

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) Craig Anthony Livesey and Robert Jonathan Hunt of
PricewaterhouseCoopers LLP PricewaterhouseCoopers LLP
101 Barbirolli Square Cornwall Court
Lower Mosley Street 19 Cornwall Street
Manchester Birmingham
M2 3PW B3 2DT

(b) Insert dates

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

from

to

(b)29 December 2008

(b) 28 June 2009

Signed

Joint Administrator

Dated 14 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 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

WEDNESDAY



A20 15/07/2009 362
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

PricewaterhouseCoopers LLP
Benson House
33 Wellington Street
Leeds LS1 4JP
Telephone +44 (0) 113 289 4000
Facsimile +44 (0) 113 289 4460
Direct Phone +44 (0) 113 289 4136
Direct Fax +44 (0) 113 289 4580
www.pwc.com/uk

When telephoning please ask for
Samantha Hirst

To all known creditors of the Company

14 July 2009

Our ref: SH.290609.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 provide creditors with details of the progress of the Administration of the Company in the six months since the Administrators' last report to the period 28 December 2008.

As you may be aware, Michael Horrocks and Russell Cash the previous Joint Administrators have left the firm. To ensure the continued pursuit of outstanding issues, an application was made to the Court to facilitate the removal of Michael Horrocks and Russell Cash and the appointment of Craig Anthony Livesey and Robert Jonathan Hunt who are licensed to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The application was approved and, consequently, Craig Anthony Livesey and Robert Jonathan Hunt replaced Michael Horrocks and Russell Cash as Joint Administrators with effect from 22 April 2009.

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 purpose of this report.

The Administrators have enclosed the following information;

Appendix A	Statutory information relation to the Administration
Appendix B	Receipts and Payments account to 28 June 2009
Form 2.24B	Administrators progress report

Realisation of outstanding assets

The position regarding the Company's assets was set out in the last report and is not repeated in this report. All assets had been realised by the date of the last progress report. Interest of £208.45 has been received since the last report.

Extension to the Administration

The Administrators considered it necessary that the Administration was extended to allow the outstanding matters in the Administration to be completed, principally the agreement of the unsecured creditors' claims and the distribution of funds to those creditors.

The Administrators previously obtained an extension to the administration from the secured creditor and preferential creditors until 28 December 2008. However, they considered it necessary that the Administration was further extended to allow the outstanding matters in the Administration to be completed, and an application was made to Court for an extension. The application was granted and the Administration has now been extended to 27 December 2009.

Distributions to Bank of Scotland

Bank of Scotland ("BoS") hold a fixed and floating charge over the Company's assets which was created on 8 March 2004. The total amount of funds distributed to BoS is £140,000.

Distribution to preferential creditors

A dividend has been paid to all admitted preferential creditors of the Company. The total amount of funds distributed was £37,931.03. This amounted to a 100 p in the £ distribution.

Distribution to the unsecured creditors

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 £39,826. Unsecured creditors, as estimated in the directors 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 in respect of submitted tax returns.

The Administrators are in the process of reviewing the claims of the unsecured creditors and admitting them for dividend. If you have not yet submitted a claim and wish to do so, please complete a statement of claim form and return it to the above office marked for the attention of Samantha Hirst.

Finalising tax liabilities

A tax return for the period 29 July 2007 to 28 July 2008 has been submitted to HM Revenue & Customs.

Receipts & payments account

Attached at Appendix B is an abstract of the receipts and payments of the Company from the date of appointment to 28 June 2009, and for the period from 29 December 2008 to 28 June 2009.

Administrators' remuneration

The Administrators remuneration is approved by the secured and preferential creditor of the Company. To date the Administrators have drawn remuneration of £111,739. No fees have been drawn since the date of our last report.

Ending the administration

The current view of the Administrators is that there will be insufficient funds available for a distribution to the unsecured creditors other than by virtue of the Prescribed Part as provided for by Section 176A IA86.

An application to court for permission for the Administrators to distribute the Prescribed Part funds to the unsecured creditors was granted on 26 October 2007. The Administrators expect to declare a first and final dividend to unsecured creditors within the next three months.

Once the objective of the Administration as stated in Appendix A, has been achieved and following the distribution to unsecured creditors, 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.

The Administrators expect the Administration to be concluded by 28 December 2009.

Future reporting

Pursuant to Rule 2.47 of the Rules, a further report will be sent in six months time, or at the end of the Administration, whichever is sooner.

Should you have any further questions, please do not hesitate to contact my colleague Samantha Hirst on 0113 289 4380.

Yours faithfully
for and on behalf of the Company



C A Livesey
Joint Administrator

C A Livesey and R J Hunt were appointed Joint Administrators of The Debt Advisor Group plc 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.

Appendix A: Statutory and other information

Court details for the Administration:	High Court of Justice, Chancery Division, Manchester District Registry 2764 of 2007
Full name:	The Debt Advisor Group plc
Trading name:	Compass Finance
Registered number:	04728183
Registered address:	PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP (formerly 2 nd Floor, Warwick House, Hollins Brook Way, Pilsworth, Bury, BL9 8RR)
Company directors:	Richard Hughes, Grenville Folwell, Michael Fort, Mike Sutcliffe, Simon Cotterill
Company secretary:	Simon Cotterill
Shareholdings held by the directors and secretary:	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
Date of the Administration appointment:	29 June 2007
Administrators' names and addresses:	Craig Anthony Livesey PricewaterhouseCoopers LLP, 101 Barbirolli Square, Lower Mosley Street, Manchester, M2 3PW. Robert Jonathan Hunt PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham, B3 2DT
Appointor's / applicant's name and address:	Directors appointment.
Objective being pursued by the Administrators:	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).
Division of the Administrators' responsibilities:	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.
Proposed end of the Administration:	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.
Estimated dividend for unsecured creditors:	Less than 2p in the £, only by virtue of the Prescribed Part as provided for by Section 176A IA86.
Estimated values of the Prescribed Part and the Company's net property:	Based on current information, the Administrators believe that the estimated Prescribed Part of a maximum of £39,826 before costs from net property of £115,000
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	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.
The European Regulation on Insolvency Proceedings (Council Regulation(EC) No. 1346/2000 of 29 May 2000):	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 December 2008	From 29 December 2008 To 28 June 2009	Total
£	£	£	£
FIXED CHARGE REALISATIONS			
Goodwill			-
Bank of Scotland fixed charge			-
FLOATING CHARGE REALISATIONS			
Administrators' Trading receipts	167,989.07		167,989.07
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	9,021.52	208.45	9,229.97
Refunds	81,937.24		81,937.24
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			-
	535,442.36	208.45	535,650.81
122,000.00 TOTAL REALISATIONS	535,442.36	208.45	535,650.81
COST OF REALISATION / PAYMENTS			
Trading payments	89,872.88		89,872.88
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	3,034.15	21,132.71
Storage	5,129.59	925.91	6,055.50
General expenses	752.58		
Secretary of State fees		25.00	25.00
Office holder's expenses	1,861.00	-	1,861.00
Office holder's fees	111,739.06	-	111,739.06
Corporation Tax		1,287.61	1,287.61
London Stock Exchange fees	600.00		600.00
Irrecoverable VAT (not VAT registered)	27,801.65	588.33	28,389.98
122,000.00	308,449.95	5,861.00	313,558.37
SECURED CREDITORS			
(1,699,000) Bank of Scotland	140,000.00		140,000
PREFERENTIAL CREDITORS			
(40,000) Employee wages & holiday pay	35,938.85	1,992.18	37,931.03
UNSECURED CREDITORS			
(1,927,000) Trade creditors	-	-	-
(3,544,000.00) BALANCE (high interest current account)	51,053.56	(7,644.73)	43,408.83

* Trading statement enclosed in previous report

b. Proposals for achieving the purpose of the Administration

The Administrators make the following proposals for achieving the purpose of administration.

- i) The Administrators will continue to manage the Company's affairs and property in such manner as they consider expedient with a view to 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.
- ii) The Administrators may investigate and, if appropriate, pursue any claims that the Company may have under the Companies Act 1985 or IA86 or otherwise. In addition, the Administrators shall do all such other things and generally exercise all their powers as Administrators as they in their discretion consider desirable in order to achieve the purpose of the Administration or to protect and preserve the assets of the Company or to maximise their realisations or for any other purpose incidental to these proposals.
- iii) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion establish in principle the claims of unsecured creditors for adjudication by the Administrators or a subsequent liquidator and the costs of so doing can be met as a cost of the Administration out of the Prescribed Part as costs associated with the Prescribed Part.
- iv) If the Administrators think that funds will become available for unsecured creditors, the Administrators may at their discretion make an application to court for permission to make distributions to unsecured creditors under Paragraph 65(3) Sch.B1 IA86.
- v) As the Administrators currently hold the view that there will be insufficient funds to enable a distribution to be made to unsecured creditors other than potentially by virtue of the Prescribed Part as provided for by Section 176A IA86, they are not seeking to form a creditors' committee.
- vi) Should the Administrators conclude that the cost of making a distribution to unsecured creditors by virtue of the Prescribed Part would be disproportionate to the benefits then the Administrators will make an application to the court under Section 176A(5) IA86 for an order not to distribute the Prescribed Part to unsecured creditors.
- vii) Should it become apparent that an extension is required to the Administrators' term of office the Administrators shall either apply to the court or seek consent from the appropriate classes of creditors as defined in (ix) below.
- viii) The Administrators may use any or a combination of "exit route" strategies in order to bring the Administration to an end, but in this particular instance the Administrators are likely to wish to pursue one of the following options as being the most cost effective and practical in the present circumstances: -
 - (a) Once asset disposals are complete, the Administrators will apply to the Court to allow the Administrators to distribute surplus funds, if any, to unsecured non-preferential creditors. If such permission is given, the Administration will be brought to an end by notice to the Registrar of Companies under Paragraph 84 Sch.B1 IA86, following registration of which the Company will be dissolved three months later. If permission is not granted the Administrators will place the Company into creditors' voluntary liquidation or otherwise act in accordance with any order of the court.
 - (b) Alternatively, once asset disposals are complete, the Administrators may place the Company into creditors' voluntary liquidation. In these circumstances, it is proposed that Russell S Cash and Michael Horrocks be appointed as Joint Liquidators and any act required or authorised to be done by the Joint Liquidators may be done by either or both of them. In accordance with Paragraph 83(7) Sch.B1 IA86 and Rule 2.117(3) IR86, creditors may nominate alternative liquidators, provided that the nomination is made after the receipt of these proposals and before they are approved.
 - (c) If there are insufficient funds with which to make a distribution to unsecured non-preferential creditors, once all of the assets have been realised and the Administrators have concluded all work within the Administration, the Administrators will file a notice under Paragraph 84(1) Sch.B1 IA86 with the Registrar of Companies to end the Administration, following registration of which the Company will be dissolved three months later.

- ix) The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch.B1 IA86 in respect of any action of theirs as Administrators at a time resolved by the secured creditor, or if a distribution has been or may be made to the preferential creditors, at a time resolved by the secured and preferential creditors or in any case at a time determined by the Court.
- x) It is proposed that the Administrators' fees be fixed under Rule 2.106 IR86 by reference to the time properly given by the Administrators and the various grades of their staff according to their firm's usual charge out rates for work of this nature and that Category 2 disbursements (as defined by Statement of Insolvency Practice No.9) be charged in accordance with their firm's policy. As the Administrators have stated that they think that the Company has insufficient property to enable a distribution to be made to non-preferential unsecured creditors other than potentially by virtue of Section 176A IA86, it will be for the secured creditor and if appropriate the preferential creditors, to determine these.