.17
Sub Contractor Payments	68,322.25	68,322.25
Standard Life - Pension Contributions	23,181.19	23,181.19
	(360,395.31)	(360,395.31)
TRADING SURPLUS/(DEFICIT)	(372,821.93)	(372,821.93)

Oakam Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 24/02/2022 To 23/08/2022 £	From 24/02/2022 To 23/08/2022 £
	ASSET REALISATIONS	
	Bank Interest Gross	14.74
Uncertain	Book Debts	546,181.49
381,247.00	Cash at Bank	700,917.02
53,840.00	Cash in transit - Worldpay	NIL
9,235.00	Computer Hardware	2,515.00
Uncertain	Computer Software	NIL
NIL	Office Equipment	NIL
NIL	Prepayments	NIL
	Solicitor Refund	600.00
	Trading Surplus/(Deficit)	(372,821.93)
	Verifone UK Limited Refund	3,240.40
		880,646.72
	COST OF REALISATIONS	
	Agents Fees - Hilton Baird	3,750.00
	Agents/Valuers Fees - Hilco Global	5,350.00
	Agents/Valuers Fees - SIA Group	450.00
	Bank Charges	76.00
	Insurance of Assets	1,100.20
	Joint Administrators Post Appt Fees	120,700.00
	Joint Administrators Pre Appt Fees	11,647.50
	Post Appointment - Legal Fees	37,450.00
	Pre Appointment - Legal Disbursement	84.00
	Pre-Appointment - Legal Fees	26,159.20
	Sircles	900.00
	Statutory Advertising	94.10
	Storage Costs	3,324.12
		(211,085.12)
	PREFERENTIAL CREDITORS	
(30,824.00)	Employee Arrears/Hol Pay	NIL
(215.00)	Pension - Employee Contributions	NIL
		NIL
	SECONDARY PREFERENTIAL CREDITORS	
(600,512.00)	HMRC - PAYE	NIL
(210,284.00)	HMRC - VAT	NIL
		NIL
	FLOATING CHARGE CREDITORS	
(2,035,759.00)	VPC	NIL
		NIL
	UNSECURED CREDITORS	
(221,314.00)	Akrod Ltd	NIL
(81,195.79)	Consumer creditors R1	NIL
(74,813.24)	Consumer Creditors R2	NIL
(53,588.29)	Consumer Creditors R3	NIL
(444,087.00)	HM Revenue & Customs (WHT)	NIL
(297,982.53)	Trade & Expense Creditors	NIL
		NIL
	DISTRIBUTIONS	
(100.00)	Ordinary Shareholders	NIL
		NIL
(3,606,352.85)		669,561.60
	REPRESENTED BY	669,561.60

Oakam Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 24/02/2022 To 23/08/2022 £	From 24/02/2022 To 23/08/2022 £
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REPRESENTED BY CONTINUED

Bank 1 Current

612,391.06

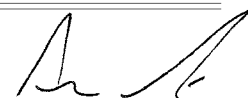
Vat Control Account

43,685.79

Vat Receivable

13,484.75

669,561.60



Andrew Tate
Joint Administrator

Oakam Ltd (In Administration)

Joint Administrator's First Progress Report to Members and Creditors

Dated: 22 September 2022

OAKAM LTD – IN ADMINISTRATION

JOINT ADMINISTRATOR'S FIRST PROGRESS REPORT TO MEMBERS AND CREDITORS DATED: 22 SEPTEMBER 2022

I am reporting on the progress made in the above company's administration since my appointment as Joint Administrator on 24 February 2022.

This report will give an account of my acts and dealings and of the conduct of the administration for the period from my appointment to 23 August 2022 and should be read in conjunction with any previous reports and correspondence. I can advise that any references to 'the period covered by this report', refer specifically to the period 24 February 2022 to 23 August 2022 ("the reporting period").

The contents of this report are detailed as follows:

1. Statutory Information,
2. Administrators' Actions Since Appointment,
3. Receipts and Payments Account,
4. Assets,
5. Liabilities and Dividend Prospects,
6. Investigation into the Affairs of the Company,
7. Pre-Administration Costs,
8. Administrators' Remuneration,
9. Administrators' Expenses,
10. Further Information,
11. Summary.

The enclosures provided with this report are as follows:

1. Receipts and payments account,
2. Routine work summary,
3. A summary of my firm's time costs to date,
4. Details of my firm's charge out rates and disbursement policy.

STATUTORY INFORMATION

Company name:	Oakam Ltd
Court name and reference:	High Court of Justice 000454 of 2022
Registered office:	Montague Place, Quayside, Chatham Maritime, Chatham, Kent, ME4 4QU
Former registered office:	86-90 Paul Street, London, EC2A 4NE
Registered number:	05878249
Joint Administrators' names:	Andrew Tate and James Hopkirk
Joint Administrators' address:	Montague Place, Quayside, Chatham Maritime, Kent, ME4 4QU
Joint Administrators' date of	24 February 2022

appointment:

Actions of Administrators

Any act required or authorised under any enactment to be done by an administrator may be done by either or both of the Administrators acting jointly or alone.

ADMINISTRATORS' ACTIONS SINCE APPOINTMENT

Joint Administrator's Specific Actions

Since I was appointed Administrator, I have overseen the ongoing trading of the business in order to collect payments in relation to the loans issued by the Company, although no new loans have been issued during the Administration. I have liaised with the Company's bankers to recover credit balances and ensure that facilities remain in place to allow collections to continue, and liaised with other payment processing providers to ensure that services remain live. I have continued staff consultation activities and made redundancies as the operations have scaled down.

I considered potential strategies for the disposal of the assets, instructed Hilco Global ("Hilco") to assist in that regard and held negotiations with potential purchasers. I had to undertake this work either as part of my routine administrative functions, or in order to protect and realise the assets of the Company.

Trading

The Company's staff were split broadly into the following categories – Audit & Compliance, Data Science, Engineering, Finance, Management, Marketing, Operations, People, Product and Risk.

Upon my appointment on 24 February 2022, the Company employed 37 employees and two contractors. Two employees had already planned to leave at the end of February. Prior to the Administration, staff representatives were appointed as part of a Consultation process, and immediately upon my appointment I completed an exercise to review the staff resource which would be required in order to best fulfil the purpose of the Administration. Conversations were held with the Chief Operating Officer, staff representatives and individual employees who had expressed an interest in leaving the Company.

Sixteen redundancies were made at the end of February which served to reduce the level of operations staff who dealt with collections, and also reduced numbers in other departments including marketing, finance, data science and engineering since no new business was being sought.

As well as the essential functions of collections and compliance, individuals were retained in the following departments:

- Management – the director and COO were retained to assist in coordinating the available resource (who were all working remotely), they also acted as a focal point for information requests, and they assisted in formulating a strategy regarding the disposal of assets;
- Data Science and Product – a low number of employees were retained to assist potential purchasers with due diligence in relation to the technology assets and to assist in transferring the assets in an eventual sale;
- Finance – staff were retained to assist in communicating with essential suppliers, provide support in terms of payroll and other liabilities and to bring the management accounts up to date.

As well as the employees, two subcontractors were retained, one who worked part time and assisted with management accounts and other finance functions, and the other managed the IT infrastructure of the business which was deemed to be an essential function as the business processes are highly automated and IT based.

The Company had historically paid 5 employees of an associated company, Akrod Limited, although these employees were not engaged during the Administration. This was accounted for through an inter-company account.

As trading has continued, the company's collections and complaints have reduced, and it has also become clear that certain technological assets won't be sold, as explained further below. This has led to a reduced need for resource, further redundancies have been made and some employees have resigned, leaving a small team of four employees and one sub-contractor to assist in carrying out the essential functions of the business.

The key focus of continued trading was to ensure that the Company could continue to collect the outstanding loans, customers continued to be dealt with fairly and that complaints were dealt with in a timely and transparent way. Collections to date total £865,851.51 which are reflected on the Receipts and Payments account as Book Debts and surplus Cash at Bank.

The table below summarises the trading position up to 23 August 2022.

	£
Collections	865,851.51
Employee costs	(198,175.15)
Suppliers – paid through Soldo card	(19,700)
Suppliers – paid direct	(74,197.91)
Subcontractors	(68,322.25)
Customer Refunds	(12,426.62)
	493,029.58

A number of key suppliers had arrears which had built up and various discussions were held to explain that any liabilities up to the date of Administration would constitute unsecured claims whereas ongoing charges authorised by the Administrators would be paid as an expense. These discussions have been productive and there have been no 'ransom payments' required in order to maintain service.

Routine Work

There is certain work that I am required by the insolvency legislation to undertake in connection with the Administration that provides no financial benefit for the creditors. A description of the routine work undertaken since my appointment as Administrator is contained in Appendix 1.

RECEIPTS AND PAYMENTS ACCOUNT

My Receipts & Payments Account for the period from 24 February 2022 to 23 August 2022 is attached at Appendix 2.

The balance of funds are held in an interest bearing estate bank account.

ASSETS

Computer Software

The Company has invested considerable time and resource in developing the technological aspects of its business. Their loan origination, underwriting and servicing platform is fully digital and app-based with high levels of automation. These assets are shown in the Company's management accounts for February 2022 with a net book value of £1,039,032.

Specialist valuation agents Hilco Global have been engaged to undertake a marketing exercise in relation to these assets alongside their efforts to market and sell the loan book. A valuation has not been undertaken as it would be highly speculative given the specialist nature of the assets. The strategy has focussed on broadcasting the opportunity as widely as possible and compiling detailed information about the technology with a view to generating a competitive bidding scenario which will lead to maximum recoveries.

Various parties expressed an interest in relation to the opportunity and we have worked with our agents and the Company's management to assist with information requests and discussions. However, interest has been focussed on the loan book and no offers were forthcoming in relation to the software assets. Accordingly these assets will be decommissioned once a sale of the loan book has been achieved or the Company is wound down.

Office Equipment

The management accounts included a value of £364 relating to office equipment. The Company vacated its physical offices some time ago and there are no saleable items remaining under this heading.

Computer Hardware

The Company's management accounts to February 2022 include a figure of £24,139 in relation to Computer Hardware. The only saleable items relate to laptops which the employees use at home to carry out their work.

Historically, when employees left the firm, the Company provided the employee with an opportunity to acquire their laptop for an amount based broadly on its book value. In order to minimise costs of collection, we have sought to continue this arrangement and various laptops have been sold. I instructed a firm of agents SIA to assist in establishing that the values ascribed to the laptops by the Company were broadly in line with SIA's view of the values. It was anticipated that the laptops would have a combined value of £9,235. To date the sum of £2,515 has been realised in respect of laptops which have been sold to former employees of the Company. This strategy has saved the cost of recovering and disposing of the assets to third parties. Additional laptops have been returned to the Company and others remain with the employees who have been retained during the trading period of the Administration.

Prior to selling any laptops, we have worked with the Company's IT resource to ensure that the laptops are wiped of any sensitive or personal information in order to comply with GDPR regulations.

Once the collection process has wound down, the remaining laptops will be sold.

Book Debts

The most significant asset of the Company is the outstanding loan book, The Company stopped issuing new customer loans in September 2021.

At the date of our appointment, the value of the loan book in accordance with the Company's

balance sheet (namely those loans which are less than 90 days overdue), totalled some £1.8m due from over 2000 customers. Since then, we have realised £865,851.51 of loan repayments.

Hilco were appointed to assist with a potential sale of the loan book and have undertaken a marketing and sales exercise. Various expressions of interest were made and, following due diligence, a number of formal offers were made in relation to an acquisition of the loan book.

A preferred bidder for the debtor book was identified in May and, since then, extensive further due diligence has been carried out, negotiations have taken place in terms of the sale contract and we have made the FCA aware of these ongoing discussions.

The proposed deal was structured in a way that is based on a valuation of the debts as at the start of June and there is a mechanism whereby the proposed sale consideration is adjusted and collections from the start of June are swept back to the purchaser. We were mindful that, as time passes, the value of the deal, from a creditors perspective, diminishes and therefore we sought to insert clauses which ensure that the deal will bring value to the creditors (compared to the likely outcome if no deal was done and all the collections were retained).

A deal has not yet been finalised and we are continuing to negotiate with the purchaser with the aim of reaching an outcome which maximises recoveries and also ensures that customers are dealt with fairly. Again, we have made the FCA aware of these ongoing discussions.

Prepayments

The management accounts include prepayments amounting to £59,616. We will liaise with the Company's finance function to establish whether any of these payments are refundable, once the period of trading the business is concluded.

Cash at Bank

The management accounts included a cash balance of £381,247. To date the sum of £700,917.02 has been received from the old company accounts which includes the balance at the date of appointment and additional loan receipts.

Cash in transit - Worldpay

The management accounts included cash of £53,840 in respect of collections held at the time by Worldpay. Some of this money was released to the Company in the early days of the Administration. Since then, Worldpay have ended their service and a sum of money was retained for a period of 120 days to cover any chargebacks or other liabilities which may arise. This period has now expired and the sum of £32,887.78 has been transferred to the Administration account, although this is not reflected on the attached Receipts and Payments account as the funds were received after the period covered by this report.

Solicitor Refund

The sum of £600 has been received in relation to an advance payment made by the Company to a firm of solicitors.

Bank Interest Gross

The sum of £14.74 has been received in bank interest earned on funds held in the designated Administration account.

LIABILITIES AND DIVIDEND PROSPECTS

Secured Creditors

An examination of the Company's mortgage register held by the Registrar of Companies,

showed that the Company has granted the following charges:

Charge holder	Date Created	Particulars
Victory Park Management Llc	01/08/2019	Fixed and Floating Charge – covers all property or undertaking of the Company, contains negative pledge
Victory Park Management Llc	21/11/2017	Fixed and Floating Charge – covers all property or undertaking of the Company, contains negative pledge
W (no 3) GP (Nominee A) Limited and W (no 3) GP (Nominee B) Limited	26/03/2013	Rent deposit deed - £11,250
Tanco Properties Limited	18/02/2010	Rent deposit deed
Tote Bookmakers Limited	07/08/2008	Rent deposit deed - £15,000
Courtenay Investments Limited	30/05/2008	Rent deposit deed
Pricewaterhousecoopers LLP	11/03/2008	Rent deposit deed
Daljit Singh and Palo Singh	02/07/2007	Rent deposit deed
Glamour UK Limited	23/05/2007	Rent deposit deed

As previously advised, the Company undertook a restructuring process prior to our appointment whereby it exited its High Street premises. The various rent deposits were dealt with at that time, however, a number have not been registered as satisfied at Companies House.

The legislation requires that if the Company has created a floating charge after 15 September 2003, a prescribed part of the Company's net property (i.e. the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors.

This is known as the “prescribed part of the net property.” A Company's net property is that left after paying the preferential creditors, but before paying the lender who holds a floating charge. An Administrator has to set aside:

- 50% of the first £10,000 of the net property; and
- 20% of the remaining net property;

up to a maximum of £600,000.

The Company gave a fixed and floating charge to Victory Park Management, LIC (“VPM”) on 29 November 2017 and the prescribed part provisions will apply. Gateley LLP were engaged to assist me with the routine task of advising me on the validity of the secured creditors charge, and also to confirm which assets are covered by the fixed aspect of the charge. At the date of Administration, it is understood that VPC were owed the sum of £2,035,759. The advice received from Gateley LLP indicates that the security held by VPM creates only a floating charge over the loan book which, as above, is the most significant asset. There will be no recoveries subject to VPM's fixed charge.

Funds subject to the floating charge will first be applied to the costs of the Administration and then to the preferential creditors. Any surplus will constitute the Net Property noted above. Based on known assets available, the Net Property is currently estimated to be nil, even with a successful sale of the loan book. Therefore there will not be a distribution in respect of the prescribed part.

Preferential Creditors

The only known ordinary preferential creditors are former employees of the Company for unpaid holiday pay and pension contributions. Their claims are subject to a maximum limit set by the insolvency legislation and are expected to amount to up to £30,823.60 in relation to accrued holiday and £215.26 in relation to unpaid pension contributions. To date I have received a preferential claim of £5,906.63 from the Redundancy Payments Service.

HMRC are secondary preferential creditors for certain specified debts, such as VAT, PAYE, employee National Insurance Contributions, student loan deductions and Construction Industry Scheme deductions. Secondary preferential debts are payable after all ordinary preferential debts have been paid in full, and before non-preferential unsecured debts. These are expected to amount to £600,512 in the case of PAYE and other payroll taxes, and £210,284 in relation to VAT. I have not yet received a claim from HMRC.

It is likely that the first class of preferential claims will be paid in full once the remaining employees leave the business and their preferential claims are finalised. There will not be sufficient funds realised from the assets to allow the secondary class of preferential claims to be discharge in full, although it is likely that there will some funds available to pay a dividend. The level of any dividend will be dependent upon the outcome of the sale of the loan book.

Non-preferential unsecured Creditors

The Company's non-preferential creditors are believed to amount to £1,172,980.85 and can be summarised as follows:

Category	Amount owed, £
Trade and Expense	297,982.53
Inter company – Akrod Limited	221,314.00
HMRC – WHT	444,087.00
Customer re-dress claims	209,597.32
Total	1,172,980.85

To date I have received claims from 210 creditors at a total of £312,261.26.

It appears unlikely at this stage that there will be any funds available to pay a dividend to unsecured creditors. As above, it is also unlikely that there will be any Prescribed Part available owing to the anticipated shortfall in respect of the preferential claims.

INVESTIGATION INTO THE AFFAIRS OF THE COMPANY

I undertook an initial investigation into the Company's affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation, taking account of the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved. I am required by the Statements of Insolvency Practice to undertake such an initial investigation and the work detailed below has been undertaken in connection with that initial investigation. Specifically, I recovered, listed and reviewed the Company's accounting records; obtained and reviewed copy bank statements for the 2 years prior to the Company ceasing to trade from the Company's bankers; and compared the information in the Company's last set of accounts with that contained in the statement of affairs lodged in the Administration and made enquiries about the reasons for the changes.

There were no matters that justified further investigation in the circumstances of this appointment.

PRE-ADMINISTRATION COSTS

On 12 May 2022 the following pre-administration costs were approved by the creditors:

Pre-administration fees charged by Kreston Reeves LLP: £11,647.50.

Pre-administration expenses incurred: Legal fees of £26,159.20 plus legal disbursements of £84.

These costs have been paid in full, as detailed in the attached receipts and payments account.

ADMINISTRATORS' REMUNERATION

My remuneration was approved on a time cost basis based on a fees estimate of £150,232.50. The fees estimate acts as a cap and I cannot draw remuneration in excess of that estimate without first seeking approval from the creditors.

Time costs incurred for the administration are summarised below:

	No. of Hours	Average Hourly Rate (£)	Total Time (£)
Time recorded during the anniversary period 24 February 2022 to 23 August 2022	557.80	288.56	160,959.50

My total time costs to 23 August 2022 amount to £160,959.50, representing 557.8 hours of work at a blended charge out rate of £288.56 per hour. The actual blended charge out rate incurred compares with the estimated blended charge out rate of £260.59 in my fees estimate. There is a small difference in the blended rate charged, compared with the estimated blended rate because there have been more matters which have arisen which have required more senior supervision.

I have drawn £120,700 to 23 August 2022.

A detailed schedule of my time costs incurred to date is attached as Appendix 2.

The following is a schedule of my time costs incurred to date compared with my original fees estimate:

Category	Estimated Time Costs	Actual time costs to date
Administration	55,365.00	27,390.00
Asset Realisation	25,977.50	44,774.00
Investigations	10,755.00	3,034.00
Trading	20,772.50	30,273.50
Creditor Claims	37,362.50	22,083.50
Case Specific	0.00	15,864.50
Total	150,232.50	160,959.50

The case specific matters relate mainly to the handling of re-dress claims which, when added to

the general Creditors category, is in line with the initial estimate. The majority of additional time relates to the Asset and Trading categories and this is because the process of selling the assets and maintaining collections in the meantime has been more time consuming than originally anticipated.

As at 23 August 2022 it is clear that the total time costs I will incur in this matter, in respect of the categories of work for which I am being remunerated on a time cost basis, will exceed the total estimated remuneration I set out in my fees estimate when my remuneration was authorised by the preferential and secured creditors. This is because of the significant amount of additional time taken to conclude a sale of the loan book than was originally estimated.

I will assess the situation regarding potential asking creditors to consider a fee increase once a sale of the loan book has been concluded and all other assets dealt with. I will then be in a position to give creditors a more accurate estimate of the final outcome than I would be able at this stage.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. A copy of 'A Creditors Guide to Administrators' Fees' also published by R3, together with an explanatory note which shows Kreston Reeves LLP's fee policy are available at the link <https://www.krestonreeves.com/creditor-information>. Please note that there are different versions of the Guidance Notes and in this case you should refer to the April 2017 version.

ADMINISTRATORS' EXPENSES

I have incurred the following expenses in the period since my appointment as Administrator:

Type of expense	Amount incurred in the reporting period
Specific Bond	£1,000

These expenses have not yet been reimbursed.

I have used the following agents or professional advisors in the reporting period:

Professional Advisor	Nature of Work	Fee Arrangement
Hilco Global LLP	Valuer/Auctioneer	Fixed fee £5,000 plus 20% of recoveries
Gateleys	Solicitors	Time Costs
Hilton Baird Collection Services	Collection advisory	Day rate - £1,250 per day

The choice of professionals used was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. I have reviewed the fees charged and am satisfied that they are reasonable in the circumstances of this case.

Hilco Global LLP

Hilco Global have been engaged to conduct an accelerated marketing and sale process in relation to the loan book, intellectual property and technology assets. Hilco have compiled a list of around 700 potential interested parties based on their experience and input from the Company's management and issued an initial teaser document to them to describe the opportunity. Hilco have also compiled information to populate a data room to assist with due diligence. Various parties have expressed an interest and completed a non-disclosure agreement and, in some cases, discussions are being held with management hopefully to assist the parties in formalising a bid.

The sum of £5,000 plus VAT and a disbursement of £350 plus VAT has been paid to Hilco to cover their initial work and they will be paid a further fee upon a successful sale calculated at 20% of the sale proceeds.

Gateleys

As detailed previously, solicitors Gateley LLP have been engaged on a time costs basis to assist on various matters in relation to the Administration including:

- Assistance in relation to employee Consultation and redundancy selection;
- Assistance with communications with key suppliers where continued supply is necessary;
- Assistance with analysis of complaints from customers;
- Advice in relation to communications with the FCA;
- Advice in relation to the nature of the secured creditor's security.

For the period since the commencement of the Administration, I have paid Gateley the sum of £37,450 plus VAT.

Hilton Baird Collection Services

Hilton Baird Collection Services have been engaged to carry out a review of the Company's collection processes and the associated costs with a dual purpose of establishing whether the loan book could be collected in a cost effective manner by a third party, and also as a contingency plan in the event that the Administrators were no longer able to trade the business – for example if key workers left.

Their charges are fixed on a day rate agreed at £1,250 per director day and to date have been paid £3,750.

The following expenses have been incurred and paid from funds held in the Administration account:

Nature of expense	Estimated expenses at outset, £	Expenses incurred to date, £
Sircles	1,500.00	900.00
Agents Fees – Hilton Baird	-	3,750.00
Agents/Valuers Fee – Hilco Global LLP	5,350.00	5,350.00
Agents/Valuers Fee – SIA Group	-	450.00
Legal Fees	30,000.00	37,450.00
Storage Costs		3,324.12
Statutory Advertising	112.92	94.10
Insurance of Assets	500.00	1,100.20

Bank Charges	-	57.00
Corporation Tax	1,000.00	-
Specific Penalty Bond	1,250.00	1,000.00
Total	39,712.92	53,475.42

As at 23 August 2022 then, as you can see from the information provided in this report, the expenses I have incurred in this matter have exceeded the total expenses I estimated I would incur when my remuneration was authorised by the preferential and secured creditors. The reasons I have exceeded the expenses estimate are that additional legal fees have been incurred where the sale of the loan book has become more complex than originally anticipated. In addition, significant storage costs have been incurred in relation to a large volume of records retained by the company.

FURTHER INFORMATION

An unsecured creditor may, with the permission of the court or with the concurrence of 5% in value of the unsecured creditors (including the creditor in question) request further details of the Administrator's remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of 10% in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrator's fees and the amount of any proposed expenses or expenses already incurred, within 8 weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

To comply with the Provision of Services Regulations, some general information about Kreston Reeves LLP can be found at <https://www.krestonreeves.com/creditor-information>.

SUMMARY

The Administration will remain open until the following matters have been finalised:

- Conclusion of the sale of the loan book;
- All trading operations have been wound down and the associated costs settled;
- Payment of preferential and secondary preferential creditor dividends..

I estimate that this will take approximately 6 months, by which time the Administration will have expired, it is therefore likely that I will either make an application to the Court or the creditors to extend the Administration for a period of up to 12 months to allow me to finalise the matters dealt with above and bring the Administration to closure.

If creditors have any queries regarding the conduct of the Administration, or if they want hard copies of any of the documents made available on-line, they should contact Rob Sage by email at Rob.Sage@krestonreeves.com, or by phone on 01634 899828.

A handwritten signature in black ink, appearing to be 'A Tate', with a long, sweeping horizontal stroke extending to the right.

Andrew Tate
Joint Administrator

The affairs, business and property of the Company are being managed by the Joint Administrators, Andrew Tate and James Hopkirk. The Joint Administrators act as agents of the Company and contract without personal liability.

Andrew Tate is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales
James Hopkirk is licensed in the United Kingdom to act as an insolvency practitioner by The Institute of Chartered Accountants in England and Wales

Oakam Ltd
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £	From 24/02/2022 To 23/08/2022 £	From 24/02/2022 To 23/08/2022 £
OTHER DIRECT COSTS		
Customer Refund	12,426.62	12,426.62
	(12,426.62)	(12,426.62)
TRADING EXPENDITURE		
Funds with Soldo	19,700.00	19,700.00
Sundry Expenses	74,197.91	74,197.91
PAYE/NI	45,235.79	45,235.79
Wages	129,758.17	129,758.17
Sub Contractor Payments	68,322.25	68,322.25
Standard Life - Pension Contributions	23,181.19	23,181.19
	(360,395.31)	(360,395.31)
TRADING SURPLUS/(DEFICIT)	(372,821.93)	(372,821.93)

Oakam Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 24/02/2022 To 23/08/2022 £	From 24/02/2022 To 23/08/2022 £
	ASSET REALISATIONS		
	Bank Interest Gross	14.74	14.74
Uncertain	Book Debts	546,181.49	546,181.49
381,247.00	Cash at Bank	700,917.02	700,917.02
53,840.00	Cash in transit - Worldpay	NIL	NIL
9,235.00	Computer Hardware	2,515.00	2,515.00
Uncertain	Computer Software	NIL	NIL
NIL	Office Equipment	NIL	NIL
NIL	Prepayments	NIL	NIL
	Solicitor Refund	600.00	600.00
	Trading Surplus/(Deficit)	(372,821.93)	(372,821.93)
	Verifone UK Limited Refund	3,240.40	3,240.40
		880,646.72	880,646.72
	COST OF REALISATIONS		
	Agents Fees - Hilton Baird	3,750.00	3,750.00
	Agents/Valuers Fees - Hilco Global	5,350.00	5,350.00
	Agents/Valuers Fees - SIA Group	450.00	450.00
	Bank Charges	76.00	76.00
	Insurance of Assets	1,100.20	1,100.20
	Joint Administrators Post Appt Fees	120,700.00	120,700.00
	Joint Administrators Pre Appt Fees	11,647.50	11,647.50
	Post Appointment - Legal Fees	37,450.00	37,450.00
	Pre Appointment - Legal Disbursement	84.00	84.00
	Pre-Appointment - Legal Fees	26,159.20	26,159.20
	Sircles	900.00	900.00
	Statutory Advertising	94.10	94.10
	Storage Costs	3,324.12	3,324.12
		(211,085.12)	(211,085.12)
	PREFERENTIAL CREDITORS		
(30,824.00)	Employee Arrears/Hol Pay	NIL	NIL
(215.00)	Pension - Employee Contributions	NIL	NIL
		NIL	NIL
	SECONDARY PREFERENTIAL CREDITORS		
(600,512.00)	HMRC - PAYE	NIL	NIL
(210,284.00)	HMRC - VAT	NIL	NIL
		NIL	NIL
	FLOATING CHARGE CREDITORS		
(2,035,759.00)	VPC	NIL	NIL
		NIL	NIL
	UNSECURED CREDITORS		
(221,314.00)	Akrod Ltd	NIL	NIL
(81,195.79)	Consumer creditors R1	NIL	NIL
(74,813.24)	Consumer Creditors R2	NIL	NIL
(53,588.29)	Consumer Creditors R3	NIL	NIL
(444,087.00)	HM Revenue & Customs (WHT)	NIL	NIL
(297,982.53)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(100.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(3,606,352.85)		669,561.60	669,561.60
	REPRESENTED BY		

Oakam Ltd
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £	From 24/02/2022 To 23/08/2022 £	From 24/02/2022 To 23/08/2022 £
REPRESENTED BY CONTINUED		
Bank 1 Current		612,391.06
Vat Control Account		43,685.79
Vat Receivable		13,484.75
		<hr/>
		669,561.60
		<hr/>

Andrew Tate
Joint Administrator

Appendix 1

1. Administration

This represents the work involved in the routine administrative functions of the case by the office holder and their staff, together with the control and supervision of the work done on the case by the office holder and their managers. It does not give direct financial benefit to the creditors, but has to be undertaken by the office holder to meet their requirements under the insolvency legislation and the Statements of Insolvency Practice, which set out required practice that office holders must follow.

- Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case.
- Setting up electronic case files.
- Setting up the case on the practice's electronic case management system and entering data.
- Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment.
- Obtaining a specific penalty bond.
- Dealing with all routine correspondence and emails relating to the case.
- Opening, maintaining and managing the office holder's estate bank account.
- Creating, maintaining and managing the office holder's cashbook.
- Undertaking regular bank reconciliations of the bank account containing estate funds.
- Undertaking periodic reviews of the progress of the case.
- Overseeing and controlling the work done on the case by case administrators.
- Preparing, reviewing and issuing 6 monthly progress reports to creditors and members.
- Filing returns at Companies House.
- Preparing and filing VAT returns.
- Preparing and filing Corporation Tax returns.

2. Creditors

Employees - The office holder needs to deal with the ex-employees in order to ensure that their claims are processed appropriately by the Redundancy Payments Office (RPO). The office holder is required to undertake this work as part of their statutory functions.)

Claims of creditors - the office holder needs to maintain up to date records of the names and addresses of creditors, together with the amounts of their claims as part of the management of the case, and to ensure that notices and reports can be issued to the creditors. The office holder also needs to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holder is required to undertake this work as part of his statutory functions.

- Obtaining information from the case records about employee claims.
- Completing documentation for submission to the Redundancy Payments Office.
- Corresponding with employees regarding their claims.
- Liaising with the Redundancy Payments Office regarding employee claims.
- Dealing with creditor correspondence, emails and telephone conversations regarding their claims.
- Maintaining up to date creditor information on the case management system.

OAKAM LTD (IN ADMINISTRATION)

Analysis of Joint Administrators' time costs for the period 24/02/2022 to 23/08/2022

For the period: 24/02/2022 to 23/08/2022

Classification of Work Function	Hours					Total Hours	Time Cost	Av hourly Rate
	Partner	Manager	Senior	Assistant Administrator	Support			
Administration and Planning							£	£
Liason with Company Officers	7.10	5.10	0.30			12.50	5,234.50	418.76
Appointment notification	3.00	1.50	7.90		0.30	12.70	3,604.00	283.78
Cashiering		0.40	74.90		23.20	98.50	16,045.50	162.90
Case Planning		20.50	1.70		2.10	24.30	7,612.50	313.27
Maintenance of records		0.80	1.60		3.70	6.10	989.50	162.21
Administrative set up			3.50		0.50	4.00	775.00	193.75
Pension Matters		0.10	1.40		2.60	4.10	622.00	151.71
Statutory Reporting	1.00	15.00	3.30		2.50	21.80	6,806.00	312.20
Partner Review	0.30					0.30	141.00	470.00
Investigations								
Books and Records		1.50			0.10	1.60	551.50	344.69
SIP 2 Review		0.40	7.50			7.90	1,681.50	212.85
CDDA Reports		1.20	1.80			3.00	801.00	267.00
Realisation of Assets								
Identify Secure Insure Assets	4.10	38.60	1.70			44.40	16,171.50	364.22
Legal Matters	8.70	13.40				22.10	8,913.00	403.30
Property Bus and Asset Sales	13.70	47.70				61.40	19,323.50	314.71
Debt Collection	5.00	3.10				8.10	3,466.00	427.90
Trading								
On going employee issues		34.60			14.70	49.30	14,146.50	286.95
Management of Operations		24.90	1.40			26.30	9,251.00	351.75
Accounting for Trading		19.10				19.10	6,876.00	360.00
Creditors								
Communications with Creditor	3.00	23.50	14.00		8.50	49.00	13,608.00	277.71
Creditors Claims	1.00	10.20	14.50		12.20	37.90	8,475.50	223.63

Case Specific Matters							
Case specific 1	9.00				0.20	9.20	4,253.00
	20.30	3.80	7.70		2.40	34.20	11,611.50
							462.28
							339.52
Total Hours	76.20	265.40	143.20		73.00	557.80	288.56
Total Fees Claimed (£)	35,712.00	90,567.50	26,300.50		8,379.50	160,959.50	

PRACTICE FEE RECOVERY POLICY FOR KRESTON REEVES LLP

RESTRUCTURING AND RECOVERY

INTRODUCTION

The insolvency legislation was changed in October 2015, with one or two exceptions, for insolvency appointments made from that time. This sheet explains how we intend to apply the alternative fee bases allowed by the legislation when acting as office holder in insolvency appointments. The legislation allows different fee bases to be used for different tasks within the same appointment. The fee basis, or combination of bases, set for a particular appointment is/are subject to approval, generally by a committee if one is appointed by the creditors, failing which the creditors in general meeting, or the Court.

Further information about creditors' rights can be obtained by visiting the creditors' information micro-site published by the Association of Business Recovery Professionals (R3) at <http://www.creditorinsolvencyguide.co.uk/>. Details about how an office holder's fees may be approved for each case type are available in a series of guides issued with Statement of Insolvency Practice 9 (SIP 9) and can be accessed at <http://www.krestonreeves.com/creditor-information>. Alternatively a hard copy may be requested from my office. Please note that we have provided further details in this policy document.

Once the basis of the office holder's remuneration has been approved, a periodic report will be provided to any committee and also to each creditor. The report will provide a breakdown of the remuneration drawn. If approval has been obtained for remuneration on a time costs basis, i.e. by reference to time properly spent by members of staff of the practice at our standard charge out rates, the time incurred will also be disclosed, whether drawn or not, together with the average, or "blended" rates of such costs. Under the legislation, any such report must disclose how creditors can seek further information and challenge the basis on which the fees are calculated and the level of fees drawn in the period of the report. Once the time to challenge the office holder's remuneration for the period reported on has elapsed, then that remuneration cannot subsequently be challenged.

Under some old legislation, which still applies for insolvency appointments commenced before 6 April 2010, there is no equivalent mechanism for fees to be challenged.

TIME COSTS BASIS

When charging fees on a time costs basis we use charge out rates appropriate to the skills and experience of a member of staff and the work that they perform. This is combined with the amount of time that they work on each case, recorded in 6 minute units with supporting narrative to explain the work undertaken.

Charge out rates listed by staff classification effective from 01 June 2021

Staff Grade	Rate (per hour)
Partner	£470
Manager/Senior Manager	£295 - £360
Senior	£205
Assistant Administrator	£175
Support	£115

Where necessary and appropriate, members of staff from other departments of the practice will undertake work on a case. They will be charged at their normal charge out rate for undertaking such work.

These charge-out rates charged are reviewed in June each year and are adjusted to take account of inflation and the firm's overheads.

Time spent on casework is recorded directly to the relevant case using a computerised time recording system and the nature of the work undertaken is recorded at that time. The work is generally recorded under the following categories:

- Administration and Planning
- Investigations
- Realisation of Assets
- Creditors
- Trading
- Case specific matters

In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation. The legislation changed on 1 October 2015 and on new appointments we will seek time costs for the following categories:

- Administration and Planning
- Investigations
- Realisation of Assets
- Creditors

- Trading
- Case specific matters

When we seek time costs approval we have to set out a fees estimate. That estimate acts as a cap on our time costs so that we cannot draw fees of more than the estimated time costs without further approval from those who approved our fees. When seeking approval for our fees, we will disclose the work that we intend to undertake, the hourly rates we intend to charge for each part of the work, and the time that we think each part of the work will take. We will summarise that information in an average or “blended” rate for all of the work being carried out within the estimate. We will also say whether we anticipate needing to seek approval to exceed the estimate and, if so, the reasons that we think that may be necessary.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If we subsequently need to seek authority to draw fees in excess of the estimate, we will say why we have exceeded, or are likely to exceed the estimate; any additional work undertaken, or proposed to be undertaken; the hourly rates proposed for each part of the work; and the time that the additional work is expected to take. As with the original estimate, we will say whether we anticipate needing further approval and, if so, why we think it may be necessary to seek further approval.

PERCENTAGE BASIS

The legislation allows fees to be charged on a percentage of the value of the property with which the office holder has to deal (realisations and/or distributions). Different percentages can be used for different assets or types of assets. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation.

The legislation changed on 1 October 2015 and we now seek remuneration on a percentage basis more often. A report accompanying any fee request will set out the potential assets in the case, the remuneration percentage proposed for any realisations and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The percentage approved in respect of realisations will be charged against the assets realised, and where approval is obtained on a mixture of bases, any fixed fee and time costs will then be charged against the funds remaining in the liquidation after the realisation percentage has been deducted.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a percentage basis then an increase in the amount of the percentage applied can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the percentage applied. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

FIXED FEE

The legislation allows fees to be charged at a set amount. Different set amounts can be used for different tasks. In cases where we were appointed prior to 1 October 2015, most of our fees were recovered on a time costs basis and appropriate authority was obtained from the creditors or the committee as set down in the legislation.

The legislation changed on 1 October 2015 and we now seek remuneration on a fixed fee basis more often. A report accompanying any fee request will set out the set fee that we proposed to charge and the work covered by that remuneration, as well as the expenses that will be, or are likely to be, incurred. Expenses can be incurred without approval, but must be disclosed to help put the remuneration request into context.

The disclosure that we make should include sufficient information about the insolvency appointment to enable you to understand how the proposed fee reflects the complexity (or otherwise) of the case, any responsibility of an exceptional kind falling on the office holder, the effectiveness with which the office holder has carried out their functions, and the value and nature of the property with which the office holder has to deal.

If the basis of remuneration has been approved on a fixed fee basis then an increase in the amount of the fixed fee can only be approved by the committee or creditors (depending upon who approved the basis of remuneration) in cases where there has been a material and substantial change in the circumstances that were taken into account when fixing the original level of the fixed fee. If there has not been a material and substantial change in the circumstances then an increase can only be approved by the Court.

MEMBERS' VOLUNTARY LIQUIDATIONS AND VOLUNTARY ARRANGEMENTS

The legislation changes that took effect from 1 October 2015 did not apply to members' voluntary liquidations (MVL), Company Voluntary Arrangements (CVA) or Individual Voluntary Arrangements (IVA). In MVLs, the company's members set the fee basis, often as a fixed fee. In CVAs and IVAs, the fee basis is set out in the proposals and creditors approve the fee basis when they approve the arrangement.

ALL BASES

With the exception of Individual Voluntary Arrangements and Company Voluntary Arrangements which are VAT exempt, the officeholder's remuneration invoiced to the insolvent estate will be subject to VAT at the prevailing rate.

AGENT'S COSTS

Charged at cost based upon the charge made by the Agent instructed, the term Agent includes:

- Solicitors/Legal Advisors
- Auctioneers/Valuers
- Accountants
- Quantity Surveyors
- Estate Agents
- Other Specialist Advisors

In new appointments made after 1 October 2015, the office holder will provide details of expenses to be incurred, or likely to be incurred, when seeking fee approval. When reporting to the committee and creditors during the course of the insolvency appointment the actual expenses incurred will be compared with the original estimate provided.

DISBURSEMENTS

In accordance with SIP 9 the basis of disbursement allocation in respect of disbursements incurred by the Office Holder in connection with the administration of the estate must be fully disclosed to creditors. Disbursements are categorised as either Category 1 or Category 2.

Category 1 expenses are directly referable to an invoice from a third party, which is either in the name of the estate or Kreston Reeves LLP; in the case of the latter, the invoice makes reference to, and therefore can be directly attributed to, the estate. These disbursements are recoverable in full from the estate without the prior approval of creditors either by a direct payment from the estate or, where the firm has made payment on behalf of the estate, by a recharge of the amount invoiced by the third party. Examples of category 1 disbursements are statutory advertising, external meeting room hire, external storage, specific bond insurance and Company search fees.

Category 2 expenses are incurred by the firm and recharged to the estate; they are not attributed to the estate by a third party invoice and/or they may include a profit element. These disbursements are recoverable in full from the estate, subject to the basis of the disbursement charge being approved by creditors in advance. Examples of category 2 disbursements are photocopying, internal room hire, internal storage and mileage.

Kreston Reeves LLP will not be seeking to recover Category 2 disbursements in this case.