

Joint Administrators' progress report from 7 August 2022 to 6 February 2023

Phosphorus Holdco Plc - in administration

High Court of Justice, Chancery Division,
Companies Court

Case no. 7184 of 2014

3 March 2023

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Abbreviations and definitions

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

Abbreviation or definition	Meaning
Company	Phosphorus Holdco Plc
Joint Administrators (we, us, our)	David James Kelly and Douglas Nigel Rackham
Excluded Work	All other work undertaken by the Joint Administrators in managing the Administration and the Company's affairs that is not in the "Included Work"
Included Work	The Joint Administrators' time costs specifically in relation to investigatory work and pursuit of claims against third parties (as defined in the Remuneration Report dated 22 August 2017)
PAS	Policy Administration Services Limited
PIK Notes	£208m aggregate principal amount of Senior PIK Toggle Notes due 2019
PIK Noteholders	Holders of the above PIK Notes
Phones 4U or the Group	The Company together with Phones 4u Limited, Phones 4U Group Limited, Phones 4U Finance Plc, MobileServ Limited, Phosphorus Acquisition Limited, and Policy Administration Services Limited (see www.pwc.co.uk/phones4u for details of insolvency procedures affecting these Companies).
Firm	PricewaterhouseCoopers LLP
IR16	Insolvency (England and Wales) Rules 2016
IA86	Insolvency Act 1986
Sch.B1 IA86	Schedule B1 to the Insolvency Act 1986
HMRC	HM Revenue & Customs
P4U	Phones 4U Limited
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
Secured creditors	Creditors with security in respect of their debt, in accordance with section 248 IA86
Preferential creditors	Claims for unpaid wages earned in the four months before the insolvency up to £800, holiday pay and unpaid pension contributions in certain circumstances
Secondary preferential creditors	HMRC in respect of taxes due from employees and customers that are withheld by the business and then paid over in one lump sum periodically to HMRC, such as VAT, PAYE and employees' National Insurance contributions
Unsecured creditors	Creditors who are neither secured nor preferential

This report has been prepared by David James Kelly and Douglas Nigel Rackham as Joint Administrators of the Company, solely to comply with the Joint Administrators' statutory duty to report to creditors under IR16 on the progress of the administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

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

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

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

Please note you should read this report in conjunction with the Joint Administrators' previous reports issued to the Company's creditors, which can be found at <https://www.pwc.co.uk/phones4u>. Unless stated otherwise, all amounts in this report and appendices are stated net of VAT.

David James Kelly and Douglas Nigel Rackham have been appointed as Joint Administrators of the Company to manage its affairs, business and property as its agents and act without personal liability. Both 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 bound by the Insolvency Code of Ethics which can be found at:

<https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>

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

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Key messages

Why we've sent you this report

We're writing to update you on the progress of the administration of the Company in the six months since our last report dated 6 August 2022. You can still view our earlier reports on our website at www.pwc.co.uk/phones4u. Please get in touch with Matt Duckworth on 0113 289 4000 if you need any of the passwords to access the reports.

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
Phones 4U Finance Plc*	15 September 2014
MobileServ Limited*	15 September 2014
Phosphorus Acquisition Limited*	15 September 2014
Policy Administration Services Limited*	16 September 2014
Phosphorus Holdco Plc	8 October 2014

This progress report covers only Phosphorus Holdco Plc. On 10 February 2023, a separate report was issued to the creditors of the six companies contained within a common security structure (all indicated by * above).

We refer you to our proposals for an explanation of why the various companies were put into administration and how the purpose of each administration is expected to be achieved. Our earlier reports explained the progress in this case to 6 August 2022 and they continue to be available on our website at www.pwc.co.uk/phones4u. The content of the previous reports is not repeated here unless considered beneficial or necessary for the purposes of this update.

How much creditors may receive

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

Class of creditor	Paid (p in £)	Previous estimate (p in £)
Secured creditors	N/A	N/A
Preferential creditors	N/A	N/A
Unsecured creditors	0.19	0.19

As previously reported, there are no secured or preferential creditors in the administration and amounts become available for unsecured creditors only if there are sufficient funds remaining after the expenses of the administration have been discharged.

We have previously advised that an unsecured dividend was declared and paid on 5 March 2020 totalling £554,496. This resulted in a dividend of 0.19p in the £ on admitted claims totalling £280m.

As discussed later in this report, any further dividend will be dependent on whether there are future realisations from intercompany debts which in turn will be dependent on the outcome of litigation in P4U.

What you need to do

This report is for your information and you don't need to do anything.

Overview of what we've done to date

As explained in our earlier reports, the only material asset in the administration related to the potential claims against third parties. In order to pursue these claims, we had sought and secured litigation funding from the market. These funds were used to formulate the claims, seek advice from counsel, and issue pre-action correspondence to the potential defendants.

As previously advised, as a result of our investigations and a formal mediation process between the Company and certain third parties, a settlement totalling £4,550,000 had been reached in respect of all claims asserted by the Company.

Other work was mainly liaising with the PIK Noteholders by way of calls, meetings and notices.

Please see the subsequent section for the work performed during the period. No substantial work has been undertaken since the last progress report was issued, for reasons we explain further below.

Progress since we last reported

Investigations and actions

Nothing has come to our attention during the period under review to suggest that we need to do any more work in line with our duties under the Company Directors' Disqualification Act 1986 and Statement of Insolvency Practice No.2.

Statutory and compliance

During the period of this report, we have complied with our statutory obligations by preparing and filing the progress report for the period to 6 August 2022.

This was filed at Companies House and uploaded to the case website on 31 August 2022.

Our receipts and payments account

We set out in Appendix A an account of our receipts and payments in the administration from 7 August 2022 to 6 February 2023.

There have been no material receipts in the period, nor have there been any payments made in the period.

Our expenses

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

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

Our fees

We set out in Appendix C an update on our remuneration and other related matters in this case.

Creditors' rights

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

<https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2021/administration-creditor-fee-guide-1-april-2021.ashx?la=en>

The link to previous guides can be found below, given that the case pre-dates the requirement for a fee estimate as the appointment date was October 2014.

<https://www.icaew.com/regulation/insolvency/understanding-business-restructuring-and-insolvency/creditors-guides>

You can also get a copy free of charge by telephoning Matt Duckworth on 0113 289 4000.

What we still need to do

We still have the following tasks to complete prior to the conclusion of the administration.

- Monitor and await the conclusion of other matters elsewhere in the Group that may give rise to additional realisations, principally the outcome of the litigation;
- Potentially make a further distribution to creditors, depending on the outcome of the matters elsewhere in the Group;
- Draft and issue the Joint Administrators' six-monthly progress reports to creditors;
- Apply for a further extension of the Administration if necessary;
- Draft and issue the Joint Administrators' final report in the administration to all known creditors at the appropriate time; and
- Draft and issue the notice of dissolution to be sent to the Registrar of Companies.

Future dividends for creditors

Other than potential future realisations from the litigation in P4U, there are no further known assets to realise in this Company.

We believe that the Company should remain in administration in order to benefit from any future litigation realisations in P4U's estate, by virtue of its intercompany claims with other group entities.

Hence, there may potentially be a further dividend to the unsecured creditors depending on the outcome of the aforementioned litigation.

Ending the administration

Outside of the period of this report, the Court granted an extension to the administration for three years to 15 March 2026 in conjunction with the other Companies in the Group.

The primary and continued reasoning for seeking to extend the administration is the timeline of the litigation in Phones 4u, reflecting our belief in the potential continuing value to the creditors of each of the other administrations. Given the affairs of the Company and the Group are inextricably linked in this regard, we consider it appropriate for the administrations of the Company and the Group to continue for the same period.

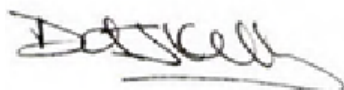
Subject to the resolution of the litigation in Phones 4u and its attendant impact on potential realisations in the estates of each of the other Group companies, the administrations are separate insolvency processes and therefore may end at different times and in different ways depending on the circumstances 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.

Next steps

We expect to send our next report to creditors at the end of the administration or in about six months, whichever is the sooner.

If you've got any questions, please get in touch with Matt Duckworth on 0113 289 4000.

Yours faithfully
For and on behalf of the Company



David Kelly, Joint Administrator

Appendix A: Receipts and payments

Directors' statement of affairs	Total to 6 August 2022	7 August 2022 to 6 February 2023	Total to 6 February 2023
£	£	£	£
14,424.00	14,423.24	-	14,423.24
2,894.00	-	-	-
Legal fees & expenses	6,236.83	-	6,236.83
Litigation funding costs	-	-	-
Investigation settlement agreement	4,550,000.00	-	4,550,000.00
Bank interest gross	6,092.73	-	6,092.73
17,318.00	4,576,752.80	-	4,576,752.80
Joint administrators' fees (time cost basis) (Note 3)	1,116,137.00	-	1,116,137.00
Joint administrators' expenses	18,042.51	-	18,042.51
Joint administrators' fees (set fee basis)	269,486.00	-	269,486.00
Bank charges	15.00	-	15.00
Legal Fees- Brown Rudnick	1,323,036.50	-	1,323,036.50
Legal Disbursements- Brown Rudnick	134,740.86	-	134,740.86
Legal Fees and expenses- A&O	37,241.22	-	37,241.22
Litigation funding costs	523,250.00	-	523,250.00
Professional Fees- CEDR Limited	5,040.00	-	5,040.00
Professional Fees- Citibank Limited	15,000.00	-	15,000.00
Irrecoverable VAT	580,265.59	-	580,265.59
278,042,628	554,496.30	-	554,496.30
Total payments	4,576,750.98	-	4,576,750.98
	1.82	-	1.82
(278,025,310)	1.82	-	1.82

Notes to the R&P

Note 1 - Amounts shown exclude VAT.

Note 2 - The Company has a claim of £22.7m in Phones 4u Finance Plc. The Statement of Affairs estimated that there would be a return of £2,984 arising from a dividend from Phones 4u Finance Plc, however there are currently insufficient assets in Phones 4u Finance Plc to enable a dividend.

Note 3 - As explained further in Appendix C, our fees are based on a combination of bases. The receipts and payments account shows the amounts paid in total to date.

Note 4 - On 5 March 2020 we paid a dividend to unsecured creditors at the rate of 0.19 pence in the £.

Note 5 - Included within our office holders' expenses is £174.14 paid in total, in relation to 'Category 2' disbursements in accordance with the policy explained in Appendix B.

Note 6 - There have been no payments made to us, our firm or our associates other than from the insolvent estate as shown in the receipts and payments account provided above.

Appendix B: Expenses

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

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

Expenses fall into two categories:

Expense	SIP 9 definition
Category 1	Payments to persons providing the service to which the expense relates who are not an associate of the office holder.
Category 2	Payments to our firm or our associates or which have an element of shared costs (for example, photocopying and mileage disbursements, or costs shared between different insolvent estates).

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

The rate for services provided by the Administrators' own firm (Category 2 expenses) may periodically rise (for example to cover annual inflationary cost increases) over the period of the administration. All other disbursements to be charged at cost.

As shown in the table below, no disbursements have been incurred during the period of this report.

Category	Costs incurred by	Policy	Costs incurred £
2	PwC	Photocopying - up to 20 pence per side copied, only charged for circulars to creditors and other bulk copying.	-
2	PwC	Mileage - At a maximum of: <ul style="list-style-type: none">• Petrol/diesel/hybrid - 64 pence per mile (up to 2,000cc) or 80 pence per mile (over 2,000cc)• Full electric - 72 pence per mile• Bicycle - 12 pence per mile	-
1	PwC	All other disbursements reimbursed at cost	-
Total			-

The expense policy set out above has been approved by the general body of creditors, however as referred to in previous reports, our expenses are capped therefore any future Category 2 expenses will not be drawn.

The table below provides details of all the expenses incurred in the administration:

	Expenses incurred brought forward	Incurred in the period	Total expenses incurred to 6 February 2023	Total expenses paid to 6 February 2023	Estimated future expenses	Estimated total expenses
	£	£	£	£	£	£
Administrators' expenses	20,914.81	-	20,914.81	18,042.51	498.62	21,413.43
Legal fees and expenses - Allen & Overy LLP	37,241.22	-	37,241.22	37,241.22	-	37,241.22
Legal fees - Brown Rudnick LLP	1,323,036.50	-	1,323,036.50	1,323,036.50	-	1,323,036.50
Legal expenses - Brown Rudnick LLP	134,740.86	-	134,740.86	134,740.86	-	134,740.86
Litigation funding costs - Scoggin	523,250.00	-	523,250.00	523,250.00	-	523,250.00
Professional fees - CEDR Limited	5,040.00	-	5,040.00	5,040.00	-	5,040.00
Professional fees - CitiBank	15,000.00	-	15,000.00	15,000.00	-	15,000.00
Bank charges	15.00	-	15.00	15.00	-	15.00
Irrecoverable VAT	580,265.59	-	580,265.59	580,265.59	-	580,265.59
Total	2,639,503.98	-	2,639,503.98	2,636,631.68	498.62	2,640,002.60

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

The table should be read in conjunction with the receipts and payments account at Appendix A, which shows expenses actually paid during the period and the total paid to date.

Appendix C: Remuneration update

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

As advised previously, our fees for Included Work were approved on a time cost basis by creditors on 11 September 2017, specifically for our time incurred in relation to the investigatory work (not unrelated matters arising in the administration).

In conjunction with our report to creditors dated 28 August 2019, we issued a request for creditors to fix the basis of our fees with regards to Excluded Work.

On 27 September 2019, our fees in relation to Excluded Work were duly approved by creditors as a set fee of £287,529 plus VAT including expenses.

According to the litigation funding settlement, and as agreed by the Company's creditors, our total remuneration is capped at £1,403,666 plus VAT. Therefore our total time incurred cannot be recovered from the Company's administration estate. However, given that the administration has been kept open principally to allow time for resolution of the P4U litigation, the P4U bondholders have agreed that our future time costs incurred, over and above the capped amount, may be recovered from the Group.

This figure includes the joint administrators' expenses (as referred to in Appendix B). Please refer to Appendix A for the breakdown of our fees and expenses which we have drawn since appointment.

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

Our hours and average rates for the period 7 August 2022 to 6 February 2023

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
Strategy & Planning	-	-	-	-	0.50	-	-	0.50	257.50	515.00
Sale of business	-	-	-	-	-	-	-	-	-	-
Book debt realisations	-	-	-	-	-	-	-	-	-	-
Property	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Retention of title	-	-	-	-	-	-	-	-	-	-
Trading	-	-	-	-	-	-	-	-	-	-
Accounting and treasury	-	-	-	-	0.10	0.30	-	0.40	164.00	410.00
Statutory and compliance	-	-	1.05	2.20	6.85	28.35	-	38.45	16,668.00	433.50
Employees & pensions	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	0.20	-	-	0.20	103.00	515.00
Creditors committee	-	-	-	-	-	-	-	-	-	-
Tax	-	-	-	-	0.25	-	-	0.25	128.75	515.00
VAT	-	-	-	-	-	-	-	-	-	-
Books and records	-	-	-	-	-	-	-	-	-	-
Closure procedures	-	-	-	-	-	-	-	-	-	-
Total	-	-	1.05	2.20	7.90	28.65	-	39.80	17,321.25	435.21
<i>Time identifiable and attributable to:</i>										
MNO Receivables	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Total time	-	-	1.05	2.20	7.90	28.65	-	39.80	17,321.25	435.21

Our hours and average rates for the period 8 October 2014 to 6 February 2023

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Total time cost £	Average hourly rate £
Strategy & Planning	41.60	0.30	21.70	12.70	22.70	52.15	-	151.15	77,903.90	515.41
Sale of business	-	-	-	-	-	-	-	-	-	-
Book debt realisations	0.60	-	-	-	0.60	-	-	1.20	786.00	656.00
Property	-	-	-	-	-	-	-	-	-	-
Other assets	8.80	0.25	-	-	4.00	0.50	2.00	15.55	10,252.50	659.32
Retention of title	-	-	-	-	-	-	-	-	-	-
Trading	-	-	-	-	0.10	-	-	0.10	31.50	315.00
Accounting and treasury	7.80	-	0.40	7.30	23.85	26.11	-	65.46	24,759.35	378.24
Statutory and compliance	31.90	5.15	161.00	191.38	302.16	179.75	3.20	874.54	370,599.85	423.77
Employees & pensions	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-	-	-	-
Creditors	16.90	6.40	68.35	17.45	85.70	59.75	0.50	255.05	115,204.05	451.69
Creditors committee	-	-	-	-	-	-	-	-	-	-
Tax	-	4.00	3.50	4.50	8.60	28.65	-	49.25	17,721.45	359.83
VAT	-	-	13.70	0.20	7.00	3.75	-	24.65	18,195.45	738.15
Books and records	0.50	-	-	0.10	0.15	2.30	-	3.05	1,045.50	342.79
Closure procedures	-	-	1.70	0.20	-	-	-	1.90	1,114.00	586.32
Total	108.10	16.10	270.35	233.83	454.86	352.96	5.70	1,441.90	637,613.55	442.20
<i>Time identifiable and attributable to:</i>										
MNO Receivables	-	-	-	-	-	-	-	-	-	-
Investigations	206.50	276.00	591.20	289.72	599.70	1,099.05	-	3,062.17	1,116,383.50	364.57
Total	206.50	276.00	591.20	289.72	599.70	1,099.05	-	3,062.17	1,116,383.50	364.57
Total time	314.60	292.10	861.55	523.55	1,054.56	1,452.01	5.70	4,504.07	1,753,997.05	389.42

Our time charging policy and hourly rates

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

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

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

Grade	Up to 30 June 2022 £	From 1 July 2022 £
Partner	980	980
Appointment taking director	865	960
Director	865	915
Assistant director (not appointee)	685	900
Senior Manager	685	860
Manager	595	730
Senior Associate	480	515
Associate	350	375
Support Staff	160	160
Offshore professionals	280	375 - 515

Reflecting the increasingly mobile and flexible nature of the PwC workforce and the narrowing of our London and regional cost bases, we have moved to one uniform rate card for our standard restructuring and insolvency services from 1 July 2022. This is in line with other parts of PwC and reflects wider market developments. We will continue to have a separate rate card for specialist services including our tax, data and technologist support.

We have a diverse range of experience and capability within our director and senior manager teams. We have created two further grades within this population to reflect different levels of experience. We have differentiated between those directors who take insolvency appointments and lead insolvency cases (thereby providing considerable leverage to our appointment taking partners and reducing overall costs to insolvent estates), and those directors who help to support the delivery of our insolvency strategy. We have also created differential rates in our senior manager team, acknowledging those insolvency qualified and long serving insolvency experienced senior managers separately from those who are not yet insolvency qualified. In addition, as the range of work undertaken by our Offshore Professional colleagues increases we have updated the description of this role.

Further details are below:

Title	Description
Appointment taking director	A licensed insolvency practitioner acting as an office holder on the insolvency appointment and subject to additional office-holder responsibilities compared to a Director who is not an appointed office-holder. Highly experienced in insolvency matters at a senior level, including managing complex insolvencies and supervising teams.
Assistant director	Individuals of Senior Manager title but who are highly experienced in insolvency matters and either with more than 10 years insolvency experience at Senior Manager level or are qualified to JIEB level.
Offshore professional	Offshore professional colleagues may provide assistance, albeit that the majority of the work on this case will be undertaken by the UK based team. An off-shore professional at the higher end of the fee bracket generally has appropriate insolvency experience or an accounting qualification, depending on the nature of the work and will assist with planning and control of various aspects of the insolvency. An off-shore professional at the lower end of the fee bracket will typically have a finance-related qualification and appropriate skills to complete basic insolvency related tasks and provide administrative support to the team including efficient document preparation and data entry, records management, and general data analytics. All work under the supervision of more senior staff.

We call on colleagues such as those in our Tax, VAT, Real Estate and Pensions departments where we need their expert advice. We may also utilise Technology Specialists from the wider Business Restructuring Services team or other parts of our firm. Their specialist charge-out rates vary but the following are the maximum rates by grade per hour.

Grade	Up to 30 June 2022 £	From 1 July 2022 £
Partner	1,680	1,810
Director	1,540	1,660
Senior Manager	1,425	1,570
Manager	860	950
Senior Associate/Consultant	640	690
Associate/Assistant Consultant	345	375
Support Staff	190	190

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

Payments to associates

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

Our work in the period

Earlier in this section we have included an analysis of the time spent by the various grades of staff. Whilst this is not an exhaustive list, in the following table we provide more detail on the key areas of work

Work undertaken	Why the work was necessary	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Accounting and treasury		
<ul style="list-style-type: none"> Conducting and reviewing periodic bank reconciliations; and Maintaining accounting records. 	<ul style="list-style-type: none"> To ensure the proper management of the administration bank account. 	<ul style="list-style-type: none"> To ensure the proper management of the administration bank account.
Statutory and compliance		
<ul style="list-style-type: none"> Preparing and issuing the latest six monthly progress report to creditors; Filing statutory case documentation at Companies House; Reviewing the administration strategy; Updating checklists and diary management system; Preparing and making an application to Court for the extension of the administration to March 2026; Conducting case reviews; and Various other internal compliance procedures. 	<ul style="list-style-type: none"> To comply with mandatory statutory and other obligations placed on the joint administrators, and to ensure the orderly management and progression of the case. 	<ul style="list-style-type: none"> To comply with mandatory statutory and other obligations placed on the joint administrators, and to ensure the orderly management and progression of the case.
Tax		
<ul style="list-style-type: none"> Responding to HMRC regarding Corporation Tax matters 	<ul style="list-style-type: none"> To comply with statutory and other obligations placed on the joint administrators. 	<ul style="list-style-type: none"> Statutory and regulatory responsibilities.

Our future work

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

Work undertaken	Estimated cost £	What, if any, financial benefit the work provided to creditors OR whether it was required by statute
Accounting and treasury		
<ul style="list-style-type: none"> Conducting and reviewing periodic bank reconciliations; and Maintaining accounting records, including receipts from third parties. 	<ul style="list-style-type: none"> 8,500 	<ul style="list-style-type: none"> To ensure the proper management of the administration bank accounts.
Creditors		
<ul style="list-style-type: none"> Corresponding with creditors over email and telephone. 	<ul style="list-style-type: none"> 11,829 	<ul style="list-style-type: none"> For the proper management of the administration and return of funds to creditors.
Statutory and compliance		
<ul style="list-style-type: none"> Preparing and issuing the six-monthly progress reports to creditors; Comply with statutory filing requirements; Make a further application to Court for an extension if necessary; and Maintain case records. 	<ul style="list-style-type: none"> 27,000 	<ul style="list-style-type: none"> Statutory and regulatory requirements.
Strategy and Planning		
<ul style="list-style-type: none"> Reviewing the administration strategy and amending as appropriate; Updating checklists and diary management system; Regular team case progression and strategy meetings to ensure the proper management of the case; and Conducting case reviews every six months. 	<ul style="list-style-type: none"> 10,175 	<ul style="list-style-type: none"> To ensure the orderly management and progression of the case.
Closure		
<ul style="list-style-type: none"> Deal with closure formalities; Draft and issue final account to creditors, Court and the Registrar; and Close down internal systems and release the specific bond. 	<ul style="list-style-type: none"> 15,000 	<ul style="list-style-type: none"> To ensure that the Company's affairs are wound down in an orderly manner.

Our relationships

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

Details of subcontracted work

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

Legal and other professional firms

We've instructed the following professionals on this case:

Service provided	Name of firm / organisation	Reason selected	Basis of fees
Legal advice (general)	Allen & Overy LLP	Lawyers instructed in respect of the wider Phones 4U Group with knowledge which would add value to the administration.	Time and expenses
Professional fees	Citibank	To assist with the distribution of funds to the Bondholders.	Fixed fee
Professional fees	CEDR Limited	Provision of services to assist with investigation matters.	Fixed fee
Legal advice (investigations)	Brown Rudnick LLP	To assist with the investigation of claims brought by the Company.	Time and expenses

Appendix D: Other information

Court details for the administration:	High Court of Justice, Chancery Division, Companies Court 7184 of 2014
Company's registered name:	Phosphorus Holdco Plc
Registered number:	07479181
Registered address:	Level 8, Central Square, 29 Wellington Street, Leeds, LS1 4DL
Date of the joint administrators' appointment:	8 October 2014
Joint administrators' names, addresses and contact details:	David James Kelly of PricewaterhouseCoopers LLP, 7 More London, Riverside, London, SE1 2RT Douglas Nigel Rackham of PricewaterhouseCoopers LLP, 7 More London, Riverside, London, SE1 2RT Email address: matthew.j.duckworth@pwc.com
Objective being pursued:	Objective (b) achieving a better result for the Company's creditors as a whole than would be likely if the Company was wound up (without first being in administration).
Appointor's / applicant's name and address:	Court order following an application by the directors of the Company, based at Osprey House, Ore Close, Lymedale Business Park, Newcastle-under-Lyme, Staffordshire, ST5 9QD
Split of the joint 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.
Extension(s) to the initial period of appointment:	<ul style="list-style-type: none">• Initial extension granted to 15 March 2019;• Subsequent extension granted to 15 March 2020;• Three year extension granted to 15 March 2023; and• Three year extension granted to 15 March 2026.
