

The Insolvency Act 1986

2.24B**Administrator's progress report**

Name of Company Landround plc	Company number 03372127
In the Manchester County Court [full name of court]	Court case number 3997 of 2008

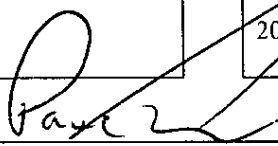
We
Paul Andrew Flint
KPMG LLP
St James' Square
Manchester
M2 6DS
United Kingdom

Brian Green
KPMG LLP
St James' Square
Manchester
M2 6DS
United Kingdom

Administrators of the above company attach a progress report for the period

from	to
28 May 2009	20 November 2009

Signed


Joint Administrator

Dated

23 November 2009

Contact Details:

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

Louise Rigby KPMG LLP St James' Square Manchester M2 6DS United Kingdom DX Number DX 724620 Manchester 42	Tel 0161 246 4875
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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





Landround Plc (in Administration)

**Report to Creditors pursuant
to Rule 2.110 of the
Insolvency (Amendment)
Rules 2003**

KPMG LLP

23 November 2009

This report contains 7 pages

The appendices contain 6 pages

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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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- 3 Joint Administrators' original Proposals

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 17 June 2009, I write to provide the final report on the outcome of the Administration in accordance with Rule 2.110 of the Insolvency (Amendment) Rules 2003.

The original proposals agreed by the creditors are attached at Appendix 3. In accordance with Rule 2.110 of the Insolvency (Amendment) Rules 2003, the outcome of the Administration is detailed in this, my final report. There have been no notable deviations from the Joint Administrators' original Proposals.

For your information, an abstract receipts and payments account for the period 28 May 2009 to 20 November 2009 is attached at Appendix 1.

There are no funds remaining in this case.

4 **Receipts and Payments**

An analysis of receipts and payments for the period 28 May 2009 to 20 November 2009 is attached at Appendix 1.

No funds remain in the case at 20 November 2009.

Receipts and payments in the period are commented on below.

4.1 **Receipts**

4.1.1 **Intellectual property**

4.1.1.1 ***"Buy & Fly!" brand***

As detailed in my report dated 17 June 2009, 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 and this sum has now been transferred to us by our Solicitors.

4.1.2 **Bank Interest**

Interest of £1 has been received on funds held in the Joint Administrators' bank accounts.

4.2 Payments

4.2.1 Statutory Advertising

A sum of £342 has been paid in respect of statutory advertising.

4.2.2 Legal Fees and Disbursements

A total of £3,132 has been paid to Eversheds LLP in the period in respect of their advice and contract preparation regarding the sale of Intellectual Property, detailed in section 4.1.1.

4.2.3 Administrators' Fees

A first and final fee of £35,418 has been drawn in the period. This is detailed further in section 5 below.

4.2.4 Administrators' Expenses

Expenses totalling £267 have been drawn.

4.2.5 Bank Charges

Charges of £3 have been paid in the period.

4.2.6 VAT

VAT paid and received in the prior six month period has been accounted for with HMRC in the relevant return during this current period.

5 Joint Administrators' Fees

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;
- statutory issues associated with the Administration; and
- closure and related formalities.

In accordance with rule 2.106 (9) of the Insolvency Rules 1986 (as amended), on 25 September 2009, the secured creditor agreed the following proposals in respect of the Joint Administrators' remuneration:

- The Joint Administrators will seek approval to draw fees on account from the assets of Landround plc (in Administration) from time to time during the period of Administration based on time properly spent at the KPMG LLP charge out rates shown in Appendix 2. Also, the Joint Administrators will seek approval to draw disbursements from time to time; and
- that the costs of KPMG LLP in respect of HSE, Pension, Tax and VAT advice provided to the Joint Administrators be based upon time costs and shall be paid out of the assets of Landround plc (in Administration).
- the Joint Administrators will seek a resolution from creditors to be discharged from liability upon cessation of their appointment, in respect of any action of the Joint Administrators pursuant to paragraph 98(1) of Schedule B1 to the Act.

The Joint Administrators' total time costs to 20 November 2009 are £76,360, of which £11,031 relates to the period 28 May 2009 to 20 November 2009. Fees and expenses of £35,418 and £267 respectively have been drawn in the period.

A full analysis of the Joint Administrators' time costs for the period 28 May 2009 to 20 November 2009 in accordance with the provisions of the Statement of Insolvency Practice 9 is attached at Appendix 2, along with applicable charge out rates. A creditors' guide to fees can be found at:

[http://www.r3.org.uk/uploads/sip/SIP9_v%20April_2007\(1\).pdf](http://www.r3.org.uk/uploads/sip/SIP9_v%20April_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 2.

6 Other Matters

The EC regulation on Insolvency Proceedings 2000 will apply in this matter and these proceedings are 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.

Section 176A of the Act provides that, 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.

In this case, floating charge realisations are insufficient to enable a prescribed part payment to be made available to unsecured creditors.

7 Creditors

7.1 Secured Creditors

Approximately £4,000 was due to HSBC from the Company at the date of appointment of the Joint Administrators. However, as stated in the Joint Administrators' Proposals and in my report dated 17 June 2009, HSBC's security is such that it is able to apply cross guarantees to set off balances across the other Group companies. As such, on appointment there was no Group indebtedness to HSBC with the exception of fees and charges.

There are no other secured creditors.

7.2 Preferential Creditors

There are insufficient realisations available to enable a distribution to preferential creditors.

7.3 Unsecured Creditors

There are insufficient realisations available to enable a distribution to unsecured creditors.

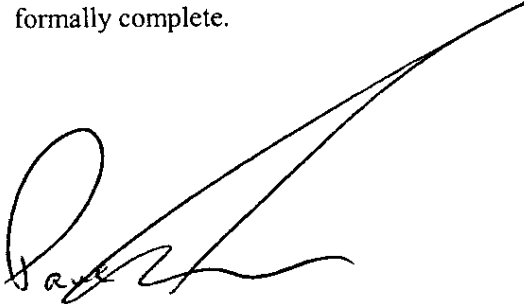
8 Conclusion of the Administration

The Joint Administrators' Proposals have been completed.

The Joint Administrators have sought the dissolution of the Company pursuant to the provisions of paragraph 84 of Schedule B1 of the Act. A copy of Form 2.35B to this effect is enclosed.

The Company will be formally dissolved three months after the Form 2.35B is filed at Companies House.

There are no further matters to report to creditors and the Administration is deemed to be formally complete.



Paul Andrew Flint

Joint Administrator



Appendix 1 – The Joint Administrators’ receipts and payments for the period 28 May 2009 to 20 November 2009

ABSTRACT OF RECEIPTS AND PAYMENTS - 28/05/2009 to 20/11/2009
 Landround PLC

Appendix to Form 2.24
 Page 1

RECEIPTS		£
Brought forward from previous Abstract (if Any)		32,154.19
Bank interest, gross		0.61
Intellectual Property		15,000.00
Floating ch. VAT rec'able		841.27
Carried forward to		47,996.07
* continuation sheet / next abstract		
PAYMENTS		£
Brought forward from previous Abstract (if Any)		8,082.91
Administrators' fees		22,994.13
Administrators' fees		12,424.11
Administrators' expenses		267.17
Legal fees		3,000.00
Legal disbursements		132.42
Statutory advertising		342.00
Bank charges		3.33
Fixed charge VAT payable		750.00
Carried forward to		47,996.07
* continuation sheet / next abstract		

* Delete as appropriate

* Delete as appropriate

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 2.110 of the Insolvency (Amendment) Rules 2003
KPMG LLP
23 November 2009

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

Statement of Affairs	From 28/05/2009 To 20/11/2009	From 28/11/2008 To 20/11/2009
FIXED CHARGE ASSETS		
Bank interest, gross	0.61	0.61
	<u>0.61</u>	<u>0.61</u>
FIXED CHARGE COSTS		
Administrators' fees	22,994.13	22,994.13
Bank charges	NIL	3.15
	<u>(22,994.13)</u>	<u>(22,997.28)</u>
ASSET REALISATIONS		
1,400.00 Cash at bank	NIL	26,404.19
Intellectual Property	15,000.00	20,000.00
	<u>15,000.00</u>	<u>46,404.19</u>
COST OF REALISATIONS		
IT Consultancy	NIL	600.00
Administrators' fees	12,691.28	12,691.28
Agents'/Valuers' fees	NIL	1,000.00
Legal fees	3,000.00	8,217.40
Legal disbursements	132.42	132.42
Statutory advertising	342.00	763.69
Bank charges	3.33	3.33
	<u>(16,169.03)</u>	<u>(23,407.52)</u>
PREFERENTIAL CREDITORS		
(10,000.00) Employees' wage arrears	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
UNSECURED CREDITORS		
(443,812.00) Trade & expense	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
DISTRIBUTIONS		
(701,207.00) Ordinary shareholders	NIL	NIL
	<u>NIL</u>	<u>NIL</u>
(1,153,619.00)	(24,162.55)	(0.00)
REPRESENTED BY		
		<u>NIL</u>

Paul Andrew Flint
Administrator

Appendix 2 – The Joint Administrators' time costs, charge out rates and disbursements for the period 28 May 2009 to 20 November 2009

Landround plc (in Administration)		28/05/09 to 20/11/09				
Reporting period:						
SIP 9 Compliant fees worksheet						
Consolidated time spent by grade						
Activity	Partner/Director	Management	Administrators	Total Hours	Total Cost £	Average Rate £
Administration & planning						
Statutory Receipts & Payments	0.00	1.00	0.50	1.50	487.50	325.00
Strategy documents	0.00	0.00	0.10	0.10	16.50	165.00
Closure & related formalities	0.10	2.00	0.00	2.10	861.50	410.24
Checklist & Reviews	2.50	2.30	0.00	4.80	2,006.00	417.92
Fees & WIP	0.00	0.00	2.10	2.10	280.50	133.57
General cashiering	0.00	0.00	3.70	3.70	526.50	142.30
Reconciliations	0.00	0.00	0.20	0.20	21.00	105.00
Post appointment VAT	0.10	0.00	1.50	1.60	321.50	200.94
Post appointment CT	1.10	4.50	8.60	14.20	3,867.50	272.36
	3.80	9.80	16.70	30.30	8,388.50	276.85
Creditors						
Creditor correspondence	0.00	0.00	2.80	2.80	480.00	171.43
Reports to creditors	0.00	2.00	8.00	10.00	2,130.00	213.00
Pre appointment VAT/PAYE/CT	0.00	0.10	0.00	0.10	32.00	320.00
	0.00	2.10	10.80	12.90	2,642.00	204.81
Total hours/cost	3.80	11.90	27.50	43.20	11,030.50	255.34
				Hours/Costs to date		
B/c				0.00	280.50	65,330.00
In the period				35,418.24	43.20	11,030.50
C/c				35,418.24	323.70	76,360.50
						235.90

Notes

All staff who have worked on this assignment, including cashiers and secretarial staff, have charged time directly to the assignment and are included in the analysis of time spent. The cost of staff employed in central administration functions is not charged directly to the assignment but is reflected in the general level of charge out rates.



Landround plc (in Administration)
28 May 2009 to 20 November 2009

1 October 2008

Grade	Charge out rates £		
Partner/Director	400	to	400
Management	290	to	365
Administrators	150	to	205
Support	95	to	95

1 April 2009

Grade	Charge out rates £		
Partner/Director	440	to	515
Management	320	to	405
Administrators	165	to	225
Support	105	To	105

Category 1 expenses

Expense name	Expense amount £
Postage	49.80
Telephone calls	26.58
Mileage – tax free	120.80
Other travel costs	40.00
Sundry	29.99
	<u>267.17</u>

Appendix 3 – The Joint Administrators’ Original Proposals

The Joint Administrators propose the following:

- to continue to do all such things reasonably expedient and generally exercise all their powers as Joint Administrators as they, in their discretion, consider desirable in order to maximise realisations from the assets of the Company;
- to seek an extension to the Administration period if deemed necessary by the Joint Administrators; firstly by consent from the secured creditors (and the requisite majority of preferential creditors if the Joint Administrators think that there will be a distribution to them) for a six-month period and, if further time is required, by an application to court under paragraph 76(2) of Schedule B1 to the Act;
- when it is considered that no further distributions to creditors will be made and that the Joint Administrators have concluded their duties, to take the necessary steps to move the Company from Administration to Dissolution, pursuant to paragraph 84 of Schedule B1 to the Act. If the Joint Administrators think that a distribution will be made to unsecured creditors, to take the necessary steps to move the Company into Creditors’ Voluntary Liquidation pursuant to paragraph 83 of Schedule B1 to the Act;
- if Creditors’ Voluntary Liquidation is deemed appropriate, the Joint Administrators will seek the appointment of Paul Andrew Flint and Brian Green of KPMG LLP as Liquidators of Landround Plc. In accordance with paragraph 83(7) of Schedule B1 to the Act and Rule 2.117(3) of the Insolvency Rules 1986, creditors may nominate a different person as the proposed liquidator, provided that the nomination is made after the receipt of the proposals and before the proposals are approved;
- if deemed appropriate to make an application to court under paragraph 79 of Schedule B1 to the Act to end the Administration and petition the court for the winding up of the Company. If appropriate, the Joint Administrators will apply to be appointed as Joint Liquidators under Section 140 (1) of the Act; and
- the Joint Administrators will seek a resolution from creditors to be discharged from liability upon cessation of their appointment, in respect of any action of the Joint Administrators pursuant to paragraph 98(1) of Schedule B1 to the Act.

In relation to Joint Administrators’ fees:

- that in the event that no creditors’ committee is formed, or if no determination of the creditors committee is reached, the Joint Administrators will seek approval from secured creditors (and the requisite majority of preferential creditors if the Joint Administrators think that there will be a distribution to them) in relation to the basis of their remuneration. The Joint Administrators will seek approval to draw fees on account from the assets of Landround Plc (in Administration) from time to time during the period of Administration based on time properly spent at the KPMG LLP charge out rates shown in Appendix 2. Also, the Joint Administrators will seek approval to draw disbursements from time to time; and



Landround Plc (in Administration)
Report to Creditors pursuant to Rule 2.110 of the Insolvency (Amendment) Rules 2003
KPMG LLP
23 November 2009

- that the costs of KPMG LLP in respect of HSE, Pension, Tax and VAT advice provided to the Joint Administrators be based upon time costs and shall be paid out of the assets of Landround Plc (in Administration).