

## The Insolvency Act 1986

**Administrator's progress report****2.24B**

Name of Company

The Debt Advisor Group plc

Company Number

04728183

In the

High Court of Justice, Chancery Division  
Manchester District Registry

(full name of court)

Court case number

2764 of 2007

(a) Insert full name(s) and  
address(es) of  
administrator(s)

We (a) Russell Stewart Cash and Michael Horrocks of  
PricewaterhouseCoopers LLP  
101 Barbirolli Square  
Lower Mosley Street  
Manchester  
M2 3PW

(b) Insert dates

administrator(s) of the above company attach a progress report for the period

from

to

(b)28 June 2008

(b) 28 December 2008

Signed

  
 Joint Administrator

Dated 18 February 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

Samantha Hirst

PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP

Tel: 0113 289 4136

DX Number

DX Exchange

FRIDAY



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13/03/2009

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COMPANIES HOUSE

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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[www.pwc.com/uk](http://www.pwc.com/uk)

When telephoning please ask for  
Samantha Hirst

**To all known creditors of the Company**

12 March 2009

Our ref: SH.180209.THEDEBT.CREDITORS.

Dear Sirs

**The Debt Advisor Group plc (formerly Compass Finance Group plc) – in Administration  
("the Company")**

In accordance with Rule 2.47 of the Insolvency Rules 1986 ("IR86"), the Joint Administrators ("the Administrators") write to creditors to provide details of the progress of the Administration of the Company in the six months since the Administrators' last report to the period 31 July 2008.

We previously obtained an extension of time to the administration from the secured creditor and preferential creditors until 28 December 2008. However, we considered it necessary that the Administration was further extended to allow the outstanding matters in the Administration to be completed, namely the distribution of funds to the Company's creditors.

An application was made to Court to extend the term of office by one year, pursuant to paragraph 76(2) (a) of the Act and the Court has granted this extension.

Enclosed is a copy of my report to Court and pursuant to Rule 2.47(5) of the Insolvency Rules 1986 the content of the progress report is the same as that of the report made under 2.112(2) in relation to the application.

Yours faithfully

For and on behalf of the Company

  
John Lynch

For Russell S Cash  
Joint Administrator

Enclosures: Appendix A – Statutory information  
Appendix B – Joint administrators' abstract of receipts and payments  
Appendix C – Extract from joint administrators proposals  
Form 2.24B – Administrators progress report

*R S Cash and M Horrocks were appointed Joint Administrators of The Debt Advisor Group plc on 29 June 2007 to manage its affairs, business and property as its agents and without personal liability. Both are licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.*

To: High Court of Justice  
Chancery Division  
Manchester District Registry

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When telephoning please ask for  
Samantha Hirst

08 December 2008

Our ref: SH.301108/DEBT ADVISOR GROUP

Dear Sirs

**The Debt Advisor Group plc (formerly Compass Finance Group plc) - In Administration ("the Company")**

**1 Introduction**

In accordance with Rule 2.47 of the Insolvency Rules 1986 ("IR86"), the Joint Administrators ("the Administrators") write to provide the Court with details of the progress of the Administration of The Debt Advisor Group plc ("the Company") in the period since the Administrators' last progress report on 31 July 2008. This report is provided pursuant to Rule 2.112 IR86 in support of an application for an extension to the period of the Administration.

A brief history of the Company and background to the Administration was included in the Administrators' statement of proposals dated 21 August 2007 and is not included here for the purposes of this report.

The Administrators have enclosed the following information:

Appendix A	Statutory information relating to the Administration
Appendix B	Receipts and payments account to 2 December 2008
Form 2.24B	Administrators' progress report

**2 Realisation of assets**

The Administrators achieved a sale of the consumer database and server for £150,000 and the remaining part of the consumer loans business was sold to a third party for 50% of the net commission to be earned and this realised a further £28,850.

To the High Court of Justice

Our ref: LMS/JEL/MJR/P2

Unencumbered chattel assets including office furniture and IT equipment were removed from the Company's premises and sold on a piecemeal basis by private treaty and auction. This realised the sum of £33,968.

The property occupied by the Company was on a leasehold basis. The landlord obtained a walking possession order, therefore of the monies realised from the sale of the unencumbered chattel assets, £11,612 was used to settle this order. The surrender of the lease has been completed.

Book debts amounted to £100,000 at the time of the Administrators' appointment. This included a sum of £55,000 due from one debtor. This was offset against advances of £60,000 made by the debtor to the Company for marketing expenditure. However £81,287 was recovered in respect of prepayments on the Company's franking machine prior to the Administrators' appointment, £2,116 from refunds and a further £3,222 in respect of interest.

Balances in the Company's bank accounts at the date of the appointment in the sum of £16,598 were received, together with £216 cash in hand.

£19,300 was paid to a broker in respect of customer payment protection insurance premiums which were client monies held in trust by the Company.

The Administrators achieved post appointment trading sales of £123,959 and the principal payments that have been made relate to employee costs, rent, utilities, listing fees for the London Stock Exchange, insurance and storage. Further payments in respect of the Company's commitments, including storage costs, Capital Gains Tax, and legal fees are anticipated.

### **3 Extension to the period of the Administration**

The key outstanding matters which the Administrators are seeking to resolve prior to their appointment ceasing to have effect are:

- Agreement of the claims of the unsecured creditors for dividend purposes;
- A Distribution to the unsecured creditors by virtue of the Prescribed Part;
- Completion of the corporation tax and VAT aspects of the administration;

The secured and preferential creditors have previously agreed to an extension of the Administration for 6 months but these matters cannot be resolved satisfactorily before the expiry of this extension on 28 December 2008. Therefore the Administrators are seeking a 12 month extension to the period of the Administration.

To the High Court of Justice  
Our ref: LMS/JEL/MJR/P2

#### 4 Outcome for creditors

Two distributions have been made to the Bank totalling £140,000.

A dividend of 100p in the £ has been distributed to all admitted preferential creditors of the Company. The total amount of funds distributed was £35,759.

There will not be a dividend to non-preferential unsecured creditors of the Company other than by virtue of the Prescribed Part as provided for by Section 176A Insolvency Act 1986 ("IA86"). The Prescribed Part is currently estimated to be a maximum of £34,000 before costs. Unsecured creditors, as estimated in the director's statement of affairs, are £1,926,804. However, it is anticipated that the final level of unsecured claims will be in excess of £2,000,000. Therefore, the estimated level of dividend which may be available by virtue of the Prescribed Part will be less than 2p in the £. This is subject to any tax liability that may arise in the Administration.

The court has previously made an order enabling the Administrators to distribute the Prescribed Part to unsecured creditors without the need to move the Company into liquidation.

#### 5 Administrators' remuneration

The Administrators' remuneration and certain classes of disbursements have been approved by the creditors committee. To date the Administrators have drawn remuneration of £111,739 plus VAT.

#### 6 Next report

If the application for the extension is successful, the Administrators will provide creditors with a report on the progress of the Administration up to the anniversary of their appointment.

Yours faithfully  
for and on behalf of the Company



Russell S Cash  
Joint Administrator

Enclosures:

Appendix A Statutory information relating to the Administration

Appendix B Summary receipts and payments account to 30 November 2008

To the High Court of Justice

Our ref: LMS/JEL/MJR/P2

*R S Cash and M Horrocks have been appointed as joint administrators of The Debt Advisor Group Limited to manage its affairs, business and property as its agents without personal liability. Both are licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales.*

## Appendix A: Statutory and other information

<b>Court details for the Administration:</b>	High Court of Justice, Chancery Division, Manchester District Registry 2764 of 2007
<b>Full name:</b>	The Debt Advisor Group plc
<b>Trading name:</b>	Compass Finance
<b>Registered number:</b>	04728183
<b>Registered address:</b>	PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP (formerly 2 <sup>nd</sup> Floor, Warwick House, Hollins Brook Way, Pilsworth, Bury, BL9 8RR)
<b>Company directors:</b>	Richard Hughes, Grenville Folwell, Michael Fort, Mike Sutcliffe, Simon Cotterill
<b>Company secretary:</b>	Simon Cotterill
<b>Shareholdings held by the directors and secretary:</b>	Richard Hughes – Ordinary 0.5p – 6,011,010 Grenville Folwell – Ordinary 0.5p – 441,667 Michael Fort – Ordinary 0.5p – 3,025,019 Mike Sutcliffe – Ordinary 0.5p – 25,000 Simon Cotterill – No shares held
<b>Date of the Administration appointment:</b>	29 June 2007
<b>Administrators' names and addresses:</b>	Russell S Cash and Michael Horrocks PricewaterhouseCoopers LLP, 101 Barbirolli Square, Lower Mosley Street, Manchester, M2 3PW.
<b>Appointor's / applicant's name and address:</b>	Directors appointment.
<b>Objective being pursued by the Administrators:</b>	Objective (b) - Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).
<b>Division of the Administrators' responsibilities:</b>	In relation to paragraph 100(2) Sch.B1 IA86, during the period for which the Administration is in force, 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.
<b>Proposed end of the Administration:</b>	The administrators intend to make a distribution by virtue of the Prescribed Part to the unsecured creditors in the Administration following which the Administrators will file notice under Paragraph 84(1) Sch.B1 IA86 with the Registrar of Companies to end the Administration. Following this registration, the Company will be dissolved three months later.
<b>Estimated dividend for unsecured creditors:</b>	Less than 2p in the £, only by virtue of the Prescribed Part as provided for by Section 176A IA86.
<b>Estimated values of the Prescribed Part and the Company's net property:</b>	Based on current information, the Administrators believe that the estimated value of the Company's net property is up to £115,000 and that there may be a Prescribed Part of a maximum of £34,000 before costs.

**Appendix A: Statutory and other information**

<b>Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:</b>	The Administrators think that the cost of making a distribution to unsecured creditors would not be disproportionate to the benefits, therefore, they have not applied to the court for consent that the Prescribed Part shall not apply. Instead, an order was granted on 26 October 2007 permitting the Joint Administrators to make a payment by way of distribution to creditors who are neither secured nor preferential pursuant to paragraph 65(3) of Schedule B1 to the Insolvency Act 1986.
<b>The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):</b>	The European Regulation on Insolvency Proceedings applies to this Administration and the proceedings are main proceedings.



## APPENDIX B

**The Debt Advisor Group Plc**  
**(in Administration)**  
**Administrator's abstract of receipts and payments**

Directors' Statement of Affairs		From 29 June 2007 To 28 June 2008	From 29 June 2008 To 28 December 2008	Total
£		£	£	£
	<b>FIXED CHARGE REALISATIONS</b>			
	Goodwill			-
	Bank of Scotland fixed charge			-
	<b>FLOATING CHARGE REALISATIONS</b>			
	Administrators' Trading account (attached)	77,386.31		77,386.31
	Balance at Bank	16,598.27		16,598.27
	Cash in hand	216.46		216.46
	Sale of office equipment	33,968.27		33,968.27
	Sale of database	150,000.00		150,000.00
	Interest received	7,720.31	982.00	8,702.31
	Refunds	81,914.54		81,914.54
81,000.00	Franking machine	-	-	-
41,000.00	Book debts	40,711.53	-	40,711.53
	Distributions received	-	35,000.00	35,000.00
	VAT Payable			-
		<b>408,515.69</b>	<b>35,982.00</b>	<b>444,497.69</b>
<b>122,000.00</b>	<b>TOTAL REALISATIONS</b>	<b>408,515.69</b>	<b>35,982.00</b>	<b>444,497.69</b>
	<b>COST OF REALISATION / PAYMENTS</b>			
	VAT payments			-
	Landlord distraint	11,612.00	-	11,612.00
	Agents' fees and expenses	21,359.32	-	21,359.32
	Bank charges	210.00	-	210.00
	Payment Protection Plan insurance	19,299.73	-	19,299.73
	Statutory advertising	113.58	-	113.58
	Legal fees & expenses *	18,098.56		18,098.56
	Storage	4,080.06	663.86	4,743.92
	Office holder's expenses	1,861.00	-	1,861.00
	Office holder's fees	111,739.06	-	111,739.06
	London Stock Exchange fees	600.00		600.00
	Irrecoverable VAT (not VAT registered)	27,618.20	115.96	27,734.16
<b>122,000.00</b>		<b>216,591.51</b>	<b>779.82</b>	<b>217,371.33</b>
	<b>SECURED CREDITORS</b>			
(1,699,000)	Bank of Scotland	140,000.00		140,000
	<b>PREFERENTIAL CREDITORS</b>			
(40,000)	Employee wages & holiday pay	34,378.99	1,380.78	35,759.77
		34,378.99	1,380.78	175,759.77
	<b>UNSECURED CREDITORS</b>			
(1,927,000)	Trade creditors	-	-	-
(3,544,000.00)	<b>BALANCE</b>	<b>157,545.19</b>	<b>33,821.40</b>	<b>51,366.59</b>
	<b>Represented by:</b>			
	High interest current account	51,366.59		
		<b>51,366.59</b>		

\* Legal costs of DA Realisations Limited - In Administration were included in this amount. Accordingly, the amount of £29,522.49 plus VAT of £4,639.68 was reimbursed to the Company.

## APPENDIX B

The Debt Advisor Group Plc  
(in Administration)  
Administrator's abstract of receipts and payments

	From 29 June 2007 To 28 December 2007	29 December 2007 To 6 June 2008	Total
	£	£	£
<b>ADMINISTRATORS TRADING ACCOUNT</b>			
<b>INCOME</b>			
Post appointment trading sales	123,959.39	-	123,959.39
Other trading income	9,644.18	-	9,644.18
Contribution to costs for utilities	1,496.98	-	1,496.98
Employee services and expense costs recovered	94.50	-	94.50
Postage costs recovered	182.72	-	182.72
Sale of work in progress	28,850.07	-	28,850.07
Rent	3,038.10	-	3,038.10
	<b>167,265.94</b>	<b>0.00</b>	<b>167,265.94</b>
<b>EXPENDITURE</b>			
Cleaning and site clearance costs	3,692.00	-	3,692.00
Employee Expenses	175.00	-	175.00
Employee-related Costs	202.73	-	202.73
IT costs	175.00	-	175.00
Motor & travel expenses	12.00	-	12.00
Office Costs and petty cash	8.55	-	8.55
PAYE & NIC	10,467.17	-	10,467.17
Pensions and life policies deductions	55.61	-	55.61
Rates	7,888.10	-	7,888.10
Rent and service charges	28,746.61	-	28,746.61
Duress payments	3,000.00	-	3,000.00
Security	1,080.00	-	1,080.00
Insurance	2,229.74	-	2,229.74
Telephone & fax	2,980.94	-	2,980.94
Utilities	3,250.95	-	3,250.95
Net wages	19,213.24	-	19,213.24
Irrecoverable VAT (not VAT registered)	6,701.99	-	6,701.99
	<b>89,879.63</b>	<b>0.00</b>	<b>89,879.63</b>
<b>NET TRADING POSITION</b>	<b>77,386.31</b>	<b>0.00</b>	<b>77,386.31</b>

NOTE: This trading account is prepared on a cash basis and therefore debts collected and liabilities not settled have not been included. The final trading outcome can not be confirmed until these outstanding items are collected or settled. Please note that some of the expenditure shown above represents costs that would have been paid irrespective of whether the Administrators continued the Company's trading or not.