

The Insolvency Act 1986

Administrator's progress report

Name of Company 4U Limited	Company Number 05956865
In the High Court of Justice, Chancery Division, Companies Court (full name of court)	Court case number 6513 of 2014

(a) Insert full name(s) and address(es) of administrator(s)

We (a)(i) Robert Jonathan Hunt of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT, (ii) Ian David Green of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT and (iii) Robert John Moran of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT

(b) Insert dates

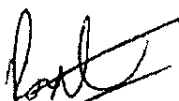
Joint administrators of the above company attach a progress report for the period

from

to

(a) 15 September 2014

(b) 14 March 2015



Signed _____
Joint Administrator (IP No 8597)

Dated 14 April 2015

Contact Details:

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

Michael Sullivan	
PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, LSI 4JP	
	Tel 0113 289 4656
DX Number	DX Exchange

THURSDAY



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COMPANIES HOUSE

When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff, CF14 3UZ

DX 33050 Cardiff

Joint Administrators' first progress report

4U Limited

High Court of Justice, Chancery Division, Companies Court

Case no. 6513 of 2014

For the period from 15 September 2014 to 14 March 2015

4U Wi-Fi Limited

High Court of Justice, Chancery Division, Companies Court

Case no. 6509 of 2014

For the period from 15 September 2014 to 14 March 2015

14 April 2015

Jump 4U Limited

High Court of Justice, Chancery Division, Companies Court

Case no. 6512 of 2014

For the period from 15 September 2014 to 14 March 2015

Life Mobile Limited

High Court of Justice, Chancery Division, Companies Court

Case no. 6514 of 2014

For the period from 15 September 2014 to 14 March 2015

(all in administration)

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1. Key messages

As required by legislation, this is our first report to creditors providing an update on the progress of the administration of the Companies. Given the large and complex nature of this assignment this report provides only 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.

There is a prospect of a dividend being paid to unsecured creditors in Life Mobile Limited, Jump 4U Limited and 4U Wi-Fi Limited. However, due to the estimated and significant level of total claims and future costs in the administrations, any dividends are likely to be small. We are presently considering when dividends may become available and expect to be in contact with creditors in the near future regarding their claims against the various companies.

Customers

The website at www.pwc.co.uk/phones4u provides all the relevant 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. If you believe you have a claim against one of the Companies, please complete and send to us a claim form which is available as explained below.

Creditors and suppliers

Suppliers have been contacted where appropriate in connection with any ongoing goods and services required by the Companies during the period of the administrations. If not already done so, creditors should submit a claim form (which is available at www.pwc.co.uk/phones4u) in respect of amounts owed at the time of our appointment, in order to lodge their claim for dividend purposes.

Contact details (for claim forms only)

Phones 4U, c/o PwC, Benson House, 33 Wellington Street, Leeds, LS1 4JP

2. Abbreviations used in this report

The following abbreviations may be used from time to time throughout this report

"the Companies"	4U Limited, 4U Wi-Fi Limited, Jump 4U Limited and Life Mobile Limited
"the Group" or "Phones 4U"	the above Companies together with Phones 4U Limited, Phones 4 U Group Limited, Phones4U Finance plc, MobileServ Limited, Phosphorus Acquisition Limited, Policy Administration Services Limited, Phosphorous Holdco Plc (all in administration)
"the Administrators" or "we"	Robert Jonathan Hunt, Ian David Green and Robert John Moran in respect of Phones 4U Limited, Phones 4 U Group Limited, Phones4U Finance plc, MobileServ Limited, Phosphorus Acquisition Limited, 4U Limited, 4U Wi-Fi Limited, Jump 4U Limited and Life Mobile Limited Robert Jonathan Hunt, Ian David Green, Dan Yoram Schwarzmans and Douglas Nigel Rackham in respect of Policy Administration Services Limited Robert Jonathan Hunt, Paul David Copley and Ian David Green in respect of Phosphorus Holdco Plc
"P4U"	Phones 4U Limited
"PAS"	Policy Administration Services Limited
"4U"	4U Limited
"4U Wi-Fi"	4U Wi-Fi Limited
"Jump 4U"	Jump 4U Limited
"Life Mobile"	Life Mobile Limited
"IA86"	The Insolvency Act 1986
"IR86"	The Insolvency Rules 1986
"Schedule B1 IA86"	Schedule B1 to the Insolvency Act 1986
"PwC"	PricewaterhouseCoopers LLP
"The Cloud"	Refers to various services where information and files are kept on servers connected to the internet.
"n/a"	Not applicable
"EE"	Everything Everywhere Limited
"IP"	Intellectual Property
"Lloyds"	Lloyds Bank Plc
"CDDA"	Company Directors Disqualification Act 1986

3. Introduction

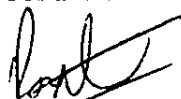
We previously wrote to all known creditors to give notice that we were appointed joint administrators of certain companies in the Phones 4U group, as summarised below.

Company	Date of appointment
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
4U Limited	15 September 2014
4U Wi-Fi Limited	15 September 2014
Jump 4U Limited	15 September 2014
Life Mobile Limited	15 September 2014
Policy Administration Services Limited *	16 September 2014
Phosphorus Holdco plc	8 October 2014

This progress report covers only 4U Limited, 4U Wi-Fi Limited, Jump 4U Limited and Life Mobile Limited. Separate reports have been prepared for those six Companies contained within a common security structure (all indicated by * above) and Phosphorus Holdco Plc.

This report explains the progress of each administration in the first six months since the date of our appointments. We refer you to our report dated 6 November 2014 (the Administrators' proposals), for a brief history of the Companies, an explanation as to why they were put into administration and our proposals for achieving the purpose of the administrations. Those details are not repeated here unless considered beneficial or necessary for the purposes of this report.

Yours faithfully
For and on behalf of the Companies



Rob Hunt
Joint Administrator

Robert Jonathan Hunt, Ian David Green and Robert John Moran have been appointed as joint administrators of Phones 4u Limited, Life Mobile Limited, 4u Wi-Fi Limited, 4u Limited, Jump 4u Limited, 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. All are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.

Dan Yoram Schwarzmann, Douglas Nigel Rackham, Robert Jonathan Hunt and Ian David Green 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 Institute of Chartered Accountants in England and Wales.

Robert Jonathan Hunt, Paul David Copley and Ian David Green have been appointed as joint administrators of Phosphorus Holdco Plc 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 Institute of Chartered Accountants in England and Wales.

The joint administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the administration.



4. Summary of the possible outcome for creditors

	4U Limited	4U Wi-Fi Limited	Jump 4U Limited	Life Mobile Limited
	Estimated recovery for secured creditors (creditors with security in respect of their debt, in accordance with Section 248 IA86)			
Estimated total debt:	There are no known secured creditors			
Estimated % recovery for secured creditors	n/a	n/a	n/a	n/a
Forecast timing:	n/a	n/a	n/a	n/a
	Estimated dividend prospects for preferential creditors (former employees (for unpaid wages up to £800 and holiday pay only) and unpaid pension contributions in certain circumstances)			
Amount owed to preferential creditors	There are no known preferential creditors. Phones 4U Limited was the principal employer in the Group and preferential claims are therefore only expected in that company			
	Estimated dividend prospects for unsecured creditors (creditors who are neither secured nor preferential)			
Amount owed to unsecured creditors' (as per the statement of affairs)	£70,679,182	£69,409,403	£74,824,253	£73,689,276 (Note 2)
Estimated % recovery for unsecured creditors:	Nil	0 8% to 1%	0 1% to 0 6%	4% to 5%
Forecast timing:	n/a	12 months +	12 months +	12 months +

Note 1 There is a fixed charge registered against Life Mobile, although there is no outstanding debt.

Note 2 Excludes any potential subrogated claim from P4U (£14m) following the discharge of Life Mobile's overdraft by P4U. We are currently obtaining legal advice on the likelihood of any claim.

5. Progress in the period

Phones 4U was one of the UK's leading independent mobile phone retailers and insurance providers, owned by private equity firm, BC Partners. The Group operated online (including the previously acquired Dialaphone business) and on the high street. At the time of our appointment the Group had 563 stores plus 161 concessions in Dixon Carphone stores, and had 5,592 employees in total.

Immediately prior to our appointment, the retail store network had closed pending the appointment of administrators and a necessary review of whether the business could continue in its various forms.

The following is a brief overview of the four Companies covered by this report.

4U Limited – This company held some of the intellectual property of the Life Mobile business.

4U Wi-Fi Limited – Provided customers with access to The Cloud. However, at the end of 2013 no further customer contracts were taken and the customer base was run down.

Jump 4U Limited – Provided customers the option to change handsets after six months compared to market norm of 24 months. As at the date of our appointment, the company had stopped marketing this product and only accepted new contracts if a specific request was made by a customer.

Life Mobile Limited – A mobile virtual network operator with airtime supplied by EE, with around 85,000 end user customers.

Following our appointment and with the benefit of knowledge and information gathered in the preceding days, our key priorities were to

- Secure the Companies' assets,
- Establish effective channels of communication for employees, suppliers and customers and;
- Engage with parties who might be interested in acquiring all or part of the business.

5.1 Life Mobile Limited

Sale of the business

Our initial review concluded that this business could continue to trade profitably without the support of the retail store network. Accordingly, the business continued to trade under our control whilst we sought a purchaser for its business and assets.

All Phones 4U employees working for the Life Mobile business were retained to support ongoing trading during this time.

A number of offers were received and EE was accepted as the preferred purchaser, as its offer provided the highest likely return to creditors. In addition, EE had significant commercial leverage as sole airtime supplier.



A sale of the Life Mobile business and assets was completed on 29 October 2014 for £3.426m, of which £0.15m was due to fellow Group companies Phones 4U Limited and 4U Limited and was subsequently transferred to those respective entities. As part of the sale agreement, all outstanding balances at the date of administration due to EE were written off (together with all those accruing during the administration period up to completion).

Some 21 head office employees working on the Life Mobile business transferred to EE at the time of the sale.

A statement of the trading performance between the date of our appointment and date of the sale is included with our receipts and payments account in Section 7. This shows a trading surplus of £0.9m, but is subject to change as final receipts and payments are made.

Outstanding matters

Our ongoing work is expected to be focussed on finalising matters connected to the sale of the business, which include (but are not limited to):

- Transfer of the www.lifemobile.co.uk domain name to EE; and
- Novation of the final supplier agreements from Life Mobile to EE.

In addition to the above, we are continuing to pursue outstanding debtors which were not transferred to EE. To date, we have collected £32,027 and the company's records suggest a further £3.1m is outstanding, although this is unlikely to represent its actual realisable value.

We will also be managing and finalising the company's tax and VAT affairs in line with normal procedures.

As noted earlier, there is likely to be a small dividend payable to unsecured creditors once the outstanding matters have been concluded. We will be in contact with creditors in due course and at the appropriate time for the purpose of agreeing claims for dividend purposes.

5.2 4U Limited

As this company's principal asset was intellectual property used within the Life Mobile business, it was clear that maximising realisations would be achieved by its inclusion in any successful sale of the Life Mobile business.

This was achieved in the EE transaction referred to earlier and realised £50,000 in the administration. There are no further assets to realise and after costs of the administration, no dividend is expected for creditors.

The key outstanding matters in this particular case are

- Approval of our remuneration and expenses;
- Settlement of other third party administration expenses; and
- Finalising the Company's tax and VAT affairs.



With regards to our remuneration and disbursements and in the absence of a creditors committee, secured creditor or preferential creditors, it will be for the general body of creditors to approve them. We expect to be shortly seeking approval on this matter and will conduct the process by correspondence rather than convening a meeting, in order to avoid any unnecessary further costs.

5.3 4U Wi-Fi Limited

The business and assets of this company were marketed for sale but unfortunately no material offers were received that would provide value to the creditors. The company was making a small operating profit during the administration period, however, due to the cost of continuing to trade within the administration, the decision was made to cease trading on 1 October 2014.

A statement of the trading performance between the date of our appointment and date of the sale is included with our receipts and payments account in Section 7. The trading position is subject to change as final receipts and payments are made.

The company's principal asset was cash held in its bank account at the time of our appointment. An amount of £787,999 has been received into the administration, and accordingly, we expect a dividend to be available to unsecured creditors. Earlier in this report we indicated that a dividend of 0.8% to 1% may be available, with the quantum reflecting the significant amount owed to the company's creditors.

5.4 Jump 4U Limited

As above, the business and assets were marketed for sale, but no material offers were received. On 24 October 2014, we made the decision to stop taking any further direct debits from customers.

An amount of £59,482 has been collected in relation to outstanding customer debts and an additional £256,579 in relation to trading sales made post-appointment. Further recoveries are not expected to be material.

A statement of the trading performance from the date of our appointment is included with our receipts and payments account in Section 7. The trading position is subject to change as final receipts and payments are made.

The opening cash balance in this case was £445,459, as shown on the enclosed receipts and payments account. In conjunction with the realisation of other assets, we believe this will facilitate a dividend for unsecured creditors and earlier in this report we indicated that a dividend of 0.1% to 0.6% may be available.

5.5 Investigations

Under insolvency legislation we have an obligation to review the conduct of everyone who has acted as a director of the Companies within the three years prior to our appointment and file a confidential report on our findings with the Department of Business, Innovation and Skills. As part of our duty to investigate what assets there are in the Companies, we consider any potential claims against third parties and what recoveries can be made.

We can confirm that we have complied with the requirement to report to the Department of Business, Innovation and Skills however for confidentiality reasons we are unable to give any further information.



5.6 Approval of the Administrators' proposals

On 6 November 2014, we circulated our statement of proposals for achieving the purpose of each administration. The requirement to convene a meeting of creditors (to consider our proposals) did not apply in relation to 4U Limited. Therefore on 20 November 2014, we issued a notice confirming that our proposals had been deemed approved in respect of 4U Limited only. With regards to Life Mobile, Jump 4U and 4U Wi-Fi, creditors meetings were held on 21 November 2014 at which our proposals were approved. No creditors' committees were formed and a copy of our proposals is still available to view on our website at www.pwc.co.uk/phones4u

5.7 Administrators' remuneration

Except for 4U limited, our remuneration was fixed (at the creditors' meetings), by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature. We explained earlier how we intend to seek fee approval in relation to 4U Limited.

The following table sets out the current position regarding our approved remuneration

£k	4U Wi-Fi	Jump 4U	Life Mobile
Time costs for the period	55	130	451
Fees drawn to date	(47)	(96)	(404)
Unbilled fees	8	34	47

Further information on our remuneration policy is set out in Section 9.

5.8 Creditors' rights

An explanatory note on the rights of creditors in relation to administrator's remuneration and expenses and how to request further information can be found online at:

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

A copy (free of charge) can be obtained by telephoning Michael Sullivan on 0113 289 4656

5.9 Outcome for creditors

Secured creditors

There are no known secured creditors in any of the Companies, with the exception of Life Mobile that granted a fixed charge over cash credit balances to Lloyds Bank. However, at the time of our appointment, there were no cash balances in that company.



Estimated dividend prospects

Preferential creditors

Preferential claims principally relate to claims for arrears of wages (subject to statutory limits) and unpaid holiday pay. All employee contracts resided in P4U, being the principal employer for all of the Group's companies. Therefore, there are no preferential claims in any of the Companies.

Unsecured creditors

Amounts become available for unsecured creditors if there are sufficient funds remaining after any secured and preferential creditors have been paid in full and the expenses of the administration have been discharged. However, in certain circumstances, insolvency legislation requires a fund to be set aside for unsecured creditors that would otherwise be paid to the secured creditor (under its floating charge).

Whilst these 'prescribed part' provisions are not applicable in these cases (since there are no secured creditors), we do expect a dividend to become available for the unsecured creditors of Life Mobile Limited, 4U Wi-Fi Limited and Jump 4U Limited.

Unfortunately, net asset realisations are expected to be insufficient to enable a dividend in 4U Limited. The following table provides a summary.

Company	Dividend likely?	Estimate of unsecured claims *	Dividend prospects
Life Mobile Limited	✓	£74m	4% to 5%
4U Wi-Fi Limited	✓	£69m	o 8% to 1%
Jump 4U Limited	✓	£75m	o.1% to o 6%
4U Limited	✗	£711m	Nil

** Based on directors' statement of affairs*

We will be contacting creditors at the appropriate time for the purpose of agreeing their claims against those Companies where a dividend is expected.

5.10 Ending the administration

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



Where dividends are likely and as set out in our approved proposals, we will either move the companies to creditors' voluntary liquidation at the appropriate time, in order for claims to be agreed and funds distributed to creditors, or alternatively, we may apply to Court for permission to distribute the funds from within the administration procedure. We will choose the most appropriate route considering the nature of outstanding issues and the costs involved.

An administration comes to an automatic end after one year unless the Court agrees to extend it for a specific period. Alternatively, the relevant class of creditors can consent to a six month extension to the administrators' term in office. On these cases, we will continue to monitor the progress of our appointments and will apply for extensions as appropriate.

5.11 Next report

We anticipate that we will circulate our next report to creditors at the earlier of the conclusion of the administration or in approximately six months.

6. Statutory and other information relating to the administrations

Full name:	4U Limited	4U Wi-Fi Limited	Jump 4U Limited	Life Mobile Limited
Trading name(s):	As above			
Court details:	High Court of Justice, Chancery Division, Companies Court			
Court reference:	6513 of 2014	6509 of 2014	6512 of 2014	6514 of 2014
Company number:	05956865	05956859	07493495	05956966
Registered address:	Benson House, 33 Wellington Street, Leeds, LS1 4JP			
Company directors:	Steven Lloyd David N Kassler	Steven Lloyd David N Kassler John E Morris	Steven Lloyd David N Kassler John E Morris	Steven Lloyd David N Kassler John E Morris
Company secretary:	Steven Lloyd			
Shareholdings held by the directors and secretary:	Not applicable	Not applicable	Not applicable	Not applicable
Appointment date:	15 September 2014			
Administrators' names and addresses:	Robert Jonathan Hunt (of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT), Ian David Green and Robert John Moran (each of PricewaterhouseCoopers LLP, 7 More London, Riverside, London, SE1 2RT)			
Appointor's / applicant's name and address:	The directors of each respective company, based at Osprey House, Ore Close, Lymedale Business Park, Newcastle-under-Lyme, Staffordshire, ST5 9QD			
Objective being pursued by the administrators:	Objective (b) achieving a better result for the company's creditors as a whole than would be likely if the company was wound up (without first being in administration)			



Full name:	4U Limited	4U Wi-Fi Limited	Jump 4U Limited	Life Mobile Limited
Division of the administrators' responsibilities:	In relation to paragraph 100(2) Sch B1 IA86, during the period for which the administration order is in force, any act required or authorised under any enactment to be done by either or all of the administrators may be done by any one or more of the persons for the time being holding that office.			
The European Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to these administrations and the proceedings are main proceedings			

7. Receipts and payments accounts

4U Limited – in administration

From 15 September 2014 to 14 March 2015

Directors' statement of affairs		Receipts and payments
£		£
Receipts		
	Intellectual property	50,000.00
272,182	Software & IT Equipment	-
	Bank interest gross	45.52
272,182	Total receipts	50,045.52
Payments		
	Mail redirection	(120.00)
	Total payments	(120.00)
Net receipts & payments		49,925.52
VAT control account		-
Balance held in interest bearing current accounts		49,925.52
Represented by		£
	Held in Barclays account	49,925.52
	Held in Lloyds account	-
	Total	49,925.52

Note:

The intangible software and IT (£0.272m) as estimated by the Directors in the Statement of Affairs was found to have nil realisable value, and subsequently there have been no proceeds received from disposal



4U Wi-Fi Limited – in administration
From 15 September 2014 to 14 March 2015

Directors' statement of affairs		Receipts and payments
£		£
Trading Statement		
Receipts		
	Post appointment trading sales	42,867.69
Total trading receipts		42,867.69
Payments		
	Consultancy fees	(13,032.85)
	IT costs	(752.60)
	Agents' fees	(1,920.45)
	Duress payments	(4,384.49)
Total trading payments		(20,090.39)
Trading account surplus/(shortfall)		22,777.30
Other receipts & payments		
Receipts		
21,752	Accrued Income	-
788,002	Cash in hand	787,999.38
	Interest received	244.80
809,754	Total receipts	788,244.18
Payments		
	Office holders fees'	(46,896.25)
	Office holders' expenses	(330.39)
	Mail redirection	(120.00)
	Statutory advertising	(50.55)
	Bank charges	(41.58)
Total payments		(47,438.77)
Net receipts & payments (inc trading)		763,582.71
VAT control account		(7,874.16)
Balance held in interest bearing current accounts		755,708.55
Represented by		£
Held in Barclays account		755,708.55
Held in Lloyds account		-
Total		755,708.55

Note:

The amount of £21.8k included in the Directors' Statement of Affairs relates to accrued income in respect of ongoing contracts. As it was not cost effective to continue trading the business, there have been no amounts realised in respect of this balance.



Jump 4U Limited – in administration
From 15 September 2014 to 14 March 2015

Directors' statement of affairs		Receipts and payments
£		£
Trading Statement		
Receipts		
1,171,618	Post appointment trading sales	256,579.06
1,171,618	Total trading receipts	256,579.06
Payments		
	Consultancy fees	(23,724.92)
	Duress payments	(17,134.29)
	Bank charges	(15.00)
	Total trading payments	(40,874.21)
Trading account surplus/(shortfall)		215,704.85
Other receipts & payments		
Receipts		
	Book debts	59,482.18
	Bank interest gross	261.26
487,258	Cash in hand	445,458.80
487,258	Total receipts	505,202.24
Payments		
	Professional fees	(9,621.90)
	Office holders' fees	(96,278.50)
	Office holders' expenses	(331.19)
	Mail redirection	(120.00)
	Statutory advertising	(50.55)
	Bank charges	(1,026.90)
	Total payments	(107,429.04)
Net receipts & payments (inc trading)		613,478.05
VAT control account		(27,338.65)
Balance held in interest bearing current accounts		586,139.40
Represented by		£
	Held in Barclays account	140,714.42
	Held in Lloyds account	445,424.98
	Total	586,139.40

Note:

The book value for customer contract revenue included in the director's statement of affairs (£1.17m) was based on income to be received from Jump 4U customers over the remaining life of their contracts. This therefore included future amounts to be paid as well as amounts falling due immediately. The decision was taken by the administrators to stop taking payments from customers after the 24 October 2014 and as a result a large proportion of these book debts did not become due.



Life Mobile Limited – in administration
From 15 September 2014 to 14 March 2015

Directors' statement of affairs		Receipts and payments
£		£
Trading Statement		
Receipts		
5,000,000	Post appointment trading sales	1,076,483.38
5,000,000	Total trading receipts	1,076,483.38
Payments		
	Agents' fees	(95,182.06)
	Debt collection fees	(13,649.38)
	IT costs	(11,370.21)
	Consultancy fees	(19,960.37)
	Bank charges	(60.00)
	Duress payments	(26,086.29)
	Total trading payments	(166,308.31)
Trading account surplus/(shortfall)		910,175.07
Other receipts & payments		
Receipts		
	Cash in hand	(63,239.25)
	Sale of business	3,276,000.00
	Interest on sale of business	28.16
20,000	Software and IT equipment	-
4,852	Intercompany debtors	-
	Sundry debts	170.29
575,924	Book debts	474,701.82
	Interest received	5,478.02
600,776	Total receipts	3,693,139.04
Payments		
	Office holders fees'	(403,636.76)
	Office holders' expenses	(6,873.91)
	Statutory advertising	(50.54)
	Bank charges	(75.00)
	Total payments	(410,636.21)
Net receipts & payments (inc trading)		4,192,677.90
VAT control account		207,818.17
Balance held in interest bearing current accounts		4,400,496.07
Represented by		£
	Held in Barclays account	4,400,122.31
	Held in Lloyds account	373.76
	Total	4,400,496.07

Notes

The Statement of Affairs included £5 om for the estimated realisation of future revenue from customer contracts. These have been realised through the continued service of the contracts following the appointment of administrators (£1.076) and via a sale of the business and contracts to EE (£3.276m).

The amount of cash shown above (£63.2k) reflects the difference between the amount of overdraft in the company's bank account on appointment, and the amount subsequently set-off by Lloyds in September 2015. This difference is due to receipts received into the administration during this time, which are presented within post-appointment trading sales and associated VAT.

8. Statement of expenses incurred

As required by Rule 2.47 IR86, the following tables provide a summary of expenses incurred during the period of this report, and show whether those expenses have been paid or remained unpaid at the period end

As explained later, we have instructed Allen & Overy LLP to provide legal advice to us in our capacity as joint administrators of the Phones 4U Group. During the period of this report, Allen & Overy has incurred fees of £3,878,163 across the Group, which will be analysed and attributed as appropriate to the relevant entities in due course (although the majority is expected to relate to Phones 4U Limited). Therefore in the meantime, the tables below do not contain an estimate of the unpaid costs in this regard. We expect our next report will show the analysed position for each company.

The table below for 4U Limited does not include amounts accruing in respect of our remuneration (fees and disbursements), as the basis of these costs has not yet been agreed by creditors.

The statements exclude 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.

4U Limited – in administration

	Expenses incurred (unpaid) £	Expenses incurred (paid) £	Total expenses incurred £
Mail redirection	-	120 00	120 00
Total	-	120 00	120 00

4U Wi-Fi Limited – in administration

	Expenses incurred (unpaid) £	Expenses incurred (paid) £	Total expenses incurred £
Consultancy fees	-	13,032 85	13 032 85
IT costs	-	752 60	752 60
Agents' fees	-	1,920 45	1,920 45
Duress payments	-	4,384 49	4,384 49
Mail redirection	-	120 00	120 00
Statutory advertising	-	50 55	50 55
Bank charges	-	41 58	41 58
Office holders fees'	7,726 25	46,896 25	54,622 50
Office holders' expenses	-	330 39	330 39
Total	7,726 25	67,529 16	75,255 41

Jump 4U Limited – in administration

	Expenses incurred (unpaid) £	Expenses incurred (paid) £	Total expenses incurred £
Consultancy fees	-	23,724 92	23,724 92
Duress payments	-	17,134 29	17,134 29
Bank charges	-	1,041 90	1,041 90
Professional fees	6,500 00	9,621 90	16,121 90
Mail redirection	-	120 00	120 00
Statutory advertising	-	50 55	50 55
Office holders fees'	33,358 75	96,278 50	129,637 25
Office holders' expenses	-	331 19	331 19
Total	39,858 75	148,303 25	188,162 00

Life Mobile Limited – in administration

	Expenses incurred (unpaid) £	Expenses incurred (paid) £	Total expenses incurred £
Agents' fees	-	95,182 06	95,182 06
Debt collection fees	-	13,649 38	13,649 38
IT costs	-	11,370 21	11,370 21
Consultancy fees	-	19,960 37	19,960 37
Bank charges	-	135 00	135 00
Duress payments	-	26,086 29	26,086 29
Statutory advertising	-	50 54	50 54
Office holders fees'	46,930 74	403,636 76	450,567 50
Office holders' expenses	159 74	6,873 91	7,033 65
Total	47,090 48	576,944 52	624,035 00

9. Administrators' remuneration and disbursements

Office holder's charging policy

The time charged to the administrations is by reference to the time properly given by the Administrators and 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.

Hourly rates

Set out below are the relevant maximum charge-out rates per hour worked for the grades of staff actually or likely to be involved on these assignments. Time is charged by reference to actual work carried out on the assignment. There has been no allocation of any general costs or overhead costs.

Specialist departments within our firm such as Tax, VAT, Property and Pensions may charge a small number of hours if and when we require their expert advice. Such specialists' rates do vary but the figures below provide an indication of the maximum rate per hour.

All staff who work on this assignment (including cashiers, support and secretarial staff) charge time directly to the assignment 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 the assignment in six minute units. The minimum time chargeable is three minutes (i.e. 0.5 units).

Company	Administrators' staff Rate per hour (£)	Specialist staff Maximum rate per hour (£)
Partner	795	1,130
Director	695	1,060
Senior Manager	540	960
Manager	460	600
Senior Associate (qualified / consultant)	380	420
Senior Associate (unqualified)	285	-
Associate	240	210
Support staff	120	147

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

The above charging policy and hourly rates were approved by creditors at the meetings on 21 November 2014 in respect of Life Mobile, Jump 4U and 4U W1-F1. We will be seeking approval from the creditors of 4U Limited in due course and anticipate we will be proposing a similar basis of remuneration.

Narrative of work undertaken

Earlier in this report, we provided details on our strategy, progress to date and matters arising in the administrations. Later in this Section (and for those companies where fees have been fixed on a time cost basis), we have included a table showing our time costs for the period covered by this report, by grade of staff and area of work. The following table provides further narrative on the key areas of our work.

Area of work	Work undertaken in the period includes:
Strategy & Planning	<ul style="list-style-type: none"> Initial job acceptance and appointment compliance Meetings to provide updates to team Discussions with professional advisors Discussions with company staff to ascertain best practises during the trading period
Sale of business	<ul style="list-style-type: none"> Review of the various businesses Sale of business strategy and identify potential risks Dealing with suppliers Contact and set up meetings with potential interested parties Communication with interested parties Correspondence with instructed solicitors regarding sale Draft contracts and further negotiations with interested parties Assessing / managing Data Protection issues connected to the sale Secure company data and IT systems Review of data Finalising / completing sale transactions Handover of all business trading matters to purchaser Supplier contract novations Draft completion statements
Statutory and compliance	<ul style="list-style-type: none"> Initial letters and notifications following our appointments Meeting the statutory obligations as prescribed by IA86 and IR86 Filing of statutory documents and forms with the Registrar of Companies Drafting / circulating the administrators' statement of proposals and notice of deemed approval (4U Limited only) Convening and holding initial meetings of creditors in respect of Life Mobile, Jump 4U and 4U Wi-fi, including liaison with key creditors and collation of proxy forms Drafting meeting minutes and filing reports on the outcome of the meetings Updating information on the website www.pwc.co.uk/phones4U Early preparatory work with regard to this report Case progression reviews by staff and appointment takers
Assets	<ul style="list-style-type: none"> Arranging insurance cover for the Companies' assets, including a site visit with the administrators' insurance brokers Arranging and reviewing existing security at the Company's sites Monitoring and overseeing the collection of book debts Negotiations with interested parties for the sale of the Companies' business and assets Liaising with legal advisors Dealing with retention of title claims from suppliers Liaising with sales agents Dealing with general data protection issues Post sale matters
Trading	<ul style="list-style-type: none"> Assessing and taking control of the trading businesses Dealing with customers regarding existing contracts and faulting goods

Area of work	Work undertaken in the period includes:
	<ul style="list-style-type: none"> • Dealing with suppliers to ensure continuation of business • Cash flow forecasting • Arranging payments to suppliers • Managing the day to day business of the Companies • Liaising with leasing companies with regards to third assets • Processing trading payments and receipts • Issuing instructions to and overseeing employees working in the businesses • Reviews with appointment takers. • Dealing with general trading matters prior to completion of sale
Creditors	<ul style="list-style-type: none"> • Set up website following appointment for stakeholder communication • Dealing with creditor queries • Collating and an initial review of received statement of claim forms
Accounting and treasury	<ul style="list-style-type: none"> • Opening administration bank accounts • Bank account reconciliations • Account postings for receipts and payments • Arranging sweeps of pre and post appointment monies into the administrators' accounts • Validating bank details with third party beneficiaries • Processing payments • Transfer of funds between administration bank accounts • Management of case accounting records
Tax/VAT/Pensions	<ul style="list-style-type: none"> • Review of Life Mobile with Tax team • Review of Life Mobile sale agreement
Employees	<ul style="list-style-type: none"> • Initial meetings with employees to advise of the administration • Employee consultations • Collating and utilising employee information from the Companies' records • Organising the monthly and weekly payroll for the trading period • Reviewing details for the potential transfer of employees under TUPE regulations that would occur under a sale of the business as a going concern • Liaising with the purchaser on employee matters
Investigations	<ul style="list-style-type: none"> • Retrieve and filing of statutory books • Strategy for dealing with books and records • Strategy for CDDA and investigations • Review, capture and preservation of data by specialist internal data forensics team • Correspondence with solicitors • Draft and completion of the return due to the Department for Business, Innovation and Skills • Review of return by senior staff and appointment takers



Disbursement policy

Our firm's expenses policy allows for all properly incurred expenses to be recharged to the case. Disbursements are charged to the assignment as shown below. In general, Category 2 disbursements (as defined in Statement of Insolvency Practice 9) relate to services provided by our own firm. All other disbursements are reimbursed at cost (Category 1).

Similar to remuneration, our disbursement policy has not yet been agreed in respect of 4U Limited. Details will be provided in our next report.

Life Mobile Limited

Category	Policy	Incurring to date (£)
2	Photocopying - at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying	116.46
2	Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	1,172.49
1	Reimbursed at cost	5,744.70
Total		7,033.65

4U Wi-Fi Limited

Category	Policy	Incurring to date (£)
2	Photocopying - at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying	98.20
2	Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	7.19
1	Reimbursed at cost	225.00
Total		330.39

Jump 4U Limited

Category	Policy	Incurring to date (£)
2	Photocopying - at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying	99.00
2	Mileage - At a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	7.19
1	Reimbursed at cost	225.00
Total		331.19



Summary of legal and other professional firms

We have instructed the following professionals on these cases

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal advice	Allen & Overy LLP	Lawyers instructed in respect of the wider Phones4U Group with knowledge which would add value to the administrations	Time and expenses
Sale of IT Equipment	Edwards Symmons	The work was put out to tender to two firms and it was decided that Edward Symmons would provide best value	Percentage of realisations
Debt collection	Direct Legal Collections (DLC)	Knowledge and existing relationship	Percentage of collections
Billing & Customer Services	Assurant	Knowledge and existing relationship	Time and expenses

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 undertake to review third party costs to ensure they are reasonable in the circumstances of the case.



**4u Wi-Fi Limited
(In Administration)**

Analysis of time costs for the period

**From: 15 September 2014
To: 14 March 2015**

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
1 Strategy & Planning	-	-	7.1	1.5	2.4	0.6	1.4	12.9	5,531.25	428.78
2 Sale of business	-	-	0.2	0.8	21.5	-	-	22.5	6,576.50	292.94
3 Book debt realisations	-	-	-	-	-	-	-	-	-	-
4 Property	-	-	-	0.1	-	-	-	0.1	46.00	460.00
5 Other assets	-	-	0.1	0.2	0.5	0.5	-	1.3	385.50	308.40
6 Retention of title	-	-	-	-	-	-	-	-	-	-
7 Trading	-	2.0	-	5.7	24.3	2.2	-	34.2	11,451.25	335.32
8 Accounting and treasury	-	-	1.8	1.0	8.4	9.5	-	20.7	6,091.75	295.00
9 Statutory and compliance	-	-	6.2	10.9	37.9	6.1	-	61.0	20,951.25	343.46
10 Employees & pensions	-	-	-	-	-	-	-	-	-	-
11 Investigations	-	-	-	1.7	2.1	2.6	-	6.3	2,120.75	336.63
12 Creditors	-	-	0.5	-	1.2	-	-	1.6	680.00	425.00
13 Creditors committee	-	-	-	1.5	-	-	-	1.5	690.00	460.00
14 Tax	-	-	-	-	-	-	-	-	-	-
15 VAT	-	-	0.1	-	0.3	-	-	0.3	98.25	327.50
16 Closure procedures	-	-	-	-	-	-	-	-	-	-
Total	-	2.0	15.8	23.3	98.3	21.5	1.4	162.2	54,622.50	336.76



**Jump 4u Limited
(In Administration)**

Analysis of time costs for the period

From: 15 September 2014
To: 14 March 2015

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
1 Strategy & Planning	-	-	7.1	5.8	4.5	0.6	1.4	19.3	8,307.25	430.43
2 Sale of business	-	-	0.2	37.5	24.0	-	-	61.7	24,171.00	392.07
3 Book debt realisations	-	-	-	8.1	-	-	-	8.1	3,726.00	460.00
4 Property	-	-	-	0.1	-	-	-	0.1	46.00	460.00
5 Other assets	-	-	0.1	0.2	-	0.5	-	0.8	243.00	324.00
6 Retention of title	-	-	-	-	-	-	-	-	-	-
7 Trading	-	2.0	-	26.7	11.4	3.2	-	43.3	17,750.75	410.42
8 Accounting and treasury	-	-	1.1	1.3	10.1	35.2	-	47.6	12,477.25	262.13
9 Statutory and compliance	-	-	7.1	12.1	37.0	5.5	-	61.6	21,553.00	349.89
10 Employees & pensions	-	-	-	-	-	-	-	-	-	-
11 Investigations	-	-	-	17.6	3.2	3.7	-	24.4	7,181.75	294.33
12 Creditors	1.0	-	0.5	0.1	3.0	-	-	4.5	2,205.00	490.00
13 Creditors committee	-	-	-	1.8	-	-	-	1.8	828.00	460.00
14 Tax	-	-	-	-	-	-	-	-	-	-
15 VAT	-	-	0.1	-	0.3	-	-	0.3	98.25	327.50
16 Closure procedures	-	-	-	67.5	-	-	-	67.5	31,050.00	460.00
Total	1.0	2.0	16.0	178.7	93.2	48.6	1.4	340.9	129,637.25	380.34



**Life Mobile Limited
(In Administration)**

Analysis of time costs for the period

From: 15 September 2014
To: 14 March 2015

Aspect of assignment	Partner	Director	Senior Manager	Manager	Associate	Support	Total hours	Time cost £	Average hourly rate £
1 Strategy & Planning	7 0	-	21 8	24 6	10 8	0 8	66.3	32,140.25	484 77
2 Sale of business	3 0	3 0	29 7	242 1	228 0	-	505.8	194,612.00	384 80
3 Book debt realisations	6 0	-	0 4	32 3	-	-	38.7	19,844.00	512 76
4 Property	-	-	-	0 1	-	-	0.1	46.00	460.00
5 Other assets	-	-	0 3	2 9	3 5	0 5	7.2	2,526.00	350 83
6 Retention of title	-	-	-	-	-	-	-	-	-
7 Trading	-	2 0	5 5	103 4	118 6	7 7	237.2	87,943.50	370 76
8 Accounting and treasury	-	-	5 1	4 7	12 7	29 1	51.6	15,595.25	300 78
9 Statutory and compliance	11 0	-	12 0	33 2	46 7	6 7	109.5	46,291.50	422 75
10 Employees & pensions	-	-	-	18 1	0 7	-	18.8	8,592.00	457 02
11 Investigations	-	-	-	122 3	3 8	2 6	128.7	30,044.50	233 54
12 Creditors	1 0	-	1 5	0 2	6 6	-	9.3	4,173.25	451 16
13 Creditors committee	-	-	-	9 3	-	-	9.3	4,278.00	460 00
14 Tax	-	-	-	-	0 2	-	0.2	76.00	380 00
15 VAT	-	-	4 8	-	0 7	-	5.5	4,495.25	824 82
16 Closure procedures	-	-	-	-	-	-	-	-	-
Total	28.0	5.0	81.0	593.2	432.2	47.3	1,188.0	450,567.50	379.28