

# **Kaiam goes into administration – 310 employees made redundant on Christmas Eve**

Administrators have been appointed at computer company Kaiam which has its UK base in Livingston.

Blair Nimmo and Alistair McAlinden of KPMG were appointed as Joint Administrators of Kaiam Europe Limited (“KEL”) and Kaiam UK Limited (“KUL”) last Friday 21 December 2018.

Established in 1998, KEL manufactures parts used for high speed data transfer in data centres. Based in Livingston, West Lothian, the company operates from manufacturing premises owned by its subsidiary KUL and has 338 employees.

According to the administrators, KEL had been facing declining work levels in 2018, which, coupled with a high fixed cost base, resulted in the business facing significant cash flow difficulties.

The Joint Administrators convened a meeting of all employees today, Christmas Eve. Due to the trading losses, the absence of any material customer orders, and significant fixed costs of operating the Livingston facility, regrettably, the Joint Administrators had no option but to make 310 of the 338 employees redundant with immediate effect.

The remaining 28 employees have been retained to help the Joint Administrators explore a sale of the business.

On hearing the news, Minister for Business, Fair Work and Skills Jamie Hepburn, said:

“The employees affected by today’s announcement from Kaiam

Livingston are our immediate priority and we will do everything in our power to help those affected by redundancy. It is an especially difficult time of the year for employees to learn such news.

“Scottish Enterprise has been working closely with Kaiaam to explore all possible options to support the business and its staff, and I am disappointed that a solution could not be found to turn the company’s situation around. Scottish Enterprise will work with the administrators to understand the potential options for the business going forward and explore all possibilities to rescue the jobs.

“Our PACE team were present at the meeting and stand ready to offer their full support to staff to help them find alternative employment. By providing skills development and employability support, PACE aims to help those affected by redundancy to get back into work as quickly as possible. PACE has a strong track record in doing that, and I hope the affected staff can take at least some reassurance from that.

“The administrators have advised the redundant employees that they will not receive their December 2018 salary and will require to claim this, subject to statutory limits, from the Insolvency Service (which is part of the UK Government’s Department for Business, Energy and Industrial Strategy).

“I am concerned about the impact this will have on families, particularly at this time of year. KPMG will be making urgent representations to the Insolvency Service that they accelerate the payment process from their usual 4 to 6 weeks and I will write to the UK Government to encourage them to help with that request.”

Blair Nimmo, Joint Administrator and KPMG’s Global Head of Restructuring, said: “We fully recognise that redundancies at this time of year are particularly difficult. Our main focus during this challenging period is to work with all affected

employees alongside Scottish Enterprise, Skills Development Scotland and West Lothian Council to ensure that the full range of support is available to them.

“Partnership Action for Continuing Employment (PACE), the Scottish Government’s partnership framework for responding to redundancy situations, has already mobilised and can be contacted on 0800 917 8000 for support. We are also liaising with the UK Government in relation to the timing of redundancy payments via the Insolvency Service.

“In the short term, we are exploring all available options for a sale of the business and would encourage any interested parties to contact us as soon as possible.”

KEL is a subsidiary of Kaia Corporation, a US-based organisation, which is not subject to these Administration appointments.

Lothians MSP Neil Findlay tweeted his response to the news :

*Labour’s [@NeilFindlay\\_MSP](#) responds to reports that over 300 workers at Kaia in Livingston have been made redundant with immediate effect. [pic.twitter.com/mqMnkWv0QH](https://pic.twitter.com/mqMnkWv0QH)*

*– Scottish Labour (@scottishlabour) [December 24, 2018](#)*

The boss of Kaia who partied with workers before going back to the US for the holiday period has been criticised on social media. Meanwhile various groups in West Lothian have rallied round to raise funds for workers affected by the collapse of the business. There is a Facebook group [here](#).