

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

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

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

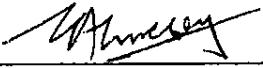
from

to

(b) Insert dates

(b) 29 June 2009

(b) 28 December 2009

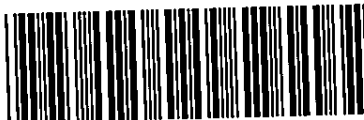
Signed 
Joint Administrators (IP No(s) 9186, 8597)

Dated 7/1/10

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

Neil Weldrick	
PricewaterhouseCoopers LLP, Benson House, 33 Wellington Street, Leeds, LS1 4JP	
	Tel: 0113 289 4253
DX Number	DX Exchange



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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

MONDAY

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To All Known Creditors of the Company

8 January 2010

When telephoning please ask for Neil Weldrick

Our ref: NWW.04012010.DEBTADVISOR

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 the creditors with details of the progress of the Administration of the Company in the period since the Administrators' last progress report on 14 July 2009.

As confirmed in my previous report, 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 December 2009
Form 2.24B	Administrators' progress report

Realisation of outstanding assets

The position regarding the Company's assets was set out in the report to the period 28 June 2008 and is not repeated in this report. All assets had been realised by the date of the aforementioned progress report. Interest of £22.58 has been received since the last progress 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 by virtue of the Prescribed Part.

The Administrators have previously obtained two extensions to the Administration. The first of these was granted by the secured and preferential creditors until 28 December 2008. A further extension of the Administration was granted by the court to 27 December 2009. However, the Administrators considered it necessary that the Administration was further extended to allow the outstanding matters 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 2010.

Distributions to Bank of Scotland Plc

Bank of Scotland Plc ("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 100p 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 £39,248. 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 £.

The Administrators are in the process of reviewing the claims of the unsecured creditors and admitting them for dividend purposes. Some of the claims arise in respect of damages for the mis-selling of financial services products. The Administrators have sought Counsel's opinion on their duties to seek out further claims of this nature from customers who have not yet made a claim. This advice has only recently been received. Although the Administrators are advised not to take further action, they have not been able to complete the agreement of all of the creditors' claims; in particular the claim from the Financial Services Compensation Scheme is not finalised.

Finalising tax liabilities

A tax return for the period 28 July 2008 to 27 July 2009 was submitted to HM Revenue & Customs. The Corporation Tax for this period was paid on 8 October 2009. H M Revenue & Customs have confirmed that no further returns are required and they have no objections to the dissolution of the Company following the payment of the above mentioned Corporation Tax.

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 June 2009 to 28 December 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 last progress 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 when the claims have been finalised.

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 27 December 2010

Future reporting

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 period ending 28 June 2010, pursuant to Rule 2.47 of the Rules, or at the end of the Administration, whichever is sooner.

Should you have any further questions, please do not hesitate to contact my colleague, Neil Weldrick, on 0113 289 4253.

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 Company to manage its affairs, business and property as its agents and without personal liability. Both are licensed in the United Kingdom 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 is a maximum of £39,248 before costs from net property of £181,000
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 June 2009	From 29 June 2009 To 28 December 2009	Total
£		£	£	£
	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	9,229.97	22.58	9,252.55
	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			
		<u>535,650.81</u>	<u>22.58</u>	<u>535,673.39</u>
<u>122,000.00</u>	TOTAL REALISATIONS	<u>535,650.81</u>	<u>22.58</u>	<u>535,673.39</u>
	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 *	21,132.71	-	21,132.71
	Storage	6,055.50	1,597.02	7,652.52
	General expenses	752.58	-	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	356.72	1,644.33
	London Stock Exchange fees	600.00		600.00
	Irrecoverable VAT (not VAT registered)	28,389.98	239.56	28,629.54
<u>122,000.00</u>		<u>314,310.95</u>	<u>2,193.30</u>	<u>316,504.25</u>
(1,699,000)	SECURED CREDITORS			
	Bank of Scotland	140,000.00		140,000
(40,000)	PREFERENTIAL CREDITORS			
	Employee wages & holiday pay	37,931.03	-	37,931.03
(1,927,000)	UNSECURED CREDITORS			
	Trade creditors			
(3,544,000.00)	BALANCE (high interest current account)	<u>43,408.83</u>	<u>(2,170.72)</u>	<u>41,238.11</u>

* Trading statement enclosed in the progress report dated 31 July 2008