In accordance with Rule 18.7 of the Insolvency (England & Wales) Rules 2016 and Sections 92A, 104A and 192 of the Insolvency Act 1986

LIQ03

Notice of progress report in voluntary winding up

Companies House

WEDNESDAY

A6EVBR9K
A11 13/09/2017 #282
COMPANIES HOUSE

1 Company details

Company number	0 3 4 1 2 2 9 0
Company name in full	HMV Group Plc

→ Filling in this form
Please complete in typescript or in bold black capitals.

2 Liquidator's name

Full forename(s)	Robert James
Surname	Harding

3 Liquidator's address

Building name/number	PO Box 810
Street	66 Shoe Lane
Post town	London
County/Region	
Postcode	E C 4 A 3 W A
Country	

4 Liquidator's name ❶

Full forename(s)	Nicholas Guy
Surname	Edwards

❶ Other liquidator
Use this section to tell us about another liquidator.

5 Liquidator's address ❷

Building name/number	PO Box 810
Street	66 Shoe Lane
Post town	London
County/Region	
Postcode	E C 4 A 3 W A
Country	

❷ Other liquidator
Use this section to tell us about another liquidator.

LIQ03
Notice of progress report in voluntary winding up

6 Period of progress report

From date	1 6	0 7	2 0 1 6
To date	1 5	0 7	2 0 1 7

7 Progress report

☐ The progress report is attached

8 Sign and date

Liquidator's signature
Signature
X X

Signature date	1 1	0 9	2 0 1 7

LIQ03
Notice of progress report in voluntary winding up

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Wendy Packwood
Company name	Deloitte LLP
Address	PO Box 810
	66 Shoe Lane
Post town	London
County/Region	
Postcode	E C 4 A 3 W A
Country	
DX	
Telephone	+44 121 632 6000

Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

Important information

All information on this form will appear on the public record.

Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Deloitte.

HMV Group PLC
Record Shop 2 Limited (formerly HMV Music Limited)
Both in Liquidation
(together "the Companies")

Progress report to creditors for the 12 month period to 15 July 2017 for HMV Group PLC ("HMV Group") and 12 month period to 16 July 2017 for Record Shop 2 Limited ("Record Shop 2") pursuant to Section 104A Insolvency Act 1986 and Rule 18.7 of the Insolvency (England & Wales) Rules 2016 ("the Rules").

Nicholas Guy Edwards, Robert James Harding and Neville Barry Kahn ("the Joint Liquidators") were appointed Joint Liquidators of HMV Group Plc and Record Shop 2 Limited following cessation of the administrations on 16 July 2014 and 17 July 2014 respectively. All licensed Insolvency Practitioners of Deloitte LLP ("Deloitte") are licensed in the UK to act as Insolvency Practitioners by the Institute of Chartered Accountants in England and Wales.

For the purposes of Section 231 of the Insolvency Act 1986 (as amended), ("the Act"), the Joint Liquidators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

12 September 2017

Key messages

Key messages

Joint Liquidators of the Companies

Nicholas Guy Edwards
Robert James Harding
Neville Barry Kahn

Deloitte LLP
Hill house
1 Little New Street
London
ED4A 3TR

Contact details

Email: hmv@deloitte.co.uk

Website: hmv@deloitte.co.uk

Tel: 0121 696 8661

	Commentary
Progress of the liquidations during the report period	• Record Shop 2 has realised £3,250,000 in respect of certain settlement agreements with third parties in respect of litigation commenced prior to the preceding Administration appointment. The details of the litigation and settlements are confidential and therefore no further detail can be disclosed. • HMV Group has been reimbursed £1.1m by Record Shop 2 in respect of litigation costs (legal fees and agents) settled on its behalf. • Record Shop 2 has received further rates refunds of £17,259 in the period.
Costs	• The basis of the Joint Liquidators remuneration has been fixed by reference to time costs. • We highlight that HMV Group time costs to 15 July 2016 per our last report included 207.80 hours at a cost of £141,523.50 which related to litigation proceedings. As the litigation related to Record Shop 2, this time has been reallocated in this report. This has the effect of reducing the reported time costs in HMV Group for the period to 15 July 2016 to £607,959.75 and increasing time costs in Record Shop 2 to £749,065.50. Please note this is purely a re-allocation and does not impact the total time costs across the combined liquidation estates or the outcome for creditors in any way. • For HMV Group, we have incurred time costs of £97,198.70 during the report period, bringing our total time costs for the period of our appointment to £705,158.45. • For Record Shop 2, we have incurred time costs of £463,147.65 during the report period, bringing our total time costs for the period of our appointment to £1,212,213.15. • Fees of £879,830 have been drawn during the period in Record Shop 2. • Further detail on our remuneration is included on page 11.
Outstanding matters	• Payment of the Prescribed Part distributions. • Case closure.
Dividend prospects	• A further distribution of £2.5m was made to the secured creditor in the period from Record Shop 2, bringing distributions in the Liquidations to £4.9m. There will be insufficient funds for the secured creditor to be paid in full. • Preferential creditors have been paid in full. • A maximum prescribed part of £600,000 will be available for distribution to unsecured creditors in each of HMV Group and Record Shop 2. Aside from the Prescribed Part, no further distributions will be made to unsecured creditors.

Progress of the Liquidations

Progress of the Liquidations
Overview

Progress of the Liquidations

Overview

Details are provided below regarding the areas progressed in the period.

Work done during the report period

Litigation

Certain litigation claims were finalised in the period with settlement agreements being reached with relevant counter parties.

The Joint Liquidators are unable to provide further information as the details of the litigation are confidential.

Re-allocation of Litigation fees and expenses

We highlight that legal fees and expenses (being other professional advisers) in respect of the litigation claims were reallocated in the period from HMV Group to Record Shop 2.

Costs had previously been recorded in HMV Group as the addressee of the invoices, however, the costs were re-allocated as the litigation related to Record Shop 2 and all proceeds from litigation are recorded in Record Shop 2.

For ease of comparison we have presented a restated receipts and payments account as at 15 July 2016 and 16 July 2016 at pages 7 and 8 of his report.

In the Period RS2 reimbursed HMV Group for the £1.1m of costs incurred for the period to 15 July 2016, leaving £1,066 due to be repaid to HMV Group by RS2.

Other

Other matters progressed in the period include VAT matters (with two returns prepared in the period to recover VAT due to the Companies) and employee related matters linked to individuals claims in the Liquidation, principally in respect of Employment tribunals.

Progress of the Liquidations

Asset realisations

Record Shop 2 Asset Realisations

Record Shop 2 was involved in litigation with third parties which was settled in the period, resulting in a realisation of £3,250,000.

The Joint Liquidators are unable to provide further information as the details of the litigation are confidential.

Rates refunds of £17,259 have been received in this period, along with £4,558 of interest accrued on the balance of cash held in the Liquidation and a tax refund of £168.

HMV Group Asset Realisations

An amount of £461 of interest accrued on the balance of cash held in the Liquidation has been received during the period, in addition to a tax refund of £11.

Estimated future realisations

No further realisations are expected.

Statutory tasks

During the period we have carried out the following tasks which primarily relate to fulfilment of statutory and compliance obligations and other tasks of an administrative nature:

- Case and management
- Statutory reporting
- Correspondence with creditors
- Case reviews
- Cashiering functions
- Corporation tax matters

These tasks are a necessary part of the engagement but do not generate any direct financial benefit for creditors.

Progress of the Liquidations
Overview

Progress of the Liquidations

Investigations

We have reviewed the information available to assess whether there are any matters that might lead to a recovery for the benefit of creditors, such as potential claims that may be brought against parties either connected to or who have had past dealings with the Company.

Having completed this review no further avenues of recovery have been identified.

If you have any information that you feel we should know, please contact us in writing using the contact details on Page 3 above.

Cost of the work done during the report period

Record Shop 2

The following costs were incurred during the report period:

- A settlement of £89k was finalised in respect of a Retention of Title claim agreed in the preceding Administration.
- Storage costs of £53k were settled in the period in respect of the Companies books and records.
- HMV Ireland was paid £35k reflecting their share of net realisations from litigation settlements agreed in the period.
- As reported previously, Simmons & Simmons LLP were instructed by the Joint Liquidators to provide legal advice including employee matters and negotiation of litigation settlements. During the period covered by this report, Simmons & Simmons LLP has been paid £121,412 plus VAT (including disbursements).

Progress of the Liquidations

Cost of the work done during the report period (continued)

- Stewarts Law LLP were instructed by the Companies and subsequently by the Joint Administrators/Joint Liquidators to provide legal advice in respect of the litigation. Under the terms of engagement with Stewarts Law LLP, the Liquidators made payments on account in respect of estimated future costs and accounted for the VAT on such costs upon receipt of invoices. The amount previously reported as paid included both invoiced amounts and payments on account (for which the VAT had not yet been accounted for).

  During the period covered by this report, the Liquidators made payments on account of £848,000 to Stewarts Law LLP. As the Litigation work is complete, Stewarts Law LLP reimbursed the Liquidators £864,977, reflecting sums held on account after settlement of all legal costs. VAT of £123k has been recovered in respect of payments on account previously made to Stewarts Law. This means that the net position was a reduction in Litigation fees and expenses in respect of Stewarts Law of £140,423 in the Period.
- In addition, Navigant Consulting (Europe) Limited, FTI Consulting LLP and E.CA Economics Gmbh were instructed to provide expert advice / consulting support to Stewarts Law LLP. During the period covered by this report, the following payments were made:
  - Navigant Consulting (Europe) Limited £49,914 plus VAT;
  - FTI Consulting LLP £169,829 plus VAT; and
  - E.CA Economics Gmbh £47,080.
- Liquidators' remuneration and expenses. Further information on these costs is provided on page 11.

£23,811 of the above costs are yet to be paid, as shown in the receipts and payments account on page 8.

Progress of the Liquidations

HMV R&P account

HMV Group - Joint Liquidators' receipts and payments account 16 July 2016 to 15 July 2017

£	Notes	Last report	Re-allocation	Restated prior period	Period	To date
Receipts	3					
Sundry refunds		10,985	-	10,985	11	10,996
Rates Refunds		2,916	-	2,916	(0)	2,916
Intercompany loan		330,000	-	330,000	(330,000)	-
Surplus from the Administration		960,893	-	960,893	(0)	960,893
Bank Interest		2,998	-	2,998	461	3,458
Total receipts		**1,307,792**	**-**	**1,307,792**	**(329,530)**	**978,262**
Payments						
Rates		3,210	-	3,210	0	3,210
Closure Costs/ Key Holding		1,647	-	1,647	-	1,647
Prov. Liquidators Fees		480	-	480	-	480
Legal fees - IP Recordals		600	-	600	-	600
Legal fees and expenses	4	1,118,599	(1,114,099)	4,500	-	4,500
Storage Costs		413	-	413	(92)	321
Postage & Redirection		16,750	-	16,750	-	16,750
Statutory Advertising		169	-	169	0	169
Preferential Distribution		55,384	-	55,384	0	55,384
Irrecoverable VAT		326	-	326	-	326
Bank Charges		553	-	553	35	588
Total payments		**1,198,132**	**(1,114,099)**	**84,033**	**(56)**	**83,977**
Balance		**109,660**	**1,114,099**	**1,223,759**	**(329,474)**	**894,285**
Made up of:						
VAT (Payable)/Receivable	2	99,156	-	99,156	156,831	255,987
Floating IB Current A/C	1	10,504	-	10,504	626,728	637,232
Due from/(to) RS2	4	-	1,114,099	1,114,099	(1,113,033)	1,066
Balance in hand		**109,660**	**1,114,099**	**1,223,759**	**(329,474)**	**894,285**

Receipts and payments account

A receipts and payments account is provided opposite detailing the transactions in the liquidation of HMV Group to 15 July 2017 and all transactions since the our appointment.

Notes to receipts and payments account

Note 1: All funds are held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HM Revenue & Customs.

Note 2: All sums shown above are shown net of VAT, which is recoverable/payable and will be accounted for to HM Revenue & Customs in due course.

Note 3: Per SIP7 (E&W), no Statement of Affairs figures are provided as the Liquidation follows an Administration.

Note 4: As previously noted, legal fees and litigation expenses have been reallocated in the period from HMV Group to RS2.

All professional costs are reviewed and analysed in detail before payment is approved

Progress of the Liquidations

Record Shop 2 R&P account

Record Shop 2 - Joint Liquidators' receipts and payments account
17 July 2016 to 16 July 2017

£	Notes	Last report	Re-allocation	Restated prior period	Period	To date
Receipts	3					
RS1 agency agreement		2,350,116	-	2,350,116	-	2,350,116
HMV Retail licence fee		935,031	-	935,031	-	935,031
Rates Refunds		271,207	-	271,207	17,259	288,466
Repayment of US rent		127,905	-	127,905	-	127,905
Oxford St. cost award		87,728	-	87,728	-	87,729
American Express Reserve		81,105	-	81,105	-	81,105
Sundry Refunds		10,717	-	10,717	168	10,885
Book Debts		5,505	-	5,505	-	5,505
Leasehold property		3,609	-	3,609	-	3,609
Sales		1,191	-	1,191	-	1,191
Surplus funds from Administration		4,332,998	-	4,332,998	-	4,332,998
Litigation Settlements		-	-	-	3,250,000	3,250,000
Administration VAT received from HMRC		145,200	-	145,200	-	145,200
VAT Reclaimed in error		83	-	83	-	83
Bank Interest Gross		22,324	-	22,324	4,558	26,882
Total receipts		**8,374,718**	-	**8,374,718**	**3,271,985**	**11,646,704**
Payments						
Rents paid under indemnity/licence fee		1,040,832	-	1,040,832	-	1,040,832
Rates refund agents fees		343,693	-	343,693	5,510	349,203
ROT Settlement		300,000	-	300,000	89,000	389,000
Store Rent		160,162	-	160,162	-	160,164
Rates		2,415	-	2,415	-	2,415
Insurance of Assets		1,956	-	1,956	-	1,956
Utilities		1,718	-	1,718	-	1,718
Closure Costs		1,316	-	1,316	-	1,316
Inland Revenue		131	-	131	-	131
Other employee expenses		-	-	-	107	107
Legal fees		329,261	-	329,261	116,508	445,768
Legal disbursements		44,937	-	44,937	4,649	49,586
Professional fees		633	-	633	-	633
Employement Tribunal Fees		-	-	-	542	542
Litigation fees and expenses	4	629,567	1,114,099	1,743,666	161,301	1,904,967
HMV Ireland Share of Litigation		-	-	-	35,000	35,000
Liquidator's Fees		15,000	-	15,000	879,830	894,830
Liquidator's Expenses		-	-	-	1,759	1,759
Storage Costs		70,560	-	70,560	52,893	123,453
Postage & Redirection		-	-	-	5,437	5,437
Statutory Advertising		169	-	169	-	169
Employees Wage Arrears		378,770	-	378,770	-	378,770
Distribution to Secured Creditors		2,400,000	-	2,400,000	2,495,309	4,895,309
Corporation Tax		12,017	-	12,017	8,136	20,153
Bank Charges		1,094	-	1,094	145	1,239
Bank Interest		-	-	-	-	0
Total payments		**5,734,231**	**1,114,099**	**6,848,330**	**3,856,125**	**10,704,456**
Balance		**2,640,486**	**(1,114,099)**	**1,526,387**	**(584,139)**	**942,248**
Made up of:						
VAT (Payable)/Receivable	2	59,975	-	59,975	176,959	236,934
Floating IB Current A/C	1	2,250,512	-	2,250,512	(1,520,320)	730,192
Trade creditors	5	-	-	-	(23,811)	(23,811)
Due from/(to) HMV Group	4	330,000	(1,114,099)	(784,099)	783,033	(1,066)
Balance in hand		**2,640,486**	**(1,114,099)**	**1,526,387**	**(584,139)**	**942,248**

Receipts and payments account

A receipts and payments account is provided opposite, detailing the transactions in the liquidation of Record Shop 2 to 16 July 2017, and all transactions since the Joint Liquidators' appointment.

Notes to receipts and payments account

Note 1: All funds are held in an interest bearing account. The associated corporation tax on interest received will be accounted for to HM Revenue & Customs.

Note 2: All sums shown above are shown net of VAT, which is recoverable/payable and will be accounted for to HM Revenue & Customs in due course.

Note 3: Per SIP7 (E&W), no Statement of Affairs figures are provided as the Liquidation follows an Administration.

Note 4: As previously noted, legal fees and litigation expenses have been reallocated in the period from HMV Group to RS2.

All professional costs are reviewed and analysed in detail before payment is approved

Note 5: Costs incurred and reflected in the receipts and payments account totalling £23,811 remained unpaid at 16 July 2017.

All professional costs are reviewed and analysed in detail before payment is approved

Information for creditors

Information for creditors

Information for creditors

Secured creditors

During the preceding administrations £46.6m was distributed to the secured creditor. Funds of £4.9m have been paid during the Liquidations to date by the Companies.

The secured creditor will not be repaid in full.

Preferential creditors

A preferential dividend of 100 pence in the £ was declared on 4 February 2015.

Prescribed Part and unsecured creditors

The Joint Liquidators anticipate that there will be the maximum PP of £600,000 available for distribution to unsecured creditors of each of the Companies.

To date no distributions have been made to unsecured creditors of either Company.

There will be insufficient funds to enable a distribution to unsecured creditors of the Companies other than by virtue of the PP, as detailed above.

Work to agree claims submitted to date will commence in due course and a notice of intended dividend will be sent to all creditors of the Companies shortly.

Information for creditors

Claims process – creditors with debts of £1,000 or less

You do not need to prove your debt for dividend purposes if the amount you are owed is £1,000 or less, unless you wish to vote in this decision, or any other, decision procedure in which case proof of claim must be given.

We will notify you if funds become available for dividend purposes. Your claim will be admitted in the amount shown in the Company's records/statement of affairs. If you disagree with that amount you will be provided with an opportunity to notify us of the correct amount.

Claims process – creditors with debts of more than £1,000

Unsecured creditors with claims of more than £1,000 are invited to submit their claims to us by completing a proof of debt form which is available on the administration website and which should be sent to the address on page 3, marked for the attention of Wendy Packwood.

Remuneration and expenses

Remuneration and expenses
Time costs

Remuneration and expenses

Joint Liquidators' remuneration

"A Creditors' Guide to Remuneration" is available for download at www.deloitte.com/uk/hmv.

Should you require a paper copy, please send your request in writing to us at the address on the front of this report and this will be provided to you at no cost.

Basis of remuneration

The basis of our remuneration was fixed on 9 April 2013 by the secured and preferential creditors in the preceding administration by reference to the time properly given by the Joint Liquidators and their staff in attending to matters arising in the liquidation calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, plus VAT.

Time costs incurred

Prior period re-allocation

We highlight that HMV Group time costs to 15 July 2016 per our last report included 207.80 hours at a cost of £141,523.50 which related to litigation proceedings.

As the litigation related to Record Shop 2, this time has been reallocated in this report. This has the effect of reducing the reported time costs in HMV Group for the period to 15 July 2016 to £607,959.75 and increasing time costs in Record Shop 2 to £749,065.50, as set out below.

HMV Group and Record Shop 2 - re-allocation of time costs to 15 July 2016

	Per last report		Re-allocation		Restated	
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)
HMV Group	1,248.15	749,483.25	(207.80)	(141,523.50)	1,040.35	607,959.75
Record Shop 2	1,472.30	607,542.00	207.80	141,523.50	1,680 10	749,065.50
Total combined	**2,720.45**	**1,357,025.25**	**(0.00)**	**-**	**2,720.45**	**1,357,025.25**

Note. time made up of 28 hours (costs of £25,480) relating to other assets and 179 8 hours (cost of £116,043 5) relating to litigation.

For the avoidance of doubt this is purely a re-allocation and does not impact the total time costs across the combined liquidation estates.

Remuneration and expenses

Time costs incurred (continued)

HMV Group

Our time costs for the period are £97,198.70, made up of 281.38 hours at an average charge out rate of £345.44 per hour across all grade of staff.

This brings our total time costs since the date of appointment on 16 July 2014 to £705,158.45, made up of 1,321.73 hours at an average charge out rate of £533.51 per hour across all grade of staff.

We have not drawn remuneration in respect of these costs but anticipate drawing fees in due course as a contribution to the costs incurred. Time costs will not be drawn in full.

Record Shop 2

Our time costs for the period are £463,147.65, made up of 805.12 hours at an average charge out rate of £575.25 per hour across all grade of staff.

This brings our total time costs since the date of appointment on 17 July 2014 to £1,212,213.15, made up of 2,485.22 hours at an average charge out rate of £487.77 per hour across all grades of staff.

To date we have drawn £879,830 of remuneration as shown in the receipts and payments account on page 7.

Nature of time costs

A detailed breakdown of time costs together with details of our charge rates are shown on pages 12 to 15. Please note that time is charged in six minute increments.

Our time costs for the period, in addition to general compliance and case related matters, largely comprise time spent in relation to the confidential litigation in which Record Shop 2 was engaged. This time has been spent primarily compiling evidence to support our claim, liaison with our legal representatives in respect of the claims and settlement discussions with defendants to generate a cost effective return to the liquidation estate of Record Shop 2 from the litigation.

Joint Liquidators' time costs

HMV Group PLC Joint Liquidators' time costs for the period 16 July 2016 to 15 July 2017

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	0.80	828.50	0.55	382.75	5.00	2,711.50	24.70	10,285.50	0.20	65.00	31.25	14,273.25	456.74
Case Management and Closure	12.00	11,095.00	25.00	12,869.75	0.35	160.75	25.20	9,255.00	75.93	17,016.45	138.48	50,396.95	363.93
General Reporting	-	-	3.00	1,503.75	-	-	3.00	1,025.00	9.10	2,025.00	15.10	4,553.75	301.57
	12.80	11,923.50	28.55	14,756.25	5.35	2,872.25	52.90	20,565.50	85.23	19,106.45	184.83	69,223.95	374.53
Realisation of Assets													
Other Assets (e.g. Stock)	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Creditors													
Employees	-	-	0.25	128.75	-	-	9.10	3,157.50	-	-	9.35	3,286.25	351.47
Shareholders	-	-	-	-	-	-	2.60	924.00	0.20	43.00	2.80	967.00	345.36
Unsecured	-	-	2.00	1,030.00	-	-	3.50	1,297.50	4.35	933.50	9.85	3,261.00	331.07
	-	-	2.25	1,158.75	-	-	15.20	5,379.00	4.55	976.50	22.00	7,514.25	341.56
Case Specific Matters													
Litigation	-	-	0.75	378.75	-	-	-	-	-	-	0.75	378.75	505.00
VAT	1.00	1,250.00	2.25	1,848.75	-	-	4.00	1,780.00	64.75	14,527.00	72.00	19,405.75	269.52
Tax	-	-	0.10	51.50	-	-	1.70	624.50	-	-	1.80	676.00	375.56
	1.00	1,250.00	3.10	2,279.00	-	-	5.70	2,404.50	64.75	14,527.00	74.55	20,460.50	274.45
TOTAL HOURS & COST	13.80	13,173.50	33.90	18,194.00	5.35	2,872.25	73.80	28,349.00	154.53	34,609.95	281.38	97,198.70	345.44
AVERAGE RATE/HOUR PER GRADE		£ 954.60		£ 536.70		£ 536.87		£ 384.13		£ 223.97			
FEES DRAWN												0.00	

Joint Liquidators' time costs

HMV Group PLC Joint Liquidators' total time costs to 15 July 2017

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	1.90	1,775.50	5.85	3,863.00	13.20	6,868.00	66.80	27,384.00	54.15	14,602.25	141.90	54,492.75	384.02
Case Management and Closure	175.65	156,523.00	33.95	17,852.75	8.35	4,281.25	43.90	16,544.50	212.23	51,266.20	474.08	246,467.70	519.89
Initial Actions	0.10	86.50	0.50	317.50	13.00	6,455.00	5.30	2,093.50	6.80	1,360.50	25.70	10,313.00	401.28
General Reporting	-	-	3.00	1,503.75	3.00	1,590.00	3.00	1,025.00	25.75	6,841.25	34.75	10,960.00	315.40
	177.65	158,385.00	43.30	23,537.00	37.55	19,194.25	119.00	47,047.00	298.93	74,070.20	676.43	322,233.45	476.37
Investigations													
Reports on Directors' Conduct	-	-	-	-	1.00	505.00	0.20	81.00	4.40	1,078.00	5.60	1,664.00	297.14
	-	-	-	-	1.00	505.00	0.20	81.00	4.40	1,078.00	5.60	1,664.00	297.14
Trading													
Closure of Trade	-	-	-	-	-	-	-	-	0.40	126.00	0.40	126.00	315.00
	-	-	-	-	-	-	-	-	0.40	126.00	0.40	126.00	315.00
Realisation of Assets													
Book Debts	-	-	-	-	-	-	-	-	0.20	63.00	0.20	63.00	315.00
Other Assets (e.g. Stock)	256.00	220,975.00	-	-	-	-	0.20	81.00	11.50	1,725.00	267.70	222,781.00	832.20
Property - Freehold and Leasehold	-	-	-	-	-	-	4.10	1,619.50	11.65	3,063.25	15.75	4,682.75	297.32
	256.00	220,975.00	-	-	-	-	4.30	1,700.50	23.35	4,851.25	283.65	227,526.75	802.14
Creditors													
Employees	-	-	0.75	453.75	4.00	2,020.00	21.70	8,241.50	4.30	1,258.75	30.75	11,974.00	389.40
Preferential	-	-	1.80	1,170.00	-	-	-	-	18.95	4,522.50	20.75	5,692.50	274.34
Shareholders	-	-	2.80	1,820.00	-	-	2.60	924.00	10.25	3,208.75	15.65	5,952.75	380.37
Unsecured	-	-	2.00	1,030.00	6.50	3,282.50	4.20	1,575.00	69.90	16,430.25	82.60	22,317.75	270.19
	-	-	7.35	4,473.75	10.50	5,302.50	28.50	10,740.50	103.40	25,420.25	149.75	45,937.00	306.76
Case Specific Matters													
Litigation	2.50	2,237.50	2.50	1,253.75	-	-	-	-	2.05	615.50	7.05	4,106.75	582.52
Pensions	-	-	1.00	642.50	-	-	-	-	-	-	1.00	642.50	642.50
VAT	47.50	51,097.50	5.85	4,236.75	-	-	12.80	5,160.00	111.35	26,440.00	177.50	86,934.25	489.77
Tax	6.00	7,050.00	8.05	7,151.50	-	-	2.90	1,014.50	3.40	771.75	20.35	15,987.75	785.64
	56.00	60,385.00	17.40	13,284.50	-	-	15.70	6,174.50	116.80	27,827.25	205.90	107,671.25	522.93
TOTAL HOURS & COST	489.65	439,745.00	68.05	41,295.25	49.05	25,001.75	167.70	65,743.50	547.28	133,372.95	1,321.73	705,158.45	533.51
AVERAGE RATE/HOUR PER GRADE		£ 898.08		£ 606.84		£ 509.72		£ 392.03		£ 243.70			
FEES DRAWN												0.00	

Joint Liquidators' time costs

Record Shop 2 Limited Joint Liquidators' time costs for the period 17 July 2016 to 16 July 2017

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	0.45	462.75	6.30	4,381.50	3.80	2,069.50	30.50	12,947.50	0.50	162.50	41.55	20,023.75	481.92
Case Management and Closure	7.00	6,370.00	21.65	11,135.50	0.35	160 75	20.20	7,485.00	17.92	4,281.15	67.12	29,432.40	438.50
General Reporting	-	-	3 00	1,503.75	-	-	1.50	507.50	9.80	2,169.00	14.30	4,180 25	292.33
	7.45	6,832.75	30.95	17,020.75	4.15	2,230.25	52.20	20,940.00	28.22	6,612.65	122.97	53,636.40	436.17
Realisation of Assets													
Other Assets (e.g. Stock)	227.50	210,450.00	7.80	5,460.00	-	-	-	-	-	-	235.30	215,910.00	917.59
	227.50	210,450.00	7.80	5,460.00	-	-	-	-	-	-	235.30	215,910.00	917.59
Creditors													
Employees	-	-	0.25	128.75	26.00	14,170.00	99.40	43,170.00	87.25	28,356.25	212.90	85,825.00	403.12
Unsecured	-	-	0.75	386.25	-	-	5.40	2,205.00	8.20	1,760.75	14.35	4,352.00	303.28
	-	-	1.00	515.00	26.00	14,170.00	104.80	45,375.00	95.45	30,117.00	227.25	90,177.00	396.82
Case Specific Matters													
Litigation	9.00	6,270.00	163.65	83,496.75	-	-	-	-	-	-	172 65	89,766 75	519.93
VAT	-	-	2.40	1,236.00	-	-	1.30	493.50	26.30	6,251.50	30.00	7,981.00	266.03
Tax	-	-	2.50	2,334.50	-	-	4.20	1,702.00	10.25	1,640.00	16.95	5,676.50	334.90
	9.00	6,270.00	168.55	87,067.25	-	-	5.50	2,195.50	36.55	7,891.50	219.60	103,424.25	470.97
TOTAL HOURS & COST	243.95	223,552.75	208.30	110,063.00	30.15	16,400.25	162.50	68,510.50	160.22	44,621.15	805.12	463,147.65	575.25
AVERAGE RATE/HOUR PER GRADE		£ 916.39		£ 528.39		£ 543.96		£ 421.60		£ 278.50			
FEES DRAWN												879,830 00	

Joint Liquidators' time costs

Record Shop 2 Limited Joint Liquidators' total time costs to 16 July 2017

All partners and technical staff (including cashiers) assigned to the case recorded their time spent working on the case on a computerised time recording system. Time spent by secretarial staff working on the assignment has not been recorded or recovered. The appropriate staff have been assigned to work on each aspect of the case based upon their seniority and experience, having regard to the complexity of the relevant work, the financial value of the assets being realised and/or claims agreed.

	Partners & Directors		Assistant Directors		Managers		Assistant Managers		Assistants & Support		TOTAL		Average rate/h
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)
Administration and Planning													
Cashiering and Statutory Filing	1.25	1,151.75	30.35	20,241.50	18.90	9,756.50	108.10	44,755.50	141.45	32,714.75	300.05	108,620.00	362.01
Case Management and Closure	12.45	10,951.00	70.35	42,124.00	27.05	14,199.75	48.80	19,120.00	162.52	42,662.90	321.17	129,057.65	401.84
Initial Actions	0.10	86.50	-	-	14.00	7,080.00	1.40	553.00	9.20	1,840.50	24.70	9,560.00	387.04
General Reporting	-	-	3.00	1,503.75	27.50	13,962.50	1.50	507.50	37.80	10,561.50	69.80	26,535.25	380.16
	13.80	12,189.25	103.70	63,869.25	87.45	44,998.75	159.80	64,936.00	350.97	87,779.65	715.72	273,772.90	382.51
Investigations													
Investigations	-	-	1.00	490.00	-	-	-	-	11.50	2,932.50	12.50	3,422.50	273.80
Reports on Directors' Conduct	-	-	-	-	1.00	505.00	0.20	81.00	3.10	759.50	4.30	1,345.50	312.91
	-	-	1.00	490.00	1.00	505.00	0.20	81.00	14.60	3,692.00	16.80	4,768.00	283.81
Trading													
Ongoing Trading	-	-	1.00	465.00	-	-	-	-	-	-	1.00	465.00	465.00
Closure of Trade	-	-	-	-	0.50	247.50	0.30	121.50	13.45	3,190.25	14.25	3,559.25	249.77
	-	-	1.00	465.00	0.50	247.50	0.30	121.50	13.45	3,190.25	15.25	4,024.25	263.89
Realisation of Assets													
Book Debts	-	-	-	-	-	-	-	-	2.75	852.25	2.75	852.25	309.91
Other Assets (e.g. Stock)	255.50	235,930.00	20.90	14,339.00	20.90	10,927.00	8.40	3,398.00	-	-	305.70	264,594.00	865.53
Property - Freehold and Leasehold	0.50	412.50	19.10	12,415.00	24.00	12,260.00	4.90	1,969.50	20.90	5,117.50	69.40	32,174.50	463.61
Retention of Title	-	-	15.70	10,229.50	1.50	795.00	-	-	0.10	20.00	17.30	11,044.50	638.41
Sale of Business / Assets	-	-	-	-	-	-	-	-	2.70	661.50	2.70	661.50	245.00
Third Party Assets	-	-	-	-	30.00	15,150.00	-	-	-	-	30.00	15,150.00	505.00
	256.00	236,342.50	55.70	36,983.50	76.40	39,132.00	13.30	5,367.50	26.45	6,651.25	427.85	324,476.75	758.39
Creditors													
Employees	1.00	840.00	18.05	11,712.25	26.00	14,170.00	247.90	105,475.50	195.70	58,882.25	488.65	191,080.00	391.04
Preferential	-	-	9.60	6,240.00	-	-	0.20	79.00	93.15	26,191.50	102.95	32,510.50	315.79
Secured	6.50	5,430.00	3.10	2,015.00	23.80	12,106.50	1.60	648.00	-	-	35.00	20,199.50	577.13
Shareholders	-	-	-	-	-	-	-	-	0.95	292.50	0.95	292.50	307.89
Unsecured	1.00	840.00	6.25	3,985.75	15.40	7,919.00	6.60	2,689.00	70.75	19,210.25	100.00	34,644.00	346.44
	8.50	7,110.00	37.00	23,953.00	65.20	34,195.50	256.30	108,891.50	360.55	104,576.50	727.55	278,726.50	383.10
Case Specific Matters													
Litigation	112.30	86,313.50	272.90	154,201.75	-	-	-	-	10.95	3,554.25	396.15	244,069.50	616.10
Pensions	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT	0.50	412.50	17.95	11,204.00	37.50	19,065.00	18.20	7,056.00	56.00	14,185.50	130.15	51,923.00	398.95
Tax	0.25	220.00	24.55	21,724.00	4.00	2,120.00	4.20	1,702.00	22.75	4,686.25	55.75	30,452.25	546.23
	113.05	86,946.00	315.40	187,129.75	41.50	21,185.00	22.40	8,758.00	89.70	22,426.00	582.05	326,444.75	560.85
TOTAL HOURS & COST	391.35	342,587.75	513.80	312,890.50	272.05	140,263.75	452.30	188,155.50	855.72	228,315.65	2,485.22	1,212,213.15	487.77
AVERAGE RATE/HOUR PER GRADE		£ 875.40		£ 608.97		£ 515.58		£ 416.00		£ 266.81			
FEES DRAWN												894,830.00	

Remuneration and expenses
Disbursements

Category 1 Disbursements

These are payments made by us direct to third parties and for which no approval is required.

Category 2 Disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs.

Disbursements

Our disbursements to date are summarised below:

Category 1 disbursements

	£ (net)			
	Period	Total	Paid	Unpaid
Postage	5,519.00	5,519.00	5,399.00	120.00
Couriers	15.00	88.60	18.60	70.00
Legal fees and expenses	-	384.00	-	384.00
Tax compliance	-	582.14	19.10	563.04
Travel and subsistence	561.35	1,456.04	1,420.14	35.90
Total disbursements	6,095.35	8,029.78	6,856.84	1,172.94

Category 2 Disbursements

These are costs and expenses initially paid by us and which are not generally made to a third party, for example, reimbursement to staff engaged on the case for their mileage costs. These may also include shared or allocated costs. Specific approval is required before these costs and expenses can to be drawn from the liquidation estate.

Mileage is calculated at the prevailing standard mileage rate of up to 45p used by Deloitte at the time when the mileage is incurred.

Details of all disbursements are given below and from which it can be seen that we have not recovered our disbursements in full.

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 us to provide additional information regarding remuneration or expenses to that already supplied within this report. Such requests must be made within 21 days of receipt of this report, in accordance with Rule 18.9 of the Rules.

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 18.34 of the Rules), reducing the amount or the basis of remuneration which we are entitled to charge or otherwise challenging some or all of the expenses incurred.

Such applications must be made within eight weeks of receipt by the applicant(s) of the progress report detailing the remuneration and/or expenses being complained of, in accordance with Rule 18.34(3) of the Rules.

Please note that such challenges may not disturb remuneration or expenses approved or deemed to be approved under prior progress reports.

Deloitte.