

AM10

Notice of administrator's progress report



Companies House

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

1 Company details

| | | | | | | | | |
|----------------------|--|---|---|---|---|---|---|---|
| Company number | 0 | 3 | 9 | 0 | 7 | 3 | 8 | 6 |
| Company name in full | Policy Administration Services Limited | | | | | | | |

→ Filling in this form

Please complete in typescript or in
bold black capitals.

2 Administrator's name

| | |
|------------------|-------------|
| Full forename(s) | David James |
| Surname | Kelly |

3 Administrator's address

| | |
|----------------------|----------------------------|
| Building name/number | PricewaterhouseCoopers LLP |
| Street | 7 More London |
| | Riverside |
| Post town | London |
| County/Region | |
| Postcode | S E 1 2 R T |
| Country | United Kingdom |

4 Administrator's name ①

| | |
|------------------|---------------|
| Full forename(s) | Douglas Nigel |
| Surname | Rackham |

① Other administrator

Use this section to tell us about
another administrator.

5 Administrator's address ②

| | |
|----------------------|----------------------------|
| Building name/number | PricewaterhouseCoopers LLP |
| Street | 7 More London |
| | Riverside |
| Post town | London |
| County/Region | |
| Postcode | S E 1 2 R T |
| Country | United Kingdom |

② Other administrator

Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

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|-----------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| From date | ^d 2 | ^d 1 | ^m 0 | ^m 1 | ^y 2 | ^y 0 | ^y 2 | ^y 1 |
| To date | ^d 2 | ^d 0 | ^m 0 | ^m 7 | ^y 2 | ^y 0 | ^y 2 | ^y 1 |

7 Progress report

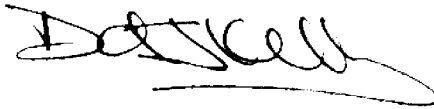
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

| | | | | | | | |
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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 **Matt Duckworth**

Company name **PricewaterhouseCoopers LLP**

Address **29 Wellington Street**

Central Square

Post town **Leeds**

County/Region

Postcode

| | | | | | | |
|---|---|---|--|---|---|---|
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|---|---|---|--|---|---|---|

Country **United Kingdom**

DX

Telephone **0113 289 4916**

**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

Joint Administrators' fourteenth progress report for the period from 21 January 2021 to 20 July 2021

Phones 4U Limited

High Court of Justice, Chancery Division, Companies Court
Case no. 6516 of 2014

Phones 4U Group Limited

High Court of Justice, Chancery Division, Companies Court
Case no. 6507 of 2014

Phones4U Finance Plc

High Court of Justice, Chancery Division, Companies Court
Case no. 6506 of 2014

MobileServ Limited

High Court of Justice, Chancery Division, Companies Court
Case no. 6511 of 2014

Phosphorus Acquisition Limited

High Court of Justice, Chancery Division, Companies Court
Case no. 6508 of 2014

Policy Administration Services Limited

High Court of Justice, Chancery Division, Companies Court
Case no. 6504 of 2014

Table of contents

| | |
|---|----|
| 1. Abbreviations and definitions | 3 |
| 2. Introduction and Key messages | 6 |
| 3. Summary of the possible outcome for creditors | 8 |
| 4. Progress in the period | 10 |
| Appendix A: Receipts and payments | 16 |
| Appendix B: Expenses | 24 |
| Appendix C: Remuneration update | 31 |
| Appendix D: Statutory and other information relating to the administrations | 45 |
| Appendix E: Estimated financial outcome statement | 46 |

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

| | |
|---------------------------------------|---|
| the “Companies” | Phones 4U Limited, Phones 4 U Group Limited, Phones4U Finance Plc, MobileServ Limited, Phosphorus Acquisition Limited, Policy Administration Services Limited |
| the “Group” or “Phones 4u” | The Companies together with 4U Limited, 4U Wi-Fi Limited, Jump 4U Limited, Life Mobile Limited and Phosphorus Holdco Plc (see for details of insolvency procedures affecting these companies) |
| “Joint Administrators” or “We” | David James Kelly and Robert John Moran in respect of Phones 4U Limited. David James Kelly and Robert John Moran in respect of Phones 4 U Group Limited, Phones4U Finance Plc, MobileServ Limited, Phosphorus Acquisition Limited. Douglas Nigel Rackham and David James Kelly in respect of Policy Administration Services Limited |
| “Concurrent Administrator” | Paul David Copley of Aldan Management Limited, 42 Brook Street, London, W1K 5DB, in respect of Phones 4U Limited |
| “the Administrators” | the Joint Administrators and the Concurrent Administrator together, in respect of Phones 4U Limited |
| “Aon” | Aon Insurance Managers Isle of Man Limited |
| “Committee” | The informal committee of certain Noteholders formed in October 2014 for the purpose of consulting with the Administrators in relation to various issues arising in the administrations |
| “EE” | EE Limited |
| “the Defendants” | EE, DT, Orange, the Vodafone Defendants and the O2 Defendants |
| “the Disclosure Order” | The Directions and Disclosure Order of Mr Justice Roth dated 11 August 2020 |
| “DT” | Deutsche Telekom AG |
| “FCA” | Financial Conduct Authority |
| “FOS” | Financial Ombudsman Service |
| “HMRC” | HM Revenue & Customs |
| “ICAEW” | Institute of Chartered Accountants in England and Wales |
| “IA86” | The Insolvency Act 1986 |
| “IDD” | Insurance Distribution Directive |
| “IR16” | The Insolvency (England and Wales) Rules 2016 |
| “ING” | ING Bank N.V. |

| | |
|----------------------------------|---|
| “ISA” | Insolvency Services Account |
| “LGI” | London and General Insurance Company Limited |
| “Litigation” | Proceedings commenced by P4U, acting by the Concurrent Administrator, in December 2018 against certain MNOs (and their affiliates), in respect of its claims of (amongst other things) breaches of competition law and / or contract by such parties leading to the appointment of administrators in September 2014 |
| “Lloyds” | Lloyds Bank Plc |
| “LSG” | Lifestyle Services Group Limited |
| “MNO” | Mobile Network Operator |
| “Notes” | £430,000,000 9.500% senior secured notes due 2018 issued by Phones4U Finance Plc, listed on the Irish Stock Exchange |
| “Noteholders” | Holders of the Notes |
| “O2” | Telefonica UK Limited |
| “the O2 Defendants” | O2, Telefónica, S.A. and Telefonica O2 Holdings Limited |
| “Orange” | Orange SA |
| “P4U” | Phones 4U Limited |
| “P4UC” | Phones 4U Care Limited |
| “PAS” | Policy Administration Services Limited |
| “QE” | Quinn Emanuel Urquhart & Sullivan UK LLP |
| “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” | The administrators’ statement of proposals for achieving the purpose of the administrations, dated 6 November 2014 |
| “PwC” | PricewaterhouseCoopers LLP |
| “RCF” | Revolving credit facility |
| “SIP 9” | Statement of Insolvency Practice 9: Payments to insolvency office holders and their associates |
| “VAT” | Value added tax |
| “the Vodafone Defendants” | Vodafone Limited and Vodafone Group Plc |

This report has been prepared by the Administrators of the Companies, solely to comply with the relevant Administrators’ statutory duties to report to creditors under IR16 on the progress of the administrations, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This report has not been prepared in contemplation of it being used, and it is not suitable to be used, to inform any investment decision in relation to the debt of or any financial investment in the Companies.

Any estimated outcomes for creditors included in this report are illustrative only and cannot be relied upon as guidance as to the actual outcome for creditors.

Any persons choosing to rely on this report for any purpose or in any context other than under IR16 do so at their own risk. To the fullest extent permitted by law, the Administrators do not assume any liability in respect of this report to any such person.

Please note you should read this report in conjunction with the Administrators' previous reports issued to the Companies' creditors, which can be found at [\[link\]](#). Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

David James Kelly and Robert John Moran (both of PricewaterhouseCoopers LLP) have been appointed as Joint Administrators and Paul David Copley (of Aldan Management Limited) has been appointed as Concurrent Administrator of Phones 4U Limited to manage its affairs, business and property as its agents and act without personal liability. David James Kelly and Robert John Moran have been appointed as Joint Administrators of MobileServ Limited, Phosphorus Acquisition Limited, Phones 4 U Group Limited and Phones4u Finance Plc to manage their affairs, business and property as agents without personal liability. Douglas Nigel Rackham and David James Kelly have been appointed as Joint Administrators of Policy Administration Services Limited to manage its affairs, business and property as agents without personal liability. All are licensed in the United Kingdom to act as insolvency practitioners by the ICAEW.

The Administrators may act as controllers of personal data as defined by UK data protection law depending upon the specific processing activities undertaken. PricewaterhouseCoopers LLP and/or Aldan Management Limited may act as a processor on the instructions of the Administrators. Personal data will be kept secure and processed only for matters relating to the Administrators' appointment. Further details are available in the privacy statement on the firms' websites or by contacting the Administrators. The administrators are bound by the Insolvency Code of Ethics which can be found at: [\[link\]](#)

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Why we've sent you this report

As required by insolvency legislation, this is our fourteenth report to creditors providing an update on the progress of the administrations of the Companies (as defined above). This report provides a high-level overview of the key matters in each case and does not attempt to report fully on the detail and extent of our work. The key messages for the various stakeholders are set out below.

We refer you to our Proposals for an explanation of why the Companies were put into administration and how the purpose of each administration is expected to be achieved. Subsequent progress reports explained the progress in each case since our appointment. These reports continue to be available on our website at: www.pwc.co.uk/phones4u and their content is not repeated here unless considered beneficial or necessary for the purpose of this update. We anticipate that our next report will be circulated in approximately six months' time.

Litigation

As previously reported, in December 2018, P4U, acting by its Concurrent Administrator, commenced proceedings against certain MNOs (and their affiliates), in respect of its claims of (amongst other things) breaches of competition law and / or contract by such parties leading to the appointment of administrators in September 2014. As further explained in Section 4.1, the Litigation is continuing in accordance with the Court timetable and, during the period covered by this report, the work has focused on the review of the documents provided by the Defendants as part of their standard disclosure and in response to subsequent correspondence between QE and the Defendants' legal advisors. Whilst this review is still ongoing, P4U served draft amended particulars of claim on the Defendants on 30 July 2021 and filed an application for permission for such amendments. In due course, assuming permission is granted, directions will need to be agreed or ordered, as to the timing of consequential amendments to the Defendants' defences and, if necessary, P4U's replies.

As noted in our previous report, the Court has ordered a split trial, with the first trial (on issues of infringement and breach) scheduled to commence in May 2022. As is the nature of complex litigation, delays may occur.

Customers of Phones 4u Limited

The website at www.phones4u.com contains information and contact details for previous and existing customers. If you are a customer (or previous customer), you have received this report because you may be a creditor. This may arise if you are owed cashback or free gifts (such as tablets or watches); or if you had an unfulfilled phone order. The fact that you have received this report does not necessarily mean that you are a creditor and any claims of this nature, if not already submitted, should have already been made against P4U.

Creditors

Dividends have been paid to the unsecured creditors of P4U, MobileServ and PAS from their statutory ring-fenced prescribed part funds. Unclaimed dividends for all cheques that had not been banked after six months have been passed to the Insolvency Service. Any creditors who did not cash their unsecured dividend cheques should therefore contact the Insolvency Service using the contact form on their website:

<https://www.insolvencydirect.bis.gov.uk/ExternalOnlineForms/GeneralEnquiry.aspx>

Employees of Phones 4u Limited

If you are a former or current employee of P4U, you have received this report because our records show that you may be owed money by P4U in relation to the period prior to our appointment.

We have paid the 'preferential' element of former employees' claims in full. Unclaimed preferential dividends have been passed to the Insolvency Service. Any former employees who did not cash their preferential dividend cheques should therefore contact the Insolvency Service using the contact form on their website:

<https://www.insolvencydirect.bis.gov.uk/ExternalOnlineForms/GeneralEnquiry.aspx>

The balance of any amounts owed to former employees ranked as unsecured claims which were dealt with separately. As referred to above, any employees who did not cash their unsecured dividend cheque should contact the Insolvency Service. Further information is provided in Section 4.

Noteholders

The holders of the £430,000,000 9.500% senior secured notes due 2018 are expected to have the primary economic interest in the progress of the Companies' administrations. We communicate regularly with the Committee, in addition to releasing information more broadly on PwC's dedicated Phones 4U website.

Distributions to Noteholders

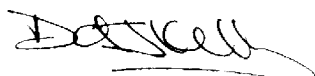
In aggregate, £219.3m has been distributed to the Noteholders since the Companies entered administration. No further distributions were made during the period covered by this report. Excluding any recoveries from the Litigation, it is unlikely that there will be sufficient realisations to pay the Noteholders in full.

Commercially sensitive matters

In Section 4.1 we explain what we are doing to realise the remaining assets and deal with the liabilities of P4U. Although we have reflected the receipts to 20 July 2021, consistent with previous reports we have not disclosed the prospective value of claims as to do so would be to disclose potentially commercially sensitive information and may prejudice the value of realisations in the administration. We have not included any expenses in relation to the Litigation workstream within our estimated outcome calculations (see Appendix E), except to the extent that PwC, Aldan and third-party costs have been incurred to 20 July 2021.

In line with previous reports and consistent with legal advice obtained, our estimates of dividend prospects do not include these significant items referenced above and the actual dividend outcomes may be materially different. Therefore, our estimates of dividend prospects should be treated with caution.

Yours faithfully
For and on behalf of the Companies



David Kelly, Joint Administrator

David James Kelly and Robert John Moran (both of PricewaterhouseCoopers LLP) have been appointed as Joint Administrators and Paul David Copley (of Aldan Management Limited) has been appointed as Concurrent Administrator of Phones 4U Limited to manage its affairs, business and property as its agents and act without personal liability. David James Kelly and Robert John Moran have been appointed as Joint Administrators of MobileServ Limited, Phosphorus Acquisition Limited, Phones 4 U Group Limited and Phones4u Finance Plc to manage their affairs, business and property as agents without personal liability. Douglas Nigel Rackham and David James Kelly have been appointed as Joint Administrators of Policy Administration Services Limited to manage its affairs, business and property as agents without personal liability. All are licensed in the United Kingdom to act as insolvency practitioners by the ICAEW.

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3. Summary of the possible outcome for creditors

The table below provides a summary of the possible outcomes for the various classes of creditors, based on current information and potential realisations from ongoing litigation and certain associated costs. An estimated financial outcome statement is provided in Appendix E. Please note this guidance on dividends is only an indication and should not be used as the main basis of any bad debt provision.

| | Phones 4U Limited | Phones 4 U Group Limited | Phones4U Finance Plc | MobileServ Limited | Phosphorus Acquisition Limited | Policy Administration Services Limited |
|--|---|--------------------------|----------------------|--------------------|--------------------------------|--|
| Estimated recovery for secured creditors <i>(creditors with security in respect of their debt, in accordance with Section 248 IA86)</i> | | | | | | |
| Estimated total debt: | £19,810,000 RCF £430,000,000 Notes (Note 1) | | | | | |
| Estimated % recovery for secured creditors: | 100% for the RCF lenders and uncertain recoveries for the Noteholders, as it depends on the outcome, timing and costs of the Litigation (on the basis set out in Section 4.4 and in line with the comments in “forecast timing” below). | | | | | |
| Forecast timing: | The timing and quantum of any further distributions remains uncertain and is dependent on the matters set out in Section 4 of this report, most notably the progress of the Litigation. | | | | | |
| Estimated dividend prospects for preferential creditors <i>(for unpaid wages up to £800 and holiday pay only, and unpaid pension contributions in certain circumstances)</i> | | | | | | |
| Amount owed to preferential creditors: | £1.7 million | Note 2 | | | | |
| Estimated % recovery for preferential creditors: | 100% | Note 2 | | | | |
| Forecast timing: | Paid | Note 2 | | | | |

Note 1 - This is the face value of the Notes and excludes any accrued interest

Note 2 - All employees were contracted with Phones 4U Limited.

| | Phones 4U Limited | Phones 4 U Group Limited | Phones4U Finance Plc | MobileServ Limited | Phosphorus Acquisition Limited | Policy Administration Services Limited |
|---|--|---|---|--|---|--|
| Estimated dividend prospects for unsecured creditors <i>(creditors who are neither secured nor preferential)</i> | | | | | | |
| Amount owed to unsecured creditors: <i>(as per total admitted claims where there has been a dividend, and as per the statement of affairs where there has not)</i> | £173,147,665 | £69,220,516 | £92,428,369 | £804,251,103 | £561,308,251 | £37,896,401 |
| Prescribed part fund (before costs) | £600k | Nil | Nil | £600k | Nil | £600k |
| % recovery for unsecured creditors: | 0.27% | Nil | Nil | 0.07% | Nil | 1.5% |
| Forecast timing: | Paid <input checked="" type="checkbox"/> | N/A <input checked="" type="checkbox"/> | N/A <input checked="" type="checkbox"/> | Paid <input checked="" type="checkbox"/> | N/A <input checked="" type="checkbox"/> | Paid <input checked="" type="checkbox"/> |

Unsecured creditors

The only dividends to unsecured creditors have arisen from the ring-fenced funds under the 'prescribed part' provisions of the IA86 which have been paid by the companies Phones 4u Limited, MobileServ Limited and Policy Administration Services Limited. No dividends are expected from any other group companies.

Unclaimed prescribed part dividends in these companies have been passed to the Insolvency Service. Any creditors who did not cash their unsecured dividend cheques should therefore contact the Insolvency Service using the contact form on their website: <https://www.insolvencydirect.bis.gov.uk/ExternalOnlineForms/GeneralEnquiry.aspx>

In this section we focus on progress in the period covered by this report and only repeat details from our previous reports where necessary or beneficial for the purposes of this update. Therefore, creditors may wish to read this section in conjunction with our previous reports.

The Administrators have realised the material assets of the Companies in Administration. The primary focus of the P4U administration is now the Litigation (Section 4.1 below). In addition, the Administrators continue to conduct the day to day affairs of the Companies. Our progress is also illustrated in the enclosed receipts and payments accounts for each Company in Appendix A.

The following is a summary of our work in the period across the administrations:

- Progressed the Litigation (Concurrent Administrator only);
- Provided updates to the Committee;
- Continued to seek recovery of remaining MobileServ debtors;
- Oversight of trading of the PAS business; and
- Continued planning for an exit of the PAS business.

For more detailed background on these issues, please refer to our previous progress reports.

4.1 Phones 4u Limited

Litigation

As previously reported, Paul Copley was appointed as the Concurrent Administrator of P4U in November 2018. Under the High Court order, the scope of the Concurrent Administrator's role is restricted to investigating the facts and circumstances leading up to the administration of P4U in order to consider whether such facts and circumstances involve any wrongful conduct and / or breach of competition law by third parties, such as to give rise to any claims or causes of action by P4U against such third parties and, if relevant, to issue and prosecute such claims on behalf of P4U.

On 18 December 2018, P4U issued proceedings in the English High Court against:

- EE Limited;
- Deutsche Telekom AG;
- Orange SA;
- Vodafone Limited;
- Vodafone Group PLC;
- Telefonica UK Limited;
- Telefonica SA; and
- Telefonica O2 Holdings Limited (formerly Telefonica Europe PLC)

The three claims made by P4U are that:

- Each Defendant was party to an agreement and/or decision and/or concerted practice in breach of EU and/or English competition law;
- EE was in breach of its contract with P4U, relying on express and/or implied terms as to good faith; and
- DT and Orange procured and induced EE's breach of contract, and/or committed common law conspiracy.

During the first half of 2019, the Defendants filed their defences to P4U's claims, denying all substantive allegations. In October 2019, P4U filed replies to the defences and, in January 2020, responded to requests for further information made by DT and Orange regarding the nature of the case made against each of them. Case management conferences were held in March and July 2020 to resolve procedural matters, including certain aspects of disclosure as recorded in the Disclosure Order. The deadline for standard disclosure was originally set at 29 January 2021 but was extended, by agreement between all parties, to 19 February 2021. Following extensive document searches and review, P4U disclosed approximately 18,000 documents to the Defendants in accordance with the scope set out in the Disclosure Order.

The primary focus of the Litigation work stream during the period covered by this report is the review by QE of over 185,000 documents provided by the Defendants either as part of their original standard disclosure or as a result of subsequent correspondence between QE and the Defendants' legal advisors. This includes those documents obtained from personal devices and emails of relevant individuals in accordance with the part of the Disclosure Order that was the subject of the Court of Appeal decision handed down on 2 February 2021 referred to in our previous report.

Whilst the disclosure review is still ongoing, P4U served draft amended particulars of claim on the Defendants on 30 July 2021 and filed an application for permission for such amendments with the Court. In due course, assuming permission is granted, directions will need to be agreed or ordered, as to the timing of consequential amendments to the Defendants' defences and, if necessary, P4U's replies. The preparation for the trial will continue in the coming months, with the parties currently seeking to agree a date in Autumn 2021 for the exchange of witness statements. As noted in our previous report, the Court has ordered a split trial, with the first trial (on issues of infringement and breach) listed for 10.5 weeks commencing on 11 May 2022. It is expected that the second trial (dealing with causation and quantum) will not be scheduled until the first judgment has been handed down. As is the nature of complex litigation, delays may occur.

As previously noted, P4U has retained a significant cash balance for the purpose of funding the Litigation and providing for potential adverse cost awards should the Defendants prevail. See Appendix A of this report for further information. During the period covered by this report, a further £5.0 million was paid into a designated account as security for the Defendants' costs. The total security provided to date is £14.8 million, in respect of costs incurred up to the date of standard disclosure (at 65%, by agreement with the O2 Defendants and the Vodafone Defendants, and in accordance with the judgment of Mr Justice Roth dated 20 July 2020 in respect of EE, DT and Orange).

Copies of the public documents relating to the Litigation may be found at

Sale and wind-down of store network

As previously reported, we were advised by our legal advisors that several stores had been re-let which means P4U's lease has been deemed to be surrendered by operation of law. Our solicitors continue to liaise with the landlords of the three remaining properties. The leases of these properties are due to expire over the next three years.

4.2 Policy Administration Services Limited

PAS is an FCA authorised insurance intermediary that sold mobile phone insurance to the public on behalf of its underwriter LGI. On appointment, there were approximately 800,000 policyholders of which approximately 75% had a Phones 4U Care policy and approximately 25% had a Premierplan policy.

Trading

At the outset of the COVID-19 crisis PAS and LSG (the run-off service provider) took appropriate action to ensure the service to PAS's customers continued with as little disruption as possible. These actions included the establishment of home working for call centre staff and the temporary reduction in customer call centre hours to Monday – Friday 9.00-17:00.

Call centres are now operating close to pre-COVID-19 levels with a running a Monday-Saturday service, which started in July. There has been no significant impact on the delivery of services to the PAS customers or the profitability of the PAS business due to the COVID-19 crisis.

We continue to monitor the situation closely and liaise with LSG, to ensure appropriate processes and systems are in place going forward to support the PAS business and its customers.

The PAS business continues to perform well. The customer base has declined more slowly than expected to approximately 75,000 policyholders as at the end of June 2021; Phones 4U Care and Premierplan products having approximately 34,000 and 41,000 policyholders respectively. Claims costs per policy remain broadly in line with forecast.

PAS was one of the entities included in the application to the Court for extension of the administrations. This was granted by the Court, extending the PAS administration through to 15 March 2023. The forecast PAS trading and cost figures included in this report have therefore been prepared on the basis that trading will continue through to March 2022 followed by a 12-month run off period through to March 2023 to enable the conclusion of any residual trading matters and the completion of administration closure procedures.

We continue to employ strategies to promote the longevity of the business. All policies automatically renew on a monthly basis until they are cancelled by customers. In accordance with industry 'best practice' to ensure customers are treated fairly, we send policyholders annual reminder letters to check that they continue to need their policy. As part of this year's annual reminder process we engaged an external party to undertake a "data wash" review in order to validate the accuracy of customer contact details held and where necessary to update details for customers who

have relocated to a different address. The next planned customer contact is scheduled to begin in August 2021. Customers will be contacted by letter or where considered more appropriate and effective, via email or SMS.

We continue to monitor the supply chain to ensure that the service provided by LSG is as efficient and cost effective as possible. PAS continues to benefit from LSG's supply chain relationships, particularly in securing Apple stock at favourable prices.

Detailed monthly management information reports for the underwriter continue to be produced to enable them to meet their regulatory obligations.

Discussions with LSG and other stakeholders have continued in the period to plan for a smooth exit of the business once it is no longer viable for PAS to continue trading. Our current plan is that we will provide customers with notice of termination at the appropriate time, but also offer them the opportunity to obtain a new policy with another provider, providing continuity of cover to those customers who want it. As part of the closure process we will make suitable arrangements for late claims and termination of all third-party relationships.

Asset Realisations

As outlined above, trading forecasts identify that the PAS business will continue to remain profitable through to March 2022. While a conservative approach has been taken to the estimation of trading profitability, these estimates are highly sensitive to policy cancellation and subject to regular review.

Regulatory Update

PAS continues to be authorised and regulated by the FCA for insurance distributions and manages customer claims and complaints processes on behalf of the underwriter LGI. With the introduction of the IDD, PAS's FCA permission has been automatically changed from "insurance mediation activities" to "insurance distribution activities". We continue to monitor and regularly audit claims and complaints processes and have identified no major or systemic risk in the way LSG handles customers' policies. PAS receives very few complaints and of the 13 cases referred to the FOS during the last 12 months, 11 have been adjudicated by the FOS, with 2 awaiting the outcome of the FOS review. None of the 11 adjudicated complaints were upheld.

We continue to monitor regulatory changes impacting the market.

PAS is the parent company of a captive reinsurer in the Isle of Man, P4UC, which reinsures the insurance business. Aon, the captive manager of P4UC continues to operate in accordance with the management agreement.

During the period one of the non-executive directors of P4UC resigned. A suitable replacement candidate was identified, and following IOM regulatory checks was appointed to the board effect from 1 May 2021.

The latest board meeting of P4UC was held in May 2021 when a full report of the business was given, and the directors continue to be satisfied with trading and governance arrangements. Auditors Crowe Clark Whitehill have completed an audit of the 2020 annual accounts and identified no material matters of concern.

It has been agreed with the board of P4UC that the solvency buffer held by the captive will remain at £1.1m.

No dividends were paid by P4UC to PAS during the period. As at 20 July 2021, £45.1m has been paid in dividends from P4UC to PAS.

4.3 Other companies

Aside from minimal receipts of bank interest, there have been no asset realisations in any of the other four companies during the period covered by this report.

Furthermore, other than realisations from the Litigation and certain MobileServ debtors, there are no further known assets to realise in any of these four companies. We believe that each of these four companies should remain in administration in order to benefit from any future Litigation realisations.

We will bring these administrations to an end as soon as it is possible and appropriate to do so, bearing in mind any benefits to the wider group for them continuing in administration under our control.

4.4 Secured creditors

As previously reported, the RCF lenders relied upon set-off, pro-rata sharing and reinstatement provisions under the finance documentation to affect a series of setoffs. As a result, the RCF lenders have been repaid in full, except for a nominal sum, in effect leaving only the Noteholders as secured creditors with balances outstanding in the administrations.

We have previously reported that during the set off process, the Security Trustee exercised its right under the intercreditor agreement to withhold funds in order to indemnify itself. As at 20 January 2021, the Security Trustee held approximately £1m (less certain legal and trustee fees). A further £1m is held on trust by GLAS Trust Corporation Limited in relation to potential claims of the Senior Note Trustee.

We expect that all retained funds (net of any legal and trustee fees) will be returned to the secured creditors, but we have reflected the risk that funds may be required to pay any necessary future legal costs for the recovery of the above amounts, in our estimated financial outcome statement (see Appendix E).

We consider the Noteholders to have the primary economic interest in realisations made in the administrations of the Companies. Although we remain of the view there will be insufficient funds to repay the Noteholders in full, the estimated outcome for the Noteholders is uncertain as it depends on the outcome, timing and costs of the Litigation. We provide our estimated financial outcome statement in Appendix E.

We have now made four interim distributions totalling £219.3m and representing 51% of the Noteholders' principal claims.

4.5 Administrators' remuneration

We have drawn fees up to 31 March 2021 in respect of P4U, MobileServ and PAS, and up to 20 January 2021 in respect of Phosphorus Acquisition. We are in the process of preparing our billing run for the period 1 April 2021 to 30 June 2021, and expect to draw these after the issue of this report.

The Concurrent Administrator has drawn fees on a monthly basis, the most recent of which has been drawn to July 2021 and will be paid shortly after the issue of this report.

Fees for all other Companies are drawn on an ad-hoc basis and only where there are sufficient funds available. All fees drawn are clearly shown in the receipts and payments accounts in Appendix A.

Further information on our remuneration policy, together with all information and analysis required by Statement of Insolvency Practice No.9 ("SIP 9") and insolvency legislation is set out in Appendix C.

Appendix C also includes an estimate of the future time costs we expect to incur as we continue to progress the outstanding matters in the administrations. These matters are set out further below in Section 4.6 but also include statutory, accounting and treasury functions which will continue on each administration until they come to an end. As noted elsewhere in this report, we have not included any expected future costs in relation to the Litigation.

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 IR16. This information can also be found in the guide to fees at:

A copy may also be obtained free of charge by telephoning Matthew Duckworth on +44(0)113 289 4916.

4.6 What we still need to do

We provide below an overview of the key matters to be concluded before the administrations can be brought to an end. Please note that we have only included the significant areas of work and therefore this is not an exhaustive list.

| Company | What we still need to do |
|-------------------|--|
| Phones 4u Limited | <ul style="list-style-type: none">• Continue Litigation (Concurrent Administrator only);• Liaise with Concurrent Administrator and QE (Joint Administrators);• Further and final distributions to Noteholders;• Finalise residual property matters;• Provide updates to the Committee;• Ongoing corporation tax, VAT and regulatory compliance; and• Recovery of monies held by the Security Trustee and GLAS Trust Corporation Limited. |

| | |
|--|--|
| Policy Administration Services Limited | <ul style="list-style-type: none"> • Facilitate ongoing trading and implement the current strategy to maximise realisations from future profitable trading; • Formulate an agreed closure plan with all stakeholders and the regulators; • Finalise tax and VAT matters and obtain clearance from HMRC; and • Further and final distributions to Noteholders. |
| MobileServ Limited | <ul style="list-style-type: none"> • Realise intercompany assets from other Group companies in the case of further realisations in those entities; • Realise remaining outstanding debtors; • Complete ongoing statutory and compliance, tax and VAT matters until such a time that the administrations can be brought to an end; and • Obtain clearance from HMRC before exiting administration |
| Phones 4 U Group Limited Phones4u Finance Plc Phosphorus Acquisition Limited | <ul style="list-style-type: none"> • Realise intercompany assets from other Group companies in the case of further realisations in those entities; • Complete ongoing statutory and compliance, tax and VAT matters until such a time as the administrations can be brought to an end; and • Obtain clearance from HMRC before exiting administration |

4.7 Ending the administration

The administrations are separate insolvency processes and therefore may end at different times and in different ways depending on the circumstances in each case. Each administration will be brought to an end once its purpose has been achieved, our work has been completed and statutory obligations fulfilled.

4.8 Discharge from liability

As we were appointed by the Court on an application of the directors of the Companies, we will need to apply to Court to obtain discharge from liability in respect of our actions as Joint Administrators. We have yet to seek such approval but intend to do so in due course and at the appropriate time.

4.9 Next report

We anticipate that we will circulate our next report to creditors in approximately six months' time.

4.10 Investigations and actions

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 Statement of Insolvency Practice No.2.

4.11 Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the administration from 21 January 2021 to 20 July 2021.

4.12 Our expenses

We set out in Appendix B a statement of the expenses we've 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.

4.13 Our fees

We set out in Appendix C an update on the Joint Administrators' and the Concurrent Administrator's remuneration which covers fees and other related matters in this case.

4.14 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:

You can also get a copy free of charge by telephoning Matthew Duckworth on 0113 289 4916.

Appendix A: Receipts and payments

Phones 4U Limited – in administration
From 21 January 2021 to 20 July 2021

| Directors' statement of affairs £ | 15 September 2014 to 20 January 2021 £ | 21 January 2021 to 20 July 2021 £ | Total to 20 July 2021 £ |
|---|--|---|-------------------------------|
| Floating charge | | | |
| | Receipts | | |
| 1,003,700 | Accrued income | - | - |
| 35,168,467 | Amounts related to stock | 30,308,407.18 | 30,308,407.18 |
| 1,526,401 | Book debts | 3,037,499.50 | 3,037,875.51 |
| Undisclosed | Network commissions | 313,113,974.09 | 313,113,974.09 |
| 73,581,338 | Cash at bank | 92,967,951.25 | 92,967,951.25 |
| | Contribution to costs from group companies | 8,283,588.21 | 8,283,588.21 |
| | Contributions to legal fees | 1,928,408.51 | 1,928,408.51 |
| | Contributions to rent | 6,803,928.09 | 6,803,928.09 |
| | Contributions to wages | 447,000.00 | 447,000.00 |
| | Employment Benefit Trust settlement | 1,500,000.00 | 1,500,000.00 |
| | Insurance refunds | 148,464.98 | 148,464.98 |
| 156,652 | Intercompany debtors | 996,971.86 | 996,971.86 |
| | Intellectual property rights | 100,000.00 | 100,000.00 |
| | Interest received gross | 2,635,724.89 | 2,653,802.12 |
| 2,250,000 | Lease premiums | 743,400.01 | 743,400.01 |
| | Miscellaneous receipts | 41,797.60 | 41,797.60 |
| | Office equipment | 201,702.32 | 201,702.32 |
| 46,122 | Pre-payments | - | - |
| | Rates refunds | 1,271,218.70 | 1,271,218.70 |
| | Other refunds | 216,670.57 | 216,670.57 |
| | Sale of business | 14,218,577.86 | 14,218,577.86 |
| | Software licences | 180,100.00 | 180,100.00 |
| 5,870,969 | Subrogated inter-company claims | - | - |
| 250,000 | Tangible fixed assets | - | - |
| | Third party funds | 192,307.12 | 192,307.12 |
| | VAT Bad Debt Relief | 100,951.68 | 100,951.68 |
| Undisclosed | Total receipts | 479,438,644.42 | 18,453.24 |
| | | | 479,457,097.66 |

| Directors' statement of affairs £ | 15 September 2014 to 20 January 2021 £ | 21 January 2021 to 20 July 2021 £ | Total to 20 July 2021 £ |
|---|--|---|-------------------------------|
| Floating charge | | | |
| Payments | | | |
| Agents' fees | 55,798,705.12 | - | 55,798,705.12 |
| Amounts relating to stock | 556,577.00 | - | 556,577.00 |
| Bank charges | 24,518.98 | 69.00 | 24,587.98 |
| Cleaning and site clearance | 34,590.37 | - | 34,590.37 |
| Consultancy fees | 505,695.10 | - | 505,695.10 |
| Corporation tax | 1,388,716.81 | 424,247.92 | 1,812,964.73 |
| Duress payments | 1,131,484.96 | - | 1,131,484.96 |
| Employee expenses | 123,017.66 | - | 123,017.66 |
| Gross wages, salaries and employers NIC | 10,936,387.68 | - | 10,936,387.68 |
| Insurance | 407,403.04 | 168.00 | 407,571.04 |
| Investigations - Investigations Legal Fees | 3,036,182.52 | (3,036,182.52) | - |
| Investigations - Concurrent Administrator's Fees | 181,080.40 | (181,080.40) | - |
| Irrecoverable VAT | 274,190.95 | - | 274,190.95 |
| IT costs | 2,843,238.20 | - | 2,843,238.20 |
| Legal fees | 11,789,038.91 | (7,461.28) | 11,781,577.63 |
| Lease hire charges | 3,524.80 | - | 3,524.80 |
| Litigation - Litigation Legal Fees | 5,189,663.66 | 6,509,428.65 | 11,699,092.31 |
| Litigation - Litigation Concurrent Administrator's Fees | 256,065.00 | 349,428.50 | 605,493.50 |
| Litigation - Security for costs | 9,776,333.25 | 4,991,057.49 | 14,767,390.74 |
| Office costs, stationery and postage | 14,402.97 | - | 14,402.97 |
| Office holders' fees (time cost basis) | 21,047,235.58 | 592,684.00 | 21,639,919.58 |
| Office holders' fees - Litigation (time cost basis) | 9,527.92 | 561,846.25 | 561,374.17 |
| Office holders' fees (Prescribed Part distribution) | 125,000.00 | - | 125,000.00 |
| Office holders' expenses | 256,911.60 | - | 256,911.60 |
| Office holders' expenses (PwC Legal LLP) | 477,619.91 | - | 477,619.91 |
| Oracle Settlement | 191,666.67 | - | 191,666.67 |
| Other payroll deductions | 85,565.83 | - | 85,565.83 |
| Pension schemes | 19,871.26 | - | 19,871.26 |
| Petty cash | 300.00 | - | 300.00 |
| Pre-appointment expenses | 30,255.91 | - | 30,255.91 |
| Property expenses | 8,261.76 | - | 8,261.76 |
| Purchases | 17,913.02 | - | 17,913.02 |
| Rates | 97,529.17 | - | 97,529.17 |
| Rent | 6,216,694.58 | (44,672.47) | 6,172,022.11 |
| Security costs | 104,451.14 | - | 104,451.14 |
| Service charges | 308,476.82 | - | 308,476.82 |
| Statutory advertising | 444.46 | - | 444.46 |
| Storage costs | 1,437,040.32 | 3,307.08 | 1,440,347.40 |
| Sundry appointment related costs | 30,791.37 | 1,214.38 | 32,005.75 |
| Transport and carriage | 354,899.40 | - | 354,899.40 |
| Unclaimed dividends paid to the ISA | 16,192.43 | - | 16,192.43 |
| Utilities | 993,574.86 | - | 993,574.86 |
| Total payments | 136,101,041.39 | 10,154,054.60 | 146,255,095.99 |
| Net floating charge realisations | 343,337,603.03 | (10,135,601.36) | 333,202,001.67 |

| | | | |
|---|-----------------------|------------------------|-----------------------|
| Secured creditors | | | |
| RCF - letters of credit called up | 15,810,000.00 | - | 15,810,000.00 |
| RCF - letters of credit uncalled (held by Security Trustee) | - | - | - |
| Total RCF indebtedness | 15,810,000.00 | - | 15,810,000.00 |
| Senior secured noteholders | 191,003,502.30 | - | 191,003,502.30 |
| Total distributions to Noteholders | 191,003,502.30 | - | 191,003,502.30 |
| Cash-backed indemnities | 3,000,000.00 | - | 3,000,000.00 |
| Recovery of costs and interest | 2,289,791.18 | - | 2,289,791.18 |
| Total secured creditor entitlements | 212,103,293.48 | - | 212,103,293.48 |
| Preferential creditors | | | |
| Distribution to preferential creditors (100 pence in the £) | 1,716,513.98 | - | 1,716,513.98 |
| Total preferential creditor distribution | 1,716,513.98 | - | 1,716,513.98 |
| Unsecured creditors | | | |
| Distribution to unsecured creditors (0.27 pence in the £) | 458,887.65 | - | 458,887.65 |
| Total unsecured creditor distribution | 458,887.65 | - | 458,887.65 |
| VAT control account | 1,115,502.58 | (105,124.82) | 1,010,377.76 |
| Balance held in interest bearing current accounts | 130,174,410.50 | (10,240,726.18) | 119,933,684.32 |
| Represented by | | | |
| Held in Barclays | | | 3,027,538.72 |
| Held in HSBC | | | 16,930,244.60 |
| Invested in high interest account | | | 99,975,901.00 |
| Total | | | 119,933,684.32 |

Note 1

Please note that the Court ordered the redaction of certain commercially sensitive information from the directors' statement of affairs.

Note 2

Following an internal review of Investigations and Litigation costs, we have processed several journal entries to (i) reclassify all costs paid in connection with the Litigation since the proceedings were filed from Investigations to Litigation; (ii) adjust for cash held by QE on behalf of P4U as at 20 January 2021 (previously treated as "paid"); and (iii) reflect certain other adjustments arising from the detailed reconciliation, including adjustments for VAT arising from payments made by QE on behalf of P4U. The amounts shown in the "21 January 2021 to 20 July 2021" column therefore include these reclassifications and adjustments in addition to actual cash payments during the period..

The actual cash payments in the period for the Litigation costs are as follows:

Litigation - Litigation Legal Fees: £4,256,692.80
 Litigation - Concurrent Administrator's Fees: £169,825.50
 Litigation - Security for costs: £4,991,057.49
 Office holders' fees – Litigation: £445,517.80

The remainder of the movements during the period represent the reclassifications and adjustments referred to above.

Note 3

Additionally, during the period of this report, we have received £44k from our solicitors' client account in relation to previous overpayments of rent and capital contributions made by the landlords. This has only just been received in the period following our solicitors reviewing their client accounts and explains the negative movement in the rent payments line.

Phones 4 U Group Limited – in administration
From 21 January 2021 to 20 July 2021

| Directors' statement of affairs £ | 15 September 2014 to 20 January 2021 £ | 21 January 2021 to 20 July 2021 £ | Total to 20 July 2021 £ |
|---|--|---|-------------------------------|
| Floating charge | | | |
| Receipts | | | |
| - None | - | - | - |
| - Total receipts | - | - | - |
| Payments | | | |
| - None | - | - | - |
| - Total payments | - | - | - |
| - Net floating charge realisations | - | - | - |
| Represented by | | | £ |
| Held in Barclays account | | | - |
| Total | | | - |

Phones4u Finance Plc – in administration
From 21 January 2021 to 20 July 2021

| Directors' statement of affairs £ | 15 September 2014 to 20 January 2021 £ | 21 January 2021 to 20 July 2021 £ | Total to 20 July 2021 £ |
|--|--|---|-------------------------------|
| Floating charge | | | |
| Receipts | | | |
| - Bank interest | 197.82 | - | 197.82 |
| 4,759 Cash at bank | 4,758.97 | - | 4,758.97 |
| 38,807 Intercompany debtors | - | - | - |
| 43,566 Total receipts | 4,766.49 | - | 4,956.79 |
| Payments | | | |
| Bank charges | 8.60 | - | 8.60 |
| Legal fees | 4,760.57 | - | 4,760.57 |
| - Total payments | 4,766.17 | - | 4,769.17 |
| 43,566 Net floating charge realisations | 0.32 | - | 187.62 |
| VAT control account | | - | |
| 43,566 Balance held in interest bearing current account | 0.32 | - | 187.62 |
| Represented by | | | £ |
| Held in Barclays account | | | 187.62 |
| Total | | | 187.62 |

Phosphorus Acquisition Limited – in administration
From 21 January 2021 to 20 July 2021

| Directors' statement of affairs £ | | 15 September 2014 to 20 January 2021 £ | 21 January 2021 to 20 July 2021 £ | Total to 20 July 2021 £ |
|---|----------------------------------|--|---|-------------------------------|
| Floating charge | | | | |
| Receipts | | | | |
| 69,473 | Cash at bank | 69,472.80 | - | 69,472.80 |
| | Bank interest | 1,539.79 | - | 1,539.79 |
| 129,806 | Intercompany debtors | 285,245.06 | - | 285,245.06 |
| 7,328 | Prepayments | - | - | - |
| 206,607 | Total receipts | 356,257.65 | - | 356,257.65 |
| Payments | | | | |
| | Bank charges | 21.40 | - | 21.40 |
| | Legal fees | 7,007.79 | - | 7,007.79 |
| | Office holders' fees | 48,831.00 | 43,221.65 | 92,052.65 |
| | Office holders' expenses | 525.55 | - | 525.55 |
| | Sundry appointment related costs | 425.00 | - | 425.00 |
| | Total payments | 56,810.74 | 43,221.65 | 100,032.39 |
| Net floating charge realisations | | 299,446.91 | (43,221.65) | 256,225.26 |
| VAT control account | | - | (8,644.33) | (8,644.33) |
| Balance held in interest bearing current account | | 299,446.91 | (51,865.98) | 247,580.93 |
| Represented by | | | | £ |
| | Held in Barclays account | | | 247,580.93 |
| | Total | | | 247,580.93 |

MobileServ Limited – in administration

From 21 January 2021 to 20 July 2021

| | 15 September 2014 to 20 January 2021 | 21 January 2021 to 20 July 2021 | Total to 20 July 2021 |
|---|---|------------------------------------|--------------------------|
| | £ | £ | £ |
| Floating charge | | | |
| Receipts | | | |
| Cash at bank (overdraft on appointment- Sterling account) | (15,610,098.07) | - | (15,610,098.07) |
| Transfer from Phones 4U Limited to cover overdraft | 19,630,391.02 | - | 19,630,391.02 |
| Cash at bank (currency accounts) | - | - | - |
| Euro account | 715,752.19 | - | 715,752.19 |
| US Dollar account | 9,916.80 | - | 9,916.80 |
| Employees' loan account | 55,045.73 | - | 55,045.73 |
| Intercompany debtors | 27,573.57 | - | 27,573.57 |
| Interest received gross | 326,156.26 | 468.28 | 326,624.54 |
| Investments | 444,556.23 | - | 444,556.23 |
| Sundry debts and refunds | 435.00 | - | 435.00 |
| Third party funds | - | - | - |
| Total receipts | 5,599,728.73 | 468.28 | 5,600,197.01 |
| Payments | | | |
| Bank charges | 61,770.20 | 39.40 | 61,809.60 |
| Legal fees | 120,616.73 | 7,222.50 | 127,839.23 |
| Office holders' fees (time cost basis) | 166,519.65 | 43,904.30 | 209,423.96 |
| Office holders' fees (prescribed part fees) | 30,000.00 | - | 30,000.00 |
| Office holders' expenses | 569.72 | - | 569.72 |
| Corporation tax | 4,996.39 | - | 4,996.39 |
| Sundry appointment related costs | 1,557.00 | - | 1,557.00 |
| Total payments | 385,051.69 | 51,166.20 | 436,217.89 |
| Net floating charge realisations | 5,214,677.04 | (50,697.92) | 5,163,979.12 |
| Unsecured creditors | | | |
| Distribution to unsecured creditors (0.07 pence in the £) | 570,000.00 | - | 570,000.00 |
| Total unsecured creditor distribution | 570,000.00 | - | 570,000.00 |
| VAT control account | 5,765.54 | (4,961.76) | 783.78 |
| Balance held in interest bearing current accounts | 4,650,442.58 | (55,679.68) | 4,594,762.90 |
| Represented by | | | £ |
| Held in Barclays account | | | 2,269,019.23 |
| Held in HSBC account | | | 2,325,743.67 |
| Total | | | 4,594,762.90 |

Note 1

MobileServ Limited had an overdraft of £19.6m and a cash balance of £4.0m, the latter of which was not reflected on the directors' statement of affairs. Debit balances in the account of one of the Companies were set-off or transferred pursuant to the overdraft arrangements in satisfaction of MobileServ's overdraft liabilities, leaving the cash balance of £4.0m in this administration.

Note 2

MobileServ Limited held foreign currency accounts with balances of €988k and US\$15k which have now been converted to Sterling.

Policy Administration Services Limited – in administration
From 21 January 2021 to 20 July 2021

| Directors' statement of affairs | | 16 September 2014 to 20 January 2021 | 21 January 2021 to 20 July 2021 | Total to 20 July 2021 |
|--|--|---|--|------------------------------|
| £ | | £ | £ | £ |
| Trading statement | | | | |
| Receipts | | | | |
| 27,000,000 | Customer insurance premiums | 139,565,197.16 | 3,565,134.67 | 143,130,331.83 |
| | Customer refunds and claims paid in cash | (3,472,025.64) | (125,946.64) | (3,597,972.28) |
| | Dividends received from P4UC | 45,148,220.65 | - | 45,148,220.65 |
| | Interest received gross | 524,126.75 | 4,736.55 | 528,863.30 |
| | Sales of irreparable phones | 3,592,898.91 | - | 3,592,898.91 |
| | Sale of office equipment | 583.33 | - | 583.33 |
| 27,000,000 | Total trading receipts | 185,359,001.16 | 3,443,924.58 | 188,802,925.74 |
| Payments | | | | |
| | Agents' fees | 29,909,962.08 | 1,239,697.89 | 31,149,659.97 |
| | Bank charges | 322,893.38 | 23,720.10 | 346,613.48 |
| | Duress payments | 931,978.33 | - | 931,978.33 |
| | Insurance | 69,569,284.43 | 2,047,611.71 | 71,616,896.14 |
| | IT costs | 541,201.61 | 5,040.00 | 546,241.61 |
| | Legal fees | 1,364,203.73 | - | 1,364,203.73 |
| | Office costs | 413,132.00 | - | 413,132.00 |
| | Office holders' expenses | 31,895.16 | - | 31,895.16 |
| | Office holders' fees | 6,609,884.03 | 890,234.90 | 7,500,118.93 |
| | Property | 18,612.88 | - | 18,612.88 |
| | Stock purchase | 23,842,877.64 | 404,424.09 | 24,247,301.73 |
| | Trade creditors | 102,640.77 | - | 102,640.77 |
| | Warehouse costs | 357,826.00 | - | 357,826.00 |
| | Wages and salaries | 832,199.41 | - | 832,199.41 |
| | Total trading payments | 134,848,591.45 | 4,610,728.69 | 139,459,320.14 |
| | Trading account surplus | 50,510,409.71 | (1,166,804.11) | 49,343,605.60 |

| Directors' statement of affairs £ | 16 September 2014 to 20 January 2021 £ | 21 January 2021 to 20 July 2021 £ | Total to 20 July 2021 £ |
|--|---|--------------------------------------|----------------------------|
| Floating charge | | | |
| Receipts | | | |
| 35,948 Accrued income | - | - | - |
| 14,724,121 Cash at bank | 13,825,702.60 | - | 13,825,702.60 |
| 47,960 Prepayments | - | - | - |
| 4,912,977 Stock | - | - | - |
| Trading account balance (see above) | 50,510,409.71 | (1,166,804.11) | 49,343,605.60 |
| 19,721,006 Total receipts | 64,336,112.31 | (1,166,804.11) | 63,169,308.20 |
| Payments | | | |
| Corporation tax | 8,651,134.60 | 286,095.17 | 8,937,229.77 |
| Total payments | 8,651,134.60 | 286,095.17 | 8,937,229.77 |
| VAT control account (Net Irrecoverable VAT) | 2,303,217.26 | 165,089.48 | 2,468,306.74 |
| <i>VAT (payable)/receivable</i> | | <i>165,089.48</i> | |
| <i>Recoverable VAT</i> | | | |
| Floating charge realisations | 53,381,760.45 | (1,617,988.76) | 51,763,771.69 |
| Secured creditors | | | |
| Distribution to senior secured Noteholders | 28,296,497.70 | - | 28,296,497.70 |
| Total secured creditor entitlements | 28,296,497.70 | - | 28,296,497.70 |
| Unsecured creditors | | | |
| Distribution to unsecured creditors | 570,760.00 | - | 570,760.00 |
| Total unsecured creditor entitlements | 570,760.00 | - | 570,760.00 |
| Balance held in interest bearing accounts | 24,514,502.75 | (1,617,988.76) | 22,896,513.99 |
| Represented by | | | £ |
| Held at Barclays | | | 5,871,705.55 |
| Held at Lloyds | | | 578,967.58 |
| Held at ANZ | | | 16,445,840.86 |
| Total | | | 22,896,513.99 |

Note 1

Stock referred to in the directors' statement of affairs was utilised during trading.

Note 2

The VAT control account shows the net position of the VAT payable and receivable by PAS. We have agreed with HMRC that VAT is recoverable at 15% of some payments. We continue to submit and agree VAT returns on a quarterly basis with HMRC and any recoveries will be reflected in the VAT control account. We also recover 100% of the VAT incurred on PAS claims costs from the insurer.

Note 3

Cash held in P4UC is not included in this report.

Expenses are amounts properly payable by us as administrators from the estate, but excludes distributions to creditors.

These include disbursements which are expenses met by and reimbursed to an office holder in connection with an insolvency appointment.

Expenses fall into two categories:

| | |
|------------|--|
| Category 1 | Payments to persons providing the service to which the expense relates who are not an associate of the office holder. |
| Category 2 | Payments to our firms or their associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates). |

We don't need approval from creditors to draw Category 1 expenses as these have all been provided by third parties but we do need approval to draw Category 2 expenses. The body of creditors who approve our fees (in this case the secured and preferential creditors) also have the responsibility for agreeing the policies for payment of Category 2 expenses.

The following table provides a breakdown of the Category 2 expenses have been incurred by us as administrators or our associates, together with details of the Category 1 expenses that have been incurred by PwC and will be recharged to the case (no Category 2 expenses have been incurred by Aldan, and less than £500 in Category 1 expenses):

Phones 4U Limited – in administration
Summary of disbursements incurred to 20 July 2021

| Category | Policy | 15 September 2014 to 20 January 2021 (£) | 21 January 2021 to 20 July 2021 (£) | Total to 20 July 2021 (£) |
|----------|---|--|---|---------------------------------|
| 2 | Photocopying - at 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying | 20,444.92 | - | 20,444.92 |
| 2 | Mileage - at a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc) | 30,092.99 | - | 30,092.99 |
| 2 | PwC Legal LLP - time costs and disbursements. | 467,619.91 | - | 467,619.91 |
| | Partner | £395 (£495) | | |
| | Senior Manager | £280 (£355) | | |
| | Manager | £210 (£265) | | |
| | Solicitor | £140 (£245) | | |
| | Trainee Solicitor | £125 (£160) | | |
| | In common with all professional firms, the scale rates used may rise periodically (for example to cover annual inflationary cost increases) over the period of the administration. Any material amendments will be advised to creditors in the next statutory report. | | | |
| 2 | Specialist software usage: | | | |
| | License fees - at £100 per month for each named user accessing the online review platform and £50 per Gigabyte of data processed. | 41,097.55 | - | 41,097.55 |
| | Hosting - at £25 per Gigabyte of data processed per calendar month | 368,571.00 | - | 368,571.00 |
| | We are in the process of determining the most appropriate and cost effective method of seeking approval for these costs, which may involve seeking approval from the secured creditors in due course. | | | |
| 1 | All other disbursements reimbursed at cost: | | | |
| | External venue costs | 35,691.05 | - | 35,691.05 |
| | Concurrent Administrator disbursements | 247.00 | - | 247.00 |
| | Hotel accommodation | 35,143.90 | - | 35,143.90 |
| | Rail fares | 27,482.48 | - | 27,482.48 |
| | Air fares | 45,474.16 | - | 45,474.16 |
| | Postage | 53,974.00 | - | 53,974.00 |
| | Subsistence costs | 9,562.09 | - | 9,562.09 |
| | Taxi fares | 7,960.46 | - | 7,960.46 |
| | Mobile phone usage | 1,933.77 | - | 1,933.77 |
| | Storage | 164.00 | 11,669.51 | 11,833.51 |
| | Other | 23,185.15 | 171.53 | 23,356.68 |
| | Total | 1,168,644.43 | 11,841.04 | 1,180,485.47 |

Phones 4 U Group Limited – in administration
Summary of disbursements incurred to 20 July 2021

| Category | Policy | 15 September 2014 to 20 January 2021 (£) | 21 January 2021 to 20 July 2021 (£) | Total to 20 July 2021 (£) |
|----------|---|--|---|---------------------------------|
| 2 | Photocopying - at 10 pence per sheet copied. only charged for circulars to creditors and other bulk copying | 98.20 | - | 98.20 |
| 2 | Mileage - at a maximum of 71 pence per mile (up to 2.000cc) or 93 pence per mile (over 2.000cc) | 79.73 | - | 79.73 |
| 1 | All other disbursements reimbursed at cost: | 9,948.11 | - | 9,948.11 |
| | Total | 10,126.04 | - | 10,126.04 |

Phones 4u Finance Plc – in administration
Summary of disbursements incurred to 20 July 2021

| Category | Policy | 15 September 2014 to 20 January 2021 (£) | 21 January 2021 to 20 July 2021 (£) | Total to 20 July 2021 (£) |
|----------|---|--|---|---------------------------------|
| 2 | Photocopying - at 10 pence per sheet copied. only charged for circulars to creditors and other bulk copying | 13.25 | - | 13.25 |
| 2 | Mileage - at a maximum of 71 pence per mile (up to 2.000cc) or 93 pence per mile (over 2.000cc) | 85.26 | - | 85.26 |
| 1 | All other disbursements reimbursed at cost: | - | - | - |
| | Stock exchange listing fees | 1,757.90 | - | 1,757.90 |
| | Other | 1,833.10 | - | 1,833.10 |
| | Total | 3,689.51 | - | 3,689.51 |

MobileServ Limited – in administration
Summary of disbursements incurred to 20 July 2021

| Category | Policy | 15 September 2014 to 20 January 2021 (£) | 21 January 2021 to 20 July 2021 (£) | Total to 20 July 2021 (£) |
|----------|---|--|---|---------------------------------|
| 2 | Photocopying - at 10 pence per sheet copied. only charged for circulars to creditors and other bulk copying | 168.39 | - | 168.39 |
| 2 | Mileage - at a maximum of 71 pence per mile (up to 2.000cc) or 93 pence per mile (over 2.000cc) | 7.19 | - | 7.19 |
| 2 | Specialist software usage: | | | |
| | License fees - at £100 per month for each named user accessing the online review platform and £50 per Gigabyte of data processed. | | 1,650.00 | 1,650.00 |
| | Hosting - at £25 per Gigabyte of data processed per calendar month | | 18,668.00 | 18,668.00 |
| | We are in the process of determining the most appropriate and cost effective method of seeking approval for these costs, which may involve seeking approval from the secured creditors in due course. | | | |
| 1 | All other disbursements reimbursed at cost | 604.32 | - | 604.32 |
| | Total | 779.90 | 20,318.00 | 21,097.90 |

Phosphorus Acquisition Limited – in administration
Summary of disbursements incurred to 20 July 2021

| Category | Policy | 15 September 2014 to 20 January 2021 (£) | 21 January 2021 to 20 July 2021 (£) | Total to 20 July 2021 (£) |
|----------|---|--|---|---------------------------------|
| 2 | Photocopying - at 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying | 109.95 | - | 109.95 |
| 2 | Mileage - at a maximum of 71 pence per mile (up to 2.000cc) or 93 pence per mile (over 2.000cc) | 7.19 | - | 7.19 |
| 1 | All other disbursements reimbursed at cost | 441.39 | - | 441.39 |
| | Total | 558.53 | - | 558.53 |

Policy Administration Services Limited – in administration
Summary of disbursements incurred to 20 July 2021

| Category | Policy | 15 September 2014 to 20 January 2021 (£) | 21 January 2021 to 20 July 2021 (£) | Total to 20 July 2021 (£) |
|----------|---|--|---|---------------------------------|
| 2 | Photocopying - at 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying | 235.96 | - | 235.96 |
| 2 | Mileage - at a maximum of 71 pence per mile (up to 2.000cc) or 93 pence per mile (over 2.000cc) | 3,118.98 | - | 3,118.98 |
| 1 | All other disbursements reimbursed at cost: | | | |
| | Rail fares | 12,658.23 | - | 12,658.23 |
| | External venue costs | 90.00 | - | 90.00 |
| | Hotel accommodation | 7,247.69 | - | 7,247.69 |
| | Subsistence costs | 3,577.41 | - | 3,577.41 |
| | Taxi fares | 2,110.13 | - | 2,110.13 |
| | Car hire charges | 1,485.92 | - | 1,485.92 |
| | Postage | 20.19 | - | 20.19 |
| | Air fares | 881.79 | - | 881.79 |
| | Other | 2,254.72 | 33.83 | 2,288.55 |
| | Total | 33,681.02 | 33.83 | 33,714.85 |

The expense policy set out above for the category 2 expenses (Photocopying, mileage and PwC Legal) have been approved by the secured and preferential creditors.

The tables below provide details of the expenses incurred in the administrations. The tables also exclude 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 tables should be read in conjunction with the receipts and payments accounts at Appendix A, which shows expenses actually paid during the period and the total paid to date:

Phones 4U Limited – in administration
From 21 January 2021 to 20 July 2021

| | Expenses incurred brought forward from 20 January 2021 | Expenses incurred in this period | Total expenses to 20 July 2021 | Estimated future | Anticipated total |
|---|--|-------------------------------------|-----------------------------------|---------------------|-----------------------|
| | (£) | (£) | (£) | (£) | (£) |
| Agents' fees | 55,798,705.12 | - | 55,798,705.12 | - | 55,798,705.12 |
| Amounts relating to stock | 556,577.00 | - | 556,577.00 | - | 556,577.00 |
| Bank charges | 24,518.98 | 69.00 | 24,587.98 | 9,000.00 | 33,587.98 |
| Cleaning and site clearance | 34,590.37 | - | 34,590.37 | - | 34,590.37 |
| Consultancy fees | 505,695.10 | - | 505,695.10 | - | 505,695.10 |
| Duress payments | 1,131,484.96 | - | 1,131,484.96 | - | 1,131,484.96 |
| Employee expenses | 123,017.66 | - | 123,017.66 | - | 123,017.66 |
| Gross wages, salaries and employers NC | 10,936,387.90 | - | 10,936,387.90 | - | 10,936,387.90 |
| Insurance | 407,403.04 | 168.00 | 407,571.04 | 672.00 | 408,243.04 |
| Investigations (Legal Fees) | 3,036,182.52 | (3,036,182.52) | - | - | - |
| Investigations (Concurrent Administrator's fees) | 181,080.00 | (181,080.00) | - | - | - |
| Irrecoverable VAT | 274,191.03 | - | 274,191.03 | - | 274,191.03 |
| IT costs | 2,843,238.22 | - | 2,843,238.22 | - | 2,843,238.22 |
| Legal fees (P4U) | 12,774,163.98 | (1,011,891.37) | 11,762,272.61 | 540,328.00 | 12,302,600.61 |
| Legal fees (other group entities) | 20,126.02 | - | 20,126.02 | - | 20,126.02 |
| Lease/hire charges | 3,524.80 | - | 3,524.80 | - | 3,524.80 |
| Litigation - Litigation Legal Fees | 5,189,663.66 | 8,066,453.36 | 13,256,117.02 | - | 13,256,117.02 |
| Litigation - Litigation Concurrent Administrator's Fees | 256,065.00 | 364,283.00 | 620,348.00 | - | 620,348.00 |
| Litigation - Security for costs | 9,776,333.25 | 4,991,057.49 | 14,767,390.74 | - | 14,767,390.74 |
| Office holders' fees | 22,571,590.35 | 222,797.70 | 22,794,388.05 | 1,338,550.00 | 24,132,938.05 |
| Office holders' fees - Litigation | 530,699.42 | 51,595.25 | 582,294.67 | - | 582,294.67 |
| Office holders' expenses | 700,915.52 | 11,841.04 | 712,756.56 | 200,000.00 | 912,756.56 |
| Office holders' expenses (PwC Legal LLP) | 477,619.91 | - | 477,619.91 | - | 477,619.91 |
| Other payroll deductions | 85,565.83 | - | 85,565.83 | - | 85,565.83 |
| Pension schemes | 19,871.26 | - | 19,871.26 | - | 19,871.26 |
| Petty cash | 300.00 | - | 300.00 | - | 300.00 |
| Pre-appointment expenses | 30,255.91 | - | 30,255.91 | - | 30,255.91 |
| Property expenses | 8,261.76 | - | 8,261.76 | - | 8,261.76 |
| Purchases | 17,913.02 | - | 17,913.02 | - | 17,913.02 |
| Rates | 97,529.17 | - | 97,529.17 | - | 97,529.17 |
| Rent | 6,216,694.58 | (44,672.47) | 6,172,022.11 | 496,000.00 | 6,668,022.11 |
| Security costs | 104,451.14 | - | 104,451.14 | - | 104,451.14 |
| Service charges | 308,476.82 | - | 308,476.82 | - | 308,476.82 |
| Statutory advertising | 444.46 | - | 444.46 | - | 444.46 |
| Storage costs | 1,437,460.74 | 3,620.99 | 1,441,081.73 | 31,785.00 | 1,472,866.73 |
| Sundry appointment related costs | 30,791.37 | 1,214.38 | 32,005.75 | - | 32,005.75 |
| Transport and carriage | 354,899.40 | - | 354,899.40 | - | 354,899.40 |
| Utilities | 993,574.86 | - | 993,574.86 | 700,000.00 | 1,693,574.86 |
| Contribution to expenses excluding legal fees from group companies | (7,289,818.05) | - | (7,289,818.05) | - | (7,289,818.05) |
| Total | 130,570,446.08 | 9,439,273.85 | 140,009,719.93 | 3,316,335.00 | 143,326,054.93 |

Note 1

Expenses relating to Litigation and other commercially sensitive matters have been excluded from all categories of expenses within the above forecast, except to the extent that they have been incurred to 20 July 2021. The estimated future and anticipated total expenses should therefore be treated with a degree of caution.

Note 2

Legal fees incurred for each company are shown in their respective expenses statements on the following pages. We continue to review and recharge legal expenses paid by P4U on behalf of other group companies and recharge them as appropriate.

Note 3

Following an internal review of Investigations and Litigation costs, we have processed several journal entries to (i) reclassify all costs paid in connection with the Litigation since the proceedings were filed from Investigations to Litigation; (ii) adjust for cash held by QE on behalf of P4U as at 20 January 2021 (previously treated as "paid"); and (iii) reflect certain other adjustments arising from the detailed reconciliation. The amounts shown in the "Expenses incurred in the period" column therefore include these reclassifications and adjustments in addition to the actual amounts incurred during the period.

The actual amounts incurred in the period for the Litigation costs are as follows:

Litigation - Litigation Legal Fees: £4,815,842.21
Litigation - Concurrent Administrator's Fees: £138,446.50
Litigation - Security for costs: £4,991,057.49
Office holders' fees – Litigation: £51,595.25

The remainder of the movements in the period represent the reclassifications and adjustments referred to above.

Phones 4 U Group Limited – in administration
From 21 January 2021 to 20 July 2021

| | Expenses incurred brought forward from 20 January 2021 (£) | Expenses incurred in this period (£) | Total expenses to 20 July 2021 (£) | Estimated future expenses (£) | Anticipated total expenses (£) |
|--|---|--|--|-------------------------------------|--------------------------------------|
| Legal fees | 6,143.06 | - | 6,143.06 | - | 6,143.06 |
| Office holders' expenses | 10,126.04 | - | 10,126.04 | 1,000.00 | 11,126.04 |
| Office holders' fees (time cost basis) | 178,292.72 | 6,061.00 | 184,353.72 | 96,481.60 | 280,835.32 |
| Total | 194,561.82 | 6,061.00 | 200,622.82 | 97,481.60 | 298,104.42 |

Phones4u Finance Plc – in administration
From 21 January 2021 to 20 July 2021

| | Expenses incurred brought forward from 20 January 2021 (£) | Expenses incurred in this period (£) | Total expenses to 20 July 2021 (£) | Estimated future expenses (£) | Anticipated total expenses (£) |
|--|---|--|--|-------------------------------------|--------------------------------------|
| Bank charges | 8.60 | - | 8.60 | - | 8.60 |
| Legal fees | 6,202.30 | - | 6,202.30 | - | 6,202.30 |
| Office holders' expenses | 3,689.51 | - | 3,689.51 | 1,000.00 | 4,689.51 |
| Office holders' fees (time cost basis) | 114,479.00 | 3,867.00 | 118,346.00 | 96,481.60 | 214,827.60 |
| Professional fees | 79,966.56 | - | 79,966.56 | - | 79,966.56 |
| Total | 204,345.97 | 3,867.00 | 208,212.97 | 97,481.60 | 305,694.57 |

MobileServ Limited – in administration
From 21 January 2021 to 20 July 2021

| | Expenses incurred brought forward from 20 January 2021 (£) | Expenses incurred in this period (£) | Total expenses to 20 July 2021 (£) | Estimated future expenses (£) | Anticipated total expenses (£) |
|--|---|--|--|-------------------------------------|--------------------------------------|
| Bank charges | 61,770.20 | 39.40 | 61,809.60 | 100.00 | 61,909.60 |
| Legal fees | 120,616.73 | 7,222.50 | 127,839.23 | 80,000.00 | 207,839.23 |
| Office holders' expenses | 779.90 | 20,318.00 | 21,097.90 | 1,000.00 | 22,097.90 |
| Office holders' fees (time cost basis) | 218,250.77 | 75,981.80 | 294,232.57 | 121,481.60 | 415,714.17 |
| Sundry appointment related costs | 1,557.00 | - | 1,557.00 | 1,000.00 | 2,557.00 |
| Total | 402,974.60 | 103,561.70 | 506,536.30 | 203,581.60 | 710,117.90 |

Phosphorus Acquisition Limited – in administration
From 21 January 2021 to 20 July 2021

| | Expenses incurred brought forward from 20 January 2021 (£) | Expenses incurred in this period (£) | Total expenses to 20 July 2021 (£) | Estimated future expenses (£) | Anticipated total expenses (£) |
|--|---|--|--|-------------------------------------|--------------------------------------|
| Bank charges | 21.40 | - | 21.40 | 100.00 | 121.40 |
| Legal fees | 7,007.79 | - | 7,007.79 | - | 7,007.79 |
| Office holders' expenses | 558.53 | - | 558.53 | 1,000.00 | 1,558.53 |
| Office holders' fees (time cost basis) | 95,374.25 | 4,825.00 | 100,199.25 | 96,481.60 | 196,680.85 |
| Sundry appointment related costs | 434.00 | - | 434.00 | 1,000.00 | 1,434.00 |
| Total | 103,395.97 | 4,825.00 | 108,220.97 | 98,581.60 | 206,802.57 |

Policy Administration Services Limited – in administration
From 21 January 2021 to 20 July 2021

| | Expenses incurred brought forward from 21 Jan 20 (£) | Expenses incurred in this period (£) | Total expenses to 20 July 2021 (£) | Estimated future expenses (£) | Estimated total expenses (£) |
|--------------------------|--|---|--|-------------------------------------|------------------------------------|
| Agents' fees | 30,602,208.00 | 812,919.33 | 31,415,127.33 | 3,422,208.26 | 34,837,336 |
| Bank charges | 417,429.45 | 23,720.10 | 441,149.55 | 44,491.68 | 485,641 |
| Duress payments | 931,978.33 | - | 931,978.33 | - | 931,978 |
| Insurance | 70,006,265.42 | 2,012,832.98 | 72,019,098.40 | 5,639,699.99 | 77,658,798 |
| IT costs | 541,201.61 | 5,040.00 | 546,241.61 | 25,858.62 | 572,100 |
| Legal fees | 1,364,203.73 | 5,809.50 | 1,370,013.23 | 453,265.77 | 1,823,279 |
| Office costs | 413,132.00 | - | 413,132.00 | - | 413,132 |
| Office holders' fees | 7,306,807.24 | 415,146.95 | 7,721,954.19 | 2,086,071.81 | 9,808,026.00 |
| Office holders' expenses | 33,681.02 | 33.83 | 33,714.85 | 11,041.17 | 44,756 |
| Property | 18,612.88 | - | 18,612.88 | - | 18,613 |
| Stock purchase | 23,908,831.01 | 407,441.40 | 24,316,272.41 | 1,307,559.45 | 25,623,832 |
| Trade creditors | 102,640.77 | - | 102,640.77 | - | 102,641 |
| Warehouse costs | 357,826.00 | - | 357,826.00 | - | 357,826 |
| Wages and salaries | 832,199.41 | - | 832,199.41 | - | 832,199 |
| Total | 136,837,016.87 | 3,682,944.09 | 140,519,960.96 | 12,990,196.75 | 153,510,157.71 |

Office holders' charging policy

The time charged to the administrations is by reference to the time properly given by the Administrators and various grades of their staff in attending to matters arising.

It is our policy to delegate tasks in the administrations to appropriate members of staff considering their level of experience and any requisite specialist knowledge, supervised accordingly, so as to maximise the cost-effectiveness of the work performed. Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or the Administrators themselves.

PwC's time charging policy and hourly rates

We and our team charge our time for the work we need to do in the administration. We delegate tasks to suitable grades of staff, taking into account their experience and any specialist knowledge that is needed and we supervise them properly to maximise the cost effectiveness of the work done. Anything complex or important matters of exceptional responsibility are handled by our senior staff or us.

All of our staff who work on the administration (including our cashiers, support and secretarial staff) charge time directly to the case and are included in any analysis of time charged. Each grade of staff has an hourly charge out rate which is reviewed from time to time. Work carried out by our cashiers, support and secretarial staff is charged for separately and isn't included in the hourly rates charged by partners or other staff members. Time is charged in six minute units. The minimum time chargeable is three minutes (i.e. 0.05 units). We don't charge general or overhead costs.

We set out below the maximum charge-out rates per hour for the grades of our staff who already or who are likely to work on the administration

The hourly rate for the Concurrent Administrator and their staff is the same as that of a PwC Partner and PwC Director respectively.

| | | |
|-------------------------------|-----|-----|
| Partner | 955 | 980 |
| Director | 840 | 865 |
| Senior Manager | 665 | 685 |
| Manager | 575 | 595 |
| Senior Associate | 465 | 480 |
| Associate | 297 | 350 |
| Support Staff | 155 | 160 |
| Offshore professionals | 245 | 280 |

We call on colleagues in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour:

| | | | |
|---------------------------------------|-------|-------|-------|
| Partner | 1,520 | 1,600 | 1,680 |
| Director | 1,465 | 1,465 | 1,540 |
| Senior Manager | 1,290 | 1,355 | 1,425 |
| Manager | 775 | 815 | 860 |
| Senior Associate/Consultant | 575 | 605 | 640 |
| Associate/Assistant Consultant | 285 | 325 | 345 |
| Support Staff | 230 | 230 | 190 |
| Offshore professionals | 180 | 180 | 190 |

In common with many professional firms, our scale rates may rise to cover annual inflationary cost increases.

Analysis of our time costs

Our fees were approved on a time costs by the secured and preferential creditors. To 31 March 2021, we have drawn fees of £29,013,359.03 in line with the approval given, as shown on the enclosed receipts and payments accounts. Please see the below for the split of fees drawn by entity:

- Phones 4u Limited - time cost basis: £22,201,293.75 (of which £561,374.17 relates to Litigation)
- Phones 4u Limited - prescribed part: £125,000.00
- MobileServ Limited - time cost basis: £209,423.95
- MobileServ Limited - prescribed part: £30,000.00
- Phosphorus Acquisition Limited: £92,052.65
- Policy Administration Services Limited: £7,500,118.93

The time cost charges incurred in the period covered by this report are shown in the tables below. These amounts do not necessarily reflect how much we will eventually draw as fees for this period.

The following tables provide further detail on the time spent on the various areas of work by the different grades of staff. For each company, we show (separately) the position for the period of this report, together with the cumulative position and estimated cost of our future work..

Phones 4U Limited – in administration
Analysis of PwC time costs for the period 21 January 2021 to 20 July 2021

| Aspect of assignment | Partner | Director | Senior Manager | Manager | Senior Associate | Associate | Support | Total hours | Time cost £ | Average hourly rate £ |
|--------------------------|--------------|----------|----------------|---------------|------------------|--------------|-------------|---------------|-------------------|--------------------------|
| Strategy & Planning | - | - | 4.10 | 2.75 | 17.50 | 13.50 | 0.50 | 38.35 | 17,128.25 | 446.63 |
| Sale of business | - | - | - | - | - | - | - | - | - | - |
| Book debt realisations | - | - | - | 0.60 | - | - | 0.40 | 1.00 | 413.00 | 413.00 |
| Property | - | - | - | - | 0.20 | - | - | 0.20 | 93.00 | 465.00 |
| Other assets | 5.70 | - | 3.60 | 0.25 | 6.73 | - | - | 16.28 | 9,019.75 | 554.04 |
| MNO Receivables | - | - | - | - | - | - | - | - | - | - |
| Investigations | - | - | - | - | - | - | - | - | - | - |
| Litigation | 7.05 | - | 42.55 | 26.60 | 23.95 | 10.00 | - | 110.15 | 51,595.25 | 468.41 |
| Retention of title | - | - | - | - | - | - | - | - | - | - |
| Trading | - | - | - | - | - | - | - | - | - | - |
| Accounting and treasury | - | - | 11.30 | 45.75 | 151.70 | 16.55 | - | 225.30 | 109,568.05 | 486.32 |
| Statutory and compliance | 0.10 | - | 3.20 | 33.85 | 21.30 | 20.35 | - | 78.80 | 35,737.25 | 453.52 |
| Employees & pensions | - | - | 0.25 | - | 0.20 | - | - | 0.45 | 314.25 | 698.33 |
| Creditors | - | - | 5.60 | 1.55 | 1.10 | 0.20 | - | 8.45 | 5,186.15 | 613.75 |
| Creditors committee | - | - | - | 1.00 | - | - | - | 1.00 | 575.00 | 575.00 |
| Tax | 1.00 | - | 1.90 | 1.10 | 14.55 | 0.50 | - | 19.05 | 12,239.50 | 642.49 |
| VAT | - | - | 7.50 | 8.90 | 27.75 | - | - | 44.15 | 29,498.50 | 668.14 |
| Books and records | - | - | 5.25 | 0.85 | - | 1.25 | - | 7.35 | 3,025.00 | 411.56 |
| Closure procedures | - | - | - | - | - | - | - | - | - | - |
| Total | 13.85 | - | 85.25 | 123.20 | 264.98 | 62.35 | 0.90 | 550.53 | 274,392.95 | 498.42 |

Phones 4U Limited – in administration
Concurrent Administrator time costs for the period 21 January 2021 to 20 July 2021

| Aspect of assignment | Partner | Director | Senior Manager | Manager | Senior Associate | Associate | Support | Total hours | Time cost £ | Average hourly rate £ |
|--------------------------|--------------|---------------|----------------|----------|------------------|-----------|----------|---------------|-------------------|--------------------------|
| Litigation | 19.60 | 121.60 | - | - | - | - | - | 141.20 | 121,254.50 | 858.74 |
| Statutory and compliance | 2.00 | 5.80 | - | - | - | - | - | 7.80 | 6,804.50 | 872.37 |
| Creditors | 7.70 | 3.60 | - | - | - | - | - | 11.30 | 10,387.50 | 919.25 |
| Total | 29.30 | 131.00 | - | - | - | - | - | 160.30 | 138,446.50 | 863.67 |

Phones 4U Limited – in administration
Concurrent Administrator aggregate time cost summary to 20 July 2021

| Aspect of assignment | Total hours | Time cost £ | Average hourly rate £ | Estimated future hours | Estimated total cost £ | Average hourly rate £ |
|--------------------------|---------------|-------------------|--------------------------|------------------------|---------------------------|--------------------------|
| Litigation | 602.30 | 530,964.50 | 881.56 | Note 1 | Note 1 | 881.56 |
| Statutory and compliance | 35.50 | 31,550.00 | 888.73 | Note 1 | Note 1 | 888.73 |
| Other assets | 0.60 | 546.00 | 910.00 | Note 1 | Note 1 | 910.00 |
| Creditors | 62.90 | 57,040.50 | 906.84 | Note 1 | Note 1 | 906.84 |
| Total | 701.30 | 620,101.00 | 884.22 | | | 884.22 |

Phones 4U Limited – in administration
Aggregate PwC time cost summary to 20 July 2021

| Aspect of assignment | Total hours | Time cost £ | Average hourly rate £ | Estimated future hours | Estimated future costs £ | Estimated total cost £ | Average hourly rate £ |
|--------------------------|------------------|----------------------|-----------------------------|---------------------------|--------------------------------|------------------------------|-----------------------------|
| Strategy & Planning | 3,903.33 | 2,089,097.70 | 535.21 | 695 | 341,300.00 | 2,430,397.70 | 528.51 |
| Sale of business | 936.65 | 502,115.00 | 536.08 | - | - | 502,115.00 | 536.08 |
| Book debt realisations | 378.13 | 176,798.95 | 467.56 | - | - | 176,798.95 | 467.56 |
| Property | 2,740.45 | 1,150,863.75 | 419.95 | 12 | 3,750.00 | 1,154,613.75 | 419.47 |
| Other assets | 2,386.28 | 1,079,238.85 | 452.27 | 279 | 100,000.00 | 1,179,238.85 | 442.43 |
| MNO Receivables | 3,663.04 | 1,739,407.35 | 474.85 | Note 1 | Note 1 | Note 1 | Note 1 |
| Investigations | 2,612.53 | 1,166,030.05 | 446.32 | Note 1 | Note 1 | Note 1 | Note 1 |
| Litigation | 1,501.85 | 724,842.80 | 482.63 | Note 1 | Note 1 | Note 1 | Note 1 |
| Retention of title | 1,015.25 | 424,411.25 | 418.04 | - | - | 424,411.25 | 418.04 |
| Trading | 2,210.74 | 947,358.30 | 428.53 | - | - | 947,358.30 | 428.53 |
| Accounting and treasury | 3,772.43 | 1,407,673.80 | 373.15 | 332 | 105,000.00 | 1,512,673.80 | 368.55 |
| Statutory and compliance | 3,800.74 | 1,584,630.90 | 416.93 | 1,103 | 400,000.00 | 1,984,630.90 | 404.76 |
| Employees & pensions | 4,644.74 | 1,476,580.20 | 317.90 | - | - | 1,476,580.20 | 317.90 |
| Investigations | 0.25 | 166.25 | 665.00 | - | - | 166.25 | - |
| Creditors | 7,326.20 | 3,119,216.15 | 425.76 | 37 | 13,500.00 | 3,132,716.15 | 425.46 |
| Creditors committee | 326.60 | 168,215.75 | 515.05 | - | - | 168,215.75 | 515.05 |
| Tax | 2,728.88 | 1,470,385.25 | 538.82 | 187 | 100,000.00 | 1,570,385.25 | 538.54 |
| VAT | 4,621.73 | 3,359,326.85 | 726.85 | 139 | 100,000.00 | 3,459,326.85 | 726.61 |
| Books and records | 992.75 | 278,371.30 | 280.40 | 93 | 25,000.00 | 303,371.30 | 279.44 |
| Closure procedures | 7.30 | 2,597.25 | 355.79 | 536 | 150,000.00 | 152,597.25 | 280.81 |
| Total | 49,569.62 | 22,867,327.70 | 461.32 | 3,413.13 | 1,338,550.00 | 24,205,877.70 | 456.86 |

Note 1

Costs relating to the MNO receivables, Investigations and Litigation work streams have been excluded from the forecast.

Phones 4 U Group Limited – in administration

Analysis of time costs for the period 21 January 2021 to 20 July 2021

| Aspect of assignment | Partner | Director | Senior Manager | Manager | Senior Associate | Associate | Support | Total hours | Time cost £ | Average hourly rate £ |
|--------------------------|-------------|----------|-------------------|-------------|---------------------|-----------|----------|--------------|-----------------|-----------------------------|
| Strategy & Planning | - | - | - | - | 0.60 | - | - | 0.60 | 279.00 | 465.00 |
| Sale of business | - | - | - | - | - | - | - | - | - | - |
| Book debt realisations | - | - | - | - | - | - | - | - | - | - |
| Property | - | - | - | - | - | - | - | - | - | - |
| Other assets | 0.20 | - | - | - | - | - | - | 0.20 | 191.00 | 955.00 |
| Retention of title | - | - | - | - | - | - | - | - | - | - |
| Trading | - | - | - | - | - | - | - | - | - | - |
| Accounting and treasury | - | - | - | 0.30 | 3.10 | - | - | 3.40 | 1,618.50 | 476.03 |
| Statutory and compliance | - | - | 0.25 | 1.20 | 5.50 | - | - | 6.95 | 3,424.25 | 492.70 |
| Employees & pensions | - | - | - | - | - | - | - | - | - | - |
| Investigations | - | - | - | - | - | - | - | - | - | - |
| Creditors | - | - | - | - | - | - | - | - | - | - |
| Creditors committee | - | - | - | - | - | - | - | - | - | - |
| Tax | - | - | - | - | 0.70 | - | - | 0.70 | 430.50 | 615.00 |
| VAT | - | - | - | - | 0.25 | - | - | 0.25 | 117.75 | 471.00 |
| Books and records | - | - | - | - | - | - | - | - | - | - |
| Closure procedures | - | - | - | - | - | - | - | - | - | - |
| Total | 0.20 | - | 0.25 | 1.50 | 10.15 | - | - | 12.10 | 6,061.00 | 500.91 |

Phones 4 U Group Limited – in administration
Aggregate time cost summary to 20 July 2021

| Aspect of assignment | Total hours | Time cost £ | Average hourly rate £ | Estimated future hours | Estimated future costs £ | Estimated total cost £ | Average hourly rate £ |
|--------------------------|---------------|-------------------|-----------------------------|---------------------------|--------------------------------|------------------------------|-----------------------------|
| Strategy & Planning | 49.64 | 34,653.57 | 698.00 | 18.15 | 10,972.50 | 45,626.07 | 673.05 |
| Sale of business | 2.65 | 1,256.00 | 473.96 | - | - | 1,256.00 | 473.96 |
| Book debt realisations | 4.70 | 4,277.00 | 910.00 | - | - | 4,277.00 | 910.00 |
| Property | 3.00 | 1,653.50 | 551.17 | - | - | 1,653.50 | 551.17 |
| Other assets | 5.65 | 4,984.00 | 882.12 | - | - | 4,984.00 | 882.12 |
| Retention of title | - | - | - | - | - | - | - |
| Investigations | 0.10 | 91.00 | 910.00 | - | - | 91.00 | 910.00 |
| MNO Receivables | - | - | - | - | - | - | - |
| Trading | 18.95 | 8,198.75 | 432.65 | - | - | 8,198.75 | 432.65 |
| Accounting and treasury | 29.05 | 11,536.05 | 397.11 | 10.56 | 5,926.80 | 17,462.85 | 440.87 |
| Statutory and compliance | 178.66 | 68,577.15 | 383.84 | 39.93 | 22,563.75 | 91,140.90 | 416.95 |
| Employees & pensions | 1.40 | 550.00 | 392.86 | - | - | 550.00 | 392.86 |
| Creditors | 16.95 | 6,612.20 | 390.10 | - | - | 6,612.20 | 390.10 |
| Creditors committee | 0.10 | 29.00 | 290.00 | - | - | 29.00 | 290.00 |
| Tax | 43.65 | 22,880.00 | 524.17 | 8.25 | 5,313.00 | 28,193.00 | 543.22 |
| VAT | 13.70 | 5,332.60 | 389.24 | 8.25 | 5,313.00 | 10,645.60 | 484.99 |
| Books and records | 3.85 | 1,472.90 | 382.57 | - | - | 1,472.90 | 382.57 |
| Closure procedures | 2.30 | 1,150.50 | 500.22 | 5.00 | 5,000.00 | 6,150.50 | 842.53 |
| Total | 374.35 | 173,254.22 | 462.81 | 90.14 | 55,089.05 | 228,343.27 | 491.60 |

Phones 4u Finance Plc – in administration
Analysis of time costs for the period 21 January 2021 to 20 July 2021

| Aspect of assignment | Partner | Director | Senior Manager | Manager | Senior Associate | Associate | Support | Total hours | Time cost £ | Average hourly rate £ |
|--------------------------|----------|----------|-------------------|-------------|---------------------|-----------|----------|-------------|-----------------|-----------------------------|
| Strategy & Planning | - | - | - | - | 0.60 | - | - | 0.60 | 279.00 | 465.00 |
| Sale of business | - | - | - | - | - | - | - | - | - | - |
| Book debt realisations | - | - | - | - | - | - | - | - | - | - |
| Property | - | - | - | - | - | - | - | - | - | - |
| Other assets | - | - | - | - | - | - | - | - | - | - |
| Retention of title | - | - | - | - | - | - | - | - | - | - |
| Trading | - | - | - | - | - | - | - | - | - | - |
| Accounting and treasury | - | - | - | 0.10 | 0.10 | - | - | 0.20 | 105.50 | 527.50 |
| Statutory and compliance | - | - | 0.25 | 0.70 | 5.60 | - | - | 6.55 | 3,183.25 | 485.99 |
| Employees & pensions | - | - | - | - | - | - | - | - | - | - |
| Investigations | - | - | - | - | - | - | - | - | - | - |
| Creditors | - | - | - | - | - | - | - | - | - | - |
| Creditors committee | - | - | - | - | - | - | - | - | - | - |
| Tax | - | - | - | - | 0.30 | - | - | 0.30 | 181.50 | 605.00 |
| VAT | - | - | - | - | 0.25 | - | - | 0.25 | 117.75 | 471.00 |
| Total | - | - | 0.25 | 0.80 | 6.85 | - | - | 7.90 | 3,867.00 | 489.49 |

Phones 4u Finance Plc – in administration
Aggregate time cost summary to 20 July 2021

| Aspect of assignment | Total hours | Time cost £ | Average hourly rate £ | Estimated future hours | Estimated future costs £ | Estimated total cost £ | Average hourly rate £ |
|--------------------------|---------------|-------------------|-----------------------------|---------------------------|--------------------------------|------------------------------|-----------------------------|
| Strategy & Planning | 23.75 | 10,817.75 | 455.48 | 18.15 | 10,972.50 | 23,820.95 | 468.55 |
| Sale of business | 3.40 | 454.75 | 133.75 | - | - | 454.75 | 133.75 |
| Property | 0.10 | 46.00 | 460.00 | - | - | 46.00 | 460.00 |
| Other assets | 0.65 | 324.50 | 499.23 | - | - | 324.50 | 499.23 |
| Trading | 4.85 | 1,860.25 | 383.56 | - | - | 1,860.25 | 383.56 |
| Accounting and treasury | 30.60 | 11,127.40 | 363.64 | - | - | 11,127.40 | 363.64 |
| Statutory and compliance | 175.77 | 64,692.60 | 368.05 | 10.56 | 5,926.80 | 72,742.20 | 385.61 |
| Employees & pensions | 10.40 | 2,615.00 | 251.44 | 39.93 | 22,563.75 | 27,589.40 | 548.17 |
| Investigations | 6.05 | 1,948.75 | 322.11 | - | - | 1,948.75 | 322.11 |
| Creditors | 26.75 | 10,221.40 | 382.11 | - | - | 10,221.40 | 382.11 |
| Creditors committee | 0.20 | 58.00 | 290.00 | - | - | 58.00 | 290.00 |
| Tax | 13.55 | 4,610.15 | 340.23 | 8.25 | 5,313.00 | 24,837.35 | 541.24 |
| VAT | 18.90 | 6,048.85 | 320.04 | 8.25 | 5,313.00 | 26,276.05 | 512.80 |
| Books and records | 0.45 | 165.50 | 367.78 | - | - | 165.50 | 367.78 |
| Closure procedures | 0.10 | 52.50 | 525.00 | 5.00 | 5,000.00 | 10,052.50 | 665.73 |
| Total | 315.52 | 115,043.40 | 364.62 | 159.57 | 96,481.60 | 211,525.00 | 445.23 |

MobileServ Limited – in administration
Analysis of time costs for the period 21 January 2021 to 20 July 2021

| Aspect of assignment | Partner | Director | Senior Manager | Manager | Senior Associate | Associate | Support | Total hours | Time cost £ | Average hourly rate £ |
|--------------------------|-------------|----------|-------------------|--------------|---------------------|---------------|----------|---------------|------------------|-----------------------------|
| Strategy & Planning | 0.10 | - | 0.10 | - | 4.10 | 116.40 | - | 120.70 | 30,007.00 | 248.61 |
| Sale of business | - | - | - | - | - | - | - | - | - | - |
| Book debt realisations | - | - | - | 17.10 | - | - | - | 17.10 | 9,847.50 | 575.88 |
| Property | - | - | - | - | - | - | - | - | - | - |
| Other assets | 1.00 | - | 25.50 | - | 11.50 | 29.90 | - | 67.90 | 27,977.00 | 412.03 |
| Retention of title | - | - | - | - | - | - | - | - | - | - |
| Trading | - | - | - | - | - | - | - | - | - | - |
| Accounting and treasury | - | - | - | 0.40 | 3.90 | 2.65 | - | 6.95 | 2,820.70 | 405.86 |
| Statutory and compliance | - | - | 0.65 | 0.70 | 6.40 | 0.20 | - | 7.95 | 3,880.65 | 488.13 |
| Employees & pensions | - | - | - | - | - | - | - | - | - | - |
| Investigations | - | - | - | - | - | - | - | - | - | - |
| Creditors | - | - | - | - | - | 0.10 | - | 0.10 | 29.70 | 297.00 |
| Creditors committee | - | - | - | - | - | - | - | - | - | - |
| Tax | - | - | - | - | 1.30 | - | - | 1.30 | 737.50 | 567.31 |
| VAT | - | - | - | - | 0.35 | - | - | 0.35 | 164.25 | 469.29 |
| Books and records | - | - | - | 0.90 | - | - | - | 0.90 | 517.50 | 575.00 |
| Closure procedures | - | - | - | - | - | - | - | - | - | - |
| Total | 1.10 | - | 26.25 | 19.10 | 27.55 | 149.25 | - | 223.25 | 75,981.80 | 340.34 |

MobileServ Limited – in administration
Aggregate time cost summary to 20 July 2021

| Aspect of assignment | Total hours | Time cost £ | Average hourly rate £ | Estimated future hours | Estimated future costs £ | Estimated total cost £ | Average hourly rate £ |
|--------------------------|---------------|-------------------|-----------------------------|---------------------------|--------------------------------|------------------------------|-----------------------------|
| Strategy & Planning | 154.90 | 45,902.80 | 296.34 | 18.15 | 10,972.50 | 56,875.30 | 328.66 |
| Sale of business | 0.15 | 81.00 | 540.00 | - | - | 81.00 | 540.00 |
| Book debt realisations | 34.30 | 19,170.50 | 558.91 | - | - | 19,170.50 | 558.91 |
| Property | 0.10 | 46.00 | 460.00 | - | - | 46.00 | 460.00 |
| Other assets | 111.40 | 50,251.90 | 451.09 | 20.00 | 25,000.00 | 75,251.90 | 572.69 |
| MNO Receivables | 0.75 | 405.00 | 540.00 | - | - | 405.00 | 540.00 |
| Investigations | 6.50 | 2,155.50 | 331.62 | - | - | 2,155.50 | 331.62 |
| Trading | 1.50 | 925.50 | 617.00 | - | - | 925.50 | 617.00 |
| Accounting and treasury | 87.70 | 33,922.85 | 386.81 | 10.56 | 5,926.80 | 39,849.65 | 405.55 |
| Statutory and compliance | 195.85 | 71,802.20 | 366.62 | 39.93 | 22,563.75 | 94,365.95 | 400.23 |
| Employees & pensions | 0.20 | 59.00 | 295.00 | - | - | 59.00 | 295.00 |
| Creditors | 62.44 | 27,015.52 | 432.66 | - | - | 27,015.52 | 432.66 |
| Creditors committee | 0.40 | 116.00 | 290.00 | - | - | 116.00 | 290.00 |
| Tax | 80.45 | 38,485.95 | 478.38 | 8.25 | 5,313.00 | 43,798.95 | 493.79 |
| VAT | 2.60 | 877.35 | 337.44 | 8.25 | 5,313.00 | 6,190.35 | 570.54 |
| Books and records | 5.35 | 1,912.00 | 357.38 | - | - | 1,912.00 | 357.38 |
| Closure procedures | 0.25 | 131.25 | 525.00 | 10.00 | 5,000.00 | 5,131.25 | 500.61 |
| Total | 744.84 | 293,260.32 | 393.72 | 115.14 | 80,089.05 | 373,349.37 | 434.14 |

Policy Administration Services Limited – in administration
Analysis of time costs for the period 21 January 2021 to 20 July 2021

| Aspect of assignment | Partner | Director | Senior Manager | Manager | Senior Associate | Associate | Support | Total hours | Time cost £ | Average hourly rate £ |
|--------------------------|-------------|--------------|-------------------|---------------|---------------------|--------------|-------------|---------------|-------------------|-----------------------------|
| Strategy & Planning | - | - | 0.10 | - | 14.50 | - | - | 14.60 | 6,816.50 | 466.88 |
| Sale of business | - | - | - | - | - | - | - | - | - | - |
| Book debt realisations | - | - | - | - | - | - | - | - | - | - |
| Property | - | - | - | - | - | - | - | - | - | - |
| Other assets | - | - | - | - | - | - | - | - | - | - |
| Retention of title | - | - | - | - | - | - | - | - | - | - |
| Trading | 0.40 | 28.10 | - | 297.40 | 291.45 | - | - | 617.35 | 331,790.75 | 537.44 |
| Accounting and treasury | 0.40 | - | 1.30 | 12.20 | 33.80 | 24.85 | - | 72.55 | 31,338.95 | 431.96 |
| Statutory and compliance | 0.20 | - | 0.95 | 2.55 | 57.50 | - | - | 61.20 | 29,065.00 | 474.92 |
| Employees & pensions | - | - | - | - | - | - | - | - | - | - |
| Investigations | - | - | - | - | - | - | - | - | - | - |
| Creditors | - | - | - | - | - | - | - | - | - | - |
| Creditors committee | - | - | - | - | - | - | - | - | - | - |
| Tax | 0.10 | - | 1.25 | 3.05 | 13.80 | 2.65 | 0.50 | 21.35 | 12,539.00 | 587.31 |
| VAT | - | - | 2.55 | - | 0.35 | - | - | 2.90 | 3,596.75 | 1,240.26 |
| Books and records | - | - | - | - | - | - | - | - | - | - |
| Closure procedures | - | - | - | - | - | - | - | - | - | - |
| Total | 1.10 | 28.10 | 6.15 | 315.20 | 411.40 | 27.50 | 0.50 | 789.95 | 415,146.95 | 525.54 |

Policy Administration Services Limited – in administration

| Aspect of assignment | Total hours | Time cost £ | Average hourly rate £ | Estimated future hours | Estimated future costs £ | Estimated total cost £ | Average hourly rate £ |
|--------------------------|---------------|------------------|-----------------------------|---------------------------|--------------------------------|------------------------------|-----------------------------|
| Strategy & Planning | 884 | 359,411 | 407 | 893 | 454,248 | 813,659 | 458 |
| Sale of business | 111 | 51,531 | 466 | - | - | 51,531 | 466 |
| Book debt realisations | 20 | 14,803 | 748 | - | - | 14,803 | 748 |
| Property | 14 | 7,579 | 551 | - | - | 7,579 | 551 |
| Other assets | 660 | 284,316 | 431 | 914 | 436,421 | 720,737 | 458 |
| Trading | 10,752 | 5,031,612 | 468 | 413 | 227,726 | 5,259,337 | 471 |
| Accounting and treasury | 1,252 | 439,242 | 351 | 670 | 373,923 | 813,164 | 423 |
| Statutory and compliance | 1,836 | 758,341 | 413 | 315 | 206,969 | 965,310 | 449 |
| Employees & pensions | 205 | 87,078 | 425 | - | - | 87,078 | 425 |
| Investigations | 9 | 3,239 | 352 | - | - | 3,239 | 352 |
| Creditors | 370 | 154,900 | 419 | 170 | 84,498 | 239,398 | 444 |
| Creditors committee | 49 | 21,725 | 439 | 62 | 29,839 | 51,564 | 464 |
| Tax | 512 | 260,720 | 509 | 123 | 68,298 | 329,018 | 517 |
| VAT | 215 | 178,161 | 830 | 166 | 56,264 | 234,425 | 617 |
| Books and records | 72 | 28,507 | 393 | - | - | 28,507 | 393 |
| Closure procedures | 73 | 40,792 | 558 | 259 | 147,885 | 188,677 | 569 |
| Total | 17,034 | 7,721,954 | 453 | 3,984 | 2,086,071.81 | 9,808,026 | 467 |

Phosphorus Acquisition Limited – in administration
Analysis of time costs for the period 21 January 2021 to 20 July 2021

| Aspect of assignment | Partner | Director | Senior Manager | Manager | Senior Associate | Associate | Support | Total hours | Time cost £ | Average hourly rate £ |
|--------------------------|---------|----------|----------------|---------|------------------|-----------|---------|-------------|-------------|-----------------------|
| Strategy & Planning | - | - | - | - | 1.50 | - | - | 1.50 | 697.50 | 465.00 |
| Sale of business | - | - | - | - | - | - | - | - | - | - |
| Book debt realisations | - | - | - | - | - | - | - | - | - | - |
| Property | - | - | - | - | - | - | - | - | - | - |
| Other assets | - | - | - | - | - | - | - | - | - | - |
| Retention of title | - | - | - | - | - | - | - | - | - | - |
| Trading | - | - | - | - | - | - | - | - | - | - |
| Accounting and treasury | - | - | - | 0.10 | 0.40 | - | - | 0.50 | 245.00 | 490.00 |
| Statutory and compliance | - | - | 0.25 | 0.70 | 6.20 | - | - | 7.15 | 3,462.25 | 484.23 |
| Employees & pensions | - | - | - | - | - | - | - | - | - | - |
| Investigations | - | - | - | - | - | - | - | - | - | - |
| Creditors | - | - | - | - | - | - | - | - | - | - |
| Creditors committee | - | - | - | - | - | - | - | - | - | - |
| Tax | - | - | - | - | 0.50 | - | - | 0.50 | 302.50 | 605.00 |
| VAT | - | - | - | - | 0.25 | - | - | 0.25 | 117.75 | 471.00 |
| Total | - | - | 0.25 | 0.80 | 8.85 | - | - | 9.90 | 4,825.00 | 487.37 |

Phosphorus Acquisition Limited – in administration
Aggregate time cost summary to 20 July 2021

| Aspect of assignment | Total hours | Time cost £ | Average hourly rate £ | Estimated future hours | Estimated future costs £ | Estimated total cost £ | Average hourly rate £ |
|--------------------------|---------------|------------------|-----------------------|------------------------|--------------------------|------------------------|-----------------------|
| Strategy & Planning | 22.70 | 9,395.90 | 413.92 | 18.15 | 10,972.50 | 20,368.40 | 498.61 |
| Sale of business | 0.15 | 81.00 | 540.00 | - | - | 81.00 | 540.00 |
| Property | 0.10 | 46.00 | 460.00 | - | - | 46.00 | 460.00 |
| Other assets | 2.40 | 1,091.25 | 454.69 | - | - | 1,091.25 | 454.69 |
| Trading | 5.85 | 2,171.25 | 371.15 | - | - | 2,171.25 | 371.15 |
| Accounting and treasury | 30.15 | 9,930.40 | 329.37 | - | - | 9,930.40 | 329.37 |
| Statutory and compliance | 169.26 | 61,453.60 | 363.07 | 10.56 | 5,926.80 | 67,380.40 | 374.71 |
| Employees & pensions | - | - | - | 39.93 | 22,563.75 | 22,563.75 | - |
| Investigations | 5.70 | 1,848.50 | 324.30 | - | - | 1,848.50 | 324.30 |
| Creditors | 8.10 | 2,953.90 | 364.68 | - | - | 2,953.90 | 364.68 |
| Creditors committee | 0.20 | 58.00 | 290.00 | - | - | 58.00 | 290.00 |
| Tax | 21.30 | 6,721.10 | 315.54 | 8.25 | 5,313.00 | 12,034.10 | 407.25 |
| VAT | 2.50 | 814.75 | 325.90 | 8.25 | 5,313.00 | 6,127.75 | 570.02 |
| Books and records | 0.45 | 165.50 | 367.78 | - | - | 165.50 | 367.78 |
| Closure procedures | 0.30 | 146.50 | 488.33 | 5.00 | 5,000.00 | 5,146.50 | 971.04 |
| Total | 269.16 | 96,877.65 | 359.93 | 90.14 | 55,089.05 | 151,966.70 | 422.95 |

Payments to associates

No payments have been made to associates or any party who could reasonably be perceived as an associate during the period of this report. Relevant parties have been chosen due to their specific area of expertise or technical knowledge and payments to those parties based on standard commercial terms.

Our work in the period

Earlier in this section we included tables showing our time costs from 21 January 2021 to 20 July 2021 by grade of staff and area of work for the period covered by this progress report. The following table provides further narrative on the key areas of work during the period.

| Area of work | Work undertaken during the period and why this work was necessary | What financial benefit the work provided to creditors or whether it was required by statute |
|---------------------|---|---|
| Strategy & planning | <ul style="list-style-type: none"> • Oversight of case progression and strategic decisions by appointment takers and other project management; • Budgeting and cost analysis; • Liaising with key stakeholder groups; • Preparing various forecasts, including but not limited to; cash flows and outcome statements; and • Liaison with legal and other advisors regarding ongoing matters in the administrations. <p><i>(Policy Administration Services Limited only)</i></p> <ul style="list-style-type: none"> • Ongoing planning for the closure of the PAS scheme. • Strategy and planning in regards to potential extension of the administration. <p>This work was necessary for planning and project managing the many different workstreams.</p> | Assisted in the efficient, structured and timely management of the administrations, leading to a faster completion and return to creditors. |
| Trading | <p><i>(Policy Administration Services Limited only)</i></p> <ul style="list-style-type: none"> • Monitoring the trading activities of the insurance business and performance of LSG including the operations of the customer call centre and claims handling processes; • Reviewing data, analytics and all management information; • Attending monthly board meetings with the LSG PAS team to discuss the strategy and progress of the scheme; • Monthly operational meetings with LSG to discuss performance; • Reviewing service level agreements and qualitative metrics used to measure LSG's performance; • Reviewing claims referred to the FOS and identifying root causes. <p>This work is necessary for the ongoing successful and profitable trading of the PAS business, enabling us to monitor the activity of the PAS scheme and to determine its levels of profitability for forecasting and cost monitoring purposes. The work ensures that customers are treated fairly, and PAS complies with regulatory requirements.</p> | Maintaining profitability of the PAS business for the benefit of creditors. |
| Litigation | <p><i>Concurrent Administrator</i></p> <ul style="list-style-type: none"> • Oversight of Litigation including liaising with QE, Counsel and other advisors regarding strategy, project management, review of Defendant's disclosure and inter-partes correspondence; • Preparation for and attendance at relevant Court hearings, including instruction of Counsel and QE; and • Liaison with PwC and Joint Administrators in connection with requirements of the Disclosure Order. <p><i>Joint Administrators</i></p> <ul style="list-style-type: none"> • Responding to requests under the Disclosure Order; and • Management of the significant cash reserves to fund Litigation. | Potential additional recoveries and response to requests mandated by the Court |

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| | Due to the potentially material and commercially sensitive nature of these investigations, it is not appropriate to disclose any further information. | |
| Property | <ul style="list-style-type: none"> • Liaising with our solicitors with regard to surrender of leases.. <p>This work was necessary to negotiate with landlords and liaise with agents in order to reduce P4U's liabilities in respect of its property portfolio and utility costs.</p> | Mitigates claims against the administrations. |
| Other matters | <ul style="list-style-type: none"> • Liaising with our insurers for the purpose of maintaining adequate insurance cover for assets and risks in the post-appointment period. <p>This work was necessary to ensure appropriate insurance of assets and to ensure that assets are properly dealt with.</p> <p><i>(Policy Administration Services Limited only)</i></p> <ul style="list-style-type: none"> • Attending board meetings with P4UC to oversee the running of the subsidiary. • Facilitating the transition of the new board director to P4UC. <p>This work was necessary to ensure that the captive is managed in accordance with the management agreement, thereby ensuring dividend payments to PAS are maximised.</p> | <p>Mitigation of the risk of claims against the administration and loss of assets.</p> <p>Enhanced asset realisations because profits from the PAS business accumulate in P4UC and are paid to PAS by way of a dividend on a quarterly basis.</p> |
| Creditors & Committee | <ul style="list-style-type: none"> • Planning and preparation of financial and operational information for creditors; • Preparing for and following up on Noteholder meetings; • Maintaining information on our dedicated website; • Maintaining a database of creditor claims; • Maintaining the creditor helpline and mailbox in respect of creditor claims. <p><i>(Policy Administration Services Limited only)</i></p> <ul style="list-style-type: none"> • Maintaining the creditor helpline and mailbox in respect of creditor claims. <p>This work was necessary to determine the value of creditor claims so that a distribution strategy may be determined, and dividend payments made to creditors.</p> | <p>Provides information necessary to creditors (who have an economic interest in the outcome of the administration), both collectively and individually.</p> <p>Enables the distribution of the prescribed part dividends.</p> |
| VAT | <ul style="list-style-type: none"> • Preparing and submitting quarterly VAT returns to HMRC; • Regular detailed reconciliations of transactions for VAT purposes; and • Liaising with HMRC. <p>This work was necessary to comply with our legal obligation to submit tax returns, to reach certainty on the post-administration tax position.</p> | Statutory and regulatory responsibilities. |

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| Tax | <ul style="list-style-type: none"> • Preparation of quarterly instalment payment calculations with respect to the FY20 period, including analysis with respect to the actual and estimated receipt and payment information for the period; and • Ad hoc tax compliance matters e.g. liaising with HMRC on general issues. <p><i>(Policy Administration Services only)</i></p> <ul style="list-style-type: none"> • Filing tax returns and making quarterly payments on account. • Calculating and paying income tax due on interest payments on customer refunds. • Considering the tax efficiency of the PAS scheme. <p>This work was necessary to comply with our legal obligation to submit tax returns, to reach certainty on the post-administration tax position and to enable agreement of HMRC's unsecured claim.</p> | Statutory and regulatory responsibilities. |
| Accounting and treasury | <ul style="list-style-type: none"> • Dealing with general accounting and treasury functions, including payments, receipts and journal postings; and • Actively managing cash holdings, including regular money market investments to increase returns whilst ensuring credit risk is appropriately managed. <p><i>(Policy Administration Services only)</i></p> <ul style="list-style-type: none"> • Collecting premiums and making refunds to customers and reconciliations to bank balance and cash flow. • Transferring premiums to insurer account, including reconciliation and sign off from appointees. • Liaising with Lloyds Bank regarding efficient and cost-effective transfer of premiums. • Operating finance functions, including bank account transfers and payment requisitions. • Managing funds held in order to maximise interest returns. <p>This work was necessary for preparing and authorising receipt and payment vouchers and carrying out bank reconciliations. For PAS, it ensures the correct allocation and accounting for premiums and refunds.</p> | <p>Ensured funds are managed securely and that such funds are generating returns.</p> <p>Complying with statutory and regulatory duties regarding the holding and accounting for funds.</p> |
| Statutory and compliance | <ul style="list-style-type: none"> • Preparing and issuing our latest progress report to creditors; • Planning for statutory deadlines and collation of requisite information; • Maintaining cash records and filings; • Dealing with inbound post and other correspondence; and • Completing case management tasks on the case database. <p>This work was necessary to satisfy statutory and regulatory responsibilities.</p> | Statutory and regulatory responsibilities. |
| Books and records | <ul style="list-style-type: none"> • Liaising with third party storage providers in relation to company books and records that we have a legal obligation to maintain. <p>This work was necessary to ensure the proper stewardship of company books and records.</p> | Statutory and regulatory responsibilities. |

Our future work

The following table provides a summary of the key areas of work on which we expect to focus in the coming months in order to achieve the purpose of the administrations. Note, we have only included the significant areas of work and therefore this is not an exhaustive list.

| Area of work | Work we need to do | Estimated cost to 20 March 2023 (£m) | Whether or not the work will provide a financial benefit to creditors |
|---|--|--------------------------------------|--|
| Strategy & planning | <ul style="list-style-type: none"> Ongoing preparation of estimated outcome statements, budgets, forecasts and other financial reporting tools; In depth consideration of strategic approach in dealing with complex and interrelated work streams; Strategy meetings, decisions and project management by the appointment takers; Liaising with external advisors in relation to complex work streams within the administration; and Progressing ongoing matters within the administrations. <p><i>(Policy Administration Services only)</i></p> <ul style="list-style-type: none"> Consideration of strategic approach in planning for a smooth exit of the business once it is no longer viable for PAS to continue trading | 0.84 | Assist in the timely, structured and efficient completion of the administration and return to creditors. |
| Trading | <p><i>(Policy Administration Services only)</i></p> <ul style="list-style-type: none"> Actively monitoring the insurance business, its activities and those of LSG including operation of the customer call centre and claims processes; Determining how best to promote the longevity of the scheme; Ongoing monitoring of the profit and loss and balance sheet, comparing forecast and actuals; and Managing and updating communications to all policyholders. | 0.23 | Maintaining profitability of the PAS business for the benefit of creditors. |
| Assets (including Litigation and other assets) * | <ul style="list-style-type: none"> Liaising with QE, Counsel and other advisors regarding the Litigation; Active management of cash holdings, including placing regular money market investments to increase returns; Collection of outstanding debtors due. <p><i>(Policy Administration Services only)</i></p> <ul style="list-style-type: none"> Continue to monitor the performance and governance of P4UC; and Ensure P4UC has appropriate closure plans. | 0.56 | Potential additional recoveries and response to requests mandated by the Court |
| Property | <ul style="list-style-type: none"> Manage and reduce any liabilities we have with respect to the property portfolio including ongoing leases and utility payments. | 0.00 | Mitigate claims against the administrations. |
| Creditors and Committee | <ul style="list-style-type: none"> Arranging, preparing for and attending meetings of the Committee; Respond to creditor queries; and When appropriate, declare and pay future interim and final distributions to secured creditors. | 0.13 | Direct benefit to creditors through payment of distributions and provision of information. |

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|-------------------------|---|------|--|
| VAT liabilities | <ul style="list-style-type: none"> • Ongoing drafting and submission of quarterly VAT returns; • Finalise VAT matters and obtain clearance from HMRC; • Reconciliation of the companies' VAT position on a regular basis to ensure transactions are correctly accounted for; and • Liaison with HMRC as required. | 0.18 | Statutory and regulatory requirements. |
| Tax | <ul style="list-style-type: none"> • Drafting and submission of corporation tax returns; • Making payment to HMRC where applicable for corporation tax; • Ongoing liaison with HMRC; and • Finalise tax matters and obtain clearance from HMRC. <p><i>(Policy Administration Services only)</i></p> <ul style="list-style-type: none"> • Filing tax returns and making quarterly payments on account; and • Calculating and paying income tax on interest payments on customer funds. • Considering the tax implications of closure of the PAS estate when exiting the scheme. | 0.19 | Statutory and regulatory requirements and enables reaching certainty on the post-administration tax position. |
| Accounting and treasury | <ul style="list-style-type: none"> • Arranging payment of expenses of the administration when they fall due; • Dealing with receipts and journals to maintain accurate accounting records; • Actively monitoring and dealing with funds invested on the money markets; • Carrying out periodic bank reconciliations; and • Corresponding with the bank regarding specific transfers. | 0.50 | Ensure proper stewardship of the funds held. Management of the funds will generate greater recoveries for creditors. |
| Statutory & compliance | <ul style="list-style-type: none"> • Drafting and circulating six monthly progress reports to unsecured creditors; • Ongoing compliance with regulatory requirements; • Maintaining case files; and • Dealing with inbound correspondence and queries. | 0.70 | Statutory and regulatory requirements. |
| Closure | <ul style="list-style-type: none"> • Dealing with closure formalities; • Obtaining tax and VAT clearances from HMRC; • Obtaining clearances from external third parties with regard to commitments made during the administrations; and • Closing down internal systems. | 0.32 | Ensure that the Companies' affairs are wound down in an orderly manner. |

**Costs relating to the Litigation workstream have been excluded from the forecast.*

Financial Benefit

As shown on the enclosed receipts and payments accounts, our work to date has generated recoveries (net of costs and excluding cash at bank on appointment) in the region of £275m for the benefit of all classes of creditors. The estimated recovery for the Noteholders (who are expected to have the primary economic interest in the progress of the Companies' administrations) is uncertain as it depends on the outcome, timing and costs of the Litigation

We explained in Section 4 of this report that a considerable amount of work is still required before these administrations can be concluded. We expect that this work is in the best interests of creditors.

Our analysis of our time costs referred to above includes time spent dealing with matters required by law or other regulation that do not necessarily or directly benefit the creditors financially. This work includes 'statutory and compliance' but also other work necessary for the orderly management of a company's affairs, such as tax and VAT returns and dealing with books and records.

Business relationships

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

Details of subcontracted work

We have not used any subcontractors on these cases in the period of this report.

Summary of legal and other professional firms

We've instructed the following professionals during the period of this report on this case:

| Service provided | Name of firm / organisation | Reason selected | Basis of fees |
|------------------------------|--|--|---------------------------------------|
| Insurance broker | Marsh Limited | Industry knowledge | Insurance policy cost |
| Legal services and advice | Allen & Overy LLP | Industry knowledge / Insolvency experience | Time and expenses |
| Litigation services | Economic advisor (Confidential) | Industry knowledge | Time and expenses |
| Litigation services | Alvarez & Marsal | Specialist expertise | Time and expenses |
| Litigation services | Quinn Emmanuel Urquhart & Sullivan LLP | Litigation experience | Time and expenses |
| Property legal services | DLA Piper LLP | Industry knowledge / Insolvency experience | Time and expenses |
| Storage of books and records | Iron Mountain UK Limited | Expertise / insolvency experience | Fee per box of books and records held |
| Trademark renewal assistance | Barker Brettell LLP | Industry knowledge | Fixed fee per trademark renewal |

We require all third party professionals to submit time costs analyses and narrative / a schedule of realisations achieved in support of invoices rendered. We receive detailed time breakdowns and narratives in order to review professional firms' costs prior to payment. Our review involves the following steps:

1. Did the administrators issue the instructions listed in the invoice?
2. Was the work performed as instructed?
3. Was the work undertaken in line with the administrators' expectations, in respect of quality and the amount of time taken?
4. Are the rates which have been applied reasonable?
5. Overall, were the fees charged satisfactory and reasonable relative to the work performed?

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| Trading name: | Phones4U, Dialaphone | | | | | |
| Court details: | High Court of Justice, Chancery Division, Companies Court | | | | | |
| Court reference: | 6516 of 2014 | 6507 of 2014 | 6506 of 2014 | 6511 of 2014 | 6508 of 2014 | 6504 of 2014 |
| Registered number: | 03154198 | 04943837 | 07552754 | 05863265 | 07405102 | 03907386 |
| Registered address: | Central Square, 8th Floor, 29 Wellington Street, Leeds, LS1 4DL | | | | | |
| Date of the joint administrators' appointment: | 15 September 2014 23 November 2018 (Paul David Copley as Concurrent Administrator) | 15 September 2014 | 16 September 2014 | | | |
| Joint administrators' names, addresses and contact details: | David James Kelly of PwC, 7 More London, Riverside, London, SE1 2RT Robert John Moran of PwC, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT Paul David Copley of Aldan Management Limited, 42 Brook Street, London, W1K 5DB (Phones 4U Limited only) Contact: matthew.j.duckworth@pwc.com for P4u | | | | | Douglas Nigel Rackham and David James Kelly (<i>both of the London address shown on the left</i>) Contact: rajan.kalsi@pwc.com for PAS |
| Extension(s) to the initial period of appointment | Extensions granted by the Court to 15 September 2017 and 15 March 2020 A further extension has been granted by the Court to 15 March 2023 | | | | | |
| Objective being pursued: | Objective (b) - achieving a better result for the company's creditors as a whole than would be likely if the company was wound up (without first being in administration) or failing that, objective (c) - realising property in order to make a distribution to one or more secured or preferential creditors. Objective (c) would only likely be applicable to the non-trading companies. | | | | | |
| Appointor's name and address: | Court order following an application by the directors of each company, based at Osprey House, Ore Close, Lymedale Business Park, Newcastle-under-Lyme, Staffordshire, ST5 9QD. | | | | | |
| Split of the Administrators' responsibilities: | <p>In relation to Paragraph 100(2) Sch.B1 IA86, during the period for which the administration order is in force any act required or authorised under any enactment to be done by either or all of the Administrators may be done by any one or more of the persons for the time being holding that office.</p> <p>The Concurrent Administrator is responsible for investigating the facts and circumstances leading up to the administration of P4U in order to consider whether such facts and circumstances involve any wrongful conduct and/or breach of competition law by third parties, such as to give rise to any claims or causes of action by P4u against such third parties. The Concurrent Administrator is also responsible for issuing and prosecuting these claims. The Concurrent Administrator has all powers of an administrator under general law and may exercise powers in his own name.</p> | | | | | |

| (£m) | EOS |
|---|--------------|
| Total asset realisations | 434.5 |
| Less costs of realisations | (21.1) |
| Net realisations | 413.4 |
| Total PAS | 33.9 |
| Other costs | |
| Administrators' fees (exc. PAS) | (24.7) |
| RCF set-off & Trustee Costs | (20.1) |
| Other professional fees | (9.7) |
| Other professional fees (relating to Investigations only) | (2.7) |
| Litigation costs | (12.3) |
| Litigation - Security for costs | (14.8) |
| Preferential creditors | (1.7) |
| Prescribed part | (1.1) |
| Corporation tax (exc PAS) | (1.8) |
| VAT | - |
| Total available to secured creditors | 358.4 |
| Super senior notes | 430.0 |
| Estimated return | 83% |
| Total returns, £m | |
| Returned to date | 219.3 |
| Future return | 139.1 |
| Estimated return | 358.4 |
| Total returns, % | |
| Returned to date | 51% |
| Future return | 32% |
| Estimated return | 83% |