

# AM10

## Notice of administrator's progress report



Companies House

WEDNESDAY



A28 13/11/2019 #215  
COMPANIES HOUSE

lease  
ouse

### 1 Company details

Company number 03762366

Company name in full UC Group Limited

→ Filling in this form  
Please complete in typescript or in  
bold black capitals.

### 2 Administrator's name

Full forename(s) Edward John

Surname Macnamara

### 3 Administrator's address

Building name/number 7

Street More London Riverside

Post town London

County/Region

Postcode SE1 2RT

Country United Kingdom

### 4 Administrator's name ①

Full forename(s) Russell

Surname Downs

① Other administrator  
Use this section to tell us about  
another administrator.

### 5 Administrator's address ②

Building name/number 7

Street More London Riverside

Post town London

County/Region

Postcode SE1 2RT

Country United Kingdom

② Other administrator  
Use this section to tell us about  
another administrator.

## Continuation page

Name and address of insolvency practitioner

✓ **What this form is for**  
Use this continuation page to tell us about another insolvency practitioner where more than 2 are already jointly appointed. Attach this to the relevant form. ①  
Use extra copies to tell us of additional insolvency practitioners.

✗ **What this form is NOT for**  
You can't use this continuation page to tell us about an appointment, resignation, removal or vacation of office.

→ **Filling in this form**  
Please complete in typescript or in bold black capitals.  
  
All fields are mandatory unless specified or indicated by \*

### 1 Appointment type

Tick to show the nature of the appointment:

- ☒ Administrator
- ☐ Administrative receiver
- ☐ Receiver
- ☐ Manager
- ☐ Nominee
- ☐ Supervisor
- ☐ Liquidator
- ☐ Provisional liquidator

① You can use this continuation page with the following forms:

- VAM1, VAM2, VAM3, VAM4, VAM6, VAM7
- CVA1, CVA3, CVA4
- AM02, AM03, AM04, AM05, AM06, AM07, AM08, AM09, AM10, AM12, AM13, AM14, AM19, AM20, AM21, AM22, AM23, AM24, AM25
- REC1, REC2, REC3
- LIQ02, LIQ03, LIQ05, LIQ13, LIQ14,
- WU07, WU15
- COM1, COM2, COM3, COM4
- NDISC

### 2 Insolvency practitioner's name

Full forename(s) Ian David

Surname Green

### 3 Insolvency practitioner's address

Building name/number 7

Street More London Riverside

Post town London

County/Region

Postcode S E 1 2 R T

Country United Kingdom

AM10

Notice of administrator's progress report

**6** Period of progress report

From date	<sup>d</sup> 1	<sup>d</sup> 6	<sup>m</sup> 0	<sup>m</sup> 4	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9
To date	<sup>d</sup> 1	<sup>d</sup> 5	<sup>m</sup> 1	<sup>m</sup> 0	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9

**7** Progress report

☒ I attach a copy of the progress report

**8** Sign and date

Administrator's  
signature

Signature

X *[Signature]*

X

Signature date	<sup>d</sup> 1	<sup>d</sup> 1	<sup>m</sup> 1	<sup>m</sup> 1	<sup>y</sup> 2	<sup>y</sup> 0	<sup>y</sup> 1	<sup>y</sup> 9
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# AM10

## Notice of administrator's progress report



### 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 James Moran

Company name PricewaterhouseCoopers LLP

Address Central Square

29 Wellington Street

Post town Leeds

County/Region

Postcode L S 1 4 D L

Country United Kingdom

DX

Telephone 0113 289 4067



### 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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto: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](http://www.gov.uk/companieshouse)

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Joint administrators' progress report  
from 16 April 2019 to 15 October  
2019

**Admin Payments Ltd  
(formerly Securetrading  
Group Ltd) and UC Group  
Ltd  
both in administration**

11 November 2019

High Court of Justice  
Business and Property Courts of England and Wales  
Insolvency & Companies List (ChD)

Case Numbers: 2682 of 2019 and 2683 of 2019

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# Abbreviations and definitions

The following table shows the abbreviations and insolvency terms that may be used in this report:

Abbreviation or definition	Meaning
Administration Costs	The costs agreed to be funded under the Administration Funding Agreement as described on page 8
Administration Funding Agreement	Administration funding deed dated 18 April 2019 entered into by the Lender Group, STG and UCG and the Administrators
Administrators/we/us/our	Edward John Macnamara, Russell Downs and Ian David Green
APL	Admin Payments Ltd (formerly Securetrading Group Ltd)
BEIS	Department for Business, Energy & Industrial Strategy
CVL	Creditors' voluntary liquidation
EU	European Union
GLAS	GLAS Trust Corporation Limited, security agent in relation to the credit facility of the Lender Group
Group	UCG, APL plus its subsidiaries
HMRC	HM Revenue & Customs
IA86	Insolvency Act 1986
IR16	Insolvency (England and Wales) Rules 2016
Lender Group	Cordet Lending S.A.R.L and Ture Invest AB
Mayer Brown	Mayer Brown International LLP, the administrators' solicitors
preferential creditors	Primarily employee claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
prescribed part	The amount set aside for unsecured creditors from floating charge funds in accordance with section 176A IA86 and the Insolvency Act 1986 (Prescribed Part) Order 2003
proposals	Joint administrators' proposals for achieving the purpose of administration dated 7 June 2019
PSD2	The second EU payment services directive
PwC	PricewaterhouseCoopers LLP
RPS	Redundancy Payments Service, part of the Insolvency Service, which is an executive agency sponsored by BEIS, and which authorises and pays the statutory claims of employees of insolvent companies under the Employment Rights Act 1996
Sch B1 IA86	Schedule B1 to the Insolvency Act 1986
secured creditor	A creditor with security in respect of their debt, in accordance with section 248 IA86
SIP	Statement of Insolvency Practice. SIPs are issued to insolvency practitioners under procedures agreed between the insolvency regulatory authorities. SIPs set out principles and key compliance standards with which insolvency practitioners are required to comply.
SIP 13	Statement of Insolvency Practice 13: Disposal of assets to connected parties in an insolvency process
SIP 2	Statement of Insolvency Practice 2: Investigations by Office Holders in Administrations and Insolvent Liquidations

SIP 9	Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates
SPA	The agreement for the sale and purchase of the business and assets of the Companies dated 8 May 2019 and made between the Companies and the Purchaser
STFS	SecureTrading Financial Services Ltd
STFSH	SecureTrading FS Holdings Ltd
STI	SecureTrading Inc.
STL	SecureTrading Ltd
The Companies	APL and UCG together
TPL	Trust Payments Ltd, a newly incorporated company set up by the Lender Group
TUPE	Transfer of Undertakings (Protection of Employment) Regulations 2006
UCG	UC Group Ltd
unsecured creditors	Creditors who are neither secured nor preferential



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# Key messages

## Why we have sent you this report

I am writing to update you on the progress of the administrations of the Companies in the six months since our appointment on 16 April 2019.

You may wish to refer to the Joint Administrators' proposals dated 7 June 2019, a copy of which can be downloaded at [www.pwc.co.uk/securetrading](http://www.pwc.co.uk/securetrading).

## How much creditors may receive

The following table summarises the possible outcome for creditors\*, based on what we currently know.

Class of creditor	Current estimate (p in £)
Secured creditors	See below
Preferential creditors	N/A
Unsecured creditors	Nil

*\*Please note this guidance on dividends is only an indication and should not be used as the main basis of any bad debt provision or debt*

### Secured Creditors

The secured creditors' lending to the Companies as at the date of administration was c£36.4m and was secured by a debenture dated 17 November 2017. This security gave the secured creditors fixed and floating charges over the Companies' assets.

The Lender Group released the Companies in full from any liabilities and obligations owed to it under the financing arrangements in consideration for the purchase of substantially all the Companies' business and assets via TPL. As such the secured creditors' debt has been satisfied in full, albeit no cash was received under the SPA.

### Preferential Creditors

All the Companies' employees have transferred to the Purchaser under TUPE. Therefore we are not anticipating any employee-related preferential claims.

### Unsecured Creditors

We do not think there will be a dividend to unsecured creditors, from the prescribed part or otherwise, as we do not expect any further assets will be realised.

The prescribed part is a fund that has to be made available for unsecured creditors. It is paid out of "net property". Net property is floating charge realisations after costs, and after paying - or setting aside enough to pay - preferential creditors in full. But it only has to be made available where the floating charge was created on or after 15 September 2003.

The amount of the prescribed part is:

- 50% of net property up to £10,000
- 20% of net property above £10,000
- subject to a maximum of £600,000.

The prescribed part applies in this case as there is a floating charge created on or after 15 September 2003. However, as no further assets will be realised the net property and prescribed part will be nil.

We do not think there will be a dividend to unsecured creditors, as we do not expect any further assets will be realised.

### ***What you need to do***

This report is for your information and you do not need to do anything.

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# ***Background and circumstances leading to our appointment***

You may remember from our Proposals that when we were appointed, the position was as follows:

UCG and APL were the top two holding companies in the Group, which provided merchant acquirer and payment services primarily through its three operating subsidiaries STFS, STL and STI.

The activities of the three operating subsidiaries were as follows:

- 1) STL: A leading technology Gateway platform, connecting 1000s of merchants to 50+ banks globally. This is a non-regulated trading entity registered in England and Wales and located in Bangor, Wales. STL uses the brand name SecureTrading.
- 2) STFS: A merchant acquirer, connected to SecureTrading, but also 30+ other gateways globally. This business is a regulated trading entity registered and located in Malta. STFS uses the brand name Acquiring.com.
- 3) STI: A platform built specifically for end-to-end processing in the US market in areas such as regulated i-gaming and gambling. This business is a licensed entity registered and located in the US. STI uses the brand name ST1.

The Group began experiencing cash flow difficulties during 2018 as a result of a high cost base not sufficiently covered by underlying trading. This presented challenges in three key areas:

- 1) Events of default under the secured facilities provided by the Lender Group

In November 2017, the Companies refinanced their previous debt and c£34m of secured debt was provided by the current Lender Group. The Lender Group held fixed and floating charge debentures over the assets of entities within the Group (UCG, APL, STL and STFSH), as well as a shareholder pledge over STFSH and STFS. As at the date of our appointment there was c.£1.7m of unpaid accrued interest and there were a number of ongoing defaults under the facility agreement in place with the Lender Group.

- 2) Pressure from creditors

As at the date of our appointment there were c.£11m of overdue creditors across the Companies. A large proportion of these creditors related to previous advisors' fees or non-operational creditors and were significantly past their due date. Pressure from these creditors was increasing in the period prior to appointment, with legal action either threatened or started by a number of these parties against the Companies.

- 3) Working capital requirements and regulatory compliance

There were significant working capital requirements in the operating subsidiaries. All Maltese regulated financial services businesses were required to fully comply with EU payment regulations (PSD2) by 31 March 2019. As a result, urgent resolution of the working capital requirement was required.

In order to try and address its financial difficulties, the Group attempted to raise additional funds through either a sales process or equity raise during 2018 / beginning of 2019, however this was unsuccessful. The Group also attempted to secure additional funding from its existing shareholders, but a satisfactory agreement could not be reached.

During this period the Lender Group issued three reservation of rights letters dated 25 May, 23 August and 16 October 2018 in relation to the ongoing defaults under the facility agreement. The Lender Group also sought to engage in discussions with the Group regarding its financial difficulties in order to find a satisfactory way forward and place the Group on a more sustainable footing.

As these discussions were not successful, the Lender Group concluded that the Group could not continue to operate without a resolution of the defaults referred to. This was particularly so given the regulated nature of companies within the Group and the fact that certain key commercial contracts were understood to be in breach or terminable. As a result a letter was issued by the Lender Group to the directors of UCG and APL on 15 April 2019 setting out the issues noted above, along with a demand for full repayment of the facilities issued.

As this demand was not met by the Companies, the Lender Group then took the decision to place UCG and APL into administration and subsequently filed notice at the High Court to appoint the Administrators on 16 April 2019. The three operating subsidiaries were not put into administration and continued to trade.

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# ***Progress since we were appointed***

## ***Sale of business and assets***

Following the administrators' appointment, an accelerated sale process was undertaken for the Companies' business and assets. These were predominantly the shareholdings in the operating subsidiaries STL, STFS and STI. The administrators consulted with the directors, management and secured creditors, as well as sector specialists in PwC's corporate finance team, in order to identify suitable potential purchasers. We approached c60 parties and received four bids, including one from TPL, a new vehicle set up by the Lender Group. Of the bids received, two did not provide any certainty of a return to creditors, and another was deemed to be too high risk, as it required an extension of time and was subject to third party approval.

Whilst certain shareholders indicated an interest in acquiring the business, and introduced a number of parties, no bids were received from the shareholders or those parties. Due to concerns about the need to transact quickly to maintain stability in the operating subsidiaries, and therefore preserve value for creditors, it was determined that the offer that provided the best outcome for the Companies' creditors as a whole in the timeframe available was that received from TPL. This resulted in the sale of substantially all of the Companies' business and assets to TPL on 8 May 2019.

In consideration for the acquisition TPL assumed all of the Companies' liabilities to the secured creditors. The sale to this entity ensured minimal disruption to the ongoing trading activities of the operating subsidiaries, given the Lender Group's detailed knowledge of the operations of the businesses.

## **Funding of the Companies' administrations**

At the outset of the administrations, the Lender Group entered into the Administration Funding Agreement for the sole purpose of providing a loan facility to meet: the remuneration of the Administrators calculated by reference to time spent by the Administrators and their staff dealing with matters arising out of the administration of the Companies; expenses, debts and liabilities payable by the Companies under paragraph 99 of Sch B1 IA86 and Rule 3.51 IR16; and any payments made by the Administrators in connection with the Companies' subsidiaries liabilities which we thought would benefit the creditors of the Companies ("Administration Costs"). The Administration Costs to be paid under the Administration Funding Agreement included the outstanding pre-administration costs of PwC and Mayer Brown. This was a limited recourse facility in that it was only repayable to the extent that there were assets available to meet it. Further, when the business and assets of the Companies were sold, TPL agreed to pay all amounts outstanding under the Administration Funding Agreement and the Administrators have received confirmation that this has been done.

As the funding provided by the Lender Group under the Administration Funding Agreement is only to be used and applied in discharging the Administration Costs, the outcome for unsecured creditors is unaffected by this funding or payment of the outstanding pre-administration costs from that funding.

To date funds of c.EUR1,446k (c.£1,243k\*) have been received under the terms of the Administration Funding Agreement. From these funds c.£231k\* has been used to meet the payroll costs for STG, c.£46k\* was paid to STI for its payroll costs to ensure no disruption was caused to operations whilst the sale was being progressed and c.£136k plus VAT\* was paid in relation to legal and agents fees, see the receipts and payments at Appendix A for further details. There currently remains c.£805k\* which will be used to meet the costs and expenses of the administration. Any surplus funds that may remain after the settlement of the Administration Costs will be returned to the Lender Group under the terms of the Administration Funding Agreement and, as such, will not be available for distribution to other creditors.

\*Based on 15 October 2019 exchange rates

## ***Connected party transactions***

We have a duty (under SIP13) to disclose any disposal of assets in the administrations to a director or other connected party, regardless of the nature or value of the assets concerned. The Lender Group are not a connected party

We can confirm that no such transactions have occurred and none are expected in future.

## *Approval of our proposals*

We issued to creditors our proposals for achieving the purpose of administration dated 7 June 2019.

We said in our proposals that we thought the Companies did not have enough assets to pay a dividend to unsecured creditors other than from the prescribed part. This meant that we did not have to hold creditors' meetings to approve our proposals and our proposals would be treated as approved unless enough creditors asked us to seek a decision to approve them. As creditors did not request a decision be sought our proposals were treated as approved on 20 June 2019.

## *Changes of administrator*

Due to an internal restructuring within PwC, Ian David Green, one of the joint administrators, intends to resign as joint administrator of the Companies, and an application to Court will shortly be made to remove him. The remaining administrators do not think it is necessary for a third administrator to be appointed to replace him, and they will continue to deal with the remaining issues in the administration.

## *Investigations and actions*

We have complied with our duties under the Company Directors' Disqualification Act 1986 and SIP 2. During the period covered by this report, we have submitted our report to the Insolvency Service as required and are cooperating with any further information requests.

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and SIP 2.

## *Our receipts and payments account*

We set out in Appendix A an account of our receipts and payments in the administrations from 16 April 2019 to 15 October 2019.

## *Our expenses*

We set out in Appendix B a statement of the expenses we have incurred to the date covered by this report and an estimate of our future expenses.

The statement excludes any potential tax liabilities that we may need to pay as an administration expense in due course because amounts due will depend on the position at the end of the tax accounting period.

## *Our fees*

We set out in Appendix C an update on our remuneration which covers our fees, disbursements and other related matters in this case.

## *Pre-administration costs*

You can find in Appendix D information about the approval of the unpaid pre-administration costs previously detailed in our proposals.

## *Creditors' rights*

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 18.9 IR16. Any request must be in writing. Creditors can also challenge fees and expenses within eight weeks of receiving this report as set out in Rule 18.34. This information can also be found in the guide to fees at:

<https://www.r3.org.uk/media/documents/publications/professional/R3%20Guide%20to%20Creditors%20Committees.pdf>

You can also get a copy free of charge by telephoning James Moran on 0113 289 4067.

## *What we still need to do*

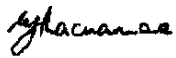
In addition to complying with our statutory obligations, we will finalise our obligations under the SPA, and deal with the Companies VAT and tax affairs and other incidental tasks prior to bringing the administrations to an end.

## *Next steps*

We are currently considering the best strategy for the administrations, taking into account the outstanding issues and we will provide an update on this in our next report.

We expect to send our next report to creditors at the end of the administrations or in about six months, whichever is the sooner. If you have got any questions, please get in touch with James Moran, on 0113 289 4067.

Yours faithfully  
For and on behalf of the Companies



Edward John Macnamara  
Joint administrator

*Edward John Macnamara, Russell Downs and Ian David Green have been appointed as joint administrators of the Companies to manage their affairs, business and property as their agents without personal liability. All are licensed in the United Kingdom to act as an Insolvency Practitioner by the Institute of Chartered Accountants in England and Wales.*

*The joint administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.*

*The joint administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP may act as a processor on the instructions of the joint administrators. Personal data will be kept secure and processed only for matters relating to the joint administrators' appointment. Further details are available in the privacy statement on the PwC.co.uk website or by contacting the joint administrators.*

# Appendix A: Receipts and payments

## Admin Payments Ltd (In Administration)

### Joint Administrators' Abstract Of Receipts And Payments From 16 April 2019 to 15 October 2019

	Notes	EUR €	GBP £	GBP Equivalent of Total funds held
<b>RECEIPTS</b>				
Funding from Lender Group	1	1,445,614.90	-	1,243,228.81
Bank Interest		-	14.60	14.60
Cash in hand		29.07	765.84	790.84
VAT payable		166.34	-	143.05
<b>Total</b>		<b>1,445,810.31</b>	<b>780.44</b>	<b>1,244,177.31</b>
<b>PAYMENTS</b>				
Employees - Wages and expenses		-	138,582.03	138,582.03
Employees - PAYE and NIC		-	92,829.91	92,829.91
STI - Wages and expenses		53,113.37	-	45,677.50
Agents' Fees and Expenses		152,674.61	4,500.00	135,800.16
Statutory advertising		-	308.00	308.00
Bank Charges		2,996.41	-	2,576.91
VAT receivable		30,479.85	61.60	26,274.27
<b>Total</b>		<b>239,264.24</b>	<b>236,281.54</b>	<b>442,048.79</b>
<b>Inter-account movements</b>				
Receipts		-	237,844.91	237,844.91
Payments		( 273,219.13)	-	( 234,968.45)
<b>Total</b>		<b>( 273,219.13)</b>	<b>237,844.91</b>	<b>2,876.46</b>
<b>Balance of funds held</b>	<b>2</b>	<b>933,326.94</b>	<b>2,343.81</b>	<b>805,004.98</b>

#### Notes

As part of the sale of substantially all of the Companies' business and assets, the purchaser assumed the Companies' liability to the Lender Group. However as this is not a cash movement it is not reflected in the receipts and payments

1) The Lender Group funding was provided in accordance with a funding agreement with the administrators at the outset of the administration. Any surplus funds remaining after the settlement of the administration costs and expenses will be repaid to the Lender Group.

2) Funds are held in interest bearing accounts. GBP equivalent of funds held in EUR £802,661. Exchange rate EUR 1 : GBP £0.86 as at 15 October 2019



**UC Group Ltd  
(In Administration)**

**Joint Administrators' Abstract Of Receipts And Payments  
From 16 April 2019 to 15 October 2019**

Notes	EUR €	GBP £	GBP Equivalent of total funds held
<b>RECEIPTS</b>			
Cash in hand	-	7.06	7.06
	-		-
<b>Total</b>	-	<b>7.06</b>	
<b>PAYMENTS</b>			
	-	-	-
<b>Total</b>	-	-	-
<b>Balance of funds held</b>	-	<b>7.06</b>	<b>7.06</b>

**Notes**

As part of the sale of substantially all of the Companies' business and assets, the purchaser assumed the Companies' liability to the Lender Group. However as this is not a cash movement it is not reflected in the receipts and payments account.

The Lender Group funding was provided in accordance with a funding agreement with the administrators at the outset of the administration. Any surplus funds remaining after the settlement of the administration costs and expenses will be repaid to the Lender Group.

## Appendix B: Expenses

The following table provides details of our expenses. Expenses are amounts properly payable by us as administrators from the estate and includes our fees, but excludes distributions to creditors. The table also excludes any potential tax liabilities that we may need to pay as an administration expense because amounts becoming due will depend on the position at the end of the tax accounting period.

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date. It should be noted that in majority of the costs and expenses incurred in UCG will be met by APL by the Administrators Funding Agreement.

### APL

	Incurring in the period under review £	Estimated future £	Anticipated total £
Administrators' expenses	4,184.61	300	4,484.61
Administrators' remuneration*	TBC	TBC	TBC
Statutory advertising	154	-	154.00
Insurance	349.85	168	517.85
Legal fees	131,300.16	-	131,300.16
Professional fees	4,500.00	-	4,500.00
Employees - Payroll & PAYE/NIC	231,411.94		231,411.94
STI - Wages and expenses	45,677.50	-	45,677.50
Bank charges	2,576.91		2,576.91
Pre-administration costs	35,315.00	-	35,315.00
Pre-administration legal fees	23,092.50	-	23,092.50
<b>Total (excluding VAT)</b>	<b>478,562.47</b>	<b>468.00</b>	<b>479,030.47</b>

\* The level of the Administrators remuneration is still be agreed with the Lender Group

\*\* Where applicable costs paid in EUR's have been converted. Exchange rate EUR 1 : GBP £0.86 as at 15 October 2019

### UCG

	Incurring in the period under review £	Estimated future £	Anticipated total £
Administrators' expenses	4,184.61	300	4,484.61
Administrators' remuneration*	TBC	TBC	TBC
Statutory advertising	154	-	154.00
Insurance	168	168	336.00
Pre-administration costs	35,315.00	-	35,315.00
Pre-administration legal fees	23,092.50	-	23,092.50
<b>Total(excluding VAT)</b>	<b>62,914.11</b>	<b>468.00</b>	<b>63,382.11</b>

\* The level of the Administrators remuneration is still be agreed with the Lender Group

\*\* Where applicable costs paid in EUR's have been converted. Exchange rate EUR 1 : GBP £0.86 as at 15 October 2019

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## Appendix C: Remuneration update

The Lender Group entered into the Administration Funding Agreement for the sole purpose of providing a loan facility to meet the remuneration of the Administrators calculated by reference to time spent by the Administrators and their staff dealing with matters arising out of the administration of the Companies. To date no fees have been drawn and we will shortly be seeking approval from the Lender Group to draw our remuneration from the administration funding provided. As such, we will not be seeking formal approval from creditors for our remuneration.

We set out later in this Appendix details of our work to date, anticipated future work, disbursements, subcontracted work and payments to associates.

### *Payments to associates*

We have not made any payments to associates in the period covered by this report.

### *Our work in the period*

Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work:-

Area of work	Work undertaken	Why the work was necessary & does it provide a financial benefit to creditors
Accounting & treasury	<ul style="list-style-type: none"><li>• Open and maintain bank accounts</li><li>• Process receipts and payments</li><li>• Bank reconciliations</li></ul>	<ul style="list-style-type: none"><li>• Ensure secure stewardship of funds</li></ul>
Creditors	<ul style="list-style-type: none"><li>• Setting up a dedicated website for delivery of initial and ongoing communications and reports</li><li>• Receiving and following up creditor enquiries via telephone, email and post</li><li>• Maintain file of creditor claims</li></ul>	<ul style="list-style-type: none"><li>• Update creditors and keep them informed of case progression</li></ul>
Employees	<ul style="list-style-type: none"><li>• Initial communications with employees</li><li>• Facilitate payroll payments and paying over PAYE/NIC to HMRC</li><li>• Assisting with any employee related matters post the sale</li></ul>	<ul style="list-style-type: none"><li>• Comply with statutory and regulatory obligations</li><li>• Ensure business continuity</li></ul>
Investigations	<ul style="list-style-type: none"><li>• Collecting company books and records where related to investigatory work</li><li>• Reviewing books and records</li><li>• Preparing investigation file and lodging findings with the Department for Business, Innovation and Skills</li></ul>	<ul style="list-style-type: none"><li>• Comply with statutory and regulatory obligations</li></ul>
Strategy & planning	<ul style="list-style-type: none"><li>• Prepare and implement strategies for running case</li></ul>	<ul style="list-style-type: none"><li>• Ensure efficient management of case</li></ul>

Sale of business	<ul style="list-style-type: none"> <li>• Case progression meetings</li> <li>• Undertaking an accelerated sale process</li> <li>• Identify and liaising with interested parties</li> <li>• Holding internal meetings to discuss/review offers received</li> <li>• Progressing/completing the sale with Purchaser</li> <li>• Liaising with the Lender Group and other stakeholders throughout the sales process</li> <li>• Complying with post sale obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Maximise returns for creditors</li> <li>• Ensures business continuity</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>• Receiving and responding to shareholder enquiries</li> </ul>	<ul style="list-style-type: none"> <li>• Help shareholders understand the administrative process and sale where appropriate.</li> </ul>
Statutory & compliance	<ul style="list-style-type: none"> <li>• Prepare and submit initial appointment documents and notices</li> <li>• Drafting and reviewing a statement of proposals to creditors including preparing receipts and payments accounts and statutory information</li> <li>• Circulating notice of the proposals to creditors, members and the Registrar of Companies</li> <li>• Preparing decision notice and associated documentation</li> <li>• Preparing a record of the decision and issuing notice of the outcome to creditors</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with statutory and regulatory obligations</li> </ul>
Tax and VAT	<ul style="list-style-type: none"> <li>• Gather information for initial tax and VAT reviews</li> <li>• Liaise with HMRC</li> <li>• Prepare initial VAT return</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with statutory and regulatory obligations</li> </ul>

## *Our future work*

We still need to do the following work to achieve the purpose of administration.

Area of work	Work we need to do	Whether or not the work will provide a financial benefit to creditors
Accounting & treasury	<ul style="list-style-type: none"> <li>• Process receipts and payments</li> <li>• Bank reconciliations</li> <li>• Close bank accounts</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure secure stewardship of funds</li> </ul>
Closure	<ul style="list-style-type: none"> <li>• Obtain clearances</li> <li>• Complete closure checklists</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with statutory and regulatory obligations</li> </ul>

	<ul style="list-style-type: none"> <li>• Close down systems</li> </ul>	
Creditors	<ul style="list-style-type: none"> <li>• Respond to creditor enquiries</li> <li>• Maintain file of creditor claims</li> </ul>	<ul style="list-style-type: none"> <li>• Update creditors and keep them informed of case progression</li> </ul>
Sale of business	<ul style="list-style-type: none"> <li>• Complying with post sale obligations</li> </ul>	<ul style="list-style-type: none"> <li>• Maximise returns for creditors</li> <li>• Ensures business continuity</li> </ul>
Statutory & compliance	<ul style="list-style-type: none"> <li>• Issue administrators' first progress report</li> <li>• Deal with administrators' remuneration</li> <li>• Prepare and issue administrators' final progress report</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with statutory and regulatory obligations</li> </ul>
Strategy & planning	<ul style="list-style-type: none"> <li>• Case progression meetings</li> <li>• Prepare and implement closure strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure efficient management of case</li> </ul>
Tax and VAT	<ul style="list-style-type: none"> <li>• Submit final tax returns</li> <li>• VAT de-registration and submit final VAT reclaim</li> <li>• Obtain tax clearances</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with statutory and regulatory obligations</li> </ul>

## Disbursements

We do not need to get approval to draw expenses or disbursements unless they are for shared or allocated services provided by our own firm, including room hire, document storage, photocopying, communication facilities. These types of expenses are called "Category 2" disbursements and they must be directly incurred on the case, subject to a reasonable method of calculation and allocation. We will shortly be seeking formal approval from the Lender Group for our Category 2 disbursements.

Our expenses policy allows for all properly incurred expenses to be recharged to the administrations but has not yet been approved where required.

The following disbursements arose in the period of this report.

Category	Policy	APL Costs incurred £	UCG Costs incurred
2	<i>Photocopying</i> - at 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying.	254.50	254.50
1	<i>Accommodation</i>	2,570.71	2,570.71
1	<i>Travel Costs</i>	1,270.43	1,270.43
1	<i>Postage/courier fees</i>	88.97	88.97
	<b>Total</b>	<b>4184.61</b>	<b>4184.61</b>

## Our relationships

We have no business or personal relationships with the parties who approve our fees or who provide services to the administrations where the relationship could give rise to a conflict of interest.

### *Details of subcontracted work*

We have not subcontracted any work during the period covered by this report.

### *Legal and other professional firms*

We have instructed the following professionals on this case:

<b>Service provided</b>	<b>Name of firm / organisation</b>	<b>Reason selected</b>	<b>Basis of fees</b>
Legal services, including: <ul style="list-style-type: none"><li>• appointment related matters;</li><li>• drafting funding agreement</li><li>• sale of business contracts.</li></ul>	<ul style="list-style-type: none"><li>• Mayer Brown International LLP</li></ul>	<ul style="list-style-type: none"><li>• Industry knowledge</li></ul>	<ul style="list-style-type: none"><li>• Time costs</li></ul>
Virtual data room provider	<ul style="list-style-type: none"><li>• Intralinks</li></ul>	<ul style="list-style-type: none"><li>• Industry knowledge</li></ul>	<ul style="list-style-type: none"><li>• Fixed fee</li></ul>

We require all third party professionals to submit time costs analyses and narrative or a schedule of realisations achieved, dependent on their fee basis, in support of invoices rendered. All invoices are reviewed before being approved for payment. We are satisfied that the level of legal and professional costs is appropriate.

## ***Appendix D: Pre-administration costs***

The table below provides details of costs which were incurred before our appointment as Administrators but with a view to the Companies entering administration.

	<b>Paid amount (£)</b>	<b>Unpaid amount (£)</b>
Our fees as Administrators-in-waiting	n/a	70,630
Expenses incurred by us as Administrators-in-waiting		
- Mayer Brown International LLP	n/a	46,185
<b>Total (excluding VAT)</b>		<b>116,815</b>

### ***Details of the pre-administration work undertaken and a breakdown of expenses***

The pre-administration work we carried out in the lead up to the administration appointments included the following areas:

- Agreeing the strategy for the administrations;
- Considering the funding requirements for the administrations and holding discussions with the Lender Group with a view to obtaining the post administration funding facility;
- Liaising with the secured creditors generally;
- Preparing statutory documentation and declarations required for effecting the administration appointments and liaising with our legal advisors in this regard;
- Completing internal procedures in preparation for accepting the appointments; and
- Preparing for the accelerated sale process, including drafting the information memorandum and compiling a list of potential purchasers.

Please note that the above is indicative of the key areas of work performed and is not an exhaustive list.

We will shortly be seeking formal approval from the Lender Group for the for the payment of our pre-appointment costs from the administration funding provided by them, as such we will not be seeking approval from creditors for any outstanding pre-administration costs.

## Appendix E: Other information

	<b>APL</b>	<b>UCG</b>
Court Details for the administration:	High Court of Justice Business and Property Courts of England and Wales Insolvency & Companies List (ChD)	High Court of Justice Business and Property Courts of England and Wales Insolvency & Companies List (ChD)
	Case No. 2682 of 2019	Case No. 2683 of 2019
Registered name:	Admin Payments Ltd (formerly Securetrading Group Ltd)	UC Group Ltd
Trading name:	Securetrading Group Ltd	N/A
Registered number:	04586150	03762366
Registered address:	Central Square, 8th Floor, 29, Wellington Street, Leeds, England, LS1 4DL (previously 40 Bank Street, London, E14 5NR)	Central Square, 8th Floor, 29, Wellington Street, Leeds, England, LS1 4DL (previously 40 Bank Street, London, E14 5NR)
Date of the administration appointment:	16 April 2019	16 April 2019
Administrators' names and addresses:	Edward John Macnamara, Russell Downs and Ian David Green of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT James Moran: 0113 289 4983	Edward John Macnamara, Russell Downs and Ian David Green of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT James Moran: 0113 289 4983
Extension(s) to the initial period of appointment:	N/A	N/A