

AM10

Notice of administrator's progress report



Companies House

WEDNESDAY



A11 *A78YEWHT* 27/06/2018 #289
COMPANIES HOUSE

1 Company details

Company number	0	1	0	1	6	2	5	7
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	W C 2 N 6 J U
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	W C 2 N 6 J U
Country	

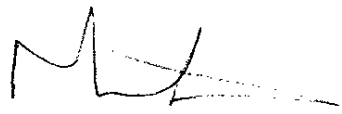
⚙ **Other administrator**
Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6	Period of progress report											
From date	2	9	1	1	2	0	1	7				
To date	2	8	0	5	2	0	1	8				

7	Progress report											
<input type="checkbox"/> I attach a copy of the progress report												

8	Sign and date											
Administrator's signature	<div>Signature</div> <div>X  X</div>											
Signature date	2	6	0	6	2	0	1	8				

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 or email enquiries@companieshouse.gov.uk

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

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

T 020 7702 9775

F 0845 094 1160

26 June 2018

TO ALL KNOWN CREDITORS AND MEMBERS

www.resolvegroupuk.com

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 November 2017 to 28 May 2018, 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 7702 9775
Email: 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 November 2017 to 28 May 2018

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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 November 2017 to 28 May 2018 (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, 23 June 2017 and 20 December 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
 - 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
 - Preparing for the Court of Appeal hearing in July 2018, and
 - Assisted with the review and advice pertaining to the Trust Costs Settlement Agreement.
- 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
- Dealings with Mr Sutcliffe QC in respect of the Appeal Application
- 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

- Re-marketed the Rainbow Catalogue after the preferred bidder withdrew their offer
- Liaised with unsecured creditors regarding claims and enquiries
- Liaised with SMAB and Purpletuity regarding bringing a negligence claim against the Companies' former accountant
- Drafted and issued the Administrators' progress report to creditors dated 20 December 2017
- 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
- Notified creditors of the Court Order dated 17 January 2018 that extended the period of Administration for a further 12 months until 18 January 2019
- Meetings with Mr Blackmore's representative and Howard Kennedy LLP regarding the Rainbow catalogue and future royalties
- Negotiated and agreed a Trust Costs Settlement Agreement between all the parties involved in the Court Action and Appeal for a "drop hands position" and agreed a payment to the Joint Administrators for time incurred in relation to Berkeley Applegate Principle
- 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 November 2017 to 28 May 2018) 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 and the Trust Costs Settlement Agreement amounts, these 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 £57,979 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 £665,428 and \$222,200 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 Purpletuity. 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 Purpletuity.

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 Purpletuity. 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 Purpletuity.

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, would submit its evidence to the Court of Appeal. A hearing date was set for July 2018. As the hearing date was after the date of the original expiry of the extended Administration, the Administrators 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). This was granted by the Court on 17 January 2018, with the Administrations extended until 18 January 2019.

During the Reporting Period, there have been lengthy discussions, meetings and negotiations between the applicants and the other parties to the judgment to reach a commercial agreement. On 25 May 2018, a Trust Costs Settlement Agreement was reached between all the applicants and other parties to the judgement which has resulted in the Joint Administrators' recovering some of their incurred trust costs, including those trust costs of their advisors. All parties have signed the relevant consent orders for the discontinuances of the applications, as well as the Court of Appeal hearing. These have been filed with the respective Courts outside of the Reporting Period and the Administrators will update creditors regarding same in their subsequent report.

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. The sale of the catalogue has been protracted while the original masters were being located although it is now expected that the 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. After the sale contract was circulated, the preferred bidder after a number of weeks withdrew their offer. Hilco were instructed to re-market the Rainbow Catalogue although to date, there has been no further interest in the catalogue.

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 Purpletuity. 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 Purpletuity, this does not represent 91.75 per cent as the remaining balance was retained in respect of BA costs incurred. Following completion of the Trust Costs Settlement Agreement there is likely to be a balance return to Purpletuity from the Rao Recoveries.

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. As part of the Trust Costs Settlement Agreement, the rights to pursue Mr Rao have been transferred to Purpletuity and should any recovery be made, after reasonable costs, 8.25 per cent on any balance would be paid the administration estates.

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 had requested that Purpletuity assist them, where possible, with ascertaining what sums are due from Mrs Edwards. As part of the Trust Costs Settlement Agreement, an agreement has been reached between Purpletuity, DPO and Mrs Edwards. The benefit to DPO is £5,000 which will be paid on or before 30 June 2018. No further realisations are expected.

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.

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 was required to progress the claim and Purpletuity were paying amounts piecemeal to SMB to file a claim although there was insufficient appetite by Purpletuity to continue to fund the claim to service. As part of the Trust Costs Settlement Agreement, the right to this action has been transferred to Purpletuity. Should any recovery be made, after reasonable costs, 8.25 per cent on any balance would be paid the administration estates.

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 £1.3million 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 Administrations. This request was approved by creditors, with the Administrations due to end automatically on 18 January 2018.

The Court on 17 January 2018 granted a further one year extension to the Administrators with the Administrations due to automatically end on 18 January 2019.

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 have been 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 and as detailed a Trust Costs Settlement Agreement has been reached with the applicants and associated parties. The Agreement is for a total sum of £305,000, payable on a deferred basis, which includes payment to the Administrators' professional advisors. Until each of the respective Court's approve the consent orders, the funds are being held on trust.

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 £43,819, representing 112 hours' work at an average charge out rate of £393 per hour, bringing cumulative time costs to £378,611.

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 £12,227, representing 30 hours' work at an average charge out rate of £410 per hour, bringing cumulative time costs to £299,784.50.

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, a Trust Costs Settlement Agreement has been reached which includes the Administrators' expenses.

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 £212, bringing the Administrators' cumulative expenses to £37,569. Of the total, £395 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	-	395	395	-	395
Bonding- Insurance	528	-	528	-	528
Storage	286	-	286	-	286
Travel	13	-	13	-	13
General Expenses	34	-	34	-	34
Legal fees / Costs award	36,050	-	36,050	-	36,050
Advertising	152	-	152	-	152
	37,174	395	37,569	-	37,569

HEC

No expenses were incurred during the Administrators' Reporting Period amount, the Administrators' cumulative expenses were £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.

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	-	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
	37,169	228	37,397	-	37,397

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:

Professional Advisor	Nature of Work	Fee Arrangement	Fees incurred to date (£)	Paid
Fieldfisher LLP	Solicitors	Time Cost Basis	384,325	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	8,970	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
Gately Plc	Solicitors	Time Cost Basis	1,400	Yes

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 have been pursue for recovery under the BA As ADM – PRBWv2

outlined earlier in this report, a Trust Costs Settlement Agreement has been reached which includes legal fees.

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
- Advice in respect of the sale of the Rainbow catalogue
- Preparation and filing of the extension of administration documents with the Court, and
- Review and negotiation of the Trust Costs Settlement Agreement.

Ongoing legal advice is required in respect of litigation matters, correspondence with the Beneficiaries and the Appeal Application. 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. Since the previous report, a further £44,753 has been incurred which has incurred preparing for the Appeal Application but mostly incurred in assisting with the Trust Costs Settlement Agreement. Future legal costs will be incurred to perfect the Trust Costs Settlement Agreement and any further sale of assets' advice, although expected to minimal.

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 no further Counsel fees will be incurred now that the Trust Costs Settlement Agreement has been reached.

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. As the Trust Costs Settlement Agreement has been reached, no further costs are expected.

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, 22 York Buildings, John Adam Street, London, WC2N 6JU or by email to ben.woodthorpe@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.gsi.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 Supperstone'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 relevant time period prescribed in the Trust Costs Settlement Agreement to pass to allow the agreement to be fulfilled.

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

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
26 June 2018

APPENDIX II

RECEIPTS AND PAYMENTS ACCOUNTS

DPO

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD 19 JANUARY 2016 TO 28 MAY 2018

	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-Nov-17	29-Nov-17 to 28-May-18		19-Jan-16 to 28-Nov-17	29-Nov-17 to 28-May-18	
		£	GBP Sterling	GBP Sterling	£	USD Dollar	USD Dollar	\$
RECEIPTS								
Cash at bank (potential third party funds) (held by NatWest)	1	48,326	-	-	-	-	-	-
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	-	1
Future royalty income (potential third party funds) (held by NatWest)	2	Uncertain	381,908	-	381,908	123,327	49,760	173,087
Future royalty income (potential third party funds)		-	725,540	57,979	283,519	49,113	-	49,113
Intellectual property - music catalogue		Uncertain	-	-	-	-	-	-
Dpak Rao recoveries (potential third party funds)	3	1	477,847	317	478,164	-	-	-
Trust Costs Settlement Agreement (held in Fieldfisher's client account)	4	-	-	75,000	75,000	-	-	-
Book Debts (held by NatWest)		19,414	-	-	-	-	-	-
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	-	-	-
		74,745	1,218,789	133,296	1,352,086	212,423	49,760	262,183
PAYMENTS								
Agents/Valuers Fees		-	17,917	4,000	21,917	-	-	-
Bank Charges		-	291	12	303	94	-	94
Beneficiary Distributions		-	41,222	29,056	170,277	-	48,937	48,937
3rd Party Royalties		-	92	-	92	-	-	-
Storage costs		-	87	86	173	-	-	-
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 Purpletunity Limited		-	-	-	-	5,572	-	5,572
			647,733	5,572	647,733	94,334	48,937	143,271
			901,064	33,154	934,218	94,334	48,937	143,271
Balance (Receipts less Payments)					417,867			118,912
Represented by								
Administration current account - non interest bearing, Sterling					116,304	-	-	-
Administration current account - non interest bearing, US Dollar					-	-	-	(38)
Fieldfisher client account					254,739	-	-	-
NatWest pre-appointment accounts - Sterling					56,234	-	-	-
NatWest pre-appointment account - US Dollar					-	-	-	118,950
VAT receivable					5,286	-	-	-
VAT payable					(14,732)	-	-	-
VAT control account					-	-	-	-
TOTAL CASH IN HAND					417,833			118,912
Reconciliation difference	4				35			-

Mark Supperstone
Joint Administrator
26 June 2018

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
- 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
- There is a immaterial reconciliation difference which is being investigated
- Funds received under the Trust Cost Settlement Agreement, being held for the benefit of both Deep Purple (Overseas) Limited and HEC Enterprises Limited on trust in Fieldfisher LLP's client account. 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

Deep Purple (Overseas) Limited and HEC Enterprises Limited
Administrators' progress report
26 June 2018

HEC

SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT
FOR THE PERIOD 19 JANUARY 2016 TO 28 MAY 2018

		Statement of Affairs - Estimated to Realise	19 Jan-16 to 28 Nov-17	29 Nov-17 to 28 May-18	Total Receipts/Payments To Date	19 Jan-16 to 28 Nov-17	28 Nov-17 to 28 May-18	Total Receipts/Payments To Date
	Notes	£	GBP Sterling	GBP Sterling	£	USD Dollar	USD Dollar	£
RECEIPTS								
Cash at bank (potential third party funds) (Held by NatWest)	1	79,641	-	-	-	-	-	-
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	317	478,164	-	-	-
Trust Costs Settlement Agreement (held in Fieldfisher's client account)	4	-	-	75,000	75,000	-	-	-
Unauthorised payments to Andree 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 Intercompany funds		-	93,018	-	93,018	-	-	-
Transfer from \$ to £ account		-	1,771	-	1,771	-	-	-
		92,647	1,208,755	75,317	1,284,072	2,412	-	2,412
PAYMENTS								
Agents/Value's fees		-	9,194	-	9,194	-	-	-
Bank Charges		-	221	-	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 Purpleluty Limited		-	594,657	-	594,657	-	-	-
		-	980,319	-	980,319	2,412	-	2,412
Balance (Receipts less Payments)					303,753			(0)
Represented by								
Administration current account - non interest bearing, Sterling					39,648			
Administration current account - non interest bearing, US Dollar					-			(0)
Fieldfisher client account					254,739			
NatWest pre-appointment accounts - Sterling					8,374			
NatWest pre-appointment account - US Dollar					-			
VAT receivable					992			
VAT Payable					-			
TOTAL CASH IN HAND					303,753			(0)

Mark Süpperstone
Joint Administrator
26 June 2018

Notes

- 1 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
- 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
- 4 Funds received under the Trust Cost Settlement Agreement being held for the benefit of both Deep Purple (Overseas) Limited and HEC Enterprises Limited on trust in Fieldfisher LLP's client account. 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:

Staff grade	Rate per hour from 30 April 2018 (£)	Rate per hour from 1 January 2016 (£)
Partner	550-755	510
Director	450	415
Senior Manager	395	395
Manager	350	340
Assistant Manager	305	305
Senior Administrator	255	255
Administrator	220	195
Junior Administrator	175	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 accounts
- 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
- Dealings with SMAB and Purpletuity regarding the CFA agreement and pursuing the claim against the Companies' pre-appointment accountant

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
- Negotiations with Matt Clark of Purpletuity regarding a proposed settlement agreement for trust costs
- Liaising with Fieldfisher regarding Trust Costs Settlement Agreement

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
- Liaising with Matt Clark of Purpletuity regarding a settlement agreement with Mrs Edwards for her outstanding debtor balance
- Remarketing of Rainbow Catalogue after the preferred bidder withdrew
- Liaising with an interested party for the sale of the residual catalogues

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
- Issuing the Court Order to the creditors after the Court agreed the extension of the Administration period

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
- 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
- Engaged the Royalty Consultancy LLP to calculate the Rainbow royalty entitlements since March 2016
- Meetings with Mr Blackmore's representatives regarding the Rainbow catalogue

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 (£)	
Administration & Planning										
Case planning / monitoring	0.20	107.00	1.10	403.50	1.80	405.00	3.10	910.50	293.71	
Cashiering	-	-	3.20	1,161.00	0.70	51.00	3.40	1,212.00	356.47	
General administration	-	-	8.10	2,760.50	-	-	8.10	2,760.50	340.80	
	0.20	102.00	12.40	4,325.00	2.00	456.00	14.60	4,883.00	334.45	
Creditors										
Unsecured	0.40	204.00	1.10	374.00	-	-	1.50	578.00	385.33	
	0.40	204.00	1.10	374.00	-	-	1.50	578.00	385.33	
Investigations										
General investigation	-	-	-	-	-	-	-	-	-	
D returns	-	-	-	-	-	-	-	-	-	
Other investigation	-	-	2.10	807.50	-	-	2.10	807.50	384.52	
	-	-	2.10	807.50	-	-	2.10	807.50	384.52	
Realisation of Assets										
Book debts	-	-	-	-	-	-	-	-	-	
Dealing with royalties and trust matters	9.90	5,567.00	57.40	19,906.00	-	-	62.30	25,473.00	408.88	
General asset matters	-	-	-	-	-	-	-	-	-	
Other assets	3.80	1,938.00	6.60	2,563.00	-	-	10.40	4,501.00	432.79	
	13.70	7,505.00	59.00	22,469.00	-	-	72.70	29,974.00	412.30	
Statutory										
Statutory paperwork / form completion	-	-	1.00	351.00	-	-	1.00	351.00	351.00	
Reporting to creditors	-	-	4.30	1,462.00	0.70	101.50	5.00	1,563.50	312.70	
Remuneration applications	-	-	-	-	-	-	-	-	-	
	-	-	5.30	1,813.00	0.70	101.50	6.00	1,914.50	319.08	
Trading										
Day one matters	-	-	-	-	-	-	-	-	-	
Ongoing trading administration	-	-	14.70	5,662.00	-	-	14.70	5,662.00	385.17	
	-	-	14.70	5,662.00	-	-	14.70	5,662.00	385.17	
Total hours and cost	14.30	7,811.00	94.60	35,450.50	2.70	557.50	111.60	43,819.00	392.64	

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 (£)	
Administration & Planning										
Case planning / monitoring	5.30	2,307.00	43.20	15,952.00	5.00	1,065.00	53.50	19,324.00	361.70	
Cashiering	0.30	153.00	16.60	6,042.00	6.80	1,345.00	23.70	7,540.00	318.14	
General administration	12.40	6,324.00	61.20	20,617.00	5.00	975.00	80.60	27,976.00	347.10	
	18.00	8,784.00	123.00	42,671.00	16.80	3,385.00	157.80	54,840.00	347.53	
Creditors										
Unsecured	17.90	9,129.00	52.40	19,319.00	4.60	921.00	74.90	29,369.00	392.11	
	17.90	9,129.00	52.40	19,319.00	4.60	921.00	74.90	29,369.00	392.11	
Investigations										
General investigation	-	-	0.90	288.50	0.10	25.50	1.00	314.00	314.00	
D returns	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	27.80	10,654.50	-	-	28.30	10,909.50	385.49	
	1.00	510.00	37.50	13,979.00	7.20	1,836.00	45.70	16,325.00	357.22	
Realisation of Assets										
Book debts	0.80	408.00	0.10	34.00	-	-	0.90	442.00	491.11	
Dealing with royalties and trust matters	103.70	53,405.00	227.10	86,234.50	4.10	799.50	334.90	140,439.00	419.35	
General asset matters	1.20	612.00	1.50	492.50	-	-	2.70	1,104.50	409.07	
Other assets	18.10	8,967.00	100.40	38,471.50	2.80	624.00	121.30	48,062.50	396.23	
	123.80	63,392.00	329.10	125,232.50	6.90	1,423.50	459.80	190,048.00	413.33	
Statutory										
Statutory paperwork / form completion	-	-	8.00	2,907.50	12.30	2,410.50	20.30	5,318.00	261.97	
Reporting to creditors	0.90	459.00	47.10	16,764.00	14.10	2,714.50	62.10	19,937.50	321.05	
Remuneration applications	1.90	969.00	12.80	4,830.50	3.80	741.00	18.50	5,540.50	353.54	
	2.80	1,428.00	67.90	24,502.00	30.20	5,866.00	100.90	31,796.00	315.12	
Trading										
Day one matters	-	-	0.50	152.50	-	-	0.50	152.50	305.00	
Ongoing trading administration	18.70	9,306.00	116.60	42,331.50	21.80	4,443.00	157.10	56,080.50	356.97	
	18.70	9,306.00	117.10	42,484.00	21.80	4,443.00	157.60	56,233.00	356.81	
Total hours and cost	182.20	92,549.00	727.00	268,187.50	87.50	17,874.50	996.70	378,611.00	379.86	

Deep Purple (Overseas) Limited and HEC Enterprises Limited
Administrators' progress report
26 June 2018

HEC

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

	HEC Enterprises Limited- In Administration									
	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE	
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)	
Administration & Planning										
Case planning / monitoring	-	-	0.50	170.00	1.10	262.50	1.60	432.50	270.31	
Cashiering	-	-	0.90	306.00	-	-	0.90	306.00	340.00	
General administration	-	-	4.90	1,666.00	0.40	78.00	5.30	1,744.00	329.06	
	-	-	6.30	2,142.00	1.50	340.50	7.80	2,482.50	318.27	
Creditors										
Unsecured	0.40	204.00	-	-	-	-	0.40	204.00	510.00	
	0.40	204.00	-	-	-	-	0.40	204.00	510.00	
Investigations										
General investigation	-	-	-	-	-	-	-	-	-	
D returns	-	-	-	-	-	-	-	-	-	
Other investigation	-	-	1.10	412.50	-	-	1.10	412.50	375.00	
	-	-	1.10	412.50	-	-	1.10	412.50	375.00	
Realisation of Assets										
Book debts	-	-	-	-	-	-	-	-	-	
Dealing with royalties and trust matters	8.00	4,524.00	5.80	2,207.00	-	-	13.80	6,731.00	487.75	
General asset matters	-	-	-	-	-	-	-	-	-	
Other assets	0.70	357.00	0.20	68.00	-	-	0.90	425.00	472.22	
	8.70	4,881.00	6.00	2,275.00	-	-	14.70	7,156.00	486.80	
Statutory										
Statutory paperwork / form completion	-	-	1.40	476.00	-	-	1.40	476.00	340.00	
Filing documents with CH / Court	-	-	-	-	-	-	-	-	-	
Reporting to creditors	-	-	4.40	1,496.00	-	-	4.40	1,496.00	340.00	
Remuneration applications	-	-	-	-	-	-	-	-	-	
	-	-	5.80	1,972.00	-	-	5.80	1,972.00	340.00	
Trading										
Day one matters	-	-	-	-	-	-	-	-	-	
Ongoing trading administration	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
Total hours and cost	9.10	5,085.00	19.20	6,801.50	1.50	340.50	29.80	12,227.00	410.30	

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

	HEC Enterprises Limited- In Administration									
	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE	
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Cost (£)	
Administration & Planning										
Case planning / monitoring	4.80	2,085.00	36.40	13,403.50	4.90	1,045.50	46.10	16,534.00	358.66	
Cashiering	0.10	51.00	12.60	4,555.00	5.10	1,006.50	17.80	5,612.50	315.31	
General administration	11.80	6,018.00	62.40	20,449.00	5.40	1,053.00	79.60	27,520.00	345.73	
	16.70	8,154.00	111.40	38,407.50	15.40	3,105.00	143.50	49,666.50	346.11	
Creditors										
Unsecured	17.70	9,027.00	32.40	11,510.00	3.90	760.50	54.00	21,297.50	394.40	
	17.70	9,027.00	32.40	11,510.00	3.90	760.50	54.00	21,297.50	394.40	
Investigations										
General investigation	-	-	2.00	631.00	0.10	25.50	2.10	656.50	312.62	
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	22.80	8,773.50	-	-	23.40	9,079.50	388.01	
	1.10	561.00	33.60	12,440.50	2.80	714.00	37.50	13,715.50	365.75	
Realisation of Assets										
Book debts	0.20	102.00	0.10	34.00	-	-	0.30	136.00	453.33	
Dealing with royalties and trust matters	97.90	50,373.00	125.80	48,251.50	3.40	663.00	227.10	99,287.50	437.20	
General asset matters	1.30	663.00	1.00	322.50	-	-	2.30	985.50	428.48	
Other assets	10.10	4,887.00	86.20	33,299.00	2.70	604.50	99.00	38,790.50	391.82	
	109.50	56,025.00	213.10	81,907.00	6.10	1,267.50	328.70	139,199.50	423.48	
Statutory										
Statutory paperwork / form completion	-	-	7.20	2,564.00	12.20	2,391.00	19.40	4,955.00	255.41	
Filing documents with CH / Court	-	-	0.30	102.00	-	-	0.30	102.00	340.00	
Reporting to creditors	0.90	459.00	47.60	16,956.00	13.20	2,574.00	61.70	19,989.00	323.97	
Remuneration applications	-	-	17.80	4,830.50	3.90	760.50	16.70	5,591.00	334.79	
	0.90	459.00	67.90	24,452.50	29.30	5,725.50	98.10	30,637.00	312.30	
Trading										
Day one matters	-	-	0.70	213.50	-	-	0.70	213.50	305.00	
Ongoing trading administration	17.80	8,836.00	90.10	32,334.00	19.00	3,885.00	126.90	45,055.00	355.04	
	17.80	8,836.00	90.80	32,547.50	19.00	3,885.00	127.60	45,268.50	354.77	
Total hours and cost	163.70	83,062.00	549.20	201,265.00	76.50	15,457.50	789.40	299,784.50	379.76	