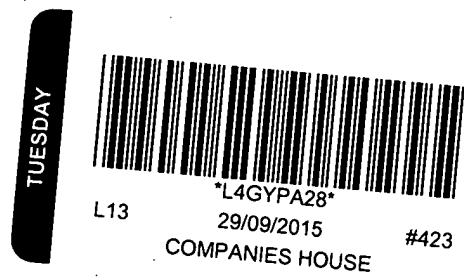


HUK 10 Limited

Director's report and financial statements

for the period ended 3 January 2015

Registered number: 07530828



Company Information

Director	Paul McGowan
Company secretary	Howard Gunn
Registered number	07530828
Registered office	7 River Court Brighthouse Business Village Brighthouse Road Middlesbrough TS2 1RT
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2P 2YU
Bankers	Natwest Bank Plc 106 Linthorpe Road Middlesbrough TS1 2JZ
Solicitors	Wright Hassall LLP Olympus Avenue Leamington Spa Warwickshire CV34 6BF

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Director's report

for the period ended 3 January 2015

The director presents his report and the financial statements of HUK 10 Limited ('the company') for the 53 week period ended 3 January 2015.

Principal activities

The principal activity of the company is that of financial intermediation and non-trading restructuring operations.

Directors

The directors who served during the period were:

Paul McGowan
Andrew Pepper (resigned 12 November 2014)

Dividends

During the period the directors paid a dividend of £6,045,144 (2013 - £4,114,447).

Director's responsibilities statement

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Director's report

for the period ended 3 January 2015


Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 2 June 2015 and signed on its behalf.



Paul McGowan
Director

Independent auditor's report to the members of HUK 10 Limited
for the period ended 3 January 2015

We have audited the financial statements of HUK 10 Limited for the period ended 3 January 2015, set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

As explained more fully in the Director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 3 January 2015 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's report for the financial period for which the financial statements are prepared is consistent with the financial statements.



Independent auditor's report to the members of HUK 10 Limited
for the period ended 3 January 2015

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Director's report.

Grant Thornton UK LLP

William Pointon (Senior statutory auditor)

for and on behalf of
Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor

London

2 June 2015

Profit and loss account

for the period ended 3 January 2015

		53 week period ended 3 January 2015 £	52 week period ended 28 December 2013 £
	Note		
Turnover	1	1,586,033	1,715,688
Administrative expenses		(235,298)	(940,641)
Other operating income	2	485,000	200,000
Other operating charges		-	(7,500)
Operating profit	3	1,835,735	967,547
Income from other fixed asset investments		2,295,144	4,114,447
Interest receivable and similar income	4	543,685	755,513
Interest payable and similar charges		(126,312)	(2,644)
Profit on ordinary activities before taxation		4,548,252	5,834,863
Tax on profit on ordinary activities	5	(261,133)	(404,936)
Profit for the financial period	9	4,287,119	5,429,927

The notes on pages 7 to 10 form part of these financial statements.

Balance sheet
as at 3 January 2015

	Note	£	3 January 2015 £	£	28 December 2013 £
Current assets					
Debtors	6	10,230,603		4,155,084	
Cash at bank		2,940		4,361,659	
		<u>10,233,543</u>		<u>8,516,743</u>	
Creditors: amounts falling due within one year	7	<u>(9,735,214)</u>		<u>(6,260,389)</u>	
Net current assets			<u>498,329</u>		<u>2,256,354</u>
Net assets			<u>498,329</u>		<u>2,256,354</u>
Capital and reserves					
Called up share capital	8		1		1
Profit and loss account	9		<u>498,328</u>		<u>2,256,353</u>
Shareholders' funds			<u>498,329</u>		<u>2,256,354</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 June 2015.



Paul McGowan
Director

The notes on pages 7 to 10 form part of these financial statements.

Notes to the financial statements

for the period ended 3 January 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Cash flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of non-trading restructuring services supplied during the period, exclusive of Value Added Tax.

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment. Income receivable from investments represents dividends received from investments over the period.

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.6 Other operating income

Other operating income is income earned from financial intermediation.

2. Other operating income

	53 week period ended 3 January 2015 £	52 week period ended 28 December 2013 £
Other operating income	485,000	200,000

3. Operating profit

Auditor's remuneration for the period was borne by Hilco Capital Limited.

During the period, no director received any emoluments (2013 - £NIL).

Notes to the financial statements

for the period ended 3 January 2015

4. Interest receivable

	53 week period ended 3 January 2015 £	52 week period ended 28 December 2013 £
Interest receivable from group and connected companies	181,102	354,429
Non-utilisation fees receivable from group and connected companies	362,583	401,084
	543,685	755,513

5. Taxation

	53 week period ended 3 January 2015 £	52 week period ended 28 December 2013 £
Analysis of tax charge in the period		
UK corporation tax charge on profit for the period	-	137,816
	-	137,816
Foreign tax on income for the period	261,133	267,120
	261,133	404,936
Tax on profit on ordinary activities		

6. Debtors

	3 January 2015 £	28 December 2013 £
Amounts owed by group undertakings	5,816,701	554,070
Amounts owed by connected companies	3,959,314	3,170,414
Other debtors	454,588	430,600
	10,230,603	4,155,084

**7. Creditors:
Amounts falling due within one year**

	3 January 2015 £	28 December 2013 £
Amounts owed to group undertakings	7,665,544	3,981,421
Corporation tax	873,802	791,544
Other creditors	1,195,868	1,487,424
	9,735,214	6,260,389

Notes to the financial statements

for the period ended 3 January 2015

8. Share capital

	3 January 2015 £	28 December 2013 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

9. Reserves

	Profit and loss account £
At 29 December 2013	2,256,353
Profit for the financial period	4,287,119
Dividends: Equity capital	(6,045,144)
At 3 January 2015	<u>498,328</u>

10. Dividends

	53 week period ended 3 January 2015 £	52 week period ended 28 December 2013 £
Dividends paid on equity capital	<u>6,045,144</u>	<u>4,114,447</u>

11. Contingent liabilities

There were no contingent liabilities at 3 January 2015 or 28 December 2013.

12. Capital commitments

The company had no capital commitments at 3 January 2015 or 28 December 2013.

13. Related party transactions

During the period, the company provided a working capital facility to the following related parties which are controlled by Hilco Trading, LLC. The company charged interest of £499,567 (2013 - £442,473) to HMV Canada Inc, £88,503 (2013 - £86,323) to HMV Digital Holdings ULC and £141,274 (2013 - 105,768) to HMV Pure Holdings ULC.

The balances owed to the company at 3 January 2015 are:

	3 January 2015 £	28 December 2013 £
HMV Canada Inc	427,671	332,689
HMV Digital Holdings ULC	1,310,411	1,088,301

Notes to the financial statements

for the period ended 3 January 2015

13. Related party transactions (continued)

HMV Pure Holdings ULC	<u>2,221,232</u>	<u>1,749,424</u>
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The company has taken advantage of the exemptions in paragraph 16.2 of the FRSSE' and has not disclosed transactions with wholly owned members of the group headed by Hilco Capital Limited.

14. Ultimate parent undertaking and controlling party

At 3 January 2015, HUK 10 Ltd was a wholly owned subsidiary of Hilco Capital Limited, a company registered in England and Wales. Hilco Capital Limited is 82% owned by Hilco London Limited, a company registered in England and Wales.

At 3 January 2015, Hilco London Limited was 100% owned by Hilco International Holdings, LLC, a company registered in the United States of America. Hilco International Holdings, LLC is 100% owned by Hilco Trading, LLC, a company registered in the United States of America. The directors consider the ultimate parent undertaking and controlling related party of the company to be Hilco Inc.

The largest group of undertakings for which group accounts have been drawn up is that headed by Hilco Trading, LLC and the smallest such group of undertakings, including the company is that headed by Hilco London Limited.