

The Insolvency Act 1986

2.24B**Administrator's progress report**

Name of Company Travel Offers Limited	Company number 03826170
In the High Court of Justice, Chancery Division, Manchester District Registry	Court case number 4073 of 2008

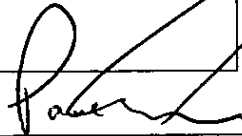
We
Paul Andrew Flint
KPMG LLP
St James' Square
Manchester
M2 6DS
United Kingdom

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
10 December 2008	9 June 2009

Signed


Joint Administrator

Dated

1 July 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 members 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

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COMPANIES HOUSE



**Travel Offers Limited (in
Administration)**

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

KPMG LLP

1 July 2009

This report contains 7 pages

Appendices contain 4 pages



Notice: About this report

This Report has been prepared by Paul Andrew Flint and Brian Green, the Joint Administrators of Travel Offers Limited, 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 Travel Offers Limited.

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 Travel Offers Limited 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 9 June 2009
- 2) Joint Administrators' receipts and payments account for the period 10 December 2008 to 9 June 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 Travel Offers Limited dated 10 December 2008. Court case number 4073 of 2008
Company	Travel Offers Limited (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	10 December 2008
Company registered number	03826170
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 28 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 10 December 2008 to 9 June 2009 is attached at Appendix 2. Cash held at 9 June 2009 totals £58,946.

4 Statement of Affairs

A statement of the Company's affairs has been completed by Anthony Pope, a director of the Company.

This has been filed at court and Companies House.

5 Progress of the Administration to 9 June 2009

5.1 Initial Strategy

As discussed in the Joint Administrators' Proposals, dated 28 January 2009, the Group ceased to trade on 21 November 2008, with the exception of the Company, whose operations were temporarily suspended.

Following the appointment on 10 December 2008, the initial strategy was to complete the statutory requirements of the Administration in a timely manner and to seek the sale of the Company's business and assets.

It was considered that achieving a sale of the business and assets as soon as possible was essential if realisations were to be maximised, and hence the Joint Administrators continued to negotiate with the interested parties identified prior to appointment.

The two Company employees were made redundant prior to the appointment of the Joint Administrators.

5.2 Progress of the Administration

5.2.1 Sale of Business and Assets

As detailed in the Joint Administrators' proposals, a sale of the business and assets was completed on 12 December 2008 to Repeated Speech Limited for £80,000. The

consideration apportionment was £77,500 for the business and goodwill, £2,000 for the stock and £500 for the furniture and equipment.

There are no further assets to realise.

5.2.2 Investigation

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.

5.2.3 Statutory issues

All statutory matters have been completed by the Joint Administrators in a timely manner.

5.3 Costs of realisations

To date, the Joint Administrators have been engaged in:

- dealing with employee matters;
- realising the Company assets;
- dealing with creditor claims and queries;
- reporting to unsecured creditors;
- 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 the 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 to unsecured creditors. In accordance with rule 2.106 (5A) of the Insolvency Rules 1986 (as amended), the Joint Administrators will fix their remuneration by the approval of the secured creditor (and the preferential creditors if the Joint Administrators intend to make a distribution to them).

The Joint Administrators' time costs to 9 June 2009 are £39,013. A total of 168 hours have been spent working on the Administration to 9 June 2009, at an average rate of £232 per hour. To date expenses totalling £582 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 HS&E, 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.

6 Receipts and Payments in the period

An analysis of receipts and payments for the period 10 December 2008 to 9 June 2009 is attached at Appendix 2.

Funds held in the Joint Administrators' account at 9 June 2009 amounted to £58,946.

Receipts and payments in the period are commented on below.

6.1 Receipts

6.1.1 Goodwill

A total of £77,500 has been received in consideration for the business and goodwill.

6.1.2 Cash at bank

Funds of £935 have been received from the Company's pre-Administration bank accounts.

6.1.3 Furniture and equipment

A sum of £500 has been received for the furniture and equipment at the Company's premises.

6.1.4 VAT repayment

A sum of £2,286 has been received from HMRC in repayment of VAT incurred during the Administration.

6.1.5 Sales Agreement

Per the sales agreement, £1,996 has been received in relation to stock and £4 in relation to the Company's marketing portfolio, intellectual property, customer contracts and company databases.

6.2 Payments

6.2.1 Legal Fees

Fees of £15,150 have been paid to our Solicitors for their work in connection with appointment and the sale of the Company.

6.2.2 Bank Charges

Charges of £21 have been incurred.

6.2.3 Consultancy Fees

Fees of £6,500 have been paid to Anthony Pope, a Company director, in relation to his assistance during the sale of business and other matters arising in the Administration.

6.2.4 Statutory Advertising

A sum of £118 has been paid in respect of advertising the appointment of the Joint Administrators.

6.2.5 IT Charges

A sum of £200 has been paid in respect of securing the hotel and customer databases located on the Company's server.

7 Creditors

7.1 Secured Creditor

Approximately, £4,900 was due to HSBC at the date of the appointment of the Joint Administrators. However, HSBC's security is such that it is able to apply cross guarantees to set off balances across other group companies, and as a consequence there remains no Group indebtedness to HSBC, with the exception of fees and charges, which are yet to be confirmed.

There are no other secured creditors.

7.2 Preferential Creditors

Preferential creditors are estimated at £100 and relate to the two employees' claims for arrears of wages and holiday pay.

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

7.3 Unsecured Creditors

The Joint Administrators estimate that there will be insufficient funds available to enable a distribution to unsecured creditors of the Company.

8 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.

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.

9 Outstanding Matters

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

- distribution to preferential creditors;
- ongoing pre and post appointment VAT and corporation tax 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 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 to 9 June 2009

Travel Offers Limited (in Administration)									
Reporting period: 10/12/08 to 09/06/09									
SIP 9 Compliant fee worksheet									
Consolidated time spent by grade									
Activity	Partner/Director	Management	Administrators	Support	Total Hours	Total Cost £	Average Rate £		
Administration & planning									
Appointments related formalities	0.10	5.50	6.00	0.00	11.60	2,570.00	222.33		
Boarding & baddeau	0.00	0.00	1.50	0.00	1.50	175.00	116.67		
Strategy documents	1.20	1.00	6.00	0.00	8.20	2,192.00	268.54		
Checklist & Reviews	0.00	2.50	0.00	0.00	2.50	912.50	365.00		
Fees & WIP	0.00	0.00	2.50	0.00	2.50	277.50	95.00		
General cashing	0.00	0.00	3.10	0.00	3.10	446.50	144.03		
Reconciliations	0.00	0.00	5.40	0.00	5.40	766.00	141.85		
Initial CT & VAT reviews	0.00	9.50	1.75	0.00	11.25	3,357.50	298.44		
Post appointment VAT	0.00	0.00	1.80	0.00	1.80	393.00	218.33		
Post appointment CT	1.80	0.00	5.70	0.00	7.50	1,493.00	204.52		
	2.30	17.10	36.35	0.00	55.75	12,552.00	225.15		
Investigation									
1) Term drafting/submission	0.20	2.00	12.50	0.00	14.70	3,650.50	247.52		
Statement of affairs	0.10	0.00	1.00	0.00	1.10	251.50	228.64		
Mail redirection	0.00	0.00	0.90	0.00	0.90	141.00	156.67		
	0.30	2.00	14.40	0.00	16.70	3,443.00	206.17		
Realisation of assets									
Leasehold property	0.00	2.00	0.00	0.00	2.00	730.00	365.00		
Office equipment & fixtures fittings	0.00	0.00	4.00	0.00	4.00	520.00	205.00		
Cash & investments	0.00	1.00	1.00	0.00	2.00	555.00	277.50		
Goodwill	0.00	5.50	0.40	0.00	5.90	2,889.50	354.15		
Sale of business	7.20	0.00	74.50	0.00	81.70	9,698.00	282.57		
	7.20	8.50	30.90	0.00	55.60	13,892.50	249.87		
Creditors									
Notify creditors	0.00	0.00	3.00	0.00	3.00	450.00	150.00		
Creditors correspondence	1.50	0.00	5.50	0.00	7.00	1,425.00	203.57		
Reports to creditors	3.50	3.50	17.50	0.00	24.50	5,795.00	236.53		
Pre appointment VAT/PAYE/CT	0.00	0.00	2.00	0.00	2.00	330.00	165.00		
P11 redundancy payments	0.00	2.50	0.00	0.00	2.50	725.00	290.00		
Agree employee claims	1.00	0.00	0.00	0.00	1.00	400.00	400.00		
	6.00	6.00	28.00	0.00	40.00	9,125.00	228.13		
Total hours/cost	15.80	33.60	118.65	0.00	168.05	39,012.50	232.15		
					Fees drawn		Hours/Costs to date		
					BtF	0.00	0.00	0.00	0.00
					In the period	0.00	168.05	39,012.50	232.15
					CtF	0.00	168.05	39,012.50	232.15

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.

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

Travel Offers Limited (in Administration)

10 December 2008 to 9 June 2009

Category 1 expenses

Expense name	Expense amount £
<i>Expenses b/f</i>	392.61
<i>Sundry Expenses</i>	50.90
<i>Bonding</i>	138.00
Total	581.51

Appendix 2: Joint Administrators' receipts and payments account for the period 10 December 2008 to 9 June 2009

ABSTRACT OF RECEIPTS AND PAYMENTS - 10/12/2008 to 09/06/2009
 Travel Offers Limited

Appendix to Form 2.24
 Page 1

RECEIPTS		£
Brought forward from previous Abstract (if Any)		0.00
Goodwill		77,500.00
Customer Contracts		1.00
Furniture and equipment		500.00
Stock		1,996.00
Marketing Portfolio		1.00
Intellectual Property		1.00
Cash at bank		934.78
Company Databases		1.00
Floating ch. VAT control		17.75
Fixed charge VAT control		2,268.00
Carried forward to		83,220.53
* continuation sheet / next abstract		
PAYMENTS		£
Brought forward from previous Abstract (if Any)		0.00
Legal fees		15,150.00
Bank charges		7.95
Consultancy fee		5,000.00
Consultancy fees		1,500.00
Statutory advertising		118.35
Bank charges		12.65
IT extraction fees		200.00
Floating ch. VAT rec'dable		17.75
Fixed charge VAT rec'dable		2,268.00
Carried forward to		24,274.70
* 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.



Travel Offers Limited (in Administration)
Report to Creditors pursuant to Rule 2.47 of the Insolvency (Amendment) Rules 2003
KPMG LLP
1 July 2009

Travel Offers Limited
(In Administration)
Administrators' Abstract of Receipts & Payments

Statement of Affairs	From 29/01/2009 To 09/06/2009	From 10/12/2008 To 09/06/2009
FIXED CHARGE ASSETS		
Goodwill	NIL	77,500.00
	NIL	77,500.00
FIXED CHARGE COSTS		
Legal fees	15,150.00	15,150.00
Bank charges	7.95	7.95
Consultancy fee	NIL	5,000.00
	(15,157.95)	(20,157.95)
ASSET REALISATIONS		
Customer Contracts	NIL	1.00
Furniture and equipment	NIL	500.00
Stock	NIL	1,996.00
Marketing Portfolio	NIL	1.00
Intellectual Property	NIL	1.00
Cash at bank	934.78	934.78
Company Databases	NIL	1.00
	934.78	3,434.78
COST OF REALISATIONS		
Consultancy fees	1,500.00	1,500.00
Statutory advertising	NIL	118.35
Bank charges	12.65	12.65
IT extraction fees	NIL	200.00
	(1,512.65)	(1,831.00)
	(15,735.82)	58,945.83
REPRESENTED BY		
Fixed charge current		57,342.05
Floating charge current		1,603.78
		58,945.83

Paul Andrew Flint
Administrator