

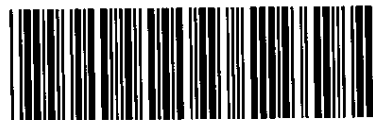
# AM10

## Notice of administrator's progress report



Companies House

FRIDAY



A16

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22/12/2017

#385

COMPANIES HOUSE

### 1 Company details

Company number 01016257  
Company name in full Deep Purple (Overseas) Limited

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

### 2 Administrator's name

Full forename(s) Mark  
Surname Supperstone

### 3 Administrator's address

Building name/number ReSolve Partners Limited  
Street 22 York Buildings, John Adam Street  
Post town London  
County/Region  
Postcode WC2N 6JU  
Country

### 4 Administrator's name

Full forename(s) Simon  
Surname Harris

● **Other administrator**  
Use this section to tell us about  
another administrator

### 5 Administrator's address

Building name/number ReSolve Partners Limited  
Street 22 York Buildings, John Adam Street  
Post town London  
County/Region  
Postcode WC2N 6JU  
Country

● **Other administrator**  
Use this section to tell us about  
another administrator.

# AM10

## Notice of administrator's progress report

### 6 Period of progress report

From date	2	9	0	5	2	0	1	7
To date	2	8	1	1	2	0	1	7


### 7 Progress report

☐ I attach a copy of the progress report

### 8 Sign and date

Administrator's  
signature

Signature

X 

X

Signature date

2 0 1 2 2 0 1 7

# AM10

## Notice of administrator's progress report



### Presenter information

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

Mark Supperstone

ReSolve Partners Limited

22 York Buildings, John Adam Street

London

Postcode

W C 2 N 6 J U

DX

0845 094 1150



### Checklist

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

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



### Important information

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



### Where to send

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

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



### Further information

For further information please see the guidance notes on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

**This form is available in an alternative format. Please visit the forms page on the website at [www.gov.uk/companieshouse](http://www.gov.uk/companieshouse)**

Our ref: ADMDEE001 & ADMHEC001/MS/CC/NBM/RP/040

T 020 7702 9775  
F 0845 094 1160

20 December 2017

[www.resolvegroupuk.com](http://www.resolvegroupuk.com)

**TO ALL KNOWN CREDITORS AND MEMBERS**

Dear Sirs

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

Please find enclosed the Administrators' report on the progress of the Administrations of the Companies for the period from 29 May 2017 to 28 November 2017, which should be read in conjunction with the Administrators' previous reports to creditors

**Rights of creditors**

An unsecured creditor may, with the permission of the court or with the concurrence of five per cent in value of the unsecured creditors (including the creditor in question) request further details of the Administrators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of ten per cent in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the administrators' fees and the amount of any proposed expenses or expenses already incurred, within eight weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

Should you have any queries please do not hesitate to contact Nathan Bickley-May of this office

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 Bickley-May*  
Phone number    *020 3326 8579*  
Email              *[nathan.bickley-may@resolvegroupuk.com](mailto:nathan.bickley-may@resolvegroupuk.com)*

The affairs, business and property of the Company 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, Simon Harris and Ben Woodthorpe are licensed in the United Kingdom by the Institute of Chartered Accountants in England and Wales.

**Deep Purple (Overseas) Limited (DPO) and HEC Enterprises Limited (HEC)  
In Administration (together the Companies)**

**Administrators' progress report  
For the period 29 May 2017 to 28 November 2017**

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2. Administrators' actions since the last report
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- I Statutory information
- II Receipts and payments accounts
- III Administrators' charge out rates, disbursement policy and narrative
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## **1. INTRODUCTION**

As you may be aware, Simon Harris and I were appointed as Administrators of the Companies on 19 January 2016. This report is the Administrators' progress report for the period 29 May 2017 to 28 November 2017 (the Reporting Period) and should be read in conjunction with the Administrators' proposals dated 10 March 2016 and progress reports dated 17 August 2016, 28 November 2016, and 23 June 2017, copies of which are available on request to this office free of charge.

I note that definitions regarding the Settlement Agreement, Freezing Order and Rao Recoveries will not be re-defined in this report as the relevant background to these definitions were provided in the Administrators' report and proposals dated 10 March 2016.

Please find attached the statutory information relating to the Companies at **Appendix I**

## **2. ADMINISTRATORS' ACTIONS SINCE THE LAST REPORT**

As previously reported, the Administrators continued to trade the Companies with the assistance of the Companies' pre-appointment royalty administration agent, Wixen Music UK Limited (Wixen) until April 2016. It is considered that by allowing the Companies to continue trading the Companies' goodwill will be preserved, whilst simultaneously maintaining on-going royalty streams for the benefit of the Companies and the beneficiaries entitled to same (the Beneficiaries). Due to the level of fees that Wixen wished to charge for the on-going trade activities, the majority of the general trade since April 2016 and during the course of the Reporting Period has been undertaken by the Administrators.

During the Reporting Period the following matters have been completed (not exhaustive).

- Corresponded with the Companies' pre-appointment bankers, National Westminster Bank plc (NatWest) regarding post appointment incoming credits and arranging the transfer of funds where appropriate
- Retained 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
  - Liaising and correspondence with the Beneficiaries and their advisors
  - Preparation and attendance at the Court hearing on 25 and 26 January 2017
  - Advice concerning Mr Justice Morgan's Judgment handed down on 9 December 2016
  - Advice relating to appealing the decision of Mr Justice Morgan, and
  - Dealing with the application for permission to appeal the decision of Mr Justice Morgan (the Appeal Application) and subsequently dealing with matters post receiving permission for appeal.
- Retained, via Fieldfisher, Counsel, Andrew Sutcliffe QC to advise on various trust matters and to seek his advice regarding the decision handed down by Mr Justice Morgan, together with advice relating to the Appeal Application
- Retained, via Fieldfisher, Counsel, Antony Zacaroli QC, in respect of a second opinion on appealing the decision of Mr Justice Morgan and assisting with the Appeal Application and matters following permission to appeal
- Dealings with Mr Sutcliffe QC in respect of the Appeal Application and following receiving permission to appeal
- Dealings with Mr Zacaroli QC in respect of the Appeal Application and following receiving permission to appeal
- Liaising with advisors for Purpletuity Limited (Purpletuity) in respect of the transfer of royalty receipts relating to the Clause 2 Assets and complied with the terms of a Court Order dated 29 September 2016 made by Mr Justice Morgan
- Transferred royalty receipts relating to Clause 2 Assets to Purpletuity
- Continued with efforts to sell the "Whitesnake" music catalogue (the Whitesnake Catalogue)
- Seeking to locate information to assist with the sale of the Whitesnake Catalogue

- Retained Fieldfisher to continue to advise on the sale agreement in respect of the sale of the Whitesnake Catalogue and provide legal advice to the Administrators in respect of the sale
- Instructed Hilco Appraisal (Hilco) to prepare a valuation of the "Rainbow" music catalogue (the Rainbow Catalogue) and completed a marketing campaign in respect of the same
- Invited offers for the Rainbow Catalogue
- Retained Fieldfisher to prepare a sale agreement in respect of the Rainbow Catalogue and provide legal advice to the Administrators in respect of the sale
- Liaised with the proposed purchaser of the Rainbow Catalogue to finalise due diligence in respect of the sale
- Liaised with unsecured creditors regarding claims and enquiries
- Drafted and issued the Administrators' progress report to creditors dated 23 June 2017
- Retained Fieldfisher to prepare an application to Court for an extension to the period of Administration for a period of 12 months
- Reviewed and approved the application and witness statement for an extension to the period of Administration and, with Fieldfisher's assistance, filed the same at Court
- Dealing with licensing requests/approvals and liaising with certain Beneficiaries advisors in respect of same, and
- Addressed the Administrators' statutory duties associated with these Administrations.

### 3. RECEIPTS AND PAYMENTS

The Administrators' receipts and payments (R&P) accounts for the Reporting Period (being 29 May 2017 to 28 November 2017) are attached at **Appendix II**.

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 of the funds is determined

### 4. ASSETS

Please note the below section details assets dealt with during the Reporting Period or those yet to be realised / outstanding. For details of the Companies' assets dealt with in previous reporting periods please refer to the Administrators' previous reports.

#### *DPO*

##### Future royalty income

During the Reporting Period £15,449 was received directly into the DPO Administration bank account. It is anticipated that once the processing has occurred, the total royalty income received during the course of the Administration will be circa £607,000 and \$172,000 respectively. Amounts continue to be received into the Companies' pre-appointment bank accounts which are periodically swept into the Administration bank accounts or Purpletuity. It should be noted that the majority of funds due to Purpletuity are now directly received by Purpletuity.



As previously advised, it is anticipated that DPO will continue to receive ongoing royalty income from various parties although the amount will be less due to the Deep Purple catalogue being transferred to Purpletuit. Please note that as a result of a Court Order dated 29 September 2016, any future income received from the Clause 2 Assets will be passed to Purpletuit.

During the Reporting Period, the Administrators have transferred royalty income relating to Clause 2 Assets to Purpletuit totalling £211,493. The Administrators concluded their negotiations with Purpletuit in respect of an indemnity for on-going funds to be transferred. Funds due to Purpletuit have now been remitted to the same.

It should also be noted that certain income is not subject to the Settlement Agreement and accordingly, is not confined to the terms of the Order of Mr Justice Morgan above. Unfortunately it is not possible to forecast future income as this depends on several factors mainly the level of exploitation that occurs during each quarter.

#### Intellectual property – Music catalogue

As previously reported, by way of background, DPO held the copyright in various Deep Purple and other compositions. At this stage, it is uncertain what value the intellectual property holds.

Following advice provided on our appointment by Fieldfisher and Counsel, the Administrators wrote to the Beneficiaries in respect of various matters, amongst which was the transfer of certain intellectual property to Purpletuit. Due to the passage of time since the Settlement Agreement which included the Clause 2 Assets, it was the Administrators' continued stance to seek a commercial resolution.

As previously reported, there has been a volume of correspondence with the Beneficiaries and their advisors and accordingly, the background surrounding the 2005 Agreement and trust accounts will not be expanded upon again in this report. Due to Russells (certain beneficiaries' advisors) seeking to recommence proceedings from 2015, all matters surrounding the 2005 Agreement ended up in court with an initial hearing in front of Mr Registrar Baister on 15 July 2016. An Order was sealed on 19 July 2016 instructing the Administrators to send written proposals (the Administrators' Proposals) to the defined list in the Order as to how the Administrators intend to address the disputes raised by Russells on behalf of their clients in the 2015 applications by 12 August 2016. The Administrators complied with same by the set deadline of 12 August 2016 and the Administrators' Proposals were served on all the relevant parties.

Mr Registrar Baister had adjourned the applications to be heard in front of a Judge, which was held on 28 September 2016 and 29 September 2016 in front of Mr Justice Morgan. An order of Mr Justice Morgan dated 29 September 2016 ordered, amongst other things, the transfer of the Clause 2 Assets held by the Companies to Purpletuit.

Mr Justice Morgan handed down his judgment on 9 December 2016 which mainly dealt with the Administrators' entitlement to recover remuneration, costs and expenses from the trust assets in relation to the administration and management of those Clause 2 Assets pursuant to the Berkeley Applegate principle (BA). Mr Justice Morgan refused to make an order in the terms sought by the Administrators. Instead, he made certain findings in his judgment in relation to particular categories of work, Mr Justice Morgan held that some categories of work could come within the BA principle but that other categories of work did not come within the BA principle. Legal advice was sought and as such a further court application was made by the Administrators, requesting that Mr Justice Morgan revise his conclusions that certain categories of work did not fall within the BA principle. This application was heard at the hearing on 25 and 26 January 2017 which also dealt with the costs of the previous applications. Mr Justice Morgan declined to revise his judgment and he awarded costs to the applicants and other parties joined to the BA hearing. Certain interim costs orders made have been settled; other costs will need to be the subject of cost assessment, which was postponed pending the Appeal Application.

As a result of the judgment, further legal advice was sought and a second counsel opinion regarding the original BA application and the merits of appealing. Accordingly, on advice, the Administrators issued the Appeal Application. Permission to appeal was granted on 30 May 2017. Accordingly, the Administrators, together with their legal representatives, will submit its evidence to the Court of Appeal. A hearing date has been set for July 2018. As the hearing date is after the date of the expiry of the Administration, the Administrators have sought the Court's permission for an extension to the period of Administration (other outstanding matters also require an extension to the period of the Administration).

#### *Non-Clause 2 Assets*

Certain intellectual property of DPO is not subject to the Settlement Agreement and in turn is therefore not a Clause 2 Asset. Accordingly, this intellectual property is not confined to the terms of the Order of Mr Justice Morgan above and remains vested in the Company.

The Administrators have liaised with parties who have expressed an interest in the Whitesnake Catalogue. The Administrators invited offers for the same and a contract was issued to a party. Conclusion of a sale has been delayed whilst the Administrators assist the proposed purchaser with locating certain recordings of the Whitesnake Catalogue. It is hoped a sale will be concluded shortly and an update will be provided in the Administrators' subsequent report.

DPO also holds the copyright to the Rainbow Catalogue which is also not subject to the Settlement Agreement. The Administrators instructed Hilco to prepare a valuation of the Rainbow Catalogue and commenced and concluded a marketing campaign. Following the conclusion of the marketing campaign the Administrators accepted the highest offer received and a sale contract is presently in circulation. It is hoped a sale can be concluded shortly.

*So as not to prejudice the outcome of the offers received, the Administrators will update creditors as to the offers received and the outcome of sale contract negotiations in their subsequent report. It is also considered that an extension to the period of Administration is likely to be required in order to conclude the above sales.*

#### Dipak Rao

As advised previously, DPO's Statement of Affairs (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.

In correspondence that has been circulated to the Beneficiaries, the money held is considered "mixed monies" as it contains both trust monies and non-trust monies that would have been misappropriated by Mr Rao. A percentage split between trust and non-trust was subject to discussion and outlined in the Administrators' Proposals.

Mr Justice Morgan ordered that 91.75 per cent of the Rao Recoveries be transferred to Purpletuit. The remaining funds (8.25 per cent) will be available to DPO and HEC. Following the ruling of Mr Justice Morgan £298,424 was transferred to Purpletuit, this does not represent 91.75 per cent as the remaining balance was retained in respect of BA costs incurred. Should costs be agreed and there be any residual balance, it will be transferred to Purpletuit.

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. 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. As advised previously, realisations are currently uncertain although entitlements from the March 2016 quarter have been segregated, where relevant.

#### 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  
ADM – PRBWV2

recovery of funds, if appropriate. Realisations are uncertain and until this matter is concluded, Mrs Edwards' royalty entitlements have been held by the Administrators, although segregated from general DPO funds.

The Administrators have requested that Purpletuity assist them, where possible, with ascertaining what sums are due from Mrs Edwards.

*HEC*

Future royalty income

It is anticipated that once the processing has occurred, the total royalty income received during the course of the Administration will be circa £522,000. Amounts continue to be received into the Companies' pre-appointment bank accounts which are periodically swept into the Administration bank accounts.

It was anticipated that HEC would continue to receive on-going royalty income from various parties. However, as with DPO above, as a result of a Court Order dated 29 September 2016 income received from the Clause 2 Assets will be passed to Purpletuity. As the intellectual property held by HEC is all considered to be Clause 2 Assets, there will be no further royalty income available to the estate of HEC.

During the Reporting Period, the Administrators have transferred royalty income relating to Clause 2 Assets to Purpletuity totalling £50,233. As outlined earlier in this report, following the agreement of the indemnity with Purpletuity the Administrators transferred outstanding sums to Purpletuity.

Intellectual property – Music catalogue

As with DPO above, HEC held the copyright in various Deep Purple compositions.

As a result of the Order of Mr Justice Morgan dated 29 September 2016, the Court ordered, amongst other things, the transfer of the Clause 2 Assets held by the Companies to Purpletuity. For further details please refer to the DPO section above.

It should be noted that it is not considered that HEC holds any non-Clause 2 Assets.

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.

*Both DPO & HEC*

Negligence claim

As outlined in the Administrators' previous report, prior to Administration, the Companies' identified a potential claim in negligence against the Companies' former accountant from 2014. A CFA has been entered into with Simons Muirhead & Burton (SMB) regarding pursuing a claim. SMB wrote to the Beneficiaries to seek funding to bring the action, Purpletuity agreed to provide certain funding to progress the claim. Further funding is required and the Administrators and SMB are in correspondence with Purpletuity to determine whether it is willing to provide further funding to progress this matter. The Administrators will provide an further update in their subsequent report.

## 5. DIVIDEND PROSPECTS

### Secured creditors

The records held at Companies House show that the Companies have no current charges over its assets.

The legislation requires that if a company has created a floating charge after 15 September 2003, a prescribed part of the company's net property (that is, the money that would otherwise be available to the charge holder) should be ring-fenced for distribution to unsecured creditors. In this case there were no creditors secured by a floating charge such that the prescribed part provisions do not apply in these Administrations.

### Preferential creditors

The Companies have no known preferential creditors.

### Non-preferential 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.

The Administrators have received claims totalling circa £1.3 million and some of the claims received have been lodged with a £1 value as the value has not been able to be quantified.

*Please note no adjudication on creditors' claims will be completed unless sufficient funds are held to allow a distribution to non-preferential unsecured creditors.*

#### *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.

The Administrators have received claims totalling circa £630,000 and some of the claims received have been lodged with a £1 value as the value has not been able to be quantified.

*Please note no adjudication on creditors' claims will be completed unless sufficient funds are held to allow a distribution to non-preferential unsecured creditors.*

## 6. INVESTIGATION INTO THE AFFAIRS OF THE COMPANIES

The Administrators undertook an initial investigation into the Companies' affairs to establish whether there were any potential asset recoveries or conduct matters that justified further investigation. The Administrators took into account the public interest, potential recoveries, the funds likely to be available to fund an investigation, and the costs involved.

Please note no further matters have been identified that justified further investigation in the circumstances of these appointments, save for those assets already outlined earlier in this report. These include, the Freezing Order obtained against Dipak Rao, his wife and his company, Rao & Partners Limited and the "unauthorised payments" made to Manuela Edwards outlined in DPO's statement of affairs (DPO) and the "unauthorised payments" made to various parties outlined in HEC's statement of affairs (HEC).

Within six months of the Administrators' appointments, they are required to submit a confidential report to the Department of Business, Innovation and Skills (DBIS) to include any matters which have come to their attention during the course of their work which may indicate that the conduct of any past or present director would make him unfit to be concerned with the management of a company. The Administrators confirm that the Administrators' reports have been submitted.

## 7. EXTENSION TO THE PERIOD OF ADMINISTRATION

The Administrators previously requested a 12 month extension to the period of Administration. This request was approved by creditors, with the Administration due to end automatically on 18 January 2018

As detailed above, there are several outstanding matters, including, but not limited to, the following:

- Sale of the Whitesnake Catalogue
- Sale of the Rainbow Catalogue
- The Court of Appeal Hearing
- A negligence claim against the Companies former accountant, and
- Investigation into unauthorised payments.

Accordingly the Administrators have made an application to Court for an extension to the period of Administration. The Administrators are presently awaiting a hearing date to consider the application and will update creditors on the outcome of the extension application in due course.

## 8. PRE-ADMINISTRATION COSTS

### *DPO*

On 29 March 2016 pre-appointment fees totalling £5,091 and pre-appointment expenses incurred of £53 were approved by creditors. The Administrators have not drawn any amounts in respect of their pre-appointment time costs or expenses.

### *HEC*

On 29 March 2016 pre-appointment fees totalling £2,920 and pre-appointment expenses incurred of £53 were approved by creditors. The Administrators have not drawn any amounts in respect of their pre-appointment time costs or expenses.

## 9. ADMINISTRATORS' REMUNERATION

The Administrators' remuneration was previously authorised at a meeting of creditors on 29 March 2016 to be drawn on a time cost basis.

Please note, the costs incurred in relation to dealing with the trust assets are being pursued for recovery under BA. As outlined earlier in this report, Mr Justice Morgan has handed down his judgment in respect of the BA costs. However, the Administrators have issued the Appeal Application to challenge the limited scope that has been awarded in respect of same.

The information below is split by company and reported pursuant to Statement of Insolvency Practice 9 as required.

### *DPO*

The Administrators' time costs for the Reporting Period amounts to £55,727, representing 144 hours' work at an average charge out rate of £386 per hour, bringing cumulative time costs to £333,660.

To date the Administrators have not been able to draw any remuneration in this matter.

### *HEC*

The Administrators' time costs for the Reporting Period amounts to £36,566, representing 95 hours' work at an average charge out rate of £404 per hour, bringing cumulative time costs to £287,558.

To date the Administrators have not been able to draw any remuneration in this matter.

### *DPO and HEC*

As previously reported, the remuneration anticipated to be charged by the Administrators is likely to exceed the fees estimate provided to creditors

The Administrators are continuing to charge for the work completed in excess of the original fee estimate based on the Administrators' firm's standard charge out rates. The Administrators consider that it may be necessary to seek further fee approval in excess of the estimate in due course. However, the Administrators do not propose to seek approval of a revised estimate at this stage and will revert to creditors further in this regard should they wish to do so

A schedule of the Administrators' charge out rates, disbursement policy and a narrative description of the work undertaken in the Administration to date, together with the time costs incurred to date is attached as **Appendices III and IV**.

The relevant creditor's guide to Administrators' Fees can be found under the heading Creditor Guides on the Administrators' 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

## 10. ADMINISTRATORS' EXPENSES

Please note, the costs incurred in relation to dealing with the trust assets are being pursued for recovery under BA. As outlined earlier in this report, Mr Justice Morgan has handed down his judgment on the BA costs. However, the Administrators have sought to challenge the scope of the same by way of the Appeal Application.

The expenses incurred in relation to non-trust matters as at 31 May 2017 are £17,256 (including the professional fees of Fieldfisher and Breckman that relate to non-trust matters).

The information below is split by company and reported pursuant to Statement of Insolvency Practice 9 as required.

### DPO

The Administrators' expenses in the Reporting Period amount to £25, bringing the Administrators' cumulative expenses to £37,357. Of the total, £188 was incurred in respect to category two disbursements. The Administrators confirm the basis of charging category two disbursements was approved by creditors on 29 March 2016.

The Administrators have not yet drawn any expenses in this matter.

A schedule of the Administrators' expenses are detailed below:

	CATEGORY 1	CATEGORY 2	TOTAL	PAID TO DATE	OUTSTANDING
	Cost (£)	Cost (£)	Cost (£)	Cost (£)	Cost (£)
Insolv fee	110	-	110	-	110
Postage	-	188	188	-	188
Bonding- Insurance	528	-	528	-	528
Storage	286	-	286	-	286
Travel	9	-	9	-	9
General Expenses	34	-	34	-	34
Legal fees / Costs award	36,050	-	36,050	-	36,050
Advertising	152	-	152	-	152
	<b>37,169</b>	<b>188</b>	<b>37,357</b>	<b>-</b>	<b>37,357</b>

### HEC

The Administrators' expenses in the Reporting Period amount to £24, bringing the Administrators' cumulative expenses to £37,397. Of the total, £228 was incurred in respect to category two disbursements. The Administrators confirm the basis of charging category two disbursements was approved by creditors on 29 March 2016.

The Administrators have not yet drawn any expenses in this matter.

**Deep Purple (Overseas) Limited and HEC Enterprises Limited**  
**Administrators' progress report**  
**20 December 2017**

A schedule of the Administrators' expenses are detailed below:

	<b>CATEGORY 1</b>	<b>CATEGORY 2</b>	<b>TOTAL</b>	<b>PAID TO DATE</b>	<b>OUTSTANDING</b>
	<b>Cost (£)</b>	<b>Cost (£)</b>	<b>Cost (£)</b>	<b>Cost (£)</b>	<b>Cost (£)</b>
Insolv fee	110	-	110	-	110
Postage	-	228	228	-	228
Bonding- Insurance	528	-	528	-	528
Storage	286	-	286	-	286
Travel	9	-	9	-	9
General Expenses	34	-	34	-	34
Legal fees / Costs award	36,050	-	36,050	-	36,050
Advertising	152	-	152	-	152
	<b>37,169</b>	<b>228</b>	<b>37,397</b>	<b>-</b>	<b>37,397</b>

*Both DPO & HEC*

As outlined in the Administrators' previous report, the expenses anticipated to be charged by the Administrators are likely to exceed the previous estimate provided to creditors. The reason for the excess are detailed below:

- Increased need for service of documents on parties which has increased postage as many are international
- Costs of retrieving records from Sherwood Solicitors and getting them delivered to London
- Retrieval and storage of the Companies records that were once held by Wixen which were not anticipated when the estimate was completed, and
- Obtaining advice pertaining to appealing the decision of Mr Justice Morgan and subsequently issuing the Appeal Application.

**Professional fees**

The following agents or professional advisors have been utilised in this matter:

<b>Professional Advisor</b>	<b>Nature of Work</b>	<b>Fee Arrangement</b>	<b>Fees incurred to date (£)</b>	<b>Paid</b>
Fieldfisher LLP	Solicitors	Time Cost Basis	339,572*	No
Andrew Sutcliffe QC, including Paul Wee	Legal Counsel	Time Cost Basis	131,550*	No
Antony Zacaroli QC	Legal Counsel	Time Cost Basis	8,325*	
John Jarvis QC	Legal Counsel	Time Cost Basis	15,000*	
Simons Muirhead & Burton	Solicitors	Conditional fee arrangement	To be confirmed	No
Breckman & Company	Accountants	Fixed fee	4,000	Yes
Skeet and Kaye Media Limited	Royalty advisor	Fixed fee	1,000	No
Hilco Appraisal	Agent/valuer	Fixed fee of £5,000 plus conditional fee arrangement linked to sale consideration	5,000	No

\* Fees incurred are as at 31 May 2017

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

As outlined in the Administrators' previous report, so far as the legal fees are concerned, as stated above, the costs incurred in relation to dealing with the trust assets are being pursued for recovery under the BA. As outlined earlier in this report, Mr Justice Morgan has ruled on the BA costs, however the Administrators have

sought to challenge the scope under the Appeal Application

*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
- Reviewing the terms of undertakings proposed by the Beneficiaries' advisors
- Preparation and attendance at Court hearings
- Advice in respect of the sale of the Whitesnake catalogue, and
- Advice in respect of the sale of the Rainbow catalogue.

Ongoing legal advice is required in respect of litigation matters, correspondence with the Beneficiaries and the Appeal Application. To date the split between trust and non-trust as at 31 May 2017 is £322,157 and £13,105 respectively. There have also been £4,311 of disbursements. In the Administrators' previous report an estimated minimum additional legal fees of £15,000 were envisaged. Unfortunately this estimate has been exceeded as a result of the Administrators' advice to appeal the decision of Mr Justice Morgan. The Administrators presently believe further legal fees as a result of the Appeal Application of £50,000 - 75,000 will be incurred.

This legal fee estimate is likely to be exceeded should further litigation against the Companies and/or is commenced by the Administrators, or the appeal process becomes protracted, together with 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 (including the Appeal Application) and correspondence with the Beneficiaries. In the Administrators' previous report an estimated minimum additional legal fees of £25,000 were envisaged. The Administrators consider that £30,000 – 50,000 further Counsel's fees may be incurred.

Counsel's fee estimate is likely to be exceeded should further litigation against the Companies and/or is commenced by the Administrators, or the appeal process becomes protracted, together with the length of ongoing correspondence with the Beneficiaries' advisors.

*Antony Zacaroli QC*

Mr Zacaroli QC has provided a second opinion on the decision of Mr Justice Morgan and the ability to appeal, together with assisting with the Appeal Application in cooperation with Fieldfisher.

Ongoing Counsel's advice is required in respect of litigation matters (including the Appeal Application). The Administrators consider that £45,000 – 65,000 further Counsel's fees may be incurred.

Counsel's fee estimate is likely to be exceeded should further litigation against the Companies and/or is commenced by the Administrators, or the appeal process becomes protracted, together with 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. The Administrators will provide an update in their subsequent report.



#### SKM

SKM were instructed to provide commentary on the offers received in respect of the Whitesnake Catalogue

At this stage it has not been necessary to engage SKM further, however it may be necessary in due course, in respect of the Rainbow Catalogue. The Administrators will provide an update in their subsequent report

#### Hilco Appraisal

Hilco is instructed to prepare a valuation of the Rainbow Catalogue, market and assist with liaising with interested parties and the Administrators in respect of the sale. Hilco's assistance in that regard is presently on-going

### 11. FURTHER INFORMATION AND COMPLAINTS

An unsecured creditor may, with the permission of the court or with the concurrence of five per cent in value of the unsecured creditors (including the creditor in question) request further details of the Administrators' remuneration and expenses, within 21 days of receipt of this report. Any secured creditor may request the same details in the same time limit.

An unsecured creditor may, with the permission of the court or with the concurrence of ten per cent in value of the unsecured creditors (including the creditor in question), apply to court to challenge the amount and/or basis of the Administrators' fees and the amount of any proposed expenses or expenses already incurred, within eight weeks of receipt of this report. Any secured creditor may make a similar application to court within the same time limit.

Should you have any comments or complaints regarding this Administration, please contact Cameron Gunn 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, 48, Warwick Street, London, W1B 5NL or by email to [simon.harris@resolvegroupuk.com](mailto: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](mailto: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 Harris' or Mr Woodthorpe's regulatory body.

### 12. SUMMARY

As outlined earlier in this report, there remain assets outstanding to be realised for the benefit of the Companies' estates. Furthermore, the Administrators are awaiting the outcome to the appeal following permission to appeal being granted as a result of the Appeal Application. An extension application has been made to Court and the Administrators are presently awaiting the outcome of the same.

An update on the Companies' exit strategy from Administration will be provided in the Administrators' subsequent report.

Should you have any queries in relation to this matter please do not hesitate to contact Nathan Bickley-May of this office

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 Bickley-May*  
Phone number: *020 7702 9775*  
Email: [nathan.bickley-may@resolvegroupuk.com](mailto:nathan.bickley-may@resolvegroupuk.com)

The affairs, business and property of the Company 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, Simon Harris and Ben Woodthorpe are licensed in the United Kingdom by the Institute of Chartered Accountants in England and Wales.

APPENDIX I

STATUTORY INFORMATION

*DPO*

Company name	Deep Purple (Overseas) Limited
Previous company name	N/A
Registered office	c/o ReSolve Partners Limited, 22 York Buildings, John Adam Street, London, WC2N 6JU
Former registered office	49 South Molton Street, London, W1K 5LH
Registered number	01016257
Date of incorporation	30 June 1971
Trading address	49 South Molton Street, London, W1K 5LH
Principal trading activity	Other service activities not elsewhere classified
Administrators' name:	Mark Supperstone IP Number: 9734 Simon Harris IP Number: 11372
Administrators' address	ReSolve Partners Limited, 22 York Buildings, John Adam Street, London, WC2N 6JU
Administrators' date of appointment	19 January 2016
Court name and reference	High Court of Justice No 315 of 2016
Appointment made by	The Directors
Administrators' actions	Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators acting jointly or alone.

## STATUTORY INFORMATION

### *HEC*

Company name.	HEC Enterprises Limited
Previous company name	N/A
Registered office	c/o ReSolve Partners Limited, 22 York Buildings, John Adam Street, London, WC2N 6JU
Former registered office:	49 South Molton Street, London, W1K 5LH
Registered number:	00928491
Date of incorporation.	8 March 1968
Trading address.	49 South Molton Street, London, W1K 5LH
Principal trading activity:	Other service activities not elsewhere classified
Administrators' name:	Mark Supperstone      IP Number:      9734 Simon Harris      IP Number:      11372
Administrators' address:	ReSolve Partners Limited, 22 York Buildings, John Adam Street, London, WC2N 6JU
Administrators' date of appointment.	19 January 2016
Court name and reference	High Court of Justice No 314 of 2016
Appointment made by	The Directors
Administrators' actions:	Any act required or authorised under any enactment to be done by an Administrator may be done by either or both of the Administrators acting jointly or alone

**Deep Purple (Overseas) Limited and HEC Enterprises Limited**  
**Administrators' progress report**  
**20 December 2017**

**APPENDIX II**

**RECEIPTS AND PAYMENTS ACCOUNTS**

DPO

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT  
FOR THE PERIOD 19 JANUARY 2016 TO 28 NOVEMBER 2017

	Notes	Statement of Affairs - Estimated to Realise	STERLING		Total Receipts/ Payments To Date	US DOLLAR		Total Receipts/ Payments To Date
			19 Jan 16 to 28 May 17	29 May 17 to 28 Nov 17		19 Jan 16 to 28 May 17	29 May 17 to 28 Nov 17	
			GBP Sterling	GBP Sterling		USD Dollar	USD Dollar	
<b>RECEIPTS</b>								
Cash at bank (potential third party funds) (held by NatWest)	1	46,328	-	-	-	-	-	-
Cash at bank (transferred by NatWest to Administration Account)		-	20,353	-	20,353	39,609	-	39,609
Interest on cash at bank (held by NatWest)		-	-	-	-	-	373	373
Interest on cash at bank (transferred by NatWest to Administration Account)		-	10	-	10	-	-	1
Future royalty income (potential third party funds) (held by NatWest)	2	Uncertain	381,908	-	381,908	723,327	-	123,327
Future royalty income (potential third party funds)		-	210,032	15,449	225,481	49,113	-	49,113
Intellectual property - music catalogue		Uncertain	-	-	-	-	-	-
Dipak Rao recoveries (potential third party funds)	3	1	477,847	-	477,847	-	-	-
Book Debts (held by NatWest)		18,414	-	-	-	-	-	-
Book Debts (transferred by NatWest to Administration Account)		-	29,254	-	29,254	-	-	-
Unauthorised payments to Manuela Edwards		1	-	-	-	-	-	-
VAT refund		7,000	-	-	-	-	-	-
EMI / Sony black box		1	-	-	-	-	-	-
Transfer from S to E account		-	65,650	-	65,650	-	-	-
Transfer of funds from HEC for December 2015 Quarter		-	18,228	-	18,228	-	-	-
			<b>74,745</b>	<b>1,203,281</b>	<b>1,278,026</b>	<b>212,050</b>	<b>373</b>	<b>212,423</b>
<b>PAYMENTS</b>								
Agents/Valuers Fees		-	17,917	-	17,917	-	-	-
Bank Charges		-	243	48	291	94	-	94
Beneficiary Distributions		-	17,525	73,697	91,222	-	-	-
3rd Party Royalties		-	92	-	92	-	-	-
Storage costs		-	-	87	87	-	-	-
Legal fees		-	-	700	700	-	-	-
Legal disbursements		-	-	6	6	-	-	-
Transfer of Intercompany funds		-	93,018	-	93,018	-	-	-
Transfer from S to E account		-	-	-	-	88,668	-	88,668
Transfer to Purpletutty Limited		-	436,240	211,493	647,733	-	5,572	5,572
			<b>665,033</b>	<b>236,031</b>	<b>901,064</b>	<b>88,762</b>	<b>5,572</b>	<b>94,334</b>
<b>Balance (Receipts less Payments)</b>					<b>376,962</b>			<b>118,089</b>
<b>Represented by</b>								
Administration current account - non interest bearing - Sterling					80,926			
Administration current account - non interest bearing - US Dollar					-			(38)
Fieldfisher client account					179,422			-
NatWest pre-appointment accounts - Sterling					56,234			-
NatWest pre-appointment accounts - US Dollar					-			118,127
VAT recoverable					4,470			-
VAT payable					(3,223)			-
VAT control account					-			-
<b>TOTAL CASH IN HAND</b>					<b>317,829</b>			<b>118,089</b>
<b>Reconciliation difference</b>	4				(163)			-

Mark Supperstone  
Joint Administrator  
20 December 2017

**Notes**

- Funds held in US Dollars were converted into Pounds Sterling at a rate of 1.4235 as at 10 March 2016 for the previous reporting period however are shown separately and not converted for this period
- 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 Vivien Music UK Limited)
- 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
- There is a immaterial reconciliation difference which is being investigated

**Deep Purple (Overseas) Limited and HEC Enterprises Limited**  
**Administrators' progress report**  
**20 December 2017**

HEC

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT  
FOR THE PERIOD 19 JANUARY 2016 TO 28 NOVEMBER 2017

		STERLING			Total	US DOLLAR		Total
	Notes	Statement of Affairs - Estimated to Realise	19-Jan-16 to 28-May-17	29-May-17 to 28-Nov-17	Receipts/ Payments To Date	19-Jan-16 to 28-May-17	29-May-17 to 28-Nov-17	Receipts/ Payments To Date
		£	£	GBP Sterling	£	USD Dollar	USD Dollar	\$
<b>RECEIPTS</b>								
Cash at bank (potential third party funds) (Held by NatWest)	1	79,841	-	-	-	-	-	-
Cash at bank (transferred by NatWest to Administration Account)		-	77,914	-	77,914	2,412	-	2,412
Interest on cash at bank (held by NatWest)		-	-	-	-	-	-	-
Interest on cash at bank (transferred by NatWest to Administration Account)		-	10	-	10	-	-	-
Future royalty income (potential third party funds) (Held by NatWest)	2	Uncertain	288,920	-	288,920	-	-	-
Future royalty income (potential third party funds) (transferred by NatWest to Administration Account)		-	232,994	-	232,994	-	-	-
Intellectual property - music catalogue		Uncertain	-	-	-	-	-	-
Dipak Rao recoveries (potential third party funds)	3	1	477,847	-	477,847	-	-	-
Unauthorised payments to Andrea Cabale		2	-	-	-	-	-	-
Unauthorised payments to Derek Lawrence		1	-	-	-	-	-	-
Unauthorised payments to Cloud Airport Spa		1	-	-	-	-	-	-
VAT refund (pre-appointment)		13,000	36,282	-	36,282	-	-	-
EMI / Sony black box		1	-	-	-	-	-	-
Transfer of inter-company funds		-	93,018	-	93,018	-	-	-
Transfer from \$ to £ account		-	1,771	-	1,771	-	-	-
		<b>92,847</b>	<b>1,208,755</b>	<b>-</b>	<b>1,208,755</b>	<b>2,412</b>	<b>-</b>	<b>2,412</b>
<b>PAYMENTS</b>								
Agents/Valuers Fees		-	9,194	-	9,194	-	-	-
Bank Charges		-	132	89	221	37	-	37
Legal fees		-	-	700	700	-	-	-
Storage costs		-	-	240	240	-	-	-
Accountancy fees		-	-	4,250	4,250	-	-	-
Legal disbursements		-	-	9	9	-	-	-
Beneficiary Distributions		-	352,820	-	352,820	-	-	-
Transfer of funds to DPO for December 2015 Quarter		-	18,228	-	18,228	-	-	-
Conversion Account		-	-	-	-	2,375	-	2,375
Transfer to Purpletury Limited		-	-	50,233	594,657	-	-	-
		<b>544,424</b>	<b>50,233</b>	<b>594,657</b>	<b>990,319</b>	<b>2,412</b>	<b>-</b>	<b>2,412</b>
<b>Balance (Receipts less Payments)</b>					<b>228,436</b>			<b>(0)</b>
<b>Represented by</b>								
Administration current account - non interest bearing - Sterling					39,648			
Administration current account - non interest bearing - US Dollar					-			(0)
Fieldfisher client account					179,422			
NatWest pre-appointment accounts - Sterling					8,374			
NatWest pre-appointment account - US Dollar					-			
VAT receivable					992			
VAT Payable					-			-
<b>TOTAL CASH IN HAND</b>					<b>228,436</b>			<b>(0)</b>

Mark Supperstone  
Joint Administrator  
20 December 2017

**Notes**

- Funds held in US Dollars were converted into Pounds Sterling at a rate of 1.4235 as at 10 March 2016 for the previous reporting period however are shown separately and not converted for this period.
- 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 Woxen Music UK Limited).
- 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 III**

**ADMINISTRATORS' CHARGE OUT RATES, DISBURSEMENT POLICY AND NARRATIVE**

**Administrators' charge out rates**

The Administrators are 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 six minute units. Narrative is recorded to explain the work undertaken and the time spent is analysed into different categories of work.

The hourly charge-out rates used on this case are as follows. Please note that the rates increased on 1 January 2016:

<b>Staff grade</b>	<b>Rate per hour from 1 January 2016 (£)</b>
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*

**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

**Summary narrative of work carried out (not exhaustive):**

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
- Liaised with the Companies' pre-appointment solicitors, Clintons and Sherwood regarding general matters
- Liaised with Breckman regarding the Companies' pre and post appointment tax affairs
- Instructing Breckman to complete the Companies' outstanding pre-appointment VAT returns
- Liaising with HMRC regarding pre-appointment investigations into the Companies historic tax returns
- Attending to queries raised by HMRC relating to the Companies' pre-appointment VAT returns submitted by Breckman
- Attended to meetings with the Companies' directors and Managers' successors in respect of numerous matters

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
- Correspondence with creditors legal advisors
- 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



#### *D Reports*

- Completion of internal checklists
- Preparation and collation of investigation documentation
- Drafting reports to DBIS in respect of the directors' conduct
- Submitting reports to DBIS on the directors' conduct
- Liaising with DBIS regarding reports submitted on the directors' conduct

#### *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
- Consideration and completion of a CFA with an advisor to one of the Beneficiaries
- Review and amendments to witness statement for proceedings
- Liaising with Fieldfisher regarding preparation and attendance at Court hearing on 15 July 2016
- Liaising with Mr Sutcliffe QC regarding preparation and attendance at Court hearing on 15 July 2016
- Review of witness statements of other side ahead of Court hearing
- Review and input into skeleton argument prepared by Mr Sutcliffe QC
- Preparation and attendance at Court hearing on 15 July 2016
- Drafting and issuing correspondence with Beneficiaries and all potential parties who may have interest in royalty income outlining the Administrators' stance on various matters and proposed strategy
- Liaising with Fieldfisher regarding the Administrators' correspondence to Beneficiaries and all potential interested parties outlining the Administrators' stance on various matters and proposed strategy
- Liaised with Sherwood regarding pre-appointment matters relating to royalties and trust matters
- Addressed, with the assistance of Fieldfisher and Mr Sutcliffe QC, significant correspondence with Russells LLP regarding their clients and the recommencing of pre-Administration litigation
- Preparation and attendance at Court hearing on 28 September 2016 and 29 September 2016
- Liaising with Fieldfisher regarding preparation and attendance at Court hearing on 28 September 2016 and 29 September 2016
- Liaising with Andrew Sutcliffe QC regarding preparation and attendance at Court hearing on 28 September 2016 and 29 September 2016
- Review of witness statements of other side ahead of Court hearing
- Review and input into skeleton argument prepared by Mr Sutcliffe QC
- Review and complying with Order of Mr Justice Morgan dated 29 September 2016
- Transfer of shareholding in Purpletuity to various parties
- Consideration of judgment handed down on 9 December 2016 by Mr Justice Morgan
- Preparation and attendance at cost hearing on 25 and 26 January 2017
- Liaising with Fieldfisher in respect of advice relating to Mr Justice Morgan's Order in respect of BA
- Liaising with Mr Sutcliffe QC in respect of Mr Justice Morgan's Order in respect of BA
- Liaising with Mr Zacaroli QC in respect of Mr Justice Morgan's Order in respect of BA
- Liaising with Fieldfisher regarding the Appeal Application
- Liaising with Mr Sutcliffe QC regarding the Appeal Application
- Liaising with Mr Zacaroli QC regarding the Appeal Application
- Review and comment on the Appeal Application and liaising with advisors in respect of the same

##### *General asset matters*

- Liaising with Sherwood regarding pre-litigation matters and Freezing Order
- Review and consideration of documentation provided by Sherwood regarding pre-litigation matters and Freezing Order
- Attended to meetings with Sherwood regarding pre-litigation matters and Freezing Order
- 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
- Corresponding with third parties who have expressed an interest in the Whitesnake Catalogue
- Inviting offers for the Whitesnake Catalogue
- Liaising with Skeet and Kaye Media Limited
- Liaising with Fieldfisher regarding the draft sale contract for the Whitesnake Catalogue
- Negotiating the sale of the Whitesnake Catalogue
- Liaising with the legal advisors for the proposed purchaser of the Whitesnake Catalogue
- Instructing Hilco regarding a valuation of the Rainbow Catalogue
- Instructing Hilco to commence a marketing campaign in respect of the Rainbow Catalogue
- Liaising with Hilco regarding the Rainbow Catalogue
- Liaising with the proposed purchaser of the Rainbow Catalogue
- Instructing Fieldfisher to prepare a draft sale contract for the Rainbow Catalogue
- Liaising with Fieldfisher regarding the sale of the Rainbow Catalogue

#### 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
- Liaising with Breckman regarding completion of the Companies' Statements of Affairs for a director, Abigail Flanagan
- Liaising with Fieldfisher regarding an application to Court for an extension to the period of Administration
- Review and amendments to the application to Court for an extension to the period of Administration

##### *Reporting to creditors*

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

##### *Remuneration applications*

- Liaising with Fieldfisher regarding remuneration application relating to Berkeley Applegate principles
- Liaising with Mr Sutcliffe QC regarding remuneration application relating to Berkeley Applegate principles
- Review and preparation of documentation relating to application

#### 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 certain of the Beneficiaries' advisors relating to licencing requests
- Liaising with Wixen regarding EMI / Sony black box income
- Addressing ongoing correspondence with Wixen
- Allocated and processed the March 2016 quarter royalty entitlements to the Beneficiaries with Wixen's assistance
- Distributed the March 2016 quarter royalty entitlements to the Beneficiaries
- Distributed the December 2015 quarter royalty entitlements to the Beneficiaries in accordance with the Order made by Mr Registrar Baister

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- Provision of information to Purpletuity's advisor
- Review of Purpletuity's advisor's calculation of Clause 2 Asset royalty income
- Liaising with Purpletuity's advisor regarding calculations of Clause 2 Asset royalty income
- Liaising with Purpletuity's advisor regarding calculation of VAT status of Clause 2 Asset royalty income
- Arranging transfer of Clause 2 Asset royalty income to Purpletuity

**APPENDIX IV**

**ADMINISTRATORS' TIME COSTS SUMMARIES**

**DPO**

A summary of the Administrators' time costs for the Reporting Period is below:

	Deep Purple (Overseas) Limited- In Administration									
	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE	
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)	
<b>Administration &amp; Planning</b>										
Case planning / monitoring	0 30	153 00	7 00	2,539 50	-	-	7 30	2,692 50	368 84	
Cashiering	0 30	153 00	4 30	1,654 50	-	-	4 60	1,807 50	392 93	
General administration	0 20	102 00	8 90	3,059 00	-	-	9 10	3,161 00	347 36	
	<b>0 80</b>	<b>408 00</b>	<b>20 20</b>	<b>7,253 00</b>	<b>-</b>	<b>-</b>	<b>21 00</b>	<b>7,661 00</b>	<b>364 81</b>	
<b>Creditors</b>										
Unsecured	1 20	612 00	1 10	374 00	-	-	2 30	986 00	428 70	
	<b>1 20</b>	<b>612 00</b>	<b>1 10</b>	<b>374 00</b>	<b>-</b>	<b>-</b>	<b>2 30</b>	<b>986 00</b>	<b>428 70</b>	
<b>Investigations</b>										
General investigation	-	-	0 30	118 50	-	-	0 30	118 50	395 00	
Other investigation	-	-	18 60	7,341 50	-	-	18 60	7,341 50	394 70	
	<b>-</b>	<b>-</b>	<b>18 90</b>	<b>7,460 00</b>	<b>-</b>	<b>-</b>	<b>18 90</b>	<b>7,460 00</b>	<b>394 71</b>	
<b>Realisation of Assets</b>										
Book debts	0 60	306 00	-	-	-	-	0 60	306 00	510 00	
Dealing with royalties and trust matters	5 30	2,703 00	47 30	17,726 50	-	-	52 60	20,429 50	388 39	
Other assets	5 40	2,754 00	18 30	6,816 00	-	-	23 70	9,570 00	403 80	
	<b>11 30</b>	<b>5,763 00</b>	<b>65 60</b>	<b>24,542 50</b>	<b>-</b>	<b>-</b>	<b>76 90</b>	<b>30,305 50</b>	<b>394 09</b>	
<b>Statutory</b>										
Statutory paperwork / form completion	-	-	4 20	1,483 00	-	-	4 20	1,483 00	353 10	
Reporting to creditors	-	-	6 40	2,264 00	-	-	6 40	2,264 00	353 75	
Remuneration applications	-	-	-	-	-	-	-	-	-	
	<b>-</b>	<b>-</b>	<b>10 60</b>	<b>3,747 00</b>	<b>-</b>	<b>-</b>	<b>10 60</b>	<b>3,747 00</b>	<b>353 49</b>	
<b>Trading</b>										
Ongoing trading administration	2 00	1,020 00	12 50	4,547 00	-	-	14 50	5,567 00	383 93	
	<b>2 00</b>	<b>1,020 00</b>	<b>12 50</b>	<b>4,547 00</b>	<b>-</b>	<b>-</b>	<b>14 50</b>	<b>5,567 00</b>	<b>383 93</b>	
<b>Total hours and cost</b>	<b>15 30</b>	<b>7,803 00</b>	<b>128 90</b>	<b>47,923 50</b>	<b>-</b>	<b>-</b>	<b>144 20</b>	<b>55,726 50</b>	<b>386 45</b>	

A summary of the Administrators' cumulative time costs is below:

	Deep Purple (Overseas) Limited- In Administration									
	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE	
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)	
<b>Administration &amp; Planning</b>										
Case planning / monitoring	5 10	2,205 00	41 20	15,193 00	3 20	660 00	49 50	18,058 00	364 81	
Cashiering	0 30	153 00	13 40	4,881 00	4 30	845 50	18 00	5,879 50	326 64	
General administration	12 40	6,324 00	54 90	17,848 50	5 15	1,004 25	72 45	25,176 75	347 51	
	<b>17 80</b>	<b>8,682 00</b>	<b>109 50</b>	<b>37,922 50</b>	<b>12 65</b>	<b>2,509 75</b>	<b>138 95</b>	<b>49,114 25</b>	<b>350 94</b>	
<b>Creditors</b>										
Unsecured	17 50	8,925 00	51 30	18,945 00	4 60	921 00	73 40	28,791 00	392 25	
	<b>17 50</b>	<b>8,925 00</b>	<b>51 30</b>	<b>18,945 00</b>	<b>4 60</b>	<b>921 00</b>	<b>73 40</b>	<b>28,791 00</b>	<b>392 25</b>	
<b>Investigations</b>										
General investigation	-	-	4 60	1,614 00	0 10	25 50	4 70	1,639 50	348 83	
Disbursements	0 50	255 00	8 80	3,036 00	7 10	1,810 50	16 40	5,101 50	311 07	
Other investigation	0 50	255 00	22 00	8,521 50	-	-	22 50	8,776 50	390 07	
	<b>1 00</b>	<b>510 00</b>	<b>35 40</b>	<b>13,171 50</b>	<b>7 20</b>	<b>1,836 00</b>	<b>43 60</b>	<b>15,517 50</b>	<b>355 91</b>	
<b>Realisation of Assets</b>										
Book debts	0 60	306 00	0 10	34 00	-	-	0 70	340 00	485 71	
Dealing with royalties and trust matters	93 80	47,838 00	174 70	66,328 50	3 60	702 00	272 10	114,868 50	422 16	
General asset matters	1 20	612 00	1 50	492 50	-	-	2 70	1,104 50	409 07	
Other assets	14 30	7,029 00	93 80	35,908 50	2 80	624 00	110 90	43,561 50	392 80	
	<b>109 90</b>	<b>55,785 00</b>	<b>270 10</b>	<b>102,763 50</b>	<b>6 40</b>	<b>1,326 00</b>	<b>386 40</b>	<b>159,874 50</b>	<b>413 75</b>	
<b>Statutory</b>										
Statutory paperwork / form completion	-	-	6 90	2,527 50	12 30	2,410 50	19 20	4,933 00	256 93	
Reporting to creditors	0 90	459 00	42 60	15,223 00	13 40	2,613 00	56 90	18,295 00	321 53	
Remuneration applications	1 90	969 00	12 80	4,830 50	3 80	741 00	18 50	6,540 50	353 54	
	<b>2 80</b>	<b>1,428 00</b>	<b>62 30</b>	<b>22,576 00</b>	<b>29 50</b>	<b>5,764 50</b>	<b>94 60</b>	<b>29,768 50</b>	<b>314 68</b>	
<b>Trading</b>										
Day one matters	-	-	0 50	152 50	-	-	0 50	152 50	305 00	
Ongoing trading administration	18 90	9,408 00	101 70	36,590 50	21 80	4,443 00	142 40	50,441 50	354 22	
	<b>18 90</b>	<b>9,408 00</b>	<b>102 20</b>	<b>36,743 00</b>	<b>21 80</b>	<b>4,443 00</b>	<b>142 90</b>	<b>50,594 00</b>	<b>354 05</b>	
<b>Total hours and cost</b>	<b>167 90</b>	<b>84,738 00</b>	<b>630 80</b>	<b>232,121 50</b>	<b>82 15</b>	<b>16,800 25</b>	<b>880 85</b>	<b>333,659 75</b>	<b>378 79</b>	

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**HEC**

A summary of the Administrators' time costs for the Reporting Period is below

	HEC Enterprises Limited- In Administration										AVERAGE RATE Cost (£)
	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL				
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)			
Administration & Planning											
Case planning / monitoring	0 30	153 00	6 20	2,245 50	0 50	97 50	7 00	2,496 00		356 57	
Cashiering	0 10	51 00	3 60	1,389 00	0 90	175 50	4 60	1,615 50		351 21	
General administration	-	-	8 90	3,092 00	-	-	8 90	3,092 00		347 42	
	0 40	204 00	18 70	6,726 50	1 40	273 00	20 50	7,203 50		351 39	
Creditors											
Unsecured	0 60	306 00	0 90	306 00	-	-	1 50	612 00		408 00	
	0 60	306 00	0 90	306 00	-	-	1 50	612 00		408 00	
Investigations											
Other investigation	-	-	16 70	6,591 00	-	-	16 70	6,591 00		394 67	
	-	-	16 70	6,591 00	-	-	16 70	6,591 00		394 67	
Realisation of Assets											
Dealing with royalties and trust matters	5 30	2,703 00	10 50	3,905 50	-	-	15 80	6,608 50		418 26	
Other assets	2 30	1,173 00	17 30	6,729 00	-	-	19 60	7,902 00		403 16	
	7 60	3,876 00	27 80	10,634 50	-	-	35 40	14,510 50		409 90	
Statutory											
Statutory paperwork / form completion	-	-	3 10	1,054 00	-	-	3 10	1,054 00		340 00	
Reporting to creditors	-	-	6 70	2,382 50	-	-	6 70	2,382 50		355 60	
	-	-	9 80	3,436 50	-	-	9 80	3,436 50		350 66	
Trading											
Ongoing trading administration	2 00	1,020 00	9 00	3,192 00	-	-	11 00	4,212 00		382 91	
	2 00	1,020 00	9 00	3,192 00	-	-	11 00	4,212 00		382 91	
Total hours and cost	10 60	5,406 00	82 90	30,886 50	1 40	273 00	94 90	36,565 50		385 31	

A summary of the Administrators' cumulative time costs is below:

	HEC Enterprises Limited- In Administration						AVERAGE RATE		
	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL			TOTAL	
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)		Hours	Cost (£)
Administration & Planning									
Case planning / monitoring	4 80	2,085 00	35 90	13,233 50	3 80	783 00	44 50	16,101 50	361 83
Cashiering	0 10	51 00	11 70	4,249 00	5 10	1,006 50	16 90	5,306 50	313 99
General administration	11 80	6,018 00	57 50	18,783 00	5 00	975 00	74 30	25,776 00	346 92
	16 70	8,154 00	105 10	36,265 50	13 90	2,764 50	135 70	47,184 00	347 71
Creditors									
Unsecured	17 30	8,823 00	32 40	11,510 00	3 90	760 50	53 60	21,093 50	393 54
	17 30	8,823 00	32 40	11,510 00	3 90	760 50	53 60	21,093 50	393 54
Investigations									
General investigation	-	-	3 80	1,303 50	0 10	25 50	3 90	1,329 00	340 77
D returns	0 50	255 00	8 80	3,036 00	2 70	688 50	12 00	3,979 50	331 63
Other investigation	0 60	306 00	19 90	7,688 50	-	-	20 50	7,994 50	389 98
	1 10	561 00	32 50	12,028 00	2 80	714 00	36 40	13,303 00	365 47
Realisation of Assets									
Book debts	-	-	0 10	34 00	-	-	0 10	34 00	340 00
Dealing with royalties and trust matters	89 90	45,849 00	120 10	46,078 50	3 40	663 00	213 40	92,590 50	433 88
General asset matters	1 30	663 00	1 00	322 50	-	-	2 30	985 50	428 48
Other assets	9 40	4,530 00	86 00	33,231 00	2 70	604 50	98 10	38,365 50	391 09
	100 60	51,042 00	207 20	79,666 00	6 10	1,267 50	313 90	131,975 50	420 44
Statutory									
Statutory paperwork / form completion	-	-	5 70	2,054 00	12 20	2,391 00	17 90	4,445 00	248 32
Filing documents with CH / Court	-	-	0 30	102 00	-	-	0 30	102 00	340 00
Reporting to creditors	0 90	459 00	43 20	15,460 00	13 20	2,574 00	57 30	18,493 00	322 74
Remuneration applications	-	-	12 80	4,830 50	3 20	700 50	16 70	5,591 00	334 79
	0 90	459 00	62 00	22,446 50	29 30	5,725 50	92 20	28,631 00	310 53
Trading									
Day one matters	-	-	0 70	213 50	-	-	0 70	213 50	305 00
Ongoing trading administration	18 00	8,938 00	90 10	32,334 00	19 00	3,885 00	127 10	45,157 00	355 29
	18 00	8,938 00	90 80	32,547 50	19 00	3,885 00	127 80	45,370 50	355 01
Total hours and cost	154 60	77,977 00	530 00	194,463 50	75 00	15,117 00	759 60	287,557 50	378 56