
Joint Administrators’ Third Progress Report

For the period from 21 July 2015 to 20 January
2016

Phones 4U Limited

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

19 February 2016

Phones 4 U 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 third report to creditors providing an update on the progress of the administrations of the Companies. This report provides only a high-level overview of the key matters in each case and does not attempt to report fully on the detail and extent of our work. The key messages for the various stakeholders are set out below.

There is the prospect of a dividend being paid to unsecured creditors of certain (but not all) of the Companies from the ring-fenced prescribed part fund. However, due to the estimated and significant level of total claims, any dividend is likely to be small and the timing is unknown at present. Please refer to Section 5.8 for further details.

Customers of Phones 4U Limited

The website at www.pwc.co.uk/phones4u contains all the relevant information and contact details for previous and existing customers. If you are a customer (or previous customer), you have received this report because you may be a creditor. 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 be made against Phones 4U Limited. Details of how to lodge a claim are set out below.

Creditors

If you are a creditor and have not already done so, please submit a claim form (which is available on the above website) in respect of amounts owed at the time of our appointment, in order to lodge your claim for dividend purposes. A copy can also be obtained by writing to the address below.

Contact details (for claim forms only): Phones 4U, c/o PwC, Benson House, 33 Wellington Street, Leeds, LS1 4JP

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. If so, please submit a claim (as explained above) if you haven't done so already or alternatively, contact us at phones4u.employees@uk.pwc.com, if you have any questions.

We have paid the 'preferential' element of former employees' claims in full. Whilst we expect that a dividend will be paid on the remaining ('unsecured') part in due course from the prescribed part fund, please note that this is likely to take considerable time for the reasons explained in this report.

Noteholders

We continue to liaise with the holders of the senior secured notes issued by Phones4u Finance plc. These Noteholders are expected to have the primary economic interest in the progress of the Companies' administrations.

Contact details: phones4u.bondholders@uk.pwc.com



Commercially sensitive matters

In Section 5.2 we explain what we are doing to realise the assets and deal with the liabilities of Phones 4U Limited. 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 work stream within our estimated returns calculations, except to the extent that third party costs have been incurred to 20 January 2016.

The same approach has been taken in respect of our investigatory work (see Section 5.6), from which no prospective income has been assumed and no associated costs have been reflected, except to the extent third party costs have been incurred to 20 January 2016.

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.

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” or “we”	Robert Jonathan Hunt, Ian David Green and Robert John Moran in respect of Phones 4U Limited, Phones 4 U Group Limited, Phones4U Finance plc, MobileServ Limited, Phosphorus Acquisition Limited. Douglas Nigel Rackham, Dan Yoram Schwarzmann, Robert Jonathan Hunt and Ian David Green in respect of Policy Administration Services Limited
“Anovo”	Anovo UK Limited
“Assurant”	Assurant Inc.
“Dixons Carphone”	Dixons Carphone plc
“EE”	Everything Everywhere Limited
“FCA”	Financial Conduct Authority
“FOS”	Financial Ombudsman Service
“HMRC”	HM Revenue & Customs
“IA86”	The Insolvency Act 1986
“IR86”	The Insolvency Rules 1986
“LGI”	London and General Insurance Company Limited
“Lloyds”	Lloyds Bank Plc
“LSG”	Lifestyle Service Group Limited
“MNO”	Mobile Network Operator
“NED”	Non-executive director
“Notes”	Senior secured notes issued by Phones4U Finance plc, listed on the Irish Stock Exchange
“Noteholders”	Holders of the above Notes
“P4U”	Phones 4U Limited
“P4UC”	Phones 4 U Care Limited
“PAS”	Policy Administration Services Limited
“Prime Retail”	Prime Retail Property Consultants
“Proposals”	The Administrators’ statement of proposals for achieving the purpose of the administrations, dated 6 November 2014
“PwC”	PricewaterhouseCoopers LLP
“RCF”	Revolving credit facility
“RMAR”	Retail Mediation Activities Return
“ROT”	Retention of title
“Schedule B1 IA86”	Schedule B1 to the Insolvency Act 1986
“SLM”	Service level metrics
“TDM”	Tech Data Limited
“TUPE”	Transfer of Undertaking (Protection of Employment) Regulations 2006
“VAT”	Value added tax

3. Introduction

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

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

This progress report covers only the six Companies contained within a common security structure (all indicated by * above). Separate reports will be issued to the creditors of 4U Wi-Fi Limited, Jump 4U Limited, Life Mobile Limited (all now in liquidation) and Phosphorus Holdco Plc (which remains in administration), as they are outside of the security structure. The administration of 4U Limited ended on 10 September 2015 and the company has since been dissolved.

In accordance with Rule 2.47 IR86, we write to provide creditors with details of the progress of each administration in the six months to 20 January 2016.

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, or earlier in respect of any administration that is capable of being concluded in the meantime.

Yours faithfully
For and on behalf of the Companies



Rob Hunt, Joint Administrator

Robert Jonathan Hunt, Ian David Green and Robert John Moran have been appointed as joint administrators of Phones 4U Limited, 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, Dan Yoram Schwarzmann, Robert Jonathan Hunt and Ian David Green have been appointed as joint administrators of Policy Administration Services Limited to manage its affairs, business and property as agents without personal liability.

All are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The joint administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the administration. 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 realisations from MNO receivables; potential income from ongoing investigations; the potential VAT liability associated with the VAT treatment of connection commissions received during the course of the administration; and certain associated costs. More information is provided later in this report. 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 RCF lenders and between 24% and 28% for the Noteholders (on the basis set out in Section 5.8)					
Forecast timing:	Pursuant to a lender-led process of set off, the RCF lenders have now been repaid (or cash collateralised) in full. Timing for an interim distribution to Noteholders is dependent on the resolution of the VAT treatment of connection commissions received during the course of the administration which is set out in further detail at Section 5.2 (VAT liabilities). Timing for further distributions is dependent on the resolution of the other matters referred to in this report including, for example, the other VAT issue referred to at Section 5.2 (VAT liabilities), those matters set out at Section 5.2 (MNO receivables) and those matters set out at Section 5.6 (Investigations). Further details are provided at Section 5.8.					
	Estimated dividend prospects for preferential creditors <i>(for unpaid wages up to £800 and holiday pay only, and unpaid pension contributions in certain circumstances)</i>					
Amount owed to preferential creditors:	£1.7 million (Note 2)	Note 1				
Estimated % recovery for preferential creditors:	100%	Note 1				
Forecast timing:	Paid (Note 3)	Note 1				

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

Note 2 This figure has been reduced from the estimate provided in the directors' Statement of Affairs as claims have been admitted and paid.

Note 3 A dividend of 100 pence in the £ was paid in December 2015 to preferential creditors whose claims had been admitted. Further details are provided in Section 5.8.

	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:	Less than 0.4%	Nil	Nil	Less than 0.1%	Nil	Less than 1.4%
Forecast timing:	12 months +	Nil	Nil	12 months +	Nil	6 months +

Where dividends are possible, these are only expected to arise from the ring-fenced funds under the ‘prescribed part’ provisions of the IA86. We explain further in Section 5.8.

Unsecured creditors are encouraged to submit a claim (if not already done so), but should note that the outstanding issues described later are likely to determine the amounts available for distribution and may not be resolved or completed for considerable time.

As referenced above, we expect to be able to declare the dividend to the unsecured creditors of PAS in approximately six months.

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 assignments 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:

- Progressing strategy and negotiations for the collection of MNO receivables;
- Liaising with HMRC and specialists on the resolution of complex VAT matters;
- Continued trading of the PAS business;
- Ongoing management of protective award claims by former employees;
- Payment of preferential claims in full;
- Ongoing investigation into potential claims;
- Approval of the basis of the administrators' remuneration and expenses for certain aspects of our work;
- Continuation of property lease assignments/surrenders; and
- Sale of residual retail stocks.

5.1 Brief background

Phones 4U was one of the UK's leading independent mobile phone retailers and insurance providers, owned by private equity firm, BC Partners. The Group operated online (including the previously acquired Dialaphone business) and on the high-street. At the time of our appointment P4U had 563 stores plus 161 concessions in Dixons Carphone stores, and 5,592 employees in total. P4U had network agreements with Vodafone and EE and, until January 2014, it also had a contract with O2.

For ease of reference, the table below is a reminder of the Companies' operations. Each of the Companies are, inter alia, guarantors of the obligations under the Notes and the RCF and have provided security for these obligations.

Company	Overview
Phones 4U Limited	Main trading company (encompassing the retail store network) and principal employer for the whole Group. This company did not continue to trade after our appointment.
Policy Administration Services Limited	Mobile phone insurance intermediary authorised by the FCA which continues to trade in administration.
Phones4U Finance plc	Issuer of the Notes.
MobileServ Limited	Lender under the director loan agreements (as set out in Section 5.4)
Phosphorus Acquisition Limited	Acquisition vehicle in connection with the acquisition of the Phones 4U business by BC Partners in 2011.
Phones 4 U Group Limited	Shareholder of P4U.

5.2 Phones 4U Limited

Sale and wind-down of store network

We explained in our first progress that (shortly after appointment) we successfully completed transactions with Vodafone and EE, in addition to agreeing the transfer of all staff working in the concession outlets to Dixons Carphone.

The following table summarises these transactions and the residual store network which had to be closed.

Transaction	Stores	Store Employees	Sales value
Sale to Vodafone*	140	876	£12.5m
Sale to EE	58	356	£2.5m
Transfer to Dixons Carphone	-	788	-
Closed stores	365	2,503	n/a
Opening position	563	4,523	£15.0m

*The sale to Vodafone included stock with a book value of £7m.

Since the date of our last report, we have continued the lease assignment process of the 198 stores acquired by Vodafone and EE. There are now only a small number of stores where an assignment has not yet been completed. The licence for EE and Vodafone to occupy these stores has now expired and we are now seeking an informal surrender of the leases.

For the period prior to assignment, we received funds from Vodafone and EE for the purpose of paying the ongoing rent to the landlords, as shown on the attached receipts and payments account. This process has now largely been completed.

Of the 365 stores that were not acquired by Vodafone or EE and in conjunction with our advisors (Prime Retail), we have secured premiums on surrender of leases of £739k for 20 stores, of which £15k was received during the period of this report.

We are continuing to progress the informal surrender of the leases in respect of stores which were handed back to landlords because no premium value was identified. We have issued surrender letters in relation to all remaining properties to the respective landlords, with around 150 surrenders having been completed so far (including 70 since our last report).

We have recovered over £1m in business rates refunds with the assistance of specialist agents (CAPA), of which £49k was recovered in the period of this report. We understand from our agents that the majority of business rates refunds due to P4U have now been received and any further recoveries are likely to be minimal.

Stock

On appointment, the Group held stock with a book value of £89m in a number of locations across the UK and we previously reported that ROT claims had been made over a significant proportion.

Since our last progress report, we have realised £0.2m through continued sale of residual stock items at auction. This process is now substantially complete and we expect to conclude the final sales in the near future. For prudence, we have not included any amounts for further realisations of stock within our estimated outcome ranges for secured creditors.

MNO Receivables

As outlined in earlier reports, P4U had agreements with several network providers pursuant to which P4U would procure connections for them and would receive commissions for each connection.

In our last report, we confirmed that after lengthy negotiations with one of the MNOs, we had reached a settlement agreement with that MNO with regards to commission receivables and that the funds from that MNO had been received. This brought the total receipts in this area of the administration to £32.5m (net of VAT), as can be seen in the enclosed receipts and payments account.

We continue to work with the retained P4U MNO receivables team and other former P4U staff to assess each of the contractual relationships with the other MNOs and quantify the current position and projected future value of the receivables.

Our strategy for recovering amounts for which P4U is entitled pursuant to the contractual relationships with two remaining MNOs include:

- The receipt and processing of information with regards to ongoing customer behaviours and usage;
- Update, calibration and review of models used to assess the current value of receivables and future projections;
- Regular communications with the MNOs either directly or through their legal advisors;
- Consideration of variables that could impact the assessment of future recoverable value; and
- Working through any discrepancies identified between the P4U records and calculations and those of the MNOs, arising both pre- and post-administration.

There are two remaining MNOs from whom we expect to recover further amounts over the course of the administration. We have reached a position with one whereby all outstanding claims relating to data discrepancies identified between P4U records and those of that particular MNO (arising both pre- and post-administration) have been agreed. We expect that payment from this MNO will fall due during the course of 2016 and expect further payments to fall due until 2024.

We estimate that it will take six months to work through the discrepancies identified between the records of P4U and the remaining MNO, albeit this is dependent on the continued co-operation of the relevant MNO. We also expect that amounts will start to fall due from this MNO during the course of 2016 and expect further regular payments to fall due thereafter for a considerable period of time. The position is however complicated by the fact that we have received a pre-action letter from the relevant MNO alleging a very substantial damages claim against P4U for, amongst other things, breach of contract. Our view is that this claim for very substantial damages is without merit. Nevertheless, it is likely that this will impact upon the process for resolving the total amount due from that MNO.

Retained and former P4U employees continue to work on this matter and we have a commission-based programme in place to incentivise the employees to maximise recoveries. During the period, no commission accrued as no amounts were received.

Other book debts

At the date of our appointment there were £21.1m of other book debts due to P4U according to its books and records and we have been successful in recovering £3.1m in respect of these during the course of the administration. These debts were largely in relation to retrospective discounts on stock purchases and various marketing agreements that were in place with suppliers pre-administration.

We disclosed in the previous report that we considered that further recoveries were unlikely to exceed the expected costs of realisation. We still consider this to be the case and accordingly no realisations were made during the period of this report.

Employees

At the date of our appointment, P4U had 5,592 employees, of which 4,523 were employed in stores across the UK and 1,069 were based in the Group's head offices and call centre in Newcastle-under-Lyme. This included employees working on PAS.

At the date of our last report, all but 14 of the 5,592 staff had transferred to a purchaser of new stores, left of their own accord or been made redundant. Since that date, of the five members of staff assisting with the ongoing trading of PAS, one has left the business and the remaining four have been transferred to LSG (further details are provided in Section 5.3). Of the nine team members assisting with the collection of MNO receivables, two have left the business and seven remain.

During the period of this report we have paid a dividend of 100 pence in the £ to preferential creditors (principally former employees and the Redundancy Payments Service). Any amounts owed to former employees that do not enjoy preferential status (commonly known as "unsecured claims") will be dealt with separately, but we anticipate any amounts payable will be small (less than 1p in the £). Further details are provided at Section 5.8.

We previously reported that a proportion of those employees made redundant had filed protective award claims at various Employment Tribunals across the country. All of the claims that have been filed have now been transferred and consolidated to an Employment Tribunal located in Birmingham (save for seven in Northern Ireland which cannot be transferred given that they are in a different jurisdiction).

The outcome of these claims can range from no award, up to a maximum of 90 days' gross pay per employee. The outcome in this case will depend on a variety of factors and one of the key factors is the European Court of Justice decision on the question of when the obligation to consult on collective redundancies is triggered - commonly referred to as the "Woolworths' case". This is expected to result in a large proportion of claims being struck out or withdrawn and a preliminary hearing has now been scheduled at the end of April 2016 to determine this issue. The main hearing to determine the outcome of those claims not struck out or withdrawn has also been scheduled at the end of September 2016.

We will be working with our solicitors to ensure that P4U's position is represented at the above hearings. Any protective awards against P4U would rank as unsecured claims in the administration of P4U.

VAT liabilities

We have previously reported on two significant VAT issues affecting the administrations of the Companies (other than PAS, which is in a separate VAT group) requiring clarification. Given the complexity and potential magnitude of these issues, we have set out again the background details, together with progress in the period. These issues are currently still ongoing.

The first issue concerns the extent to which we will be liable to account to HMRC for VAT in the course of the relevant administrations on connection commissions earned under the MNO contracts. We have analysed the position in detail and continue to be of the opinion that no VAT charge should arise on any amount in excess of cash actually received by P4U during the period of the administration. Whilst we consider the risk of a different assessment of this position to be low, alternative treatments have the potential to substantially deplete the funds that may be available within the estate for distribution to secured creditors.

In order to obtain the necessary certainty to enable us to make distributions to creditors, we wrote to HMRC prior to our previous progress report applying for non-statutory clearance that VAT can be accounted for only on cash payments actually received by P4U during the period of the administration. HMRC's response stated that they agreed that our interpretation of the relevant legislation was correct based on the information which had been provided to them, but that they were unable to provide the non-statutory clearance requested. We have been advised that in this case, the optimal mechanism for obtaining the certainty required is to apply for directions on the matter from the High Court. Our legal advisors continue to work with the administration case team, our VAT experts and the P4U retained team and former staff to construct the application, setting out reasoning behind our view and seeking directions on the matter. The directions application will shortly be finalised and shared with HMRC. To date HMRC have indicated that they are unlikely to oppose this application. The case is expected to be heard within the next six months.

The second significant issue concerns financing arrangements entered into by P4U in June 2013 and September 2013 which involved Trade Bill Discounting Facility Agreements between P4U and Barclays respectively. The amount in question relates to VAT that, pursuant to P4U's previous practice which was agreed with HMRC, was considered by P4U to be payable to HMRC on maturity of the relevant bills.

We have analysed this issue in detail and we consider that this methodology of accounting for VAT was incorrect, as in our view the VAT liability arose upon acceptance rather than on maturity of the Trade Bills. We sent a letter to HMRC on 21 July 2015 setting out the reasoning behind our conclusion and sought HMRC's confirmation of this position. We subsequently met with HMRC in September 2015 to discuss both this and the other VAT matter set out above. HMRC requested to be provided with additional information

in order to consider the Trade Billing Discounting Facility Agreements further, and we provided this to the extent it was available in October 2015. HMRC continue to review the additional information and we continue working with them in this regard.

Our previous report stated that as at the date of appointment, the VAT accrual account in relation to Trade Bill Discounting Agreements showed a balance of £38.5m. Having performed a further exercise to identify the specific bills of exchange outstanding at the point of administration, we now consider the likely maximum exposure regarding this second issue to be £37.4m. This exposure may be further reduced once we have completed our verification work by corroborating the Trade Bills at issue with Barclays as the financing institution. We have written to Barclays as part of our work and we have not yet received a response, but anticipate that a response will be given shortly.

In due course, it may be necessary to apply to the High Court to seek directions in respect of this matter.

5.3 Policy Administration Services Limited

PAS is an FCA authorised insurance intermediary that sold mobile phone insurance to the public on behalf of its underwriter LGI. On appointment, there were approximately 800,000 policyholders of which approximately 75% had a P4U Care policy and approximately 25% had a Premierplan policy.

Insurance products

The P4U Care policy offers damage and breakdown cover to mobile phone customers, whilst the Premierplan policy provides loss, theft, damage and breakdown cover. All policies were sold prior to administration and these schemes are now closed to new customers.

All policies are renewed on a monthly basis and renewals continue until policies are cancelled by customers (which they can do at any time), except for those with a Connected Contract Extension which runs for a maximum period of 60 months.

These policies continue to be underwritten by LGI and remain valid. As set out in the last progress report, we have worked with LGI to ensure that more advantageous terms and conditions were offered to our policyholders to promote the longevity of the business. We have also decided that customers should be given the opportunity to switch between policies if requested and we are currently working on implementing this change.

We maintain a strong relationship with LGI and continue to run the PAS book in accordance with the terms agreed in the post-administration contract with LGI.

Asset realisation

We continue to run the business and forecast an estimated net profit and cash generation of approximately £24m - £30m over the period from the date of administration to December 2016 (before tax, legal and administrators' fees, and payment of the prescribed part to unsecured creditors). Clearly, this estimate is subject to certain assumptions with respect to policy cancellation rates, which may change in the future.

Trading

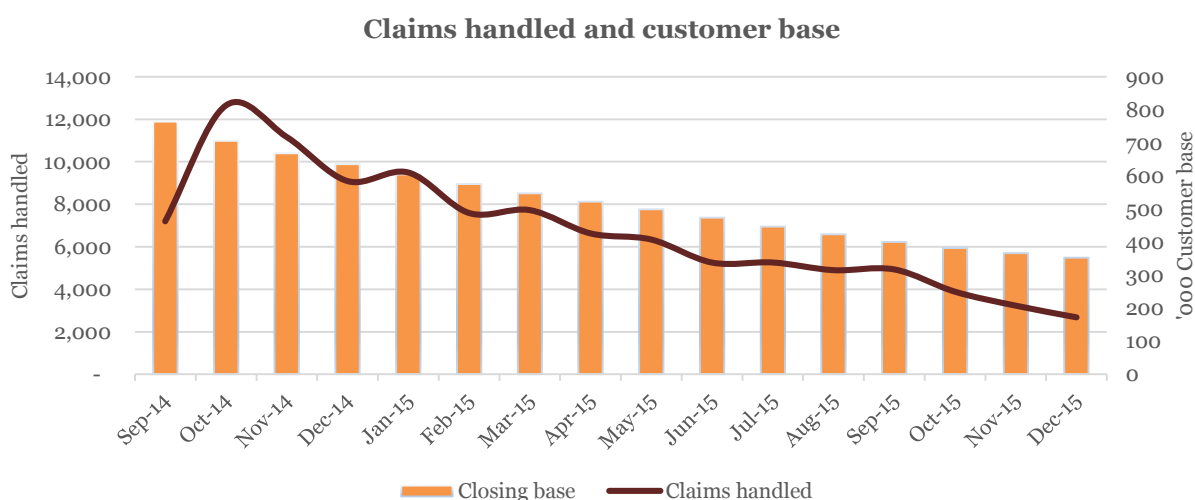
We are pleased to report that the company continues to be stable and operate on a business as usual basis. The book is performing well and the customer base is declining in line with our forecast - there were approximately 350,000 policyholders remaining at the end of 2015. We expect this to reduce steadily to approximately 170,000 by the end of 2016.

We continue to ensure that policyholders remain aware of their policies through the annual reminders as described in the last report. Annual reminders were sent to customers over a number of months in 2015 and we dealt successfully with any queries arising. As a result of this exercise, we had approximately 6% disconnections of the Premierplan policies and approximately 1.5% disconnections of the P4U Care base, which were in line with our expectations. Annual reminders are important to the administration as they provide a defence from customers who might consider lodging mis-selling claims.

Our priority remains for customers to continue to receive an efficient high quality service whilst maximising revenue. Consequently, our team spends a significant amount of time monitoring the qualitative and quantitative service level metrics ("SLMs") arranged with LSG (to which we have outsourced certain services) in the post-administration contract.

Since our appointment, we have received over 370,000 calls, the majority of which relate to claims. We continue to improve the quality of the services provided to our customers and we are pleased to report that the majority of claims are concluded on the first call and that more than 90% of the claims received have been accepted and paid.

Over the reporting period, we have handled approximately 25,000 claims bringing the total number of claims to date to approximately 108,000. The following chart shows how the number of customers and claims handled have changed during the administration.



The level of claims post-administration has been positively impacted by a more rigorous centralised claim fulfilment process, which we set up following the closure of the P4U stores. Claims are no longer handled by store sales staff, and are instead managed by claim handling administrators provided by LSG.

The number of administrators provided by LSG is assessed and decided on a monthly basis to ensure the book is run cost-effectively. As at the date of this report, the number of claim administrators assigned to PAS was 32 (compared with 40 as at the date of our last report).

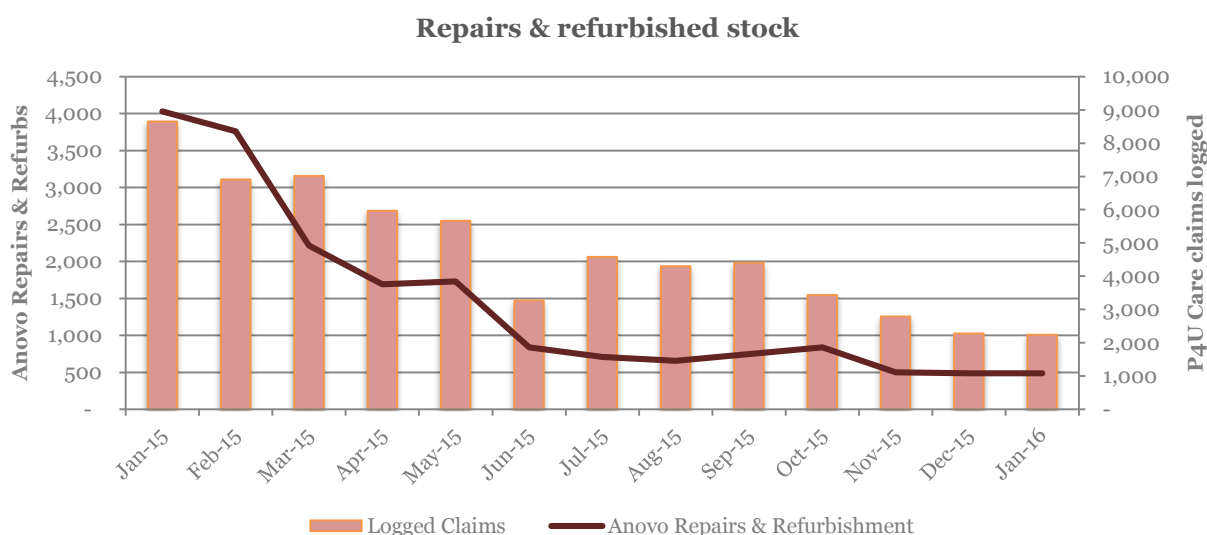
We are satisfied that the SLMs set in the post administration contract have been met appropriately by LSG. An independent audit performed by the underwriter LGI has also confirmed that the scheme is operating satisfactorily. LGI will continue to perform annual audits to monitor this.

We continue to meet with LGI on a quarterly basis to discuss the performance of the scheme in detail and also produce separate monthly performance management reports for their review.

Supply chain management

Stock forecasts and purchases are agreed on a monthly basis with LSG. To date, we have purchased £11m of stocks to fulfil insurance claims. This is in addition to the PAS stock held as at the date of administration which was successfully repatriated from the P4U stores. The quality of the handsets purchased is monitored and customers are offered grade A handsets (appearing new or only have very minor signs of handling or wear). Handsets beyond economic repair or Apple stock (as these cannot be repaired for contractual reasons) have been disposed of, realising £1.6m.

The following chart shows that the number of handsets being refurbished and repaired has diminished considerably in the last few months. This is because the handsets that we insure have been superseded by the release of new handsets, resulting in the price at which we can purchase handsets falling whilst the costs to repair and refurbish handsets remains fairly constant.



Given this decline, we have considered the benefits of continuing these services, which are provided by Anovo, compared with replacing customers' mobile telephones with new purchases. We have concluded that replacing handsets is cheaper overall than continuing to repair or refurbish as handsets are purchased in bulk at a very competitive price. We have therefore served notice to Anovo to terminate our agreement with Anovo and are currently liaising with them to put an exit strategy in place over the course of the next three months.

Anovo also provides technical support to our customers over the telephone. To date, Anovo has received over 60,000 technical calls. However, the number of these calls has reduced considerably in the last few months to approximately 50 calls per week and we have decided to engage LSG to provide technical support going forward. An addendum to the LSG contract has been agreed to reflect this additional service.

Regulatory requirements

PAS continues to be authorised and regulated by the FCA for insurance mediation activities. The FCA has taken a significant interest in mobile phone insurance and has completed two reviews of the regulated activities of businesses involved in mobile phone insurance. These are as follows:

- *Ensuring a fair deal for consumers* published in June 2013; and
- *Follow-up review findings* published in December 2015.

PAS was involved in the June 2013 review but not the December 2015 review.

Based on the latest FCA report, we are pleased to confirm that PAS is currently performing comparably with the highest achieving firms in the sector in respect of claims accepted/paid, claims withdrawn/not completed and average claim process time.

We expect that there may be impacts to regulatory processes once the FCA publishes its consultation on the European Insurance and Occupational Pensions Authority report *Report on Consumer Protection Issues arising from the sale of Mobile Phone Insurance* (December 2015), and the Insurance Distribution Directive. We will evaluate if any of these will impact the PAS business in due course. In any event, we expect the FCA will provide sufficient time to implement any changes.

Customer complaint handling

We continue to monitor customers' complaints as they provide vital information for improving the PAS claims process thus enhancing the customer experience. We summarise complaint processes and update these regularly in a complaint management guide to help claim administrators handling customers' calls.

The number of complaints received by PAS is low and mainly relate to customers' policies continuing as they had not been cancelled, or customers claiming that they had not received updates to their terms and conditions. As explained earlier, to ensure customers continue to be aware that they still have a policy, and what it covers them for, we continue to send annual reminders of the existence of policies.

If a customer is dissatisfied with the outcome of their complaint, they have six months to make a complaint to the FOS. During the 12 months to the end of December 2015, 36 cases were referred by PAS' customers to FOS, of which 32 cases have been assessed, with eight cases (25%) upheld in the customers favour. This compares favourably with the current industry performance of approximately 45% upheld rate.

We are currently updating the complaints process and recording/reporting to ensure PAS meets the requirements in the FCA's *PS15/19: Improving complaints handling, feedback on CP14/30 and final rules*. The number of complaints reported will increase as the new requirement will capture all complaints, and not just those which have taken more than two working days to resolve.



Subsidiary

PAS is the parent of a captive reinsurer in the Isle of Man, P4UC, which reinsures the insurance business. The captive is currently managed by an individual and a board of three NEDs. All NED fees and some of the office costs incurred by the captive are shared equally with a captive of another company.

We have to date not changed these arrangements, which largely pre-date the administration, in order to maintain stability and confidence in the operation of the PAS business. Having recently agreed with the Isle of Man insurance regulator that a dividend of approximately £12m could be paid by P4UC to PAS, we consider that it is now appropriate to review these arrangements. Furthermore, the other captive company referred to above and which shares operational costs, has announced its impending closure and provided the NEDs and the captive manager with termination notices.

We have recently met with the P4UC board and agreed that PAS will not meet all expenses by itself. In agreement with the P4UC board, the captive manager and NEDs have been given a six months' notice of termination ending on 30 June 2016. The P4UC board is currently seeking competitive quotes for the management of the captive. PAS has also requested that dividend payments are made on a quarterly basis going forward.

Tax and VAT

Insurance Premium Tax rates went up in November 2015 from 6% to 9.5%. This has resulted in an increase in costs for PAS. We have decided not to pass these costs on to customers as this would involve amending direct debits and likely result in increased cancellations which we estimate would be, on balance, detrimental to the scheme overall.

Following extensive negotiations with HMRC, we have now agreed a VAT recovery rate of 15%. Please note that PAS is not in the same VAT group as P4U and so is not subject to the issues set out in Section 5.2 above.

PAS is a profitable business and therefore corporation tax has been paid on its profits and those made by P4UC. Approximately £2.1m has been paid in the period. It has been determined that there is no scope for corporation tax shelter through group charges or loss relief.

Resources

As the customer base continues to decline, so has the volume of work for those few staff which we retained to assist with the insurance business on a daily basis.

In the last few months, we have faced various challenges in retaining the members of staff, particularly those who are looking to secure more career-enhancing positions in the 'live' market. In addition, the insurance director resigned in order to take up an opportunity with another company.

To ensure that the scheme is run effectively and with the required skills and retained knowledge, we have sought a solution favourable to both the administration and the employees. A transfer of the remaining employees to LSG was agreed and became effective on 1 January 2016. This will ensure that PAS continues to be managed efficiently and with continuity, whilst staff are provided with further career opportunities.

We also negotiated certain commercial terms as part of the transfer, including cost savings and mitigation of regulatory risk which have been formally documented in an addendum to the existing LSG contract.

We are currently closing the PAS office and have cancelled all services - including lease, broadband internet and utility bills – and have engaged our IT team to identify the systems required to run the PAS scheme which would need to be migrated to LSG. We have also been advised by some of the vendors that upgrading the system would be required for support to be continued. We are therefore taking the opportunity to review all our IT systems to determine our ongoing requirements.

5.4 Other companies

In earlier sections we have provided details on the progress of the main trading companies. We set out below further information on the other companies that are the subject of this report, including the following summary of asset realisations to date. The only additional realisations made during this period were interest on cash deposits of £11,947 in MobileServ Limited, £133 in Phosphorus Acquisition Limited and £4 in Phones4U Finance Limited.

Assets (£'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	-	-
Investments	-	420	-	-
Interest received	-	393	-	-
Total realised	5	5,559	69	-

We previously reported that in February 2014 certain directors or members of the senior management team entered into loans with MobileServ Limited. The purpose of the agreements was to provide funding for the directors to acquire shares in Phosphorus Jersey Limited (the Group's ultimate parent company). To date we have not agreed an early repayment with any of counterparties and we continue to explore options relating to the collection of outstanding amounts under loan agreements which fall due for payment in 2019.

Aside from this, there are no further known assets to realise in any of these four companies. However, for the time being we consider that each of these four companies should remain in administration.

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.

5.5 Secured creditors

Aside from the RCF lenders, the Companies' secured creditors are holders of £430m senior secured notes issued by Phones4u Finance plc and which are listed on the Irish Stock Exchange. The Notes are secured by a debenture over substantially all of the property and assets of the Companies and to the RCF lenders. The security in respect of the Notes and the Companies' obligations under the RCF is held on behalf of the beneficiaries by a security trustee (ING Bank N.V., London Branch). Global Loan Agency Services Limited is Senior Notes Trustee, having replaced Citibank N.A. in July 2015, following approval of the majority of Noteholders.

We have made no distributions to secured creditors during the period of this report.

We continue to consider that there will be insufficient funds to repay them in full and the Noteholders remain the party with the primary economic interest in the progress and outcome of the administrations.

In previous reports we have set out the composition of the informal creditors' committee of Noteholders. The committee remains of the same constitution and we continue to communicate with members on a regular basis. Stonehill Capital Management LLC and Cyrus Capital Partners L.P. have been and continue to be provided with material non-public information relating to the Companies and the administrations under confidentiality agreements into which each have entered.

We intend to hold a call with the informal creditors' committee on 8 March 2016. Minutes of this meeting will be available to download shortly afterwards at www.pwc.co.uk/phones4u.

During the period, secured creditors approved, among other matters, the basis of administrators' fees in respect of certain activities and disbursements, including an amount to be drawn relating to the period to 31 August 2015. Further details are provided in Section 5.7.

5.6 Investigations

As part of our duty to investigate what assets there are available to the Companies, we consider what, if any, potential claims against third parties exist. We previously reported that we appointed the law firm Quinn Emmanuel Urquhart & Sullivan to assist us in our investigations in this area and that they had completed their initial investigations.

Our investigations remain ongoing but we due to the commercially sensitive nature of these investigations we do not wish to disclose any further information at this stage.

5.7 Administrators' remuneration

We explained in earlier reports that, given the circumstances of each case, it would be for each secured creditor of the Companies (and the relevant proportion of preferential creditors in respect of P4U) to approve the basis of our remuneration and certain categories of disbursements. We also envisaged that our remuneration may be fixed by reference to a combination of one or more different bases in respect of different work streams carried out by us.

We have maintained a regular and open dialogue with the Companies' secured creditors through open conference calls and liaising with the Security Trustee (ING Bank N.V., London Branch) and the informal creditors' committee.

In our last report, we explained that we had continued to liaise with the informal creditors' committee regarding the most appropriate basis for our remuneration and various different bases were proposed. Since then, we have obtained formal fee approval from all of the relevant classes of creditors.

Our remuneration (on a time cost basis) and Category 2 disbursements were approved by the preferential creditors of Phones 4U Limited at a meeting held by correspondence on 7 September 2015.

The secured creditors have recently approved our remuneration (on a time cost basis) in respect of all work carried out by us in connection with the administrations of the Companies, except for work in connection with MNO receivables and the potential investigations (the “Excluded Work”). The secured creditors have also approved Category 2 disbursements.

We intend to circulate a proposal to the secured creditors separately in due course in relation to our fees on the Excluded Work. If alternative bases are proposed for the Excluded Work (and if approved on that basis), we will contact preferential creditors again with a further proposal specifically on these two areas of work.

We will confirm in our next report (if possible) the basis of fees that has been agreed in relation to the Excluded Work.

Due to the ongoing VAT issues outlined in Section 5.2, at this time, we do not propose to draw any fees from P4U or the other companies within its VAT group. PAS is not in the P4U VAT group and so shortly after the reporting period we drew remuneration from PAS in line with the fee approval obtained.

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.

Creditors have the right to ask for more information within 21 days of receiving this report as set out in Rule 2.48A IR86. 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 2.109 IR86. 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 Katharyn Froggett on +44(0)113 289 4155.

5.8 Outcome for creditors

Secured creditors

We remain of the view that there will be insufficient funds to repay the Noteholders in full and that they are therefore likely to be the party with the primary economic interest in the progress and outcome of the administrations.

We have increased the range of estimated outcomes for the Noteholders in this report to 24% to 28%.

The primary driver for this increase is improved forecast recoveries from PAS, which had a lower number of claims and disconnections for both insurance products compared to the original forecast.

Since our last report we have amended our outcome statement to include forecast costs associated with the administration for the period ending September 2017 (December 2016 for PAS) for the lower case estimated outcome. This reflects the extensions to the administrations granted during the period (see Section 5.9).

Consistent with our previous progress report, the estimated outcome excludes any potential future recoveries from the MNO receivables or our investigatory work. Legal and other professional fees incurred to date with regards the investigatory work have now been incorporated, but not potential future costs.

For illustrative purposes only, our estimate includes the effect of the adjusted VAT liability (of £37.4m) in connection with the Trade Bill Discounting Facility Agreements between P4U and Barclays being paid as an expense of the administration (see Section 5.2, VAT liabilities), but excludes the potential impact of the other significant VAT issue discussed earlier.

Estimated dividend prospects

Preferential creditors

Preferential claims only arose in P4U which held all of the Group's employment contracts. The directors' statement of affairs estimated these claims at over £3.4m.

During the period of this report, we contacted preferential creditors (principally former employees and the Redundancy Payments Service), to agree their claims. Following this process, preferential claims totalling £1.7m were admitted.

We are pleased to confirm that on 6 November 2015, we declared a dividend to preferential creditors with admitted claims in at the rate of 100 pence in the £. The payments (totalling £1.7m) were subsequently made on 4 December 2015.

The balance of any amounts owed to former employees will rank as unsecured claims, as these amounts do not enjoy preferential status. These unsecured claims will be dealt with separately and further information is provided in the section below.

Unsecured creditors

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

This ring-fenced 'prescribed part' fund is paid out of the company's 'net property'. Net property is floating charge realisations after costs, and after paying - or setting aside enough to pay - preferential creditors in full. The amount of the prescribed part is:

- 50% of net property up to £10,000; plus
- 20% of net property above £10,000; but
- Subject to a maximum of £600,000.

The prescribed part applies in each of the Companies and we outline below what we believe the dividend prospects may be for each of the Companies. These are unchanged from our previous reports.

Company	Dividend likely?	Estimated prescribed part fund	Estimate of unsecured claims *	Dividend prospects
Phones 4U Limited	✓	£600k	£168m	Less than 0.4%
Policy Administration Services Limited	✓	£600k	£44m	Less than 1.4%
MobileServ Limited	✓	£600k	£802m	Less than 0.1%
Phosphorus Acquisition Limited	✗	Nil	£561m	Nil
Phones4U Finance plc	✗	Nil	£92m	Nil
Phones 4 U Group Limited	✗	Nil	£69m	Nil

* Based on directors' statement of affairs

Where dividends are shown as likely, please note that this is only by virtue of a prescribed part fund, due to the considerable amounts owed to the Companies' secured creditors and the expectation that secured creditors will suffer a significant shortfall on their lending.

Dividend prospects are calculated by reference only to the amount owed to unsecured creditors as stated in the directors' statement of affairs, and do not take account at this stage of the costs associated with agreeing claims and distributing the prescribed part fund. The estimates are therefore subject to change and should be treated with caution.

5.9 Ending the administrations

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.

An administration comes to an automatic end after one year unless the Court agrees to extend it for a specific period. Alternatively, the relevant class of creditors can consent to a twelve month extension to the administrators' term in office. In this case, the administrations were due to come to an automatic end on 15 September 2015 for all of the Companies except for PAS, which was due to end on 16 September 2015.

We wrote to creditors on 10 September 2015 to explain that the period of each administration had been extended to 15 September 2017 by consent of the court.

Following the *Small Business, Enterprise and Employment Act 2015* coming into force earlier last year, it is no longer an option for companies to move from administration to creditors' voluntary liquidation for the purpose of distributing a prescribed part fund. Accordingly, where such dividends are expected to arise, these will need to be distributed prior to the end of the administration.



We will continue to monitor the progress of the administrations and apply for further extensions if appropriate.

5.10 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.

5.11 Next report

We anticipate that we will circulate our next report to creditors in approximately six months, or earlier if any administration is capable of being concluded in the meantime.

6. Statutory and other information relating to the administrations

Full name:	Phones 4U Limited	Phones 4 U Group Limited	Phones4U Finance plc	MobileServ Limited	Phosphorus Acquisition Limited	Policy Administration Services Limited
Trading names:	Phones 4U, 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
Company number:	03154198	04943837	07552754	05863265	07405102	03907386
Registered office:	Benson House, 33 Wellington Street, Leeds, LS1 4JP					
Company directors at the date of appointment:	Philip D Dobson Nick Fisher Scott Hooton David N Kassler Steven Lloyd John E Morris Thomas Shorten Timothy J Whiting John J Whittle	David N Kassler Steven Lloyd John E Morris	Philip D Dobson David N Kassler Steven Lloyd John E Morris Timothy J Whiting	David N Kassler Steven Lloyd	David N Kassler Steven Lloyd Jason Mitchell John E Morris	Nick Fisher Scott Hooton David N Kassler Steven Lloyd John E Morris John J Whittle
Company secretary:	Steven Lloyd					
Shareholdings held by the directors and secretary:	Not applicable					
Appointment date:	15 September 2014					16 September 2014
Extensions to the Administrations:	Extension granted by the Court to 15 September 2017					

Full name:	Phones 4U Limited	Phones 4 U Group Limited	Phones4U Finance plc	MobileServ Limited	Phosphorus Acquisition Limited	Policy Administration Services Limited
Administrators' names and addresses	<p>Robert Jonathan Hunt and Robert John Moran PwC, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT</p> <p>Ian David Green PwC, 7 More London Riverside, London, SE1 2RT</p>					<p>Douglas Nigel Rackham, Dan Yoram Schwarzmann and Ian David Green (<i>all of the London office address as shown on the left</i>)</p> <p>Robert Jonathan Hunt (<i>address as shown on the left</i>)</p>
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					
Objective being pursued by the administrators:	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.					
Division of the administrators' responsibilities:	In relation to Paragraph 100(2) Sch.B1 IA86, during the period for which the administration order is in force any act required or authorised under any enactment to be done by either or all of the administrators may be done by any one or more of the persons for the time being holding that office.					
The European Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to the administrations and the proceedings are main proceedings.					

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. At present, this time costs basis for our fees covers all aspects of our work with the exception of the Excluded Work referred to earlier (where no basis has yet been agreed by the secured creditors).

It is our policy to delegate tasks in the administration 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 maximum charge-out rates per hour worked for the grades of staff actually or likely to be involved on these assignments. Time is charged by reference to actual work carried out on these assignments. There has been no allocation of any general overhead costs.

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).

<i>With effect to 30 June 2015</i>	Administrators' and Administrators' staff Rate per hour (£)	Specialist staff Maximum rate per hour (£)
Partner	795	1,190
Director	695	1,060
Senior Manager	540	960
Manager	460	600
Senior Associate (qualified/consultant)	380	465
Senior Associate (unqualified)	285	-
Associate	240	225
Support staff	120	180

Hourly rates quoted are exclusive of VAT.

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 from 1 July 2015. Any material amendments to these rates will be advised in our next report to creditors.

<i>With effect from 1 July 2015</i>	Administrators' and Administrators' staff Rate per hour (£)	Specialist staff Maximum rate per hour (£)
Partner	825	1,250
Director	725	1,115
Senior Manager	550	1,110
Manager	470	665
Senior Associate (qualified/consultant)	390	490
Senior Associate (unqualified)	290	-
Associate	245	245
Support staff	123	180

Hourly rates quoted are exclusive of VAT.

7.3 Narrative of work undertaken

Later in this section, we have included tables showing our time costs from our appointment to 20 January 2016, by grade of staff and area of work for each period covered by this and earlier progress reports. These do not include time spent on the Excluded Work referred to earlier, as the basis of our fees for that work has not yet been agreed by the secured creditors. The following table provides further narrative on the key areas of work.

Area of work	Work undertaken
Strategy & planning	<ul style="list-style-type: none"> Internal acceptance and compliance procedures. Oversight of case progression and general strategy decisions by appointment takers; and other project management. Monitoring and internal reporting of costs. Team strategy and progress meetings. Liaising with key stakeholder groups. Preparing various forecasts, including: cash flows, outcome statements, profit and loss accounts and financial model analysis. <p><i>(Policy Administration Services Limited only)</i></p> <ul style="list-style-type: none"> Daily progress meetings during first four weeks of the administration with other P4U case teams regarding stock, IT, warehouse and general administration issues. Considering business options: sales versus run-off.
Sale of business	<p><i>(Phones 4U Limited only)</i></p> <ul style="list-style-type: none"> Obtaining information on the business and assets to assess saleability. Setting-up and monitoring a dedicated interested parties mailbox. Discussions with parties interested in acquiring certain business, assets and property. Drafting and entering into non-disclosure agreements with interested parties. Negotiations with interested parties and evaluating offers received. Responding to queries and facilitating the due diligence process and information requests.

Area of work

Work undertaken

- Consulting with our solicitors on legal aspects of the proposed transactions.
- Together with our solicitors, conducting contractual negotiations for the sale of certain assets and transfer of employees.
- Application to court for approval of transactions involving the sale of property subject to fixed charge security shortly after our appointment, including reviewing witness statements.
- Completion of the transactions and post-sale matters; and obligations to assign lease agreements, and transfer supplier relationships and company assets to the business purchasers.
- Data handling, including design, test and execution of secure data migration to support the sale of the business.

(Policy Administration Services Limited only)

- Collating information on the business and its assets and drafting an information memorandum for prospective purchasers.
- Registering buyers' interest and compiling a list of prospective purchasers.
- Coordinating confidentiality agreements and sending information memorandum to all interested parties.
- Answering questions from prospective buyers and compiling a Q&A for all.
- Evaluating offers received and negotiating where possible.

Book debt realisations
(Phones 4U Limited only)

- Obtaining debtor listings, ledgers, other relevant data and reviewing the data extraction process.
- Full reconciliations from the pre administration book value to the latest position and assessment of sensitivities.
- Obtaining legal advice on non-MNO related debtor issues.
- General correspondence with debtors, including issuing debt collection letters.
- Preparing estimated outcomes of book debt realisations.

MNO Receivables:

- Meetings with (and overseeing) the company's debtor team relating to the underlying models used to calculate commissions due from each of the major networks.
- Reviewing the robustness of the assumptions used to arrive at contract values and assessing how reasonable this may be under a range of key sensitivities.
- Detailed review of cash flow models prepared by the retained team in relation to outstanding network commissions, including analysis of key sensitivities to assist in discussions with MNOs.
- Working with the retained P4U staff to produce materials to support them in discussions with the networks in relation to final contract value.
- Dealing with bills of exchange.
- Developing and implementing strategies for the preservation of value in MNO receivables, including ongoing management of and regular meetings with the retained employees assisting with the collection of MNO debtors.
- Corresponding with lawyers regarding the complex legacy contracts between P4U and MNOs.
- Corresponding and meeting with various MNOs regarding amounts due to Phones 4U, including collecting MNO debtors to date.

Area of work	Work undertaken
	<ul style="list-style-type: none"> Regular meetings with MNOs with outstanding or anticipated future debts due to P4U.
Property	<p><i>(Phones 4U Limited only)</i></p> <ul style="list-style-type: none"> Gathering information on the large property portfolio and assessing the opening position. Agreeing and making rent payments where appropriate. Liaising with landlords and responding to queries. Dealing with parties interested in the property portfolio assets. Engaging and liaising with Prime Retail, our agents responsible for winding down and realising value from the property portfolio. Arranging for the return and/or management of keys. Marketing of certain property assets, in conjunction with our appointed agents. Input into central stakeholder meetings on property matters. Negotiating and executing all necessary property transfer and disposal documentation. Taking legal advice, as appropriate, in the pursuit of the above. Exit from Head Office properties, including removal of assets. Preparing sites for surrender. Liaising with landlords and their agents / solicitors regarding surrender of leases and negotiating premiums where possible. Managing the high volume of incoming correspondence from landlords and utility providers. <p><i>(Policy Administration Services Limited only)</i></p> <ul style="list-style-type: none"> Terminating the lease of the property located in Newcastle. Searching for an office space for the retained PAS employees. Negotiating lease terms with the landlord for the new space in Crewe. Ensuring the new office is compliant with healthy and safety regulations. Acquiring furnishing for the new office. Subsequently terminating the lease of the property based in Crewe.
Other assets	<ul style="list-style-type: none"> Initial investigations and identification of other assets, including stock, vehicles, intellectual property and subsidiaries. Formulating strategies and cost-benefit analyses to ensure asset realisation was cost effective and in the interests of creditors. Determining if assets were subject to finance / lease agreements, and liaising with third parties as appropriate. Collection and return of leased assets (for example, laptops and vehicles). Co-ordinating the removal of assets (due to store closures) and managed closure of the affected stores. Managing and responding to enquires from the retail store network. Regular meetings with company management. Dealing with the vehicle fleet. Liaising with parties interested in purchasing certain of the assets. Engaging specialists and monitoring / accounting for business rates refunds.

Area of work

Work undertaken

- Liaising with JLT (insurance broker) for the purpose of insurance cover for assets and risks in the post-appointment period.
- Collating information for insurance purposes and responding to queries.

Sale of stock:

(Phones 4U Limited only)

- Setting a strategy for realisations including consultation with chattel agents for the sale of accessories.
- Negotiation of the third party stock warehouse position and ongoing availability.
- Inspection of stock at the third party warehouse.
- Control of stock and scanning procedures into the warehouse.
- Co-ordinating the exit of the financially onerous main third party warehouse.
- Detailed stock analyses and assessment of effective repatriation from around 560 stores.
- Dealing with loss of stock and thefts from stores.
- Controlling area management team to assist in repatriation process.
- Stock extensively marketed where not subject to ROT.
- Sale of stock not subject to ROT and where appropriate, legal documentation to support the sale.
- Negotiating and completing the sale of stock in tranches.
- Liaising with John Pye & Sons (auctioneers) to process and where applicable, sell the accessories stock from stores and the warehouse.

(Policy Administration Services Limited only)

- Locating PAS stock which was in transit or stored in warehouse or with third party contractors for repair and refurbishment.
- Identifying stock trapped in P4U stores and warehouse.
- Regular meetings regarding PAS stock, retention of title issues and sale or settlements in respect of this stock with third party buyers.
- Agreeing terms of settlement with TDM and ensuring repatriation of stock from warehouse.
- Collating information for insurance purposes and responding to queries.
- Arranging the necessary insurance cover for the business to continue trading and liaising with the insurance broker.
- Negotiating with P4U for the purchase of stock to service customers' claims.
- Dealing with initial loss of stock to ensure that business demands were met and customers' claims continued to be fulfilled.
- Review of stock availability and plan of purchase on a monthly basis.

Retention of title

- Corresponding with credit insurers for main suppliers.
- Planning for stock movements after store closures.
- Reviewing terms with key suppliers.
- Corresponding with major suppliers and management of ROT claims.
- Settlement of ROT claims, where appropriate.
- Agreeing financial contributions from suppliers regarding stock repatriation from stores.
- Obtaining legal advice on complex legal ROT positions.

Area of work

Work undertaken

Trading

(Phones 4U Limited only)

- Arranging collection of stock for ROT claims.
- Responding to day-to-day queries from head office employees and the store network.
- Resolving issues connected to the stock warehouse.
- Dealing with customer calls referred to the Administrators by the call centre.
- Liaising with company staff, in particular the call centre, suppliers and stock teams.
- Formulating regular communications, scripts and updates for key stakeholder groups, including customers.
- Agreeing policies for the treatment of customer service issues (e.g. lost phones / gift policy).
- Accounting and treasury functions, including bank account transfers and payment requisitions.
- Negotiations with critical suppliers and ransom creditors.
- Reconciling cash at stores and arranging secure collection.
- Providing and withdrawing undertakings for ongoing supplies.
- Engaging specialists in the management of utility suppliers and monitoring the process.
- Devising new strategies for paying employee expenses, particularly those out on site.
- Resolving the stock lien position with company haulier.
- Negotiating favourable terms for plastic tote hire.
- Consideration of existing IT architecture, and establishing an IT transformation to significantly reduce costs while supporting ongoing businesses.
- Withdrawing undertakings and making final payments.
- Review of IT controls and data security procedures
- Meeting and liaising with landlords, suppliers and other stakeholders.

(Policy Administration Services Limited only)

- Review of the insurance business and its trading activities and claims processes.
- Extensive negotiations with the underwriter LGI to continue underwriting insurance policies whilst in administration.
- Negotiating terms of the insurance and reinsurance contracts with LGI.
- Negotiations with the existing claims handler LSG regarding the services provided pre-administration and continuity of services.
- Review impact of closure of P4U stores on insurance claims for P4U Care policyholders and assess options available to the business.
- Extensive contract negotiations with the existing claims handler to facilitate the ongoing handling of Premierplan customer claims and the inclusion of the administration of P4U Care policies.
- Negotiating and setting of service legal agreements with LSG.
- Review of service level agreements and qualitative metrics used to measure the outsourcer performance.
- Negotiations with critical suppliers and making duress payments.

Area of work

Work undertaken

- Review of existing IT architecture, and establishing an IT transformation to significantly reduce costs while supporting ongoing business and to enable independence from the P4U IT systems.
- Review of all IT vendor contracts and negotiating new required terms.
- Review of contract with Anovo in respect of repair and refurbishment of PAS stock with a view to optimising supply chain management.
- Novating and renegotiating the Anovo contract with PAS.
- Responding to customers' queries from P4U call centre.
- Managing and updating communication to all policyholders and ensuring that messages delivered are consistent with the underwriter's and claim administrator's communications.
- Agreeing with LGI new terms and conditions for policyholders to promote longevity of the business.
- Monitoring and adhering to regulatory and industry guidelines requirement on Treating Customers Fairly.
- Planning how to contact the whole base so that minimal disruption is caused to the LSG call centre.
- Establishing regular lines of communication with the retained staff.
- Overseeing employees' work and setting up the necessary reporting lines and streamlining their work and daily activities.
- Responding to day to day queries from the retained staff in relation to their work.
- Monitoring performance of the business and LSG customer call centres on a daily basis.
- Dealing with complex customers' claims, queries and complaints.
- Review of claims referred to the Financial Ombudsman Service and identifying root cause.
- Continuous review of claims and complaints from policyholders so that systems and process are improved.
- Operating finance functions, including bank account transfers and payment requisitions.
- Collection of premiums and refunds to customers and reconciliation to bank balance and cash flow.
- Regulatory reporting, such as RMAR.
- Reviewing data and analytics and all management information review.
- Reviewing product governance and compliance.
- Attending regular board meetings with the PAS team to discuss the strategy and progress of the scheme.
- Liaising with the LGI board and providing regular updates on progress of the PAS scheme.
- Monthly meetings with LSG to discuss performance of call centres and SLMs.
- Ongoing monitoring and planning of number of agents to be used.
- Liaising with LSG in regards of possible transfer of PAS employees under TUPE regulations.
- Agreeing addendum to the LSG contract in respect of commercial and regulatory terms for the transfer of the employees.
- Liaising with Barclaycard in relation to pre-administration excess payments made by customers and held by the bank.
- Negotiating new terms and conditions for post administration excess collection and fee charges and payments to the bank.

Area of work	Work undertaken
Accounting & treasury	<ul style="list-style-type: none"> • Review of pre-appointment bank accounts and management of funds between pre and post-appointment bank accounts. • General accounting and treasury functions: payments, receipts and journal postings. • Liaising with the Merchant Services provider. • Dealing with ongoing payment of wages. • Active management of cash holdings, including placing regular money market investments to increase returns. • Closure of pre-appointment bank accounts as they become redundant. <p><i>(Policy Administration Services Limited only)</i></p> <ul style="list-style-type: none"> • Contacting pre-administration banks and amending mandates with administrators' details. • Opening various post-administration bank accounts for the purpose of segregating premiums collected, excesses received and trading payments. • Considering moving customers' direct debits from pre-administration account to post-administration bank account. • Exploring ways of moving funds between accounts upon collection. • Transfer of premiums to insurer account every two days, including reconciliation and sign off from appointees.
Statutory & compliance	<ul style="list-style-type: none"> • Planning for statutory duties and collection of requisite information. • Initial letters, notices and other communications. • Preparing and circulating our statement of proposals, including internal consultation on the detailed requirements in the circumstances of this case. • Setting up and management of various internal accounting, filing and project management systems. • Understanding and managing statutory obligations regarding the store network, including: health and safety / environmental risk management. • Requesting and filing the statement of affairs, plus an application to court for the redaction of commercially sensitive information. • Managing incoming statement of claim forms and creditor database. • Clean up of sites (for example, destruction of confidential waste and obsolete records). • Considering impact of new legislation on potential exit routes. • Applying to court for extensions to the administrations, including preparation of witness statements and supporting documents. • Maintaining case records and filing. • Completing case management prompts on the case database. • Dealing with incoming correspondence. • Preparing and issuing our first, second and third progress reports to creditors.
Employees & pensions	<p><i>(Phones 4U Limited only)</i></p> <p>Communications & queries:</p> <ul style="list-style-type: none"> • Communications and announcements to (initially 5,592) employees. • Dealing with a high volume of employee queries (including for references, claims and payments).

Area of work

Work undertaken

- Correspondence and meetings with employees.
- Setting up and maintaining a dedicated employee email inbox.

Consultations:

- Consultations regarding the transfer of 2,063 employees to EE, Vodafone and Dixons Carphone.
- Obtaining legal advice on consultation matters. Convening and attending consultation meetings.
- Election of 85 employee representatives and subsequent re-election due to the implementation of redundancies.
- Commencement and attendance of all consultation meetings - initially four calls twice a week which reduced with employees numbers and are now received on an ad hoc basis.

Redundancies:

- Day 1 statutory requirements informing the Secretary of State on Form HR1 of potential redundancies.
- Selection of employees for redundancy.
- Initial communication with Job Centre Plus (JCP) nationally via the rapid response unit.
- Liaising with Employment Tribunals.
- Managing the submission of forms and liaising with the Redundancy Payments Office.
- Working with the HR team, supporting the taskforce set up by the local Borough Council to assist those affected by redundancy at the head office.
- Corresponding with over 3,300 redundant employees.
- Consideration of protective award claims including meetings with Counsel, preparation of court documents and attendance at tribunal hearings.

Payroll & other payments:

- Working with relevant staff for the calculation and payment of ongoing payroll, including the initial payroll to 4,409 people.
- Assessing the preferential creditors' position and seeking legal advice.
- Calculating and reviewing employee (preferential) claims, resulting in the distribution of 2,780 cheques to former employees.
- Responding to a high volume of queries from former employees regarding the preferential dividends.
- Amendments to the original employment contracts of the retained employees to reflect agreed changes to their terms.
- Monthly payroll preparation and review relating to the retained employees.

Pensions & benefits:

- Managing the submission of RP15 claims for outstanding pension contributions.
- Responding to members' queries on pension issues.
- Issuing of statutory notices on appointment in relation to occupational pension schemes including Group Life Assurance arrangement.

Area of work

Work undertaken

- Ensuring ongoing cover under employee benefit arrangements, including group life and private medical insurance.
- Arranging post-appointment pension schemes for retained employees and contributions thereto.

(Policy Administration Services Limited only)

- Gaining an understanding of key employees.
- Negotiating new terms to ensure staff retention.
- Liaising with the HR team to ensure that payroll payments to employees are accurate.
- Liaising with the HR team to calculate the level of benefits due to employees.
- Liaising with the HR team and seeking legal advice in respect of consultation matters.
- Consulting with retained employees in respect of the TUPE transfer to the outsourcer.
- Negotiating and consulting with the insurance director in respect of the terms of his termination of employment.
- Discussions with employees as to alternatives to the TUPE transfer.
- Amending the employment contracts of the retained employees.
- Implementing the TUPE transfer process.

Investigations

- Securing books and records from head office and archiving them.
- Restoring email data, keyword searching and preparing strategy for review.
- Manual review of keyword responsive emails.
- Liaising and meeting with The Insolvency Service.
- Collection of physical items, including laptops and storage devices.
- Investigations and report to the Department of Business, Innovation and Skills.
- Conducting a tendering process and selecting litigation counsel, to assist in investigations.
- Contributions to bondholder meetings on investigatory matters.
- Team meetings on progression of investigation related matters.
- Ongoing liaising with legal advisors and counsel to identify and formulate any claims the Companies may have against third parties.
- Review of memos and legal papers relating to the investigation of potential claims against third parties.

Creditors & committee

- Planning and preparation of financial and operational information for creditors.
- Liaising with the informal creditors committee, bondholders and notes trustee by way of public calls, meetings and notices.
- Liaising with and providing progress updates to the senior secured creditors.
- Corresponding with lawyers in relation to the exercise of contractual set-off of amounts due to senior secured creditors.
- Conducting a tendering process and liaising with lawyers in order to replace the Senior Notes Trustee.
- Formulating and delivery of our communications strategy.
- High volume of general creditor / customer calls and enquires.
- Setting up and maintaining information on our dedicated website.

Area of work	Work undertaken
Tax	<ul style="list-style-type: none"> • Working on a number of complex HMRC claims (refer to the VAT section below). • Assessing the preferential creditors' position and seeking legal and counsel advice. • Sending statement of claim forms to creditors. • Maintaining creditor claims database. • Receiving statement of claims forms and filing. • Planning and preparation for Noteholder meetings, including interaction with and preparation of materials for private bondholders. • Responding to queries from stakeholder groups. <hr/> <ul style="list-style-type: none"> • Specialist input into HMRC's claims. • Reviewing draft corporation tax returns and paying corporation tax where appropriate. • Considering tax implications of existing contracts. • Review of sale agreements for tax implications. • Responding to HMRC queries including information gathering. • Tax treatment of proposed settlements. • Updating historic corporation tax computations. • Transfer of data for investigation. • Liaising with HMRC in relation to Group Payment Arrangements and PAYE Settlement Agreement. • Liaising with the existing directors in order to arrange sign off and filing of the Senior Accounting Officer Certificate for year ended 2014. • Review of group relief matrices and consider the implication of the closure notices issued by the HMRC in relation to the tax planning scheme. • Consideration and analysis of the quantum of terminal loss relief to offset potential taxable post-administration profits. • Considering tax efficiency scheme for PAS. • Reviewing tax impact on changes made on Controlled Foreign Entity rules for PAS and its subsidiary.
VAT	<hr/> <ul style="list-style-type: none"> • Meetings with HMRC. • Meetings with the Companies' VAT and MNO receivables teams. • Preparation of letters to HMRC requesting non-statutory clearance in respect of two VAT matters. • VAT investigations and advice relating to the treatment of debtors. • Workings for periodic VAT returns. • Preparation for creditors (Noteholder) meetings, on VAT related matters. • Extensive review of books and records (including electronic archives) to prepare responses to HMRC requests for information. • Internal communication and meetings on VAT matters. • Liaising with former P4U staff to obtain information relating to VAT matters for inclusion within court documents. • Regular discussions with external legal advisors and also counsel on VAT matters. • Review of detailed legal documents and draft court papers setting out the Administrators' view of specific VAT positions.

Area of work	Work undertaken
	<ul style="list-style-type: none"> • Liaising with former P4U staff to obtain information relating to VAT matters for inclusion within court documents.
Books and records	<ul style="list-style-type: none"> • Locating, identifying and securing the Companies' paper and electronic records. • Agreeing a document retention strategy and archiving records at Head Office. • Liaising with third party storage providers. • Scoping of IT systems and formulating a data preservation strategy. • Data imaging of directors' laptops. • Capture, cataloguing and test restoration of 50 terabytes of data from 40 company systems. • Extracting and restoring backup data to support other areas of work. • Review of software and hardware licenses to realise value for the administration through reselling. • Review of electronic records for specific contracts or documents to support ongoing work streams. • Safeguarding data held by third parties, ensuring appropriate deletion once no longer required.
Closure procedures	<ul style="list-style-type: none"> • Exit from Osprey Unit 2 property. • Removal of assets. • Transfer of IT infrastructure. • Preparing sites for surrender. • Withdrawing undertakings and making final payments. • Meeting and liaising with landlords, suppliers and other stakeholders. • Collection of books and records from sites. • Clean up of sites (for example, destruction of confidential waste and obsolete records).



7.4 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.

In December 2014 we instructed PwC Legal LLP to assist with the response to a high volume of protective award claims received from former employees (as outlined in Section 5.2). This work has included extensive investigations into the circumstances of the case, liaising with Employment Tribunal offices across the country and obtaining counsel's advice on P4U's position.

PwC Legal LLP is a member of the PwC international network of firms and therefore can be considered to be an associate of the Administrators' firm for the purposes of SIP9.

A summary of other legal and professional firms instructed in the administration is at Section 7.6 below.

A summary of the disbursements incurred from the date of our appointment to 20 January 2016 is provided below.

Phones 4U Limited – in administration

Summary of disbursements incurred from 15 September 2014 to 20 January 2016

Category	Policy	15 September 2014 to 20 July 2015 (£)	21 July 2015 to 20 January 2016 (£)	Total incurred to 20 January 2016 (£)
2	Photocopying - at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying	5,241.73	7,245.13	12,486.86
2	Mileage - at a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	29,298.97	268.35	29,567.32
1	PwC Legal LLP - time costs and disbursements. Time has been charged at the following hourly rates in the period to 30 June 2015. Hourly rates from 1 July 2015 are shown in brackets alongside.	157,236.75	187,972.70	345,209.45
	Partner	£495 (£495)		
	Senior Manager	£325 (£355)		
	Manager	£245 (£265)		
	Solicitor	£220 (£245)		
	Trainee Solicitor	£135 (£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.			
1	All other disbursements reimbursed at cost:			
	External venue costs	35,501.05	100.00	35,601.05
	Hotel accommodation	22,972.79	2,108.17	25,080.96
	Rail fares	18,048.95	2,616.92	20,665.87
	Air fares	21,071.92	-	21,071.92
	Postage	10,499.78	11,004.07	21,503.85
	Subsistence costs	5,845.00	2,131.52	7,976.52
	Taxi fares	4,552.84	811.87	5,364.71
	Mobile phone usage	1,829.77	4.58	1,834.35
	Other	4,983.41	1,702.22	6,685.63
Total		317,082.96	215,965.53	533,048.49

Phones 4 U Group Limited – in administration

Summary of disbursements incurred from 15 September 2014 to 20 January 2016

Category	Policy	15 September 2014 to 20 July 2015 (£)	21 July 2015 to 20 January 2016 (£)	Total incurred to 20 January 2016 (£)
2	Photocopying - at 5 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	98.60	-	98.60
Total		276.53	-	276.53

Phones4U Finance plc – in administration

Summary of disbursements incurred from 15 September 2014 to 20 January 2016

Category	Policy	15 September 2014 to 20 July 2015 (£)	21 July 2015 to 20 January 2016 (£)	Total incurred to 20 January 2016 (£)
2	Photocopying - at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying	-	-	-
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	428.96	8.69	437.65
Total		514.22	8.69	522.91

MobileServ Limited – in administration

Summary of disbursements incurred from 15 September 2014 to 20 January 2016

Category	Policy	15 September 2014 to 20 July 2015 (£)	21 July 2015 to 20 January 2016 (£)	Total incurred to 20 January 2016 (£)
2	Photocopying - at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying	99.00	-	99.00
2	Mileage - at a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	7.19	-	7.19
1	All other disbursements reimbursed at cost	291.17	-	291.17
Total		397.36	-	397.36

Phosphorus Acquisition Limited – in administration

Summary of disbursements incurred from 15 September 2014 to 20 January 2016

Category	Policy	15 September 2014 to 20 July 2015 (£)	21 July 2015 to 20 January 2016 (£)	Total incurred to 20 January 2016 (£)
2	Photocopying - at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying	99.00	-	99.00
2	Mileage - at a maximum of 71 pence per mile (up to 2,000cc) or 93 pence per mile (over 2,000cc)	7.19	-	7.19
1	All other disbursements reimbursed at cost	227.00	-	227.00
Total		333.19	-	333.19

Policy Administration Services Limited – in administration

Summary of disbursements incurred from 16 September 2014 to 20 January 2016

Category	Policy	16 September 2014 to 20 July 2015 (£)	21 July 2015 to 20 January 2016 (£)	Total incurred to 20 January 2016 (£)
2	Photocopying - at 5 pence per sheet copied, only charged for circulars to creditors and other bulk copying	100.28	16.61	116.89
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	9,602.82	1,063.10	10,665.92
	Hotel accommodation	7,031.25	-	7,031.25
	Subsistence costs	2,391.36	79.80	2,471.16
	Taxi fares	2,020.32	4.40	2,024.72
	Car hire charges	1,485.92	-	1,485.92
	Air fares	-	551.64	551.64
	Other	1,098.75	4.70	1,103.45
Total		26,849.68	1,720.25	28,569.93

7.5 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 £30m 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 24p to 28p in the pound for the Noteholders (who are expected to have the primary economic interest in the progress of the Companies' administrations).

7.6 Summary of legal and other professional firms

We have instructed the following professionals 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

Service provided	Name of firm / organisation	Basis of fees
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

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.

7.7 Analysis of our time costs to 20 January 2016

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 and earlier reports; together with the cumulative position and estimated cost of our future work.



Phones 4U Limited – in administration

Analysis of time costs for the period 15 September 2014 to 14 March 2015

	Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
1	Strategy & Planning	90.7	52.5	280.0	286.8	282.0	2.3	7.4	1,001.6	499,165.50	498
2	Sale of business	156.0	113.0	144.8	73.3	401.1	0.2	-	888.3	463,949.00	522
3	Book debt realisations	3.0	-	4.8	242.0	7.0	0.5	3.5	260.8	119,591.50	459
4	Property	-	94.3	439.5	483.2	168.1	15.4	42.0	1,242.3	595,943.25	480
5	Other assets	27.0	-	220.5	516.5	946.9	4.9	-	1,715.7	719,991.00	420
6	Retention of title	-	-	153.5	392.5	450.5	-	-	996.5	416,119.25	418
7	Trading	2.0	17.0	487.8	495.2	891.2	75.5	3.0	1,971.6	856,274.25	434
8	Accounting and treasury	-	2.5	78.1	55.4	167.6	287.3	1.0	591.9	189,531.15	320
9	Statutory and compliance	18.3	2.0	87.0	27.4	151.6	71.8	157.5	515.5	166,777.50	324
10	Employees & pensions	20.0	-	87.6	808.2	245.6	1,264.9	2.8	2,428.9	795,789.75	328
11	Investigations	-	-	-	-	-	-	-	-	-	-
12	Creditors	175.1	102.0	600.8	652.4	539.2	110.3	56.6	2,236.3	1,051,466.50	470
13	Creditors committee	-	-	102.0	-	7.8	-	-	109.8	58,025.00	529
14	Tax	53.2	156.6	50.0	44.4	152.6	42.2	9.9	508.7	337,948.95	664
15	VAT	234.7	101.9	668.9	24.8	226.2	35.0	-	1,291.4	968,896.60	750
16	Books and records	-	46.0	0.6	245.9	135.2	218.8	-	646.4	176,272.50	273
17	Closure procedures	-	-	-	-	-	-	-	-	-	-
Total		780.0	687.7	3,405.5	4,347.7	4,772.2	2,128.8	283.7	16,405.6	7,415,741.70	452



Phones 4U Limited – in administration

Analysis of time costs for the period 15 March 2015 to 20 July 2015

Aspect of assignment		Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
1	Strategy & Planning	51.7	13.0	89.8	89.1	102.8	18.7	-	365.1	184,843.85	506
2	Sale of business	16.0	-	1.0	3.0	-	-	-	20.0	14,803.00	742
3	Book debt realisations	-	-	0.5	37.5	0.9	-	-	38.9	17,877.00	460
4	Property	-	2.0	41.7	76.6	141.6	1.8	22.7	286.4	112,671.00	393
5	Other assets	-	-	36.9	14.4	51.6	0.8	-	103.6	44,799.20	432
6	Retention of title	-	-	6.1	-	10.8	-	-	16.8	7,352.00	438
7	Trading	-	-	26.9	21.9	10.0	16.5	7.5	82.8	32,598.00	394
8	Accounting and treasury	-	0.6	17.9	44.8	103.1	109.4	-	275.7	88,326.70	320
9	Statutory and compliance	11.7	-	81.4	41.1	84.8	41.0	96.8	356.7	122,639.15	344
10	Employees & pensions	-	-	27.4	142.1	69.0	445.5	0.5	684.5	197,973.40	289
11	Investigations	-	-	-	-	-	-	-	-	-	-
12	Creditors	27.9	-	111.1	139.0	191.0	8.7	3.5	481.1	210,018.10	437
13	Creditors committee	-	-	13.5	6.5	-	-	-	20.0	10,437.00	523
14	Tax	2.5	27.6	51.5	12.1	168.3	25.7	3.8	291.3	148,548.65	510
15	VAT	102.7	37.7	217.7	37.5	99.5	23.3	2.0	520.3	400,720.60	770
16	Books and records	-	-	-	17.3	3.8	10.2	-	31.2	10,188.50	327
17	Closure procedures	-	-	0.9	2.3	-	-	-	3.2	1,517.00	482
Total		212.5	80.9	724.0	685.1	1,037.0	701.3	136.7	3,577.4	1,605,313.15	449



Phones 4U Limited – in administration

Analysis of time costs for the period 21 July 2015 to 20 January 2016

	Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
1	Strategy & Planning	44.2	-	186.6	116.5	25.8	41.1	-	414.2	212,522.70	513
2	Sale of business	20.0	-	0.2	-	-	-	-	20.2	16,610.00	822
3	Book debt realisations	-	-	0.3	8.8	-	6.5	0.5	16.1	5,972.85	371
4	Property	-	-	32.0	110.3	115.7	0.8	7.4	266.1	108,134.60	406
5	Other assets	15.5	4.0	8.5	38.5	35.5	17.4	-	119.3	55,154.60	462
6	Retention of title	-	-	-	-	-	-	-	-	-	-
7	Trading	-	-	11.6	44.0	16.7	42.8	2.5	117.5	39,259.55	334
8	Accounting and treasury	-	1.0	13.9	36.6	205.5	52.0	1.7	310.6	102,112.95	329
9	Statutory and compliance	9.3	-	134.3	78.6	117.5	23.6	29.9	393.2	162,020.75	412
10	Employees & pensions	-	-	10.0	151.5	88.7	196.4	43.3	489.7	150,980.95	308
11	Investigations	-	-	-	-	-	-	-	-	-	-
12	Creditors	6.5	-	51.6	143.8	404.0	9.7	2.3	617.8	221,366.85	358
13	Creditors committee	3.0	-	-	0.5	-	-	-	3.5	2,710.00	774
14	Tax	11.5	46.6	59.8	15.9	173.5	92.6	0.6	400.4	205,400.95	513
15	VAT	133.0	43.8	298.7	103.5	183.3	102.9	-	865.2	602,860.10	697
16	Books and records	-	-	8.5	0.8	-	37.0	-	46.3	11,337.50	245
17	Closure procedures	-	-	-	-	-	-	-	-	-	-
Total		243.0	95.4	815.7	849.3	1,366.1	622.5	88.1	4,080.0	1,896,444.35	465



Phones 4U Limited – in administration
Time cost summary as at 20 January 2016

	Aspect of assignment	Total hours	Time cost £	Average hourly rate £	Estimated future hours	Estimated future costs £	Estimated total cost £	Average hourly rate
1	Strategy & Planning	1,780.8	896,532.05	503	741	373,064	1,269,596	503
2	Sale of business	928.5	495,362.00	534	-	-	495,362	534
3	Book debt realisations	315.8	143,441.35	454	-	-	143,441	454
4	Property	1,794.8	816,748.85	455	830	377,517	1,194,266	455
5	Other assets	1,938.6	819,944.80	423	964	407,776	1,227,721	423
6	Retention of title	1,013.3	423,471.25	418	-	-	423,471	418
7	Trading	2,171.8	928,131.80	427	1,069	456,828	1,384,960	427
8	Accounting and treasury	1,178.2	379,970.80	323	768	247,816	627,787	323
9	Statutory and compliance	1,265.4	451,437.40	357	1,058	377,515	828,953	357
10	Employees & pensions	3,603.1	1,144,744.10	318	2,385	757,879	1,902,623	318
11	Investigations	-	-	-	-	-	-	-
12	Creditors	3,335.2	1,482,851.45	445	1,578	701,537	2,184,389	445
13	Creditors committee	133.2	71,172.00	534	-	-	71,172	534
14	Tax	1,200.4	691,898.55	576	614	353,714	1,045,612	576
15	VAT	2,676.9	1,972,477.30	737	902	664,291	2,636,769	737
16	Books and records	723.8	197,798.50	273	557	152,245	350,044	273
17	Closure procedures	3.2	1,517.00	482	882	202,457	203,974	230
Total		24,062.9	10,917,499.20	454	12,348	5,072,640	15,990,139	412



Phones 4 U Group Limited – in administration

Analysis of time costs for the period 15 September 2014 to 14 March 2015

	Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
1	Strategy & Planning	-	-	5.0	1.5	2.3	1.30	0.4	10.4	4,299.25	413
2	Sale of business	-	-	0.2	-	-	-	-	0.2	81.00	540
3	Book debt realisations	-	-	-	-	-	-	-	-	-	-
4	Property	-	-	-	0.1	-	-	-	0.1	46.00	460
5	Other assets	-	-	0.1	0.2	-	-	-	0.3	123.00	492
6	Retention of title	-	-	-	-	-	-	-	-	-	-
7	Trading	-	-	-	-	2.5	0.25	-	2.8	1,010.00	367
8	Accounting and treasury	-	-	0.1	0.9	0.2	3.80	-	4.9	1,372.75	283
9	Statutory and compliance	1.0	-	2.7	6.5	6.7	14.85	1.6	33.4	11,013.00	330
10	Employees & pensions	-	-	-	0.6	-	-	-	0.6	285.00	475
11	Investigations	-	-	-	-	-	-	-	-	-	-
12	Creditors	-	-	0.7	0.1	1.2	-	0.3	2.3	897.00	399
13	Creditors committee	-	-	-	-	-	-	-	-	-	-
14	Tax	-	-	-	-	-	-	-	-	-	-
15	VAT	-	-	1.0	-	-	-	-	1.0	555.00	555
16	Books and records	-	-	-	0.1	1.0	-	-	1.1	336.50	320
17	Closure procedures	-	-	-	-	-	-	-	-	-	-
Total		1.0	-	9.65	9.85	13.75	20.20	2.30	56.8	20,018.50	353



Phones 4 U Group Limited – in administration

Analysis of time costs for the period 15 March 2015 to 20 July 2015

	Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
1	Strategy & Planning	-	1.0	0.2	0.9	0.1	0.10	-	2.3	1,269.50	552
2	Sale of business	-	-	-	-	-	-	-	-	-	-
3	Book debt realisations	-	-	-	-	-	-	-	-	-	-
4	Property	-	-	-	-	-	-	-	-	-	-
5	Other assets	-	-	-	-	-	-	-	-	-	-
6	Retention of title	-	-	-	-	-	-	-	-	-	-
7	Trading	-	-	-	-	-	11.30	-	11.3	2,729.75	242
8	Accounting and treasury	-	-	0.1	-	0.5	1.30	-	1.8	467.75	260
9	Statutory and compliance	-	-	1.8	5.7	2.1	2.15	2.0	13.8	4,987.75	363
10	Employees & pensions	-	-	-	0.2	0.6	-	-	0.8	265.00	331
11	Investigations	-	-	-	-	-	-	-	-	-	-
12	Creditors	-	-	0.4	3.4	1.0	-	-	4.8	2,169.00	452
13	Creditors committee	-	-	-	-	-	-	-	-	-	-
14	Tax	-	-	0.8	-	-	-	-	0.8	445.50	557
15	VAT	-	-	-	-	-	-	-	-	-	-
16	Books and records	-	-	-	-	0.3	-	-	0.3	85.50	285
17	Closure procedures	-	-	0.8	1.4	-	-	-	2.2	1,098.00	499
Total		-	1.0	4.05	11.60	4.55	14.85	2.00	38.1	13,517.75	355



Phones 4 U Group Limited – in administration

Analysis of time costs for the period 21 July 2015 to January 2016

	Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
1	Strategy & Planning	-	-	0.3	1.3	0.3	-	-	1.9	863.00	454
2	Sale of business	-	-	-	2.5	-	-	-	2.5	1,175.00	470
3	Book debt realisations	-	-	-	-	-	-	-	-	-	-
4	Property	-	-	-	-	-	-	-	-	-	-
5	Other assets	-	-	-	-	0.1	-	-	0.1	29.00	290
6	Retention of title	-	-	-	-	-	-	-	-	-	-
7	Trading	-	-	-	-	-	-	-	-	-	-
8	Accounting and treasury	-	-	-	0.2	0.7	-	-	0.9	297.00	330
9	Statutory and compliance	1.0	-	3.1	3.6	7.7	1.45	-	16.8	6,795.75	405
10	Employees & pensions	-	-	-	-	-	-	-	-	-	-
11	Investigations	-	-	-	-	-	-	-	-	-	-
12	Creditors	-	-	-	0.3	-	-	-	0.3	117.50	470
13	Creditors committee	-	-	-	-	-	-	-	-	-	-
14	Tax	-	-	31.0	-	0.3	-	-	31.2	18,176.50	583
15	VAT	-	-	-	-	5.3	-	-	5.3	1,522.50	290
16	Books and records	-	-	-	-	0.6	-	-	0.6	174.00	290
17	Closure procedures	-	-	-	-	-	-	-	-	-	-
Total		1.0	-	34.35	7.85	14.85	1.45	-	59.5	29,150.25	490



Phones 4 U Group Limited – in administration

Time cost summary as at 20 January 2016

	Aspect of assignment	Total hours	Time cost £	Average hourly rate £	Estimated future hours	Estimated future costs £	Estimated total cost £	Average hourly rate
1	Strategy & Planning	14.6	6,431.75	441	22	9,598	16,029	441
2	Sale of business	2.7	1,256.00	474	4	1,742	2,998	474
3	Book debt realisations	-	-	-	-	-	-	-
4	Property	0.1	46.00	460	0	66	112	460
5	Other assets	0.4	152.00	434	1	230	382	434
6	Retention of title	-	-	-	-	-	-	-
7	Trading	14.1	3,739.75	266	35	9,236	12,976	266
8	Accounting and treasury	7.6	2,137.50	283	18	4,963	7,101	283
9	Statutory and compliance	63.9	22,796.50	357	89	31,862	54,659	357
10	Employees & pensions	1.4	550.00	393	2	920	1,470	393
11	Investigations	-	-	-	-	-	-	-
12	Creditors	7.3	3,183.50	436	11	4,799	7,982	436
13	Creditors committee	-	-	-	-	-	-	-
14	Tax	32.0	18,622.00	582	36	21,036	39,658	582
15	VAT	6.3	2,077.50	332	12	4,109	6,186	332
16	Books and records	2.0	596.00	306	4	1,282	1,878	306
17	Closure procedures	2.2	1,098.00	499	23	11,589	12,687	499
Total		154.3	62,686.50	406	257	101,431	164,118	310



Phones4U Finance plc – in administration

Analysis of time costs for the period 15 September 2014 to 14 March 2015

	Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
1	Strategy & Planning	-	2.0	3.1	2.0	3.6	0.6	0.4	11.7	5,104.25	438
2	Sale of business	-	-	0.2	-	-	-	3.3	3.4	454.75	134
3	Book debt realisations	-	-	-	-	-	-	-	-	-	-
4	Property	-	-	-	0.1	-	-	-	0.1	46.00	460
5	Other assets	-	-	0.1	0.2	-	-	-	0.3	123.00	492
6	Retention of title	-	-	-	-	-	-	-	-	-	-
7	Trading	-	-	-	-	3.6	-	-	3.6	1,249.25	352
8	Accounting and treasury	-	-	0.1	1.2	0.9	0.6	-	2.7	956.50	354
9	Statutory and compliance	-	-	3.3	7.4	7.8	15.1	1.3	34.8	11,280.25	325
10	Employees & pensions	-	-	2.3	-	-	-	7.5	9.8	2,438.00	249
11	Investigations	-	-	-	-	-	-	-	-	-	-
12	Creditors	-	-	0.7	5.6	3.0	0.5	-	9.8	4,195.00	430
13	Creditors committee	-	-	-	-	-	-	-	-	-	-
14	Tax	-	-	-	-	-	-	-	-	-	-
15	VAT	-	-	0.1	3.0	-	-	-	3.1	1,287.00	422
16	Books and records	-	-	-	0.1	0.4	-	-	0.5	165.50	368
17	Closure procedures	-	-	-	-	-	-	-	-	-	-
Total		-	2.0	9.7	19.5	19.2	16.8	12.4	79.5	27,299.50	344



Phones4U Finance plc – in administration

Analysis of time costs for the period 15 March 2015 to 20 July 2015

	Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
1	Strategy & Planning	1.5	-	0.3	0.9	0.1	0.1	-	2.9	1,839.00	645
2	Sale of business	-	-	-	-	-	-	-	-	-	-
3	Book debt realisations	-	-	-	-	-	-	-	-	-	-
4	Property	-	-	-	-	-	-	-	-	-	-
5	Other assets	-	-	-	-	-	-	-	-	-	-
6	Retention of title	-	-	-	-	-	-	-	-	-	-
7	Trading	-	-	-	-	-	-	-	-	-	-
8	Accounting and treasury	-	-	-	0.1	0.5	0.3	-	0.8	201.25	252
9	Statutory and compliance	1.0	-	1.5	4.9	1.9	2.5	0.8	12.5	5,091.25	407
10	Employees & pensions	-	-	-	-	-	-	-	-	-	-
11	Investigations	-	-	-	-	-	-	-	-	-	-
12	Creditors	-	-	1.3	-	1.4	-	-	2.7	1,224.00	462
13	Creditors committee	-	-	-	-	-	-	-	-	-	-
14	Tax	-	-	-	-	-	-	-	-	-	-
15	VAT	-	-	-	-	-	-	-	-	-	-
16	Books and records	-	-	-	-	-	-	-	-	-	-
17	Closure procedures	-	-	-	-	-	-	-	-	-	-
Total		2.5	-	3.0	5.9	3.8	2.9	0.8	18.8	8,355.50	444



Phones4U Finance plc – in administration

Analysis of time costs for the period 21 July 2015 to 20 January 2016

	Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
1	Strategy & Planning	-	-	0.3	1.3	0.4	-	-	2.0	877.50	450
2	Sale of business	-	-	-	-	-	-	-	-	-	-
3	Book debt realisations	-	-	-	-	-	-	-	-	-	-
4	Property	-	-	-	-	-	-	-	-	-	-
5	Other assets	-	-	-	-	0.1	-	-	0.1	29.00	290
6	Retention of title	-	-	-	-	-	-	-	-	-	-
7	Trading	-	-	-	-	-	-	-	-	-	-
8	Accounting and treasury	-	-	0.1	0.1	2.3	-	-	2.4	718.00	299
9	Statutory and compliance	0.5	-	3.1	3.3	8.7	0.4	-	16.0	6,266.00	393
10	Employees & pensions	-	-	-	-	-	-	-	-	-	-
11	Investigations	-	-	-	-	-	-	-	-	-	-
12	Creditors	-	-	0.8	-	-	-	-	0.8	440.00	550
13	Creditors committee	-	-	-	-	-	-	-	-	-	-
14	Tax	-	-	0.3	-	0.8	-	-	1.0	355.00	355
15	VAT	-	-	-	-	-	-	-	-	-	-
16	Books and records	-	-	-	-	-	-	-	-	-	-
17	Closure procedures	-	-	-	-	-	-	-	-	-	-
Total		0.5	-	4.5	4.6	12.2	0.4	-	22.2	8,685.50	391



Phones4U Finance plc – in administration

Time cost summary as at 20 January 2016

	Aspect of assignment	Total hours	Time cost £	Average hourly rate £	Estimated future hours	Estimated future costs £	Estimated total cost £	Average hourly rate
1	Strategy & Planning	16.5	7,820.75	475	21	9,798	17,619	475
2	Sale of business	3.4	454.75	134	15	2,025	2,480	134
3	Book debt realisations	-	-	-	-	-	-	-
4	Property	0.1	46.00	460	0	60	106	460
5	Other assets	0.4	152.00	434	0	208	360	434
6	Retention of title	-	-	-	-	-	-	-
7	Trading	3.6	1,249.25	352	6	2,115	3,364	352
8	Accounting and treasury	5.9	1,875.75	318	11	3,514	5,390	318
9	Statutory and compliance	63.2	22,637.50	358	85	30,470	53,108	358
10	Employees & pensions	9.8	2,438.00	249	23	5,837	8,275	249
11	Investigations	-	-	-	-	-	-	-
12	Creditors	13.2	5,859.00	444	18	7,863	13,722	444
13	Creditors committee	-	-	-	-	-	-	-
14	Tax	1.0	355.00	355	2	596	951	355
15	VAT	3.1	1,287.00	422	4	1,817	3,104	422
16	Books and records	0.5	165.50	368	1	268	434	368
17	Closure procedures	-	-	-	23	7,175	7,175	318
Total		120.5	44,340.50	368	209	71,746	116,087	276



MobileServ Limited – in administration

Analysis of time costs for the period 15 September 2014 to 14 March 2015

	Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
1	Strategy & Planning	-	-	2.8	1.8	2.1	0.6	0.4	7.6	3,053.25	402
2	Sale of business	-	-	0.2	-	-	-	-	0.2	81.00	540
3	Book debt realisations	-	-	-	3.2	-	-	-	3.2	1,472.00	460
4	Property	-	-	-	0.1	-	-	-	0.1	46.00	460
5	Other assets	-	-	0.1	4.1	0.6	0.5	-	5.2	2,193.75	422
6	Retention of title	-	-	-	-	-	-	-	-	-	-
7	Trading	-	-	-	-	-	-	-	-	-	-
8	Accounting and treasury	-	-	0.1	1.0	0.2	4.6	-	5.8	1,633.75	282
9	Statutory and compliance	1.0	-	5.0	5.4	7.2	17.2	-	35.8	12,265.00	343
10	Employees & pensions	-	-	-	-	-	-	-	-	-	-
11	Investigations	-	-	-	-	-	-	-	-	-	-
12	Creditors	1.0	-	0.7	0.1	1.2	-	-	3.0	1,656.00	561
13	Creditors committee	-	-	-	-	-	-	-	-	-	-
14	Tax	-	-	0.1	-	-	-	-	0.1	54.00	540
15	VAT	-	-	0.1	-	-	-	-	0.1	27.00	540
16	Books and records	-	-	-	0.1	0.4	-	-	0.5	165.50	368
17	Closure procedures	-	-	-	-	-	-	-	-	-	-
Total		2.0	-	8.9	15.7	11.5	22.9	0.4	61.4	22,647.25	369



MobileServ Limited – in administration

Analysis of time costs for the period 15 March 2015 to 20 July 2015

	Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
1	Strategy & Planning	-	1.0	0.3	0.9	0.1	0.1	-	2.4	1,323.50	551
2	Sale of business	-	-	-	-	-	-	-	-	-	-
3	Book debt realisations	-	-	-	-	-	-	-	-	-	-
4	Property	-	-	-	-	-	-	-	-	-	-
5	Other assets	1.0	-	-	3.4	-	-	-	4.4	2,359.00	536
6	Retention of title	-	-	-	-	-	-	-	-	-	-
7	Trading	-	-	-	-	0.3	-	-	0.3	71.25	285
8	Accounting and treasury	-	-	-	0.6	3.8	1.9	-	6.3	1,770.50	283
9	Statutory and compliance	-	-	2.0	5.3	2.3	3.1	0.7	13.4	5,058.75	379
10	Employees & pensions	-	-	-	-	-	-	-	-	-	-
11	Investigations	-	-	-	-	-	-	-	-	-	-
12	Creditors	-	-	0.4	0.6	-	-	-	1.0	492.00	492
13	Creditors committee	-	-	-	-	-	-	-	-	-	-
14	Tax	-	-	-	-	-	-	-	-	-	-
15	VAT	-	-	-	-	-	-	-	-	-	-
16	Books and records	-	-	-	-	-	-	-	-	-	-
17	Closure procedures	-	-	-	-	-	-	-	-	-	-
Total		1.0	1.0	2.7	10.8	6.4	5.1	0.7	27.7	11,075.00	401



MobileServ Limited – in administration

Analysis of time costs for the period 21 July 2015 to 20 January 2016

	Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
1	Strategy & Planning	-	-	0.6	1.3	0.4	-	-	2.2	1,015.00	461
2	Sale of business	-	-	-	-	-	-	-	-	-	-
3	Book debt realisations	-	-	-	-	-	-	-	-	-	-
4	Property	-	-	-	-	-	-	-	-	-	-
5	Other assets	-	-	-	-	0.1	-	-	0.1	29.00	290
6	Retention of title	-	-	-	-	-	-	-	-	-	-
7	Trading	-	-	-	-	-	0.3	-	0.3	61.25	245
8	Accounting and treasury	-	-	0.2	0.3	2.6	0.8	-	3.8	1,130.75	302
9	Statutory and compliance	-	-	4.1	3.3	8.1	2.4	-	17.8	6,688.75	377
10	Employees & pensions	-	-	-	-	-	-	-	-	-	-
11	Investigations	-	-	-	-	-	-	-	-	-	-
12	Creditors	-	-	-	-	-	-	-	-	-	-
13	Creditors committee	-	-	-	-	-	-	-	-	-	-
14	Tax	-	-	0.1	-	0.6	-	-	0.7	201.50	310
15	VAT	-	-	-	-	-	-	-	-	-	-
16	Books and records	-	-	-	-	-	-	-	-	-	-
17	Closure procedures	-	-	-	-	-	-	-	-	-	-
Total		-	-	4.8	4.9	11.7	3.4	-	24.7	9,126.25	369



MobileServ Limited – in administration

Time cost summary as at 20 January 2016

	Aspect of assignment	Total hours	Time cost £	Average hourly rate £	Estimated future hours	Estimated future costs £	Estimated total cost £	Average hourly rate
1	Strategy & Planning	12.2	5,391.75	442	17	7,439	12,831	442
2	Sale of business	0.2	81.00	540	0	91	172	540
3	Book debt realisations	3.2	1,472.00	460	4	1,951	3,423	460
4	Property	0.1	46.00	460	0	61	107	460
5	Other assets	9.7	4,581.75	472	13	5,915	10,497	472
6	Retention of title	-	-	-	-	-	-	-
7	Trading	0.5	132.50	265	1	305	437	265
8	Accounting and treasury	15.8	4,535.00	287	34	9,635	14,170	287
9	Statutory and compliance	66.9	24,012.50	359	94	33,831	57,843	359
10	Employees & pensions	-	-	-	-	-	-	-
11	Investigations	-	-	-	-	-	-	-
12	Creditors	4.0	2,148.00	544	4	2,409	4,557	544
13	Creditors committee	-	-	-	-	-	-	-
14	Tax	0.8	255.50	341	1	457	713	341
15	VAT	0.1	27.00	540	0	30	57	540
16	Books and records	0.5	165.50	368	1	274	440	368
17	Closure procedures	-	-	-	24	6,933	6,933	287
Total		113.7	42,848.50	377	194	69,332	112,180	316



Policy Administration Services Limited – in administration

Analysis of time costs for the period 16 September 2014 to 15 March 2015

	Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
1	Strategy & Planning	15.0	2.0	35.6	76.8	185.4	39.6	0.4	354.7	147,684.50	416
2	Sale of business	-	2.3	6.3	100.7	1.4	-	-	110.6	51,531.25	466
3	Book debt realisations	17.0	-	-	0.6	-	-	-	17.6	13,791.00	784
4	Property	4.0	-	-	7.3	0.3	-	-	11.6	6,623.50	571
5	Other assets	-	-	1.1	110.6	100.8	16.0	-	228.4	93,564.00	410
6	Retention of title	-	-	-	-	-	-	-	-	-	-
7	Trading	-	696.4	406.1	405.2	744.1	18.2	-	2,270.0	1,174,977.50	518
8	Accounting and treasury	-	-	39.3	11.8	103.4	96.0	-	250.4	84,460.40	337
9	Statutory and compliance	2.0	3.3	21.9	53.2	18.4	23.6	-	122.3	52,045.00	426
10	Employees & pensions	-	-	-	10.7	1.8	-	-	12.4	5,564.00	449
11	Investigations	-	-	-	-	-	-	-	-	-	-
12	Creditors	-	-	1.8	17.7	3.8	-	-	23.3	10,315.75	443
13	Creditors committee	-	-	-	0.8	-	-	-	0.8	368.00	460
14	Tax	-	2.2	-	6.3	6.0	-	-	14.5	7,592.00	525
15	VAT	-	-	17.2	2.7	7.0	30.9	-	57.8	27,499.75	476
16	Books and records	0.5	-	10.5	42.7	1.8	1.0	-	56.5	21,950.00	389
17	Closure procedures	-	-	-	-	-	-	-	-	-	-
Total		38.5	706.1	539.6	846.9	1,174.0	225.2	0.4	3,530.6	1,697,966.65	481



Policy Administration Services Limited – in administration

Analysis of time costs for the period 16 March 2015 to 20 July 2015

	Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
1	Strategy & Planning	1.0	-	6.4	16.2	9.1	1.0	-	33.7	14,912.00	443
2	Sale of business	-	-	-	-	-	-	-	-	-	-
3	Book debt realisations	-	-	-	2.2	-	-	-	2.2	1,012.00	460
4	Property	-	-	-	1.8	-	-	-	1.8	828.00	460
5	Other assets	-	-	2.4	10.9	10.5	0.7	-	24.5	9,520.25	389
6	Retention of title	-	-	-	-	-	-	-	-	-	-
7	Trading	-	62.7	26.4	162.4	135.2	40.5	-	427.1	181,969.25	426
8	Accounting and treasury	-	-	16.3	4.5	106.6	43.9	-	171.2	51,639.75	302
9	Statutory and compliance	-	-	11.9	33.5	25.0	7.9	0.6	78.8	31,975.50	406
10	Employees & pensions	-	-	4.2	44.6	4.8	7.0	-	60.6	26,077.00	431
11	Investigations	-	-	-	-	-	-	-	-	-	-
12	Creditors	-	-	0.9	30.8	0.5	0.2	-	32.4	14,886.50	459
13	Creditors committee	-	-	-	-	4.0	-	-	4.0	1,140.00	285
14	Tax	-	17.6	1.1	6.0	6.3	0.5	-	31.4	23,824.50	759
15	VAT	-	-	36.4	2.3	1.8	3.1	-	43.6	37,348.00	858
16	Books and records	-	-	-	5.0	-	-	-	5.0	1,400.00	280
17	Closure procedures	-	-	0.1	-	-	-	-	0.1	54.00	540
Total		1.0	80.3	106.0	320.2	303.7	104.6	0.6	916.2	396,586.75	433



Policy Administration Services Limited – in administration

Analysis of time costs for the period 21 July 2015 to 20 January 2016

	Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
1	Strategy & Planning	-	-	31.7	2.3	12.0	-	-	45.9	21,945.00	478
2	Sale of business	-	-	-	-	-	-	-	-	-	-
3	Book debt realisations	-	-	-	-	-	-	-	-	-	-
4	Property	-	-	0.1	-	0.3	-	-	0.4	127.50	364
5	Other assets	0.5	-	48.9	0.4	15.9	-	-	65.7	30,511.00	464
6	Retention of title	-	-	-	-	-	-	-	-	-	-
7	Trading	-	63.3	222.0	1.7	325.9	13.6	-	626.4	260,060.00	415
8	Accounting and treasury	-	0.1	9.5	2.2	56.0	15.1	-	82.8	26,292.50	318
9	Statutory and compliance	0.5	-	35.2	2.6	26.9	2.1	-	67.1	29,232.25	436
10	Employees & pensions	-	-	39.6	34.1	32.7	-	-	106.4	47,358.50	445
11	Investigations	-	-	-	-	-	-	-	-	-	-
12	Creditors	-	-	2.9	-	3.3	-	-	6.2	2,537.50	413
13	Creditors committee	-	-	-	-	-	-	-	-	-	-
14	Tax	-	21.6	7.8	-	63.5	-	-	92.8	49,844.75	537
15	VAT	-	-	29.3	-	1.2	-	-	30.5	30,988.50	1,018
16	Books and records	-	-	3.7	-	-	-	-	3.7	2,035.00	550
17	Closure procedures	-	-	-	-	-	-	-	-	-	-
Total		1.0	85.0	430.5	43.2	537.4	30.7	-	1,127.7	500,932.50	444



Policy Administration Services Limited – in administration

Time cost summary as at 20 January 2016

	Aspect of assignment	Total hours	Time cost £	Average hourly rate £	Estimated future hours	Estimated future costs £	Estimated total cost £	Average hourly rate
1	Strategy & Planning	434.3	184,541.50	425	154	65,604	250,146	425
2	Sale of business	110.6	51,531.25	466	36	16,701	68,233	466
3	Book debt realisations	19.8	14,803.00	748	4	2,991	17,794	748
4	Property	13.8	7,579.00	551	4	2,077	9,656	551
5	Other assets	318.6	133,595.25	419	115	48,125	181,720	419
6	Retention of title	-	-	-	-	-	-	-
7	Trading	3,323.5	1,617,006.75	487	859	417,875	2,034,881	487
8	Accounting and treasury	504.3	162,392.65	322	237	76,181	238,574	322
9	Statutory and compliance	268.2	113,252.75	422	96	40,511	153,763	422
10	Employees & pensions	179.3	78,999.50	441	61	27,088	106,087	441
11	Investigations	-	-	-	-	-	-	-
12	Creditors	61.9	27,739.75	449	21	9,344	37,084	449
13	Creditors committee	4.8	1,508.00	314	2	725	2,233	314
14	Tax	138.7	81,261.25	586	36	20,947	102,208	586
15	VAT	131.8	95,836.25	727	27	19,904	115,740	727
16	Books and records	65.2	25,385.00	390	25	9,843	35,228	390
17	Closure procedures	0.1	54.00	540	156	84,214	84,268	540
Total		5,574.4	2,595,485.90	466	1,833	842,130	3,437,615	429



Phosphorus Acquisition Limited – in administration

Analysis of time costs for the period 15 September 2014 to 14 March 2015

	Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
1	Strategy & Planning	-	-	2.7	1.5	2.1	0.6	0.4	7.2	2,861.25	397
2	Sale of business	-	-	0.2	-	-	-	-	0.2	81.00	540
3	Book debt realisations	-	-	-	-	-	-	-	-	-	-
4	Property	-	-	-	0.1	-	-	-	0.1	46.00	460
5	Other assets	-	-	0.1	0.2	-	0.5	-	0.8	243.00	324
6	Retention of title	-	-	-	-	-	-	-	-	-	-
7	Trading	-	-	-	-	-	-	-	-	-	-
8	Accounting and treasury	-	-	0.1	1.0	1.2	4.0	-	6.2	1,762.75	287
9	Statutory and compliance	-	-	3.2	6.3	7.5	14.8	-	31.7	10,403.25	328
10	Employees & pensions	-	-	-	-	-	-	-	-	-	-
11	Investigations	-	-	-	-	-	-	-	-	-	-
12	Creditors	-	-	0.7	0.1	1.2	-	-	2.0	861.00	442
13	Creditors committee	-	-	-	-	-	-	-	-	-	-
14	Tax	-	-	-	-	-	-	-	-	-	-
15	VAT	-	-	0.1	-	-	-	-	0.1	27.00	540
16	Books and records	-	-	-	0.1	0.4	-	-	0.5	165.50	368
17	Closure procedures	-	-	-	-	-	-	-	-	-	-
Total		-	-	6.9	9.2	12.2	19.8	0.4	48.5	16,450.75	339



Phosphorus Acquisition Limited – in administration

Analysis of time costs for the period 15 March 2015 to 20 July 2015

	Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
1	Strategy & Planning	-	-	0.3	5.7	0.1	0.1	-	6.1	2,786.50	457
2	Sale of business	-	-	-	-	-	-	-	-	-	-
3	Book debt realisations	-	-	-	-	-	-	-	-	-	-
4	Property	-	-	-	-	-	-	-	-	-	-
5	Other assets	-	-	-	-	-	-	-	-	-	-
6	Retention of title	-	-	-	-	-	-	-	-	-	-
7	Trading	-	-	-	-	5.4	-	-	5.4	2,052.00	380
8	Accounting and treasury	-	-	-	0.1	0.5	0.6	-	1.1	280.75	255
9	Statutory and compliance	-	-	1.4	5.3	2.3	2.6	-	11.6	4,537.25	393
10	Employees & pensions	-	-	-	-	-	-	-	-	-	-
11	Investigations	-	-	-	-	-	-	-	-	-	-
12	Creditors	-	-	0.4	-	0.3	-	-	0.7	311.00	478
13	Creditors committee	-	-	-	-	-	-	-	-	-	-
14	Tax	-	-	-	-	-	-	-	-	-	-
15	VAT	-	-	-	-	-	-	-	-	-	-
16	Books and records	-	-	-	-	-	-	-	-	-	-
17	Closure procedures	-	-	-	0.2	-	-	-	0.2	94.00	470
Total		-	-	2.1	11.2	8.5	3.3	-	25.0	10,061.50	402



Phosphorus Acquisition Limited – in administration

Analysis of time costs for the period 21 July 2015 to 20 January 2016

	Aspect of assignment	Partner	Director	Senior Manager	Manager	Senior Associate	Associate	Support	Total hours	Time cost £	Average hourly rate £
1	Strategy & Planning	-	-	0.4	1.3	0.4	-	-	2.0	905.00	453
2	Sale of business	-	-	-	-	-	-	-	-	-	-
3	Book debt realisations	-	-	-	-	-	-	-	-	-	-
4	Property	-	-	-	-	-	-	-	-	-	-
5	Other assets	-	-	-	-	0.1	-	-	0.1	29.00	290
6	Retention of title	-	-	-	-	-	-	-	-	-	-
7	Trading	-	-	-	-	0.2	0.3	-	0.5	119.25	265
8	Accounting and treasury	-	-	-	0.1	3.5	0.6	-	4.1	1,158.75	286
9	Statutory and compliance	-	-	3.1	3.1	8.1	2.4	-	16.7	6,084.50	365
10	Employees & pensions	-	-	-	-	-	-	-	-	-	-
11	Investigations	-	-	-	-	-	-	-	-	-	-
12	Creditors	-	-	-	-	-	-	-	-	-	-
13	Creditors committee	-	-	-	-	-	-	-	-	-	-
14	Tax	-	-	0.1	-	0.3	-	-	0.3	100.00	333
15	VAT	-	-	-	-	-	-	-	-	-	-
16	Books and records	-	-	-	-	-	-	-	-	-	-
17	Closure procedures	-	-	-	-	-	-	-	-	-	-
Total		-	-	3.5	4.5	12.4	3.2	-	23.6	8,396.50	357



Phosphorus Acquisition Limited – in administration

Time cost summary as at 20 January 2016

	Aspect of assignment	Total hours	Time cost £	Average hourly rate £	Estimated future hours	Estimated future costs £	Estimated total cost £	Average hourly rate
1	Strategy & Planning	15.3	6,552.75	428	21	8,905	15,458	428
2	Sale of business	0.2	81.00	540	0	87	168	540
3	Book debt realisations	-	-	-	-	-	-	-
4	Property	0.1	46.00	460	0	58	104	460
5	Other assets	0.9	272.00	320	2	495	767	320
6	Retention of title	-	-	-	-	-	-	-
7	Trading	5.9	2,171.25	371	9	3,405	5,576	371
8	Accounting and treasury	11.3	3,202.25	283	23	6,577	9,779	283
9	Statutory and compliance	59.9	21,025.00	351	83	29,214	50,239	351
10	Employees & pensions	-	-	-	-	-	-	-
11	Investigations	-	-	-	-	-	-	-
12	Creditors	2.6	1,172.00	451	3	1,513	2,685	451
13	Creditors committee	-	-	-	-	-	-	-
14	Tax	0.3	100.00	333	1	175	275	333
15	VAT	0.1	27.00	540	0	29	56	540
16	Books and records	0.5	165.50	368	1	262	427	368
17	Closure procedures	0.2	94.00	470	20	5,765	5,859	283
Total		97.1	34,908.75	360	163	56,485	91,394	278

8. Receipts and payments accounts

Phones 4U Limited – in administration

From 21 July 2015 to 20 January 2016

Directors' statement of affairs		15 September 2014 to 20 July 2015	21 July 2015 to 20 January 2016	Total to 20 January 2016
£		£	£	£
Floating charge				
Receipts				
1,003,700	Accrued income	-	-	-
35,168,467	Amounts related to stock	29,983,255.19	227,919.00	30,211,174.19
1,526,401	Book debts	3,162,556.77	-	3,162,556.77
Undisclosed	Network commissions	32,572,193.07	1,930.90	32,574,123.97
73,581,338	Cash at bank	92,967,951.25	-	92,967,951.25
	Contributions to legal fees	-	222,602.38	222,602.38
	Contributions to rent	6,803,928.09	-	6,803,928.09
	Contributions to wages	447,000.00	-	447,000.00
	Insurance refunds	30,080.80	118,384.18	148,464.98
156,652	Intercompany debtors	-	-	-
	Intellectual property rights	100,000.00	-	100,000.00
	Interest received gross	359,558.05	255,154.85	614,712.90
2,250,000	Lease premiums	739,480.01	15,000.00	754,480.01
	Miscellaneous receipts	31,289.40	5,513.65	36,803.05
	Office equipment	192,707.83	-	192,707.83
46,122	Pre-payments	-	-	-
	Rates refunds	1,015,101.02	48,926.39	1,064,027.41
	Other refunds	205,666.83	5,310.53	210,977.36
	Sale of business	14,218,577.86	-	14,218,577.86
	Software licences	144,080.00	-	144,080.00
5,870,969	Subrogated inter-company claims	-	-	-
250,000	Tangible fixed assets	-	-	-
	Third party funds	337,074.83	2,389.56	339,464.39
	Trade debtors	-	-	-
Undisclosed	Total receipts	183,310,501.00	903,131.44	184,213,632.44

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

The figures provided above are subject to change dependent upon a review of VAT treatment.

Directors' statement of affairs £	15 September 2014 to 20 July 2015 £	21 July 2015 to 20 January 2016 £	Total to 20 January 2016 £
Floating charge			
Payments			
Agents' fees	1,855,126.74	144,572.03	1,999,698.77
Amounts relating to stock	440,746.00	115,831.00	556,577.00
Bank charges	21,375.20	430.27	21,805.47
Cleaning and site clearance	34,035.37	-	34,035.37
Consultancy fees	502,895.10	-	502,895.10
Duress payments	1,131,484.96	-	1,131,484.96
Employee expenses	106,958.65	4,486.20	111,444.85
Employers NIC	1,684,266.19	171,959.26	1,856,225.45
Gross wages and salaries	6,842,449.32	439,829.03	7,282,278.35
Insurance	277,256.30	83,105.40	360,361.70
IT costs	2,551,170.87	52,203.94	2,603,374.81
Legal fees	4,129,551.40	1,742,671.47	5,872,222.87
Lease/hire charges	3,524.80	-	3,524.80
Other payroll deductions	85,565.83	-	85,565.83
Pension schemes	19,871.26	-	19,871.26
Petty cash	300.00	-	300.00
Property expenses	8,000.00	261.76	8,261.76
Purchases	17,913.02	-	17,913.02
Rates	-	94,324.22	94,324.22
Rent	6,425,957.02	7,054.80	6,433,011.82
Security costs	104,451.14	-	104,451.14
Service charges	308,476.82	-	308,476.82
Statutory advertising	227.46	67.00	294.46
Storage costs	1,383,149.20	4,133.47	1,387,282.67
Sundry appointment related costs	1,800.00	4,357.50	6,157.50
Transport and carriage	354,899.40	-	354,899.40
Utilities	6,747.64	-	6,747.64
Total payments	28,298,199.69	2,865,287.35	31,163,487.04
Net floating charge realisations	155,012,301.31	(1,962,155.91)	153,050,145.40
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)	4,000,000.00	-	4,000,000.00
Total RCF indebtedness	19,810,000.00	-	19,810,000.00
Cash-backed indemnities	11,000,000.00	-	11,000,000.00
Recovery of costs and interest	2,289,791.18	-	2,289,791.18
Total secured creditor entitlements	33,099,791.18	-	33,099,791.18
Preferential creditors			
Distribution to preferential creditors (100 pence in the £)	-	1,716,136.21	1,716,136.21
Total preferential creditor distribution	-	1,716,136.21	1,716,136.21
VAT control account	4,688,671.91	(4,511,389.38)	177,282.53
Balance held in interest bearing current accounts	126,601,182.04	(8,189,681.50)	118,411,500.54
Represented by			
Held in Barclays			14,580,218.68
Invested in high interest account			103,831,281.86
Total			118,411,500.54

The figures provided above are subject to change dependent upon a review of VAT treatment.

Legal fees in the period relate primarily to work performed in relation to the replacement of the Senior Notes Trustee, the VAT issues outlined at Section 5.2, the extension of the administrations (Section 5.9) and the fee approval process referred to within Section 5.7.



Phones 4 U Group Limited
From 21 July 2015 to 20 January 2016

Directors' statement of affairs £		15 September 2014 to 20 July 2015 £	21 July 2015 to 20 January 2016 £	Total to 20 January 2016 £
	Floating charge			
	Receipts			
-	None	-	-	-
-	Total receipts	-	-	-
	Payments			
-	None	-	-	-
-	Total payments	-	-	-
-	Net floating charge realisations	-	-	-

Phones4U Finance plc
From 21 July 2015 to 20 January 2016

Directors' statement of affairs £		15 September 2014 to 20 July 2015 £	21 July 2015 to 20 January 2016 £	Total to 20 January 2016 £
	Floating charge			
	Receipts			
-	Bank interest	3.60	3.92	7.52
4,759	Cash at bank	4,758.97	-	4,758.97
38,807	Intercompany debtors	-	-	-
43,566	Total receipts	4,762.57	3.92	4,766.49
	Payments			
	Bank charges	5.60	-	5.60
	Legal fees	-	4,760.57	4,760.57
-	Total payments	5.60	4,760.57	4,766.17
43,566	Net floating charge realisations	4,756.97	(4,756.65)	0.32
	VAT control account		-	
43,566	Balance held in interest bearing current account	4,756.97	(4,756.65)	0.32
	Represented by			£
	Held in Barclays account			0.32
	Held in Lloyds account			-
	Total			0.32

MobileServ Limited – in administration

From 21 July 2015 to 20 January 2016

Directors' statement of affairs £		15 September 2014 to 20 July 2015 £	21 July 2015 to 20 January 2016 £	Total to 20 January 2016 £
	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	9,916.80	-	9,916.80
	US Dollar account	715,752.19	-	715,752.19
463,684	Directors' loan account	-	-	-
427,096	Intercompany debtors	-	-	-
	Interest received gross	381,397.83	11,947.39	393,345.22
	Investments	419,778.07	-	419,778.07
(18,739,611)	Total receipts	5,547,137.84	11,947.39	5,559,085.23
	Payments			
	Bank charges	61,543.30	164.65	61,707.95
	Legal fees	-	48,357.72	48,357.72
	Sundry appointment related costs	-	240.00	240.00
	Total payments	61,543.30	48,762.37	110,305.67
	Net floating charge realisations	5,485,594.54	(36,814.98)	5,448,779.56
	VAT control account	-	-	-
	Balance held in interest bearing current account	5,485,594.54	(36,814.98)	5,448,779.56
	Represented by			£
	Held in Barclays account			5,448,779.56
	Held in Lloyds account			-
	Total			5,448,779.56

Note 1

MobileServ Limited had an overdraft of £19.6m and a cash balance of £4m, 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 £4m 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 2015 to 20 January 2016

Directors' statement of affairs £		16 September 2014 to 20 July 2015 £	21 July 2015 to 20 January 2016 £	Total to 20 January 2016 £
Trading statement				
Receipts				
27,000,000	Customer insurance premiums	47,017,212.40	18,383,312.92	65,400,525.32
	Customer refunds and claims paid in cash	(1,098,630.39)	(521,157.95)	(1,619,788.34)
	Dividends received from P4UC	-	12,100,000.00	12,100,000.00
	Sales of irreparable phones	1,035,905.00	607,378.08	1,643,283.08
	Interest received gross	57,897.17	61,873.99	119,771.16
27,000,000	Total trading receipts	47,012,384.18	30,631,407.04	77,643,791.22
Payments				
	Agents' fees	8,481,519.22	3,660,025.82	12,141,545.04
	Bank charges	76,354.12	21,089.34	97,443.46
	Duress payments	931,978.88	-	931,978.88
	Property	14,520.00	8,640.00	23,160.00
	Insurance	18,949,741.15	9,010,371.85	27,960,113.00
	IT costs	19,886.04	26,011.46	45,897.50
	Stock purchase	6,371,198.80	4,576,378.28	10,947,577.08
	Trade creditors	71,397.30	15,966.57	87,363.87
	VAT payments	-	80,208.30	80,208.30
	Total trading payments	34,916,595.50	17,398,691.62	52,315,287.12
	Trading account surplus/(loss)	12,095,788.68	13,232,715.42	25,328,504.10
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)	12,095,788.68	13,232,715.42	25,328,504.10
19,721,006	Total receipts	25,921,491.28	13,232,715.42	39,154,206.70
Payments				
	Corporation tax	-	2,120,735.00	2,120,735.00
	Total payments	-	2,120,735.00	2,120,735.00
	Floating charge realisations	25,921,491.28	11,111,980.42	37,033,471.70
Represented by				£
	Held at Barclays			17,972,276.28
	Held at Lloyds			1,082,025.96
	Held at ANZ			17,979,169.46
	Total			37,033,471.70

Note 1

Cash held in P4UC is not included in this report.

Note 2

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

Note 3

All figures in relation to PAS are shown inclusive of VAT.

Phosphorus Acquisition Limited – in administration

From 21 July 2015 to 20 January 2016

Directors' statement of affairs £		15 September 2014 to 20 July 2015 £	21 July 2015 to 20 January 2016 £	Total to 20 January 2016 £
Floating charge				
Receipts				
69,473	Cash at bank	69,472.80	-	69,472.80
	Bank interest	251.66	133.19	384.85
129,806	Intercompany debtors	-	-	-
7,328	Prepayments	-	-	-
206,607	Total receipts	69,724.46	133.19	69,857.65
Payments				
	Bank charges	3.40		3.40
	Legal fees	-	6,820.67	6,820.67
	Total payments	3.40	6,820.67	6,824.07
Net floating charge realisations		69,721.06	(6,687.48)	63,033.58
VAT control account		-	-	-
Balance held in interest bearing current account		69,721.06	(6,687.48)	63,033.58
Represented by				£
	Held in Barclays account			63,033.58
	Held in Lloyds account			-
	Total			63,033.58

9. Statement of expenses incurred

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

The statements 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.

Phones 4U Limited – in administration

From 21 July 2015 to 20 January 2016

	Expenses incurred brought forward from 20 July 2015 (£)	Total expenses paid to 20 January 2016 (£)	Expenses outstanding at 20 January 2016 (£)	Expenses incurred in this period (£)	Total expenses to 20 January 2016 (£)
Agents' fees	1,862,846.29	1,999,698.77	112,565.47	249,417.95	2,112,264.24
Amounts relating to stock	440,746.00	556,577.00	-	115,831.00	556,577.00
Bank charges	21,375.20	21,805.47	-	430.27	21,805.47
Cleaning and site clearance	34,035.37	34,035.37	-	-	34,035.37
Consultancy fees	502,895.10	502,895.10	-	-	502,895.10
Duress payments	1,131,484.96	1,131,484.96	-	-	1,131,484.96
Employee expenses	108,326.16	111,444.85	-	3,118.69	111,444.85
Employers NIC	1,684,266.19	1,856,225.45	164,834.26	336,793.52	2,021,059.71
Gross wages and salaries	6,921,033.84	7,282,278.35	41,205.57	402,450.08	7,323,483.92
Insurance	277,256.30	360,361.70	-	83,105.40	360,361.70
IT costs	2,551,170.87	2,603,374.81	46,136.89	98,340.83	2,649,511.70
Legal fees (P4U)	3,488,597.37	4,533,097.30	489,173.91	1,533,673.83	5,022,271.21
Legal fees (other group entities)	1,256,777.72	1,339,125.57	114,057.57	196,405.42	1,453,183.14
Lease/hire charges	3,524.80	3,524.80	-	-	3,524.80
Office holders' fees	9,021,054.85	-	10,917,499.20	1,896,444.35	10,917,499.20
Office holders' expenses	317,082.96	-	532,948.49	215,865.53	532,948.49
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
Property expenses	8,000.00	8,261.76	-	261.76	8,261.76
Purchases	17,913.02	17,913.02	-	-	17,913.02
Rates	-	94,324.22	625.77	94,949.99	94,949.99
Rent	6,425,957.02	6,433,011.82	-	7,054.80	6,433,011.82
Security costs	104,451.14	104,451.14	-	-	104,451.14
Service charges	308,476.82	308,476.82	-	-	308,476.82
Statutory advertising	227.46	294.46	-	67.00	294.46
Storage costs	1,383,805.60	1,387,282.67	652.57	4,129.64	1,387,935.24
Sundry appointment related costs	1,800.00	6,157.50	-	4,357.50	6,157.50
Transport and carriage	354,899.40	354,899.40	-	-	354,899.40
Utilities	6,747.64	6,747.64	-	-	6,747.64
Contribution to expenses from PAS (Note 1)	(7,082,903.10)	-	(7,323,587.13)	(240,684.03)	(7,323,587.13)
Total	31,257,586.07	31,163,487.04	5,096,112.57	5,002,013.53	36,259,599.61

Note 1

The brought forward position at 20 July 2015 has been restated to exclude £7.1m of expenses to be reimbursed by PAS. This follows an ongoing reconciliation of expenses paid by the various estates and will be paid to P4U in due course. Similar expenses paid in the period on behalf of PAS are also shown. A more detailed breakdown of these figures will be provided in our next report.

Phones 4 U Group Limited

From 21 July 2015 to 20 January 2016

	Expenses incurred brought forward from 20 July 2015 (£)	Total expenses paid to 20 January 2016 (£)	Expenses outstanding at 20 January 2016 (£)	Expenses incurred in this period (£)	Total expenses to 20 January 2016 (£)
Legal fees	6,143.06	-	6,143.06	-	6,143.06
Office holders' expenses	276.53	-	276.53	-	276.53
Office holders' fees	33,536.25	-	62,686.50	29,150.25	62,686.50
Total	39,955.84	-	69,106.09	29,150.25	69,106.09

Phones4U Finance plc

From 21 July 2015 to 20 January 2016

	Expenses incurred brought forward from 20 July 2015 (£)	Total expenses paid to 20 January 2016 (£)	Expenses outstanding at 20 January 2016 (£)	Expenses incurred in this period (£)	Total expenses to 20 January 2016 (£)
Bank charges	5.60	5.60	-	-	5.60
Legal fees	6,195.89	4,760.57	1,441.73	6.41	6,202.30
Office holders' expenses	514.22	-	522.91	8.69	522.91
Office holders' fees	35,655.00	-	44,340.50	8,685.50	44,340.50
Professional fees	79,966.56	-	79,966.56	-	79,966.56
Total	122,337.27	4,766.17	126,271.70	8,700.60	131,037.87

MobileServ Limited – in administration

From 21 July 2015 to 20 January 2016

	Expenses incurred brought forward from 20 July 2015 (£)	Total expenses paid to 20 January 2016 (£)	Expenses outstanding at 20 January 2016 (£)	Expenses incurred in this period (£)	Total expenses to 20 January 2016 (£)
Bank charges	61,543.30	61,707.95	-	164.65	61,707.95
Legal fees	53,867.93	48,357.72	11,302.77	5,792.56	59,660.49
Office holders' expenses	397.36	-	397.36	-	397.36
Office holders' fees	33,722.25	-	42,848.50	9,126.25	42,848.50
Total	149,530.84	110,065.67	54,548.63	15,083.46	164,614.30

Policy Administration Services Limited – in administration

From 21 July 2015 to 20 January 2016

	Expenses incurred brought forward from 20 July 2015 (£)	Total expenses paid to 20 January 2016 (£)	Expenses outstanding at 20 January 2016 (£)	Expenses incurred in this period (£)	Total expenses to 20 January 2016 (£)
Agents' fees	8,481,519.22	12,141,545.04	2,184,950.80	5,844,976.62	14,326,495.83
Bank charges	76,354.12	97,443.46	49,265.23	70,354.57	146,708.69
Duress payments	931,978.88	931,978.88	-	-	931,978.88
Property	14,520.00	23,160.00	-	8,640.00	23,160.00
Insurance	20,704,300.02	27,960,113.00	1,074,881.11	8,330,694.09	29,034,994.11
IT costs	19,886.04	45,897.50	-	26,011.46	45,897.50
Legal fees	1,215,264.70	-	1,397,070.32	181,805.62	1,397,070.32
Office holders' fees (excluding VAT)	2,094,553.40	-	2,595,485.90	500,932.50	2,595,485.90
Office holders' expenses (excluding VAT)	26,849.68	-	28,569.93	1,720.25	28,569.93
Stock purchase	6,371,198.80	10,947,577.08	-	4,576,378.28	10,947,577.08
Trade creditors	71,397.30	80,208.30	9,038.29	17,849.29	89,246.59
Contribution to P4U expenses (Note 1)	7,082,903.10	-	7,323,587.13	240,684.03	7,323,587.13
Total	40,007,822.16	52,227,923.25	7,339,261.58	19,559,362.68	59,567,184.83

Note 1

We have increased trade creditors brought forward to 20 July 2015 by £7.1m due to an ongoing reconciliation of the costs incurred by P4U to be reimbursed by PAS. We will continue to review these costs and PAS will reimburse P4U in due course.

All figures in relation to PAS are shown inclusive of VAT.

Phosphorus Acquisition Limited – in administration

From 21 July 2015 to 20 January 2016

	Expenses incurred brought forward from 20 July 2015 (£)	Total expenses paid to 20 January 2016 (£)	Expenses outstanding at 20 January 2016 (£)	Expenses incurred in this period (£)	Total expenses to 20 January 2016 (£)
Bank charges	3.40	3.40	-	-	3.40
Legal fees	6,909.12	6,820.67	181.43	92.98	7,002.10
Office holders' expenses	333.19	-	333.19	-	333.19
Office holders' fees	26,512.25	-	34,908.75	8,396.50	34,908.75
Total	33,757.96	6,824.07	35,423.37	8,489.48	42,247.44

Administrator's progress report**2.24B**

Name of Company Phones 4U Limited	Company Number 03154198
In the High Court of Justice Chancery Division Companies Court (full name of court)	Court case number 6516 of 2014

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

We (a) Robert Jonathan Hunt of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT, (ii) Ian David Green of Pricewaterhouse Coopers LLP, 7 More London, Riverside, London, SE1 2RT and (iii) Robert John Moran of Pricewaterhouse Coopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT joint administrators of the above company attach a progress report for the period

from

to

(b) Insert dates

(b) 21 July 2015

(b) 20 January 2016

Signed



Joint Administrator (IP no. 8597)

Dated 19 February 2016

Administrator's progress report**2.24B**

Name of Company

Phones 4 U Group Limited

Company Number

04943837

In the

High Court of Justice
Chancery Division
Companies Court

(full name of court)

Court case number

6507 of 2014

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

We (a) Robert Jonathan Hunt of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT, (ii) Ian David Green of Pricewaterhouse Coopers LLP, 7 More London, Riverside, London, SE1 2RT and (iii) Robert John Moran of Pricewaterhouse Coopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT joint administrators of the above company attach a progress report for the period

from

to

(b) Insert dates

(b) 21 July 2015

(b) 20 January 2016

Signed



Joint Administrator (IP no. 8597)

Dated 19 February 2016

Administrator's progress report**2.24B**

Name of Company

Phones4U Finance plc

Company Number

07552754

In the

High Court of Justice
Chancery Division
Companies Court

(full name of court)

Court case number

6506 of 2014

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

We (a) Robert Jonathan Hunt of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT, (ii) Ian David Green of Pricewaterhouse Coopers LLP, 7 More London, Riverside, London, SE1 2RT and (iii) Robert John Moran of Pricewaterhouse Coopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT joint administrators of the above company attach a progress report for the period

from

to

(b) Insert dates

(b) 21 July 2015

(b) 20 January 2016

Signed



Joint Administrator (IP no. 8597)

Dated 19 February 2016

Administrator's progress report**2.24B**

Name of Company MobileServ Limited	Company Number 05863265
In the High Court of Justice Chancery Division Companies Court (full name of court)	Court case number 6511 of 2014

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

We (a) Robert Jonathan Hunt of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT, (ii) Ian David Green of Pricewaterhouse Coopers LLP, 7 More London, Riverside, London, SE1 2RT and (iii) Robert John Moran of Pricewaterhouse Coopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT joint administrators of the above company attach a progress report for the period

from

to

(b) Insert dates

(b) 21 July 2015

(b) 20 January 2016

Signed



Joint Administrator (IP no. 8597)

Dated 19 February 2016

Administrator's progress report**2.24B**

Name of Company Phosphorus Acquisition Limited	Company Number 07405102
In the High Court of Justice Chancery Division Companies Court (full name of court)	Court case number 6508 of 2014

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

We (a) Robert Jonathan Hunt of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT, (ii) Ian David Green of Pricewaterhouse Coopers LLP, 7 More London, Riverside, London, SE1 2RT and (iii) Robert John Moran of Pricewaterhouse Coopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT joint administrators of the above company attach a progress report for the period


from

to

(b) Insert dates

(b) 21 July 2015

(b) 20 January 2016



Signed

Joint Administrator (IP no. 8597)

Dated 19 February 2016

Administrator's progress report**2.24B**

Name of Company Policy Administration Services Limited	Company Number 03907386
In the High Court of Justice Chancery Division Companies Court (full name of court)	Court case number 6504 of 2014

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

We (a) Robert Jonathan Hunt of PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT, (ii) Ian David Green of Pricewaterhouse Coopers LLP, 7 More London, Riverside, London, SE1 2RT and (iii) Douglas Nigel Rackham of Pricewaterhouse Coopers LLP, 7 More London, Riverside, London, SE1 2RT and Daniel Yoram Schwarzmann of Pricewaterhouse Coopers LLP, 7 More London, Riverside, London, SE1 2RT joint administrators of the above company attach a progress report for the period

from

to

(b) Insert dates

(b) 21 July 2015

(b) 20 January 2016

Signed



Joint Administrator (IP no. 8597)

Dated 19 February 2016