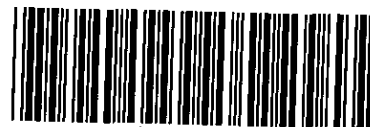




SATURDAY



A09 \*A698S4TK\* 24/06/2017 #398  
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 48 Warwick Street  
Post town London  
County/Region  
Postcode W1B5NL  
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 48 Warwick Street  
Post town London  
County/Region  
Postcode W1B5NL  
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	6
To date	2	8	0	5	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	3	0	6	2	0	1	7
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# 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

48 Warwick Street

London

Postcode

W 1 B S N L

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/040

T 020 7702 9775

F 0845 094 1160

23 June 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 November 2016 to 28 May 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

Registered office address: 48 Warwick Street | London | W1B 5NL

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

Administrators' progress report  
For the period 29 November 2016 to 28 May 2017

## **CONTENTS**

1. Introduction
2. Administrators' actions since the last report
3. Receipts and payments
4. Assets
5. Dividend prospects
6. Investigation into the affairs of the Companies
7. Extension to the period of Administration
8. Pre-Administration costs
9. Administrators' remuneration
10. Administrators' expenses
11. Further information and complaints
12. Summary

## **APPENDICES**

- I Statutory information
- II Receipts and payments accounts
- III Administrators' charge out rates, disbursement policy and narrative
- IV Administrators' time costs summaries

## 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' third report on the progress of the Administrations for the period 29 November 2016 to 28 May 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 and 28 November 2016, 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
  - Continuous 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
  - Preparing an application for permission to appeal the decision of Mr Justice Morgan (the Appeal Application).
- 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
- Instructed, 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
- Dealings with Mr Sutcliffe QC and other members of his chambers in respect of the Appeal Application
- Dealings with Mr Zacaroli QC in respect of the Appeal Application
- Issued the Appeal Application
- Complied with the terms of a Court Order dated 29 September 2016 made by Mr Justice Morgan, including, but not limited to, liaising with advisors for Purpletuity Limited (Purpletuity) in respect of the transfer of royalty receipts relating to the Clause 2 Assets (which is ongoing)
- Transferred certain royalty receipts relating to Clause 2 Assets to Purpletuity
- Liaised with parties who have expressed an interest in DPO's "Whitesnake" music catalogue (the Whitesnake Catalogue) and invited offers for same

- Instructed Skeet and Kaye Media Limited (SKM) to provide comments on the proposed sale of the Whitesnake Catalogue
- Instructed Fieldfisher separately to prepare a sale agreement in respect of the sale of the Whitesnake Catalogue and provide legal advice to the Administrators in respect of the sale
- Negotiated the terms of the sale of the Whitesnake Catalogue
- Liaised with unsecured creditors regarding claims and enquiries
- Drafted and issued the Administrators' progress report to creditors dated 28 November 2016
- Secured an extension to the period of Administration for a period of 12 months to 18 January 2018
- 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 2016 to 28 May 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 £38,518 and \$58,531 has been received into DPO's pre-appointment bank accounts which, once processed should be DPO's or possibility HEC's royalties for the defined period.

During the reporting period £24,323 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 £592,000 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.

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.

During the Reporting Period, the Administrators have transferred royalty income relating to Clause 2 Assets to Purpletuity totalling £137,815. The Administrators are presently negotiating the terms of an indemnity with



Purpletuity in respect of the on-going funds transferred. Once agreed, further sums will be paid 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

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 has been postponed while the Appeal Application is on foot.

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. Although received outside of the Reporting Period, 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 and await a hearing date. At present no hearing date has been set. The Administrators will provide a further update in their next report.

Please note that 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. The Administrators are presently at contract stage with a party and hope to conclude a sale shortly. So as not to prejudice the outcome of negotiations an update will be provided in the Administrators' subsequent report.

DPO also holds the copyright to various Rainbow compositions (the Rainbow Catalogue) which is also not subject to the Settlement Agreement. The Administrators anticipate commencing marketing of the Rainbow Catalogue imminently.

Realisations in respect of the Whitesnake Catalogue and Rainbow Catalogue are uncertain.

#### 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. Should costs be agreed and there be any residual balance, it will be transferred to Purpletuity. The receipt of £548 in the Reporting Period relates to interest received on the balance of sums held by Fieldfisher.

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 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.

#### HEC

##### Future royalty income

During the Reporting Period £10,745 has been received into HEC's pre-appointment bank account which, once processed should be HEC's or possibly DPO's royalties for the defined period.

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 Purpletuitly totalling £246,000. As outlined earlier in this report, the Administrators are presently negotiating the terms of an indemnity with Purpletuitly in respect of the on-going funds transferred. Once agreed, further sums will be paid to Purpletuitly.

#### 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 Purpletuitly. 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 has written to the Beneficiaries to seek funding to bring the action, although to date no party has come forward to do so. Until funding is obtained the claim cannot be progressed.

## **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 Administration. This request was approved by creditors. Accordingly the Administration will now automatically end on 18 January 2018, unless extended further.

### **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  
ADM – PRBWv2

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 split between trust and non-trust time as at 31 May 2017 is £342,491 and £187,121 respectively.

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 £56,766, representing 141 hours' work at an average charge out rate of £402 per hour, bringing cumulative time costs to £277,933.

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 £44,993, representing 111 hours' work at an average charge out rate of £404 per hour, bringing cumulative time costs to £250,922.

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 £36,073, bringing the Administrators' cumulative expenses to £37,332. Of the total, £163 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:

	<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	-	163	163	-	163
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>163</b>	<b>37,332</b>	<b>-</b>	<b>37,332</b>

#### HEC

The Administrators' expenses in the Reporting Period amount to £36,074, bringing the Administrators' cumulative expenses to £37,373. Of the total, £204 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:

	<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	-	204	204	-	204
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>204</b>	<b>37,373</b>	<b>-</b>	<b>37,373</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:

Professional Advisor	Nature of Work	Fee Arrangement	Fees incurred to date (£)	Paid
Fieldfisher LLP	Solicitors	Time Cost Basis	339,572*	No
Andrew Sutcliffe QC, including Paul Wee	Legal Counsel	Time Cost Basis	131,550	No
Antony Zaccaroli 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

\* 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, and
- Advice in respect of the sale of the Whitesnake 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 on-going 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 ADM – PRBWv2

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.

## **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.gsi.gov.uk](mailto: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 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.

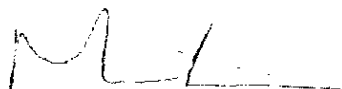
An update on the Companies' exit strategy from Administration will be provided in the Administrators' subsequent report.

ADM – PRBWv2



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, 48 Warwick Street, London, W1B 5NL
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, 48 Warwick Street, London, W1B 5NL
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, 48 Warwick Street, London, W1B 5NL
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, 48 Warwick Street, London, W1B 5NL
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.

APPENDIX II

RECEIPTS AND PAYMENTS ACCOUNTS

DPO

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

			STERLING			US DOLLAR			
	Notes	Statement of Affairs - Estimated to Realise	19-Jan-16 to 28-Nov-16 GBP Sterling	29-Nov-16 to 28-May-17 GBP Sterling	Total Receipts/ Payments To Date	19-Jan-16 to 28-Nov-16 USD Dollar	29-Nov-16 to 28-May-17 USD Dollar	Total Receipts/ Payments To Date	
		£	£	£	£	\$	\$	\$	
<b>RECEIPTS</b>									
Cash at bank (potential third party funds) (held by NatWest)	1	48,328	-	-	-	-	-	-	
Cash at bank (transferred by NatWest to Administration Account)		-	20,353	-	20,353	19,609	-	39,609	
Interest on cash at bank (held by NatWest)		-	-	-	-	-	-	-	
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	343,390	39,518	381,908	64,796	58,531	123,327	
Future royalty income (potential third party funds)		-	185,705	24,373	210,032	49,113	-	49,113	
Intellectual property - music catalogue		Uncertain	-	-	-	-	-	-	
Dipak Rao recoveries (potential third party funds)	3	1	477,299	548	477,847	-	-	-	
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 \$ to £ account		-	65,650	-	65,650	-	-	-	
Transfer of funds from H-1 C to December 2015 Quarter		-	18,228	-	18,228	-	-	-	
			<b>74,745</b>	<b>1,139,893</b>	<b>63,386</b>	<b>1,203,281</b>	<b>153,519</b>	<b>58,531</b>	<b>212,050</b>
<b>PAYMENTS</b>									
Agents/Valuers Fees		-	17,517	-	17,517	-	-	-	
Bank Charges		-	243	-	243	56	38	94	
Beneficiary Distributions		-	117,525	-	117,525	-	-	-	
3rd Party Royalties		-	92	-	92	-	-	-	
Transfer of Intercompany funds		-	93,018	-	93,018	-	-	-	
Transfer from \$ to £ account		-	-	-	-	88,668	-	88,666	
Transfer to Purpletivity Limited		-	-	436,240	436,240	-	-	-	
			<b>226,794</b>	<b>436,240</b>	<b>665,033</b>	<b>88,724</b>	<b>38</b>	<b>88,762</b>	
<b>Balance (Receipts less Payments)</b>					<b>538,248</b>			<b>123,288</b>	
<b>Represented by</b>									
Administration current account - non interest bearing - Sterling					114,897				
Administration current account - non interest bearing - US Dollar					-			(38)	
Fieldfisher client account					179,422				
NatWest pre-appointment accounts - Sterling					244,093				
NatWest pre-appointment account - US Dollar					-			123,327	
VAT receivable					-			-	
VAT payable					(194)			-	
VAT control account					-			-	
<b>TOTAL CASH IN HAND</b>					<b>538,248</b>			<b>123,288</b>	

Mark Supperstone  
Joint Administrator  
23 June 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 Wixen 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.

**Deep Purple (Overseas) Limited and HEC Enterprises Limited**  
**Administrators' progress report**  
**23 June 2017**

HEC

**SUMMARY OF JOINT ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT**  
**FOR THE PERIOD 19 JANUARY 2016 TO 28 MAY 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-Nov-16	29-Nov-16 to 28-May-17		19-Jan-16 to 28-Nov-16	29-Nov-16 to 28-May-17	
		£	GBP Sterling	GBP Sterling	£	USD Dollar	USD Dollar	\$
<b>RECEIPTS</b>								
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	278,175	13,745	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	477,299	548	477,847	-	-	-
Unauthorised payments to Andrea Cabale		2	-	-	-	-	-	-
Unauthorised payments to Derek Lawton		1	-	-	-	-	-	-
Unauthorised payments to Cloud Airport Spa		1	-	-	-	-	-	-
VAT refund (pre-appointment)		13,000	36,782	-	30,287	-	-	-
EMI / Sony track box		1	-	-	-	-	-	-
Transfer of intercompany funds		-	93,018	-	93,018	-	-	-
Transfer from S to E account		-	1,771	-	1,771	-	-	-
		<b>92,647</b>	<b>1,197,463</b>	<b>11,292</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	-	132	37	-	37
Beneficiary Distributions		-	352,820	-	352,820	-	-	-
Transfer of funds to CPD for December 2015 Quarter		-	18,228	-	18,228	-	-	-
Conversion Account		-	-	-	-	2,375	-	2,375
Transfer to Purpletivity Limited		-	-	544,424	544,424	-	-	-
			<b>380,374</b>	<b>544,424</b>	<b>924,798</b>	<b>2,412</b>	<b>-</b>	<b>2,412</b>
<b>Balance (Receipts less Payments)</b>					<b>283,957</b>			<b>(0)</b>
<b>Represented by</b>								
Administration current account - non interest bearing - Sterling					61,615			-
Administration current account - non interest bearing - US Dollar					-			(0)
Fieldfisher client account					179,422			-
NatWest pre-appointment accounts - Sterling					42,920			-
NatWest pre-appointment account - US Dollar					-			-
VAT receivable					-			-
VAT Payable					-			-
<b>TOTAL CASH IN HAND</b>					<b>283,957</b>			<b>(0)</b>

Mark Supperstone  
Joint Administrator  
23 June 2017

**Notes**

- 1 Funds held in US Dollars were converted into Pounds Sterling at a rate of 1.4235 as at 30 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.

## 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 1 January 2016 (£)
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

#### 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

##### *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

**APPENDIX IV**

## ADMINISTRATORS' TIME COSTS SUMMARIES

### DPO

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

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
<b>Administration &amp; Planning</b>									
Case planning / monitoring	-	-	10.40	3,981.50	-	-	10.40	3,981.50	382.84
Cashiering	-	-	0.50	170.00	0.10	14.50	0.60	184.50	307.50
General administration	0.10	51.00	4.80	1,769.50	-	-	4.90	1,820.50	371.53
	0.10	51.00	15.70	5,921.00	0.10	14.50	15.90	5,986.50	376.51
<b>Creditors</b>									
Unsecured	0.60	306.00	9.60	3,737.00	-	-	10.20	4,043.00	396.37
	0.60	306.00	9.60	3,737.00	-	-	10.20	4,043.00	396.37
<b>Investigations</b>									
General investigation	-	-	1.00	395.00	-	-	1.00	395.00	395.00
Other investigation	-	-	1.00	395.00	-	-	1.00	395.00	395.00
	-	-	2.00	790.00	-	-	2.00	790.00	395.00
<b>Realisation of Assets</b>									
Book debts	-	-	0.10	34.00	-	-	0.10	34.00	340.00
Dealing with royalties and trust matters	19.40	9,894.00	20.70	7,731.00	-	-	40.10	17,625.00	439.53
Other assets	2.30	1,173.00	30.90	12,079.00	-	-	33.20	13,252.00	399.16
	21.70	11,067.00	51.70	19,844.00	-	-	73.40	30,911.00	421.13
<b>Statutory</b>									
Statutory paperwork / form completion	-	-	2.00	790.00	-	-	2.00	790.00	395.00
Reporting to creditors	-	-	4.20	1,648.00	1.30	253.50	5.50	1,901.50	345.73
Remuneration applications	1.90	969.00	2.70	748.00	-	-	4.10	1,717.00	418.78
	1.90	969.00	8.40	3,186.00	1.30	253.50	11.60	4,408.50	380.04
<b>Trading</b>									
Ongoing trading administration	2.30	1,173.00	25.80	9,454.00	-	-	28.10	10,627.00	378.19
	2.30	1,173.00	25.80	9,454.00	-	-	28.10	10,627.00	378.19
<b>Total hours and cost</b>	<b>26.60</b>	<b>13,566.00</b>	<b>113.20</b>	<b>42,932.00</b>	<b>1.40</b>	<b>268.00</b>	<b>141.20</b>	<b>56,766.00</b>	<b>402.03</b>

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

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
<b>Administration &amp; Planning</b>									
Case planning / monitoring	4.80	2,052.00	34.20	12,653.50	1.20	660.00	42.20	15,365.50	364.11
Cashiering	-	-	9.10	3,226.50	4.30	845.50	13.40	4,072.00	303.88
General administration	12.20	6,222.00	46.00	14,789.50	5.15	1,004.25	63.35	22,015.75	347.53
	17.00	8,274.00	89.30	30,669.50	12.65	2,509.75	118.95	41,453.25	348.49
<b>Creditors</b>									
Unsecured	16.30	8,313.00	50.20	18,571.00	4.60	921.00	71.10	27,805.00	391.07
	16.30	8,313.00	50.20	18,571.00	4.60	921.00	71.10	27,805.00	391.07
<b>Investigations</b>									
General investigation	-	-	4.30	1,495.50	0.10	25.50	4.40	1,521.00	345.68
Other 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	3.40	1,180.00	-	-	3.90	1,435.00	367.95
	1.00	510.00	16.50	5,711.50	7.20	1,836.00	24.70	8,057.50	326.21
<b>Realisation of Assets</b>									
Book debts	-	-	0.10	34.00	-	-	0.10	34.00	340.00
Dealing with royalties and trust matters	88.50	45,135.00	127.40	48,602.00	3.60	702.00	219.50	94,439.00	430.75
General asset matters	1.20	612.00	1.50	492.50	-	-	2.70	1,104.50	409.07
Other assets	8.90	4,275.00	75.50	29,092.50	2.80	624.00	87.20	33,991.50	389.81
	98.60	50,022.00	204.50	78,221.00	6.40	1,326.00	309.50	129,569.00	418.64
<b>Statutory</b>									
Statutory paperwork / form completion	-	-	2.70	1,039.50	12.30	2,410.50	15.00	3,450.00	230.00
Reporting to creditors	0.90	459.00	36.20	12,959.00	13.40	2,613.00	50.50	16,031.00	317.45
Remuneration applications	1.90	969.00	12.80	4,830.50	3.80	741.00	18.50	6,540.50	353.54
	2.80	1,428.00	51.70	18,829.00	29.50	5,764.50	84.00	26,021.50	309.78
<b>Trading</b>									
Day one matters	-	-	0.50	352.50	-	-	0.50	352.50	305.00
Ongoing trading administration	16.90	8,388.00	89.20	32,043.50	21.80	4,443.00	127.90	44,874.50	350.86
	16.90	8,388.00	89.70	32,396.00	21.80	4,443.00	128.40	45,027.00	350.68
<b>Total hours and cost</b>	<b>152.60</b>	<b>76,935.00</b>	<b>501.90</b>	<b>184,198.00</b>	<b>82.15</b>	<b>16,800.25</b>	<b>736.65</b>	<b>277,933.25</b>	<b>377.29</b>

**Deep Purple (Overseas) Limited and HEC Enterprises Limited**  
**Administrators' progress report**  
**23 June 2017**

**HEC**

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

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
<b>Administration &amp; Planning</b>									
Case planning / monitoring	-	-	7.20	2,739.50	0.10	25.50	7.30	2,765.00	378.11
Cashiering	-	-	0.90	306.00	0.40	178.00	1.30	384.00	295.38
General administration	-	-	5.10	1,833.00	-	-	5.10	1,833.00	359.41
			13.20	4,878.50	0.50	103.50	13.70	4,982.00	363.65
<b>Creditors</b>									
Unsecured	0.60	306.00	2.10	813.00	-	-	2.70	1,119.00	414.44
	0.60	306.00	2.10	813.00	-	-	2.70	1,119.00	414.44
<b>Investigations</b>									
General investigation	-	-	0.60	237.00	-	-	0.60	237.00	395.00
Other investigation	-	-	0.90	355.50	-	-	0.90	355.50	395.00
			1.50	592.50	-	-	1.50	592.50	395.00
<b>Realisation of Assets</b>									
Book debts	-	-	0.10	34.00	-	-	0.10	34.00	340.00
Dealing with royalties and trust matters	18.20	9,282.00	11.50	4,487.50	-	-	29.70	13,769.50	463.62
Other assets	1.20	612.00	30.90	12,150.50	-	-	32.10	12,762.50	397.59
	19.40	9,894.00	42.50	16,672.00	-	-	61.90	26,566.00	429.18
<b>Statutory</b>									
Statutory paperwork / form completion	-	-	2.00	790.00	-	-	2.00	790.00	395.00
Reporting to creditors	-	-	4.50	1,766.50	1.30	253.50	5.80	2,020.00	348.28
Remuneration applications	-	-	2.20	748.00	-	-	2.20	748.00	340.00
			8.70	3,304.50	1.30	253.50	10.00	3,558.00	355.80
<b>Trading</b>									
Ongoing trading administration	2.30	1,173.00	19.30	7,002.00	-	-	21.60	8,175.00	378.47
	2.30	1,173.00	19.30	7,002.00	-	-	21.60	8,175.00	378.47
<b>Total hours and cost</b>	<b>22.30</b>	<b>11,373.00</b>	<b>87.30</b>	<b>33,262.50</b>	<b>1.80</b>	<b>357.00</b>	<b>111.40</b>	<b>44,992.50</b>	<b>403.88</b>

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

	PARTNER / DIRECTOR		MANAGER		OTHER SENIOR PROFESSIONAL		TOTAL		AVERAGE RATE
	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	Hours	Cost (£)	
<b>Administration &amp; Planning</b>									
Case planning / monitoring	4.50	1,932.00	29.70	10,988.00	3.30	685.50	37.50	13,605.50	362.81
Cashiering	-	-	8.10	2,860.00	4.20	831.00	12.30	3,691.00	300.08
General administration	11.80	6,018.00	48.60	15,691.00	5.00	975.00	65.40	22,684.00	346.85
	16.30	7,950.00	86.40	29,539.00	12.50	2,491.50	115.20	39,980.50	347.05
<b>Creditors</b>									
Unsecured	16.70	8,517.00	31.50	11,704.00	3.90	760.50	52.10	20,481.50	393.12
	16.70	8,517.00	31.50	11,704.00	3.90	760.50	52.10	20,481.50	393.12
<b>Investigations</b>									
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	3.20	1,097.50	-	-	3.80	1,403.50	369.34
	1.10	561.00	15.80	5,437.00	2.80	714.00	19.70	6,712.00	340.71
<b>Realisation of Assets</b>									
Book debts	-	-	0.10	34.00	-	-	0.10	34.00	340.00
Dealing with royalties and trust matters	84.60	43,146.00	109.60	42,173.00	3.40	663.00	197.60	85,982.00	435.13
General asset matters	1.30	663.00	1.00	322.50	-	-	2.30	985.50	428.48
Other assets	7.10	3,357.00	68.70	26,507.00	2.70	604.50	78.50	30,463.50	388.07
	93.00	47,166.00	179.40	69,031.50	6.10	1,267.50	278.50	117,465.00	421.78
<b>Statutory</b>									
Statutory paperwork / form completion	-	-	2.60	1,000.00	12.20	2,391.00	14.80	3,391.00	229.12
Filing documents with CH / Court	-	-	0.30	102.00	-	-	0.30	102.00	340.00
Reporting to creditors	0.90	459.00	36.50	13,077.50	13.20	2,574.00	50.60	16,110.50	318.39
Remuneration applications	-	-	12.80	4,830.50	3.90	760.50	16.70	5,591.00	334.79
	0.90	459.00	52.20	19,010.00	29.30	5,725.50	82.40	25,194.50	305.76
<b>Trading</b>									
Day one matters	-	-	0.70	213.50	-	-	0.70	213.50	305.00
Ongoing trading administration	16.00	7,918.00	81.10	29,142.00	19.00	3,885.00	116.10	40,945.00	352.67
	16.00	7,918.00	81.80	29,355.50	19.00	3,885.00	116.80	41,158.50	352.38
<b>Total hours and cost</b>	<b>144.00</b>	<b>72,571.00</b>	<b>447.10</b>	<b>163,577.00</b>	<b>73.60</b>	<b>14,844.00</b>	<b>664.70</b>	<b>250,992.00</b>	<b>377.60</b>