

Administrator's progress report

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

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

from

to

(b) Insert dates

(b) 29 June 2010

(b) 23 December 2010

Signed

Joint Administrator

Dated

23/12/10

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.

Sarah Helyer

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

Tel 0113 289 4014

DX Number

DX Exchange

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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



To All Known Creditors of the Company

23 December 2010

Our ref: SJH/DebtAdvisor/Final

Dear Sirs

The Debt Advisor Group plc (formerly Compass Finance Group plc) – in Administration (“the Company”)

In accordance with Rules 2.47 and 2.110 of the Insolvency Rules 1986 (“IR86”), the Joint Administrators (“the Administrators”) write to provide creditors with a final report on the progress and conclusion of the administration of the Company since the Administrators’ previous progress report dated 20 July 2010

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

Statutory and financial information

We enclose the following for your information

- Appendix A Statutory information,
- Appendix B Administrators’ final receipts and payments account;
- Appendix C Extract from the Joint Administrators’ Proposals dated 21 August 2007;
- Form 2.24B Administrator’s Progress Report, and
- Form 2.35B Notice of move from administration to dissolution

Overview of the administration

The purpose of the administration, as detailed in the Proposals, was to fulfil 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) The Proposals were deemed approved in accordance with Rule 2.33(5), a meeting of creditors not having been requisitioned.

For the reasons outlined below the Administrators believe that the object of the administration has been achieved

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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.

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. As confirmed in my previous progress report, a third extension of the administration was granted until 27 December 2010.

All outstanding matters have now been completed.

Distributions to Bank of Scotland Plc

Bank of Scotland Plc ("BoS") holds 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 £40,434.11, representing a dividend of 100p in the £.

Distribution to the unsecured creditors

As previously stated, there was no dividend to non-preferential unsecured creditors of the Company other than by virtue of the Prescribed Part as provided for by Section 176A of the Insolvency Act 1986 ("IA86").

On 22 December 2010 a distribution via the Prescribed Part of £23,642, being 0.0102p in the £ was paid to all non-preferential unsecured creditors whose submitted claims had been agreed.

Receipts & payments account

Attached at Appendix B is an abstract of the receipts and payments of the Company.

Administrators' remuneration

The basis of the Administrators' remuneration has been approved by the secured and preferential creditors of the Company. To date, the Administrators have drawn remuneration of £111,739. No fees have been drawn since 15 November 2007 and no further fees will be drawn.



Ending the administration

The Administrators enclose a notice under paragraph 84(1) Sch B1 IA86 following registration of which the Company will be dissolved three months later.

Pursuant to a resolution passed by the secured creditor and majority in value of the voting preferential creditors, the Administrators will be discharged from liability in respect of any action of theirs as Administrators when their appointment as Administrators ceases to have effect

Yours faithfully
for and on behalf of the Company

A handwritten signature in black ink, appearing to read 'C A Livesey'.

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

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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 have made a distribution by virtue of the Prescribed Part to the unsecured creditors in the Administration and the Administrators hereby 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:	0.0102 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:	Prescribed Part was £38,675 before costs from net property of £178,379
Whether and why the Administrators intend to apply to court under Section 176A(5) IA86:	The Administrators did not think that the cost of making a distribution to unsecured creditors would be disproportionate to the benefits, therefore, they did not apply 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	Balance brought forward as at 28 June 2010	29 June 2010 to 23 December 2010	Total as at 23 December 2010
£	£	£	£
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	9,252 55	-	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	-	-	-
122,000 00	535,673 39	-	535,673 39
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	282 60	396 18
Legal fees & expenses	21,132 71	4,235 00	25,367 71
Storage	9,231 63	6,863 24	16,094 87
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	1,644 33	-	1,644 33
London Stock Exchange fees	600 00	-	600 00
Irrecoverable VAT (not VAT registered)	28,905 89	1,856 30	30,762 19
122,000 00	318,359 71	13,237 14	331,596 85
SECURED CREDITORS			
(1,699,000) Bank of Scotland	140,000 00	-	140,000 00
PREFERENTIAL CREDITORS			
(40,000) Employee wages & holiday pay	37,931 03	2,503 08	40,434 11
UNSECURED CREDITORS			
(1,927,000) Trade creditors		23,642 43	23,642 43
(3,544,000 00)	39,382 65	(39,382 65)	(0 00)

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

Appendix C: Extract from the Administrators' proposals

- 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