Rule 2 47

The Insolvency Act 1986

Form 2 24B(CH)

Administrator's progress report

Name of Company	Company Number
Maltby Investments Limited	06226775

In the	Court case number
High Court of Justice, Chancery Division, Companies Court (full name of court)	703 of 2011

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

We (a) Peter Norman Spratt and Anthony Victor Lomas
both of PricewaterhouseCoopers LLP, 7 More Riverside, London, SE1 2RT

administrators of the above company attach a progress report for the period

from (b) 15 December 2012 to (b) 14 June 2013

(b) Insert dates

Signed ____________________
Joint Administrator

Dated 11 July 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 form The contact information that you give will be visible to searchers of the public record

Luke Hoare	
Pricewatehouse Coopers LLP, 7 More Riverside, London, SE1 2RT	
	Tel 0207 212 1975
DX Number	DX Exchange

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'ompanies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff pwc

Maltby Investments Limited – in Administration
High Court of Justice, Chancery Division, Companies Court
Case No. 703 of 2011

Joint Administrators' progress report for the period from 15 December 2012 to 14 June 2013

11 July 2013

Contents

1. Joint Administrators' progress report

Introduction

In accordance with Rule 2 47 of the Insolvency Rules 1986 ("IR86"), the Joint Administrators ("the Administrators") write to provide creditors with an update on the Administration of Maltby Investments Limited ("the Company") in the six months to 14 June 2013

Statutory information

The Administrators are required to provide certain statutory information pursuant to Rule 2 47(1)(a) to (d) IR86, which is shown in Section 2

Progress of the Administration

Post-appointment sale of business

As previously reported, before the Company went into Administration, it operated as a non-trading intermediate holding company of the EMI Group of companies ("the Group") through its 100% shareholding in Maltby Acquisitions Limited ("MAL")

On 1 February 2011 the Company acting by the Administrators sold its 100% shareholding in MAL, together with the intercompany receivable due from MAL of £2 8bn, to Citibank N.A London Branch ("Citibank") following receipt of anti-trust approval

Consideration comprised £200 together with the release of approximately £3 1bn of secured liabilities owed by the Company to Citibank, Citibank International Plc and Citibank Global Markets Limited under the terms of a secured multi-currency lending facility

The sale agreement provided that if Citibank or another Citibank entity subsequently disposed of all or part of the Group to a third party, any proceeds in excess of approximately £3 1 billion would be shared with the Company as follows

- 100% for the first year,
- 50% for the next year, and
- 20% for each of the following three years

Citibank issued two public announcements on 11 November 2011 indicating that it had entered into agreements to sell the Group's music publishing and recorded music divisions respectively The announcements stated that completion of each transaction would be subject to certain conditions, including regulatory approvals in the countries in which the Group operates

On 29 June 2012 Citibank announced that it had concluded a sale of the Group's music publishing division to an investor group comprising Sony Corporation of America, the estate of Michael Jackson, Mubadala Development Company PJSC, Jynwel Capital Limited, the Blackstone Group's GSO Capital Partners LP and David Geffen The total reported consideration was $2 2 billion

On 28 September 2012 Universal Music Group ("UMG) and its parent Vivendi separately announced that UMG had completed its acquisition of the Group's recorded music division for $1 9 billion following confirmation of the final regulatory approval.

During the period of this report the Administrators received formal notice from Citibank detailing the various aspects of the sale transactions. The Administrators have reviewed the information provided by Citibank and concluded that the overall proceeds do not exceed £3 1 billion.

Accordingly, no further consideration is due to the Company under the provisions of the sale agreement of 1 February 2011 and the matter is now closed.

Other assets

Creditors will recall that cash at bank was excluded from the sale of business to Citibank and has been recovered in full early in the Administration Following the Administrators' conclusion that no further consideration is payable to the Company (as outlined above), there are now no other realisable assets

Tax matters

The first post-Administration return for the period ended 31 January 2012 was filed with HM Revenue & Customs ("HMRC") in January 2013 This showed taxable income of circa £28,000, being interest earned on funds invested As the Company has sufficient available tax losses brought forward from previous periods to shelter this income, the Administrators consider that no corporation tax is payable

No queries have been raised by HMRC to date in regard to the Company's final pre- and first post-Administration corporation tax returns The return for the year to 31 January 2013 will be prepared and submitted in due course before the January 2014 deadline

Receipts and payments account

An account of the receipts and payments from 15 December 2012 to 14 June 2013 is set out in Section 3 Cash in hand of £9 5 million is being held in an interest-bearing bank account

Expenses statement

A statement of the expenses incurred by the Administrators since 15 December 2012 is shown at Section 4

The statement excludes any potential tax and VAT liabilities that may be payable as expenses of the Administration in due course As previously reported, such amounts will depend on the position at the end of the respective tax and VAT accounting periods

Administrators' remuneration

The basis of the Administrators' remuneration has been fixed by Citibank as secured creditor as a set amount of £450,000 for all aspects of work other than litigation matters, which Citibank has agreed shall be fixed by reference to the time properly given by the Administrators and their staff

With the approval of Citibank, the Administrators have now drawn the set amount of £450,000 in full The Administrators have also drawn £34,202 in respect of time costs incurred between 1 August 2011 and 12 January 2012 in defending the court application made by the Company's parent, Maltby Holdings Limited ("MHL"), which was fully detailed in previous reports

The Administrators incurred no time costs in regard to litigation matters or disbursements in the six months to 14 June 2013

Information relating to the Administrators' remuneration and disbursements in accordance with Statement of Insolvency Practice No 9 (payments to insolvency office holders and their associates) is provided at Section 5.

Creditors' rights

A creditor's guide to office holders' remuneration in an administration can be found at the following web address

http //www.r3.org uk/media/documents/publications/professional/Guide to Administrators Fees Nov2011 pdf

A hard copy of the guide (free of charge) is available from the Administrators on request

Outcome for creditors

Secured creditor

Amounts outstanding to Citibank (after taking into account the release of approximately £3 1 billion of secured liabilities under the terms of the sale of business and assets) total approximately £170 million The Bank will suffer a significant shortfall under its security

Preferential creditors

There are no preferential debts for arrears of wages or holiday pay as the Company had no employees.

Unsecured creditors

The Administrators stated in their proposals that they anticipated that funds would become available for unsecured creditors by virtue of the prescribed part of floating charge funds in due course

Subject to any other unsecured debts that may come to light, the Administrators remain of the view that there are no unsecured creditors entitled to participate in prescribed part floating charge distributions This is because one unsecured claim has been extinguished in full by virtue of set off and the other, held by MHL, is precluded from receiving any dividends whilst Citibank's indebtedness has not been settled in full

Surplus floating charge funds net of costs and any prescribed part set aside for eligible unsecured creditors will be payable to Citibank under the terms of its security in due course

Duration of the Administration

As previously reported, the Administrators' term of office was extended by six months to 31 July 2012 with the consent of Citibank as secured creditor

A further extension was subsequently ordered by the court and the Administration is presently due to end on 31 July 2014

Next report

The Administrators anticipate that they will circulate their next report to creditors in approximately six months

A V, Lomas
Joint Administrator
Maltby Investments Limited

Peter Norman Spratt and Anthony Victor Lomas have been appointed as joint administrators of Maltby Investments Limited to manage its affairs, business and property as its agents and without personal liability Both are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales

The joint administrators are Data Controllers of personal data as defined by the Data Protection Act 1998 PricewaterhouseCoopers LLP will act as Data Processor on their instructions Personal data will be kept secure and processed only for matters relating to the administration

2. Statutory and other information

Court details for the Administration:	High Court of Justice, Chancery Division, Companies Court Case number 703 of 2011
Full name:	Maltby Investments Limited
Trading name:	Maltby Investments Limited
Registered number:	06226775
Registered address:	7 More London Riverside, London, SE1 2RT
Company directors:	Ruth Catherine Prior and Roger Conant Faxon
Company secretary:	Kyla Mullins
Shareholdings held by the directors and secretary:	None
Date of the Administration appointment:	1 February 2011
Administrators' names and addresses:	Peter Norman Spratt and Anthony Victor Lomas, both of PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT
Changes in office holder:	N/A
Appointor's / applicant's name and address:	The directors of the Company, 27 Wrights Lane, London, W8 5SW
Objective being pursued by the Administrators:	b) Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration)
Division of the Administrators' responsibilities:	Pursuant to paragraph 100(2) Sch B1 IA86 any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators
Proposed end of the Administration:	Dissolution or liquidation
Extensions to the Administration:	First· six months to 31 July 2012 with consent of the secured creditor Second. 24 months to 31 July 2014 by order of the court
Estimated dividend for unsecured creditors:	From prescribed part funds only; dividend uncertain
Estimated values of the prescribed part and the company's net property:	Prescribed part £600,000 Net property £2 985 million
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	No
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings

3. Receipts and payments account

Abstract of the Joint Administrators' receipts and payments for the period 15 December 2012 to 14 June 2013

	Estimated to realise per directors' statement of affairs £	Total to 14 December 2012 £	Transactions 15 December 2012 to 14 June 2013 £	Total to 14 June 2013 £
Receipts				
Cash at bank	*10,073,701*	10,070,000	-	10,070,000
Pre-appointment bank balance	-	783	-	783
Consideration for shares	*100*	100	-	100
Consideration for intercompany debts	*100*	100	-	100
Recovery of costs	-	121,484	-	121,484
Interest	-	54,268	14,123	68,391
Total receipts	*10,073,901*	10,246,735	14,123	10,260,858
Payments				
Bank charges		(4)	-	(4)
Legal fees		(299,229)	-	(299,229)
Administrators' remuneration		(484,202)	-	(484,202)
Administrators' Category 2 disbursements		(255)	-	(255)
Administrators' Category 1 disbursements		(728)	-	(728)
Net VAT receivable		(61,648)	50,764	(10,884)
Total payments		(846,066)	50,764	(795,302)
Cash at bank* / (movement)		9,400,669	64,887	9,465,556

* Held in an interest-bearing account

Note all asset realisations are subject to Citibank's floating charge aside from the consideration for shares of £100

4. Expenses statement

Expenses incurred by the Joint Administrators during the period 15 December 2012 to 14 June 2013

	£
Paid	
N/A	-
Sub total	-
Unpaid	
Administrators' Category 1 disbursements	-
Legal fees	9,000
Sub total	**9,000**
Overall total	**9,000**

Notes

1) No account has been taken of VAT payable on the unpaid expenses or corporation tax liabilities which may be payable as expenses of the Administration in due course

5. Information relating to the Joint Administrators' remuneration and disbursements

1. Basis of Remuneration

As outlined in the report, the basis of the Administrators' remuneration has been fixed by Citibank as secured creditor as a set amount of £450,000 for all aspects of work other than litigation matters, which Citibank has agreed shall be fixed by reference to the time properly given by the Administrators and their staff

The Administrators have now drawn the set amount of £450,000 in full The Administrators have also drawn £34,202 in respect of time costs incurred between 1 August 2011 and 12 January 2012 in defending the court application made by MHL, which was fully detailed in previous reports

2. Charging policy including information on current charge out rates

Time charged in attending to litigation matters is by reference to the time properly given by the Administrators and their staff It is the Administrators' policy to delegate tasks in the Administrations to appropriate members of staff considering their level of experience and any requisite specialist knowledge, supervised accordingly, so as to maximise the cost effectiveness of the work performed Matters of particular complexity or significance requiring more exceptional responsibility are dealt with by senior staff or the Administrators themselves

All staff charge time directly to the assignment and are included within any analysis of time charged Each grade of staff is allocated an hourly charge out rate which is reviewed from time to time. Work undertaken by cashiers, support and secretarial staff is charged for separately and is not included in the hourly rates charged by partners or other members of staff. Time is charged by reference to actual work carried out on the assignment in six minute units The minimum time chargeable is three minutes (i.e. 0.5 units)

Set out below are the relevant maximum charge-out rates per hour worked for the grades of the Administrators' staff actually or likely to be involved There has been no allocation of any general costs or overhead costs

Grade	Up to 30 June 2013 £	From 1 July 2013 £
Partner	755	775
Director	660	680
Senior manager	510	525
Manager	430	444
Senior associate – qualified	358	370
Senior associate – unqualified	266	275
Associate	225	230
Support staff	112	115

5. Information relating to the Joint Administrators' remuneration and disbursements

Specialist departments within the Administrators' firm such as Tax and VAT may also be used where the Administrators require their expert advice The figures below provide an indication of the maximum rate per hour to cover the possibility that input from specialists might be required in regard to litigation matters in due course

	Up to 30 June 2013	From 1 July 2013
Partner	875	914
Director	794	842
Senior manager	741	778
Manager	486	510
Executive / consultant	330	391
Analyst / assistant consultant	192	213
Support staff	94	102

In common with many professional firms, the scale rates used by the Administrators may rise to cover annual inflationary cost increases

3. Details of defined "Category 2" disbursements and professional firm employed

There is no statutory requirement for the Administrators to seek approval to draw expenses or disbursements However, professional guidance issued to insolvency practitioners requires that, where the Administrators propose to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the Administrators' own firm), they must be disclosed and be authorised by those responsible for approving their remuneration Such expenses are known as "Category 2" disbursements and they must be directly incurred on the case and subject to a reasonable method of calculation and allocation

The Administrators' expenses policy allows for all properly incurred expenses to be recharged to the case Category 2 disbursements in this case are likely to only comprise printing at 4 pence per sheet for circulars to creditors and exceptional amounts of copying

No Category 2 disbursements were incurred between 15 December 2012 and 14 June 2013

The Administrators have instructed Hogan Lovells International LLP as their legal advisor on the basis of its specialist knowledge and experience As with all third party professionals, Hogan Lovells International LLP is required to submit time costs analyses and narratives in support of invoices rendered and seek prior approval before billing

4. Other matters

There are no aspects of work which have been or are intended to be sub-contracted out by the Administrators.

The Administrators have no business or personal relationships with parties responsible for approving remuneration or who provide services to the Administrators in respect of the appointment where the relationship could give rise to a conflict of interest.