

The Insolvency Act 1986

2.24B**Administrator's progress report**

Name of Company Landround PLC	Company number 03372127
In the Manchester County Court	Court case number 3997 of 2008

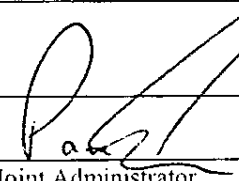
We
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St James' Square
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M2 6DS
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Brian Green
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Administrators of the above company attach a progress report for the period

from	to
28 November 2008	27 May 2009

Signed


Joint Administrator

Dated

24 June 2009

Contact Details:

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

Louise Rigby KPMG LLP St James' Square Manchester M2 6DS United Kingdom		Tel
DX Number DX 724620 Manchester 42		0161 246 4000

When you have completed and signed this form, please send it to the Registrar of Companies at:-

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

A54
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248
COMPANIES HOUSE

FRIDAY



Landround Plc (in Administration)

**Report to Creditors pursuant
to Rule 2.47 of the
Insolvency (Amendment)
Rules 2003**

KPMG LLP

17 June 2009

This report contains 7 pages

Appendices contains 4 pages

PF/AB/LR



Notice: About this report

This Report has been prepared by Paul Andrew Flint and Brian Green, the Joint Administrators of Landround Plc, solely to comply with their statutory duty to report to creditors under the Insolvency Rules 1986 on the progress of the Administration, and for no other purpose. It is not suitable to be relied upon by any other person, or for any other purpose, or in any other context.

This Report has not been prepared in contemplation of it being used, and is not suitable to be used, to inform any investment decision in relation to the debt of or any financial interest in Landround Plc.

Any estimated outcomes for creditors included in this Report are illustrative only and cannot be relied upon as guidance as to the actual outcomes for creditors.

Any person that chooses to rely on this Report for any purpose or in any context other than under the Insolvency Rules 1986 does so at its own risk. To the fullest extent permitted by law, the Joint Administrators do not assume any responsibility and will not accept any liability in respect of this Report to any such person.

Paul Andrew Flint and Brian Green are authorised to act as Insolvency Practitioners by the Institute of Chartered Accountants in England & Wales.

The Joint Administrators act as agents for Landround Plc and contract without personal liability.

The appointments of the Joint Administrators are personal to them and, to the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability to any person in respect of this Report or the conduct of the Administration.



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- 1) Joint Administrators' time costs, charge out rates and disbursements to 27 May 2009
- 2) Joint Administrators' receipts and payments account for the period 28 November 2008 to 27 May 2009



1 Glossary

Joint Administrators	Paul Andrew Flint and Brian Green of KPMG LLP, St James' Square, Manchester, M2 6DS.
Administration	The Administration granted by the High Court of Justice, Chancery Division, Manchester District Registry in respect of Landround Plc dated 28 November 2008. Court case number 3997 of 2008
Company	Landround Plc (in Administration)
Group	Landround Plc and its 100% subsidiaries (Landround Marketing Limited, Travel Offers Limited, Landround Travel Limited, Fixed Fee Plus Limited, White Label Rewards Limited, Compra y Vuela SL and Travel Rewards AB Limited)
HSBC	HSBC Bank plc
Agents	Sanderson Weatherall
Solicitors	Eversheds LLP
SIP	Statement of Insolvency Practice
Act	Insolvency Act 1986
EC Regulations	Council Regulations (EC) No. 1346/2000

2 Other information required by Rule 2.47 of the Insolvency (Amendment) Rules 2003

Date of appointment	28 November 2008
Company registered number	03372127
Previous registered office	The Quadrant, Sealand Road, Chester, CH1 4QR
Present registered office	KPMG LLP, St James' Square, Manchester, M2 6DS
Appointor	The Directors of the Company

3 Introduction

Further to my report dated 15 January 2009, I write to provide an update on the progress of the Administration in accordance with Rule 2.47 of the Insolvency (Amendment) Rules 2003.

For your information, an abstract receipts and payments account for the six month period from 28 November 2008 to 27 May 2009 is attached at Appendix 2. Cash held at 27 May 2009 totals £24,071.

4 Statement of Affairs

A statement of the Company's affairs was prepared by Anthony Pope, the Company's Financial Director.

This has been filed at Companies House.

5 Progress of the Administration to 27 May 2009

5.1 Initial Strategy

The initial strategy was to complete the statutory requirements of the Administration in a timely manner, and to assess the Company's potential assets and liabilities.

The seven Company employees (six of whom were directors) were made redundant as at 28 November 2008.

5.2 Progress of the Administration to 27 May 2009

5.2.1 Sale of assets

As Landround Plc was a holding company, the only asset at the appointment date was intellectual property.

5.2.1.1 Intellectual property

A sale of intellectual property to The Leapfrog Group was completed on 16 January 2009. The sum of £5,000 plus VAT has been received in relation to domain names and a telephone number that were registered to the Company.

5.2.1.2 **"Buy & Fly!" brand**

A sale of the "Buy & Fly!" brand to The Collinson Group Limited was completed on 22 May 2009. Funds of £15,000 plus VAT have been received in relation to this sale but as at 27 May 2009 this sum had not been transferred to us by our Solicitors.

5.2.2 **Directors' conduct**

The Joint Administrators have a duty to investigate the affairs of the Company prior to appointment and submit a report to the Department for Business Enterprise and Regulatory Reform ("DBERR").

I can confirm that the Joint Administrators have complied with the reporting requirements and that the investigation has been concluded.

To date we have not found any matters that will result in additional realisations in this case. We are not at liberty to disclose the nature or content of the reports to the DBERR.

5.3 **Costs of realisations**

To date, the Joint Administrators have been engaged in:

- dealing with employee matters;
- realising the Company's assets;
- dealing with creditor and shareholder claims and queries;
- reporting to unsecured creditors and shareholders;
- corresponding with our HSE (Health, Safety & Environment), VAT and Corporation Tax teams; and
- statutory issues associated with the Administration.

The KPMG LLP team working on the case includes the Joint Administrators, Case Manager, Case Administrator and support team.

As per their previous proposals, the Joint Administrators will fix the basis of their remuneration with reference to time properly spent in this matter. The Joint Administrators do not anticipate that there will be any funds available for distribution unsecured creditors. In accordance with rule 2.106 (5A) of the Insolvency Rules 1986 (as amended), the Joint Administrators will fix the basis of their remuneration with the secured creditor (and the preferential creditors if the Joint Administrators intend to make a distribution to them).

The Joint Administrators' time costs to 27 May 2009 are £65,431. A total of 282 hours have been spent working on the Administration to 27 May 2009, at an average rate of £232 per hour. To date expenses totalling £265 have been incurred.

An analysis of the Joint Administrators' costs to date in accordance with the provisions of SIP 9 is attached at Appendix 1.

A creditors' guide to fees can be found at:
[http://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007\(1\).pdf](http://www.r3.org.uk/uploads/sip/SIP9_v5_April_2007(1).pdf), however, if you are unable to access this guide and would like a copy please contact Louise Rigby.

The Joint Administrators have instructed KPMG LLP HSE (Health Safety & Environment), Pension, Corporation Tax and VAT specialists to carry out assessments of the Company's position. Time in relation to these matters is also included in the analysis at Appendix 1.

No fees have been drawn to date and it is unlikely that the Joint Administrators' time costs will be recovered in full.

6 Receipts and Payments

An analysis of receipts and payments for the period 28 November 2008 to 27 May 2009 is attached at Appendix 2.

Funds in the Joint Administrators' bank account totalled £24,071 at 27 May 2009, being the date of the last reconciliation.

6.1 Receipts

6.1.1 Intellectual property

A sum of £5,000 plus VAT has been received from The Leapfrog Group in respect of a sale of intellectual property. This is detailed in section 4.2.2 above.

6.1.2 Cash at bank

An amount of £26,404 has been received from HSBC in respect of the Company's pre-appointment bank account balance.

6.2 Payments

6.2.1 IT consultancy fee

A sum of £600 has been paid to secure the Company's financial data located on the computer server.

6.2.2 Agents'/valuers' fees

Fees of £1,000 have been paid in respect of the collection, archiving and storage of the Company's books and records.

6.2.3 Legal fees

Fees of £5,217 have been paid to Eversheds LLP in respect of work on the validity of appointment and charges, and advice and contract preparation regarding the sale of intellectual property, which is commented on further on in section 4.2.2 above.

6.2.4 Statutory advertising

A sum of £421 has been paid in respect of statutory advertising.

6.2.5 Bank Charges

Charges of £3 have been paid in relation to the Joint Administrators' fixed and floating bank accounts with HSBC.

7 Other Matters

The EC Regulation on Insolvency Proceedings 2000 will apply in this matter and these proceedings will be the main proceedings as defined in Article 3 of the EC Regulation. The Company's registered office and centre of main interests are in the United Kingdom.

In accordance with section 176A of the Act, a prescribed part will be made available to unsecured creditors should floating charge realisations be sufficient on the basis that the floating charge in favour of the Bank was created after 15 September 2003. The debenture was created on 19 April 2005.

The prescribed part is a proportion of the net floating charge realisations after preferential creditors have been paid in full, to be distributed exclusively to unsecured creditors.

We anticipate that floating charge realisations will be insufficient to enable a prescribed part payment to be made available to unsecured creditors.

8 Creditors

8.1 Secured Creditor

Approximately £4,000 was due to HSBC at the date of appointment of the Joint Administrators. However, as stated in the Joint Administrators' Proposals, HSBC's security is such that it is able to apply cross guarantees to set off balances across the other Group companies, and, as such, there remains no Group indebtedness to HSBC, with the exception of fees and charges. These fees and charges are yet to be confirmed.

There are no other secured creditors.



8.2 Preferential Creditors

Preferential creditors are estimated at £10,000 and relate to the seven employees' claims for arrears of wages and holiday pay.

The Joint Administrators currently estimate that there may be sufficient funds available to enable a small distribution to preferential creditors.

8.3 Unsecured Creditors

The Joint Administrators do not anticipate that there will be sufficient funds available to enable a distribution to unsecured creditors of the Company.

9 Outstanding Matters

The Joint Administrators are still dealing with a number of issues in respect of the Administration, namely:

- possible distribution to preferential creditors;
- ongoing pre and post appointment VAT matters; and
- settlement of final costs of the Administration.

Once these matters have been fully resolved the Joint Administrators will seek the dissolution of the Company.



10 **Future Reporting**

It is anticipated that the Joint Administrators will seek the dissolution of the Company within the next six months, at which time I shall issue my final report to creditors.

However, should the Joint Administrators' proposals not have been completed prior to that time, in accordance with Rule 2.47 of the Insolvency (Amendment) Rules 2003, I will provide creditors with my next report in December 2009.

Paul Andrew Flint

Joint Administrator

Appendix 1: Joint Administrators' time costs and disbursements from 28 November 2008 to 27 May 2009

Landround Plc (in Administration)									
Reporting period: 28.11.08 to 27.05.09									
SFR 9 (compliant fees worksheet)									
Consolidated time spent by grade									
Activity	Partner/Director	Management	Administrators	Support	Total Hours	Total Cost £	Average Rate £		
Administration & planning									
Pre-appointment checks	0.00	13.50	29.50	0.00	43.00	10,507.50	244.36		
Appointment related formalities	1.20	0.00	17.50	0.00	18.70	3,523.50	188.36		
Strategy documents	0.00	1.00	4.20	0.00	5.20	1,433.00	275.58		
Checklist & Reviews	0.00	6.00	1.00	0.00	7.00	2,555.00	365.14		
Fees & WIP	0.00	0.00	4.00	0.00	4.00	300.00	75.00		
General cashing	0.00	0.00	4.00	0.00	4.00	540.00	135.00		
Reconciliation	0.00	0.00	4.20	0.00	4.20	652.00	155.24		
Shareholder correspondence	0.00	4.00	8.00	0.00	12.00	2,000.00	166.67		
Initial C1 & VAT reviews	1.00	4.50	11.50	0.00	17.00	3,600.00	211.76		
Post-appointment VAT	0.00	0.00	18.00	0.00	18.00	3,562.50	197.92		
Post-appointment C1	0.00	1.00	5.20	0.00	6.20	1,117.00	180.16		
	2.50	30.60	107.50	0.00	140.60	30,861.00	219.59		
Investigation									
Questionnaires & checklist	0.00	0.00	0.30	0.00	0.30	61.90	206.00		
D1 form drafting submission	1.00	2.00	12.20	0.00	15.20	3,477.50	228.80		
Statement of affairs	0.00	0.00	2.20	0.00	2.20	506.50	230.23		
Correspondence with directors	0.00	0.00	4.00	0.00	4.00	600.00	150.00		
Mail redirection	0.00	0.00	0.80	0.00	0.80	124.50	155.63		
	1.10	2.00	20.50	0.00	23.60	4,770.00	202.12		
Realisation of assets									
Cash & investments	0.00	1.00	2.00	0.00	3.00	705.00	235.00		
Goodwill	0.00	9.00	21.80	0.00	30.80	7,632.50	247.81		
	0.00	10.00	23.80	0.00	33.80	8,337.50	246.88		
Creditors									
Semi-creditors	0.00	0.00	4.00	0.00	4.00	655.00	163.75		
Creditors correspondence	2.50	0.00	7.00	0.00	9.50	2,110.00	222.11		
Reports to creditors	6.20	15.90	29.20	0.00	51.30	11,442.00	223.23		
Employee correspondence	0.00	0.00	1.00	0.00	1.00	150.00	150.00		
VAT returns/payments	0.00	17.50	0.00	0.00	17.50	5,105.00	291.71		
TOTAL CREDITORS	8.70	33.40	42.20	0.00	84.30	21,462.00	255.86		
Total hours spent									
	12.30	75.60	193.70	0.00	281.60	65,430.50	232.35		

Appendix 1: Charge Out Rates and Disbursements

	Restructuring	Tax	VAT	Pensions
	£	£	£	£
Partner	515	595	865	745
Director	440	535	775	670
Senior Manager	405	375-470	545-680	470-590
Manager	320	255-305	370-435	320-385
Administrator	225	185-220	270-315	235-275
Assistant administrator	165	85-185	120-235	110-235

Landround Plc (in Administration)

28 November 2008 to 27 May 2009

Category 1 expenses

Expense name	Expense amount £
<i>Expenses b/f</i>	216.00
<i>Telecommunications</i>	24.69
<i>Mileage</i>	25.00
Total	265.00



Appendix 2: Joint Administrators' receipts and payments account for the period 28 November 2008 to 27 May 2009

ABSTRACT OF RECEIPTS AND PAYMENTS - 28/11/2008 to 27/05/2009
Landround PLC

Appendix to Form 2.24
Page 1

	RECEIPTS	£
	Brought forward from previous Abstract (if Any)	0.00
	Cash at bank 26,404.19 Intellectual Property 5,000.00 Fixed charge VAT payable 750.00	
	Carried forward to	32,154.19
* Delete as appropriate	* continuation sheet / next abstract	
	PAYMENTS	£
	Brought forward from previous Abstract (if Any)	0.00
	Bank charges 3.15 IT Consultancy 600.00 Agents'/Valuers' fees 1,000.00 Legal fees 5,217.40 Statutory advertising 421.09 Floating ch. VAT rec'able 841.27	
	Carried forward to	8,082.91
* Delete as appropriate	* continuation sheet / next abstract	

Note - The receipts and payments must severally be added up at the foot of each sheet and the totals carried forward from one abstract to another without any intermediate balance so that the gross totals shall represent the total amounts received and paid by the administrator since he was appointed.



Landround Plc (in Administration)
Report to Creditors pursuant to Rule 2.47 of the Insolvency (Amendment) Rules 2003
KPMG LLP
17 June 2009

Landround PLC
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 10/01/2009 To 27/05/2009	From 28/11/2008 To 27/05/2009
FIXED CHARGE COSTS		
Bank charges	<u>3.15</u> (3.15)	<u>3.15</u> (3.15)
ASSET REALISATIONS		
1,400.00 Cash at bank	26,404.19	26,404.19
Intellectual Property	<u>5,000.00</u> 31,404.19	<u>5,000.00</u> 31,404.19
COST OF REALISATIONS		
IT Consultancy	600.00	600.00
Agents'/Valuers' fees	1,000.00	1,000.00
Legal fees	5,217.40	5,217.40
Statutory advertising	<u>421.09</u> (7,238.49)	<u>421.09</u> (7,238.49)
PREFERENTIAL CREDITORS		
(10,000.00) Employees' wage arrears	<u>NIL</u> NIL	<u>NIL</u> NIL
UNSECURED CREDITORS		
(443,812.00) Trade & expense	<u>NIL</u> NIL	<u>NIL</u> NIL
DISTRIBUTIONS		
(701,207.00) Ordinary shareholders	<u>NIL</u> NIL	<u>NIL</u> NIL
(1,153,619.00)	<u>24,162.55</u>	<u>24,162.55</u>
REPRESENTED BY		
Floating ch. VAT rec'able		841.27
Fixed charge current		5,746.85
Floating charge current		18,324.43
Fixed charge VAT payable		<u>(750.00)</u>
		<u>24,162.55</u>

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Paul Andrew Flint
Administrator