

The Insolvency Act 1986

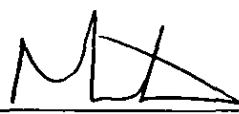
Statement of administrators' proposals

Name of Company Deep Purple (Overseas) Limited	Company number 01016257
In the High Court of Justice, Chancery Division (full name of court)	Court case number 315 of 2016

We (a) Mark Supperstone and Simon Harris of ReSolve Partners Limited, One America Square, Crosswall, London, EC3N 2LB

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) 10 March 2016

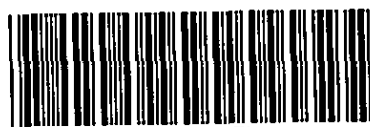
Signed 
Joint Administrator
Dated 10/3/16

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

ReSolve Partners Limited	
One America Square, Crosswall, London EC3N 2LB	
	Tel 02077029775
DX Number	DX Exchange

SATURDAY



QIQ 12/03/2016 #10
COMPANIES HOUSE

When 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

**DEEP PURPLE (OVERSEAS) LIMITED AND HEC ENTERPRISES LIMITED
BOTH IN ADMINISTRATION (together the Companies)**

Joint Administrators' proposals

CONTENTS

- 1 Introduction
- 2 Circumstances leading to the appointments of the Administrators
- 3 Objectives of the Administrations and the Administrators' strategy for achieving them
- 4 Actions of the Administrators following appointments
- 5 Financial position of the Companies
- 6 Administrators' receipts and payments accounts
- 7 Proposed future actions of the Administrators to achieve the objective of the Administrations
- 8 Administrators' remuneration and expenses
- 9 Pre-appointment fees and expenses
- 10 Administrators' investigations
- 11 EC Regulation on insolvency proceedings
- 12 Administrators' proposals
- 13 Approval of Administrators' proposals
- 14 Further information and complaints

APPENDICES

- I Statutory information
- II Statement of Affairs
- III Receipts and payments accounts
- IV Administrators' charge out rates, fees estimate, disbursement policy and narrative
- V Schedule of post-appointment time costs
- VI Schedule of pre-appointment time costs
- VII Form 2 25B - Notice of conduct of business by correspondence
- VIII Proof of debt

1. INTRODUCTION

Mark Supperstone and Simon Harris, both of ReSolve Partners Limited (ReSolve), were appointed as Joint Administrators of Deep Purple (Overseas) Limited (DPO) and HEC Enterprises Limited (HEC) (together the Companies) on 19 January 2016

Statutory information relating to the Companies is attached at *Appendix I*

2. CIRCUMSTANCES LEADING TO THE APPOINTMENTS OF THE ADMINISTRATORS

The Companies' Background

As the parties/creditors of the Companies have been involved with the Companies for a significant period of time and some since their incorporation, the below background is high level summary of the last 47 years

HEC and DPO were incorporated in 1968 and 1971 respectively. The Companies were formed by Maurice Edwards (deceased) and John Coletta (deceased) (together the Managers) to act as the original managers of the pioneering rock band, Deep Purple (Deep Purple or the Band)

As a result of this set up of the management of the Band, the Companies between them own and were entitled to the copyright in, and to the income streams referable to the copyright in, a substantial number of recordings made and compositions written between 1968 and 1976 by the Band. The Companies have exploited those rights by entering into agreements with third parties and income continues to be received as a result of such exploitation.

In addition, the Companies own various other copyrights of compositions and are entitled to various income streams being a commission entitlement in respect of other bands / artists, including, but not limited to, Rainbow and Whitesnake.

The Companies' primary purpose is to hold the copyrights, exploit the rights and act as a conduit for distributing royalty income to the Band, the Managers and other beneficiaries (together the Beneficiaries).

The Managers ceased acting for Deep Purple during 1977 and all royalties derived from recordings and compositions written from this date are understood to be owed by an independent third party.

In 2003, proceedings were commenced by certain members or former members of Deep Purple (the Claimants) against the Companies and others (the Prior Proceedings). The Prior Proceedings were compromised by an agreement dated 13 October 2005 (the Settlement Agreement). The parties to the Settlement Agreement were the Claimants, the Companies and the Managers (both the Managers have since died).

In accordance with the Settlement Agreement, the Companies agreed to form a new company (Newco) and to transfer into Newco the copyrights and other rights of a similar nature in the Compositions and Recordings listed in the Schedule to the Settlement Agreement (the Clause 2 Assets) as well as all income received in respect of the Clause 2 Assets from 1 July 2005, less any sums paid to third parties and any deductions permitted to be made in computing net income under the Settlement Agreement.

At all material times between 2005 and June 2014, the Companies' directors were John Coletta (until his death in 2006), Maurice Edwards (until his death in 2010), Manuela Edwards (since 2008) and Dipak Rao (2009 to 2014). Mr Rao has had sporadic directorships since 1994 on and off until a final five year tenure commencing in 2009.

In June 2014, the children of both the Managers, who by this time are now shareholders in the Companies, wanted representation on the Companies' respective boards and accordingly called the necessary general meeting to appoint new directors. As a result Michele Allahyari, Abigail Flanagan and Saerd Sadeghi were appointed directors to both Companies.

On 24 November 2014, Mr Rao called emergency board meetings of the Companies for the purpose of informing the boards of the outcome of Richard Blackmore's audit claim into historic royalty payments. Mr Blackmore was claiming a purported underpayment of circa £700,000. Mr Rao sought to apportion blame toward the Companies' accountants in respect of accounting errors in reviewing royalty statements causing

underpayments During the course of the same day, it became apparent to the Companies' boards that Mr Rao had granted various "loans" to third parties As a result of Mr Rao's actions he was immediately removed from his directorships of the Companies.

After the removal of Mr Rao as a director of the Companies, a review was conducted of the Companies' affairs including a review of the Companies' bank accounts which appeared to hold less funds than expected Mr Rao subsequently admitted that he had "borrowed" funds from the Companies' bank accounts

As a result of learning about the misappropriation of funds, the Companies' directors instructed solicitors to seek a freezing order over Mr Rao's assets On 8 December 2014, the High Court granted a Freezing Injunction for up to £4 million against Mr Rao, his wife and his company, Rao & Partners Limited with a subsequent hearing to be heard Mr Rao has admitted to misappropriating a least £2.27m and he and his wife have agreed as part of the freezing order (Freezing Order) made by Mr Justice Newey on 15 May 2015 that their assets will be held on trust for the benefit of the Companies in partial satisfaction of the liability

As a result of the Freezing Order, the Companies' boards sought to recover funds from Mr Rao To date, the Companies have recovered circa £600,000 from Mr Rao's assets The Companies have also identified a number of claims against other parties who appear to have benefited from the misappropriation of funds The Companies have actively sought legal advice on pursuing various claims

Following the Freezing Order, the Companies instructed new advisors for legal matters relating to royalties and exploitation of same, accountancy assistance and royalty administration, being the appointment of Wixen Music UK Limited (Wixen)

During the course of 2015, the Companies faced separate litigation from Mr Blackmore and the Band for various grievances, together with the underpayment of royalties as a result of Mr Rao's misappropriation of funds As a result of same, the Beneficiaries to royalty income from exploitations of rights, including, Mr Blackmore, the Band and the Managers' estates had been underpaid

In late 2015, the Companies' boards were conscious that with ongoing litigation and without the cooperation of the Band, Mr Blackmore and others, the Companies would be unable to satisfy the outstanding royalty sums owing to the Beneficiaries Accordingly, the Companies' sought advice regarding the ongoing viability of the Companies from Counsel

In order to seek an amicable solution and facilitate the Companies' long term future, a mediation process with all parties who had initiated litigation proceedings against the Companies was set for 18 January 2016 Accordingly, the Companies' boards were of the opinion that the Companies should continue to trade, pending the outcome of mediation

Unfortunately, at mediation, the parties were unable to reach a workable compromise Accordingly, the Companies' boards concluded that they were unable to continue and engaged ReSolve to assist with preparing the necessary documents to place the Companies into Administration

On 19 January 2016, Simon Harris and I were appointed by the Companies' directors as Administrators of the Companies The appointments permitted the Joint Administrators to take any actions required either jointly or alone, and I have been the Administrator primarily involved in dealing with the Companies' affairs

Please note that the above background has been provided by the Companies The Administrators have not verified the above for accuracy and therefore it may not reflect the Companies' true trading position

DEEP PURPLE (OVERSEAS) LIMITED AND HEC ENTERPRISES LIMITED
Administrators' proposals
10 March 2016

A summary of the Companies' recent trading performance is shown below

DPO

Profit and loss account				Balance sheet			
	30-Jun-14	30-Jun-13	30-Jun-12		30-Jun-14	30-Jun-13	30-Jun-12
	Management	Statutory	Statutory		Management	Statutory	Statutory
	£	£	£		£	£	£
Revenue				Current assets			
Turnover	1,173,476	855,708	1,302,660	Debtors	119,463	65,463	25,585
Cost of Sales	(1,173,476)	(631,908)	(747,256)	Cash at bank	40,545	149,551	108,452
Gross profit	-	223,800	555,404		160,008	215,014	134,037
Administrative expenses	-	(216,231)	(551,173)	Creditors due < 1 year	(148,275)	(203,281)	(128,401)
	-	7,569	4,231	Net assets	11,733	11,733	5,636
Interest or similar income	-	52	58	Capital and reserves			
Profit on ordinary activities before tax	-	7,621	4,289	Called up share capital	100	100	100
Taxation	-	(1,524)	(1,814)	Profit/(loss) account	11,633	11,633	5,536
Net profit/(loss)	-	6,097	2,675	Shareholders' funds	11,733	11,733	5,636

Source: Companies' statutory and management accounts

HEC

Profit and loss account				Balance sheet			
	30-Jun-14	30-Jun-13	30-Jun-12		30-Jun-14	30-Jun-13	30-Jun-12
	Statutory	Statutory	Statutory		Statutory	Statutory	Statutory
	£	£	£		£	£	£
Revenue				Current assets			
Turnover	644,812	453,864	507,779	Debtors	483,059	381,433	341,344
Cost of Sales	(378,812)	(129,405)	(126,332)	Investments	4	4	4
Gross profit	266,000	324,459	381,447	Cash at bank	14,386	36,063	71,205
Administrative expenses	-	(54,365)	(85,495)		497,449	417,500	412,553
	266,000	270,094	295,952	Creditors due < 1 year	(488,346)	(405,197)	(400,700)
Interest or similar income	-	57	42	Net assets	9,103	12,303	11,853
Profit on ordinary activities before tax	266,000	270,151	295,994	Capital and reserves			
Taxation	(53,200)	(53,701)	(59,199)	Called up share capital	6,000	6,000	6,000
Net profit/(loss)	212,800	216,450	236,795	Profit/(loss) account	3,103	6,303	5,853
				Shareholders' funds	9,103	12,303	11,853

Source: Companies' statutory accounts

No subsequent management accounts have been provided

3 OBJECTIVES OF THE ADMINISTRATIONS AND THE ADMINISTRATORS' STRATEGY FOR ACHIEVING THEM

The purpose of an Administration is to achieve one of the three objectives set out in the insolvency legislation, which are to

- (a) rescue the company as a going concern, or
- (b) achieve 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), or
- (c) realise property in order to make a distribution to one or more secured or preferential creditors

Objective (a) is unlikely to be achieved given the nature of the Companies' trading and financial circumstances, resulting in a Company Voluntary Arrangement not being appropriate. Objective (c) is not appropriate as there are no secured or preferential creditors.

Accordingly, I will seek to achieve objective (b) of Administration for the Companies. It is considered that this will be achievable as the Companies are continuing to trade and receive their share of the royalty income for the administrative role they perform for the Beneficiaries. In addition, the Administrators will seek to recover and realise the Companies' non-trust assets. In a Liquidation scenario the Companies would have likely ceased trading and certain agreements may have been terminated, thereby reducing available income.

The insolvency legislation has set a 12 month maximum duration for Administrations, unless the duration is extended by the Court or the creditors. If I am unable to complete the Administrations of the Companies within 12 months then I will either apply to the Court, or hold a meeting of the appropriate classes of creditors, in order to seek approval to extending the duration of the Administrations.

4. ACTIONS OF THE ADMINISTRATORS FOLLOWING APPOINTMENTS

The Administrators have continued to trade the Companies with the assistance of the Companies' pre-appointment royalty administration agent, Wixen. It is considered that by allowing the Companies to continue trading the Companies' goodwill will be preserved, whilst simultaneously maintaining ongoing royalty streams for the benefit of the Companies and the Beneficiaries.

Following my appointments to each company the following matters have been completed:

- Written to the Companies' pre-appointment bankers, National Westminster Bank plc (NatWest) and sought agreement to allow the accounts to continue receiving funds
- Instructed Wixen to continue dealing with the exploitation of the Companies' rights, licencing requests, addressing the royalty statements' allocations and advising the Administrators on the Beneficiaries' entitlements to royalties
- Instructed solicitors, Fieldfisher LLP (Fieldfisher) to provide legal advice on all aspects of the Administrations. Fieldfisher is continuing to also provide specific assistance with the following (not exhaustive)
 - Advice pertaining to various trust matters
 - Advice on the Settlement Agreement and its implications to the Companies
 - Comments generally on pre-appointment litigation matters
 - Liaised with the Beneficiaries and their advisors, and
 - Review of the terms of undertakings proposed by the Beneficiaries' advisors
- Instructed, via Fieldfisher, Counsel, Andrew Sutcliffe QC to advise on various trust matters and to seek his assistance with correspondence with the Beneficiaries and their advisors
- Reviewed Mr Sutcliffe QC's advice relating to various trust matters

- Written to the Beneficiaries along with all potential parties who may have an interest in the Companies and their royalty streams, setting out the Administrators' stance on various trust matters and outlining the proposed strategy in dealing with distribution of monies recovered from the Freezing Order
- Granted undertakings pertaining to the Companies' assets to certain beneficiaries
- Addressed the potential EMI / Sony Black box income with Wixen and sought settlement advice from Fieldfisher
- Liaised with the Companies' pre-appointment accountant, Breckman & Company (Breckman), regarding the Companies' pre and post appointment tax affairs. Breckman's also provided assistance with drafting the Statements of Affairs for a director, Abigail Flanagan
- Liaised with the Companies' pre-appointment solicitors, Clintons and Sherwood Solicitors (Sherwood)
- Reviewed correspondence and paperwork provided by Sherwood relating to various matters, including, but not limited to, the following
 - Pre-appointment litigation matters
 - the Freezing Order, and
 - The recoveries from the Freezing Order
- Attended to correspondence and meetings with Sherwood in respect of the above matters
- Corresponded with HM Revenue & Customs (HMRC) in respect of a pre-appointment investigation into the Companies' historic tax returns
- Attended to meetings and correspondence with the Companies' directors and the Managers' successors in respect of various matters
- Liaised with third parties who have expressed an interest to me in the Companies' assets
- Liaised with unsecured creditors regarding claims and enquiries
- Drafted these proposals and report, and
- Addressed my statutory duties associated with these Administrations

5 FINANCIAL POSITION OF THE COMPANIES

Summaries of the Companies' estimated financial position as at 19 January 2016, which is known as a Statement of Affairs (SofA), is attached at *Appendix II*

Comments on the Companies' SofA

Assets

DPO

Cash at bank

DPO has three bank accounts with NatWest with credit balances totalling circa £48,200. Please note that certain accounts are held in US Dollars, accordingly they will be subject to currency fluctuations when converted into Sterling. To mitigate currency fluctuations, the Administrators have arranged for an Administration US Dollar account to be opened.

NatWest will be instructed to transfer the credit balance held to the Administration in due course.

The Administrators are taking legal advice as to the nature of the cash at bank.

Future royalty income

It is anticipated that DPO will continue to receive ongoing royalty income from various parties. Unfortunately it is not possible to forecast future income as this depends on several factors. Amounts continue to be received into the Companies' pre-appointment bank accounts which are the current quarter's royalty income held for the Beneficiaries. The amounts will continue to be held until Wixen undertakes the allocation exercise from the royalty statements.

Intellectual property – Music catalogue

DPO holds the copyright in various Deep Purple and other compositions. At this stage, it is uncertain what value the intellectual property holds.

Following the advice that has been provided by Fieldfisher and Counsel, the Administrators have written to the Beneficiaries in respect of various matters, amongst which was the transfer of certain intellectual property to Newco. Due to the passage of time since the Settlement Agreement which included the Clause 2 Assets, it is the Administrators' stance to seek a commercial resolution. Correspondence is presently ongoing with the Beneficiaries and their advisors. Please note that certain intellectual property is not subject to the Settlement Agreement and the Administrators will seek to realise same separately if a commercial resolution cannot be reached in respect of the intellectual property subject to the Settlement Agreement. Realisations are uncertain.

Dipak Rao

DPO's SofA indicates amounts owing from Mr Rao total in excess of £1million, with a contingent £1 estimated to realise figure.

Prior to Administration the Companies recovered circa £600,000 from Mr Rao. On Administration, these funds, less costs, resulted in net recoveries of approximately £477,000 (the Rao Recoveries) which were held in Sherwood's client account. Following Administration, the Rao Recoveries have been transferred to Fieldfisher's client account.

Fieldfisher and Counsel have advised that the Rao Recoveries are likely to be held on trust for the Beneficiaries of the Settlement Agreement. The Administrators are faced with a situation where the Companies' funds have been misappropriated by Mr Rao, which in turn has resulted in Beneficiaries being underpaid royalty amounts due to them. It would be a very expensive exercise with little benefit to the individuals involved, along with being close to impossible, to account for and identify exactly which monies were misappropriated and then apportion those monies to particular individuals. The Administrators have a duty to act in the best interests of all creditors. Accordingly, the Administrators have written to the Beneficiaries seeking to achieve a commercial resolution, thereby keeping the costs of the administrations to a minimum.

The Administrators have proposed that the Rao Recoveries be distributed to the Beneficiaries on a pro-rata basis in accordance with their respective entitlements. Correspondence in this regard is presently ongoing.

Further recoveries from Mr Rao under the Freezing Order are dependent on the value of his remaining assets and the funds available in which to bring actions to recover those assets. The Administrators are liaising with Fieldfisher in this regard. Realisations are presently uncertain.

Book debts

The SofA indicates debtors totalling circa £19,000. The amounts outstanding are due from certain beneficiaries to DPO's royalty income.

The Administrators are collating information to support the book debt ledger and will then seek repayment from debtors shortly thereafter. As the debtors are also beneficiaries it may be possible to recoup funds directly from the debtors' respective royalty income. Realisations are currently uncertain.

A book debt of £29,254 appears to have been omitted from the SofA. These funds have recently been received into DPO's pre-appointment NatWest account following Administration. The Administrators will

request NatWest transfer the funds held into the Administration bank account in due course. This receipt is outside the royalty income and not subject to any claim of trust.

Manuela Edwards – Unauthorised payments

DPO's SofA indicates a contingency sum of £1 relating to "unauthorised payments" being due from Mrs Edwards.

The directors have advised sums totalling in excess of £200,000 may be due from Mrs Edwards to DPO. The Administrators will seek to collate supporting documentation to support the directors' assertions and seek recovery of funds, if appropriate. Realisations are uncertain.

VAT refund

The SofA details a VAT refund of £7,000 being due from HMRC.

The Administrators have instructed Breckman to assist with submission of DPO's outstanding pre-appointment VAT returns. The outstanding pre-appointment returns will be submitted in due course.

Please note that any VAT refund will be subject to Crown setoff which may reduce the amount available to DPO. Realisations in this regard are currently unknown.

EMI / Sony black box

DPO's SofA details a contingency sum of £1 for EMI / Sony black box.

It is understood this amount relates to a settlement that had been negotiated by the Companies prior to Administration. The settlement has not been finalised and the Administrators are reviewing the draft settlement terms. The Administrators will attempt to finalise the settlement in due course and any funds received from this source will be held in a separate bank account until it is determined who the correct beneficiaries are. Realisations in this regard are presently uncertain.

HEC

Cash at bank

DPO has three bank accounts with NatWest with credit balances totalling circa £79,600. Please note that certain accounts are held in US Dollars, accordingly they will be subject to currency fluctuations when converted into Sterling. To mitigate currency fluctuations, the Administrators have arranged for an Administration US Dollar account to be opened.

NatWest will be instructed to transfer the credit balance held to the Administration in due course.

The Administrators are taking legal advice as to the nature of the cash at bank.

Future royalty income

It is anticipated that DPO will continue to receive ongoing royalty income from various parties. Unfortunately it is not possible to forecast future income as this depends on several factors.

Amounts continue to be received into the Companies' pre-appointment bank accounts which are the current quarter's royalty income held for the Beneficiaries. The amounts will continue to be held until Wixen undertakes the allocation exercise from the royalty statements.

Intellectual property – Music catalogue

As with DPO above, HEC holds the copyright in various Deep Purple and other compositions. At this stage, it is uncertain what value the intellectual property holds.

As advised earlier in this report, following the advice that has been provided by Fieldfisher and Counsel, the Administrators have written to the Beneficiaries in respect of various matters, amongst which was the transfer

of certain intellectual property to Newco. Due to the passage of time since the Settlement Agreement which included the Clause 2 Assets, it is the Administrators' stance to seek a commercial resolution. Correspondence is presently ongoing with the Beneficiaries and their advisors. Please note that certain intellectual property is not subject to the Settlement Agreement and the Administrators will seek to realise same separately if a commercial resolution cannot be reached in respect of the intellectual property subject to the Settlement Agreement. Realisations are uncertain.

Dipak Rao

HEC's SofA indicates amounts owing from Mr Rao total in excess of £742,000, with a contingent £1 estimated to realise figure.

Please see comments made in respect of this asset as per DPO above.

Unauthorised payments

HEC's SofA details several contingency sums of £1 for "unauthorised payments" to various parties.

The directors have advised sums totalling circa £362,000 may be due from these parties to HEC. The Administrators will seek to collate supporting documentation to support the directors' assertions and seek recovery of funds, if appropriate. Realisations are uncertain.

VAT Refund

The SofA details a VAT refund of £13,000 being due from HMRC.

The Administrators have instructed Breckman to assist with submission of HEC's outstanding pre-appointment VAT returns. The outstanding pre-appointment returns will be submitted in due course.

Please note that any VAT refund will be subject to Crown setoff which may reduce the amount available to HEC. Realisations in this regard are currently unknown.

EMI / Sony black box

DPO's SofA details a contingency sum of £1 for EMI / Sony black box. Please refer to the DPO comments regarding this above.

Other assets not detailed on the Companies' SofA

Negligence claim

Prior to Administration, the Companies' identified a potential claim of negligence against the Companies' former accountant from 2014.

The Administrators are reviewing the basis of the Companies' claim and will discuss the merits of pursuing same with legal advice.

Preferential creditors

The Companies have no known preferential creditors.

Prescribed part

There are provisions of the insolvency legislation that require the Administrators to set aside a percentage of a Company's assets for the benefit of the unsecured creditors in cases where the Company gave a floating charge over its assets to a lender on or after 15 September 2003. This is known as the prescribed part of the Company's net property. A Company's net property is that amount left after paying the preferential creditors, but before paying the lender who holds a floating charge. The Administrators have to set aside

- 50% of the first £10,000 of the net property, and
- 20% of the remaining net property up to a maximum of £600,000

The Companies have not created any floating charges, accordingly the prescribed part provisions do not apply

Unsecured creditors

DPO

DPO's SofA includes unsecured creditors totalling circa £286,000. The SofA includes several creditors with contingency sums owing of £1. The directors have advised these relate to currently unquantified or unconfirmed amounts owing to various beneficiaries or associated companies.

HEC

HEC's SofA includes unsecured creditors totalling circa £180,500. The SofA includes several creditors with contingency sums owing of £1. The directors have advised these relate to currently unquantified or unconfirmed amounts owing to various beneficiaries or associated companies.

6 ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNTS

The Administrators' receipts and payments accounts (R&P) for the Companies for the period 19 January 2016 (the date of Administration), to the date of these proposals is attached at *Appendix III*.

Please note amounts recorded in the R&Ps are held in various locations, as follows:

- The Companies' pre-appointment NatWest accounts
- Fieldfisher's client account, and
- Administration bank accounts.

The quantum of funds held in respect in the above locations is recorded in the "represented by" section of the R&P.

In respect of the Rao Recoveries, the funds have been recorded on both R&P's until such time as an agreed split or commercial resolution of the funds is agreed (further details of which are above at section five of this report).

The Administrators' trading R&Ps will be provided in the next report. The Companies primarily receive royalties on a quarterly basis, with the next quarter ending March 2016. As a result, reconciliation of receipts will not be complete until after the quarter end. Accordingly, calculation of the royalties to be paid to the Beneficiaries has not yet been determined.

7. PROPOSED FUTURE ACTIONS OF THE ADMINISTRATORS TO ACHIEVE THE OBJECTIVE OF THE ADMINISTRATIONS

In order to achieve the objective of the Administrations for the Companies I propose the following two approaches:

- The Administrators propose to realise the Companies' assets and commence a marketing campaign for the sale of the Companies' assets which are not held for the Beneficiaries of the Settlement Agreement. It is uncertain what value will be achievable from any sale. This process has not been commenced at this stage due to ongoing correspondence with the Beneficiaries and their advisors. I will update creditors in due course.
- The Administrators also propose to continue trading the Companies in Administration in order to continue receiving an income stream from royalties of which the Companies are entitled to receive a percentage / administration charge. The Administrators are being assisted by Wixen with the day-to-day management of the Companies' businesses. It is considered that continuing to trade the Companies will maximise the value of the Companies' assets as ongoing licencing requests can continue to be managed thereby maintaining the value of the Companies' assets whilst they are marketed for sale and pending the outcome of discussions with the Beneficiaries.

8 ADMINISTRATORS' REMUNERATION AND EXPENSES

It is proposed the Administrators' fees will be charged by reference to the time properly spent by us and our staff in dealing with matters relating to the Administration of the Companies. This time will be charged at the hourly charge out rate of the grade of staff undertaking the work at the time the work is undertaken.

Information about current charge out rates and the units of time in which work done is recorded is set out in *Appendix IV*. When I seek time cost approval I have to set out a fees estimate, which acts as a cap on time costs so the Administrators cannot draw fees of more than the estimate without further approval. The fees estimate can be found at *Appendix IV*. This shows the estimated time costs, hours charged and average hourly rates split into various categories and split by grade. The Administrators estimate the total time costs incurred in undertaking these tasks in the Administrations for DPO and HEC will be £130,444 and £130,146 respectively.

The Administrators anticipate it would be necessary to seek approval to exceed the estimate if additional work is required in areas of investigation, further asset recoveries and any associated action, such as arbitration or legal proceedings.

DPO

To the date this report is prepared, the Administrators' time costs in respect of DPO amount to £69,348, representing 189 hours work, at an average charge out rate of £367. A schedule of the time costs incurred to date is attached as *Appendix V*.

HEC

To the date this report is prepared, the Administrators' time costs in respect of HEC amount to £69,050, representing 188 hours work, at an average charge out rate of £368. A schedule of the time costs incurred to date is attached as *Appendix V*.

A description of the work undertaken in the Administration to date is set out in *Appendix V*.

The relevant creditor's guide to Administrators' Fees can be found under the heading Creditor Guides on my website at <http://www.resolvegroupuk.com/resources/>. Please note there are different versions of the guides, and in this case you should refer to the version for insolvencies after 1 October 2015. A hard copy can be obtained on request, free of charge, from this office.

Category two disbursements and expenses

The Administrators also propose that they be permitted to charge what are known as category two disbursements. Information about category two disbursements is set out in *Appendix IV*.

The Administrators' expenses to the date of these proposals amount to £286 for DPO and £285 for HEC.

Further detail on what expenses have been incurred and paid or not paid to date can be found in *Appendix IV*. In addition to these disbursements, I have also provided a summary of the anticipated disbursements for the duration of the Administrations.

Meetings of creditors (by correspondence)

The Administrators are convening initial meetings of the Companies' creditors, by correspondence, with a view to obtaining a resolution approving the Administrators' remuneration and category two disbursements. Please see section 13 of this report for further details.

Professional fees

The following agents or professional advisors have been utilised in this matter and the costs of these also comprise Administration expenses.

Professional Advisor	Nature of Work	Fee Arrangement	Fees incurred to date (£)	Paid
Fieldfisher LLP	Solicitors	Time Cost Basis	40,000	No
Andrew Sutcliffe QC	Legal Counsel	Time Cost Basis	17,000	No
Breckman & Company	Accountants	Fixed fee	2,000 per entity	No

The choice of professionals was based on my perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of my fee arrangement with them. The fees charged have been reviewed and I am satisfied they are reasonable in the circumstances of this case.

Fieldfisher

Fieldfisher is instructed to provide legal advice in respect of all matters relating to the Administrations. Fieldfisher has also provided specific advice in respect of the following matters (not exhaustive):

- Various "trust" matters
- The Settlement Agreement and its implications against the Companies
- Correspondence with Beneficiaries and their advisors, and
- Reviewing the terms of undertakings proposed by the Beneficiaries' advisors

Ongoing legal advice is required in respect of litigation matters and correspondence with the Beneficiaries. It is estimated that a minimum of additional legal fees totalling £25,000 will be incurred. The legal fee estimate is likely to be exceeded should litigation be commenced against the Companies and/or is commenced by the Administrators, together the length of ongoing correspondence with the Beneficiaries' advisors.

Andrew Sutcliffe QC

Mr Sutcliffe QC has been providing advice on the specific matters detailed above in cooperation with Fieldfisher.

Ongoing Counsel's advice is required in respect of litigation matters and correspondence with the Beneficiaries. It is estimated that a minimum of additional Counsel's fees totalling £25,000 will be incurred. Counsel's fee estimate is likely to be exceeded should litigation be commenced against the Companies and/or is commenced by the Administrators, together the length of ongoing correspondence with the Beneficiaries' advisors.

Breckman

Breckman were instructed to assist a director with preparation of the Companies' SoFA. Breckman has also been engaged to complete the Companies' outstanding pre-appointment VAT returns.

At this stage it has not been necessary to engage Breckman on further accounting matters, however it may be necessary in due course. I will update creditors in my subsequent report.

Subcontractor fees

The Administrators have sub-contracted the day-to-day management of the Companies' business, including dealing with all exploitation of rights, licencing requests and processing of royalty statements to Wixen.

Prior to Administration, Wixen were engaged by the Companies to complete the above tasks. Given Wixen's in-depth knowledge of the Companies' music catalogue and industry experience generally it was considered the most appropriate and commercial approach to allow the continuation of the Companies' business.

Following Administration, the Administrators renegotiated Wixen's fee arrangement on a percentage basis of the Companies' entitlement to net royalties (i.e. after the Beneficiaries' share has been paid) rather than the pre-appointment fixed monthly sum. A summary of Wixen's fee arrangement is below.

Sub-contractor name	Fee Arrangement	Fees incurred to date (£)	Paid
Wixen Music UK Limited	60 per cent of the Companies' net royalty entitlement	Uncertain	No

Wixen's fee is to be paid quarterly, in arrears, and calculated on receipt of royalty income from each quarter end. Accordingly, it is uncertain what amounts will be due to Wixen each quarter.

Please note the above fee arrangement has been agreed to 31 March 2016 at which time it will be reviewed between the parties.

Whilst not requiring approval, when reporting to creditors during the course of the Administration the actual expenses incurred will be compared with the original estimate provided and I will explain any material differences.

9. PRE-APPOINTMENT FEES AND EXPENSES

The boards of the Companies instructed the Administrators to assist them in placing the Companies in Administration on 19 January 2016. The Companies' boards agreed the Administrators' pre-appointment fees be paid on a time cost basis, plus disbursements.

I attach at **Appendix VI** a detailed time cost table showing the Administrators' pre-appointment time costs incurred by category and staff grade. In addition to the Administrators' costs, **Appendix VI** also details the expenses that were incurred by the Administrators', including legal fees. The following work was undertaken (not exhaustive):

- Advising the Companies on the Administration process
- Liaising with the boards of directors
- Preparing for the appointments
- Correspondence with solicitors, Gateley Plc regarding preparation of appointment documentation
- Attending Court to file documents, and
- Arranging service of documents

The work completed by the Administrators pre-appointment was necessary to advise the Companies' boards of the Administration process and organise the preparation of the necessary documents to place the Companies into Administration.

Administrators' pre-appointment expenses

The Administrators' pre-appointment expenses total £53. The Administrators' expenses are detailed at **Appendix IV** of this report.

The following professional advisors were used pre-appointment to complete the Administration documents for filing at Court:

Professional Advisor	Nature of Work	Fee Arrangement	Fees incurred to date (£)	Paid
Gateley Plc	Solicitors	Time Cost Basis	£700 per company	No

Approval of the Administrators' pre-appointment fees and expenses

The Administrators are convening initial meetings of the Companies' creditors with a view to obtaining a resolution approving pre-appointment fees and expenses.

10. ADMINISTRATORS' INVESTIGATIONS

I have a duty to consider the conduct of those who have been directors of the Companies at any time in the three years preceding the Administrations. I am also required to investigate the affairs of the Companies in general in order to consider whether any civil proceedings should be taken on their behalf. I should be pleased to receive from you any information you have that you consider will assist me in this duty. I would stress this request for information forms part of my normal investigation procedure.

11. EC REGULATION ON INSOLVENCY PROCEEDINGS

I consider the EC regulation on insolvency proceedings apply to the Administrations of the Companies. I also consider that they are main proceedings since the Companies registered offices and their trading operations are in the United Kingdom.

12. ADMINISTRATORS' PROPOSALS

In order to achieve the objective set out at section 3 above, I formally propose to creditors

- (a) The Joint Administrators continue to manage the business, affairs and property of the Companies in order to achieve the purpose of the Administration by
 - (i) Continue to trade the Companies' business to generate income from royalty receipts,
 - (ii) Market the Companies' assets which are not held on trust for the benefit of Newco for sale,
 - (iii) Recover sums due to the Companies'
 - (iv) Selling the Companies' assets at such time(s) on such terms as is considered appropriate,
 - (v) Investigating and, if appropriate, pursuing any claims the Companies may have against any person, firm or company whether in contract or otherwise, including any officer or former officer of the Companies or any person, firm or company which supplies or has supplied goods or services to the Companies, and
 - (vi) Doing all such things and generally exercising all powers as Administrators as is considered desirable or expedient at our discretion in order to achieve the purpose of the Administrations or protect and preserve the assets of the Companies or maximise the realisations of those assets, or of any purpose incidental to these proposals
- (b) The Administrations of the Companies will end by filing notice of dissolution with the Registrar of Companies. The Companies will then automatically be dissolved by the Registrar of Companies three months after the notice is registered, or
- (c) The Administrations will end by the presentation of a winding up petition to the Court for the compulsory liquidation of the Companies, and propose that Simon Harris and I, Mark Supperstone are appointed Joint Liquidators of the Companies by the Court
- (d) The Administrations will end by placing the Companies into Creditors' Voluntary Liquidation, and it is proposed that Simon Harris and I, Mark Supperstone are appointed Joint Liquidators of the Companies and that we be authorised to act either jointly or separately in undertaking our duties as Liquidator. Creditors may nominate a different person(s) as the proposed liquidator(s), but you must make the nomination(s) at any time after you receive these proposals, but before they are approved. Information about the approval of the proposals is set out below, or
- (e) The Administrators be remunerated by reference to time properly spent by the Administrators and their staff in dealing with matters relating to the Administrations of the Companies, such time to be charged at the hourly charge out rate of the grade of staff undertaking the work at the time it was undertaken. Details of the current charge out rates are outlined in *Appendix IV* of these proposals.

- (f) - The Administrators be authorised to draw category two expenses as outlined in *Appendix IV* of these proposals
- (g) The Administrators be discharged from liability in respect of any act of theirs 14 days after they cease to be Administrators of the Companies

13 APPROVAL OF PROPOSALS

A meeting of creditors by correspondence will be held to consider and vote on the formal proposals to achieve the objective of the Administrations of the Companies. A formal notice of conduct of business by correspondence (Form 2 25B) and a proof of debt form are enclosed at *Appendix VII and VIII*. You can only vote at the meeting by correspondence if you complete and return the proof of debt form and Form 2 25B, having completed the voting section of the form. **I must receive your completed forms by no later than noon on 29 March 2016**

You are not required to vote at the meeting by correspondence, and if you do not do so then this will not affect your rights against the Companies. Creditors whose claims are wholly secured are not entitled to vote at the meeting by correspondence.

The meeting of creditors by correspondence gives creditors the opportunity to appoint a creditors' committee. A committee is made up of between three and five representatives of creditors who will then meet me on a regular basis to discuss the Administrations of the Companies. If a committee is appointed then it will be for them to approve pre-appointment costs and expenses and the basis of the Administrators' remuneration as well as our category two expenses in respect of the work done in the Administrations of the Companies. If a committee is not appointed then the separate resolution in the Form 2 25B to approve pre-appointment costs and expenses will be taken. The approval of the Administrators' remuneration as well as our category two expenses will be considered as part of these proposals.

Whilst a meeting by correspondence is being held, creditors whose debts amount to at least ten per cent of the total debts of each of the Companies can require that an actual meeting of creditors is convened. Such a request must be made on Form 2 21B within five business days of the date of these proposals.

14 FURTHER INFORMATION AND COMPLAINTS

If creditors or members have any queries regarding the proposals or the conduct of the Administration in general, they should contact Nathan May on 020 7702 9775.

Should you have any comments or complaints regarding these Administrations, please contact Mark Supperstone in the first instance. If you consider that we have not dealt with your comment or complaint appropriately, you may request we perform an internal independent review of your complaint. This review would be undertaken by a person within ReSolve not involved in the Administration. A request for a review can be made in writing to the Compliance Manager, ReSolve Partners Limited, One America Square, Crosswall, London, EC3N 2LB or by email to simon.harris@resolvegroupuk.com.

If you still feel that you have not received a satisfactory response then you may be able to make a complaint to the Complaints Gateway operated by the Insolvency Service. Any such complaints should be addressed to The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds, LS11 9DA, or you may email ip.complaints@insolvency.gov.uk, or you may phone 0845 602 9848. The Complaints Gateway will in turn determine if such complaint should be addressed by Mr Gunn's, Mr Supperstone's and Mr Harris' regulatory body.

Yours faithfully
For and on behalf of
Deep Purple (Overseas) Limited
HEC Enterprises Limited



Mark Supperstone
Joint Administrator

For enquiries regarding this correspondence please contact.

Contact name: Nathan May
Phone number: 020 7702 9775
Email: nathan.may@resolvegroupuk.com

The affairs, business and property of the Companies are being managed by the joint administrators.
Principals, Partners, Directors and staff acting as administrators, administrative receivers or supervisors act as agents of the company over which they are appointed at all times, and without personal liability.
Cameron Gunn, Mark Supperstone and Simon Harris are licensed in the United Kingdom by the Institute of Chartered Accountants in England and Wales.

APPENDIX I

STATUTORY INFORMATION

DPO

Company information

Company name	Deep Purple (Overseas) Limited
Previous name	N/A
Company number	01016257
Date of incorporation	30 June 1971
Trading address:	49 South Molton Street, London, W1K 5LH
Current registered office	c/o ReSolve Partners Limited, One America Square, Crosswall, London, EC3N 2LB
Former registered office	49 South Molton Street, London, W1K 5LH
Principal trading activity	Other service activities not elsewhere classified

Appointment details

Date of appointment	19 January 2016
Appointment made by	The Directors
Court name and reference	High Court of Justice No 315 of 2016
Administrators appointed.	Mark Supperstone Insolvency Practitioner Number 9734 Simon Harris Insolvency Practitioner Number 11372
Paragraph 100(2) statement	Any act required or authorised under any enactment to be done by an administrator may be done by any or all of the Administrators acting jointly or alone

Officers of the Company (current)

Abigail Eva Flanagan
Michele Teresa Allahiary
Saeid Sadeghi

Company secretary

Teresa Ann Sadeghi

Shareholders

Name	No. of shares	Type
B A Payne	1	Ordinary
Executors of M.A Edwards (Deceased)	49	Ordinary
J A Craig	1	Ordinary
Teresa Sadeghi	24	Ordinary
Michelle Allahiary	24	Ordinary
Michelle Allahiary and Teresa Sadeghi	1	Ordinary
Total	100	

Source Annual return at Companies House

Share capital

Authorised 100 ordinary shares of £1 each

Charges None

HEC

Company information

Company name	HEC Enterprises Limited
Previous name	N/A
Company number	00928491
Date of incorporation	8 March 1968
Trading address	49 South Molton Street, London, W1K 5LH
Current registered office	c/o ReSolve Partners Limited, One America Square, Crosswall, London, EC3N 2LB
Former registered office	49 South Molton Street London W1K 5LH
Principal trading activity	Other service activities not elsewhere classified

Appointment details

Date of appointment	19 January 2016
Appointment made by	The Directors
Court name and reference	High Court of Justice No 314 of 2016
Administrators appointed	Mark Supperstone Insolvency Practitioner Number 9734 Simon Harris Insolvency Practitioner Number 11372
Paragraph 100(2) statement	Any act required or authorised under any enactment to be done by an administrator may be done by any or all of the Administrators acting jointly or alone

Officers of the Company (current)

Abigail Eva Flanagan
Michele Teresa Allahyary
Saeid Sadeghi

Company secretary:

Teresa Ann Sadeghi

Shareholders

Name	No. of shares	Type
Teresa Sadeghi	1,500	Ordinary
Michele Allahyary	1,500	Ordinary
Manuela Edwards	1,500	Ordinary
Abigail Flanagan	500	Ordinary
Chloe King	500	Ordinary
Cassian Edwards	500	Ordinary
Total	6,000	

Source: Annual return at Companies House

Share capital

Authorised 6,000 ordinary shares £1 each

Charges None

STATEMENT OF AFFAIRS

APPENDIX II

Statement of Affairs

Name of Company
Deep Purple (Overseas) Limited

Company number
01016257

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

Court case number
315 of 2016

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

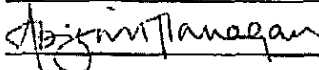
Statement as to the affairs of (a) Deep Purple (Overseas) Limited of 49 South Molton Street,
London, W1K 5LH

(b) Insert date

On the (b) 19.01 2016, 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) 19 01 2016
the date that the company entered administration

Full name ABIGAIL EVA FLANAGAN
Signed 
Dated 23.02.2016

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge.	-	-
Total assets subject to fixed charge	-	-
Less amounts owing under fixed charge	-	-
Fixed charge surplus / (deficit)	-	-
Assets subject to floating charge	-	-
Total assets subject to floating charge	-	-
Uncharged assets		
Cash at bank - current account	100	100
Cash at bank - liquidity account	20,292	20,292
Cash at bank - US Dollar account (converted)	27,936	27,936
Future Royalty Income	Uncertain	Uncertain
Intellectual property - music catalogue	Uncertain	Uncertain
Dipak Rao - Recoveries - contingency	1,036,036	1
Martin Birch - book debt re insurance	4,007	4,007
Glenn Hughes - book debt	9,671	9,671
Ian Paice - book debt re insurance	4,220	4,220
Victoria Lord - book debt re insurance	1,516	1,516
Unauthorised payments to Manuela Edwards - contingency	1	1
VAT refund	7,000	7,000
EMI/SONY Black Box - Contingency	1	1
Total uncharged assets	1,110,780	74,745
Estimated total assets available to preferential creditors	1,110,780	74,745

ფეხიშტანგან


23 02 16

A1 - Summary of Liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors	<u>74,745</u>
Preferential creditors	
Employees arrears of wages and holiday pay	-
Redundancy Payments Office	-
Total preferential claims	<u>-</u>
Estimated surplus/(deficit) as regards preferential creditors	<u>74,745</u>
Estimated prescribed part of net property where applicable (carry forward)	<u>-</u>
Estimated total assets available for floating charge holders	<u>74,745</u>
Debts secured by floating charges (b/f from fixed charge shortfall)	<u>-</u>
Estimated surplus/(deficit) of assets after floating charges	<u>74,745</u>
Estimated prescribed part of net property where applicable (brought down)	<u>-</u>
Total assets available to unsecured creditors	<u>74,745</u>
Unsecured claims	
Trade creditors - Professionals	36,092
HM Revenue & Customs	-
Accruals	-
Royalty Beneficiaries	250,203
Associated Companies	7
Total unsecured claims	<u>286,302</u>
Estimated surplus/(deficit) as regards non-preferential creditors	- 211,557
Issued and called up capital	
Ordinary shares	600
Total shareholding	<u>600</u>
Estimated total (deficit)/surplus as regards members	<u>- 212,157</u>

Signature

Date



23 02 16

B - Company Creditors

Note: You must include all creditors and identify any 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 the property in the Company's possession

Name of creditor or claimant	Address (with postcode)	Amount of debt (£)	Details of security given	Date security given	Value of security (£)
------------------------------	-------------------------	--------------------	---------------------------	---------------------	-----------------------

Secured creditors

Total secured creditors

Unsecured creditors

Richard Blackmore Audit Claim - Contingency

Richard Blackmore

Richard Blackmore Audit Claim - Contingency

COZY POWELL - ROYALTIES DUE TO BLACKMORE

GILLAN/GLOVER/LORD/PAICE AUDIT CLAIM - CONTINGENCY

TERESA SADEGHI

ROGER GLOVER

MICHELE ALLAHYARI

MARTIN BIRCH

MANUELA EDWARDS

VICTORIA LORD OBO JON LORD

VICTORIA LORD OBO JON LORD - UNPAID VAT

IAN PAICE

IAN PAICE - UNPAID VAT

IAN GILLAN

GLENN HUGHES

DR CASSIAN EDWARDS

CHLOE KING

ABIGAIL FLANAGAN

DAVID COVERDALE

Signature

Abigail Flanagan

Date 23.02.2016

B - Company Creditors

Note: You must include all creditors and identify any 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 the property in the Company's possession.

Name of creditor or claimant	Address (with postcode)	Amount of debt (£)	Details of security	Date security given	Value of security (£)
DAVID COVERDALE AUDIT CLAIM - CONTINGENCY	C/O JON PAYNE, DAVID WEISE & ASSOC., 16000 VENTURA BOULEVARD, SUITE 600 ENCINO CA 91436 USA	1			
SANDRA ASHTON OBO EDWARD ANTHONY ASHTON DECEASED		63			
WENDY DIO PADAVONA OBO RONNIE DIO (PADAVONA) DECEASED		14,599			
JOHNNIE BOLIN OBO TOMMY BOLIN DECEASED		447			
BERNIE MARSDEN EBERHARD SCHOENER ELF		5 32 283			
HARD STUFF		163			
JIMMY BAIN		2,468			
THAMES TALENT	Thames Talent Ltd, 1720 Post Road East, Ste 101 Westport, CT 06890, USA. Attn: C/O DAVID VODICKA, MEDIA ARTS LAWYERS 633 QUEENSBERRY STREET NORTH MELBOURNE, VIC 3051, AUSTRALIA	434			
DREW THOMPSON - CONTINGENCY		1			
BRECKMAN & CO ACCOUNTANTS SKEET & KAYE MEDIA LTD SHERWOOD SOLICITORS WIXEN MUSIC UK LIMITED MOORE STEPHENS (previously Chantry Vailacout) - CONTINGENCY CLINTONS SOLICITORS GIDEON ROSEMAN - counsel RESOLVE	49 SOUTH MOLTON STREET LONDON, W1K 5LH 27-29 CURSTON STREET, LONDON EC4A 1LT 153 EDWARD STREET BRIGHTON BN2 0JG 12A ST GEORGE MEWS LONDON NW1 8XE 150 Aldersgate Street, London EC1A 4AB 55 DRURY LANE, LONDON, WC2B 5RZ 10 OLD SQUARE, LINCOLNS INN, LONDON, WC2A 3SU 1 AMERICA SQUARE, CROSSWALL, LONDON EC3N 2LB THE CHRYSLER BUILDING 405 LEXINGTON AVENUE, NY NY 10174-1299, USA 49 SOUTH MOLTON STREET LONDON, W1K 5LH	8,400 4,368 5,736 5,000 1 8,428 600 2,475 1,084 1			
MOSES SINGER LLP EDWARDS COLETTA - CONTINGENCY					

Signature David Weisse

Date 23.02.2016

B - Company Creditors

Note: You must include all creditors and identify any 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 the property in the Company's possession

Name of creditor or claimant	Address (with postcode)	Amount of debt (£)	Details of security	Date security given	Value of security (£)
MAUVE MUSIC USA - CONTINGENCY		1			
IAN GILLAN MUSIC - CONTINGENCY		1			
PURPLE MUSIC - CONTINGENCY		1			
PURPLE RECORDS - CONTINGENCY		1			
PURPLE MANAGEMENT - CONTINGENCY		1			
PURPLE STAR - CONTINGENCY		1			
Total unsecured creditors		286,302			
Total creditors		286,302			

Signature *John Morgan*

Date 23.02.2016

C- Company Members

Name of shareholder or member	Address (with postcode)	Type of share	Number of shares	Nominal value (£)	Total value of holding (£)
MICHELE ALLAHIARY		ORDINARY	147	1	147
JOHN CRAIG OBE		ORDINARY	6	1	6
CASSIAN EDWARDS		ORDINARY	49	1	49
MANUELA EDWARDS		ORDINARY	147	1	147
ABIGAIL FLANAGAN		ORDINARY	49	1	49
CHLOE KING		ORDINARY	49	1	49
BRUCE PAYNE		ORDINARY	6	1	6
TERESA SADEGH		ORDINARY	147	1	147
			600		600

Signature

Abigail Flanagan

Date

23.02.2016

Statement of Affairs

Name of Company
HEC Enterprises Limited

Company number
00928491

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

Court case number
314 of 2016

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

Statement as to the affairs of (a) HEC Enterprises Limited of 49 South Molton Street,
London, W1K 5LH

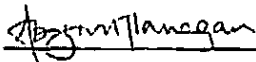
(b) Insert date

On the (b) 19.01.16, 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) 19.01.16
the date that the company entered administration

Full name ABIGAIL EVA FLANAGAN

Signed 

Dated 23.02.16

Assets	Book Value £	Estimated to Realise £
Assets subject to fixed charge	-	-
	-	-
Total assets subject to fixed charge	<u>-</u>	<u>-</u>
Less amounts owing under fixed charge		-
		<u>-</u>
Fixed charge surplus / (deficit)	-	-
Assets subject to floating charge	-	-
	-	-
Total assets subject to floating charge	<u>-</u>	<u>-</u>
Uncharged assets		
Cash at bank - current account	5,000	5,000
Cash at bank - liquidity account	72,939	72,939
Cash at bank - US Dollar Account	1,702	1,702
Intellectual property - music catalogue	Uncertain	Uncertain
Future Royalty Income	Uncertain	Uncertain
Dipak Rao Recoveries - contingency	742,373	1
Unauthorised payments to Andrea Cabales - contingency	149,914	1
Unauthorised payments to Andrea Cabales - DIRECT - conting	9,949	1
Unauthorised payments to Derek Lawrence - contingency	157,275	1
Unauthorised payments to Cloud Airport Spa - contingency	45,000	1
HMRC - VAT	13,000	13,000
EMI/SONY Black Box - Contingency	1	1
Total uncharged assets	<u>1,197,153</u>	<u>92,647</u>
Estimated total assets available to preferential creditors	<u>1,197,153</u>	<u>92,647</u>

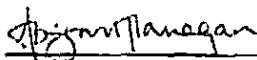
Abgimlanagan

23 02 16

A1 - Summary of Liabilities

	Estimated to Realise £
Estimated total assets available for preferential creditors	92,647
Preferential creditors	
Employees arrears of wages and holiday pay	-
Redundancy Payments Office	-
Total preferential claims	-
Estimated surplus/(deficit) as regards preferential creditors	92,647
Estimated prescribed part of net property where applicable (carry forward)	-
Estimated total assets available for floating charge holders	92,647
Debts secured by floating charges (b/f from fixed charge shortfall)	-
Estimated surplus/(deficit) of assets after floating charges	92,647
Estimated prescribed part of net property where applicable (brought down)	-
Total assets available to unsecured creditors	92,647
Unsecured claims	
Trade creditors - professionals	39,092
HM Revenue & Customs	-
Accruals	-
Royalties - beneficiaries	126,570
Associate Companies	14,857
Total unsecured claims	180,519
Estimated surplus/(deficit) as regards non-preferential creditors	- 87,872
Issued and called up capital	
Ordinary shares	6,000
Total shareholding	6,000
Estimated total (deficit)/surplus as regards members	- 93,872

Signature



Date

23 02 16

B - Company Creditors

Note: You must include all creditors and identify any 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 the property in the Company's possession

Name of creditor or claimant	Address (with postcode)	Amount of debt (£)	Details of security	Date security given	Value of security (£)
------------------------------	-------------------------	--------------------	---------------------	---------------------	-----------------------

Secured creditors

Total secured creditors

Preferential creditors

Total preferential creditors

Unsecured creditors

ABIGAIL FLANAGAN
 CHLOE KING
 DR CASSIAN EDWARDS
 IAN GILLAN
 IAN PAICE
 IAN PAICE - UNPAID VAT
 VICTORIA LORD OBO JON LORD
 VICTORIA LORD OBO JON LORD - UNPAID VAT
 MANUELA EDWARDS
 MARTIN BIRCH
 NICHELE ALLAHADY
 NICHOLAS SIMPER

2,881
 2,881
 2,881
 9,198
 9,822
 10,010
 9,822
 10,226
 16,833
 107
 13,208
 5,606

RICHARD BLACKMORE - ROYALTIES Q4

RICHARD BLACKMORE - AUDIT CLAIM - CONTINGENCY

ROD EVANS

ROD EVANS - CONTINGENCY

ROGER GLOVER

GILLAN/GLOVER/LORD/PAICE AUDIT CLAIM - CONTINGENCY

TERESA SADEGHI

DREW THOMPSON - CONTINGENCY

GIDEON ROSEMAN

CLINTONS SOLICITORS

WUXEN MUSIC UK LIMITED

C/O SIMONS WILKHEAD & BURTON, 8-9 FRITH ST, LONDON, W1D 3JR, MANAGER IS

C/O SIMONS WILKHEAD & BURTON, 8-9 FRITH ST, LONDON, W1D 3JR, MANAGER IS

C/O STEVEN JAMES BROWN ENTERTAINMENT LAW, 69 GRAND VIEW AVENUE, SAN

C/O RUSSELLS SOLICITORS, 1-4 WARWICK ST, LONDON, W1B 5LJ

C/O RUSSELLS SOLICITORS, 1-4 WARWICK ST, LONDON, W1B 5LJ

10 OLD SQUARE, LINCOLNS INN, LONDON, WC2A 3SU

55 DRURY LANE, LONDON, WC2B 5RZ

12A ST GEORGE MEWS, LONDON, NW1 8XE

9,822

1

561

1

9,198

1

13,208

1

600

8,428

5,000

Signature Abigail Flanagan

Date 23.02.16

B - Company Creditors

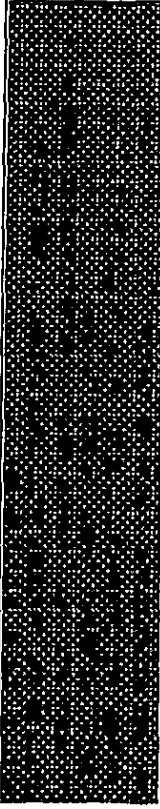
Note: You must include all creditors and identify any creditors under hire-purchase, chattel leasing or conditional sale agreements and customers claiming amounts paid in advance of the supply of goods or services and creditors claiming retention of title over the property in the Company's possession

Name of creditor or claimant	Address (with postcode)	Amount of debt (£)	Details of security	Date security given	Value of security (£)
SHERWOOD SOLICITORS	153 EDWARD STREET, BRIGHTON BN2 0JG	5,736			
SKEET & KAYE MEDIA LTD	27-29 CURSITOR STREET LONDON EC4A 1LT	7,368			
BRECKMAN & CO ACCOUNTANTS	49 SOUTH MOLTON STREET, LONDON W1K 5LH	8,400			
MOSES SINGER LLP	THE CHRYSLER BUILDING, 405 LEXINGTON AVENUE NY NY 10174-1299 USA	1,084			
RESOLVE	1 AMERICA SQUARE CROSSWALL LONDON EC3N 2LB	2,475			
MOORE STEPHENS (previously Chantrey Vellaoddt) - CONTINGENCY	150 Aldersgate Street, London EC1A 4AB	1			
EDWARDS COLETTA - CONTINGENCY	49 SOUTH MOLTON STREET, LONDON W1K 5LH	1			
MAUVE MUSIC USA - CONTINGENCY	[REDACTED]	1			
DAN GILLAN MUSIC - CONTINGENCY	RAMILLIES HOUSE 2 RAMILLIES STREET LONDON W1F 7LN	1			
PURPLE MUSIC - CONTINGENCY	49 SOUTH MOLTON STREET, LONDON W1K 5LH	1			
PURPLE RECORDS - CONTINGENCY	49 SOUTH MOLTON STREET, LONDON W1K 5LH	1			
PURPLE RECORDS	49 SOUTH MOLTON STREET, LONDON W1K 5LH	14,850			
PURPLE MANAGEMENT - CONTINGENCY	49 SOUTH MOLTON STREET, LONDON W1K 5LH	1			
PURPLE STAR - CONTINGENCY	49 SOUTH MOLTON STREET, LONDON W1K 5LH	1			
Total unsecured creditors		180,519			
Total creditors		180,519			

Signature Stephen Millman

Date 23 02 16

C- Company Members

Name of shareholder or member	Address (with postcode)	Type of share	Number of shares	Nominal value (£)	Total value of holding (£)
MICHELE ALLAHIAN		ORDINARY	1,500	1	1,500
CASSIAN EDWARDS		ORDINARY	500	1	500
MANUELA EDWARDS		ORDINARY	1,500	1	1,500
ABIGAIL FLANAGAN		ORDINARY	500	1	500
CHLOE KING		ORDINARY	500	1	500
TERESA SADEGHI			1,500	1	1,500
			6,000		6,000

Signature Abigail Flanagan

Date 23 02 16

APPENDIX III

RECEIPTS AND PAYMENTS ACCOUNTS

DPO

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD 19 JANUARY 2016 TO 10 MARCH 2016**

	Notes	Statement of Affairs, Estimated to Realise	19-Jan-16 to 10-Mar-16	Total Receipts/ Payments To Date
RECEIPTS		£	£	£
Cash at bank (potential third party funds)	1	48,328	48,287	48,287
Interest on cash at bank		-	9	9
Future royalty income (potential third party funds)	2	Uncertain	83,752	83,752
Intellectual property - music catalogue		Uncertain	-	-
Dipak Rao recoveries (potential third party funds)	3	1	477,299	477,299
Book Debts		19,414	29,254	29,254
Unauthorised payments to Manuela Edwards		1	-	-
VAT refund		7,000	-	-
EMI / Sony black box		1	-	-
		74,745	638,601	638,601
PAYMENTS				
			-	-
			-	-
Balance (Receipts less Payments)				638,601

Represented by	
Administration current account - non interest bearing, Sterling	362
Administration current account - non interest bearing, US Dollar	-
Fieldfisher client account	477,299
NatWest pre-appointment accounts - Sterling	133,104
NatWest pre-appointment account - US Dollar	27,896
VAT payable	(60)
TOTAL CASH IN HAND	638,601

Mark Supperstone
Joint Administrator
10 March 2016

Notes

- 1 Funds held in US Dollars converted into Pounds Sterling at a rate of 1.4235
- 2 Majority of licensees continue to remit payments into the Company's pre-appointment bank account. This sum is the gross receipts received into the Company's account and may include an element of VAT payable (to be determined on completion of royalty statement review by Wixen Music UK Limited)
- 3 Funds recovered from Mr Rao prior to Administration are presently held in Fieldfisher LLP's client account and are subject to third party trust claims. This figure is shown as the full amount on Deep Purple (Overseas) Limited and HEC Enterprises Limited's receipts and payments accounts pending determination of split.

HEC

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD 19 JANUARY 2016 TO 10 MARCH 2016**

	Notes	Statement of Affairs - Estimated to Realise	19-Jan-16 to 10-Mar-16	Total Receipts/ Payments To Date
RECEIPTS		£	£	£
Cash at bank (potential third party funds)	1	79,641	79,633	79,633
Interest on cash at bank		-	7	7
Future royalty income (potential third party funds)	2	Uncertain	9,194	9,194
Intellectual property - music catalogue		Uncertain	-	-
Dipak Rao recoveries (potential third party funds)	3	1	477,299	477,299
Unauthorised payments to Andrea Cabale		2	-	-
Unauthorised payments to Derek Lawrence		1	-	-
Unauthorised payments to Cloud Airport Spa		1	-	-
VAT refund		13,000	-	-
EMI / Sony black box		1	-	-
		92,647	566,133	566,133
PAYMENTS				
			-	-
			-	-
Balance (Receipts less Payments)				566,133

Represented by	
Administration current account - non interest	-
Administration current account - non interest	-
Fieldfisher client account	477,299
NatWest pre-appointment accounts - Sterling	87,140
NatWest pre-appointment account - US Dollar	1,694
TOTAL CASH IN HAND	566,133

Mark Supperstone
Joint Administrator
10 March 2016

Notes

- 1 Funds held in US Dollars converted into Pounds Sterling at a rate of 1.4235
- 2 Majority of licensees continue to remit payments into the Company's pre-appointment bank account. This sum is the gross receipts received into the Company's account and may include an element of VAT payable (to be determined on completion of royalty statement review by Wixen Music UK Limited)
- 3 Funds recovered from Mr Rao prior to Administration are presently held in Fieldfisher LLP's client account and are subject to third party trust claims. This figure is shown as the full amount on Deep Purple (Overseas) Limited and HEC Enterprises Limited's receipts and payments accounts pending determination of split

APPENDIX IV

ADMINISTRATORS' CHARGE OUT RATES, FEES ESTIMATE, DISBURSEMENT POLICY AND NARRATIVE

Administrators' charge out rates

The Administrators are seeking to be remunerated on a time cost basis. Charge-out rates used are appropriate to the skills and experience of a member of staff and the work that they perform. Time is recorded in 6 minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work.

This document provides an estimate as to how much time the Administrators and their staff will spend undertaking specific tasks, and the costs of undertaking such work. The estimated time that will be spent undertaking the work in each category of work has been multiplied by the applicable charge out rate for each member of staff that it is anticipated will undertake work in that category to arrive at the estimated total time costs attributable to that category of work.

The estimated costs have been divided by the estimated hours required to arrive at an average hourly charge out rate for that category of work. The hourly charge-out rates used on this case are as follows:

Staff grade	Rate per hour (£)
Principal	510
Director	415
Senior Manager	395
Manager	340
Assistant Manager	305
Senior Administrator	255
Administrator	195
Junior Administrator	145

Secretarial and support staff are not charged to the cases concerned, being accounted for as an overhead of ReSolve Partners Limited.

Fees estimate

DPO

	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work (£)	Average charge out rate (£)
ADMINISTRATION AND PLANNING (Note 2)			
Description of the tasks to be undertaken in this category of work			
Case planning and monitoring			
Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case	9 20	2 766 00	
Selling up physical/electronic case files (as applicable)	2 60	754 00	
Selling up the case on the practice's electronic case management system and entering data	6 70	2 087 75	
Undertaking periodic reviews of the progress of the case	19 55	6 632 75	
Overseeing and controlling the work done on the case by case administrators	42 70	15 832 00	
Reporting to creditors			
Issuing the statutory notifications to creditors and other required on appointment as office holder, including gazetting the office holder's appointment (as applicable)	12 70	5,524 50	
Preparation of proposals	17 50	6 598 00	
Compliance matters			
Obtaining a specific penalty bond,	0 50	97 50	
Reviewing the adequacy of the specific penalty bond on a quarterly basis	0 50	97 50	
Cashiering			
Opening, maintaining and managing the office holder's estate bank account (delete if not applicable)	4 00	1,405 00	
Creating, maintaining and managing the office holder's cashbook,	1 00	351 25	
Undertaking regular bank reconciliations of the bank account containing estate funds	1 00	351 25	
Filing documents with Companies House / Court			
Filing returns at Companies House and/or Court (as applicable),	1 50	526 88	
Filing final returns at Companies House and/or Court (as applicable)	0 50	175 63	
General administration			
Arranging suitable insurance over assets	0 50	97 50	
Regularly monitoring the suitability and appropriateness of the insurance cover in place	0 50	175 63	
Preparing and filing VAT returns (delete if not applicable)	1 50	552 00	
Preparing and filing Corporation Tax returns (delete if not applicable)	1 50	552 00	
Seeking closure clearance from HMRC and other relevant parties	0 50	97 50	
Statutory Paperwork and Form Completion	11 30	2,208 00	
Total	135 95	46,880 63	344 84

CREDITORS (note 3)

Description of the tasks to be undertaken in this category of work			
Unsecured creditors			
Dealing with creditor correspondence emails and telephone conversations regarding their claims	24 40	7,287 50	
Maintaining up to date creditor information on the case management system	1 00	195 00	
Claim agreement and distributions			
Issuing a notice of intended dividend and placing an appropriate gazette notice	0 50	175 63	
Reviewing proofs of debt received from creditors, adjudicating on them and formally admitting them for the payment of a dividend	5 00	975 00	
Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims	3 50	682 50	
Calculating and paying a dividend to creditors and issuing the notice of declaration of dividend	5 00	1 195 00	
Total	39,40	10 510 63	266 77

DEEP PURPLE (OVERSEAS) LIMITED AND HEC ENTERPRISES LIMITED
Administrators' proposals
10 March 2016

INVESTIGATIONS (Note 4)

Description of the tasks to be undertaken in this category of work

Return preparation

Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act (delete if not applicable);

5 00 1,758 25

General investigation

Recovering the books and records for the case,
 Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties such as the bank, accountants solicitors etc

1 80 549 00

2 80 955 50

Other investigation

Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors

5 00 1 756 25

Total

14 60 5,017 00

343 63

REALISATION OF ASSETS (Note 5)

Description of the tasks to be undertaken in this category of work

Book debt recoveries

Corresponding with debtors and attempting to collect outstanding book debts
 Liaising with the bank regarding the closure of the account

3 00 1,053 75

0 50 175 63

Dealing with assets

General asset matters

1 90 648 88

Dealing with royalties and trust matters (including liaising with legal advisors)

115 50 40 524 00

Other assets

18 40 6,914 25

Total

139 30 49,316 50

354 03

TRADING (note 6)

Description of the tasks to be undertaken in this category of work

Day one matters

Obtaining appropriate information about the business and preparing a business plan

0 50 152 50

Ongoing trading administration

Monitoring and controlling the day to day trading of the business

50 80 18,587 00

Total

67 30 18,719 50

326 69

Total time costs and hours

386 65 130,444 28

337 46

Note 1 This estimate has been provided to creditors at an early stage in the administration of the case and before the office holder has full knowledge of the case. Whilst all possible steps have been taken to make this estimate as accurate as possible it is based on the office holders' current knowledge of the case and their knowledge and experience of acting as office holder in respect of cases of a similar size and apparent complexity. As a result the estimate does not take into account any currently unknown complexities or difficulties that may arise during the administration of the case. If the time costs incurred on the case by the office holder exceed the estimate or is likely to exceed the estimate the office holder will provide an explanation as to why that is the case in the next progress report sent to creditors. Since the office holder cannot draw remuneration in excess of this estimate without first obtaining approval to do so then where the office holder considers it appropriate in the context of the case they will seek a resolution to increase the fee estimate so that they will then be able to draw additional remuneration over and above this estimate.

Note 2 Administration and planning - This represents the work that is involved in the routine administrative functions of the case by the office holders and their staff.

Note 3 Creditors' Claims of creditors - The office holders need to maintain records of the names and addresses of creditors together with the amounts of their claims to ensure notices and reports can be issued to the creditors. The office holders will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holders are required to undertake this work as part of their statutory functions. Dividends - the office holders have to undertake certain statutory formalities in order to enable them to pay a dividend to creditors. This includes writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims which may involve requesting additional information and documentation from the creditors.

Note 4 Investigations - The insolvency legislation gives the office holders powers to take recovery action in respect of what are known as antecedent transactions, where assets have been disposed of prior to the commencement of the insolvency procedure. An initial investigation determines whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holders will incur additional time costs to investigate them in detail and to bring recovery actions where necessary. The office holder is unable to quantify the benefit to creditors of these investigations at present but will include such information in their statutory report to creditors once the position is clear. The office holder is also required by legislation to report to the Department for Business, Innovation and Skills on the conduct of the directors and the work to enable them to comply with this statutory obligations is of no direct benefit to the creditors, although it may identify potential recovery actions.

Note 5 Realisation of Assets - This is the work that needs to be undertaken to realise the known assets in the case.

Note 6 Trading - The office holders have decided to trade the business of the company in order to achieve a sale of the business as a going concern / work with customers to provide a better outcome for the creditors of the Company which it is anticipated will maximise the recoveries on behalf of creditors. The particular tasks scheduled in this category of work are required to be undertaken in order to enable the office holder to monitor and control the trading of the business and include statutory functions that are required to be undertaken when running any business.

DEEP PURPLE (OVERSEAS) LIMITED AND HEC ENTERPRISES LIMITED
Administrators' proposals
10 March 2016

HEC

ADMINISTRATION AND PLANNING (Note 2)

Description of the tasks to be undertaken in this category of work	Estimated time to be taken to undertake the work	Estimated value of the time costs to undertake the work (£)	Average charge out rate (£)
Case planning and monitoring			
Case planning - devising an appropriate strategy for dealing with the case and giving instructions to the staff to undertake the work on the case	8 05	2 467 75	
Setting up physical/electronic case files (as applicable)	2 80	754 00	
Setting up the case on the practice's electronic case management system and entering data	6 70	2 087 75	
Undertaking periodic reviews of the progress of the case	19 55	6 632 75	
Overseeing and controlling the work done on the case by case administrators.	42 70	15 832 00	
Reporting to creditors			
Issuing the statutory notifications to creditors and other required on appointment as office holder including gazetting the office holder's appointment (as applicable)	12 70	5,524 50	
Preparation of proposals	17,50	6 596 00	
Compliance matters			
Obtaining a specific penalty bond	0 50	97 50	
Reviewing the adequacy of the specific penalty bond on a quarterly basis	0 50	97,50	
Cashiering			
Opening, maintaining and managing the office holder's estate bank account (delete if not applicable)	4 00	1 405 00	
Creating, maintaining and managing the office holder's cashbook	1 00	351 25	
Undertaking regular bank reconciliations of the bank account containing estate funds	1 00	351 25	
Filing documents with Companies House / Court			
Filing returns at Companies House and/or Court (as applicable)	1 50	525 88	
Filing final returns at Companies House and/or Court (as applicable)	0 50	175 03	
General administration			
Arranging suitable insurance over assets	0 50	97 50	
Regularly monitoring the suitability and appropriateness of the insurance cover in place	0 50	175 63	
Preparing and filing VAT returns (delete if not applicable)	1 50	552 00	
Preparing and filing Corporation Tax returns (delete if not applicable)	1 50	552 00	
Seeking closure clearance from HMRC and other relevant parties	0 50	97 50	
Statutory Paperwork and Form Completion	11 30	2,208 00	
Total	134 80	46,582 38	345 57

CREDITORS (note 3)

Description of the tasks to be undertaken in this category of work

Unsecured creditors			
Dealing with creditor correspondence emails and telephone conversations regarding their claims	24 40	7 287 50	
Maintaining up to date creditor information on the case management system	1 00	105 00	
Claim agreement and distributions			
Issuing a notice of intended dividend and placing an appropriate gazette notice	0 50	175 63	
Reviewing proofs of debt received from creditors adjudicating on them and formally admitting them for the payment of a dividend	5 00	975 00	
Requesting additional information from creditors in support of their proofs of debt in order to adjudicate on their claims	3 90	682 50	
Calculating and paying a dividend to creditors and issuing the notice of declaration of dividend	5 00	1 195 00	
Total	39 40	10,510 63	266 77

DEEP PURPLE (OVERSEAS) LIMITED AND HEC ENTERPRISES LIMITED
Administrators' proposals
10 March 2016

INVESTIGATIONS (Note 4)

Description of the tasks to be undertaken in this category of work

Return preparation

Preparing a report or return on the conduct of the directors as required by the Company Directors Disqualification Act (delete if not applicable)

5 00 1 756 25

General investigation

Recovering the books and records for the case

1 80 549 00

Conducting an initial investigation with a view to identifying potential asset recoveries by seeking and obtaining information from relevant third parties such as the bank accountants, solicitors, etc

2 80 955 50

Other investigation

Reviewing books and records to identify any transactions or actions the office holder may take against a third party in order to recover funds for the benefit of creditors

5 00 1 756 25

Total

14 60 5,017 00 343 63

REALISATION OF ASSETS (Note 5)

Description of the tasks to be undertaken in this category of work

Book debt recoveries

Corresponding with debtors and attempting to collect outstanding book debts

3 00 1 053 75

Liaising with the bank regarding the closure of the account

0 50 175 63

Dealing with assets

General asset matters

1 90 848 88

Dealing with royalties and trust matters (including liaising with legal advisors)

115 50 40 524 00

Other assets

18 40 6 914 25

Total

139 30 49,316 50 384.03

TRADING (note 6)

Description of the tasks to be undertaken in this category of work

Day one matters

Obtaining appropriate information about the business and preparing a business plan

0 50 152.50

Ongoing trading administration

Monitoring and controlling the day to day trading of the business

58 80 18 567 00

Total

57 30 18 719 50 328.69

Total time costs and hours

385 40 130,146 00 £337 69

Note 1 This estimate has been provided to creditors at an early stage in the administration of the case and before the office holder has full knowledge of the case. Whilst all possible steps have been taken to make this estimate as accurate as possible it is based on the office holders' current knowledge of the case and their knowledge and experience of acting as office holder in respect of cases of a similar size and apparent complexity. As a result the estimate does not take into account any currently unknown complexities or difficulties that may arise during the administration of the case. If the time costs incurred on the case by the office holder exceed the estimate or is likely to exceed the estimate the office holder will provide an explanation as to why that is the case in the next progress report sent to creditors. Since the office holder cannot draw remuneration in excess of this estimate without first obtaining approval to do so then where the office holder considers it appropriate in the context of the case, they will seek a resolution to increase the fee estimate so that they will then be able to draw additional remuneration over and above this estimate.

Note 2 Administration and planning - This represents the work that is involved in the routine administrative functions of the case by the office holders and their staff.

Note 3 Creditors' Claims of creditors - the office holders need to maintain records of the names and addresses of creditors, together with the amounts of their claims to ensure notices and reports can be issued to the creditors. The office holders will also have to deal with correspondence and queries received from creditors regarding their claims and dividend prospects as they are received. The office holders are required to undertake this work as part of their statutory functions. Dividends - the office holders have to undertake certain statutory formalities in order to enable them to pay a dividend to creditors. This includes writing to all creditors who have not lodged proofs of debt and reviewing the claims and supporting documentation lodged by creditors in order to formally agree their claims which may involve requesting additional information and documentation from the creditors.

Note 4 Investigations - The insolvency legislation gives the office holders powers to take recovery action in respect of what are known as antecedent transactions where assets have been disposed of prior to the commencement of the insolvency procedure. An initial investigation determines whether there are potential recovery actions for the benefit of creditors and the time costs recorded represent the costs of undertaking such an initial investigation. If potential recoveries or matters for further investigation are identified then the office holders will incur additional time costs to investigate them in detail and to bring recovery actions where necessary. The office holder is unable to quantify the benefit to creditors of these investigations at present but will include such information in their statutory report to creditors once the position is clear. The office holder is also required by legislation to report to the Department for Business Innovation and Skills on the conduct of the directors and the work to enable them to comply with this statutory obligations is of no direct benefit to the creditors although it may identify potential recovery actions.

Note 5 Realisation of Assets - This is the work that needs to be undertaken to realise the known assets in the case.

Note 6 Trading - The office holders have decided to trade the business of the company in order to achieve a sale of the business as a going concern / work with customers to provide a better outcome for the creditors of the Company which it is anticipated will maximise the recoveries on behalf of creditors. The particular tasks scheduled in this category of work are required to be undertaken in order to enable the office holder to monitor and control the trading of the business and include statutory functions that are required to be undertaken when running any business.

Disbursement policy

Separate charges are made in respect of directly attributable expenses (Category one disbursements) such as travelling (non-mileage), postage, photocopying, statutory advertising and other expenses made on behalf of the assignment

Indirect charges (Category two disbursements) require separate approval and the basis of charging these is as follows

- Photocopying 20 pence per sheet
- Mileage 45 pence per mile

Pre-appointment disbursements

The following expenses were incurred prior to Administration

DPO

	CATEGORY 1 Cost (£)	CATEGORY 2 Cost (£)	TOTAL Cost (£)	PAID TO DATE Cost (£)	OUTSTANDING Cost (£)
Court fee	50	-	50	-	50
Travel	3	-	3	-	3
	53	-	53	-	53

HEC

	CATEGORY 1 (£)	CATEGORY 2 (£)	TOTAL (£)	PAID TO DATE (£)	OUTSTANDING (£)
Court fee	50	-	50	-	50
Travel	3	-	3	-	3
	53	-	53	-	53

Post-appointment disbursements

The following expenses have been incurred post administration

DPO

	CATEGORY 1 Cost (£)	CATEGORY 2 Cost (£)	TOTAL Cost (£)	PAID TO DATE Cost (£)	OUTSTANDING Cost (£)
Insolv fee	110	-	110	-	110
Postage	-	48	48	-	48
Advertising	75	-	75	-	75
	185	48	233	-	233

HEC

	CATEGORY 1 (£)	CATEGORY 2 (£)	TOTAL (£)	PAID TO DATE (£)	OUTSTANDING (£)
Insolv fee	110	-	110	-	110
Postage	-	46	46	-	46
Advertising	75	-	75	-	75
	185	46	231	-	231

Future disbursement estimates

We estimate the following future disbursements:

DPO

	CATEGORY 1	CATEGORY 2	TOTAL	PAID TO DATE	OUTSTANDING
	Cost (£)	Cost (£)	Cost (£)	Cost (£)	Cost (£)
Bonding	100	-	100	-	100
Postage	100	-	100	-	100
Advertising	150	-	150	-	150
	350	-	350	-	350

HEC

	CATEGORY 1	CATEGORY 2	TOTAL	PAID TO DATE	OUTSTANDING
	(£)	(£)	(£)	(£)	(£)
Bonding	100	-	100	-	100
Postage	100	-	100	-	100
Advertising	150	-	150	-	150
	350	-	350	-	350

Narrative of work carried out

Administration and Planning

Case planning / monitoring

- Case planning and Administration
- Review and storage
- Case bordereau
- Preparing the documentation and dealing with the formalities of appointment

Cashiering

- Maintaining and managing the Administrators' cashbook and bank account
- Ensuring statutory lodgements and tax lodgement obligations are met

General administration

- Statutory notifications and advertising
- Preparing documentation required
- Dealing with all routine correspondence
- Maintaining physical case files and electronic case details on Insolv
- Preparing reports to members and creditors
- Convening and holding meetings of members and creditors

Creditors

Unsecured

- Dealing with creditor correspondence and telephone conversations
- Correspondence with Deep Purple's advisors
- Correspondence with other beneficiaries and their advisors
- Instructing Fieldfisher to assist with liaising with Deep Purple's advisors and other beneficiaries and their advisors
- Review of draft correspondence between Fieldfisher and various parties
- Attending to telephone conversations, email and written correspondence with Fieldfisher
- Attending to telephone conversations, email and written correspondence with Andrew Sutcliffe QC
- Preparing reports to creditors
- Maintaining creditor information on Insolv
- Reviewing, and adjudicating on if necessary, proofs of debt received from creditors

Investigations

General investigation

- Review and storage of books and records
- Conduct investigations into suspicious transactions
- Writing to Directors asking them to complete Directors Questionnaires and reviewing the completed questionnaires

Other investigation

- Review books and records to identify any transactions or actions an Administrator may take against a third party in order to recover funds for the benefit of creditors

Realisation of Assets

Dealing with royalties and trust matters

- Instructing Fieldfisher to assist with advice relating to various trust matters
- Instructing, via Fieldfisher, Mr Sutcliffe QC's to provide advice in respect of trust assets
- Review of Andrew Sutcliffe QC's advice in respect of trust assets
- Liaising with Mr Sutcliffe QC in respect of his advice

General asset matters

- Liaising with interested parties

Other assets

- Review of pre-appointment litigation matters
- Liaising with Fieldfisher and Mr Sutcliffe QC in respect of pre-appointment litigation matters
- Liaising with Mr Sutcliffe QC in respect of his advice

Statutory

Statutory paperwork / form preparation

- Statutory form preparation
- Dealing with statutory issues required under the Insolvency Act 1986, the Insolvency Rules 1986 and the Statements of Insolvency Practice

Reporting to creditors

- Filing documents with the Registrar of Companies and Court
- Reporting to members, creditors, employees and other stakeholders

Trading

Day one matters

- Dealing with day one trading matters
- Liaising with Wixen regarding their instruction

Ongoing trading administration

- Agreeing Wixen's continued instruction
- Issuing amendments to Companies' invoices to include Administration wording
- Reviewing and agreeing ongoing licencing requests
- Liaising with Wixen regarding EMI / Sony black box income
- Addressing ongoing correspondence with Wixen

APPENDIX V

SCHEDULE OF POST-APPOINTMENT TIME COSTS

DPO

The Administrators' time costs for the period from 19 January 2016 to date of proposals are detailed below.

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration & Planning									
Case planning / monitoring	4.10	1,695.00	12.10	4,284.50	1.70	331.50	17.90	6,311.00	352.57
Cashiering			1.20	366.00	0.80	156.00	2.00	522.00	261.00
General administration	11.40	5,814.00	21.30	6,505.50	2.35	651.25	36.05	12,972.75	359.85
	15.50	7,509.00	34.60	11,154.00	5.85	1,140.75	58.95	19,805.75	352.99
Creditors									
Unsecured	6.70	3,417.00	8.20	2,933.00	1.00	195.00	15.90	6,545.00	411.64
	6.70	3,417.00	8.20	2,933.00	1.00	195.00	15.90	6,545.00	411.64
Investigations									
General investigation			0.80	244.00	-	-	0.80	244.00	305.00
Other investigation			0.80	253.00	-	-	0.80	253.00	316.25
	-	-	1.60	497.00	-	-	1.60	497.00	310.63
Realisation of Assets									
Dealing with royalties and trust matters	21.20	10,812.00	30.20	11,227.00	3.60	702.00	55.00	22,741.00	413.47
General asset matters	-	-	0.40	122.00	-	-	0.40	122.00	305.00
Other assets	4.40	1,980.00	4.80	1,734.00	0.20	39.00	9.40	3,753.00	399.36
	25.60	12,792.00	35.40	13,083.00	3.80	741.00	64.80	26,616.00	410.74
Statutory									
Statutory paperwork / form completion	-	-	0.60	719.00	10.20	1,989.00	10.80	2,208.00	204.44
Reporting to creditors	-	-	8.30	2,585.50	6.10	1,187.50	14.40	3,775.00	262.15
	-	-	8.90	2,804.50	16.30	3,176.50	25.20	5,983.00	237.42
Trading									
Day one matters	-	-	0.50	152.50	-	-	0.50	152.50	305.00
Ongoing trading administration	9.00	4,359.00	15.80	5,389.50	-	-	24.80	9,748.50	391.51
	9.00	4,359.00	16.40	5,542.00	-	-	25.40	9,901.00	389.80
Total hours and cost	56.80	28,077.00	105.10	36,015.50	26.95	5,753.25	188.85	69,847.75	367.21

HEC

The Administrators' time costs for the period from 19 January 2016 to date of proposals are detailed below.

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
Administration & Planning									
Case planning / monitoring	3.80	1,575.00	11.40	4,008.00	1.70	331.50	16.90	6,004.50	355.30
Cashiering			0.80	244.00	0.90	175.50	1.70	419.50	246.76
General administration	10.90	5,559.00	21.70	6,627.50	3.20	624.00	35.80	12,810.50	357.84
	14.70	7,134.00	33.90	10,949.50	5.80	1,131.00	54.40	19,234.50	353.98
Creditors									
Unsecured	7.20	3,672.00	8.20	2,942.00	1.00	195.00	16.40	6,809.00	415.18
	7.20	3,672.00	8.20	2,942.00	1.00	195.00	16.40	6,809.00	415.18
Investigations									
General investigation	-	-	0.80	244.00	-	-	0.80	244.00	305.00
Other investigation	-	-	0.80	253.00	-	-	0.80	253.00	316.25
	-	-	1.60	497.00	-	-	1.60	497.00	310.63
Realisation of Assets									
Dealing with royalties and trust matters	21.00	10,710.00	30.90	11,467.50	3.40	668.00	55.30	22,845.50	413.07
General asset matters	-	-	0.40	122.00	-	-	0.40	122.00	305.00
Other assets	4.90	2,235.00	4.70	1,712.50	0.20	39.00	9.80	3,986.50	406.79
	25.90	12,945.00	36.00	13,302.00	3.60	702.00	65.50	26,949.00	411.44
Statutory									
Statutory paperwork / form completion	-	-	0.50	719.00	10.10	1,969.50	10.60	2,149.00	202.74
Reporting to creditors	-	-	8.40	2,625.00	6.00	1,170.00	14.40	3,795.00	263.54
	-	-	8.90	2,804.50	16.10	3,139.50	25.00	5,944.00	237.76
Trading									
Day one matters	-	-	0.70	213.50	-	-	0.70	213.50	305.00
Ongoing trading administration	8.60	4,144.00	15.50	5,758.50	-	-	24.10	9,402.50	390.15
	8.60	4,144.00	16.20	5,972.00	-	-	24.80	9,616.00	387.74
Total hours and cost	56.40	27,895.00	104.80	35,987.00	26.90	5,167.50	187.70	69,049.50	367.87

APPENDIX VI

SCHEDULE OF PRE-APPOINTMENT TIME COSTS

Joint Administrators' pre-appointment time costs for the period to 19 January 2016

DPO

Deep Purple (Overseas) Limited- Pre Appointment time									
PARTNER / DIRECTOR	MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE		
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)		Cost (£)	
Advisory/ Pre Appointment	6.40	3,220.00	4.80	1,464.00	1.90	406.50	13.10	5,090.50	388.59
	6.40	3,220.00	4.80	1,464.00	1.90	406.50	13.10	5,090.50	388.59

HEC

HEC Enterprises Limited- Pre Appointment time									
PARTNER / DIRECTOR	MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE		
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)		Cost (£)	
Advisory/ Pre Appointment	2.00	1,020.00	4.80	1,464.00	2.05	435.75	8.85	2,919.75	329.92
	2.00	1,020.00	4.80	1,464.00	2.05	435.75	8.85	2,919.75	329.92

APPENDIX VII

FORM 2.25B -- NOTICE OF CONDUCT OF BUSINESS BY CORRESPONDENCE

Rule 2 48

Notice of conduct of business by correspondence

Name of Company Deep Purple (Overseas) Limited	Company number 01016257
Court name High Court of Justice, Chancery Division (full name of court)	Court case number 315 of 2016

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

Notice is hereby given by (a) Mark Supperstone and Simon Harris of ReSolve Partners Limited, One America Square, Crosswall, London, EC3N 2LB

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

to the creditors of (b) Deep Purple (Overseas) Limited c/o ReSolve Partners Limited, One America Square, Crosswall, London, EC3N 2LB

(c) Insert number of
resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c) three resolutions for your consideration. Please indicate below whether you are in favour or against each resolution

(d) Insert address to
which form is to be
delivered

This form must be received at (d) ReSolve Partners Limited, One America Square, Crosswall, London, EC3N 2LB

(e) Insert closing date

by 12 00 hours on (e) 29 March 2016 in order to be counted. It must be accompanied by details in writing of your claim unless those details have already been submitted for the purpose of a meeting of creditors. Failure to do so will lead to your vote(s) being disregarded

Repeat as necessary
for the number of
resolutions attached

Resolution (1)

The acceptance of the Joint Administrators' proposals

I am *in favour / against

Resolution (2)

The approval of the Joint Administrators' pre-appointment time costs and expenses as detailed in *Appendix VI* and section 9 of the report and for them to be drawn, plus VAT

I am *in favour / against

Resolution (3)

The formation a creditors' committee

I am *in favour / against

If you wish to put forward a nomination for the membership of the creditors' committee, please complete the section below

For the Appointment of (name of individual)

of (company / organisation name)

representing (name of creditor)

as a member of the creditors committee

TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM

Name of creditor _____

Signature of creditor _____
(If signing on behalf of a creditor, state capacity e.g.
director / solicitor)

If you require any further details or clarification prior to returning your votes,
please contact me at the address above.

Signed



Joint Administrator

Dated 10 March 2016

FORM 2.25B – NOTICE OF CONDUCT OF BUSINESS BY CORRESPONDENCE

Rule 2.48

Notice of conduct of business by correspondence

Name of Company HEC Enterprises Limited	Company number 00928491
Court name High Court of Justice, Chancery Division (full name of court)	Court case number 314 of 2016

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

Notice is hereby given by (a) Mark Supperstone and Simon Harris of ReSolve Partners Limited, One America Square, Crosswall, London, EC3N 2LB

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

to the creditors of (b) Deep Purple (Overseas) Limited c/o ReSolve Partners Limited, One America Square, Crosswall, London, EC3N 2LB

(c) Insert number of
resolutions enclosed

that, pursuant to paragraph 58 of Schedule B1 to the Insolvency Act 1986, enclosed are (c) three resolutions for your consideration. Please indicate below whether you are in favour or against each resolution

(d) Insert address to
which form is to be
delivered

This form must be received at (d) ReSolve Partners Limited, One America Square, Crosswall, London, EC3N 2LB

(e) Insert closing date

by 12 00 hours on (e) 29 March 2016 in order to be counted. It must be accompanied by details in writing of your claim unless those details have already been submitted for the purpose of a meeting of creditors. Failure to do so will lead to your vote(s) being disregarded

Repeat as necessary
for the number of
resolutions attached

Resolution (1)

The acceptance of the Joint Administrators' proposals

I am *in favour / against

Resolution (2)

The approval of the Joint Administrators' pre-appointment time costs and expenses as detailed in *Appendix VI* and section 9 of the report and for them to be drawn, plus VAT

I am *in favour / against

Resolution (3)

The formation a creditors' committee

I am *in favour / against

If you wish to put forward a nomination for the membership of the creditors' committee, please complete the section below

For the Appointment of (name of individual)

of (company / organisation name)

representing (name of creditor)

as a member of the creditors committee.


TO BE COMPLETED BY CREDITOR WHEN RETURNING FORM

Name of creditor _____

Signature of creditor _____
(If signing on behalf of a creditor, state capacity e.g.
director / solicitor)

If you require any further details or clarification prior to returning your votes,
please contact me at the address above.

Signed



Joint Administrator

Dated 10 March 2016

APPENDIX VIII

PROOF OF DEBT – GENERAL FORM

DEEP PURPLE (OVERSEAS) LIMITED - (IN ADMINISTRATION)	
Date of administration 19 January 2016	
1.	Name of creditor (If a company please also give company registration number)
2	Address of creditor for correspondence.
3	Total amount of claim, including any Value Added Tax and outstanding un-capitalised interest as at the date the company went into administration.
4	Details of any documents by reference to which the debt can be substantiated (Note There is no need to attach them now but the administrators may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting)
5	If amount in 3 above includes outstanding un-capitalised interest please state amount £
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)
7	Particulars of any security held, the value of the security, and the date it was given
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates
9	Signature of creditor or person authorised to act on his behalf _____
	Name in BLOCK LETTERS _____
	Position with or in relation to creditor _____
	Address of person signing (if different from 2 above) _____
For Administrators' Use only	
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Joint Administrator	Joint Administrator

PROOF OF DEBT – GENERAL FORM

HEC ENTERPRISES LIMITED - (IN ADMINISTRATION)	
Date of administration 19 January 2016	
1.	Name of creditor (If a company please also give company registration number)
2	Address of creditor for correspondence
3	Total amount of claim, including any Value Added Tax and outstanding un-capitalised interest as at the date the company went into administration
4	Details of any documents by reference to which the debt can be substantiated (Note There is no need to attach them now but the administrators may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting)
5	If amount in 3 above includes outstanding un-capitalised interest please state amount £
6	Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form)
7	Particulars of any security held, the value of the security, and the date it was given
8	Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates
9	Signature of creditor or person authorised to act on his behalf _____
	Name in BLOCK LETTERS _____
	Position with or in relation to creditor _____
	Address of person signing (if different from 2 above) _____
For Administrators' Use only	
Admitted to vote for	Admitted for dividend for
£	£
Date	Date
Joint Administrator	Joint Administrator