



It's been more than a year since the [well-funded](#) startup Cyanogen [announced](#) that it would shut down its mobile OS development, and since [pivoted to self-driving technology](#). Yet we're still seeing some fallout among the companies that had pinned their hopes on the original plans of that shooting star.

[Wileyfox](#), a smartphone maker that was one of the [earliest companies](#) to build a handset based on Cyanogen before it then pivoted to Android in the wake of the shut down, has filed for administration after it ran out of money, TechCrunch has learned and confirmed. About 30 people are being laid off as a result, a source close to the company also tells us, although the administrators say the figure is 20, with 6 staying on to help with the process of being in administration.

*On the 5th February 2018 Smartphone manufacturer, Wileyfox ('Wileyfox Group') placed one of its European subsidiaries, Wileyfox Europe Limited ('WFE') into administration and appointed Andrew Andronikou and Andrew Hosking of Quantuma LLP as joint administrators.*

*The purpose of the administration is to restructure the Wileyfox Group, reduce its cost base in Europe and to ensure its long term future across all the markets it operates in. Regretfully, as a result of this, certain redundancies have been inevitable in WFE and the Wileyfox Group is working with those affected to ensure they have the support needed to find alternative employment.*

*The Wileyfox Group is committed to working with partners, distributors and customers in Europe to ensure, as far as possible, uninterrupted support and service for Wileyfox mobile handsets in the market, as well as outline the Group's future plans in this core market.*

*All other subsidiaries of the Wileyfox Group continue to operate as normal and their operations remain unaffected by the WFE administration.*

*The Wileyfox Group will make further announcements regarding its restructure and future plans in the near future.*

The news was first leaked out by an ex-employee on [Reddit](#) yesterday evening, noting that

staff were informed on Tuesday of the news. We'd been trying to reach the company and its administrators most of today to confirm the Reddit report.

In a smartphone market dominated by economies of scale in manufacturing, outsized marketing budgets and significant deals with carriers to help sell devices, it's hard for new operating systems to put a dent into a smartphone market dominated by Android and Apple's iOS, and harder still when you are a small handset maker carrying the OS.

Wileyfox, in that regard, had some significant cards stacked against it. In its favor, it's notable and important that companies attempt to create viable alternatives in the market since competition helps breed innovation, and it's better for consumers to always have a wider choice. So when Wileyfox decided last year to launch itself into making phones based on unforked Android, people did continue to pay attention to the brand.

How much attention is another matter. Wileyfox has never stated the number of handsets it sold. (We have asked the question.) And that was just one of the murky details about the company (I guess the Wileyfox name is somewhat apt in that regard).

Wileyfox has never explicitly talked about its funding, but our source confirmed that one of the primary backers of the company was the failed Russian bank Promsvyazbank, which in December had to be [bailed out](#) by the Russian government for \$3.4 billion. That collapse seems to be what set off the "chain reaction," as our source called it, that led to the bankruptcy of Wileyfox Europe.

But the company also did not seem to be particularly flush even before this week: according to its most recently [filed company accounts](#) (filed April 2017), Wileyfox Europe had only £1,777 in cash in the bank, with £467,766 in assets but £543,476 falling due to creditors within the year. It also reported an operating loss of £1.5 million for the year. Last April, the two co-founders of the company, Nick Muir and Victoria Denman, [left the company](#) and their respective roles as CEO and CMO.

Our source did not elaborate on what the plan will be going forward: whether there are other backers, or whether the plan will be to restructure and continue getting financed by its current backers, or whether it will seek further funding elsewhere, or be seeking a buyer.

There are other divisions of Wileyfox, such as the overseeing Wileyfox Group, and also Wileyfox Mobile, which appears to be based in Dubai and entered into a [Debenture agreement](#) with Wileyfox Europe one month ago, in January 2018. It's not clear if these, too, will be pulled into administration, or how they are being financed. (We have asked the questions.)

"It's a sad time, but throughout this whole process the goal is to come out and hopefully continue and find a solution," the source said. "The reality is that we have to find a way to reduce the costs and go through and come out in a new form."

We have also attempted to contact Quantuma and its partners Andrew Hosking and Andrew Andronikou — respectively the firm and partners overseeing the administration — and will update with their comments when we have spoken to them.

Update: the administrators have now also issued a statement confirming that they were brought in after PSV was restricted in its ability to lend money, following its own collapse.

"WileyFox's holding company was primarily funded by Russian bank Promsyyazban (PSV) which was bailed out by the Central Bank of Russia in December and put into special measures that restricted lending outside of the country," said Andrew Andronikou in a statement. "Wileyfox has therefore lost access to working capital which has been temporarily suspended, but resolution could be some way off." The administration move, the company added, was made "in order to safeguard the distribution network of its handsets in Europe, whilst its working capital issues are being resolved in Russia."

It is still not clear if the company will continue to support existing handset owners, and how other parts of the Wileyfox Group are affected.