

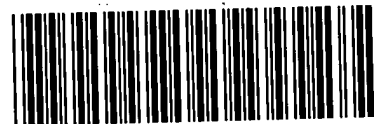
# AM10

## Notice of administrator's progress report



Companies House

FRIDAY



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A03

14/08/2020

#358

COMPANIES HOUSE

### 1 Company details

Company number 0 5 8 6 3 2 6 5

Company name in full MobileServ 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 7 More London

Street Riverside

Post town London

County/Region

Postcode S E 1 2 R T

Country UNITED KINGDOM

### 4 Administrator's name ①

Full forename(s) Robert John

Surname Moran

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

### 5 Administrator's address ②

Building name/number Cornwall Court

Street 19 Cornwall Street

Post town Birmingham

County/Region

Postcode B 3 2 D 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

From date	d 2 d 1	m 0 m 1	y 2 y 0	y 2 y 0
To date	d 2 d 0	m 0 m 7	y 2 y 0	y 2 y 0


### 7 Progress report

☒ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X  X

Signature date	d 1 d 3	m 0 m 8	y 2 y 0	y 2 y 0
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# AM10

## Notice of administrator's progress report



### Presenter information

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

Contact name	Matt Duckworth
Company name	PricewaterhouseCoopers LLP
Address	8th Floor
	Central Square
	29 Wellington Street
Post town	Leeds
County/Region	West Yorkshire
Postcode	L S 1 4 D L
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](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)

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## **Joint Administrators' Twelfth Progress Report**

**For the period from 21 January 2020 to 20 July  
2020**

### **Phones 4U Limited**

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

13 August 2020

### **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

**(all in administration)**

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## 1. Key messages

As required by insolvency legislation, this is our twelfth report to creditors providing an update on the progress of the administrations of the Companies (as defined below). 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.

### ***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 5.1, the Litigation is continuing in accordance with the Court timetable, and two CMCs have taken place during the period covered by this report. Whilst a number of procedural issues remain to be determined, the deadline for document disclosure is 29 January 2021, with the substantive hearing expected to take place during 2022. However, as is the nature of complex litigation, delays may occur.

### ***Customers of Phones 4U Limited***

The website at [www.pwc.co.uk/phones4u](http://www.pwc.co.uk/phones4u) contains all the 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 (e.g. iPhone 6). 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 been made against Phones 4U Limited. Details of how to lodge a claim are set out below.

### ***Creditors***

Any creditors of PAS who have not yet banked their dividend cheques are urged to do so as soon as possible. Following the expiry of six months from the date of the dividend, any uncashed cheques will be passed to the Insolvency Service.

Unclaimed prescribed part dividends in respect of Phones 4u Limited and MobileSev Limited have been passed to the Insolvency Service. Any creditors who did not cash their unsecured dividend cheques should therefore contact the Insolvency Service on 0121 698 4268.

### ***Employees***

If you are a former or current employee, you have received this report because our records show that you may be owed money by Phones 4U Limited 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 on 0121 698 4268.

The balance of any amounts owed to former employees will rank as unsecured claims which are 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 5.6.



#### ***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, some £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. We continue to believe it is unlikely that there will be sufficient realisations to pay the principal outstanding on the Notes in full. Please refer to Section 5.6 for further details.

#### ***Commercially sensitive matters***

In Section 5.1 we explain what we are doing to realise the assets and deal with the liabilities of Phones 4U Limited. Although we have reflected the receipts to 20 July 2020, 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 Section 10), except to the extent that PwC and third-party costs have been incurred to 20 July 2020.

#### ***Extension to the administrations***

As noted in our previous report, we applied for an extension of the administrations to 15 March 2023. Our application was submitted to the Court, and following a subsequent hearing on 11 March 2020, we are pleased to confirm that the extensions of the administrations were granted by the Court.

**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.**

## 2. Abbreviations 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 above Companies together with 4U Limited, 4U Wi-Fi Limited, Jump 4U Limited, Life Mobile Limited and Phosphorus Holdco plc (see <a href="http://www.pwc.co.uk/phones4u">www.pwc.co.uk/phones4u</a> 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
"CMC"	Case Management Conference
"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
"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
"IR16"	The Insolvency (England and Wales) Rules 2016
"ING"	ING Bank N.V.
"ISA"	Insolvency Services Account
"LoC"	Letter of credit
"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
"NOID"	Notice of intended dividend
"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 above 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
"VAT"	Value added tax
"the Vodafone Defendants"	Vodafone Limited and Vodafone Group Plc

### 3. Introduction

We previously wrote to all known creditors to give notice that we were appointed administrators of certain companies in the Phones 4U Group, as summarised below:

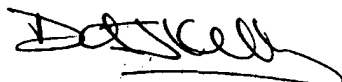
<b>Company</b>	<b>Date of appointment</b>
Phones 4U Limited *	15 September 2014
Phones 4 U Group Limited *	15 September 2014
Phones4U Finance plc *	15 September 2014
MobileServ Limited *	15 September 2014
Phosphorus Acquisition Limited *	15 September 2014
Policy Administration Services Limited *	16 September 2014
4U Limited (now dissolved)	15 September 2014
4U Wi-Fi Limited (now dissolved)	15 September 2014
Jump 4U Limited (now dissolved)	15 September 2014
Life Mobile Limited (now dissolved)	15 September 2014
Phosphorus Holdco Plc	8 October 2014

This progress report covers only the six companies contained within a common security structure (all indicated by \* above). A separate report has been issued to the creditors of Phosphorus Holdco Plc (which remains in administration) as it is outside of the security structure. 4U Wi-Fi Limited, Jump 4U Limited, Life Mobile Limited (all previously in liquidation) which were outside of the security structure, have now been dissolved with effect from 31 March 2020.

In accordance with Rule 18.6 IR16, we write to provide creditors with details of the progress of each administration in the six months to 20 July 2020.

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](http://www.pwc.co.uk/phones4u) the content of which is not repeated here unless considered beneficial or necessary for the purposes of this update. We anticipate that our next report will be circulated in approximately six months' time.

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.

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 firm's websites or by contacting the Administrators. The administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>



#### 4. 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 Section 10. 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
	<b>Estimated recovery for secured creditors</b> <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				
Estimated % recovery for secured creditors:	100% for the RCF lenders and 86% for the Noteholders (on the basis set out in Section 5.6 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 5 of this report, most notably the progress of the Litigation work stream.					
	<b>Estimated dividend prospects for preferential creditors</b> <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 1				
Estimated % recovery for preferential creditors:	100%	Note 1				
Forecast timing:	Paid	Note 1				

**Note 1** All employees were contracted with Phones 4U Limited.



	<b>Phones 4U Limited</b>	<b>Phones 4 U Group Limited</b>	<b>Phones4U Finance plc</b>	<b>MobileServ Limited</b>	<b>Phosphorus Acquisition Limited</b>	<b>Policy Administration Services Limited</b>
	<b>Estimated dividend prospects for unsecured creditors</b> <i>(creditors who are neither secured nor preferential)</i>					
Amount owed to unsecured creditors: <i>(as per the statement of affairs)</i>	£168,069,816	£69,220,516	£92,428,369	£801,796,910	£561,308,251	£44,220,422
Estimated % recovery for unsecured creditors:	0.27%	Nil	Nil	0.07%	Nil	1.5%
Forecast timing:	Paid	Nil	Nil	Paid	Nil	Paid

The only dividends to unsecured creditors have arisen from the ring-fenced funds under the 'prescribed part' provisions of the IA86. Creditors will be advised that the prescribed part dividends in Phones 4U Limited, MobileServ Limited and Policy Administration Services Limited have already been paid. No dividends are expected from any other group companies.

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## 5. Progress in the period

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.

Collectively these administrations are large and complex and therefore we have only provided an update on the significant areas of our work, those matters likely to affect the outcome for creditors and key ongoing matters and future work. Our progress is also illustrated in the enclosed receipts and payments accounts for each Company in Section 8.

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

- Collection of final MNO receivable amount;
- Continued progress with proceedings commenced in November 2018 against certain MNOs (and their affiliates) in respect of P4U's claims of breaches of competition law and / or contract by such parties leading to its insolvency (progress of the Concurrent Administrator only);
- Settlement of post-administration claim with IT supplier;
- Provided updates to the Committee
- Followed up with creditors who have not yet banked their dividend cheques;
- Re-issued dividend cheques to creditors of Phones 4U Limited and MobileServ where necessary and paid any uncashed dividends over six months old to the ISA;
- Continued surrender of property leases and wind down of the existing property portfolio;
- 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.

### 5.1 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) (collectively the "Defendants").



P4U's legal advisers in connection with the Litigation are QE, who have appointed counsel and other advisers as necessary for supporting P4U's case in the proceedings...

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.

The first CMC was held in the High Court over two days during the first week of March 2020, with a day for reading in. At this hearing, arguments were heard on a number of procedural issues, including, inter alia, the Litigation timetable, the scope of document disclosure, the requirement for expert evidence and security for costs; however, no orders were made in relation to these matters. Following this CMC, P4U was ordered to provide a further response to DT's earlier request for information, and this was served on 18 March 2020.

Throughout the period covered by this report, QE has maintained ongoing correspondence with the Defendants' legal advisers in order to reach agreement on procedural matters relating to the case, without judicial involvement.

A second CMC was held in the High Court on 2 and 3 July 2020, and arguments were heard (i) from all parties on various disclosure matters, which was the primary focus of the hearing; and (ii) from P4U, DT, Orange and EE on security for costs. Prior to this CMC, P4U had already agreed with the Vodafone Defendants and the O2 Defendants to provide security at 65% of costs, but the applications from DT, Orange and EE sought 75%.

Mr Justice Roth handed down judgments on disclosure and security for costs on 17 and 20 July 2020, respectively, dismissing the application by DT, Orange and EE in the latter case. P4U will therefore be required to provide security at 65% of costs to all Defendants up to the end of the disclosure phase, with amounts and payment schedule to be agreed between P4U and the Defendants in due course.

On 17 July 2020, DT and Orange applied to the High Court for permission to appeal a part of the disclosure judgment that required them to request access to personal devices of certain relevant individuals for the purpose of identifying work-related communications. The judge has granted the permission requested and asked for the appeal to be expedited by the Court of Appeal given the risk of delay to full disclosure. On 7 August 2020, the Vodafone Defendants and the O2 Defendants also filed applications for permission to appeal the same part of the disclosure judgment. The relevant part of the order dated 11 August 2020 has been stayed in respect of DT, Orange and the O2 Defendants (assuming permission is granted) until the determination of their respective appeals. No stay has yet been ordered in respect of the Vodafone Defendants.



Further issues raised at the second CMC in relation to documents held by parties connected to P4U were:

- Provision of emails created by the Joint Administrators (including, for this purpose, their predecessors), dated prior to 15 September 2014, i.e. before the commencement of the P4U administration. P4U is to write to the Defendants explaining why these documents are not within P4U's control (for the purpose of conducting disclosure searches for relevant documents), following which P4U has been directed to write to PwC asking if PwC (i.e. the firm, not P4U or the Joint Administrators themselves) would consent to these documents forming part of P4U's disclosure searches and review (absent a third party disclosure order); and
- Disclosure of the report or return prepared by the Joint Administrators (or their predecessors) pursuant to the Insolvent Companies (Reports on Conduct of Directors) Rules 1996 in April 2015.

P4U has made representations on these issues, which are pending resolution.

In addition to the two judgments referenced above, on 24 July 2020, Mr Justice Roth handed down a judgment regarding another application from DT connected to its request for further information to which P4U responded in March 2020 (this DT application had been due for hearing at the second CMC but, due to shortage of time, was instead decided on the basis of skeleton arguments). DT had requested that the Court place a deadline on the time for P4U to provide specifics of the case against DT, following provision of disclosure, but, in any event, the application was denied.

It is noted that, on the second day of the second CMC, Mr Justice Roth expressed a strong preference for a split trial in this case, given that, in his view, the issues of liability, causation and quantum are sufficiently discrete such that they could better be heard across two trials, as opposed to one. No order was made in this respect, but P4U and the Defendants were requested to make written submissions on this matter and a hearing is scheduled for the week commencing 5 October 2020.

QE continues to address the disclosure process with the Defendants' legal advisers and to advise the Concurrent Administrator in connection with preparation of disclosure on behalf of P4U. Disclosure is due to be provided by all parties by 29 January 2021 and the substantive trial is expected to take place during 2022, although the process (in respect of some aspects of disclosure) may now be delayed as a result of the forthcoming appeal on the scope of disclosure, as set out above.

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 in the Litigation. See Section 8 of this report for further information.

Copies of the public documents relating to the Litigation may be found at <https://www.aldanmanagement.com/phones4u>.

#### MNO Receivables

Prior to the administration, P4U procured customer contracts on behalf of the MNOs and as a result P4U are entitled to receive monies due in respect of these contracts. These monies are known as the "MNO receivables". During the period of the progress report amounts were due from one remaining MNO following settlements with the other MNOs in previous periods.

As stated in our last progress report, the Joint Administrators of Phones 4U Limited reached an agreement to settle the balance of the remaining MNO receivable due. The second instalment of the settlement amounting to £15.5m was received on 31 March 2020, as shown in the enclosed receipts and payments account in Section 8. Combined with the first payment of £30m paid on 1 October 2019 the total settlement amount is £45.5m. This is the final amount owing to the administration in respect of MNO receivables.



Former P4U senior management and employees assisted the Joint Administrators in collecting the MNO receivable amounts and have been paid a commission for doing so.

Sale and wind-down of store network

During this period, we were in the process of surrendering a further property, however this has not yet been completed. Once this surrender completes, it will further enable the reduction of administration expense claims against P4U.

Together with our legal advisors we continue to liaise with landlords of the remaining 10 properties. In addition to the lease that we are in the process of surrendering, we anticipate that the lease of one additional property will expire this year and a further three will expire from 2021 onwards, however we will update creditors further in our next progress report.

## **5.2 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 Covid19 crisis PAS and LSG, the run-off service provider took appropriate actions to ensure the services to PAS customers continued with as little disruption as possible. Actions taken included the establishment of home working for call centre staff and the temporary reduction in customer call centre hours. To date, besides the temporary reduction in call centre opening hours, 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 Covid19 crisis. We continue to closely monitor the situation 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 overall. The customer base has declined more slowly than expected to approximately 86,000 policyholders as at the end of June 2020, Phones 4U Care and Premierplan products having approximately 40,000 and 46,000 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. As outlined above 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. The next planned customer contact process is scheduled to be completed in the Autumn of 2020. 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 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 thinking 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 realisation

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 and manages customer claims and complaints processes on behalf of the underwriter LGI. With the introduction of the Insurance Distribution Directive ("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 22 cases referred to the FOS during the last 12 months, 16 have been adjudicated by the FOS, with 6 awaiting the outcome. None of the 16 adjudicated complaints have been upheld.

Phones 4u Care policies issued from 1 March 2014 to 14 September 2014 were sold under the Connected Contracts Exemption (Article 72B of the RAO) in the UK insurance regulations. Having in advance notified the affected customers, these policies were cancelled as they reached their 60th month in accordance with the policy terms and conditions.

We continue to monitor regulatory changes impacting the market.

#### Subsidiary

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.

The latest board meeting of P4UC was held in May 2020 when a full report of the business was given, and the independent directors continue to be satisfied with trading and governance arrangements. Auditors Crowe Clark Whitehill have completed an audit of the 2019 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.

As at 20 July 2020, some £43.4m has been paid in dividends from P4UC to PAS, of which £1.5m was paid during the period.

### 5.3 Other companies

In earlier sections we have provided details of the main trading companies. We set out below further information on the other Companies that are subject to this report, including the following summary of asset realisations to date.

During the period, the only asset realisations were £905 from the prescribed part dividend from PAS and bank interest of £4,998 in MobileServ Limited. We also realised £319 of bank interest in Phosphorus Acquisition Limited.

Total asset realisations of these other Companies to date are set out in the table below.

Asset realisations (£'000s)	Phones4U Finance plc	MobileServ Limited	Phosphorus Acquisition Limited	Phones 4 U Group Limited
Cash at bank (Sterling account)	4.8	4,020	69	-
Cash at bank (currency account)	-	726	-	-
Employee's loan account	-	55	-	-
Investments	-	445	-	-
Inter-company debtors	-	28	285	-
Interest received	-	326	1.5	-
<b>Total realised</b>	<b>4.8</b>	<b>5,600</b>	<b>356</b>	<b>-</b>

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.



#### **5.4 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 provide an update of the outcome for Noteholders in Section 5.6.

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 2020, 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 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 Section 10).

#### **5.5 Joint Administrators' remuneration**

We have drawn fees up to 31 December 2019 in respect of P4U, MobileServ and PAS and are in the process of drawing fees for the period 1 January 2020 to 31 March 2020; we expect to draw these shortly after the period end. 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 Section 8.

Further information on our remuneration policy, together with all information and analysis required by Statement of Insolvency Practice No.9 and insolvency legislation is set out in Section 7.

Section 7 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 in Section 5 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:

<http://www.icaew.com/~media/Files/Technical/Insolvency/creditors-guides/creditors-guide-administrators-fees-final.pdf>

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

#### **5.6 Outcome for creditors**

##### **Secured creditors**

As previously mentioned, 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 now stands at 86%. We provide our estimated financial outcome statement in Section 10.



Consistent with our previous progress reports, we have not disclosed the estimated potential future recoveries from our litigation work, as to do so would disclose commercially sensitive information and may prejudice the value of realisations in the administrations of the Companies. Office holders, legal and other professional fees incurred to date with regard to the original investigatory work and the Litigation have been incorporated, however future costs have not been included in the forecast.

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

Estimated dividend prospects

#### *Unsecured creditors*

As outlined in previous reports, the prescribed part applies in each of the Companies and we outline below what we believe the dividend prospects may be for each Company.

Company	Dividend likely?	Estimated prescribed part fund	Estimate of unsecured claims	Dividend prospects
Phones 4U Limited	✓ (paid)	£600k	£168m	0.27%
Policy Administration Services Limited	✓ (paid)	£600k	£38m	1.5%
MobileServ Limited	✓ (paid)	£600k	£804m	0.07%
Phosphorus Acquisition Limited	×	Nil	£561m	Nil
Phones4U Finance plc	×	Nil	£92m	Nil
Phones 4 U Group Limited	×	Nil	£69m	Nil

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

Unclaimed prescribed part dividends in respect of Phones 4u Limited and MobileServ Limited have been passed to the Insolvency Service. Any creditors who did not cash their unsecured dividend cheques should therefore contact the Insolvency Service on 0121 698 4268.

Any creditors of PAS who have not yet banked their cheques are urged to do so as soon as possible. Following the expiry of six months from the date of the dividend, any uncashed cheques will be passed to the Insolvency Service.

#### **5.7 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. Note, 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"> <li>Continue Litigation (Concurrent Administrator only);</li> <li>Liaise with the Concurrent Administrator and QE, in particular with reference to the Litigation disclosure process (Joint Administrators);</li> <li>Further and final distributions to Noteholders;</li> <li>Finalise residual trading and property matters;</li> <li>Provide updates to the Committee;</li> <li>Ongoing corporation tax, VAT and regulatory compliance; and</li> <li>Recovery of monies held by the Security Trustee and GLAS Trust Corporation Limited.</li> </ul>
Policy Administration Services Limited	<ul style="list-style-type: none"> <li>Facilitate ongoing trading and implement the current strategy to maximise realisations from future profitable trading, being a long-term run-off scenario, which is expected to continue for at least two years;</li> <li>Formulate an agreed closure plan with all stakeholders, including LSG, LGI, P4UC and the regulators;</li> <li>Finalise tax and VAT matters and obtain clearance from HMRC; and</li> <li>Further and final distributions to Noteholders.</li> </ul>
MobileServ Limited	<ul style="list-style-type: none"> <li>Realise intercompany assets from other Group companies in the case of further realisations in those entities;</li> <li>Realise remaining outstanding debtors; and</li> <li>Complete ongoing statutory and compliance, tax and VAT matters until such a time that the administrations can be brought to an end.</li> </ul>
Phones 4 U Group Limited	<ul style="list-style-type: none"> <li>Realise any inter-company assets from Group companies;</li> </ul>
Phones4u Finance plc	<ul style="list-style-type: none"> <li>Deal with ongoing statutory and compliance, tax and VAT matters until such a time that the administration can be brought to an end; and</li> </ul>
Phosphorus Acquisition Limited	<ul style="list-style-type: none"> <li>Finalise tax and VAT matters and obtain clearance from HMRC</li> </ul>

## 5.8 Ending the administrations

We previously advised that we would seek a further extension of the administrations due to the expected timeline of the Litigation and continued profitability of Policy Administration Services Limited. Our application to extend the administrations to 15 March 2023 was submitted to the Court, and following a subsequent hearing on 11 March 2020, we are pleased to confirm that the extensions of the administrations were granted by the Court.

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.

## 5.9 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.

## 5.10 Next report

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



## 6. Statutory and other information relating to the administrations

Registered name:	Phones 4U Limited	Phones 4 U Group Limited	Phones4U Finance plc	MobileServ Limited	Phosphorus Acquisition Limited	Policy Administration Services Limited
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, 8 <sup>th</sup> Floor, 29 Wellington Street, Leeds, LS1 4DL					
Appointment date:	15 September 2014	15 September 2014	15 September 2014	15 September 2014	15 September 2014	16 September 2014
	23 November 2018 (Paul David Copley as Concurrent Administrator)					
Administrators' names and addresses:	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 ( <b>Phones 4U Limited only</b> ) Contact: <a href="mailto:matthew.j.duckworth@pwc.com">matthew.j.duckworth@pwc.com</a> for P4u.					Douglas Nigel Rackham and David James Kelly (both of the London address shown on the left) Contact: <a href="mailto:rajan.kalsi@pwc.com">rajan.kalsi@pwc.com</a> for PAS
Extensions to the administrations:	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) or (c) - 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 realising property in order to make a distribution to one or more secured or preferential creditors.					



Registered name:	Phones 4U Limited	Phones 4 U Group Limited	Phones4U Finance plc	MobileServ Limited	Phosphorus Acquisition Limited	Policy Administration Services Limited
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Appointor/s/applicant'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.					
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Split of the Administrators' responsibilities:	In relation to Paragraph 100(2) Sch.B1 IAG6, 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 ("Joint Administrators"). 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.					
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## 7. Administrators' remuneration and disbursements

### 7.1 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.

### 7.2 Hourly rates

Set out below are the relevant charge-out rates per hour worked for the grades of staff actually or likely to be involved in these assignments. Time is charged by reference to actual work carried out on these assignments. There has been no allocation of any general overhead costs. The rates for the Joint Administrators and their staff are our normal rates for complex assignments.

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

Specialist departments within our firm such as tax, VAT, property and pensions may charge time to these assignments if and when we require their expert advice. Such specialists' rates vary but the figures below provide an indication of the maximum rate per hour.

All staff who work on these assignments (including cashiers, support and secretarial staff) charge time directly to these assignments and are included within any analysis of time charged. Each grade of staff is allocated an hourly charge out rate which is reviewed from time to time. Work undertaken by cashiers, support and secretarial staff is charged for separately and is not included in the hourly rates charged by partners or other members of staff. Time is charged by reference to actual work carried out on these assignments in six-minute units. The minimum time chargeable is three minutes (i.e. 0.05 hours).

In common with all professional firms, the scale rates used may periodically rise (for example to cover annual inflationary cost increases) over the period of the administrations. The following table shows the applicable rates for the period covered by this report:

With effect from 1 July 2019	Administrators' and their staff Rate per hour (£)	Specialist staff Maximum rate per hour (£)
Partner	910	1,385
Director	800	1,275
Senior Manager	605	1,290
Manager	525	775
Senior Associate	435	575
Senior Associate (unqualified)	325	330
Associate	270	285
Support staff	140	170

*Hourly rates quoted are exclusive of VAT.*



With effect from 1 July 2020	Administrators' and their staff Rate per hour (£)	Specialist staff Maximum rate per hour (£)
Partner	955	1,385
Director	840	1,275
Senior Manager	665	1,290
Manager	575	775
Senior Associate	465	575
Associate	297	285
Support staff	155	170

Any material amendments to these rates will be advised in our next report to creditors.

### 7.3 Payments to associates

We have made no payments to associates in the period covered by this report.

### 7.4 Narrative of work undertaken

Later in this section we have included tables showing our time costs from 21 January 2020 to 20 July 2020 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"> <li>Oversight of case progression and strategic decisions by appointment takers and other project management;</li> <li>Strategy for extension of the administrations to March 2023;</li> <li>Budgeting and cost analysis;</li> <li>Team strategy and progress meetings;</li> <li>Liaising with key stakeholder groups;</li> <li>Preparing various forecasts, including but not limited to; cash flows and outcome statements;</li> <li>Liaison with legal and other advisors regarding ongoing matters in the administrations; and</li> <li>Consideration of strategic approach in dealing with complex and interrelated work streams and associated legal and financial input and analysis.</li> </ul> <p><i>(Policy Administration Services Limited only)</i></p> <ul style="list-style-type: none"> <li>Ongoing planning for the closure of the PAS scheme.</li> <li>Strategy and planning in regards to potential extension of the administration.</li> </ul> <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.

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
Trading	<p>(Policy Administration Services Limited only)</p> <ul style="list-style-type: none"> <li>Monitoring the trading activities of the insurance business and performance of LSG including the operations of the customer call centre and claims handling processes;</li> <li>Reviewing data, analytics and all management information;</li> <li>Attending monthly board meetings with the LSG PAS team to discuss the strategy and progress of the scheme;</li> <li>Monthly operational meetings with LSG to discuss performance;</li> <li>Reviewing service level agreements and qualitative metrics used to measure the LSG's performance;</li> <li>Reviewing claims referred to the FOS and identifying root causes.</li> </ul> <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.
MNO Receivables	<ul style="list-style-type: none"> <li>Reviewing, assessing and collecting MNO settlement balances;</li> <li>Paying commissions that fell due.</li> </ul>	Enhanced asset realisations.
Litigation	<ul style="list-style-type: none"> <li>Liaising with the Concurrent Administrator as required on potential claims against third parties; and</li> <li>Retaining significant cash reserves to fund potential claims against third parties.</li> </ul> <p>Due to the potentially material and commercially sensitive nature of these investigations, it is not appropriate to disclose any further information.</p>	Enhanced asset realisations.
Property	<ul style="list-style-type: none"> <li>Liaising with landlords and their agents / solicitors regarding surrender of leases;</li> <li>Liaising with our solicitors with regard to surrender of leases and re-let properties;</li> <li>Liaising with landlords and responding to queries; and</li> <li>Maintaining our property files with progress against each store.</li> </ul> <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.

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
Other matters	<ul style="list-style-type: none"> <li>Settlement with IT service provider for use of systems post-administration; and</li> <li>Liaising with our insurers for the purpose of maintaining adequate insurance cover for assets and risks in the post-appointment period.</li> </ul> <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"> <li>Attending board meetings with P4UC to oversee the running of the subsidiary.</li> </ul> <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"> <li>Planning and preparation of financial and operational information for creditors;</li> <li>Preparing for and following up on Noteholder meetings;</li> <li>Maintaining information on our dedicated website;</li> <li>Formulating and delivering our communication strategy;</li> <li>General creditor and customer enquiries;</li> <li>Receiving incoming proof-of-debt forms from unsecured creditors;</li> <li>Maintaining a database of creditor claims;</li> <li>Paying over any uncashed dividends that are over six months old in P4U and MobileServ to the ISA;</li> <li>Maintaining the creditor helpline and mailbox in respect of creditor claims.</li> </ul> <p><i>(Policy Administration Services Limited only)</i></p> <ul style="list-style-type: none"> <li>Preparation for paying over any uncashed dividends that are over six months old in PAS to the ISA;</li> <li>Maintaining the creditor helpline and mailbox in respect of creditor claims.</li> </ul> <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"> <li>Preparing and submitting quarterly VAT returns to HMRC;</li> <li>Regular detailed reconciliations of transactions for VAT purposes; and</li> <li>Liaising with HMRC.</li> </ul>	<p>Statutory and regulatory responsibilities.</p>

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
	This work was necessary to comply with our legal obligation to submit tax returns, to reach certainty on the post-administration tax position.	
Tax	<ul style="list-style-type: none"><li>Preparation and submission of the FY19 corporation tax pack, including analysis with respect to the receipt and payment information for the period.</li><li>Technical research with respect to P4U Ltd.'s status as a 'large company' for corporate tax payment purposes.</li><li>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.</li><li>Consideration of MNO book debts provision position including impact on the tax computation and loss position.</li><li>Ad hoc tax compliance matters e.g. liaising with HMRC on general issues.</li></ul> <p>(Policy Administration Services only)</p> <ul style="list-style-type: none"><li>Filing tax returns and making quarterly payments on account.</li><li>Calculating and paying income tax due on interest payments on customer refunds.</li><li>Considering the tax efficiency of the PAS scheme.</li></ul> <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"><li>Dealing with general accounting and treasury functions, including payments, receipts and journal postings; and</li><li>Actively managing cash holdings, including regular money market investments to increase returns whilst ensuring credit risk is appropriately managed.</li></ul> <p>(Policy Administration Services only)</p> <ul style="list-style-type: none"><li>Collecting premiums and making refunds to customers and reconciliations to bank balance and cash flow.</li><li>Transferring premiums to insurer account, including reconciliation and sign off from appointees.</li><li>Liaising with Lloyds Bank regarding efficient and cost-effective transfer of premiums.</li><li>Operating finance functions, including bank account transfers and payment requisitions.</li><li>Managing funds held in order to maximise interest returns.</li></ul> <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>	Ensured funds are managed securely and that such funds are generating returns.  Complying with statutory and regulatory duties regarding the holding and accounting for funds.

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
Statutory and compliance	<ul style="list-style-type: none"> <li>• Preparing and issuing our eleventh progress report to creditors;</li> <li>• Preparing the witness statement and liaising with our solicitors for the extension of the administrations to March 2023;</li> <li>• Planning for statutory deadlines and collation of requisite information;</li> <li>• Maintaining cash records and filings;</li> <li>• Dealing with inbound post and other correspondence; and</li> <li>• Completing case management tasks on the case database.</li> </ul> <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"> <li>• Liaising with third party storage providers in relation to company books and records that we have a legal obligation to maintain.</li> </ul> <p>This work was necessary to ensure the proper stewardship of company books and records.</p>	Statutory and regulatory responsibilities.

## 7.5 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"> <li>Ongoing preparation of estimated outcome statements, budgets, forecasts and other financial reporting tools;</li> <li>In depth consideration of strategic approach in dealing with complex and interrelated work streams;</li> <li>Strategy meetings, decisions and project management by the appointment takers;</li> <li>Liaising with external advisors in relation to complex work streams within the administration; and</li> <li>Progressing ongoing matters within the administrations.</li> </ul> <p><i>(Policy Administration Services only)</i></p> <ul style="list-style-type: none"> <li>Consideration of strategic approach in planning for a smooth exit of the business once it is no longer viable for PAS to continue trading</li> </ul>	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"> <li>Actively monitoring the insurance business, its activities and those of LSG in including operations of the customer call centre and claims processes;</li> <li>Determining how best to promote the longevity of the scheme;</li> <li>Ongoing monitoring of the profit and loss and balance sheet, comparing forecast and actuals; and</li> <li>Managing and updating communications to all policyholders.</li> </ul>	1.10	Maintaining profitability of the PAS business for the benefit of creditors.

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
Assets (including MNO receivables, investigations, Litigation and other assets) *	<ul style="list-style-type: none"> <li>Liaising with legal and other advisors regarding the progression of Litigation work streams;</li> <li>Active management of cash holdings, including placing regular money market investments to increase returns;</li> <li>Collection of outstanding debtors due.</li> </ul> <p>(Policy Administration Services only)</p> <ul style="list-style-type: none"> <li>Continue to monitor the performance and governance of P4UC; and</li> <li>Ensure P4UC has appropriate closure plans.</li> </ul>	0.38*	Enhanced asset realisations for the administrations.
Property	<ul style="list-style-type: none"> <li>Manage and reduce any liabilities we have with respect to the property portfolio including ongoing leases and utility payments.</li> </ul>	0.01	Mitigate claims against the administrations.
Creditors and Committee	<ul style="list-style-type: none"> <li>Pay over any uncashed dividends that are over six months old to the ISA (PAS only);</li> <li>Arranging, preparing for and attending meetings of the Committee;</li> <li>Respond to creditor queries; and</li> <li>When appropriate, declare and pay future interim and final distributions to secured creditors.</li> </ul>	0.15	Direct benefit to creditors through payment of distributions and provision of information.
VAT liabilities	<ul style="list-style-type: none"> <li>Ongoing drafting and submission of quarterly VAT returns;</li> <li>Finalise VAT matters and obtain clearance from HMRC;</li> <li>Reconciliation of the companies' VAT position on a regular basis to ensure transactions are correctly accounted for; and</li> <li>Liaison with HMRC as required.</li> </ul>	0.25	Statutory and regulatory requirements.
Tax	<ul style="list-style-type: none"> <li>Drafting and submission of corporation tax returns; and</li> <li>Ongoing liaison with HMRC.</li> <li>Finalise tax matters and obtain clearance from HMRC</li> </ul> <p>(Policy Administration Services only)</p> <ul style="list-style-type: none"> <li>Filing tax returns and making quarterly payments on account; and</li> </ul>	0.28	Statutory and regulatory requirements and enables reaching certainty on the post-administration tax position.

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
	<ul style="list-style-type: none"> <li>Calculating and paying income tax on interest payments on customer funds.</li> </ul>		
Accounting and treasury	<ul style="list-style-type: none"> <li>Arranging payment of expenses of the administration when they fall due;</li> <li>Dealing with receipts and journals to maintain accurate accounting records;</li> <li>Actively monitoring and dealing with funds invested on the money markets;</li> <li>Carrying out periodic bank reconciliations; and</li> <li>Corresponding with the bank regarding specific transfers.</li> </ul>	0.51	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"> <li>Drafting and circulating six monthly progress reports to unsecured creditors;</li> <li>Ongoing compliance with regulatory requirements;</li> <li>Maintaining case files; and</li> <li>Dealing with inbound correspondence and queries.</li> </ul>	1.00	Statutory and regulatory requirements.
Closure	<ul style="list-style-type: none"> <li>Dealing with closure formalities;</li> <li>Obtaining tax and VAT clearances from HMRC;</li> <li>Obtaining clearances from external third parties with regard to commitments made during the administrations; and</li> <li>Closing down internal systems.</li> </ul>	0.44	Ensure that the Companies' affairs are wound down in an orderly manner.

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





## 7.6 Disbursement policy

Our firm's expenses policy allows for all properly incurred expenses to be recharged to the administrations. Disbursements are charged to the administrations as shown below.

SIP9 defines 'Category 2' expenses as those that are "directly referable to the appointment in question but not to a payment to an independent third party. They may include shared or allocated costs that may be incurred by the office holder and their firm, and that can be allocated to the appointment on a proper and reasonable basis".

All other disbursements are 'Category 1' disbursements which are reimbursed at cost. SIP9 defines 'Category 1' disbursements as "payments to independent third parties where there is specific expenditure directly referable to the appointment in question". These may include, for example, advertising, room hire, storage, postage, telephone charges, travel expenses, and equivalent costs reimbursed to the office holder or his staff.

A summary of other legal and professional firms instructed in the administrations is at Section 7.8 below.

A summary of the disbursements incurred from 21 January 2020 to 20 July 2020 is provided below.

### Phones 4U Limited – in administration

Summary of disbursements incurred to 20 July 2020

Category	Policy	15 September 2014 to 20 January 2020 (£)	21 January 2020 to 20 July 2020 (£)	Total to 20 July 2020 (£)
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. We negotiated a reduction in rates with the PwC Legal LLP. The reduced rates were applied from 11 February 2016 and are set out below with the previous rates included in brackets.	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.	33,598.00	3,000.00	36,598.00
	Hosting - at £25 per Gigabyte of data processed per calendar month	290,732.00	43,860.00	334,592.00
	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	35,601.05	-	35,601.05
	Concurrent Administrator disbursements	247.00	-	247.00
	Hotel accommodation	35,143.90	-	35,143.90
	Rail fares	27,003.48	159.00	27,162.48
	Air fares	45,474.16	-	45,474.16
	Postage	53,898.77	68.50	53,967.27
	Subsistence costs	9,562.09	-	9,562.09
	Taxi fares	7,878.46	-	7,878.46
	Mobile phone usage	1,933.77	-	1,933.77
	Other	22,584.11	201.45	22,785.56
	<b>Total</b>	<b>1,081,814.61</b>	<b>47,288.95</b>	<b>1,129,103.56</b>

#### Phones 4 U Group Limited – in administration

##### Summary of disbursements incurred to 20 July 2020

Category	Policy	15 September 2014 to 20 January 2020 (£)	21 January 2020 to 20 July 2020 (£)	Total to 20 July 2020 (£)
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	607.16	9,340.95	9,948.11
	<b>Total</b>	<b>785.09</b>	<b>9,340.95</b>	<b>10,126.04</b>

#### Phones4U Finance plc – in administration

##### Summary of disbursements incurred to 20 July 2020

Category	Policy	15 September 2014 to 20 January 2020 (£)	21 January 2020 to 20 July 2020 (£)	Total to 20 July 2020 (£)
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
	<b>Total</b>	<b>3,689.51</b>	<b>-</b>	<b>3,689.51</b>

**MobileServ Limited – in administration**  
Summary of disbursements incurred to 20 July 2020

Category	Policy	15 September 2014 to 20 January 2020 (£)	21 January 2020 to 20 July 2020 (£)	Total to 20 July 2020 (£)
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
1	All other disbursements reimbursed at cost	604.32	-	604.32
	<b>Total</b>	<b>779.90</b>	<b>-</b>	<b>779.90</b>

**Phosphorus Acquisition Limited – in administration**  
Summary of disbursements incurred to 20 July 2020

Category	Policy	15 September 2014 to 20 January 2020 (£)	21 January 2020 to 20 July 2020 (£)	Total to 20 July 2020 (£)
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
	<b>Total</b>	<b>558.53</b>	<b>-</b>	<b>558.53</b>

**Policy Administration Services Limited – in administration**  
Summary of disbursements incurred to 20 July 2020

Category	Policy	15 September 2014 to 20 January 2020 (£)	21 January 2020 to 20 July 2020 (£)	Total to 20 July 2020 (£)
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	12,515.23	143.00	12,658.23
	Hotel accommodation	7,175.69	72.00	7,247.69
	Subsistence costs	3,416.13	161.28	3,577.41
	Taxi fares	2,087.13	23.00	2,110.13
	Car hire charges	1,485.92	-	1,485.92
	Postage	13.46	-	13.46
	Air fares	881.79	-	881.79
	Other	2,185.34	16.03	2,201.37
	<b>Total</b>	<b>33,115.63</b>	<b>415.31</b>	<b>33,530.94</b>



## 7.7 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 £290m 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 86%.

We explained in Section 5 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 in Section 7.11 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.

## 7.8 Summary of legal and other professional firms

To date, we have instructed the following professionals and sub-contractors on these cases:

Service provided	Name of firm / organisation	Basis of fees
Business rates refund collections	CAPA	Commission
Business rates refund collections	Exacta Plc	Commission
Electronic data retrieval & removal	OCM Business Systems Limited	Time and expenses
Insurance broker	JLT Speciality Limited	Insurance policy cost
Lease assignments	Eversheds LLP	Time and expenses
Legal services	Shakespeares Legal LLP	Time and expenses
Legal investigation services	Quinn Emmanuel Urquhart & Sullivan LLP	Time and expenses
Legal services and advice	Allen & Overy LLP	Time and expenses
Legal services in relation to deeds	Knights Solicitors LLP	Time and expenses
Property consultants	Retail Agents 210 Limited	Time and expenses
Sale of leasehold properties agent	Prime Retail Property Consultants LLP	Commission
Utility management	GMS Legal Services Limited	Fixed fee per site
Employee legal services	PwC Legal LLP	Time and expenses
Property legal services	DLA Piper LLP	Time and expenses

Please note that the above table provides only a list of professionals and agents engaged by us on behalf of the Companies and does not seek to provide an exhaustive list of all suppliers used in the ordinary course of trading.



Our choice of the above legal and professional advisors was based upon our perception of the advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of the fee arrangement with them.

We require all third-party professionals to submit time costs analyses and narrative or a schedule of realisations achieved in support of invoices rendered. We review third party costs to ensure they are reasonable in the circumstances of the case.

#### **7.9 Business relationships**

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

#### **7.10 Sub-contractors**

The table in Section 7.8 includes sub-contractors we have used on these cases where the work could have otherwise been done by ourselves. This principally relates to the business rates refunds and utility and property management work.

In the circumstances of the case we are satisfied that sub-contracting the work was more cost effective and therefore in the best interest of creditors.

#### **7.11 Analysis of our time costs**

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.

Please be advised that, our ongoing review of our costs has identified errors with regard to certain prior charge out rates, which have now been rectified. The brought forward balances may therefore not match the previous report.



# **Phones 4U Limited – in administration**

Analysis of time costs for the period 21 January 2020 to 20 July 2020

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
Strategy & Planning	-	-	13.10	0.50	3.20	-	-	16.80	9,255.50	550.92
Sale of business	3.00	-	-	-	-	-	-	3.00	2,730.00	910.00
Book debt realisations	-	-	-	4.75	-	-	-	4.75	2,493.75	525.00
Property	1.00	-	-	0.40	0.90	-	-	2.30	1,412.50	614.13
Other assets	2.60	-	8.90	5.00	0.70	-	-	15.20	9,448.00	621.58
MNO Receivables	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-	-	-	-
Litigation	7.80	-	16.20	15.20	1.10	13.70	-	54.00	28,128.00	520.89
Retention of title	-	-	-	-	-	-	-	-	-	-
Trading	-	-	-	-	-	-	-	-	-	-
Accounting and treasury	11.60	4.00	25.10	105.85	208.15	36.95	1.70	393.35	188,153.45	473.25
Statutory and compliance	1.20	-	13.10	35.35	18.90	0.20	-	68.75	33,772.75	491.24
Employees & pensions	-	-	0.60	2.50	0.30	-	0.10	3.50	2,393.50	683.86
Creditors	-	-	0.70	0.90	1.35	2.75	-	5.70	1,819.75	319.25
Creditors committee	-	-	-	5.00	-	-	-	5.00	2,625.00	525.00
Tax	29.20	3.30	-	1.80	27.10	11.30	0.30	73.00	62,835.00	860.75
VAT	0.10	-	7.90	0.90	14.55	1.00	-	24.45	17,149.25	701.40
Books and records	-	-	-	4.75	-	-	-	4.75	1,710.00	360.00
Closure procedures	-	-	-	0.50	-	-	-	0.50	262.50	525.00
<b>Total</b>	<b>58.50</b>	<b>7.30</b>	<b>83.60</b>	<b>183.40</b>	<b>276.25</b>	<b>65.90</b>	<b>2.10</b>	<b>675.05</b>	<b>382,188.95</b>	<b>536.54</b>



**Phones 4U Limited – in administration**

Concurrent Administrator time costs for the period 21 January 2020 to 20 July 2020

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
Litigation	105.20	16.80						122.00	110,316.00	904.23
Statutory and compliance	9.20							9.20	8,381.00	910.98
Creditors	4.00							4.00	3,649.00	912.25
<b>Total</b>	<b>118.40</b>	<b>16.80</b>						<b>135.20</b>	<b>122,346.00</b>	<b>904.93</b>



**Phones 4U Limited – in administration**  
Aggregate time cost summary to 20 July 2020

Aspect of assignment	Total hours	Time cost £	Average hourly rate £	Estimated future hours	Estimated future costs £	Estimated total cost £	Average hourly rate £
Strategy & Planning	3,847	2,061,903	536	350	520,750	2,582,653	615
Sale of business	935	500,683	535	-	-	500,683	535
Book debt realisations	377	176,386	468	-	-	176,386	468
Property	2,737	1,149,232	420	25	10,500	1,159,732	420
Other assets	2,358	1,063,468	451	-	100,000	1,163,468	493
MNO Receivables	3,663	1,739,407	475	Note 1	Note 1	Note 1	Note 1
Investigations	2,872	1,247,163	434	Note 1	Note 1	Note 1	Note 1
Litigation	54	28,128	521	Note 1	Note 1	Note 1	Note 1
Retention of title	1,015	424,411	418	-	-	424,411	418
Trading	2,211	947,358	429	-	-	947,358	429
Accounting and treasury	3,385	1,224,687	362	200	165,000	1,389,687	388
Statutory and compliance	3,604	1,493,700	414	1,300	490,000	1,983,700	404
Employees & pensions	4,643	1,475,779	318	10	-	1,475,779	317
Creditors	7,311	3,107,116	425	500	52,500	3,159,616	405
Creditors committee	326	167,641	515	25	-	167,641	478
Tax	2,686	1,438,720	536	150	100,000	1,538,720	543
VAT	4,515	3,290,212	729	150	100,000	3,390,212	727
Books and records	985	275,346	279	20	25,000	300,346	299
Closure procedures	7	2,597	356	450	150,000	152,597	334
<b>Total</b>	<b>47,532</b>	<b>21,813,939</b>	<b>459</b>	<b>3,180</b>	<b>1,713,750</b>	<b>23,527,689</b>	<b>464</b>

**Note 1**

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





**Phones 4 U Group Limited – in administration**  
Analysis of time costs for the period 21 January 2020 to 20 July 2020

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	91.00	910.00
Sale of business	-	-	-	-	-	-	-	-	-	-
Book debt realisations	-	-	-	-	-	-	-	-	-	-
Property	-	-	-	-	-	-	-	-	-	-
Other assets	3.30	-	-	-	-	-	-	3.30	3,003.00	910.00
Retention of title	-	-	-	-	-	-	-	-	-	-
Trading	-	-	-	-	-	-	-	-	-	-
Accounting and treasury	1.60	-	-	0.20	4.55	-	-	6.35	3,382.75	532.72
Statutory and compliance	0.20	-	-	1.40	7.50	-	-	9.10	3,354.50	368.63
Employees & pensions	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	-	-	-	-	-	-
Creditors committee	-	-	-	-	-	-	-	-	-	-
Tax	-	-	-	-	0.60	-	-	0.60	213.00	355.00
VAT	-	-	-	-	0.15	-	-	0.15	48.75	325.00
Books and records	-	-	-	-	-	-	-	-	-	-
Closure procedures	-	-	-	0.10	-	-	-	0.10	52.50	525.00
<b>Total</b>	<b>5.20</b>	<b>-</b>	<b>-</b>	<b>1.70</b>	<b>12.60</b>	<b>-</b>	<b>-</b>	<b>19.70</b>	<b>10,145.50</b>	<b>515.00</b>



**Phones 4 U Group Limited – in administration**  
Aggregate time cost summary to 20 July 2020

Aspect of assignment	Total hours	Time cost £	Average hourly rate £	Estimated future hours	Estimated future costs £	Estimated total cost £	Average hourly rate £
Strategy & Planning	49.04	34,374.57	701.00	17.50	17,990.85	52,365.42	786.98
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	5.45	4,793.00	879.45	-	-	4,793.00	879.45
Retention of title	-	-	-	-	-	-	-
Investigations	8.10	6,756.50	834.14	-	-	6,756.50	834.14
Trading	18.95	8,198.75	432.65	-	-	8,198.75	432.65
Accounting and treasury	25.25	9,761.55	386.60	8.00	9,611.55	19,373.10	582.65
Statutory and compliance	163.26	61,150.65	374.56	17.60	29,820.45	90,971.10	502.99
Employees & pensions	1.40	550.00	392.86	-	-	550.00	392.86
Creditors	16.20	6,389.45	394.41	-	-	6,389.45	394.41
Creditors committee	0.10	29.00	290.00	-	-	29.00	290.00
Tax	42.45	22,217.00	523.37	12.50	26,616.60	48,833.60	888.69
VAT	13.25	5,121.85	386.55	12.50	26,616.60	31,738.45	1,232.56
Books and records	3.85	1,472.90	382.57	-	-	1,472.90	382.57
Closure procedures	2.30	1,150.50	500.22	15.00	10,000.00	11,150.50	644.54
<b>Total</b>	<b>359.95</b>	<b>169,152.22</b>	<b>469.93</b>	<b>83.10</b>	<b>120,656.05</b>	<b>289,808.27</b>	<b>654.12</b>



# **Phones4U Finance plc – in administration**

Analysis of time costs for the period 21 January 2020 to 20 July 2020

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
Strategy & Planning	-	-	-	-	-	-	-	-	-	-
Sale of business	-	-	-	-	-	-	-	-	-	-
Book debt realisations	-	-	-	-	-	-	-	-	-	-
Property	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Retention of title	-	-	-	-	-	-	-	-	-	-
Trading	-	-	-	-	-	-	-	-	-	-
Accounting and treasury	-	-	-	0.30	5.65	0.40	-	6.35	2,496.25	393.11
Statutory and compliance	-	-	-	1.40	7.50	-	-	8.90	3,172.50	356.45
Employees & pensions	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	-	-	-	-	-	-
Creditors committee	-	-	-	-	-	-	-	-	-	-
Tax	-	-	-	-	1.20	-	-	1.20	423.00	352.50
VAT	-	-	-	-	0.15	-	-	0.15	48.75	325.00
Books and records	-	-	-	-	-	-	-	-	-	-
Closure procedures	-	-	-	0.10	-	-	-	0.10	52.50	525.00
<b>Total</b>	-	-	-	<b>1.80</b>	<b>14.50</b>	<b>0.40</b>	-	<b>16.70</b>	<b>6,193.00</b>	<b>370.84</b>



**Phones4U Finance plc – in administration**  
Aggregate time cost summary to 20 July 2020

Aspect of assignment	Total hours	Time cost £	Average hourly rate £	Estimated future hours	Estimated future costs £	Estimated total cost £	Average hourly rate £
Strategy & Planning	23.15	10,538.75	455.24	17.50	17,990.85	28,529.60	701.84
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	30.40	11,021.90	362.56	8.00	9,611.55	20,633.45	537.33
Statutory and compliance	160.32	57,267.85	357.21	17.60	29,820.45	87,088.30	489.48
Employees & pensions	10.40	2,615.00	251.44	-	-	2,615.00	251.44
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	13.15	4,382.15	333.24	12.50	26,616.60	30,998.75	1,208.53
VAT	18.45	5,838.10	316.43	12.50	26,616.60	32,454.70	1,048.62
Books and records	0.45	165.50	367.78	-	-	165.50	367.78
Closure procedures	0.10	52.50	525.00	15.00	10,000.00	10,052.50	665.73
<b>Total</b>	<b>298.42</b>	<b>106,795.40</b>	<b>357.87</b>	<b>83.10</b>	<b>120,656.05</b>	<b>227,451.45</b>	<b>596.17</b>



# **MobileServ Limited – in administration**

Analysis of time costs for the period 21 January 2020 to 20 July 2020

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
Strategy & Planning	-	-	-	-	1.00	-	-	1.00	325.00	325.00
Sale of business	-	-	-	-	-	-	-	-	-	-
Book debt realisations	0.10	-	-	4.65	-	-	-	4.75	2,532.25	533.11
Property	-	-	-	-	-	-	-	-	-	-
Other assets	0.40	-	3.00	-	-	-	-	3.40	2,179.00	640.88
Retention of title	-	-	-	-	-	-	-	-	-	-
Trading	-	-	-	-	-	-	-	-	-	-
Accounting and treasury	0.60	-	1.10	12.05	10.05	0.70	-	24.50	13,068.00	533.39
Statutory and compliance	-	-	-	1.60	7.50	-	-	9.10	3,277.50	360.16
Employees & pensions	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-	-	-	-
Creditors	-	-	0.20	-	-	-	-	0.20	121.00	605.00
Creditors committee	-	-	-	-	-	-	-	-	-	-
Tax	-	-	-	3.50	2.55	-	-	6.05	3,632.75	600.45
VAT	-	-	-	-	0.15	-	-	0.15	48.75	325.00
Books and records	-	-	-	-	-	-	-	-	-	-
Closure procedures	-	-	-	0.25	-	-	-	0.25	131.25	525.00
<b>Total</b>	<b>1.10</b>	<b>-</b>	<b>4.30</b>	<b>22.05</b>	<b>21.25</b>	<b>0.70</b>	<b>-</b>	<b>49.40</b>	<b>25,315.50</b>	<b>512.46</b>



**MobileServ Limited – in administration**  
Aggregate time cost summary to 20 July 2020

Aspect of assignment	Total hours	Time cost £	Average hourly rate £	Estimated future hours	Estimated future costs £	Estimated total cost £	Average hourly rate £
Strategy & Planning	33.20	15,430.80	464.78	17.50	17,990.85	33,421.65	659.20
Sale of business	0.15	81.00	540.00	-	-	81.00	540.00
Book debt realisations	7.95	4,004.25	503.68	-	-	4,004.25	503.68
Property	0.10	46.00	460.00	-	-	46.00	460.00
Other assets	36.20	17,188.40	474.82	10.00	10,000.00	27,188.40	588.49
MNO Receivables	0.75	405.00	540.00	-	-	405.00	540.00
Investigations	5.80	1,889.50	325.78	-	-	1,889.50	325.78
Trading	1.50	925.50	617.00	-	-	925.50	617.00
Accounting and treasury	77.75	29,825.35	383.61	8.00	9,611.55	39,436.90	459.91
Statutory and compliance	179.45	63,835.30	355.73	17.60	29,820.45	93,655.75	475.29
Employees & pensions	0.20	59.00	295.00	-	-	59.00	295.00
Creditors	62.34	26,985.82	432.88	2.00	800.00	27,785.82	431.86
Creditors committee	0.40	116.00	290.00	-	-	116.00	290.00
Tax	78.85	37,608.95	476.97	12.50	26,616.60	64,225.55	703.07
VAT	2.05	620.10	302.49	12.50	26,616.60	27,236.70	1,871.94
Books and records	4.45	1,394.50	313.37	-	-	1,394.50	313.37
Closure procedures	0.25	131.25	525.00	15.00	10,000.00	10,131.25	664.34
<b>Total</b>	<b>491.39</b>	<b>200,546.72</b>	<b>408.12</b>	<b>95.10</b>	<b>131,456.05</b>	<b>332,002.77</b>	<b>566.08</b>



**Policy Administration Services Limited – in administration**  
Analysis of time costs for the period 21 January 2020 to 20 July 2020

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
Strategy & Planning	-	-	0.05	-	5.95	-	-	6.00	2,139.00	356.50
Sale of business	-	-	-	-	-	-	-	-	-	-
Book debt realisations	-	-	-	-	-	-	-	-	-	-
Property	-	-	-	-	-	-	-	-	-	-
Other assets	0.50	-	-	-	0.10	-	-	0.60	487.50	812.50
Retention of title	-	-	-	-	-	-	-	-	-	-
Trading	0.40	18.50	-	354.50	402.15	-	-	775.55	377,564.75	486.83
Accounting and treasury	0.20	-	0.45	16.65	24.65	24.80	-	66.75	25,623.60	383.87
Statutory and compliance	0.40	-	-	11.15	64.25	0.10	-	75.90	33,312.20	438.90
Employees & pensions	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-	-	-	-
Creditors	-	-	-	0.40	0.20	-	-	0.60	303.00	505.00
Creditors committee	-	-	-	-	-	-	-	-	-	-
Tax	-	-	0.40	6.00	21.20	-	-	27.60	13,748.50	498.13
VAT	-	-	4.00	-	0.45	-	-	4.45	5,320.25	1,195.58
Books and records	-	-	-	-	-	-	-	-	-	-
Closure procedures	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1.50</b>	<b>18.50</b>	<b>4.90</b>	<b>388.70</b>	<b>518.95</b>	<b>24.90</b>	<b>-</b>	<b>957.45</b>	<b>458,498.60</b>	<b>478.87</b>



**Policy Administration Services Limited – in administration**  
Aggregate time cost summary to 20 July 2020

Aspect of assignment	Total hours	Time cost £	Average hourly rate £	Estimated future hours	Estimated future costs £	Estimated total cost £	Average hourly rate £
Strategy & Planning	867	351,283	405	910	462,377	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	9,528	4,385,627	460	1,637	873,710	5,259,337	471
Accounting and treasury	1,114	379,427	341	803	432,045	811,472	423
Statutory and compliance	1,693	689,107	407	458	276,203	965,310	449
Employees & pensions	205	87,078	425	-	-	87,078	425
Investigations	9	3,239	352	-	-	3,239	352
Creditors	369	154,804	419	170	84,594	239,398	444
Creditors committee	49	21,725	439	62	29,839	51,564	464
Tax	466	232,879	500	170	96,139	329,018	517
VAT	206	168,872	818	174	65,552	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
<b>Total</b>	<b>15,458</b>	<b>6,901,569</b>	<b>446</b>	<b>5,557</b>	<b>2,904,764.66</b>	<b>9,806,333</b>	<b>467</b>





**Phosphorus Acquisition Limited – in administration**  
Analysis of time costs for the period 21 January 2020 to 20 July 2020

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
Strategy & Planning	-	-	-	-	-	-	-	-	-	-
Sale of business	-	-	-	-	-	-	-	-	-	-
Book debt realisations	-	-	-	-	-	-	-	-	-	-
Property	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Retention of title	-	-	-	-	-	-	-	-	-	-
Trading	-	-	-	-	-	-	-	-	-	-
Accounting and treasury	-	-	-	-	4.85	-	-	4.85	1,914.75	394.79
Statutory and compliance	-	-	-	1.30	7.50	-	-	8.80	3,120.00	354.55
Employees & pensions	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	-	-	-	-	-	-
Creditors committee	-	-	-	-	-	-	-	-	-	-
Tax	-	-	-	-	0.85	-	-	0.85	300.25	353.24
VAT	-	-	-	-	0.15	-	-	0.15	48.75	325.00
Books and records	-	-	-	-	-	-	-	-	-	-
Closure procedures	-	-	-	0.10	-	-	-	0.10	52.50	525.00
<b>Total</b>	-	-	-	<b>1.40</b>	<b>13.35</b>	-	-	<b>14.75</b>	<b>5,436.25</b>	<b>368.56</b>



**Phosphorus Acquisition Limited – in administration**  
Aggregate time cost summary to 20 July 2020

Aspect of assignment	Total hours	Time cost £	Average hourly rate £	Estimated future hours	Estimated future costs £	Estimated total cost £	Average hourly rate £
Strategy & Planning	21.20	8,698.40	410.30	17.50	17,990.85	26,689.25	689.64
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	29.65	9,685.40	326.66	8.00	9,611.55	19,296.95	512.54
Statutory and compliance	154.46	54,401.10	352.20	17.60	29,820.45	84,221.55	489.49
Employees & pensions	-	-	-	-	-	-	-
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	20.70	6,372.10	307.83	12.50	26,616.60	32,988.70	983.64
VAT	2.15	650.50	302.56	12.50	26,616.60	27,267.10	1,861.24
Books and records	0.45	165.50	367.78	-	-	165.50	367.78
Closure procedures	0.30	146.50	488.33	15.00	10,000.00	10,146.50	683.17
<b>Total</b>	<b>251.41</b>	<b>88,369.40</b>	<b>351.50</b>	<b>83.10</b>	<b>120,656.05</b>	<b>209,025.45</b>	<b>624.87</b>

## 8. Receipts and payments accounts

**Phones 4U Limited – in administration**  
From 21 January 2020 to 20 July 2020

Directors' statement of affairs £	15 September 2014 to 20 January 2020 £	21 January 2020 to 20 July 2020 £	Total to 20 July 2020 £
Floating charge			
Receipts			
1,003,700			
35,168,467	Accrued income		30,308,407.18
1,526,401	Amounts related to stock		3,037,288.03
Undisclosed	Book debts	165.57	3,037,453.60
73,581,338	Network commissions	15,500,000.00	313,113,974.09
	Cash at bank		92,967,951.25
	Contribution to costs from group companies		8,283,588.21
	Contributions to legal fees		1,928,408.51
	Contributions to rent		6,803,928.09
	Contributions to wages		447,000.00
	Employment Benefit Trust settlement		1,500,000.00
	Insurance refunds		148,464.98
156,652	Intercompany debtors		996,971.86
	Intellectual property rights		100,000.00
	Interest received gross	234,743.89	2,608,353.29
2,250,000	Lease premiums		743,400.01
	Miscellaneous receipts		41,797.60
	Office equipment		201,702.32
46,122	Pre-payments		
	Rates refunds		1,271,218.70
	Other refunds		216,670.57
	Sale of business		14,218,577.86
	Software licences		180,100.00
5,870,969	Subrogated inter-company claims		
250,000	Tangible fixed assets		
	Third party funds		192,307.12
Undisclosed	Total receipts	463,575,365.78	15,734,909.46
			479,310,275.24

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



Directors' statement of affairs £	15 September 2014 to 20 January 2020 £	21 January 2020 to 20 July 2020 £	Total to 20 July 2020 £
<b>Floating charge</b>			
<b>Payments</b>			
Agents' fees	53,205,271.82	2,578,867.56	55,784,139.38
Amounts relating to stock	556,577.00	-	556,577.00
Bank charges	24,287.48	105.00	24,392.48
Cleaning and site clearance	34,590.37	-	34,590.37
Consultancy fees	505,695.10	-	505,695.10
Corporation tax	23,361.05	527,870.89	551,231.94
Duress payments	1,131,484.96	-	1,131,484.96
Employee expenses	123,017.66	-	123,017.66
Gross wages, salaries and employers NIC	10,936,255.88	131.79	10,936,387.68
Insurance	406,395.04	840.00	407,235.04
Investigations - Investigation Legal Fees	2,979,005.85	57,176.67	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	2,833,820.66	9,417.54	2,843,238.20
Legal fees	11,758,730.32	26,305.59	11,785,035.91
Lease/hire charges	3,524.80	-	3,524.80
Litigation - Litigation Legal Fees	-	2,718,501.61	2,718,501.61
Litigation - Litigation Concurrent Administrator's Fees	-	107,153.00	107,153.00
Litigation - Security for costs	-	9,776,333.25	9,776,333.25
Office costs, stationery and postage	14,402.97	-	14,402.97
Office holders' fees (time cost basis)	20,482,273.50	425,000.00	20,907,273.50
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	-	6,216,694.58
Security costs	104,451.14	-	104,451.14
Service charges	308,476.82	-	308,476.82
Statutory advertising	444.46	-	444.46
Storage costs	1,431,211.04	2,886.76	1,434,097.80
Sundry appointment related costs	25,029.23	3,115.14	28,144.37
Transport and carriage	354,899.40	-	354,899.40
Unclaimed dividends paid to the ISA	16,040.13	152.30	16,192.43
Utilities	994,104.34	(529.48)	993,574.86
<b>Total payments</b>	<b>116,044,545.42</b>	<b>16,424,994.29</b>	<b>132,469,539.71</b>
<b>Net floating charge realisations</b>	<b>347,530,820.36</b>	<b>(690,084.83)</b>	<b>346,840,735.53</b>
<b>Secured creditors</b>			
RCF - letters of credit called up	15,810,000.00	-	15,810,000.00
RCF - letters of credit uncalled (held by Security Trustee)	-	-	-
<b>Total RCF indebtedness</b>	<b>15,810,000.00</b>	<b>-</b>	<b>15,810,000.00</b>
Senior secured noteholders	191,003,502.30	-	191,003,502.30
<b>Total distributions to noteholders</b>	<b>191,003,502.30</b>	<b>-</b>	<b>191,003,502.30</b>
Cash-backed indemnities	3,000,000.00	-	3,000,000.00
Recovery of costs and interest	2,289,791.18	-	2,289,791.18
<b>Total secured creditor entitlements</b>	<b>212,103,293.48</b>	<b>-</b>	<b>212,103,293.48</b>
<b>Preferential creditors</b>			
Distribution to preferential creditors (100 pence in the £)	1,716,513.98	-	1,716,513.98
<b>Total preferential creditor distribution</b>	<b>1,716,513.98</b>	<b>-</b>	<b>1,716,513.98</b>
<b>Unsecured creditors</b>			
Distribution to unsecured creditors (0.27 pence in the £)	458,887.65	-	458,887.65
<b>Total unsecured creditor distribution</b>	<b>458,887.65</b>	<b>-</b>	<b>458,887.65</b>
VAT control account	6,785,844.36	(5,847,786.19)	938,058.16
<b>Balance held in interest bearing current accounts</b>	<b>140,037,969.80</b>	<b>(6,537,871.02)</b>	<b>133,500,098.58</b>
<b>Represented by</b>			
Held in Barclays	-	-	12,404,806.13
Invested in high interest account	-	-	121,095,292.45
<b>Total</b>			<b>133,500,098.58</b>



## Phones 4 U Group Limited – in administration

From 21 January 2020 to 20 July 2020

Directors' statement of affairs £	15 September 2014 to 20 January 2020 £	21 January 2020 to 20 July 2020 £	Total to 20 July 2020 £
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 2020 to 20 July 2020

Directors' statement of affairs £	15 September 2014 to 20 January 2020 £	21 January 2020 to 20 July 2020 £	Total to 20 July 2020 £
Floating charge			
Receipts			
4,759 Bank interest	197.72	0.10	197.82
38,807 Cash at bank	4,758.97	-	4,758.97
43,566 Intercompany debtors	-	-	-
- Total receipts	4,956.69	0.10	4,956.79
Payments			
Bank charges	8.60	-	8.60
Legal fees	4,760.57	-	4,760.57
- Total payments	4,769.17	-	4,769.17
43,566 Net floating charge realisations	187.52	0.10	187.62
VAT control account			
43,566 Balance held in interest bearing current account	187.52	0.10	187.62
Represented by			£
Held in Barclays account			187.62
Total			187.62



**MobileServ Limited – in administration**  
From 21 January 2020 to 20 July 2020

Directors' statement of affairs	15 September 2014 to 20 January 2020	21 January 2020 to 20 July 2020	Total to 20 July 2020
£	£	£	£
Floating charge			
Receipts			
(19,630,391)	Cash at bank (overdraft on appointment - Sterling account)	(15,610,096.07)	(15,610,096.07)
	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
463,684	Employees' loan account	55,045.73	55,045.73
427,096	Intercompany debts	26,668.41	27,573.57
	Interest received gross	321,158.31	328,156.26
	Investments	444,556.23	444,556.23
	Sundry debts and refunds	435.00	435.00
	Third party funds		
(18,739,611)	<b>Total receipts</b>	<b>5,593,825.62</b>	<b>5,599,728.73</b>
Payments			
	Bank charges	61,737.95	61,763.70
	Legal fees	101,269.23	101,269.23
	Office holders' fees (time cost basis)	123,649.15	158,649.15
	Office holders' fees (prescribed part fees)	30,000.00	30,000.00
	Office holders' expenses	589.72	589.72
	Corporation tax	4,998.39	4,998.39
	Sundry appointment related costs	1,557.00	1,557.00
	<b>Total payments</b>	<b>323,801.44</b>	<b>358,827.19</b>
	<b>Net floating charge realisations</b>	<b>5,270,024.18</b>	<b>5,240,901.54</b>
Unsecured creditors			
	Distribution to unsecured creditors (0.07 pence in the £)	570,000.00	570,000.00
	<b>Total unsecured creditor distribution</b>	<b>570,000.00</b>	<b>570,000.00</b>
	VAT control account	(11,827.40)	(18,827.40)
	<b>Balance held in interest bearing current account</b>	<b>4,688,196.78</b>	<b>4,652,074.14</b>
Represented by			£
	Held in Barclays account		4,652,074.14
	<b>Total</b>		<b>4,652,074.14</b>

**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 2020 to 20 July 2020

Directors' statement of affairs		16 September 2014 to 20 January 2020	21 January 2020 to 20 July 2020	Total to 20 July 2020
£		£	£	£
<b>Trading statement</b>				
<b>Receipts</b>				
27,000,000	Customer insurance premiums	131,368,180.97	4,249,988.23	135,618,169.20
	Customer refunds and claims paid in cash	(3,206,325.48)	(117,640.67)	(3,323,966.15)
	Dividends received from P4UC	41,898,220.65	1,500,000.00	43,398,220.65
	Interest received gross	479,574.30	37,597.61	517,171.91
	Sales of irreparable phones	3,592,898.91	-	3,592,898.91
	Sale of office equipment	583.33	-	583.33
27,000,000	<b>Total trading receipts</b>	<b>174,133,132.68</b>	<b>5,669,945.17</b>	<b>179,803,077.85</b>
<b>Payments</b>				
	Agents' fees	28,624,441.86	659,893.82	29,284,335.68
	Bank charges	269,770.53	27,762.68	297,533.21
	Duress payments	931,978.33	-	931,978.33
	Insurance	64,916,635.56	2,454,658.88	67,371,294.44
	IT costs	514,120.23	5,080.00	519,200.23
	Legal fees	1,352,304.47	11,873.33	1,364,177.80
	Office costs	413,132.00	-	413,132.00
	Office holders' expenses	31,895.16	-	31,895.16
	Office holders' fees	6,066,339.28	300,000.00	6,366,339.28
	Property	18,612.88	-	18,612.88
	Stock purchase	22,817,418.22	478,481.39	23,295,899.61
	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
	<b>Total trading payments</b>	<b>127,249,314.70</b>	<b>3,937,750.10</b>	<b>131,187,064.80</b>
	<b>Trading account surplus</b>	<b>46,883,817.98</b>	<b>1,732,195.07</b>	<b>48,616,013.05</b>

Directors' statement of affairs	16 September 2014 to 20 January 2020	21 January 2020 to 20 July 2020	Total to 20 July 2020
£	£	£	£
<b>Floating charge</b>			
<b>Receipts</b>			
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)	46,883,817.98	1,732,195.07	48,616,013.05
<b>19,721,006 Total receipts</b>	<b>60,709,520.58</b>	<b>1,732,195.07</b>	<b>62,441,715.65</b>
<b>Payments</b>			
Corporation tax	7,975,366.69	332,264.25	8,307,630.94
<b>Total payments</b>	<b>7,975,366.69</b>	<b>332,264.25</b>	<b>8,307,630.94</b>
VAT control account (Net Irrecoverable VAT)	2,204,348.20	55,555.90	2,259,904.10
<b>Floating charge realisations</b>	<b>50,529,805.69</b>	<b>1,344,374.92</b>	<b>51,874,180.61</b>
<b>Secured creditors</b>			
Distribution to senior secured Noteholders	28,296,497.70		28,296,497.70
<b>Total secured creditor entitlements</b>	<b>28,296,497.70</b>		<b>28,296,497.70</b>
<b>Unsecured creditors</b>			
Distribution to unsecured creditors	570,760.00		570,760.00
<b>Total unsecured creditor entitlements</b>	<b>570,760.00</b>		<b>570,760.00</b>
<b>Balance held in interest bearing accounts</b>	<b>21,662,547.99</b>	<b>1,344,374.92</b>	<b>23,006,922.91</b>
<b>Represented by</b>			<b>£</b>
Held at Barclays			5,106,424.94
Held at Lloyds			2,016,198.66
Held at ANZ			15,884,299.31
<b>Total</b>			<b>23,006,922.91</b>

**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 claims costs from the insurer.

**Note 3**  
Cash held in P4UC is not included in this report.





**Phosphorus Acquisition Limited – in administration**  
**From 21 January 2020 to 20 July 2020**

Directors' statement of affairs £	15 September 2014 to 20 January 2020 £	21 January 2020 to 20 July 2020 £	Total to 20 July 2020 £
<b>Floating charge</b>			
<b>Receipts</b>			
69,473 Cash at bank	69,472.80	-	69,472.80
Bank interest	1,220.92	318.87	1,539.79
129,806 Intercompany debtors	285,245.06	-	285,245.06
7,328 Prepayments	-	-	-
<b>206,607 Total receipts</b>	<b>355,938.78</b>	<b>318.87</b>	<b>356,257.65</b>
<b>Payments</b>			
Bank charges	21.40	-	21.40
Legal fees	7,007.79	-	7,007.79
Office holders' fees	48,831.00	-	48,831.00
Office holders' expenses	525.55	-	525.55
Sundry appointment related costs	425.00	-	425.00
<b>Total payments</b>	<b>56,810.74</b>	<b>-</b>	<b>56,810.74</b>
<b>Net floating charge realisations</b>	<b>299,128.04</b>	<b>318.87</b>	<b>299,446.91</b>
<b>VAT control account</b>			
<b>Balance held in interest bearing current account</b>	<b>299,128.04</b>	<b>318.87</b>	<b>299,446.91</b>
<b>Represented by</b>			<b>£</b>
Held in Barclays account			299,446.91
<b>Total</b>			<b>299,446.91</b>

## 9. Statement of expenses incurred

As required by Rule 18.4 IR16, the following tables provide a summary of expenses incurred during the period of this report and an estimate of our future expenses.

Expenses are amounts properly payable by us as administrators from the estates and include our fees but exclude distributions to creditors. The statements also exclude any potential liabilities related to Litigation and other commercially sensitive matters that may be payable as an expense of the administration in due course. In addition, they do not include any potential tax liabilities that may be payable as expenses of the administrations in due course because amounts 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 Section 8, which show expenses actually paid during the period and the total paid to date. The classification of future expenses shown below may differ from where their classification on the receipts and payments account.

### Phones 4U Limited – in administration

From 21 January 2020 to 20 July 2020

	Expenses incurred brought forward from 20 January 2020 (£)	Expenses incurred in this period (£)	Total expenses to 20 July 2020 (£)	Estimated future (£)	Anticipated total (£)
Agents' fees	53,205,271.70	2,578,868.00	55,784,139.70	-	55,784,139.70
Amounts relating to stock	556,577.00	-	556,577.00	-	556,577.00
Bank charges	24,287.23	105.00	24,392.23	10,000.00	34,392.23
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 NIC	10,936,255.90	132.00	10,936,387.90	-	10,936,387.90
Insurance	406,394.92	840.00	407,234.92	19,625.00	426,859.92
Investigations (Legal Fees)	3,097,526.00	(30,456.00)	3,067,070.00	-	3,067,070.00
Investigations (Concurrent Administrator's fees)	-	181,080.00	181,080.00	-	181,080.00
Irrecoverable VAT	274,191.03	-	274,191.03	-	274,191.03
IT costs	2,833,820.22	9,418.00	2,843,238.22	-	2,843,238.22
Legal fees (P4U)	11,848,908.21	369,078.00	12,217,986.21	1,111,000.00	13,328,986.21
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
Office holders' fees	21,509,367.80	362,188.95	21,871,556.75	1,913,750.00	23,785,306.75
Office holders' expenses	614,085.70	56,629.90	670,715.60	200,000.00	870,715.60
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	-	6,216,694.58	496,000.00	6,712,694.58
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	1,437,314.55	(3,217.00)	1,434,097.55	32,000.00	1,466,097.55
Sundry appointment related costs	25,029.27	3,115.00	28,144.27	4,000.00	32,144.27
Transport and carriage	354,899.40	-	354,899.40	-	354,899.40
Utilities	994,103.86	(529.00)	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)
<b>Total</b>	<b>110,014,037.51</b>	<b>3,527,252.85</b>	<b>113,541,290.36</b>	<b>4,486,375.00</b>	<b>118,027,665.36</b>



#### Note 1

Expenses 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 2020. 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

We are liaising with HMRC regarding the recoverability of certain post-appointment transactions. We expect that there may be an element of further irrecoverable VAT but we cannot quantify this amount until such a time that it has been agreed with HMRC.

### Phones 4 U Group Limited – in administration

From 21 January 2020 to 20 July 2020

	Expenses incurred brought forward from 20 January 2020 (£)	Expenses incurred in this period (£)	Total expenses to 20 July 2020 (£)	Estimated future expenses (£)	Anticipated total expenses (£)
Legal fees	6,143.06	-	6,143.06	-	6,143.06
Office holders' expenses	785.09	9,340.95	10,126.04	1,000.00	11,126.04
Office holders' fees (time cost basis)	163,440.72	10,145.50	173,586.22	120,656.05	294,242.27
<b>Total</b>	<b>170,368.87</b>	<b>19,486.45</b>	<b>189,855.32</b>	<b>121,656.05</b>	<b>311,511.37</b>

### Phones4U Finance plc – in administration

From 21 January 2020 to 20 July 2020

	Expenses incurred brought forward from 20 January 2020 (£)	Expenses incurred in this period (£)	Total expenses to 20 July 2020 (£)	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	10,000.00	13,689.51
Office holders' fees (time cost basis)	103,905.00	6,193.00	110,098.00	120,656.05	230,754.05
Professional fees	79,966.56	-	79,966.56	-	79,966.56
<b>Total</b>	<b>193,771.97</b>	<b>6,193.00</b>	<b>199,964.97</b>	<b>130,656.05</b>	<b>330,621.02</b>

### MobileServ Limited – in administration

From 21 January 2020 to 20 July 2020

	Expenses incurred brought forward from 20 January 2020 (£)	Expenses incurred in this period (£)	Total expenses to 20 July 2020 (£)	Estimated future expenses (£)	Anticipated total expenses (£)
Bank charges	61,737.95	25.75	61,763.70	100.00	61,863.70
Legal fees	101,269.23	7,825.00	109,094.23	100,000.00	209,094.23
Office holders' expenses	779.90	-	779.90	1,000.00	1,779.90
Office holders' fees (time cost basis)	181,973.22	25,315.50	207,288.72	131,456.05	338,744.77
Sundry appointment related costs	1,557.00	-	1,557.00	1,000.00	2,557.00
<b>Total</b>	<b>347,317.30</b>	<b>33,166.25</b>	<b>380,483.55</b>	<b>233,556.05</b>	<b>614,039.60</b>



**Phosphorus Acquisition Limited – in administration**  
From 21 January 2020 to 20 July 2020

	Expenses incurred brought forward from 20 January 2020 (£)	Expenses incurred in this period (£)	Total expenses to 20 July 2020 (£)	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)	86,208.25	5,436.25	91,644.50	120,656.05	212,300.55
Sundry appointment related costs	434.00	-	434.00	1,000.00	1,434.00
<b>Total</b>	<b>94,229.97</b>	<b>5,436.25</b>	<b>99,666.22</b>	<b>122,756.05</b>	<b>222,422.27</b>

**Policy Administration Services Limited – in administration**  
From 21 January 2020 to 20 July 2020

	Expenses incurred brought forward from 20 Jan 2020 (£)	Expenses incurred in this period (£)	Total expenses to 20 July 2020 (£)	Total expenses paid to 20 July 2020 (£)	Estimated total expenses (£)
Agents' fees	28,942,393.61	851,712.13	29,794,105.74	(29,284,335.68)	34,598,234
Bank charges	364,306.60	27,762.68	392,069.28	(297,533.21)	476,599
Duress payments	931,978.33	-	931,978.33	(931,978.33)	931,978
Insurance	65,410,481.20	2,406,003.04	67,816,484.24	(67,371,294.44)	78,068,899
IT costs	514,120.23	5,080.00	519,200.23	(519,200.23)	559,820
Legal fees	1,352,304.47	11,873.33	1,364,177.80	(1,364,177.80)	1,823,279
Office costs	413,132.00	-	413,132.00	(413,132.00)	413,132
Office holders' fees	6,443,070.00	458,498.80	6,901,568.80	(6,366,339.28)	9,806,333.46
Office holders' expenses	33,115.63	415.31	33,530.94	(31,895.16)	44,757
Property	18,612.88	-	18,612.88	(18,612.88)	18,613
Stock purchase	22,903,399.52	491,314.81	23,394,714.33	(23,295,899.61)	25,793,938
Trade creditors	102,640.77	-	102,640.77	(102,640.77)	102,641
Warehouse costs	357,826.00	-	357,826.00	(357,826.00)	357,826
Wages and salaries	832,199.41	-	832,199.41	(832,199.41)	832,199
<b>Total</b>	<b>128,619,580.65</b>	<b>4,252,660.10</b>	<b>132,872,240.75</b>	<b>(131,187,064.80)</b>	<b>163,828,248.25</b>

Please note that estimated total expenses are subject to movement due to any adjustment to future trading forecasts.

## 10. Estimated financial outcome statement

We provide below an estimated financial outcome statement for the Companies.

(£m)	EOS	Progress Report Section
<b>Total asset realisations</b>	<b>434.4</b>	Section 5.1
Less costs of realisations	(21.2)	Section 5.1
<b>Net realisations</b>	<b>413.3</b>	
<b>Total PAS</b>	<b>32.9</b>	Section 5.2
<b>Other costs</b>		
Administrators' fees (exc. PAS)	(23.5)	Section 5.5
RCF set-off & Trustee Costs	(20.1)	Section 5.4
Other professional fees	(9.7)	Section 7.8
Other professional fees (relating to Investigations only)	(5.9)	
Litigation costs	(3.3)	
Litigation - Security for costs	(9.8)	
Preferential creditors	(1.7)	
Prescribed part	(1.0)	Section 5.6
Corporation tax (exc PAS)	(1.9)	
VAT	-	
<b>Total available to secured creditors</b>	<b>369.3</b>	
Super senior notes	430.0	
<b>Estimated return</b>	<b>86%</b>	Section 4
<b>Total returns, £m</b>		
Returned to date	219.3	
Future return	150.0	
<b>Estimated return</b>	<b>369.3</b>	
<b>Total returns, %</b>		
Returned to date	51%	
Future return	35%	
<b>Estimated return</b>	<b>86%</b>	

### Note 1

As noted earlier in this report, we have not disclosed the estimated realisable value for Litigation work, 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 work stream within our calculations, except to the extent that the Administrators and third-party costs have been incurred to 20 July 2020.

Our estimates of dividend prospects do not therefore include these significant items and the actual dividend outcomes may be materially different. Therefore, our estimates of dividend prospects should be treated with caution.

### Note 2

Applicable PAS costs include irrecoverable VAT.

### Note 3

As noted in Section 5.4, whilst we expect that all funds retained by the Security Trustee and Senior Notes Trustee (net of any legal and trustee fees) will be returned to the secured creditors, we have reflected the risk that funds are required to pay for any necessary legal action for recovery of these funds.