
Joint Administrators’ Eleventh Progress Report

For the period from 21 July 2019 to 20 January
2020

Phones 4U Limited

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

10 February 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 eleventh 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.

Investigations

The Administrators have identified possible breaches of contract and/or competition law in the period before the collapse of the Group that may give rise to claims against third parties, including a number of the MNOs with which the Group traded. As further explained in Section 5.1, a concurrent administrator of Phones 4U Limited was appointed on 23 November 2018 by the High Court. The Concurrent Administrator has been appointed to consider the merits of such claims and will be solely responsible for the conduct of any future litigation.

Customers of Phones 4U Limited

The website at 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

The unsecured creditors of MobileServ Limited have received a prescribed part dividend which was distributed on 14 August 2019. Total unsecured creditor claims of £804,251,103 were admitted, resulting in a dividend of 0.07p in the £.

The unsecured creditors of PAS have received a prescribed part dividend which was distributed on 8 November 2019. Total unsecured creditor claims of £37,896,401 were admitted, resulting in a dividend of 1.5p in the £.

Any creditors of MobileServ Limited and 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.

Unclaimed prescribed part dividends in respect of Phones 4u 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. Further information is provided in Section 5.6.



Noteholders

The holders of the £430,000,000 9.500% senior secured notes (“the Notes”) due 2018 (“the Noteholders”) are expected to have the primary economic interest in the progress of the Companies’ administrations. An informal committee (“the Committee”) consisting of certain Noteholders was formed in October 2014 for the purposes of consulting with us in relation to various issues arising in the administrations of the Companies. We communicate regularly with the Committee, in addition to releases of information on PwC’s dedicated 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 January 2020, consistent with previous reports we have not disclosed the future estimated realisable value for MNO receivables nor 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 MNO receivables work stream nor the investigatory work within our estimated outcome calculations (see Section 10), except to the extent that PwC and third-party costs have been incurred to 20 January 2020.

Changes of administrator

P4U, MobileServ, Phones 4u Group, Phones 4u Finance and Phosphorus Acquisition

Ian David Green, one of the previous joint administrators has resigned from office as joint administrator of the above companies. An application was made to remove him. The application was granted and so Ian David Green was removed as joint administrator with effect from 19 December 2019. He was released from all liability in respect of his conduct as joint administrator with effect from this date.

David James Kelly, Robert John Moran and Paul David Copley remain joint administrators of Phones 4u and David James Kelly and Robert John Moran remain joint administrators of MobileServ, Phones 4u Group, Phones 4u Finance and Phosphorus Acquisition. They did not think it was necessary for an additional administrator to be appointed to replace Ian David Green.

PAS

Ian David Green has also resigned from office as joint administrator of PAS. To make sure that outstanding issues in the administration continue to be pursued, an application was made to the Court to remove him and appoint David James Kelly as administrator. David James Kelly is licensed in the United Kingdom to act as an insolvency practitioner by the Institute of Chartered Accountants in England and Wales.

The application was granted, and so David James Kelly replaced Ian David Green as joint administrator with effect from 19 December 2019. Ian David Green has been released from all liability in respect of his conduct as joint administrator with effect from this date.

Creditors have 28 days from receiving this notice to apply to Court to vary or discharge the Court order referred to above for both companies.

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 www.pwc.co.uk/phones4u for details of insolvency procedures affecting these companies).
“the Administrators”, “Joint Administrators” or “we”	David James Kelly, Robert John Moran and Paul David Copley in respect of Phones 4U 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
“Aon”	Aon Insurance Managers Isle of Man Limited
“Concurrent Administrator”	Paul David Copley of Aldan Management Limited, 25 Sackville Street, London, W1S 3AX
“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.
“LoC”	Letter of credit
“LGI”	London and General Insurance Company Limited
“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
“P4U”	Phones 4U Limited
“P4UC”	Phones 4U Care Limited
“PAS”	Policy Administration Services 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
“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



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:

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
Policy Administration Services Limited *	16 September 2014
4U Limited (now dissolved)	15 September 2014
4U Wi-Fi Limited (to be dissolved shortly)	15 September 2014
Jump 4U Limited (to be dissolved shortly)	15 September 2014
Life Mobile Limited (to be dissolved shortly)	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. Final reports have been issued to the creditors of 4U Wi-Fi Limited, Jump 4U Limited, Life Mobile Limited (all in liquidation) which were also outside of the security structure, and these three liquidations are expected to be dissolved shortly after the issue of this report.

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 January 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, 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, Robert John Moran and Paul David Copley have been appointed as joint administrators 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 Phones 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. 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 Joint Administrators may act as Data 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.

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>

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 excluding potential future realisations from MNO receivables, potential realisations from ongoing investigations and certain associated costs of each workstream. 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
	Estimated recovery for secured creditors <i>(creditors with security in respect of their debt, in accordance with Section 248 IA86)</i>					
Estimated total debt:	£19,810,000 RCF £430,000,000 Notes					
Estimated % recovery for secured creditors :	100% for the RCF lenders and 84% 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 investigations and MNO receivable work streams.					
	Estimated dividend prospects for preferential creditors <i>(for unpaid wages up to £800 and holiday pay only, and unpaid pension contributions in certain circumstances)</i>					
Amount owed to preferential creditors:	£1.7 million	Note 1				
Estimated % recovery for preferential creditors:	100%	Note 1				
Forecast timing:	Paid	Note 1				

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

	Phones 4U Limited	Phones 4 U Group Limited	Phones4U Finance plc	MobileServ Limited	Phosphorus Acquisition Limited	Policy Administration Services Limited
	Estimated dividend prospects for unsecured creditors <i>(creditors who are neither secured nor preferential)</i>					
Amount owed to unsecured creditors: <i>(as per 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.

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:

- Agreed settlement of the remaining MNO receivable amounts;
- Continued collection of MNO receivables;
- Advancement of the claims against MNOs in respect of their alleged role in relation to the collapse of the Group;
- Computation of Group tax liability; due to the level of receipts in the Group it is likely P4U will exceed utilisable tax losses;
- Paid the prescribed part dividend in MobileServ Limited and responded to creditor queries in respect of their claims;
- Followed up with creditors who have not yet banked their dividend cheques;
- Re-issued dividend cheques to creditors of Phones 4U Limited 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;
- Dealt with Ian Green's removal from office as joint administrator from P4u, MobileServ, Phones 4u Group, Phones 4u Finance, Phosphorus Acquisition and PAS, and David Kelly's replacement as joint administrator in PAS;
- Progressed the unsecured claims agreement process in preparation for a prescribed part distribution in PAS;
- Issued the NOID on PAS and paid the prescribed part dividend and responded to creditor queries in respect of their claims;
- Oversaw the 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. For more detailed background on these issues, please refer to our previous progress reports.

5.1 Phones 4U Limited

Investigations

As creditors are aware, Paul David Copley was appointed by the High Court to act as the Concurrent Administrator of Phones 4U Limited ("P4U") on 23 November 2018. Mr Copley is Managing Director of Aldan Management Limited and is not a partner or employee of PwC. The scope of his role is restricted to investigating the facts and circumstances leading up to the administration of the Company 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 the Company against such third



parties. Mr Copley is advised by the law firm, Quinn Emanuel Urquhart & Sullivan UK LLP (“QE”), who in turn have hired barristers and other advisers to assist with the litigation.

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 (“O2”);
- Telefonica SA; and
- Telefonica Europe PLC (which has subsequently changed its name to Telefonica O2 Holdings Limited) (collectively the “Defendants”).

In the proceedings, P4U advanced three claims:

- First, that each Defendant was party to an agreement and/or decision and/or concerted practice in breach of EU and/or UK competition law;
- Second, breach of contract against EE, relying on express and/or implied terms as to good faith; and
- Third, that Deutsche Telekom and Orange procured and induced the breach of EE’s contract with P4U, and/or for common law conspiracy.

Over the course of April 2019 and May 2019, the Defendants filed their Defences to the claims, denying the substantive allegations made by P4U. In October 2019, P4U filed its Replies to the Defences. Certain Defendants submitted Requests for Further Information, which P4U responded to in January 2020.

Mr Copley and QE are currently preparing for a Case Management Conference (“CMC”) which is scheduled in the High Court for week commencing 2 March 2020, at which a number of procedural matters will be addressed, including (inter alia) the timetable for the litigation, document disclosure, the requirement for expert evidence and security for costs (if not otherwise agreed between the parties ahead of the CMC).

Ahead of the CMC (and perhaps beyond), the precise timetable for the litigation is currently uncertain. However, a trial is unlikely to take place before the end of 2021, if not later.

Litigation of this nature is inherently costly, and in addition is it likely that we will need to ring-fence cash for the purposes of funding these costs and providing for potential adverse costs awards against P4U, should the Defendants prevail in the litigation. We have retained significant cash reserves for these purposes, as set out in Section 8 of this report.

Copies of the claims, Defences filed and other public documents relating to the litigation may be found at Mr Copley’s web site, which is at <https://www.aldanmanagement.com/phones4u>

MNO Receivables

Prior to 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.



Since our last progress report, the Administrators of Phones 4U Limited have reached an agreement to settle the balance of the remaining MNO receivable due. The settlement amount is to be paid in two instalments; the first instalment of £30m was received on 1 October 2019. The second instalment is due by 1 April 2020. Following the settlement there will be no other receipts from MNO receivables during the course of the administration.

This settlement substantially increased the amount available for distribution to the holders of the £430,000,000 9.500% senior secured notes due 2018 issued by Phones4U Finance plc (the “Bondholders”). We summarise below our receipts and payments since our latest report.

MNO receivables receipts totalled £31.8m during the period from 21 July 2019 to 20 January 2020, as seen in the enclosed receipts and payments account in Section 8. MNO receivable receipts are composed of the pre-settlement MNO receivables and the first settlement amount.

Former P4U senior management and employees assisted the Administrators in collecting the MNO receivable amounts. They have a commission-based programme in place to incentivise them to maximise recoveries. During the period, commission amounts accrued and were paid in line with MNO receipts.

Sale and wind-down of store network

During this period, we have managed the surrender of a further two properties either through negotiations with landlords or through operation of law (which is where the lease expires), therefore negating P4U’s future liability beyond the expiry date. This has further enabled the reduction of administration expense claims against P4U.

Together with our legal advisors we continue to liaise with landlords of the remaining 11 properties. We anticipate that the leases of a further two properties 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 a 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. Certain policies had a maximum five-year term which reached the end of their term during this and the prior reporting period. We provide further detail of the termination of these fixed term contracts later in this report. All remaining policies are automatically renewed on a monthly basis and customers can cancel these at any time.

Trading

We are pleased to report that the PAS business continues to perform well overall. During the period March 2019 to September 2019 an exercise was undertaken to terminate approximately 12,000 Phones 4 U Care policyholders with fixed term (60 month) contracts, as explained in further detail in the Regulatory update below. Aside from the terminations of the Phones 4 U Care fixed term contracts the customer base has declined more slowly than expected to approximately 95,000 policyholders as at the end of December 2019, Phones 4U Care and Premierplan products having approximately 45,000 and 50,000 policyholders respectively. Claims costs per policy remain broadly in line with forecast.

A further review of the trading forecast for the PAS business has been undertaken which shows that the business will remain profitable for a period of time beyond the previously forecast closure date of

September 2021. On the basis of this updated trading forecast we are in the process of seeking an extension of the administration of PAS beyond the current end date of March 2020. The forecast PAS trading and cost figures included in this report have therefore been prepared on the basis that the administration will be extended for a period of three years. Trading would 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. The preparation of documentation to support the formal process of extending the administration has now commenced.

We continue to employ the following strategy to promote the longevity of the business:

- Improving the repair process for policyholders with Apple handsets, by allowing them to approach Apple directly for specific repair types, providing increased options and convenience.

All policies automatically renew on a monthly basis until they are cancelled by customers or as outlined above, in relation to the Phones 4 U Care customers with fixed term contracts, terminated when the maximum five-year duration was reached. We send policyholders annual reminder letters to check that they continue to need their policy. This is in accordance with industry 'best practice' to ensure that customers are treated fairly. 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 the updated forecast identifies that trading of 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 the outsourcer handles customers' policies. PAS receives very few complaints and of the 18 cases adjudicated by the FOS during the last 12 months, no 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 reach 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.

A board meeting of P4UC was held in November 2019 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 2018 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 January 2020, some £42.0m has been paid in dividends from P4UC to PAS, of which £2.0m 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 bank interest of £13,507 in MobileServ Limited and £285,245 in Phosphorus Acquisition from the prescribed part dividend in MobileServ Limited. We also realised £613 of bank interest in Phosphorus Acquisition Limited and £190 of bank interest in Phones 4u Finance plc.

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)	5	4,020	69	-
Cash at bank (currency account)	-	726	-	-
Employee's loan account	-	55	-	-
Investments	-	445	-	-
Inter-company debtors	-	27	285	-
Interest received	-	321	1	-
Total realised	5	5,593	356	-

Other than realisations from the Investigations 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 for the time being in order to benefit from any future Investigation 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 set-offs. 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 Administrators' remuneration

We have drawn fees up to 30 June 2019 in respect of P4U, MobileServ and PAS. 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 MNO receivables and investigatory work.

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 administration 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 84%. We provide our estimated financial outcome statement in Section 10.

Consistent with our previous progress reports, we have not disclosed the estimated future realisable value from MNO receivables nor any potential future recoveries from our investigatory work, as to do so would be to disclose potentially commercially sensitive information and may prejudice the value of realisations in the administrations of the Companies. Office holder, legal and other professional fees incurred to date with regard to the MNO receivables and investigatory work have been incorporated, however any potential future costs have not been 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 expected dividends to unsecured creditors arise from the ring-fenced funds under the ‘prescribed part’ provisions of the IA86.

The unsecured creditors of MobileServ Limited have received a prescribed part dividend which was distributed on 14 August 2019. Total unsecured creditor claims of £804,251,103 were admitted, resulting in a dividend of 0.07p in the £.

In respect of PAS, the value of all unsecured claims, including HMRC’s and claims of other P4U Group entities have been agreed. A NOID was issued to unsecured creditors of PAS on 20 August 2019, and PAS proceeded to make a distribution to unsecured creditors on 12 November 2019. A dividend of 1.5% was declared and paid.

Unclaimed prescribed part dividends in respect of Phones 4u 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 MobileServ Limited and 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"> • Liaise with the Concurrent Administrator; • Continue to advance the claims against the MNOs in respect of their alleged role in relation to the collapse of the Group; • Further and final distributions to Noteholders; • Finalise residual trading and property matters; • Finalise residual expenses of the Administration; • Provide updates to the Committee; • Apply for extension of the Administration; • Ongoing corporate tax, VAT and regulatory compliance; and • Recovery of monies held by the Security Trustee and GLAS Trust Corporation Limited.
Policy Administration Services Limited	<ul style="list-style-type: none"> • Facilitate ongoing trading and implement the current strategy to maximise realisations from future profitable trading, being a long-term run-off scenario, which is expected to continue for at least two years; • Formulate an agreed closure plan with all stakeholders, including LSG, LGI, P4UC and the regulators; • Finalise tax and VAT matters and obtain clearance from HMRC; • Apply for extension of the Administration; and • Further and final distributions to Noteholders.
MobileServ Limited	<ul style="list-style-type: none"> • Realise remaining outstanding debtors; • Complete ongoing statutory and compliance, tax and VAT matters until such a time that the administrations can be brought to an end; and • Apply for extension of the Administration.

Company	What we still need to do
Phones 4 U Group Limited	<ul style="list-style-type: none"> • Realise any inter-company assets from Group companies;
Phones4u Finance plc	<ul style="list-style-type: none"> • Apply for extension of the Administration;
Phosphorus Acquisition Limited	<ul style="list-style-type: none"> • Deal with ongoing statutory and compliance, tax and VAT matters until such a time that the administration can be brought to an end; and • Finalise tax and VAT matters and obtain clearance from HMRC

5.8 Ending the administrations

As previously reported, the Court granted an extension of the administrations to 15 March 2020. Due to the expected timeline of the Investigations and continued profitability of Policy Administration Services Limited we will seek an extension of the administrations reflecting our belief in the continuing value to creditors. We have asked secured creditors for approval of the extension during the preparation of this report.

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 th Floor, 29 Wellington Street, Leeds, LS1 4DL					
Appointment date:	15 September 2014 23 November 2018 (Paul David Copley)	15 September 2014	15 September 2014	15 September 2014	15 September 2014	16 September 2014
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, 25 Sackville Street, London, W1S 3AX (Phones 4U Limited only) Contact: matthew.j.duckworth@pwc.com for P4u					Douglas Nigel Rackham and David James Kelly <i>(both of the London address shown on the left)</i> Contact: rajan.kalsi@pwc.com for PAS
Extensions to the administrations:	Extension granted by the Court to 15 September 2017 Further extension granted by the Court to 15 March 2020					
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.					
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.					
Split 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.					

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 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. 0.5 units).

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.

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

7.3 Payments to associates

We've 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 July 2019 to 20 January 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"> Oversight of case progression and strategic decisions by appointment takers and other project management; Budgeting and cost analysis; Team strategy and progress meetings; Liaising with key stakeholder groups; Preparing various forecasts, including but not limited to; cash flows, outcome statements and financial model analysis; Liaison with legal and other advisors regarding ongoing matters in the administrations; and Consideration of strategic approach in dealing with complex and interrelated work streams and associated legal and financial input and analysis. <p><i>(Policy Administration Services Limited only)</i></p> <ul style="list-style-type: none"> Ongoing planning for the closure of the PAS scheme. Strategy and planning in regards to potential extension of the Administration. <p>This work was necessary for planning and project managing the many different workstreams.</p>	Assisted in the efficient, structured and timely management of the administrations, leading to a faster completion and return to creditors.
Trading	<p><i>(Policy Administration Services Limited only)</i></p> <ul style="list-style-type: none"> Monitoring the trading activities of the insurance business and performance of LSG including the operations of the customer call centre and claims handling processes; Reviewing data, analytics and all management information; Attending monthly board meetings with the LSG PAS team to discuss the strategy and progress of the scheme; Monthly operational meetings with LSG to discuss performance; Reviewing service level agreements and qualitative metrics used to measure the outsourcer performance; and Reviewing claims referred to the FOS and identifying root causes. <p>This work is necessary for the ongoing successful and profitable trading of the PAS business, enabling us to monitor the activity of the PAS scheme and to determine its levels of profitability for forecasting and cost</p>	Maintaining profitability of the PAS business for the benefit of 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
	monitoring purposes. The work ensures that customers are treated fairly, and PAS complies with regulatory requirements.	
MNO Receivables	<ul style="list-style-type: none"> Reviewing, assessing and collecting MNO receivable balances on a monthly basis; Paying commissions that fell due; and Liaising with retained employees to quantify the current financial position and projected value of outstanding MNO receivables based on customer behaviour. <p>Due to the potentially material and commercially sensitive nature of these investigations, we do not think it would be appropriate to disclose any further information.</p>	Enhanced asset realisations.
Investigations	<ul style="list-style-type: none"> Liaising with the Concurrent Administrator as required on potential claims against third parties; and Retaining significant cash reserves to fund potential claims against third parties. <p>Due to the potentially material and commercially sensitive nature of these investigations, we do not think it would be appropriate to disclose any further information.</p>	Enhanced asset realisations.
Property	<ul style="list-style-type: none"> Liaising with landlords and their agents / solicitors regarding surrender of leases; Liaising with our solicitors with regard to surrender of leases and re-let properties; Liaising with landlords and responding to queries; and Maintaining our property files with progress against each store. <p>This work was necessary to negotiate with landlords and liaise with agents in order to reduce P4U's liabilities in respect of its property portfolio and utility costs.</p>	Mitigates claims against the administrations.
Other assets	<ul style="list-style-type: none"> Determining the most appropriate strategy for trademarks and domains, including their renewal; Reviewing the position of inter-company unsecured creditor claims within other Group companies and submission of the relevant claims; Negotiating settlement with IT service provider for use of systems post-administration; and Liaising with our insurers for the purpose of maintaining adequate insurance cover for assets and risks in the post-appointment period. <p>This work was necessary to ensure appropriate insurance of assets and to ensure that assets are properly dealt with.</p> <p><i>(Policy Administration Services Limited only)</i></p> <ul style="list-style-type: none"> Attending board meetings with P4UC to oversee the running of the subsidiary. 	Enhanced asset realisations and mitigates the risk of claims against the administration and loss of assets.
		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.

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
	<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>	
Creditors & Committee	<ul style="list-style-type: none"> • Planning and preparation of financial and operational information for creditors; • Preparing for and following up on Noteholder meetings; • Responding to queries from stakeholder groups; • Maintaining information on our dedicated website; • Providing progress updates to the secured creditors; • Formulating and delivering our communication strategy; • General creditors and customer enquiries; • Internal planning and strategy discussion in respect of the prescribed part funds; • Receiving incoming proof-of-debt forms from unsecured creditors; • Maintaining a database of creditor claims; • Formally adjudicating on claims received so far, including high value and lower value creditor claims; • Re-issuing dividends to creditors of P4u where appropriate for those that have moved or changed name; • Paying over any uncashed dividends that are over six months old in P4u to the ISA; • Payment of the prescribed part dividend in MobileServ and PAS and responding to creditor queries arising from this; • Maintaining the creditor helpline and mailbox in respect of creditor claims. <p><i>(Policy Administration Services Limited only)</i></p> <ul style="list-style-type: none"> • Assessing unsecured creditor claims received by reference to the Statement of Affairs and third-party documentation to enable adjudication of the claims and to ensure that the correct balances are captured for dividend purposes; • Liaising with unsecured creditors to obtain necessary supporting documentation to support claim values; • Liaising with Group companies to reconcile and agree intercompany balances; • Issuing of the NOID to all unsecured creditors; and • Distribution of prescribed part to all unsecured creditors. <p>This work was necessary to determine the value of creditor claims so that a distribution strategy may be determined, and dividend payments made to creditors.</p>	<p>Provides information necessary to creditors (who have an economic interest in the outcome of the administration), both collectively and individually.</p> <p>Enables the distribution of the prescribed part dividends.</p>
VAT	<ul style="list-style-type: none"> • Preparing and submitting quarterly VAT returns to HMRC; • Regular detailed reconciliations of transactions for VAT purposes; 	Statutory and regulatory responsibilities.

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
	<ul style="list-style-type: none"> Preparation and submission of voluntary disclosure and error correction notices; and Liaising with HMRC. <p>This work was necessary to comply with our legal obligation to submit tax returns, to reach certainty on the post-administration tax position and to enable agreement of HMRC's unsecured claim.</p>	
Tax	<ul style="list-style-type: none"> Preparation and submission of post-administration tax returns; Liaising with HMRC; Reviewing the tax implications of the adjudication of inter-company claims; Discussion and analysis regarding anticipated MNO recoveries and calculating a tax provision for MNO recoveries; and Reviewing the availability of trading losses and loss restriction rules across the Group. <p>(Policy Administration Services only)</p> <ul style="list-style-type: none"> Filing tax returns and making quarterly payments on account. Calculating and paying income tax due on interest payments on customer refunds. Considering the tax efficiency of the PAS scheme. <p>This work was necessary to comply with our legal obligation to submit tax returns, to reach certainty on the post-administration tax position and to enable agreement of HMRC's unsecured claim.</p>	Statutory and regulatory responsibilities.
Employees	<ul style="list-style-type: none"> Ongoing payroll payments; Responding to ad-hoc queries from former employees; and Arranging for PAYE / NIC deductions to be paid to HMRC. <p>This work was necessary to satisfy statutory and regulatory responsibilities.</p>	Statutory and regulatory responsibilities.
Pensions and benefits	<ul style="list-style-type: none"> Responding to members' queries on pension issues; and Arranging for pension contributions to be paid over to Aegon group personal pension plan for those members who remain employed. <p>This work was necessary to satisfy statutory and regulatory responsibilities.</p>	Statutory and regulatory responsibilities.
Accounting and treasury	<ul style="list-style-type: none"> Dealing with general accounting and treasury functions, including payments, receipts and journal postings; Ongoing payment of wages; and Actively managing cash holdings, including regular money market investments to increase returns whilst ensuring credit risk is appropriately managed. <p>(Policy Administration Services only)</p>	<p>Ensured funds are managed securely and that such funds are generating returns.</p> <p>Complying with statutory and regulatory duties regarding the holding and accounting for funds.</p>

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
	<ul style="list-style-type: none"> Collecting premiums and making refunds to customers and reconciliations to bank balance and cash flow. Transferring premiums to insurer account, including reconciliation and sign off from appointees. Liaising with Lloyds Bank regarding efficient and cost-effective transfer of premiums. Operating finance functions, including bank account transfers and payment requisitions. Managing funds held in order to maximise interest returns. <p>This work was necessary for preparing and authorising receipt and payment vouchers and carrying out bank reconciliations. For PAS, it ensures the correct allocation and accounting for premiums and refunds.</p>	
Statutory and compliance	<ul style="list-style-type: none"> Preparing and issuing our tenth progress report to creditors; Preparing for and actioning the removal of office of Ian David Green as joint administrator of P4u and PAS, and facilitating David Kelly's appointment as joint administrator of PAS to replace Ian Green; Planning for statutory deadlines and collation of requisite information; Maintaining cash records and filings; Dealing with inbound post and other correspondence; and Completing case management tasks on the case database. <p>This work was necessary to satisfy statutory and regulatory responsibilities.</p> <p><i>(Policy Administration Services Limited only)</i></p> <ul style="list-style-type: none"> Updating policies and processes in compliance with General Data Protection Regulations. 	Statutory and regulatory responsibilities.
Books and records	<ul style="list-style-type: none"> Liaising with third party storage providers in relation to company books and records that we have a legal obligation to maintain. <p>This work was necessary to ensure the proper stewardship of company books and records.</p>	Statutory and regulatory responsibilities.

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"> Ongoing preparation of estimated outcome statements, budgets, forecasts and other financial reporting tools; In depth consideration of strategic approach in dealing with complex and interrelated workstreams; Strategy meetings, decisions and project management by the appointment takers; Liaising with external advisors in relation to various and complex workstreams within the administrations; and Progressing ongoing matters within the administrations. <p><i>(Policy Administration Services only)</i></p> <ul style="list-style-type: none"> Consideration of strategic approach in planning for a smooth exit of the business once it is no longer viable for PAS to continue trading 	0.77	Assist in the timely, structured and efficient completion of the administration and return to creditors.
Trading	<p><i>(Policy Administration Services only)</i></p> <ul style="list-style-type: none"> Actively monitoring the insurance business, its activities and those of LSG in including operations of the customer call centre and claims processes; Determining how best to promote the longevity of the scheme; Ongoing monitoring of the profit and loss and balance sheet, comparing forecast and actuals; and Managing and updating communications to all policyholders. 	1.20	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 and other assets) *	<ul style="list-style-type: none"> • Liaising with legal and other advisors regarding the progression of investigatory and litigation work streams; • Collection of the MNO debtors and payment of commissions due; • Active management of cash holdings, including placing regular money market investments to increase returns; • Collection of outstanding debtors that are due. <p><i>(Policy Administration Services only)</i></p> <ul style="list-style-type: none"> • Continue to monitor the performance and governance of P4UC; and • Ensure P4UC has appropriate closure plans. 	0.41*	Enhanced asset realisations for the administrations.
Property	<ul style="list-style-type: none"> • Manage and reduce any liabilities we have with respect to the property portfolio including ongoing leases and utility payments. 	0.02	Mitigate claims against the administrations.
Creditors and committee	<ul style="list-style-type: none"> • Reissue dividend cheques to creditors who have moved or changed name as appropriate; • Pay over any uncashed dividends that are over six months old to the ISA; • Arranging, preparing for and attending meetings of the informal creditor committee; • Respond to creditor queries; and • When appropriate, declare and pay future interim and final distributions to secured creditors. 	0.34	Direct benefit to creditors through payment of distributions and provision of information.
VAT liabilities	<ul style="list-style-type: none"> • Ongoing drafting and submission of quarterly VAT returns; • Reconciliation of the companies' VAT position on a regular basis to ensure transactions are correctly accounted for; and • Liaison with HMRC as required. 	0.23	Statutory and regulatory requirements.
Tax	<ul style="list-style-type: none"> • Drafting and submitting of corporation tax returns; and • Ongoing liaison with HMRC. <p><i>(Policy Administration Services only)</i></p> <ul style="list-style-type: none"> • Filing tax returns and making quarterly payments on account; and 	0.26	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"> Calculating and paying income tax on interest payments on customer funds. 		
Employees	<ul style="list-style-type: none"> Responding to ad-hoc queries from former employees. 	0.01	Statutory and regulatory requirements.
Accounting and treasury	<ul style="list-style-type: none"> Arranging payment of expenses of the administrations when they fall due; Dealing with receipts and journals to maintain accurate accounting records; Actively monitoring and dealing with funds invested on the money markets; Carrying out periodic bank reconciliations; and Corresponding with the bank regarding specific transfers. 	0.66	Ensure proper stewardship of the funds held. Management of the funds will generate greater recoveries for creditors.
Statutory & compliance	<ul style="list-style-type: none"> Drafting and circulating six monthly progress reports to unsecured creditors; Ongoing compliance with regulatory requirements; Maintaining case files; and Dealing with inbound correspondence and queries. 	1.08	Statutory and regulatory requirements.
Closure	<ul style="list-style-type: none"> Dealing with closure formalities; Obtaining tax and VAT clearances from HMRC; Obtaining clearances from external third parties with regard to commitments made during the administrations; and Closing down internal systems. 	0.44	Ensure that the Companies' affairs are wound down in an orderly manner.

** Costs relating to the MNO receivables and investigations workstreams have 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 July 2019 to 20 January 2020 is provided below.

Phones 4U Limited – in administration

Summary of disbursements incurred to 20 January 2020

Category	Policy	15 September 2014 to 20 July 2019 (£)	21 July 2019 to 20 January 2020 (£)	Total to 20 January 2020 (£)
2	Photocopying - at 10 pence per sheet copied, only charged for circulars to creditors and other bulk copying	20,374.25	70.67	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.	30,602.00	2,996.00	33,598.00
	Hosting - at £25 per Gigabyte of data processed per calendar month	246,917.00	43,815.00	290,732.00
	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.			

Category	Policy	15 September 2014 to 20 July 2019 (£)	21 July 2019 to 20 January 2020 (£)	Total to 20 January 2020 (£)
1	All other disbursements reimbursed at cost:			
	External venue costs	35,601.05	-	35,601.05
	Concurrent Administrator disbursements	218.00	29.00	247.00
	Hotel accommodation	34,062.95	1,080.95	35,143.90
	Rail fares	26,974.65	28.83	27,003.48
	Air fares	43,890.70	1,583.46	45,474.16
	Postage	53,892.04	6.73	53,898.77
	Subsistence costs	9,411.55	150.54	9,562.09
	Taxi fares	7,528.22	350.24	7,878.46
	Mobile phone usage	1,933.77	-	1,933.77
	Other	21,239.90	1,344.21	22,584.11
Total		1,030,358.98	51,455.63	1,081,814.61

Phones 4 U Group Limited – in administration

Summary of disbursements incurred to 20 January 2020

Category	Policy	15 September 2014 to 20 July 2019 (£)	21 July 2019 to 20 January 2020 (£)	Total to 20 January 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	-	607.16
Total		785.09	-	785.09

Phones4U Finance plc – in administration

Summary of disbursements incurred to 20 January 2020

Category	Policy	15 September 2014 to 20 July 2019 (£)	21 July 2019 to 20 January 2020 (£)	Total to 20 January 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
Total		3,689.51	-	3,689.51

MobileServ Limited – in administration

Summary of disbursements incurred to 20 January 2020

Category	Policy	15 September 2014 to 20 July 2019 (£)	21 July 2019 to 20 January 2020 (£)	Total to 20 January 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	585.24	19.08	604.32
Total		760.82	19.08	779.90

Phosphorus Acquisition Limited – in administration

Summary of disbursements incurred to 20 January 2020

Category	Policy	15 September 2014 to 20 July 2019 (£)	21 July 2019 to 20 January 2020 (£)	Total to 20 January 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
Total		558.53	-	558.53

Policy Administration Services Limited – in administration

Summary of disbursements incurred to 20 January 2020

Category	Policy	15 September 2014 to 20 July 2019 (£)	21 July 2019 to 20 January 2020 (£)	Total to 20 January 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	12,478.23	37.00	12,515.23
	Hotel accommodation	7,175.69	-	7,175.69
	Subsistence costs	3,383.57	32.56	3,416.13
	Taxi fares	2,078.03	9.10	2,087.13
	Car hire charges	1,485.92	-	1,485.92
	Postage	6.73	6.73	13.46
	Air fares	881.79	-	881.79
	Other	1,911.44	273.90	2,185.34
Total		32,756.34	359.29	33,115.63

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 £289m for the benefit of all classes of creditors.

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 will generate significant further realisations and minimise liabilities against the Companies, leading to our estimated recovery of 84% for the Noteholders (who are expected to have the primary economic interest in the progress of the Companies' administrations).

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.



Phones 4U Limited – in administration

Analysis of time costs for the period 21 July 2019 to 20 January 2020

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
Strategy & Planning	6.80	-	6.35	1.50	4.60	-	-	19.25	12,818.25	665.88
Sale of business	-	-	-	-	-	-	-	-	-	-
Book debt realisations	2.00	4.50	0.05	17.25	0.10	-	1.70	25.60	16,048.60	626.90
Property	-	-	-	-	4.00	-	-	4.00	1,740.00	435.00
Other assets	6.40	-	0.20	-	0.60	-	-	7.20	6,206.00	861.94
MNO Receivables	5.10	-	17.10	64.00	-	-	-	86.20	49,675.50	576.28
Investigations	1.20	-	-	94.00	2.50	35.25	-	132.95	44,125.00	331.89
Retention of title	-	-	-	-	-	-	-	-	-	-
Trading	-	-	2.40	3.00	-	-	-	5.40	3,027.00	560.56
Accounting and treasury	-	-	17.70	33.65	173.65	24.70	-	249.70	110,581.50	442.86
Statutory and compliance	8.70	-	7.10	84.50	25.85	0.25	-	126.40	67,887.25	537.08
Employees & pensions	-	-	4.35	7.25	23.15	12.50	-	47.25	17,588.00	372.23
Creditors	-	-	5.20	38.35	4.75	24.80	-	73.10	28,195.00	385.70
Creditors committee	-	-	-	-	-	-	-	-	-	-
Tax	(0.70)	8.80	3.80	11.60	63.45	2.00	-	88.95	48,426.00	544.42
VAT	(0.00)	-	12.80	0.80	11.10	-	-	24.70	22,804.00	923.24
Books and records	-	-	-	12.35	2.50	-	-	14.85	5,550.00	373.74
Closure procedures	-	-	-	-	-	-	-	-	-	-
Total	29.50	13.30	77.05	368.25	316.25	99.50	1.70	905.55	434,672.10	480.01

Note: The negative partner time shown for Tax and VAT is due to an amendment of time charged during the period following a reconciliation of our time costs.



Phones 4U Limited – in administration

Concurrent Administrator time costs for the period 21 July 2019 to 20 January 2020

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
Investigations	81.00	-	-	-	-	-	-	81.00	73,710.00	910.00
Statutory and compliance	4.30	-	-	-	-	-	-	4.30	3,913.00	910.00
Other assets	0.60	-	-	-	-	-	-	0.60	546.00	910.00
Creditors	13.50	-	-	-	-	-	-	13.50	12,285.00	910.00
Total	99.40	-	-	-	-	-	-	99.40	90,454.00	910.00



Phones 4U Limited – in administration

Aggregate time cost summary to 20 January 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	3,830	2,056,555	537	350	285,000	2,341,555	560
Sale of business	932	497,953	534	-	-	497,953	534
Book debt realisations	372	173,936	467	-	-	173,936	467
Property	2,735	1,151,345	421	25	15,500	1,166,845	423
Other assets	2,343	1,054,538	450	-	-	1,054,538	450
MNO Receivables	3,663	1,740,774	475	Note 1	Note 1	Note 1	Note 1
Investigations	2,841	1,251,106	440	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	2,992	1,057,085	353	200	215,000	1,272,085	399
Statutory and compliance	3,536	1,467,006	415	1,300	720,000	2,187,006	452
Employees & pensions	4,640	1,477,868	319	10	5,000	1,482,868	319
Creditors	7,305	3,155,193	432	500	205,500	3,360,693	431
Creditors committee	321	165,016	515	25	25,000	190,016	550
Tax	2,612	1,375,893	527	150	100,000	1,475,893	534
VAT	4,489	3,272,907	729	150	100,000	3,372,907	727
Books and records	981	273,944	279	20	25,000	298,944	299
Closure procedures	7	2,335	343	450	250,000	252,335	552
Total	46,823	21,545,223	460	3,180	1,946,000	23,491,223	470

Note 1

Costs relating to the MNO receivables and investigations workstreams have been excluded from the forecast.



Phones 4 U Group Limited – in administration

Analysis of time costs for the period 21 July 2019 to 20 January 2020

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
Strategy & Planning	6.50	-	-	-	-	-	-	6.50	5,915.00	910.00
Sale of business	-	-	-	-	-	-	-	-	-	-
Book debt realisations	4.70	-	-	-	-	-	-	4.70	4,277.00	910.00
Property	-	-	-	-	-	-	-	-	-	-
Other assets	1.40	-	-	-	-	-	-	1.40	1,274.00	910.00
Retention of title	-	-	-	-	-	-	-	-	-	-
Trading	3.20	-	-	-	-	-	-	3.20	2,912.00	910.00
Accounting and treasury	-	-	-	-	0.50	-	-	0.50	217.50	435.00
Statutory and compliance	1.60	-	0.50	1.70	7.05	-	-	10.85	5,717.75	526.98
Employees & pensions	-	-	-	-	-	-	-	-	-	-
Investigations	0.10	-	-	-	-	-	-	0.10	91.00	-
Creditors	-	-	-	-	-	-	-	-	-	-
Creditors committee	-	-	-	-	-	-	-	-	-	-
Tax	-	-	-	-	4.05	-	-	4.05	1,368.00	337.78
VAT	-	-	-	-	0.20	-	-	0.20	87.00	435.00
Books and records	-	-	-	-	-	-	-	-	-	-
Closure procedures	-	-	-	-	-	-	-	-	-	-
Total	17.50	-	0.50	1.70	11.80	-	-	31.50	21,859.25	693.94



Phones 4 U Group Limited – in administration

Aggregate time cost summary to 20 January 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	48.94	34,575.07	706.00	17.50	11,685.25	46,260.32	696.27
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	1,730.50	576.83	-	-	1,730.50	576.83
Other assets	2.15	1,790.00	832.56	-	-	1,790.00	832.56
Retention of title	-	-	-	-	-	-	-
Investigations	8.10	6,822.50	842.28	-	-	6,822.50	842.28
Trading	18.95	8,198.75	432.65	-	-	8,198.75	432.65
Accounting and treasury	18.90	6,543.80	346.23	8.00	4,693.45	11,237.25	417.74
Statutory and compliance	154.16	60,095.15	389.82	17.60	15,692.85	75,788.00	441.24
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	41.85	22,070.00	527.36	12.50	15,254.25	37,324.25	686.74
VAT	13.10	5,161.10	393.98	12.50	15,254.25	20,415.35	797.47
Books and records	3.85	1,472.90	382.57	-	-	1,472.90	382.57
Closure procedures	2.20	1,098.00	499.09	15.00	10,000.00	11,098.00	645.23
Total	340.25	162,059.22	476.29	83.10	72,580.05	234,639.27	554.24



Phones4U Finance plc – in administration

Analysis of time costs for the period 21 July 2019 to 20 January 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	-	-	-	0.10	0.20	0.20	-	0.50	193.50	387.00
Statutory and compliance	-	-	0.50	1.60	7.05	-	-	9.15	4,209.25	460.03
Employees & pensions	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	-	-	-	-	-	-
Creditors committee	-	-	-	-	-	-	-	-	-	-
Tax	-	-	-	-	3.85	-	-	3.85	1,281.00	332.73
VAT	-	-	-	-	0.20	-	-	0.20	87.00	435.00
Total	-	-	0.50	1.70	11.30	0.20	-	13.70	5,770.75	421.22



Phones4U Finance plc – in administration

Aggregate time cost summary to 20 January 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	10,830.25	467.83	17.50	11,685.25	22,515.50	553.89
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	24.05	8,657.65	359.99	8.00	4,693.45	13,351.10	416.57
Statutory and compliance	151.42	56,543.95	373.42	17.60	15,692.85	72,236.80	427.39
Employees & pensions	10.40	2,615.00	251.44	-	-	2,615.00	251.44
Investigations	6.05	1,992.75	329.38	-	-	1,992.75	329.38
Creditors	26.75	10,342.40	386.63	-	-	10,342.40	386.63
Creditors committee	0.20	58.00	290.00	-	-	58.00	290.00
Tax	11.95	4,003.15	334.99	12.50	15,254.25	19,257.40	787.62
VAT	18.30	5,877.35	321.17	12.50	15,254.25	21,131.60	686.09
Books and records	0.45	165.50	367.78	-	-	165.50	367.78
Closure procedures	-	-	-	15.00	10,000.00	10,000.00	666.67
Total	281.72	103,771.50	368.35	83.10	72,580.05	176,351.55	483.39



MobileServ Limited – in administration

Analysis of time costs for the period 21 July 2019 to 20 January 2020

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
Strategy & Planning	1.30	-	0.15	-	1.10	-	-	2.55	1,752.25	687.16
Sale of business	-	-	-	-	-	-	-	-	-	-
Book debt realisations	-	-	-	-	-	-	-	-	-	-
Property	-	-	-	-	-	-	-	-	-	-
Other assets	0.30	-	1.80	-	0.10	-	-	2.20	1,405.50	638.86
Retention of title	-	-	-	-	-	-	-	-	-	-
Trading	0.20	-	0.50	-	-	-	-	0.70	719.50	1,027.86
Accounting and treasury	-	-	0.10	0.80	4.05	3.30	-	8.25	3,133.25	379.79
Statutory and compliance	0.20	-	0.50	2.90	8.90	-	-	12.50	5,878.50	470.28
Employees & pensions	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-	-	-	-
Creditors	-	-	1.20	6.25	1.80	2.50	-	11.75	4,932.75	419.81
Creditors committee	-	-	-	-	-	-	-	-	-	-
Tax	-	-	0.30	13.00	29.55	8.15	-	51.00	27,324.75	535.78
VAT	-	-	-	-	0.20	-	-	0.20	87.00	435.00
Books and records	-	-	-	-	0.10	-	-	0.10	43.50	435.00
Closure procedures	-	-	-	-	-	-	-	-	-	-
Total	2.00	-	4.55	22.95	45.80	13.95	-	89.25	45,277.00	507.31



MobileServ Limited – in administration

Aggregate time cost summary to 20 January 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	32.20	15,738.30	488.77	17.50	11,685.25	27,423.55	551.78
Sale of business	0.15	81.00	540.00	-	-	81.00	540.00
Book debt realisations	3.20	1,472.00	460.00	-	-	1,472.00	460.00
Property	0.10	46.00	460.00	-	-	46.00	460.00
Other assets	32.80	15,476.90	471.86	7.50	5,000.00	20,476.90	508.11
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	53.25	17,664.85	331.73	8.00	4,693.45	22,358.30	365.03
Statutory and compliance	170.35	63,200.80	371.01	17.60	15,692.85	78,893.65	419.76
Employees & pensions	0.20	59.00	295.00	-	-	59.00	295.00
Creditors	62.14	28,261.82	454.81	5.00	2,000.00	30,261.82	450.73
Creditors committee	0.40	116.00	290.00	-	-	116.00	290.00
Tax	72.80	34,064.20	467.91	12.50	15,254.25	49,318.45	578.18
VAT	1.90	659.35	347.03	12.50	15,254.25	15,913.60	1,105.11
Books and records	4.45	1,779.50	399.89	-	-	1,779.50	399.89
Closure procedures	-	-	-	15.00	10,000.00	10,000.00	666.67
Total	441.99	181,839.72	411.41	95.60	79,580.05	261,419.77	486.28



Policy Administration Services Limited – in administration

Analysis of time costs for the period 21 July 2019 to 20 January 2020

Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
Strategy & Planning	-	-	0.10	0.20	14.55	-	-	14.85	6,494.75	437.36
Sale of business	-	-	-	-	-	-	-	-	-	-
Book debt realisations	-	-	-	-	-	-	-	-	-	-
Property	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Retention of title	-	-	-	-	-	-	-	-	-	-
Trading	-	16.10	-	317.70	272.40	-	-	606.20	297,044.50	490.01
Accounting and treasury	-	-	0.60	10.05	26.75	21.40	-	58.80	23,053.50	392.07
Statutory and compliance	0.20	-	1.25	31.55	69.70	-	-	102.70	47,821.50	465.64
Employees & pensions	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-	-	-	-
Creditors	-	0.50	2.85	10.00	32.35	4.25	-	49.95	21,931.50	439.07
Creditors committee	-	-	-	-	-	-	-	-	-	-
Tax	0.10	-	0.60	-	17.30	1.25	-	19.25	8,102.50	420.91
VAT	-	-	1.90	-	0.40	-	-	2.30	2,625.00	1,141.30
Books and records	-	-	-	-	-	-	-	-	-	-
Closure procedures	-	-	-	-	-	-	-	-	-	-
Total	0.30	16.60	7.30	369.50	433.45	26.90	-	854.05	407,073.25	476.64



Policy Administration Services Limited – in administration

Aggregate time cost summary to 20 January 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	861	355,608	413	863	435,846	791,454	459
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	283,829	430	861	409,848	693,677	456
Trading	8,753	4,064,135	464	2,316	1,197,101	5,261,236	475
Accounting and treasury	1,047	356,592	340	823	430,879	787,471	421
Statutory and compliance	1,617	672,604	416	507	292,389	964,993	454
Employees & pensions	205	87,078	425	-	-	87,078	425
Investigations	9	3,239	352	-	-	3,239	352
Creditors	369	160,757	436	160	79,652	240,409	454
Creditors committee	49	21,725	439	58	27,989	49,714	462
Tax	439	220,864	504	187	103,926	324,790	519
VAT	202	163,679	810	168	66,808	230,487	623
Books and records	72	28,507	393	-	-	28,507	393
Closure procedures	73	40,792	558	259	147,885	188,677	569
Total	14,500	6,533,322	451	6,202	3,192,323	9,725,645	470



Phosphorus Acquisition Limited – in administration

Analysis of time costs for the period 21 July 2019 to 20 January 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	-	-	-	0.20	1.20	-	-	1.40	627.00	447.86
Statutory and compliance	-	-	0.50	1.40	7.05	-	-	8.95	4,104.25	458.58
Employees & pensions	-	-	-	-	-	-	-	-	-	-
Investigations	-	-	-	-	-	-	-	-	-	-
Creditors	-	-	-	-	-	-	-	-	-	-
Creditors committee	-	-	-	-	-	-	-	-	-	-
Tax	-	-	-	-	7.80	-	-	7.80	2,584.50	331.35
VAT	-	-	-	-	0.20	-	-	0.20	87.00	435.00
Total	-	-	0.50	1.60	16.25	-	-	18.35	7,402.75	403.42



Phosphorus Acquisition Limited – in administration

Aggregate time cost summary to 20 January 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	8,989.90	424.05	17.50	11,685.25	20,675.15	534.24
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	1,124.25	468.44	-	-	1,124.25	468.44
Trading	5.85	2,171.25	371.15	-	-	2,171.25	371.15
Accounting and treasury	24.80	8,045.65	324.42	8.00	4,693.45	12,739.10	388.39
Statutory and compliance	145.66	53,702.20	368.68	17.60	15,692.85	69,395.05	425.06
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	19.85	6,104.85	307.55	12.50	15,254.25	21,359.10	660.25
VAT	2.00	689.75	344.88	12.50	15,254.25	15,944.00	1,099.59
Books and records	0.45	165.50	367.78	-	-	165.50	367.78
Closure procedures	0.20	94.00	470.00	15.00	10,000.00	10,094.00	664.08
Total	236.66	86,074.75	363.71	83.10	72,580.05	158,654.80	496.17

8. Receipts and payments accounts

Phones 4U Limited – in administration

From 21 July 2019 to 20 January 2020

Directors' statement of affairs £	15 September 2014 to 20 July 2019 £	21 July 2019 to 20 January 2020 £	Total to 20 January 2020 £
Floating charge			
Receipts			
1,003,700	Accrued income	-	-
35,168,467	Amounts related to stock	30,308,407.18	30,308,407.18
1,526,401	Book debts	3,037,277.04	3,037,277.04
Undisclosed	Network commissions	265,778,791.15	265,778,791.15
73,581,338	Cash at bank	92,967,951.25	92,967,951.25
	Contribution to costs from group companies	8,283,588.21	8,283,588.21
	Contributions to legal fees	1,928,408.51	1,928,408.51
	Contributions to rent	6,803,928.09	6,803,928.09
	Contributions to wages	447,000.00	447,000.00
	Employment Benefit Trust settlement	1,500,000.00	1,500,000.00
	Insurance refunds	148,464.98	148,464.98
156,652	Intercompany debtors	735,786.38	735,786.38
	Intellectual property rights	100,000.00	100,000.00
	Interest received gross	1,958,426.76	1,958,426.76
2,250,000	Lease premiums	743,400.01	743,400.01
	Miscellaneous receipts	41,797.60	41,797.60
	Office equipment	201,702.32	201,702.32
46,122	Pre-payments	-	-
	Rates refunds	1,271,110.92	1,271,110.92
	Other refunds	216,670.57	216,670.57
	Sale of business	14,218,577.86	14,218,577.86
	Software licences	180,100.00	180,100.00
5,870,969	Subrogated inter-company claims	-	-
250,000	Tangible fixed assets	-	-
	Third party funds	192,307.12	192,307.12
Undisclosed	Total receipts	431,063,695.95	32,511,669.83
			463,575,365.78

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 July 2019 £	21 July 2019 to 20 January 2020 £	Total to 20 January 2020 £
Floating charge			
Payments			
Agents' fees	48,281,933.67	4,923,338.15	53,205,271.82
Amounts relating to stock	556,577.00	-	556,577.00
Bank charges	24,089.23	198.25	24,287.48
Cleaning and site clearance	34,590.37	-	34,590.37
Consultancy fees	505,695.10	-	505,695.10
Corporation tax	153.40	23,207.65	23,361.05
Duress payments	1,131,484.96	-	1,131,484.96
Employee expenses	123,017.66	-	123,017.66
Gross wages, salaries and employers NIC	10,682,308.79	253,947.10	10,936,255.89
Insurance	405,746.92	648.12	406,395.04
Investigations - Investigation Legal Fees	674,591.99	2,304,413.86	2,979,005.85
Investigations - Concurrent Administrator's Fees	93,327.40	87,753.00	181,080.40
Irrecoverable VAT	274,190.95	-	274,190.95
IT costs	2,833,820.66	-	2,833,820.66
Legal fees	11,748,748.71	9,981.61	11,758,730.32
Lease/hire charges	3,524.80	-	3,524.80
Office costs, stationery and postage	14,402.97	-	14,402.97
Office holders' fees (time cost basis)	20,356,855.35	125,418.15	20,482,273.50
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
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	1,428,539.37	2,671.67	1,431,211.04
Sundry appointment related costs	19,931.27	5,097.96	25,029.23
Transport and carriage	354,899.40	-	354,899.40
Unclaimed dividends paid to the ISA	-	16,040.13	16,040.13
Utilities	994,104.34	-	994,104.34
Total payments	108,291,829.77	7,752,715.65	116,044,545.42
Net floating charge realisations	322,771,866.18	24,758,954.18	347,530,820.36
Secured creditors			
RCF - letters of credit called up	15,810,000.00	-	15,810,000.00
RCF - letters of credit uncalled (held by Security Trustee)	-	-	-
Total RCF indebtedness	15,810,000.00	-	15,810,000.00
Senior secured noteholders	191,003,502.30	-	191,003,502.30
Total distributions to Noteholders	191,003,502.30	-	191,003,502.30
Cash-backed indemnities	3,000,000.00	-	3,000,000.00
Recovery of costs and interest	2,289,791.18	-	2,289,791.18
Total secured creditor entitlements	212,103,293.48	-	212,103,293.48
Preferential creditors			
Distribution to preferential creditors (100 pence in the £)	1,716,513.98	-	1,716,513.98
Total preferential creditor distribution	1,716,513.98	-	1,716,513.98
Unsecured creditors			
Distribution to unsecured creditors (0.27 pence in the £)	458,887.65	-	458,887.65
Total unsecured creditor distribution	458,887.65	-	458,887.65
VAT control account	1,693,449.36	5,092,394.99	6,785,844.35
Balance held in interest bearing current accounts	110,186,620.43	29,851,349.17	140,037,969.60
Represented by			
Held in Barclays			1,947,848.88
Invested in high interest account			138,090,120.72
Total			140,037,969.60



Phones 4 U Group Limited – in administration

From 21 July 2019 to 20 January 2020

Directors' statement of affairs £	15 September 2014 to 20 July 2019 £	21 July 2019 to 20 January 2020 £	Total to 20 January 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 July 2019 to 20 January 2020

Directors' statement of affairs £	15 September 2014 to 20 July 2019 £	21 July 2019 to 20 January 2020 £	Total to 20 January 2020 £
Floating charge			
Receipts			
- Bank interest	7.52	190.20	197.72
4,759 Cash at bank	4,758.97	-	4,758.97
38,807 Intercompany debtors	-	-	-
43,566 Total receipts	4,766.49	190.20	4,956.69
Payments			
Bank charges	5.60	3.00	8.60
Legal fees	4,760.57	-	4,760.57
- Total payments	4,766.17	3.00	4,769.17
43,566 Net floating charge realisations	0.32	187.20	187.52
VAT control account			
		-	
43,566 Balance held in interest bearing current account	0.32	187.20	187.52
Represented by			£
Held in Barclays account			187.52
Total			187.52



MobileServ Limited – in administration
From 21 July 2019 to 20 January 2020

Directors' statement of affairs		15 September 2014 to 20 July 2019	21 July 2019 to 20 January 2020	Total to 20 January 2020
£		£	£	£
Floating charge				
Receipts				
(19,630,391)	Cash at bank (overdraft on appointment - Sterling account)	(15,610,098.07)	-	(15,610,098.07)
	Transfer from Phones 4U Limited to cover overdraft	19,630,391.02	-	19,630,391.02
	Cash at bank (currency accounts)	-	-	-
	Euro account	715,752.19	-	715,752.19
	US Dollar account	9,916.80	-	9,916.80
463,684	Employees' loan account	55,045.73	-	55,045.73
427,096	Intercompany debtors	26,668.41	-	26,668.41
	Interest received gross	307,651.33	13,506.98	321,158.31
	Investments	444,556.23	-	444,556.23
	Sundry debts and refunds	435.00	-	435.00
	Third party funds	-	-	-
(18,739,611)	Total receipts	5,580,318.64	13,506.98	5,593,825.62
Payments				
	Bank charges	61,737.95	-	61,737.95
	Legal fees	74,209.39	27,059.84	101,269.23
	Office holders' fees (time cost basis)	110,240.95	13,408.20	123,649.15
	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	1,480.00	77.00	1,557.00
	Total payments	253,256.40	70,545.04	323,801.44
Net floating charge realisations		5,327,062.24	(57,038.06)	5,270,024.18
Unsecured creditors				
	Distribution to unsecured creditors (0.07 pence in the £)	-	570,000.00	570,000.00
	Total unsecured creditor distribution	-	570,000.00	570,000.00
	VAT control account	2,281.60	(14,109.00)	(11,827.40)
Balance held in interest bearing current account		5,329,343.84	(71,147.06)	4,688,196.78
Represented by				
	Held in Barclays account			4,688,196.78
	Total			4,688,196.78

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 July 2019 to 20 January 2020

Directors' statement of affairs		16 September 2014 to 20 July 2019	21 July 2019 to 20 January 2020	Total to 20 January 2020
£		£	£	£
Trading statement				
Receipts				
27,000,000	Customer insurance premiums	126,667,019.85	4,701,161.12	131,368,180.97
	Customer refunds and claims paid in cash	(3,027,564.39)	(178,761.09)	(3,206,325.48)
	Dividends received from P4UC	39,850,000.00	2,048,220.65	41,898,220.65
	Interest received gross	401,749.44	77,824.86	479,574.30
	Sales of irreparable phones	3,592,898.91	-	3,592,898.91
	Sale of office equipment	583.33	-	583.33
27,000,000	Total trading receipts	167,484,687.14	6,648,445.54	174,133,132.68
Payments				
	Agents' fees	27,558,403.67	1,066,038.19	28,624,441.86
	Bank charges	234,127.36	35,643.17	269,770.53
	Duress payments	931,978.33	-	931,978.33
	Insurance	62,269,172.70	2,647,462.86	64,916,635.56
	IT costs	492,530.36	21,589.87	514,120.23
	Legal fees	1,339,657.59	12,646.88	1,352,304.47
	Office costs	413,132.00	-	413,132.00
	Office holders' expenses	31,895.16	-	31,895.16
	Office holders' fees	5,840,319.28	226,020.00	6,066,339.28
	Property	18,612.88	-	18,612.88
	Stock purchase	22,212,536.73	604,881.49	22,817,418.22
	Trade creditors	102,640.77	-	102,640.77
	Warehouse costs	357,826.00	-	357,826.00
	Wages and salaries	832,199.41	-	832,199.41
	Total trading payments	122,635,032.24	4,614,282.46	127,249,314.70
	Trading account surplus	44,849,654.90	2,034,163.08	46,883,817.98

Directors' statement of affairs £	16 September 2014 to 20 July 2019 £	21 July 2019 to 20 January 2020 £	Total to 20 January 2020 £
Floating charge			
Receipts			
35,948 Accrued income	-	-	-
14,724,121 Cash at bank	13,825,702.60	-	13,825,702.60
47,960 Prepayments	-	-	-
4,912,977 Stock	-	-	-
Trading account balance (see above)	44,849,654.90	2,034,163.08	46,883,817.98
19,721,006 Total receipts	58,675,357.50	2,034,163.08	60,709,520.58
Payments			
Corporation tax	7,559,663.63	415,703.06	7,975,366.69
Total payments	7,559,663.63	415,703.06	7,975,366.69
VAT control account (Net Irrecoverable VAT)	2,168,058.28	36,289.92	2,204,348.20
Floating charge realisations	48,947,635.59	1,582,170.10	50,529,805.69
Secured creditors			
Distribution to senior secured Noteholders	28,296,497.70	-	28,296,497.70
Total secured creditor entitlements	28,296,497.70	-	28,296,497.70
Unsecured creditors			
Distribution to unsecured creditors (1.5 pence in the £)	-	570,760.00	570,760.00
Total unsecured creditor entitlements	-	570,760.00	570,760.00
Balance held in interest bearing accounts	20,651,137.89	1,011,410.10	21,662,547.99
Represented by			£
Held at Barclays			6,098,375.11
Held at Lloyds			310,104.23
Held at ANZ			15,254,068.65
Total			21,662,547.99

Note 1

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

Note 2

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

Note 3

Cash held in P4UC is not included in this report.



Phosphorus Acquisition Limited – in administration
From 21 July 2019 to 20 January 2020

Directors' statement of affairs £		15 September 2014 to 20 July 2019 £	21 July 2019 to 20 January 2020 £	Total to 20 January 2020 £
Floating charge				
Receipts				
69,473	Cash at bank	69,472.80	-	69,472.80
	Bank interest	607.97	612.95	1,220.92
129,806	Intercompany debtors	-	285,245.06	285,245.06
7,328	Prepayments	-	-	-
206,607	Total receipts	70,080.77	285,858.01	355,938.78
Payments				
	Bank charges	18.40	3.00	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
	Total payments	56,807.74	3.00	56,810.74
Net floating charge realisations		13,273.03	285,855.01	299,128.04
VAT control account		-	-	-
Balance held in interest bearing current account		13,273.03	285,855.01	299,128.04
Represented by				£
Held in Barclays account				299,128.04
Total				299,128.04

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 MNO receivables, investigations 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 July 2019 to 20 January 2020

	Expenses incurred brought forward from 20 July 2019 (£)	Expenses incurred in this period (£)	Total expenses to 20 January 2020 (£)	Estimated future (£)	Anticipated total (£)
Agents' fees	48,956,525.70	4,248,746.00	53,205,271.70	-	53,205,271.70
Amounts relating to stock	556,577.00	-	556,577.00	-	556,577.00
Bank charges	24,089.23	198.00	24,287.23	12,690.00	36,977.23
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	10,693,133.90	243,122.00	10,936,255.90	-	10,936,255.90
Insurance	405,746.92	648.00	406,394.92	23,550.00	429,944.92
Investigations	331,914.00	2,765,612.00	3,097,526.00	-	3,097,526.00
Irrecoverable VAT	274,191.03	-	274,191.03	-	274,191.03
IT costs	2,833,820.22	-	2,833,820.22	188,016.00	3,021,836.22
Legal fees (P4U)	11,889,950.21	(41,042.00)	11,848,908.21	400,000.00	12,248,908.21
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	21,074,695.70	434,672.10	21,509,367.80	1,945,650.00	23,455,017.80
Office holders' expenses	562,541.07	51,544.63	614,085.70	200,000.00	814,085.70
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	1,430,252.55	7,062.00	1,437,314.55	38,000.00	1,475,314.55
Sundry appointment related costs	19,931.27	5,098.00	25,029.27	4,000.00	29,029.27
Transport and carriage	354,899.40	-	354,899.40	-	354,899.40
Utilities	994,103.86	-	994,103.86	-	994,103.86
Contribution to expenses excluding legal fees from group companies	(7,289,818.05)	-	(7,289,818.05)	-	(7,289,818.05)
Total	102,298,376.78	7,715,660.73	110,014,037.51	3,307,906.00	113,321,943.51

Note 1

Expenses relating to MNO receivables, investigations 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 January 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 July 2019 to 20 January 2020

	Expenses incurred brought forward from 20 July 2019 (£)	Expenses incurred in this period (£)	Total expenses to 20 January 2020 (£)	Estimated future expenses (£)	Anticipated total expenses (£)
Legal fees	6,143.06	-	6,143.06	-	6,143.06
Office holders' expenses	785.09	-	785.09	1,000.00	1,785.09
Office holders' fees (time cost basis)	141,581.47	21,859.25	163,440.72	72,580.05	236,020.77
Total	148,509.62	21,859.25	170,368.87	73,580.05	243,948.92

Phones4U Finance plc – in administration

From 21 July 2019 to 20 January 2020

	Expenses incurred brought forward from 20 July 2019 (£)	Expenses incurred in this period (£)	Total expenses to 20 January 2020 (£)	Estimated future expenses (£)	Anticipated total expenses (£)
Bank charges	5.60	3.00	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)	98,134.25	5,770.75	103,905.00	72,580.05	176,485.05
Professional fees	79,966.56	-	79,966.56	-	79,966.56
Total	187,998.22	5,773.75	193,771.97	82,580.05	276,352.02

MobileServ Limited – in administration

From 21 July 2019 to 20 January 2020

	Expenses incurred brought forward from 20 July 2019 (£)	Expenses incurred in this period (£)	Total expenses to 20 January 2020 (£)	Estimated future expenses (£)	Anticipated total expenses (£)
Bank charges	61,737.95	-	61,737.95	100.00	61,837.95
Legal fees	74,209.39	27,059.84	101,269.23	100,000.00	201,269.23
Office holders' expenses	760.82	19.08	779.90	1,000.00	1,779.90
Office holders' fees (time cost basis)	136,696.22	45,277.00	181,973.22	79,580.05	261,553.27
Sundry appointment related costs	1,480.00	77.00	1,557.00	1,000.00	2,557.00
Total	274,884.38	72,432.92	347,317.30	181,680.05	528,997.35

Phosphorus Acquisition Limited – in administration

From 21 July 2019 to 20 January 2020

	Expenses incurred brought forward from 20 July 2019 (£)	Expenses incurred in this period (£)	Total expenses to 20 January 2020 (£)	Estimated future expenses (£)	Anticipated total expenses (£)
Bank charges	18.40	3.00	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)	78,805.50	7,402.75	86,208.25	72,580.05	158,788.30
Sundry appointment related costs	434.00	-	434.00	1,000.00	1,434.00
Total	86,824.22	7,405.75	94,229.97	74,680.05	168,910.02

Policy Administration Services Limited – in administration

From 21 July 2019 to 20 January 2020

	Expenses incurred brought forward from 20 July 2019 (£)	Expenses incurred in this period (£)	Total expenses to 20 January 2020 (£)	Total expenses paid to 20 January 2019 (£)	Estimated total expenses (£)
Agents' fees	28,006,388.37	936,005.24	28,942,393.61	(28,624,441.86)	33,881,355.68
Bank charges	328,663.43	35,643.17	364,306.60	(269,770.53)	447,014.95
Duress payments	931,978.33	-	931,978.33	(931,978.33)	931,978.33
Insurance	62,877,312.49	2,533,168.71	65,410,481.20	(64,916,635.56)	78,392,270.14
IT costs	492,530.36	32,339.87	524,870.23	(514,120.23)	581,370.23
Legal fees	1,339,657.59	12,646.88	1,352,304.47	(1,352,304.47)	1,823,279.14
Office costs	413,132.00	-	413,132.00	(413,132.00)	413,132.00
Office holders' fees	6,126,048.28	407,073.25	6,533,121.53	(6,066,339.28)	9,725,644.82
Office holders' expenses	32,756.34	359.29	33,115.63	(31,895.16)	44,756.74
Property	18,612.88	-	18,612.88	(18,612.88)	18,612.88
Stock purchase	22,299,117.07	604,282.45	22,903,399.52	(22,817,418.22)	24,849,651.71
Trade creditors	102,640.77	-	102,640.77	(102,640.77)	102,640.77
Warehouse costs	357,826.00	-	357,826.00	(357,826.00)	357,826.00
Wages and salaries	832,199.41	-	832,199.41	(832,199.41)	832,199.41
Total	124,158,863.32	4,561,518.86	128,720,382.18	(127,249,314.70)	152,401,732.80

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
Total asset realisations	Note 1	414.4	Section 5.1
Less costs of realisations		(21.2)	Section 5.1
Net realisations		393.2	
PAS	Note 2	32.9	Section 5.2
Other costs			
Administrators' fees (exc. PAS)		(23.2)	Section 5.5
RCF set-off & Trustee Costs	Note 3	(20.1)	Section 5.4
Other professional fees		(9.6)	Section 7.8
Other professional fees (relating to Investigations only)		(5.9)	
Preferential creditors		(1.7)	
Prescribed part		(1.1)	Section 5.6
Corporation tax (exc PAS)		(1.9)	
VAT	Note 4	-	
Total available to secured creditors		362.5	
Super senior notes		430.0	
Estimated return		84%	Section 4
Total returns, £m			
Returned to date		219.3	
Future return		143.2	
Estimated return		362.5	
Total returns, %			
Returned to date		51%	
Future return		33%	
Estimated return		84%	

Note 1

As noted earlier in this report, we have not disclosed the estimated realisable value for MNO receivables, 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 MNO receivables workstream within our calculations, except to the extent that PwC and third party costs have been incurred to 20 January 2020. The same approach has been taken in respect of our investigatory work, from which no prospective income has been assumed and no associated costs have been reflected, except to the extent that the Administrators and third party costs have been incurred to 20 January 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.

Note 4

As previously reported, HMRC has now accepted, and confirmed to us, that the VAT Liability ranks as a provable claim and not as an expense in the administration of the Companies. As such, we have removed the provision from the estimated outcome statement.