

2.17B

The Insolvency Act 1986

Statement of administrator's proposals

Name of Company

HMV Group Plc

Company number

03412290

In the
High Court of Justice

(full name of court)

Court case number
323(a) Insert full
name(s) and
address(es) of
administrator(s)We(a)
Nicholas Guy Edwards
Deloitte LLP
PO Box 810
66 Shoe Lane
London
EC4A 3WANeville Barry Kahn
Deloitte LLP
PO Box 810
66 Shoe Lane
London
EC4A 3WARobert James Harding
Deloitte LLP
PO Box 810
66 Shoe Lane
London
EC4A 3WA*Delete as
applicable

attach a copy of our proposals in respect of the administration of the above company

A copy of these proposals was sent to all known creditors on

(b) 11 March 2013

Signed


Joint Administrators

Dated

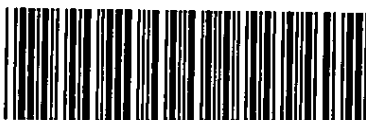
11 March 2013

Contact Details:You do not have to give any contact
information in the box opposite but if
you do, it will help Companies House to
contact you if there is a query on the
formThe contact information that you give
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Tel 020 7936 3000
DX ExchangeWhen you have completed and signed this form, please send it to the
Registrar of Companies at -
Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

TUESDAY



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COMPANIES HOUSE

**HMV UK Limited
HMV Music Limited
HMV Group Plc
HMV (IP) Limited
Fopp Entertainments Limited**

**Court Case No. 321 of 2013
Court Case No. 322 of 2013
Court Case No. 323 of 2013
Court Case No. 325 of 2013
Court Case No. 326 of 2013**

All in Administration ("the Companies")

**JOINT ADMINISTRATORS' STATEMENT OF PROPOSALS PURSUANT TO
PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED)**

11 March 2013

**Nicholas Guy Edwards, Robert James Harding and Neville Barry Kahn
Joint Administrators of the Companies
Deloitte LLP
Athene Place
66 Shoe Lane
London
EC4A 3BQ**

Nicholas Guy Edwards, Robert James Harding and Neville Barry Kahn were appointed Joint Administrators of the Companies on 15 January 2013. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability.

Disclaimer Notice

- This Statement of Proposals ("Proposals") has been prepared by Nicholas Guy Edwards, Robert James Harding and Neville Barry Kahn, the Joint Administrators of the Companies solely to comply with their statutory duty under Paragraph 49, Schedule B1 of the Insolvency Act 1986 (as amended) to lay before creditors a statement of their proposals for achieving the purposes of the administrations, and for no other purpose. It is not suitable to be relied upon by any other person or for any other purpose or in any other context.
- These Proposals have not been prepared in contemplation of them being used and are not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in any of the Companies.
- Any estimated outcomes for creditors included in these Proposals are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.
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- All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency Practitioners.

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ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

"7Digital"	7Digital Inc, a company that HMV Group has a 35% shareholding in and which operates the website www.hmvdigital.com
"the Act"	Insolvency Act 1986 (as amended)
"the Companies"	HMV UK Limited, HMV Music Limited, HMV Group Plc, HMV (IP) Limited and Fopp Entertainments Limited (All in Administration)
"the Court"	The High Court of Justice, Chancery Division
"CVL"	Creditors' voluntary liquidation
"Deloitte"	Deloitte LLP
"FF30L"	File Figure 30 Limited, the secured creditor of the Group
"Fopp"	Fopp Entertainments Limited (In Administration)
"G-A-Y"	The brand under which G-A-Y Group Limited, a former subsidiary of HMV Group plc, operated
"the Group"	HMV Group plc and its subsidiaries
"Hilco UK"	Hilco UK Limited, retail restructuring specialists
"HMV"	The main brand under which the Group and its predecessor entities has traded since 1900
"HMV Asia"	The business operated by HMV Hong Kong Limited and HMV Singapore Pte
"HMV Group"	HMV Group plc (In Administration)
"HMV IP"	HMV (IP) Limited (In Administration)
"HMV Music"	HMV Music Limited (In Administration)
"HMV UK"	HMV UK Limited (In Administration)
"HMV UK Retail"	The trading business of HMV Music and Fopp
"the Joint Administrators"	N G Edwards, R J Harding and N B Kahn of Deloitte LLP
"k"	Thousand
"the Previous Lender Group"	The Royal Bank of Scotland plc, Lloyds TSB Bank plc, Santander UK plc, The Governor and Company of the Bank of Ireland, DBS Bank Limited (London Branch), Svenska Handelsbanken AB (publ), Abbey National Treasury Services plc, Credit Suisse International and Apollo Special Opportunities Managed Account, L B (being the secured creditors of the Companies at the date of appointment)
"m"	Million
"the MAMA Group"/"MAMA"	The group of companies owned by MAMA Group Limited, whose assets include the Mean Fiddler brand (sold by the Group in December 2012)
"Mean Fiddler Group Limited"	Owner of the Mean Fiddler brand, which operates a number of live music venues (sold by the Group in December 2012)
"PP"	The Prescribed Part of the Company's net property subject to section 176A of the Insolvency Act 1986 (as amended)
"QFCH"	Qualifying Floating Charge Holder
"the Rules"	Insolvency Rules 1986 and the Insolvency (Amendment) Rules 2010
"SIP2 (E&W)"	Statement of Insolvency Practice 2 (England & Wales)
"SIP7 (E&W)"	Statement of Insolvency Practice 7 (England & Wales)
"SIP9 (E&W)"	Statement of Insolvency Practice 9 (England & Wales)
"SIP13 (E&W)"	Statement of Insolvency Practice 13 (England & Wales)
"SPV"	Special Purpose Vehicle
"Waterstones"	Waterstones Booksellers Limited, which operates the Waterstones brand
"Winterhill Largo"	Largo Collections Limited

1 BACKGROUND

1.1. Introduction

This report is prepared pursuant to Paragraph 49 of Schedule B1 of the Act, which requires the Joint Administrators to provide creditors with details of their proposals to achieve the purpose of the administration of the Companies

To assist the Companies' creditors and enable them to decide on whether or not to vote for the adoption of the Joint Administrators' proposals, the following information is included in the report

- Background in respect of the Companies,
- The circumstances giving rise to the appointment of the Joint Administrators,
- The manner in which the administrations have been managed and financed to date,
- The Joint Administrators intentions for achieving the objectives of the administration for each of the Companies, and
- Details of key asset realisations to date

There will be insufficient funds for a distribution to any of the Companies' unsecured creditors other than potentially via the PP (a fund set aside for the benefit of unsecured creditors by virtue of section 176A(2)(a) of the Act) and, as such, in accordance with Paragraph 52(1)(b) of Schedule B1 of the Act, the Joint Administrators will not be convening meetings of creditors to consider the Joint Administrators' proposals in respect of any of the Companies, unless requested to do so

Should creditors of any of the Companies, whose total debts amount to at least 10% of the total debts of that specific company wish to request a meeting be held in respect of that company they should complete the attached Form 2 21B (Appendix 5) and return it within 8 business days of the date of these Proposals, being 20 March 2013

In the event that no request for a meeting of creditors in respect of any of the Companies (in the prescribed manner) is received within 8 business days of the issue of these Proposals, the proposals will be deemed approved and a notice to that effect will be filed at Companies House

1.2. Background

The HMV brand was created in 1900 as a logo used by The Gramophone Company, the record label and gramophone distributor which eventually became EMI. The first HMV branded store was opened in London's Oxford Street in July 1921, specialising in the retailing of pre-recorded music and gramophone equipment

Initially the HMV business grew its store base around London, expanding to a portfolio of 25 stores across various UK locations by the late 1960s. With the increasing popularity and commerciality of the music industry between the early 1960s through to the 1970s and early 1980s, HMV continued to grow and became a strong brand on the high street. The advent of the CD in the 1980s was a major catalyst for HMV's growth (primarily through organic expansion), which was built upon by the increasing popularity of pre-recorded videos and, more latterly the introduction of the DVD in the mid to late 1990's

In 1998, HMV Media Group plc was formed following acquisitions of the HMV and Dillon's businesses from EMI and the Waterstones business from WHSmith Group plc. The company's name was changed to HMV Group plc in 2002 and its shares were listed on the London Stock Exchange on 15 May 2002. At its peak, HMV operated 285 stores across the UK and the Republic of Ireland and was the UK's largest specialist retailer of music, film, computer games and books and was universally acknowledged as a world leading entertainment retailer with overseas operations in Singapore, Hong Kong, Japan (subsequently sold) and Canada (subsequently sold).

In early 2007, reacting to a move by customers away from traditional media in to digital content, the Group implemented a strategic shift towards increasing its technology (predominantly MP3 players and headphones) and games offerings, both of which were seen as high growth areas and expansion in to which would help alleviate pressure on the Group's declining core markets of CD's and DVD's. During 2009, in order to further diversify the Group's portfolio, it expanded its interests into live music and digital content with the acquisitions of

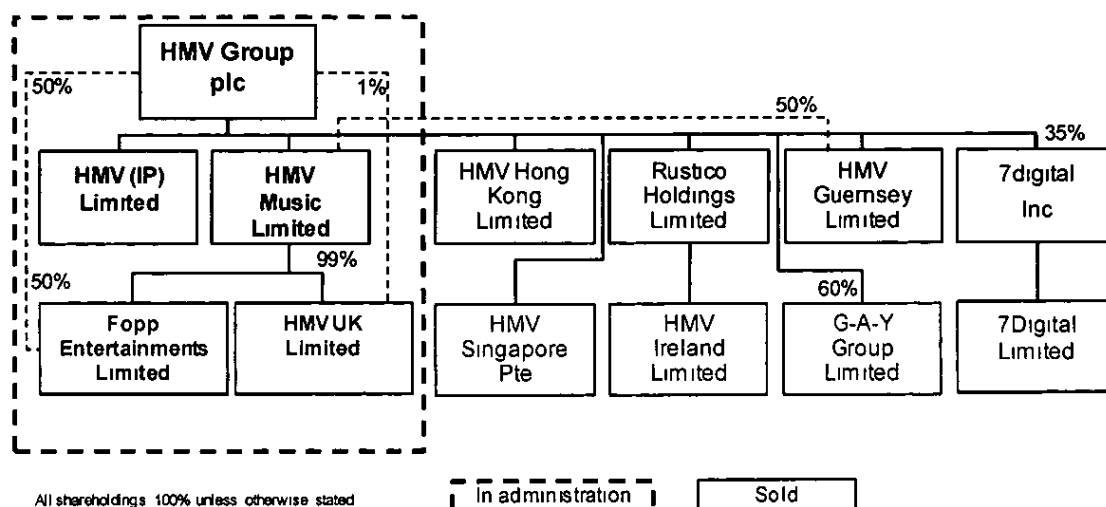
- The MAMA Group (January 2009 – a 50% (increased to 100% in February 2010) stake) to provide the Group with a presence in the growing live music venue market. MAMA owned 11 live music venues including the Hammersmith Apollo and G-A-Y, and
- 7Digital (September 2009 – 50% stake subsequently decreased to 35% in 2012) to provide the Group with a presence in the digital media delivery market (i.e. online downloads and streaming).

Since January 2010, despite the Group's efforts to diversify from its declining core markets, trading deteriorated significantly (revenues in 2010 were £2bn, 2011, £1.15bn, 2012, £0.87bn). In January 2011, following a Christmas trading period that was impacted heavily by adverse weather conditions and rumoured reduced stockholdings, as a result of supply chain negotiations, the Group announced its intention to close 40 HMV and 20 Waterstones stores, resulting in a 20% drop in its share price. This was followed by the implementation of a divestment strategy (in order to reduce the Group's debt burden and refocus on core activities), which included

- Waterstones sold for £53m to A&NN Capital Fund Management Limited in June 2011,
- HMV Canada sold for £2.0m to Hilco UK Limited in June 2011,
- The Hammersmith Apollo sold for £32m to STAGE C Limited in May 2012, and,
- MAMA Group sold for £7.3m in December 2012. Part of this sale included deferred consideration (£3.5m) further details of which are provided at section 1.3.

Following this divestment programme, the principal retail brands operated by the Group were HMV (specialising in audio, visual, gaming and a range of related products) and Fopp (which specialises primarily in a mix of less mainstream audio and visual products).

A summarised group structure is detailed overleaf. The Group also consists of further non-trading corporate entities, which are not in administration and therefore not the subject of this report.



Summarised financial information in respect of the Companies is provided at Appendix 3

13 HMV Group

HMV Group is the ultimate parent company of the Group. Shares in HMV Group were previously listed on the London Stock Exchange. Trading in the shares was suspended following the appointment of the Joint Administrators and the Group has now been delisted.

HMV Group's key assets are its investments in subsidiary undertakings and interests in joint ventures, including

- **HMV UK Retail Operations** – HMV Group, as the ultimate shareholder of HMV Music, HMV UK, HMV IP and Fopp, controls the Companies that operate the UK retail business, which trades under the HMV and Fopp branded stores, and of which there were 213 and 9 respectively on appointment.
- **HMV Hong Kong/Singapore** – 100% shareholdings in HMV Hong Kong Limited and HMV Singapore Pte Limited, which operate stores in Hong Kong (6 stores) and Singapore (2 stores). The Joint Administrators completed a sale of these shareholdings on 28 February 2013.
- **HMV Ireland (indirect)** – a 100% shareholding in Rustico Holdings Limited which owns HMV Ireland Limited which operated 16 stores and entered Irish receivership on 16 January 2013. David Carson, a Partner in Deloitte and Touche in the Republic of Ireland was appointed Receiver over this entity. The Joint Administrators do not consider there to be any value in this shareholding.
- **HMV Guernsey** – 50% shareholding in HMV Guernsey Limited (with HMV Music holding the remaining 50% of shares), a company which operates a single HMV store in Guernsey, with 13 employees and one leasehold property. Nicholas Guy Edwards and Rick Garrard of Deloitte were appointed Joint Administrators of HMV Guernsey Limited on 5 March 2013. This appointment is subject to separate proceedings and is therefore, not covered by this report.
- **7Digital** – a 35% shareholding in 7Digital Inc (which owns 100% of 7Digital Limited, a digital media delivery business i.e. downloads and media streaming).

- **G-A-Y Group Limited** – as at the date of appointment, HMV Group held a 60% share in this entity which operates a group of nightclubs. This shareholding was sold on 22 January 2013.
- **MAMA Group disposal (deferred consideration)** - £3.5m deferred consideration in relation to the sale of the MAMA Group in December 2012. The consideration is receivable in December 2013 and HMV Group has taken first ranking fixed and floating charge security over certain of the assets of MAMA and Mean Fiddler in respect of the amount outstanding.
- **Third Party Receivables** – HMV Group has claims against certain third parties, which the Joint Administrators are pursuing.

As HMV Group operated largely as a holding company, it had minimal income and direct expenses. The company's audited profit and loss account has not been prepared on an unconsolidated basis and is therefore not presented, whereas other entity specific financial information is provided at Appendix 3.

At the date of the Joint Administrators' appointment, HMV Group had 73 employees, primarily based at the Companies' head office premises in London and Marlow (Buckinghamshire).

1.4. HMV Music

HMV Music is the principal trading company within the Group and operates the HMV and Fopp branded retail stores in the UK and Northern Ireland. It also operated the website business, hmv.com which was suspended after the Joint Administrators' appointment.

The main head office is located at leasehold premises on Eastcastle Street, London, with further head office functions (for all the Companies) undertaken at leasehold premises in Marlow and Solihull. In addition, there is a distribution centre at leasehold premises known as Merlin Park (Birmingham) and stock processing facilities at leasehold premises in Canning Town (London) and Newbury.

On appointment, the Companies' had 222 stores (including 9 Fopp branded stores) trading from leasehold premises throughout the UK and Northern Ireland. The Companies' management team had already commenced a closure process (prior to the administration appointments) for three of these stores and the Joint Administrators implemented these closures as planned.

As at the date of appointment, HMV Music employed 4,392 staff, based at store locations and head offices as follows:

- Stores – 3,851 (including 13 in Guernsey),
- Head Office – 288, and
- Distribution Centres – 253

In December 1993, HMV Music entered into an agency agreement with HMV UK pursuant to which HMV Music appointed HMV UK as its agent for the purpose of operating the HMV UK Retail business. The Joint Administrators understand that this agency relationship may not have been disclosed to parties who contracted with HMV UK. The effect of the agency agreement is that liabilities that purport to be owed by HMV UK under contracts with third parties are likely to be liabilities of HMV Music. Similarly, assets in the name of HMV UK are likely to be assets of HMV Music (for example because they are held on trust by HMV UK for HMV Music).

As can be seen from the directors' Statement of Affairs at Appendix 4, the principal assets of HMV Music as at the date of appointment were the retail trading business as described above, property, plant and equipment, inventories and trade receivables. A significant portion of receivables are intercompany balances.

1.5 HMV UK

The Joint Administrators understand that the only asset HMV UK holds for itself is an investment in HMV Card Services Limited, a non-trading company.

As detailed in section 1.4 above, in light of the agency agreement in place with HMV Music, the Joint Administrators consider that HMV UK did not trade on its own behalf, but on behalf of HMV Music, and therefore HMV UK does not own assets for itself nor owe liabilities to third parties, other than as a result of it acting as agent of HMV Music. This would appear to be borne out by the fact that no audited profit and loss account has been prepared for HMV UK and there is only limited financial information provided at Appendix 4. HMV UK does not have any employees.

1.6 HMV (IP)

HMV (IP) owns and licences intellectual property on a royalty-bearing basis for use within the Group. The company's primary asset is intercompany receivables arising from royalty payments owed by other Group entities. The company has no employees.

Revenue relates to royalty payments. The only expenses are finance costs and taxation.

1.7 Fopp

Fopp was, historically, the operating company for the Fopp branded stores but trading, and employees, latterly transferred to HMV Music and has continued in this manner since the Joint Administrators' appointment. Accordingly, the Joint Administrators understand Fopp has no direct employees.

The financial statements, which separate out the trade from the Fopp stores for statutory purposes, reflect various trading income and expenditure related to this company's retail operations. As stated above, please note during that all post administration trading has been conducted through HMV Music, and no suppliers of the Group have separately contracted with Fopp.

1.8. Management

Statutory information on the Companies, including details of their directors and the Company Secretary, is provided at Appendix 1.

1.9 Overview of Financial Information

Extracts from the audited accounts of HMV Group for the 12 months to 28 April 2011 and 28 April 2012 together with the interim published results for the 6 months to October 2012 are shown at Appendix 3, along with summary financial information for HMV Music, HMV IP, HMV UK and Fopp.

Please note that this information has not been verified by the Joint Administrators or by Deloitte and refers to book values of assets at historic dates.

2 THE CIRCUMSTANCES GIVING RISE TO THE APPOINTMENT OF THE JOINT ADMINISTRATORS

2.1 Events prior to the administrations

In addition to wider economic factors, including pressure on consumers' discretionary spending, as noted above there had been a shift from consumers purchasing physical products (primarily CDs and DVDs) towards purchasing media in a digital format. The Group's attempts to off-set the effect of declining revenues through diversification into other markets (technology, games and live music) were not producing sufficient benefit in the time required and, as a result, the Group undertook a series of disposal transactions (as detailed in section 1.2), in order to return to a focus on the core business and seek to alleviate the Group's debt burden.

In early December 2012, the Group announced that as a result of adverse trading conditions, it faced material uncertainty in respect of its future and it was probable that it would not comply with its banking covenants at the end of January 2013. Between then and 14 January 2013, the Group continued in discussions with its key stakeholders (suppliers and the Previous Lender Group) to seek to both remedy the covenant breach and secure funding of a potential new money requirement in 2013.

Following a period of negotiation, it became apparent that additional support would not be possible and following board meetings of the Companies held on 14 January 2013, the Joint Administrators were appointed by the directors of the Companies on 15 January 2013.

2.2 Details of the Appointment of the Joint Administrators

Nicholas Guy Edwards, Robert James Harding and Neville Barry Kahn of Deloitte were appointed Joint Administrators of the Companies by the directors on 15 January 2013.

The Court having conduct of the proceedings is the High Court of Justice, Chancery Division (case numbers 321, 322, 323, 325 and 326 of 2013).

For the purposes of Paragraph 100(2) of Schedule B1 of the Act the Joint Administrators confirm that they are authorised to carry out all functions, duties and powers by any of them jointly or severally.

2.3. Purpose of the Administration

The purpose of an Administration under paragraph 3 of Schedule B1 of the Act is split into three parts:

- 1 To rescue a company as a going concern (in other words a restructuring which keeps the actual entity intact)
- 2 If the first purpose is not reasonably practicable (or the second purpose would clearly be better for the creditors as a whole), then the Joint Administrators must perform their functions with the objective of achieving a better result for creditors as a whole than would be obtained through an immediate liquidation of the company. This would normally entail a sale of the business and assets as a going concern (or a more orderly sales process than in liquidation).

- 3 If neither of the first two parts of the purpose are reasonably practicable, the Joint Administrators must perform their functions with the objective of realising property in order to make a distribution to secured and/or preferential creditors as applicable

At the date of the Joint Administrators' appointment, the Companies had significant secured and unsecured creditor liabilities and a restructuring, which would have been required to meet the first objective, was not considered possible. It was apparent that there was insufficient value placed on the Companies' assets by third parties in order to effect a restructuring of the Companies' considerable debt and the Joint Administrators concluded that the first option was not possible to achieve.

Accordingly, the purpose of the administrations was, and is, to achieve a better result for creditors as a whole than would be obtained through an immediate liquidation of the Companies, as a group (i.e. the second objective above). Given the complex asset ownership structure of the Companies, the Joint Administrators consider that in the case of HMV (IP) and HMV UK it is possible the purpose of the administrations will be to the third objective above, being to make a distribution to the secured creditor.

3 THE MANNER IN WHICH THE AFFAIRS OF THE COMPANIES HAVE BEEN MANAGED AND FINANCED AND WILL CONTINUE TO BE MANAGED AND FINANCED IF THE JOINT ADMINISTRATORS' PROPOSALS ARE APPROVED

3.1 Introduction

Following an initial assessment of the Companies' financial position and ongoing business prospects, the Joint Administrators decided to allow the Companies to continue to trade in the short term whilst seeking to sell their business and assets as a going concern. It was, and is the Joint Administrators' belief that this will achieve a better result for creditors than an immediate winding up of the Companies.

3.2 Post Appointment Strategy – Trading of HMV UK Retail (including Fopp)

At the date of the appointments, HMV UK Retail held c £85m of retail stock (at cost) in its stores and warehouse locations, a significant proportion of which was either subject to retention of title claims by suppliers or to consignment terms and conditions. In order to continue to trade the business, the Joint Administrators immediately entered into negotiations with the relevant suppliers of this stock and, to date, the suppliers have continued to support the business.

Immediately following the appointment of the Joint Administrators on 15 January 2013, members of the Joint Administrators' staff attended each of the Companies' head office sites and distribution centre/stock processing sites throughout the UK to advise employees of the Joint Administrators' appointment. Store employees were also briefed with regards to the administration appointments via the Companies' normal communication channels.

In order to meet certain critical business payments, including payroll on 25 January 2013, the Joint Administrators sought and obtained temporary funding for HMV UK Retail from FF30L as secured creditor (see section 4.3). This funding has now been repaid.

The Joint Administrators continue to undertake an ongoing review of the business, part of which has been to identify where cost savings can be made given the financial position of the Companies. As part of this cost reduction exercise, on 31 January 2013, 186 non-store employees were made redundant, with a further 60 non-store employees being made redundant on 8 February 2013.

Date	Location	HMV Music	HMV Group
31 January 2013	Head Offices	87	16
	Distribution Centres	83	-
8 February 2013	Head Offices	46	14
Total		216	30

Having reviewed the retail portfolio on a store by store basis, the Joint Administrators concluded that certain stores within the business were not financially viable. It was decided these stores would enter a closure phase, with full closure of the stores thus identified, expected to take between 4 to 6 weeks. Closure announcements have been made as follows:

- 7 February 2013 - 66 stores, and
- 20 February 2013 - 37 stores

The Joint Administrators continue to trade the HMV and Fopp stores, with a view to selling the business as a going concern (see 3.3 below).

A Receipts and Payments account for HMV Music from the date of appointment to 22 February 2013 has been provided at Appendix 2. It should be noted that, due to the ongoing trading of the HMV UK Retail business, that the Joint Administrators expect the final trading result to be significantly different to that shown, as the Receipts and Payments account is prepared on a cash basis and does not take into account costs and undertakings which are yet to be settled, nor future sales revenues or other transactions.

3.3. Sale of the Business

3.3.1 Identification of potential purchasers

In order to pursue the chosen strategy of selling the Companies' businesses and assets as a going concern, the Joint Administrators, in conjunction with their staff, immediately started a sale of business process.

A list of potentially interested parties was collated from various sources, including direct contact received by Deloitte (and via the Joint Administrators' website and dedicated e-mail addresses) and following communications with potential investors.

3.3.2 Number of interested parties

Over 170 expressions of interest were registered relating to the Companies' businesses and assets including their brands and online elements, stock, fixtures and fittings, HMV Asia, Fopp, and leasehold property interests. Following discussions with these parties and signature of confidentiality agreements (where appropriate), the Joint Administrators engaged with a focused list of more seriously interested parties as detailed below.

3.3.3 Process

3.3.3.1 HMV UK Retail

An information pack in respect of this business (which consists of the HMV stores, brand and underlying trade) was released on 25 January 2013 to over 33 interested parties, with a deadline set for initial expressions of interest by 30 January 2013.

Six initial expressions of interest were received and further enquiries were made with these parties.

To date, no formal offers for the HMV UK Retail business have been received, although the Joint Administrators continue to negotiate with a number of interested parties in order to achieve a sale of this business and are hopeful of a successful outcome.

3.3.3.2 HMV Asia

An information memorandum was released to 12 interested parties with an offer deadline of 11 February 2013. The shareholdings in HMV Hong Kong Limited and HMV Singapore Pte were sold by the Joint Administrators on 28 February 2013. Further details will be provided in the Joint Administrators' first progress report.

3.3.3.3 Fopp

A "teaser" document, containing limited information on the Fopp brand, was released on 31 January 2013 to 6 interested parties with a deadline set for indicative offers of 15 February 2013. Four offers were received, which the Joint Administrators continue to discuss with the relevant parties in conjunction with broader HMV UK Retail sale process.

3.4 HMV Music – Other asset realisations

To date, book debt realisations of £73,489 have been achieved by the Joint Administrators. The Joint Administrators have engaged third party debt collection specialists (Winterhill Largo) to assist with the collection of the remaining third party book debts.

Sundry refunds of £49,452 have also been received, primarily in respect of refunds for payments made by HMV Music prior to the administration.

The Joint Administrators have also realised leasehold premiums to date totalling £385k from the assignment of two leasehold property interests to third parties. Six further leasehold assignments are in progress (with £108k realised to date by way of deposits), which had not been completed as at the date of these Proposals. The Joint Administrators continue to review HMV UK Retail's property portfolio to consider whether further realisations may be achievable.

3.5. HMV Group – Shareholdings & other asset realisations

As detailed in section 1.3, HMV Group has a number of shareholdings, in which the Joint Administrators are in the process of seeking to realise value, comprising:

- HMV Group's shareholding in 7Digital. No details can be provided at this stage due to confidentiality and commercial sensitivity,
- HMV Ireland is in receivership and consequently the Joint Administrators do not expect any value to be realised,
- HMV Guernsey - On 5 March 2013, upon application of the Joint Administrators to the Royal Court of Guernsey, HMV Guernsey was placed into administration under the Companies (Guernsey) Law 2008 and Nicholas Guy Edwards and Rick Garrard of Deloitte were appointed Joint Administrators,
- HMV Group's 60% shareholding in G-A-Y Group Limited (the operator of various G-A-Y nightclub venues) was sold on 22 January 2013 by the Joint Administrators, and
- HMV Group's 100% shareholdings in HMV Hong Kong Limited and HMV Singapore Pte were sold on 28 February 2013 by the Joint Administrators.

All of these shareholdings are covered by FF30L's security.

Additional assets to be realised by the Joint Administrators include outstanding claims against third parties and outstanding deferred consideration in respect of the sale of the MAMA Group.

A Receipts and Payments account for HMV Group is provided at Appendix 2, in accordance with SIP 7 (E&W).

4. DIRECTORS' STATEMENTS OF AFFAIRS

4.1 Introduction

Statements of Affairs as at 15 January 2013 for the Companies have been submitted by their directors, copies of which are attached at Appendix 4. Please note the Joint Administrators have not carried out any work of the nature of an audit on the information and figures which have been provided by the directors of the Companies based on their own understanding of the Companies' financial positions, as at the date of appointment.

In accordance with the standard format of the Statement of Affairs form, no provision has been made in the Statement of Affairs for the costs of the administrations.

There are a number of different classes of creditors within the Companies. These include:

- **Secured creditors** – Those parties with fixed and floating charge debenture security over the Companies' assets and as such are paid in priority to other creditors. This priority is subject to payments to preferential creditors and unsecured creditors under the PP (see section 4.5). Further details of the security granted by the Companies is set out in section 4.3.
- **Preferential creditors** – These relate to specific employee wage arrears, holiday pay and certain pension contributions and are paid in priority to unsecured creditors out of net floating charge realisations before the PP and before payment to the secured floating chargeholder. In respect of the Companies, whilst all employees have been paid up to date there may still be preferential claims in respect of unpaid holiday pay.
- **Unsecured creditors** – These rank behind secured and preferential creditors and receive any surplus available from net floating and/or fixed charge realisations, if applicable.

The Joint Administrators have not included the names and addresses of all the unsecured creditors in this report in view of the fact that the information runs to many pages. However, copies of this information will be sent to creditors on request, either by post or by e-mail.

4.2 Administrators' comments on the Statements of Affairs

Following a review of the Statements of Affairs prepared by the Companies' directors and in conjunction with information acquired since the date of the appointment, the Joint Administrators make the following observations:

- **HMV Group** – The directors have not anticipated any recoveries in relation to floating charge assets, and therefore no distribution to unsecured creditors under the PP or otherwise.
- **HMV Music** – The Joint Administrators understand that the estimated to realise values attributed by the directors are based on professional advice provided prior to the administration appointments, which we consider to be a reasonable basis of preparation.
- **HMV IP** – The sole assets in HMV IP relate to brands operated by the Companies and other intellectual property, which the Joint Administrators consider will in the main most likely be realised as part of a wider sale of the business and assets of HMV Music.
- **Fopp** – As noted in section 1.7, the Fopp branded stores are operated by HMV Music thus Fopp does not have its own assets and liabilities. There is not expected to be any asset realisations, nor creditor claims in this company.

- **HMV UK** – No physical assets, or corresponding liabilities are shown in the Statement of Affairs for UK, by virtue of the agency agreement detailed in section 1 4
- The directors do not consider any intercompany balances between the Companies, nor the wider Group, to be recoverable, given their unsecured nature and the comprehensive security that the Group has provided to its lenders, which the Joint Administrators consider to be a reasonable assumption

4 3 Secured creditors

On 31 March 2005, fixed and floating charge security was granted by the Companies to the Previous Lender Group in respect of all assets held within the Companies. Lending to the Group provided by the Previous Lender Group was cross-guaranteed by all the Companies.

The Companies' secured indebtedness at the date of the appointment of the Joint Administrators was £127.2m (in relation to term loans). This number excludes the ability of the secured lenders to set off cash balances against debts owed and, on appointment, the Group had £16.9m of cash balances, providing a "net debt" value of £110.3m (shown as £109.6m in the directors' Statements of Affairs).

On 21 January 2013, FF30L (a SPV company owned by Hilco UK, the retail restructuring specialists) acquired the Companies' secured debt from the Previous Lender Group.

In addition to FF30L, there are two additional secured creditors to the Group, which are not referred to in the Statements of Affairs:

- The Group's defined benefit pension fund (via HMV Group Pension Trustees Limited), and,
- EMI Group plc, in respect of guarantees provided in respect of certain lease obligations.

We understand that these parties benefit from subordinated security rights (below FF30L) in respect of the Group, as a result of a previous restructuring of the Group's financial affairs. The precise value of the liabilities owing to each of these parties is currently uncertain. Both of these parties are subordinated to FF30L under the terms of an inter-creditor agreement and would benefit from any surplus asset recoveries (ahead of unsecured creditors) in the event that FF30L were to be repaid in full (which is considered unlikely).

4.4. Preferential Claims

Preferential claims are estimated, per the directors' Statements of Affairs, to be made against the Companies for the following amounts:

Company	£
HMV Group	40,000
Fopp	40,000
HMV Music	1,400,000
Total	1,480,000

These figures are taken from the Statements of Affairs and have not been verified by the Joint Administrators. In line with section 1 7, the Joint Administrators do not anticipate receiving any preferential claims in respect of Fopp.

4.5 The Prescribed Part

By virtue of section 176A(2)(a) of the Act, the Joint Administrators must make a PP of the company's net property available for the satisfaction of unsecured debts. Net property is the amount of a company's property which would, but for this section, be available for the holders of floating charges granted by the company.

The PP applies where there are floating charge realisations, net of costs to be set aside for unsecured creditors. This equates to:

- 50% of net property up to £10,000,
- Plus, 20% of net property in excess of £10,000, but
- Subject to a maximum of £600,000

The Joint Administrators anticipate that there will be the maximum PP (£600,000) available for distribution to unsecured creditors in HMV Music. A PP fund may also be available in HMV Group, however, this cannot yet be estimated as the level of floating charge realisations is unknown. The Joint Administrators are considering whether it would be appropriate to make an application to the Court to dis-apply the PP in HMV Music (and, if relevant, HMV Group) on the grounds that due to the large number of creditors or the amount of the relevant PP fund the cost of making a distribution to unsecured creditors would be disproportionate to the benefits.

As described in section 1.4 and 1.5, there is an agency agreement between HMV Music and HMV UK. If a person with a claim against HMV UK was unaware of the agency agreement that person may elect to claim against HMV Music (as principal under the agency agreement).

Due to the possible distribution to unsecured creditors under the PP (from HMV Music or HMV Group) you are requested to submit claims to the address on the front of this report to one of those companies (in the event you have a claim against them). Proof of Debt forms are available to download from www.deloitte.com/uk/hmv or are available in hard copy upon request.

4.6. Unsecured Claims

The unsecured creditors' position as at 15 January 2013 per the directors' Statements of Affairs (excluding any shortfall to floating charge holders) is summarised in the table below:

Company	£000
HMV Group	88,843
HMV Music	146,573
HMV UK	-
HMV (IP)	23
Fopp	1,630
Total	237,069

It is not anticipated that a dividend to the unsecured creditors of any of the Companies will be possible, save for potentially under the PP as described above.

4.7. Creditors Meeting

As the Joint Administrators do not expect any funds will be available to the unsecured creditors, other than potentially by virtue of a PP distribution, a meeting of creditors will not be held to consider these Proposals. A request in the prescribed manner that the Joint Administrators call a meeting can be made by creditors representing 10% (individually or jointly) or more of the total debts of the relevant Company. Creditors wishing to submit this request should complete the attached Form 2.21B (Appendix 5) and return it to the Joint Administrators no later than 8 business days following the date of these Proposals.

5 PRE-ADMINISTRATION COSTS

5.1 Introduction

Pre-administration costs are defined as the remuneration charged and expenses incurred by the Joint Administrators (or other person qualified to act as such) before the company entered into administration but with a view to its doing so

The pre-administration costs incurred by the Joint Administrators and their staff between 7 and 14 January 2013 were in relation to the following matters

- **Administration and planning** includes case planning and set-up, internal staff briefings, and preparing appointment documentation,
- **Protection of assets** includes locating and identifying assets of the Companies, preparing for the sale of business process, and negotiations with secured creditors, and,
- **Preparation for trading** includes obtaining supplier lists, cash flow analysis and formulation of trading strategies

These tasks were undertaken in order to ensure the Joint Administrators would have full control of the Companies and their assets immediately following their appointment, in order to preserve value for the benefit of the creditors. This was particularly important in respect of the Companies due to the large number of locations, high level of media interest and number of employees involved in the business

5.2 Pre-administration time costs

Pre-administration time costs of £78,753 have been incurred across the Companies, as detailed below

Classification of work function	Partners and Directors £	Managers £	Assistants & Support £	Time Cost £	Total Hours	Average Hourly Rate £
HMV Group plc						
Administration and planning	-	3,400	1,520	4,920	16 50	298
Protection of assets	11,290	-	-	11,290	10 00	1,129
Total	11,290	3,400	1,520	16,210	26 50	612
HMV Music Limited						
Administration and planning	-	2,200	570	2,770	8 50	326
Preparation for trading	30,450	7,378	-	37,828	52 50	721
Protection of assets	15 760	2,275	-	18,035	20 00	902
Total	46,210	11,853	570	58,633	81 00	724
HMV UK Limited						
Administration and planning	-	2,200	570	2,770	8 50	326
Total	-	2,200	570	2,770	8 50	326
HMV (IP) Limited						
Administration and planning	-	-	570	570	3 00	190
Total	-	-	570	570	3 00	190
Fopp Entertainments Limited						
Administration and planning	-	-	570	570	3 00	190
Total	-	-	570	570	3 00	190
Total	57,500	17,453	3,800	78,753	122 00	646

5.3 Pre-administration expenses

In the period 7 to 14 January 2013, the following expenses were incurred in respect of HMV Music

Expense	£
Accommodation	905 60
Travel	942 00
Subsistence	77 01
Total	1,924.61

5.4 Approval of costs

No payment has been received in respect to the pre-administration fees and expenses detailed above, as approval of these costs has not yet been sought, nor granted

As there will be no funds available to the unsecured creditors (other than potentially by virtue of the PP), approval of the unpaid pre-administration fees and expenses will be sought in accordance with Rule 2.67A(3)(b)(ii) of the Rules, i.e. that the costs may be approved by each secured creditor of the company and, if the Joint Administrators have made, or intend to make, a distribution to preferential creditors, by the approval of preferential creditors whose debts amount to more than 50% of the preferential debts of the Company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval

Accordingly, the Joint Administrators will seek approval of their pre-administration costs from the secured and preferential creditors (where applicable)

6 JOINT ADMINISTRATORS' REMUNERATION AND EXPENSES

6.1 Introduction

Given that there will be no funds available to unsecured creditors (other than potentially by virtue of the PP), the basis of the Joint Administrators' remuneration may be fixed in accordance with Rule 2.106(5A) of the Rules, i.e. by approval of each secured creditor or, if the Joint Administrators intend to make a distribution to preferential creditors, with the approval of each secured creditor and 50% of preferential creditors who respond to an invitation to consider approval.

The secured creditors (and preferential creditors where applicable) will be invited to approve the basis of the Joint Administrators' remuneration being fixed by reference to the time properly given by the Joint Administrators' and their staff in attending to matters arising in the administrations, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed.

As approval of the basis of the Joint Administrators' remuneration has not yet been sought, no information has been disclosed. This will be covered in the first progress report to creditors after approval is granted.

In line with Paragraph 52(1)(b) of Schedule B1 of the Act outlined above there is no requirement for unsecured creditors to pass a resolution in respect of the Joint Administrators' remuneration.

6.2 Joint Administrators' Expenses

As no expenses have been approved for payment at this stage, no information has been disclosed. This will be covered in the first progress report to creditors after approval of expenses.

6.3. Other Professional Costs

Due to the size and complexity of the HMV UK Retail's underlying businesses, the Joint Administrators have engaged the services of Retail Agents 260 Limited, a consultancy company specialising in retail businesses. We understand that Retail Agents 260 Limited is a company that is connected to Hilco UK.

To advise on appropriate legal matters and to prepare required legal documentation the Joint Administrators instructed Linklaters LLP and Simmons & Simmons LLP, lawyers with the appropriate expertise and experience in dealing with these types of administrations.

In addition, Wyles Hardy & Co. Limited and Hilco Appraisal Limited, both firms of chattel agents, were instructed by the Joint Administrators to undertake inventories and valuations of plant and equipment, fixtures and fittings and other chattel assets where appropriate. We understand that Hilco Appraisal Limited is connected to Hilco UK.

Winterhill Largo have been engaged to assist the recovery of book debt realisations, primarily in relation to HMV Music.

Twice2Much Limited, a property audit firm, have been engaged to identify potential realisations resulting from potential overcharging on property costs by the Companies' historic suppliers. We understand that Twice2Much is a company that is connected to Hilco UK.

All professional fees are based upon their recorded time costs incurred and will be reviewed by the Joint Administrators' staff before being approved for payment

6 4 Creditors' right to request information

Any secured creditor or, unsecured creditor with the support of at least 5% in value of the unsecured creditors or, with leave of the Court, may, in writing, request the Joint Administrators to provide additional information regarding remuneration or expenses to that already supplied within this document. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 2 47(1)(fa) and 2 48A of the Rules

6 5 Creditors' right to challenge Remuneration and/or Expenses

Any secured creditor or, unsecured creditor with the support of at least 10% in value of the unsecured creditors or, with leave of the Court, may apply to the Court for one or more orders (in accordance with Rule 2 109(4) of the Rules), challenging the amount or the basis of remuneration which the Joint Administrators are entitled to charge or otherwise challenging some or all of the expenses incurred. Such applications must be made within 8 weeks of receipt by the applicant(s) of the report detailing the remuneration and/or expenses being complained of, in accordance with Rule 2 109 of the Rules

7 OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

7.1 Directors' conduct

As part of their statutory duties, the Joint Administrators will consider the conduct of the Directors and any person they consider a shadow or de facto director in relation to their management of the affairs of the Companies during the three years prior to the appointment of the Joint Administrators and the causes of failure and will submit a confidential report to the Insolvency Service, a division of the Department for Business, Innovation and Skills

As part of their investigations the Joint Administrators will consider, among other matters, the following

- Statutory compliance issues,
- Misfeasance or breach of duty, and
- Antecedent transactions (including transactions at an under value and preferences)

Creditors who wish to draw any matters to the attention of the Joint Administrators should write to the Joint Administrators at the address given on the front of this report

7.2. SIP13 (E&W) – Transactions with connected parties

The Joint Administrators are obliged to identify and investigate any transactions entered into by the Companies and any connected parties in the two years prior to their appointment. Further details shall be provided in the Joint Administrators' first progress report

In respect of connected party transactions in the period since the Joint Administrators' appointment, save for the intercompany relationship potentially arising from the trading of the Fopp stores by HMV Music and the interaction caused by the agency agreement between HMV Music and HMV UK, no additional transactions have taken place which require reporting to creditors

Should creditors have information regarding any such transactions they should forward details in writing to the Joint Administrators to the address on the front of this report

7.3 Exit Routes from administration

In accordance with paragraph 7 of Schedule B1 of the Act, all administrations automatically come to an end after one year, unless an extension is granted by the Court or by consent of the creditors

There are several exit routes which are available to the Joint Administrators, which include

- An application to Court,
- Filing a notice in Court and with the Registrar of Companies confirming that the purpose of Administration has been sufficiently achieved, or
- In the event that the Company has no property remaining to be realised the Joint Administrators may notify the Registrar of Companies to that effect at which time the appointment of the Joint Administrators ceases and three months following that date the company is deemed to be dissolved

In addition the Joint Administrators could propose to place the Companies into CVL, a Compulsory Liquidation or a Company Voluntary Arrangement

The exit route chosen in relation to the Companies will largely depend on the circumstances of each administration. Based on current information, the Joint Administrators anticipate that the administrations of HMV Group and HMV Music will likely be exited via CVL, and the administrations of HMV UK, HMV IP and Fopp will likely be exited via dissolution.

If funds do become available for a distribution under the PP, the Joint Administrators may apply to the Court for the authority to make a distribution to unsecured creditors (under the PP) and then take the requisite steps to dissolve the relevant company, or if appropriate, to apply to the Court to obtain an order pursuant to section 176A(5) that section 176A(2) (i.e. the PP fund) shall not apply.

As there will be no distribution to unsecured creditors, the Joint Administrators will seek their discharge from liability in respect of any action of theirs as Joint Administrators pursuant to paragraph 98(1) of Schedule B1 of the Act from the secured creditor (and preferential creditors, where applicable).

7.4. EC Regulations

As stated in the Administration Order in respect of the Companies, Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that Regulation.

7.5 Third Party Assets

Should you believe that you own items that may have been present at the Companies' trading premises at the date of appointment please contact the Joint Administrators as soon as possible.

7.6 Electronic communication with creditors

In an effort to minimise the costs of the administrations, all communications with creditors, including updates and progress reports, will be posted onto a website, which has been set up specifically for this purpose. The web address is www.deloitte.com/uk/hmv.

A letter will be issued to all creditors each time the website is updated with a statutory notice or report. All creditors' statutory notices will be retained on the website for at least 3 months after being uploaded to the site. Written copies of documents uploaded to this website may be obtained by contacting the Joint Administrators either by telephone (020 7303 0700), by email to hmv@deloitte.co.uk or by post to the address on the front of this report.

8 STATEMENT OF PROPOSALS PURSUANT TO PARAGRAPH 49 OF SCHEDULE B1 OF THE INSOLVENCY ACT 1986 (AS AMENDED)

HMV UK Limited	Court Case No. 321 of 2013
HMV Music Limited	Court Case No. 322 of 2013
HMV Group Plc	Court Case No. 323 of 2013
HMV (IP) Limited	Court Case No. 325 of 2013
Fopp Entertainments Limited	Court Case No. 326 of 2013

All in administration (each being "a Company" and together being "the Companies")

The Joint Administrators' proposals are as follows

- 1 the Joint Administrators continue to manage the affairs and any remaining assets of the Companies and the settlement of all administration expenses,
- 2 the Joint Administrators continue with their enquiries into the conduct of the directors of the Companies and continue to assist any regulatory authorities with their investigation into the affairs of the Companies,
- 3 the Joint Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against each of the Companies unless the Joint Administrators conclude, in their reasonable opinion, that a Company will have no assets available for distribution,
- 4 the Joint Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,
- 5 that, in the event the creditors of each Company so determine, at meetings of creditors, a Creditors Committee be appointed in respect of each or any Company comprising of not more than five and not less than three creditors of that Company or Companies,
- 6 that, if a Creditors' Committee is not appointed, the secured and preferential creditors (where applicable) of each Company shall be asked to fix the basis of the Joint Administrators' remuneration in accordance with Rule 2 106(5A)(b), to be fixed by reference to the time properly given by the Joint Administrators and their staff in attending to matters arising in the administrations, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT. In addition, those creditors shall also be asked to agree the Joint Administrators' expenses of which the Joint Administrators' expenses for mileage be calculated by reference to mileage properly incurred by the Joint Administrators and their staff in attending to matters arising in the administrations, at the prevailing standard mileage rate used by Deloitte at the time when the mileage is incurred, plus VAT where applicable,
- 7 that, if a Creditors' Committee is not appointed, the Joint Administrators' pre-administration costs, as detailed in section 5 of the Joint Administrators' Proposals be approved,

- 8 that, following the realisation of assets and resolution of all matters in the administrations, and as quickly and efficiently as is reasonably practicable, the Joint Administrators implement the most cost effective steps to formally conclude the administrations. This may include the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Companies or alternatively, seeking to put each or any of the Companies into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors,
- 9 that, if each or any of the Companies were to be placed into CVL, the Joint Administrators propose to be appointed Joint Liquidators and any Creditors' Committee appointed will become the Liquidation Committee pursuant to Rule 4.174A of the Rules and that the basis of the Joint Liquidators' remuneration be fixed by reference to the time given in attending to matters arising in the Liquidations. As per Paragraph 83(7) of Schedule B1 of the Act and Rule 2.117A(2)(b) of the Rules, the creditors may nominate a different person to be Joint Liquidator(s) provided the nomination is made before the proposals are approved by creditors. For the purposes of section 231 of the Act the Joint Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and
- 10 in the absence of Creditors' Committees, the secured and preferential creditors of each Company agree that the Joint Administrators be discharged from liability per Paragraph 98 of Schedule B1 of the Act immediately upon the Joint Administrators' filing their final report to creditors and vacating office

Yours faithfully

For and on behalf of the Companies

Nicholas Guy Edwards, Robert James Harding and Neville Barry Kahn
Joint Administrators of the Companies
Deloitte LLP
Athene Place
66 Shoe Lane
London
EC4A 3BQ

Nicholas Guy Edwards, Robert James Harding and Neville Barry Kahn were appointed Joint Administrators of the Companies on 15 January 2013. The affairs, business and property of the Companies are managed by the Joint Administrators. The Joint Administrators act as agents of the Companies and contract without personal liability.

All licensed Insolvency Practitioners of Deloitte are licensed in the UK to act as Insolvency Practitioners

HMV UK LIMITED, HMV MUSIC LIMITED, HMV GROUP PLC, HMV (IP) LIMITED, FOPP ENTERTAINMENTS LIMITED (ALL IN ADMINISTRATION)

STATUTORY INFORMATION

Company Name	HMV Group Plc	HMV Music Limited	HMV UK Limited	Fopp Entertainments Limited	HMV (IP) Limited
Proceedings	Administration				
Court	The High Court of Justice, Chancery Division				
Court Reference	323	322	321	326	325
Date of appointment	15-Jan-13				
Joint Administrators	Nicholas Guy Edwards, Robert James Harding and Neville Barry Kahn of Deloitte LLP Athene Place 66 Shoe Lane London EC4A 3BQ				
Registered Office address	c/o Deloitte LLP Hill House 1 Little New Street London EC4A 3TR				
Company Number	3412290	229249	805812	3040481	3702240
Incorporation Date	31-Jul-97	29-Mar-13	20-May-64	31-Mar-95	27-Jan-99
Company Secretary	Ms Elaine Marriner (Resigned save for HMV Group plc)				
Bankers	Lloyds TSB Bank Plc	National Westminster Bank Plc	None specified	None specified	None specified
Auditors	Ernst & Young LLP				
Appointment by	The directors				
Directors* (Note – no directors hold shares in any of the Companies)	David Adams John Duncan Ian Kenyon Trevor Moore Orna Ni-Chionna Philip Rowley	Ian Kenyon Trevor Moore	Shaun Carney Mark Hodgkinson Michael Neil Neil Taylor Stephen West	Ian Kenyon Trevor Moore Neil Taylor	Ian Kenyon Trevor Moore

This information has been provided by management and not confirmed by the Joint Administrators

**As per information available on Companies House as at 25 February 2013*

HMV Group Plc
(In administration)

**Joint Administrators' Receipts and Payments account for the period 15 January
2013 to 22 February 2013**

Statement of Affairs (Estimated to realise)	Receipts	Total £
	£	
	Bank Interest	637 63
3,500,000 00	MAMA deferred consideration	-
3,500,000 00	Investments in Joint Venture	-
4,232,827 00	Sale of shareholding	2,950,000 00
<u>11,232,827 00</u>		<u>2,950,637 63</u>
	Payments	
	Funding of HMV Asia payroll	508,706 29
	Distribution to Fixed Chargeholder	2,000,000 00
	Legal Fees	17,173 00
	VAT Receivable	3,434 60
		<u>2,529,313 89</u>
	Balance In Hand	<u>421,323 74</u>
		<u>2,950,637 63</u>

No receipts and payments accounts have been provided for HMV UK, HMV IP and Fopp as there have been no transactions in these administrations to date

HMV Music Limited
(In administration)

Joint Administrators' Receipts and Payments account for the period 15 January 2013 to 22 February 2013

Trading Statement		Total
		£
Sales	49,885,260 71	
Cash in Transit	4,052,539 04	
Worldpay Pre Appt Deposit Refund	2,500,000 00	
Bank Interest Gross	10,690 79	
Purchases	(1,360,071 61)	
ROT Settlements	(1,838,456 02)	
Wages & Salaries	(6,603,108 75)	
Employee Costs & Expenses	(115,737 50)	
Other Payroll Costs	(475 00)	
Ransom Payments	(347,290 62)	
Telephony & Networking	(4,043 48)	
Cleaning	(70,906 39)	
Security	(196,017 93)	
Cash Collection	(693,372 07)	
Trading Licences	(8,246 83)	
Distribution Costs	(132,236 23)	
Merchant Services	(178,522 86)	
Non-Store Consumables	(8,077 60)	
IT Suppliers	(14,611 11)	
Change Orders	(594,221 00)	
Repairs & Maintenance	(17,029 99)	
Consultant Fees	(20,953 40)	
Website Costs	(6,745 51)	
Call Centre	(4,825 80)	
Storage Costs	(6,671 22)	
Charity Settlements	(87,820 61)	
Store Rent	(263,312 55)	
Concession Costs	(31,203 67)	
Bank Charges	(398 52)	
Surplus / (Deficit) to date	<u>43,844,134 27</u>	
Statement of Affairs		
(Estimated to realise)		
£		
7,500,000 00		
-		
-		
-		
5,000,000 00		
-		
<u>12,500,000 00</u>		
Receipts		
Trading surplus to date	43,844,134 27	
Leasehold Premiums	493,352 56	
Secured creditor funding	2,154,875 98	
Misc Income	49,451 77	
Book Debts	73,489 11	
Pre-appointment Rates Refunds	18,183 91	
	<u>46,633,487 60</u>	
Payments		
Legal Fees - Property	950 00	
Statutory Advertising	169 20	
Repayment of Secured Creditor Funding	2,154,875 98	
Secured Creditor Distribution	1,345,124 02	
Petty Cash Float	3,270 00	
	<u>3,504,389 20</u>	
Balance In Hand	43,025,013 60	
HMRC Payroll deductions payable	(196,663 58)	
VAT/GST Receivable	300,748 38	
	<u>46,633,487 60</u>	

Please note, due to the ongoing trading of the HMV UK Retail, that the Joint Administrators expect the final trading result to be significantly different to that shown above, as the Receipts and Payments account is prepared on a cash basis and does not take into account costs and undertakings which are yet to be settled, nor future sales revenues or other transactions

SUMMARISED FINANCIAL INFORMATION – HMV GROUP (CONSOLIDATED)

HMV Group plc (Consolidated)	Audited Statutory Accounts for 6 months ending 27 October 2012	Audited Statutory Accounts for year to 28 April 2012	Audited Statutory Accounts for year to 28 April 2011
	£m	£m	£m
Summary Profit & Loss account			
Turnover	288 6	873 1	1,102 2
Cost of sales	<u>(298 6)</u>	<u>(843 4)</u>	<u>(1,049 0)</u>
Gross Profit	(10 0)	29 7	53 2
Gross Margin (%)	(3 5)	3 4	4 8
Other expenses	<u>(16 9)</u>	<u>(44 4)</u>	<u>(43 2)</u>
EBIT	(26 9)	(14 7)	10 0
Investment income	0 6	(0 3)	(0 2)
Net finance costs	<u>(11 0)</u>	<u>(23 6)</u>	<u>(9 8)</u>
PBT	<u>(37 3)</u>	<u>(38 6)</u>	<u>0 0</u>
Summary Balance Sheet			
Tangible assets	40 6	47 0	67 8
Intangible assets	<u>11 7</u>	<u>12 8</u>	<u>85 1</u>
Fixed assets	52 3	59 8	152 9
Current assets			
Stock	90 1	79 1	106 2
Debtors	27 9	37 0	44 1
Other	20 0	60 8	203 0
Cash at bank	<u>28 7</u>	<u>19 1</u>	<u>24 1</u>
Total assets	219 0	255 8	530 3
Liabilities			
Trade Creditors	(141 4)	(143 7)	(196 1)
Bank loans	(200 4)	(192 5)	(192 0)
Other	<u>(59 1)</u>	<u>(54 0)</u>	<u>(201 0)</u>
Total liabilities	<u>(400 9)</u>	<u>(390 2)</u>	<u>(589 1)</u>
Net assets	<u>(181 9)</u>	<u>(134 4)</u>	<u>(58 8)</u>
Source: Audited accounts			

SUMMARISED FINANCIAL INFORMATION – HMV GROUP (COMPANY ONLY)

HMV Group plc	Audited Statutory Accounts for year to 28 April 2012	Audited Statutory Accounts for year to 28 April 2011
	£m	£m
Summary Balance Sheet		
Tangible assets	0.1	0.1
Intangible assets	<u>232.9</u>	<u>281.0</u>
Fixed assets	233.0	281.1
Current assets		
Stock	-	-
Debtors	26.3	74.4
Other	-	5.0
Cash at bank	<u>11.0</u>	<u>21.4</u>
Total assets	<u>270.3</u>	<u>381.9</u>
Liabilities		
Trade Creditors	(11.5)	(4.6)
Bank loans	(63.0)	(265.8)
Other	<u>(182.8)</u>	<u>(35.3)</u>
Total liabilities	<u>(257.3)</u>	<u>(305.7)</u>
Net assets	<u>13.0</u>	<u>76.2</u>
Source: Audited accounts		

Note – A profit and loss account for HMV Group plc on an unconsolidated basis is not required for statutory financial reporting, accordingly this has not been provided

SUMMARISED FINANCIAL INFORMATION – HMV MUSIC

HMV Music Limited	Audited Statutory Accounts for year to 28 April 2012	Audited Statutory Accounts for year to 28 April 2011
	£m	£m
Summary Profit & Loss account		
Turnover	721 0	914 2
Cost of sales	<u>(698 5)</u>	<u>(870 5)</u>
Gross Profit	22 5	43 7
Gross Margin (%)	3 1	4 8
Other expenses	<u>(54 1)</u>	<u>(99 7)</u>
EBIT	(31 6)	(56 0)
Net finance revenue	<u>0 5</u>	<u>2 1</u>
PBT	<u>(31 1)</u>	<u>(53 9)</u>
Summary Balance Sheet		
Tangible assets	43 2	50 5
Intangible assets	<u>1 0</u>	<u>0 2</u>
Fixed assets	44 2	50 7
Current assets		
Stock	67 9	92 0
Debtors	46 8	122 3
Cash at bank	<u>14 5</u>	<u>13 0</u>
Total assets	<u>173 4</u>	<u>278 0</u>
Liabilities		
Trade Creditors	(118 5)	(157 0)
Bank loans	(9 6)	(40 7)
Other	<u>(10 1)</u>	<u>(15 0)</u>
Total liabilities	<u>(138 2)</u>	<u>(212 7)</u>
Net assets	<u>35 2</u>	<u>65 3</u>
Source: Audited accounts		

SUMMARISED FINANCIAL INFORMATION – HMV UK

HMV UK Limited	Audited Statutory Accounts for year to 28 April 2012	Audited Statutory Accounts for year to 28 April 2011
	£'000	£'000
Summary Balance Sheet		
Tangible assets	-	-
Intangible assets	<u>86 0</u>	<u>86 0</u>
Fixed assets	86 0	86 0
Current assets		
Stock	-	-
Debtors	-	-
Cash at bank	<u>0 0</u>	<u>0 0</u>
Total assets	<u>86 0</u>	<u>86 0</u>
Liabilities		
Trade Creditors	-	-
Bank loans	-	-
Total liabilities	<u>0 0</u>	<u>0 0</u>
Net assets	<u>86 0</u>	<u>86 0</u>
Source: Audited accounts		

Note – A profit and loss account for HMV UK Limited has not been provided as this entity does not trade at its own right

SUMMARISED FINANCIAL INFORMATION – FOPP

Fopp Entertainments Limited	Audited Statutory Accounts for year to 28 April 2012	Audited Statutory Accounts for year to 28 April 2011
	£'000	£'000
Summary Profit & Loss account		
Turnover	16,789 0	19,748 0
Cost of sales	(16,256 0)	(18,540 0)
Gross Profit	533 0	1,208 0
Gross Margin (%)	3.2	6.1
Other expenses	(369 0)	(557 0)
PBT	164 0	651 0
Summary Balance Sheet		
Tangible assets	291 0	404 0
Intangible assets	32 0	38 0
Fixed assets	323 0	442 0
Current assets		
Stock	1,067 0	1,162 0
Debtors	2,111 0	1,648 0
Cash at bank	162 0	198 0
Total assets	3,663 0	3,450 0
Liabilities		
Trade Creditors	(752 0)	(669 0)
Bank loans	-	-
Other	0 0	(20 0)
Total liabilities	(752 0)	(689 0)
Net assets	2,911 0	2,761 0
Source: Audited accounts		

SUMMARISED FINANCIAL INFORMATION – HMV (IP) LIMITED

HMV (IP) Limited	Audited Statutory Accounts for year to 28 April 2012	Audited Statutory Accounts for year to 28 April 2011
	£'000	£'000
Summary Profit & Loss account		
Turnover	7,968 0	22,549 0
Cost of sales	<u>0 0</u>	<u>0 0</u>
Gross Profit	7,968 0	22,549 0
Gross Margin (%)	100 0	100 0
Other expenses	<u>0 0</u>	<u>0 0</u>
PBT	<u>7,968 0</u>	<u>22,549 0</u>
Summary Balance Sheet		
Tangible assets	-	-
Intangible assets	<u>2,000 0</u>	<u>2,000 0</u>
Fixed assets	2,000 0	2,000 0
Current assets		
Stock	-	-
Debtors	12,146 0	14,037 0
Other	-	1,724 0
Cash at bank	<u>1,493 0</u>	<u>1,212 0</u>
Total assets	<u>15,639 0</u>	<u>18,973 0</u>
Liabilities		
Trade Creditors	-	(11,029 0)
Bank loans	-	-
Other	<u>(60 0)</u>	<u>(147 0)</u>
Total liabilities	<u>(60 0)</u>	<u>(11,176 0)</u>
Net assets	<u>15,579 0</u>	<u>7,797 0</u>
Source: Audited accounts		

DIRECTORS' STATEMENTS OF AFFAIRS – HMV GROUP PLC

Rule 2.29
2.14B

Form

Statement of affairs

Name of Company HMV Group plc	Company number 3412290
In the High Court of Justice Chancery Division	Court case number 322 of 2013

(a) Insert name and address
of registered office of the
company

Statement as to the affairs of (a) _
HMV Group plc
Windsor House
Spital Street
Marlow
Bucks
SL7 3HJ

on the (b) 15th day of January 2013 the date that the company entered
administration

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and
complete statement of the affairs of the above named company as at (b) 15 January
2013 the date that the company entered administration

Full name IAN KENYON

Signed Ian Kenyon

Dated 7/2/2013

ADML2010_196

DIRECTORS' STATEMENTS OF AFFAIRS – HMV GROUP PLC

A – Summary of Assets

Assets

Assets subject to fixed charge

Investments in Subsidiaries
 Investments in Joint Venture
 MAMA Deferred Consideration
 Property Plant & Equipment

Book Value £	Estimated to Realise £
191,779,200	4,232,827
9,189,150	3,500,000
3,500,000	3,500,000
130,586	Nil
Assets subject to floating charge	
Trade and Other Receivables	356,585
Intercompany Receivables	655,104
Deferred Tax	921,842
Cash	149,264
Warrants and deferred financing Fees	5,731,152
Uncharged assets	
Estimated total assets available for preferential creditors	212,412,883
	Nil

Signature  Date 7/2/2013

DIRECTORS' STATEMENTS OF AFFAIRS – HMV GROUP PLC

A1 – Summary of Liabilities

	Estimated to realise £
Estimated total assets available for preferential Creditors (carried from page A)	£ Nil
Liabilities	
Preferential creditors -	£ 40,000
Estimated deficiency/surplus as regards preferential creditors	(£ 40,000)
Estimated prescribed part of net property where applicable (to carry forward)	
Estimated total assets available for floating charge holders	(£ 40,000)
Debts secured by floating charges	£ 109,600,000
Estimated deficiency/surplus of assets after floating charge	(£109,640,000)
Estimated prescribed part of net property where applicable (brought down)	
Total assets available to unsecured creditors	
Unsecured non-preferential claims	£ 88,843,484
Estimated deficiency after floating charge where applicable (brought down)	
Estimated deficiency/surplus as regards creditors	(£198,483,484)
Issued and called up capital	£ 4,303,084
Estimated total deficiency/surplus as regards members	(£202,786,568)

Signature  Date 7/2/2013

DIRECTORS' STATEMENTS OF AFFAIRS – HMV GROUP PLC

COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
	See Attached Sheet Plus -	45,099,492			
Bank Syndicate	C/O RBS Corporate & Institutional Banking Level 7 2 1/2 Devonshire Square London EC2M 4BA	109,600,000	Fixed and Floating	Amendment and Restatement Agreement dated 6 June 2011 amending the Credit Facility Agreement originally dated 23 March 2005 (as amended and restated from time to time)	£109,600,000
Pension Fund	C/O Premier Pensions Management Ltd Connthian House 17 Lansdowne Road Croydon CR0 2BX	25,966,000 (IAS 19 Valuation)			

Signature Bar. Kenyon Date 7/2/2013

ADML2010_196

DIRECTORS' STATEMENTS OF AFFAIRS – HMV GROUP PLC

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No of shares held	Nominal Value	Details of Shares held
	See Attached Sheet			
TOTALS				

Signature Barkey Date 7/2/2013

DIRECTORS' STATEMENTS OF AFFAIRS – HMV GROUP PLC

Creditor Listing

Account no	Name	Address	£
S019	Sanna Group	13 Casle Street St Helier Jersey JE4 5UT	3,448 00
S022	Ernst & Young LLP	1 Becket House, 1 Lambeth Palace Road London SE1 7EU	74 512 00
S170	Inenco	Petros House, St Andrews Road North Lytham St Annes Lancashire, FY8 2NF	3 690 00
S204	Companies House	Finance Section Crown Way Cardiff CF14 3UZ	16 00
S225	Royal Mail Group Ltd	Freeport Nat 15921 Finance Services Centre Royal Mail Group plc, Papyrus Road Werrington, Peterborough PE4 5BR	900 00
S249	CCS Media Limited	Old Birdholme House, Derby Road Chesterfield Derbyshire S40 2EX	62 33
S324	Automatic Data Processing	Syward Place Pyrcroft Road Chertsey Surrey, KT16 9JT	1 120 42
S335	Nabarro	Lacon House 84 Theobalds Road, London, WC1X 8RW	246 00
S358	Towers Watson	Watson House London Road Reigate Surrey RH2 9PQ	5 520 00
S359	Reynolds Porter Chamberlain	Tower Bridge House, St Katharine's Way London, E1W 1AA	30 644 40
S385	Nestings Self Store	Jigs Lane North Warefield Bracknell RG42 3DH	665 57
S404	Interactive Data	Cashiers Dept Fitzroy House 13-17 Epworth Street, London EC2A 4DL	201 00
S416	Deloitte & Touche LLP	The Pinnacle, 150 Midsummer Boulevard Milton Keynes Buckinghamshire, MK9 1FD	221 473 32
S478	Egon Zehnder Interna	Devonshire House Mayfair Place, London, W1X 5FH	6 160 80
S489	KPMG LLP Fees Account	Dept 791, 58 Clarendon Road Watford WD17 1DE	155 247 00
S497	Sacker & Partners	20 Gresham Street London EC2V 7JE	10,563 00
S630	Simmons & Simmons	City Point 1 Ropemaker Street London EC2Y 9SS	319 591 06
S662	Orange	PO Box 52 Sheffield S98 1DX	643 39
S669	Corporate Express	Tameside Drive Holford Birmingham B6 7AY	155 86
S678	Premier Pension	Corinthian House 17 Lansdowne Road Croydon, CR0 2BX	5 755 20
S684	its	Central Court 1B Knoll Rise Orpington Kent BR6 0JA	1 992 00
S686	LoopUp	78 Kingsland Road 1 st Floor London E2 8DP	34 84
S825	Inntel Ltd	Threshelfords Business Park Inworth Road, Feenng, Essex CO5 9SE	753 33
S834	Cluttons	PO Box 2625, London, W1H 6DU	41,000 00
S838	BDO Stoy Hayward LLP	55 Baker Street, London W1U 7EU	87,000 00
S843	MNPA	Leatherhead House Station Road, Leatherhead, Surrey	9 418 86
S844	Hymans	20 Waterloo Street Glasgow, G2 6DB	7 020 00
S848	MGL Corporate Services	Windsor Cottage, High Street, Hurley Maidenhead SL6 5LT	4 155 40
S914	Numis	10 Paternoster Square London EC4M 7LT	7 500 00
S915	Stafford Place Consulting	Applegarth Three Elm Lane Tonbridge TN11 0AB	4 500 00
S916	Unklaters	1 Silk Street, London EC2Y 8HQ	327 997 71
S922	Maxwell Winward	100 Ludgate Hill, London EC4M 7RE	16 635 48

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7/1/2013

DIRECTORS' STATEMENTS OF AFFAIRS – HMV GROUP PLC

Account no	Name	Address	£
*10000000152	The Gongg	Beeston Place, London SW1W 0JW	692 47
*10000000191	Tim Chapman Limited	111 Belmont Road Maidenhead Berkshire, SL6 6LG	3 810 36
T028	Watson Wyatt (Ireland) Ltd	Trinity Point, 10-11 Leinster Street South, Dublin 2, Ireland	1 552 42
T036	United Trademark & Patents	PO Box 22880 Sharjah, United Arab Emirates	5 356 78
T046	Gehring Archivdepot	Max-Planck Ring 62 Marienkirche 48049 Oberhausen, Nordrhein- Westfalen Germany	80 87
T116	William Fry	Fitzwillton House, Wilton Place Dublin 2 Ireland	304 76
T144	Grant Thornton LLP	350 Burnhamthorpe Road West, Suite 401 Mississauga ON L5B 3J1 Canada	1,304 35
S223	Marks Sabin	1 st Floor 32 Haymarket, London SW1Y 4TP	1 254 00
S356	Towers Watson	Watson House London Road, Reigate Surrey, RH2 9PQ	480 00
S913	Imprima	City Place House 55 Basinghall Street London EC2V 5EH	5 575 20
S810	Ogier	Ogier House St Julians Avenue St Peter Port, Guernsey GY1 1WA	3 366 52
S661	Capita	The Registry 34 Beckenham Road Beckenham, Kent, BR3 4TU	13 701 68
S920	Stewarts Law	9 Bond Court, Leeds LS1 2JZ	10 390 61
S216	LSE	10 Paternoster Square London, EC4M 7 LS	600 00
T024	McCann FitzGerald	Riverside One Sir John Rogerson's Quay, Dublin 2	Euro 34,764 00
T028	Watson Wyatt (Ireland)	Trinity Point 10-11 Leinster Street South, Dublin 2, Ireland	Euro 550 00
	HMRC	HM Revenue & Customs Large Business Service Manchester 17th Floor Albert Bridge House 1 Bridge Street Manchester M80 8BH	141,000
S639	Ricoh	800 Pavilion Drive Northampton NN4 7YE	970 69
	HMV IP	Windsor House Spittal Street, Marlow Bucks SL7 3HJ	10 112 000
	EGHE	Windsor House Spittal Street, Marlow Bucks, SL7 3HJ	12 234 000
	HMV Singapore	10 Collyer Quay 18-08 Ocean Building Singapore 049315	6,937,000
	HMV Hong Kong	25 th Floor Jardine House 1 Connaught Place Central Hong Kong	4 336 000
	Vorce Retail	Windsor House Spittal Street Marlow Bucks SL7 3HJ	68 000
	HMV UK Ltd	Windsor House Spittal Street Marlow Bucks SL7 3HJ	9 823 000
	HMV USA	Windsor House Spittal Street Marlow, Bucks, SL7 3HJ	19 000
	HMV Pension	C/O Premier Pensions Management Ltd Connaught House, 17 Lansdowne Road Croydon, CR0 2BX	2 000

Sarkany
7/2/2013

Note – The above schedule totals £45 1m (per the directors' Statement of Affairs) of which, £43 5m relates to intercompany creditors within the Group

DIRECTORS' STATEMENTS OF AFFAIRS – HMV MUSIC LIMITED

Rule 2.29
Form 2.14B

Statement of affairs

Name of Company
HMV Music Limited t/a HMV

Company number
00229249

In the
High Court of Justice Chancery Division

Court case number
322 of 2013

(a) Insert name and address
of registered office of the
company

Statement as to the affairs of (a) _
HMV Music Limited t/a HMV
Windsor House
Spittal Street
Marlow
Bucks
SL7 3HJ

on the (b) 15th day of January 2013 the date that the company entered
administration

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete
statement of the affairs of the above named company as at (b) 15 January 2013 the
date that the company entered administration

Full name JAN KENYON

Signed [Signature]

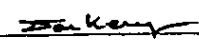
Dated 8/2/2013

ADML2010_196

DIRECTORS' STATEMENTS OF AFFAIRS – HMV MUSIC LIMITED

A – Summary of Assets

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge		
Fixed assets	35 725 196	Nil
Assets subject to floating charge		
Stock	41,852 568	7 500 000
Debtors	43 805 323	5 000 000
Cash	47 140,910	Nil
Loans	14 002 092	Nil
Intercompany	5 999 997	Nil
Uncharged assets		
Estimated total assets available for preferential creditors	188,526 086	12,500 000

Signature  Date 8/4/2013

DIRECTORS' STATEMENTS OF AFFAIRS – HMV MUSIC LIMITED

A1 – Summary of Liabilities

		Estimated to realise £
Estimated total assets available for preferential Creditors (carried from page A)		£ 12,500,000
Liabilities		
Preferential creditors:-	£ 1,400,000	
Estimated deficiency/surplus as regards preferential creditors		£ 11,100,000
Estimated prescribed part of net property where applicable (to carry forward)	£ 600,000	
Estimated total assets available for floating charge holders		£ 10,500,000
Debts secured by floating charges	£ 109,600,000	
Estimated deficiency/surplus of assets after floating charges		(£99,100,000)
Estimated prescribed part of net property where applicable (brought down)	£ 600,000	
Total assets available to unsecured creditors		£600,000
Unsecured non-preferential claims		(£146,572,591)
Estimated deficiency after floating charge where applicable (brought down)		
Estimated deficiency/surplus as regards creditors		(£245,072,591)
Issued and called up capital	£ 35,012,206	
Estimated total deficiency/surplus as regards members		(£280,084,797)

Signature  Date 8/2/2013

DIRECTORS' STATEMENTS OF AFFAIRS – HMV MUSIC LIMITED

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No of shares held	Nominal Value	Details of Shares held
HMV Group Plc	Windsor House Spittal Street Marlow Bucks SL7 3HJ	35 012 206	35,012,206	£1 Ordinary
TOTALS		35 012 206	35,012,206	

Date 8/2/2013

Signature

Banking

DIRECTORS' STATEMENTS OF AFFAIRS – HMV MUSIC LIMITED

COMPANY CREDITORS

Note You must include all creditors and identify all creditors under hire-purchase chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
	See Attached Purchase ledger	50,809,206			
	See Attached Expense Ledger	2,588,583			
Bank Syndicate	C/O RBS Corporate & Institutional Banking Level 7 2 1/2 Devonshire Square London EC2M 4BA	109,600,000	Fixed and Floating	Amendment and Restatement Agreement dated 6 June 2011 amending the Credit Facility Agreement originally dated 23 March 2005 (as amended and restated from time to time)	£109,600,000
Gift Cards	Various	6,500,000 est			
HMRC	HM Revenue & Customs, Large Business Service Manchester 17th Floor Albert Bridge House 1 Bridge Street Manchester M60 9BH	20,885,000			

Signature Starkery Date 8/2/2013

ADML2010_196

DIRECTORS' STATEMENTS OF AFFAIRS – HMV UK LIMITED

Rule 2.29
2.148

Form

Statement of affairs

Name of Company HMV UK Ltd	Company number 805812
In the High Court of Justice, Chancery Division	Court case number 322 of 2013


(a) Insert name and address of registered office of the company

Statement as to the affairs of (a) HMV UK Ltd
Windsor House Spittal Street Marlow Bucks SL7 3HU

on the (b) 15th day of January 2013 the date that the company entered administration

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above named company as at (b) 15 January 2013 the date that the company entered administration

Full name SHAWN DAVID CARNEY
Signed 
Dated 18/2/2013

ADML2010_196

DIRECTORS' STATEMENTS OF AFFAIRS – HMV UK LIMITED

A – Summary of Assets

Assets

Assets subject to fixed charge

Investment

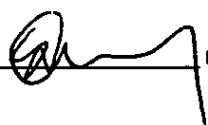
Assets subject to floating charge

Uncharged assets

Estimated total assets available for preferential creditors

Book Value £	Estimated to Realise £
86,000	Nil
86000	Nil

Signature



Date

18/2/2013

DIRECTORS' STATEMENTS OF AFFAIRS – HMV UK LIMITED

A1 – Summary of Liabilities

	Estimated to realise £
Estimated total assets available for preferential Creditors (carried from page A)	Nil
Liabilities	
Preferential creditors -	
Estimated deficiency/surplus as regards preferential creditors	
Estimated prescribed part of net property where applicable (to carry forward)	
Estimated total assets available for floating charge holders	
Debts secured by floating charges	£109,600,000
Estimated deficiency/surplus of assets after floating charges	(£109,600,000)
Estimated prescribed part of net property where applicable (brought down)	
Total assets available to unsecured creditors	
Unsecured non-preferential claims	
Estimated deficiency after floating charge where applicable (brought down)	
Estimated deficiency/surplus as regards creditors	(£109,600,000)
Issued and called up capital	£ 2,206,734
Estimated total deficiency/surplus as regards members	(£111,806,734)

Signature



Date

18/2/2013

DIRECTORS' STATEMENTS OF AFFAIRS – HMV UK LIMITED

COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
Bank Syndicate	C/O RBS Corporate & Institutional Banking Level 7 2 1/2 Devonshire Square London EC2M 4BA	109,600,000	Fixed and Floating	Amendment and Restatement Agreement dated 6 June 2011 amending the Credit Facility Agreement originally dated 23 March 2005 (as amended and restated from time to time)	£109,600,000

Signature  Date 18/2/2017

ADML2010_196

DIRECTORS' STATEMENTS OF AFFAIRS – HMV UK LIMITED

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
HMV Group Plc	Windsor House Spittal Street Marlow Bucks SL7 3HJ	3000	3000	£1 Deferred
HMV Group Plc	Windsor House Spittal Street Marlow Bucks SL7 3HJ	300	300	£1 Ordinary
HMV Music Limited	Windsor House Spittal Street Marlow Bucks SL7 3HJ	2,203,434	2,203,434	£1 Ordinary
	TOTALS	2,206,734	2,206,734	

Signature [Signature] Date 18/2/2013

DIRECTORS' STATEMENTS OF AFFAIRS – FOPP ENTERTAINMENTS LIMITED

Rule 2.29
2.148

Form

Statement of affairs

Name of Company Fopp Entertainments Limited	Company number 3040481
In the High Court of Justice, Chancery Division	Court case number 322 of 2013

(a) Insert name and address
of registered office of the
company

Statement as to the affairs of (a) _
Fopp Entertainments Limited
Windsor House
Spittal Street
Marlow
Bucks
SL7 3HJ

on the (b) 15th day of January 2013 the date that the company entered
administration

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and
complete statement of the affairs of the above named company as at (b) 15 January
2013 the date that the company entered administration

Full name IAN KENYON

Signed Ian Kenyon

Dated 8/2/2013

ADML2010_196

DIRECTORS' STATEMENTS OF AFFAIRS – FOPP ENTERTAINMENTS LIMITED

A – Summary of Assets

Assets

Assets subject to fixed charge

Fixed Assets

Assets subject to floating charge

Stock

Debtors

Prepayments

Cash

Loans

Uncharged assets

Estimated total assets available for preferential creditors

Book Value £	Estimated to Realise £
290,163	Nil
686,412	123,000
385,336	40,000
56,388	Nil
711,533	Nil
3,858,581	Nil
5,988,413	163,000

Signature *Farkany* Date 8/2/2013

DIRECTORS' STATEMENTS OF AFFAIRS – FOPP ENTERTAINMENTS LIMITED

A1 – Summary of Liabilities

	Estimated to realise £
Estimated total assets available for preferential Creditors (carried from page	£ 163,000
Liabilities	
Preferential creditors	£ 40,000
Estimated deficiency/surplus as regards preferential creditors	£ 123,000
Estimated prescribed part of net property where applicable (to carry forward)	£ 35,600
Estimated total assets available for floating charge holders	£ 87,400
Debts secured by floating charges	£ 109,600,000
Estimated deficiency/surplus of assets after floating charges	(£109,512,600)
Estimated prescribed part of net property where applicable (brought down)	£ 35,600
Total assets available to unsecured creditors	£35,600
Unsecured non-preferential claims	£ 1,629,631
Estimated deficiency after floating charge where applicable (brought down)	
Estimated deficiency/surplus as regards creditors	(£111,106,631)
Issued and called up capital	2
Estimated total deficiency/surplus as regards members	(£111,106,633)

Signature  Date 8/2/2013

DIRECTORS' STATEMENTS OF AFFAIRS – FOPP ENTERTAINMENTS LIMITED

COMPANY CREDITORS

Note You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
	See Attached Purchase ledger	780,425			
	See Attached Expense Ledger	23,508			
Bank Syndicate	C/O RBS Corporate & Institutional Banking Level 7 2 1/2 Devonshire Square London EC2M 4BA	109,600,000	Fixed and Floating	Amendment and Restatement Agreement dated 6 June 2011 amending the Credit Facility Agreement originally dated 23 March 2005 (as amended and restated from time to time)	£109,600,000
Gift Cards	Various	60,000 est			

Signature *For Key* Date 8/2/2013

ADML2010_196

DIRECTORS' STATEMENTS OF AFFAIRS – FOPP ENTERTAINMENTS LIMITED

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No of shares held	Nominal Value	Details of Shares held
HMV Group Plc	Windsor House, Spittal Street, Marlow, Bucks, SL7 3HJ	1	1	£1 Ordinary
HMV Music Limited	Windsor House, Spittal Street, Marlow, Bucks, SL7 3HJ	1	1	£1 Ordinary
TOTALS		2	2	

Signature _____ Date 8/2/2017

DIRECTORS' STATEMENTS OF AFFAIRS – HMV (IP) LIMITED

Rule 2.29
2.148

Form

Statement of affairs

Name of Company
HMV (IP) Limited

Company number
3702240

In the
High Court of Justice Chancery Division

Court case number
322 of 2013

(a) Insert name and address
of registered office of the

Statement as to the affairs of (a)
HMV (IP) Limited
Windsor House Spittal Street Marlow Bucks SL7 3HJ

company

on the (b) 15th day of January 2013 the date that the company entered
administration

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and
complete statement of the affairs of the above named company as at (b) 15 January
2013 the date that the company entered administration

Full name SAN KENTON

Signed 

Dated 7/2/2013

ADMI 2010_196

DIRECTORS' STATEMENTS OF AFFAIRS – HMV (IP) LIMITED

A – Summary of Assets

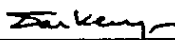
Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge		
Trademarks	2,000,000	300,000

Assets subject to floating charge

Group Relief	2,013,000	Nil
Intercompany loans & interest	10,114,157	Nil
Cash	1,728,613	Nil

Uncharged assets

Estimated total assets available for preferential creditors	15,855,770	Nil
---	------------	-----

Signature  Date 7/2/2013

DIRECTORS' STATEMENTS OF AFFAIRS – HMV (IP) LIMITED

A1 – Summary of Liabilities

		Estimated to realise £
Estimated total assets available for preferential Creditors (carried from page A)		£ 0
Liabilities		
Preferential creditors -		
Estimated deficiency/surplus as regards preferential creditors		
Estimated prescribed part of net property where applicable (to carry forward)	£	
Estimated total assets available for floating charge holders		£
Debts secured by floating charges		£ 109,600,000
Estimated deficiency/surplus of assets after floating charges		(£ 109,600,000)
Estimated prescribed part of net property where applicable (brought down)	£	
Total assets available to unsecured creditors		
Unsecured non-preferential claims		£23,467
Estimated deficiency after floating charge where applicable (brought down)		
Estimated deficiency/surplus as regards creditors		(£109,623,467)
Issued and called up capital	£2	
Estimated total deficiency/surplus as regards members		(£109,623,469)

Signature  Date 7/2/2013

DIRECTORS' STATEMENTS OF AFFAIRS –HMV (IP) LIMITED

COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over property in the company's possession

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £
HMRC	HM Revenue & Customs Large Business Service Manchester 17th Floor Albert Bridge House 1 Bridge Street Manchester M60 9BH	23,467			
Bank Syndicate	C/O RBS Corporate & Institutional Banking Level 7 2 1/2 Devonshire Square London EC2M 4BA	109,600,000	Fixed and Floating	Amendment and Restatement Agreement dated 6 June 2011 amending the Credit Facility Agreement originally dated 23 March 2005 (as amended and restated from time to time)	£109,600,000

Date 7/2/2013Signature Stanley

ADN 2010 196

DIRECTORS' STATEMENTS OF AFFAIRS – HMV (IP) LIMITED

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
HMV Group Plc	Windsor House, Spittal Street, Marlow, Bucks SL7 3HJ	2	2	£1 Ordinary
TOTALS		2	2	

Signature *Barkey* Date 7/2/2013

Rule 2 37

Creditor's request for a meeting

Name of Company HMV Group Plc	Company number 03412290
In the High Court of Justice (full name of court)	Court case number 323 of 2013

(a) Insert full name and address of the creditor making the request

I (a)

(b) Insert full name and address of registered office of the company

request a meeting of the creditors of (b)
HMV Group Plc

Hill House
1 Little New Street
London
EC4A 3TR

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and address(es) of creditors concurring with the request (if any) and their claims in the administration if the requesting creditor's claim is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of concurrence

(e) Insert details of the purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated

Rule 2 37

Creditor's request for a meeting

Name of Company
 HMV Music Limited

Company number
 00229249

In the
 High Court of Justice
 (full name of court)

Court case number
 322 of 2013

(a) Insert full name and
 address of the creditor
 making the request

I (a)

(b) Insert full name and
 address of registered
 office of the company

request a meeting of the creditors of (b)
 HMV Music Limited

Hill House
 1 Little New Street
 London
 EC4A 3TR

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and
 address(es) of creditors
 concurring with the
 request (if any) and their
 claims in the
 administration if the
 requesting creditor's
 claim
 is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of
 concurrence

(e) Insert details of the
 purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated

Rule 2 37

Creditor's request for a meeting

Name of Company
 HMV UK Limited

Company number
 00805812

In the
 High Court of Justice
 (full name of court)

Court case number
 321 of 2013

(a) Insert full name and
 address of the creditor
 making the request

I (a)

(b) Insert full name and
 address of registered
 office of the company

request a meeting of the creditors of (b)
 HMV UK Limited

 Hill House
 1 Little New Street
 London
 EC4A 3TR

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and
 address(es) of creditors
 concurring with the
 request (if any) and their
 claims in the
 administration if the
 requesting creditor's
 claim
 is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of
 concurrence

(e) Insert details of the
 purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated

Rule 2 37

Creditor's request for a meeting

Name of Company
HMV (IP) Limited

Company number
03702240

In the
High Court of Justice
(full name of court)

Court case number
325 of 2013

(a) Insert full name and
address of the creditor
making the request

I (a)

(b) Insert full name and
address of registered
office of the company

request a meeting of the creditors of (b)
HMV (IP) Limited

Hill House
1 Little New Street
London
EC4A 3TR

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and
address(es) of creditors
concurring with the
request (if any) and their
claims in the
administration if the
requesting creditor's
claim
is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of
concurrence

(e) Insert details of the
purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated

Rule 2.37

Creditor's request for a meeting

Name of Company
Fopp Entertainments Limited

Company number
03040481

In the
High Court of Justice
(full name of court)

Court case number
326 of 2013

(a) Insert full name and
address of the creditor
making the request

I (a)

(b) Insert full name and
address of registered
office of the company

request a meeting of the creditors of (b)
Fopp Entertainments Limited

Hill House
1 Little New Street
London
EC4A 3TR

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and
address(es) of creditors
concurring with the
request (if any) and their
claims in the
administration if the
requesting creditor's
claim
is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of
concurrence

(e) Insert details of the
purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated