Rule 2 117

Form 2 34B

The Insolvency Act 1986

Notice of move from administration to creditors' voluntary liquidation

Name of Company Angel Realisations 1 Limited	Company number 02676948
In the High Court of Justice, Chancery Division, Companies Court [full name of court]	Court case number 4149 of 2005

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

We (a) MJA Jervis, DGL Hargraves and DC Chubb of PricewaterhouseCoopers LLP, Plumtree Court, London EC4A 4HT

(b) Insert name and address of registered office of company

having been appointed administrators of (b) Angel Realisations 1 Limited,12 Plumtree Court, London EC4A 4HT ("the company")

(c) Insert date of appointment
(d) Insert name of applicant / appointor

on (c) 23 June 2005 by (d) the directors of the company hereby give notice that

(e) Insert name(s) and address(es) of liquidator(s)

the provisions of paragraph 83(1) of Schedule B1 to the Insolvency Act 1986 apply, and it is proposed that (e) MJA Jervis and DC Chubb of PricewaterhouseCoopers LLP, Plumtree Court, London EC4A 4HT will be the liquidators of the company (IP Nos 8689 & 9357)

We attach a copy of the final progress report

Signed

Joint Administrator

Dated 11/6/07

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

Daisy Bassila	
PricewaterhouseCoopers LLP, Plumtree Court, London EC4A 4HT	
	Tel +44 (0) 20 7804 8683
DX Number	DX Exchange

TUESDAY

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A44 12/06/2007 471
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

Angel Realisations 1 Limited – in Administration
("the Company")

Chancery Division of the High Court of Justice
Court number 4149 of 2005

Joint Administrators' final progress report for the period 23 December 2006 to 7 June 2007

8 June 2007

Contents

Introduction

The Joint Administrators ("the Administratiors") previously reported on 18 January 2007, by way of a consolidated progress report for the SFI Group ("the Group"), and are pleased to now provide their final progress report on the Administration of Angel Realisations 1 Limited (formerly The Slug & Lettuce Group Limited) ("the Company") pursuant to Rules 2 47 and 2 110 of the Insolvency Rules 1986 ("IR86")

The Administrators are required to provide certain statutory information pursuant to Rule 2 47(1)(a) to (d) IR86, which is shown in Section 2 to this report The Administrators are also required to provide a summary of their proposals, which is shown at Section 3

Details of the steps taken during the Administration, assets still to be realised and the outcome of the Administration are set out below

Steps taken during the Administration

The Company formed part of the SFI Group ("the Group") The Group operates from head office premises at 165 Church Street East, Woking, and trades under the following brand names -

- Slug and Lettuce,
- The Litten Tree,
- Bar Med,
- Parisa Café Bar,
- Fiesta Havana, and
- Label

At the date of our appointment, the Group operated a portfolio of 150 bars across England, Wales, and Scotland

Angel Realisations 6 Limited (formerly SFI Group Limited) ("AR6"), an intermediate parent company within the Group, was the main trading company, which held most of the Group's leases and all of the trade creditors

The Company operated principally as a property holding company, and at the date of Administration, the Company held 17 leasehold property interests which were all operated as pubs by AR6 The Company also held certain Intellectual Property Rights ("IPR") used by the Group

Sale of the business

Following our appointment, the Administrators completed the sale of 98 of the Groups sites, together with the head office function, to the Laurel Pub Company Limited ("Laurel") The remaining sites were traded on by Laurel for various periods on behalf of the Administrators under a Management Agreement signed by both parties

General trading issues

Laurel are no longer trading any sites for the Administrators A final settlement mechanism has now been agreed with Laurel and we expect to conclude this shortly This includes the recovery of further sums from the escrow accounts set up at the time of the original sale

Remaining leasehold interests

I am pleased to confirm that we have now formally assigned all of the sites sold to Laurel on appointment In addition we have completed a sale on the three conditional sale properties This leaves only a further 11 sundry property interests for the Group which remain to be assigned or surrendered

Of the 49 properties in the Group remaining after the sale to Laurel, 11 sites still remain unassigned Eleven sites have been sold to third parties, and 27 leases have been surrendered

Of the 17 sites leased by the Company on appointment, only two remains to be surrendered or assigned

Claim by the Group against the former auditors, Horwarth Clark Whitehill ("HCW")

I am pleased to report that the claim against the auditors has now been settled by mediation The full terms of the settlement are covered by strict confidentiality agreements, but I am at liberty to disclose that

(1) the settlement was for £6m, and this amount has been received
(2) there has been no admission as to liability
(3) both sides are to bear their own costs

Secured Creditors

The Consortium of Banks, who are secured creditors, were originally owed some £76m by the Group and have recovered some £72m to date, partly from the original sale proceeds, and partly from the subsequent release of various escrow accounts set up as part of the sale to Laurel It is anticipated that the final balance will be paid out from the resources currently available in the Group once the final interest calculations have been made and agreed

Preferential creditors

There are no preferential claims for this Company, because there were no employees

Outcome for unsecured creditors

It is not yet possible to determine the outcome to unsecured creditors as there remain a number of matters, as outlined above, still to be finalised All these can be dealt with in the Liquidation

An account of our receipts and payments to date is set out in section 4 to this report

Exit route from Administration

In the absence of an application to Court to extend, the Administration comes to an automatic end on 22 June 2007 In accordance with the proposals agreed by creditors, the Company will now enter into creditors' voluntary liquidation ("CVL") CVL is considered by the Joint Administrators to be the most appropriate exit route principally for the following reasons

- Conversion to Liquidation would terminate the ongoing business rates liability to which the Administrators are currently liable following the recent decision in a legal case (*Re Trident Fashions plc*)
- Unlike an Administrator, a Liquidator is able to disclaim onerous property which would be a useful mechanism to finalise the outstanding property holdings where the landlords are currently refusing to accept surrenders
- There are no materially adverse tax implications, and
- Alternative procedures to distribute to creditors would require that the Administration be extended and would entail higher conversion costs

The assets to be dealt with in the CVL include cash in hand of £352k The Joint Liquidators, will be MJA Jervis and DC Chubb as specified in the Administrators Proposals As liquidators, we will continue to deal with outstanding Administration expenses, tax and VAT matters

Future reports to creditors will be distributed by the Joint Liquidators

Should you require any further assistance in the meantime, please contact Daisy Bassila on 020 7804 8683

MJA Jervis
Joint Adminstrator
For and on behalf of the Company

Statutory and other information

Company name.	Angel Realisations 1 Limited (formerly The Slug & Lettuce Group Limited)
Registered number:	02676948
Registered office	12 Plumtree Court, London EC4A 4HT (Previously SFI House, 165 Church Street East, Woking, Surrey GU21 1HJ)
Court details	High Court of Justice No 4149 of 2005
Date of appointment:	23 June 2005
Name of person appointing:	The Company's Directors
Appointed Administrators:	MJA Jervis , DGL Hargrave , DC Chubb
Joint Administrators' address·	PricewaterhouseCoopers LLP Plumtree Court London EC4A 4HT
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 function to be exercised by the persons appointed to act as Administrators may be done by any of all of the persons appointed or any of the persons for the time being holding that office
Details of any extensions for the initial period of appointment:	An extension has been granted by the Court to 22 June 2007
Any other information relevant to creditors	None

Summary of the Joint Administrators' Proposals

Proposals for achieving the purpose of the Administration

The Administrators make the following proposals for achieving the purpose of the Administration

a) The Administrators will continue to manage and finance the Company's business, affairs and property from trading revenues and asset realisations 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)

b) The Administrators may investigate and, if appropriate, pursue any claims that the Company may have under the Companies Act 1985 or IA86 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

c) 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 a subsequent Liquidator or supervisor of a company voluntary arrangement / scheme of arrangement and that the costs of so doing be met as a cost of the Administration, and to the extent that this work is carried out by the Administrators or their own staff, as part of the Administrators' remuneration

d) It is not anticipated that a creditors' committee will be established, as the Company is not expected to have the statutory minimum of at least three creditors who are willing to act on it However, if it transpires that the Company does have at least three creditors, the Administrators propose to approach creditors to seek the election of a creditors' committee and to consult with it from time to time Where the Administrators consider it appropriate, they will seek sanction from the committee to a proposed action rather than convening a meeting of all creditors

e) The Administrators will consult with any creditors' committee concerning the necessary steps to extend the Administration beyond the statutory duration of one year if an extension is considered advantageous, or if the Administrators are required to do so by Laurel If a creditors' committee is not appointed, the Administrators shall either apply to the Court or seek consent from the appropriate classes of creditors for an extension

f) The Administrators may use any or a combination of the "exit route" strategies in Paragraphs 76 to 80 and 83 to 84 of Sch B1 IA86 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 -

- i Once the asset disposals are complete, the Administrators may apply to the Court to allow the Administrators to distribute surplus funds, if any, to non-preferential unsecured creditors In such circumstances the Administration shall be brought to an end either -

  (i) automatically at the end of one year after the Administrators' appointment pursuant to Paragraph 76(1) Sch B1 IA86

or
(ii) by notice to the Registrar of Companies on completion of the Administration under Paragraphs 80 or 84 Sch B1 IA86

OR

ii Should it be tax advantageous in particular, the Administrators may formulate a proposal for a company voluntary arrangement ("CVA") and put it to meetings of the Company's creditors and shareholders for approval In such circumstances, the Administration will be brought to an end either -

(i) automatically one year after the Administrators' appointment pursuant to Paragraph 76(1) Sch B1 IA86
or
(ii) by notice to the Registrar of Companies on completion of the Administration under Paragraphs 80 or 84 Sch B1 IA86

OR

iii Once the asset disposals are complete, or substantially so, and all matters requiring to be dealt with in the Administration are complete, the Administrators may place the Company in Creditors' Voluntary Liquidation In these circumstances, it is proposed that MJA Jervis and DC Chubb 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 nominations are made after the receipt of these proposals and before they are approved

OR

iv If it transpires that there are insufficient funds available to make a distribution in respect to non-preferential unsecured claims, then once all of the assets have been realised and the Administrators have concluded all work within the Administration, the Administrators will file notice under Paragraph 84 (1) Sch B1 IA86 with the Registrar of Companies, following which the Company will be dissolved three months thereafter

g) The Administrators shall be discharged from liability pursuant to Paragraph 98(1) Sch B1 IA86 in respect of any action of theirs as Administrators when they cease to be Administrators of the Company at a time appointed by the creditors' committee, or, if there is no creditors' committee, by resolution of the appropriate class(es) of creditors or in any case by the Court

h) It is proposed under Rule 2 106 of the Insolvency Rules 1986 that the Administrators fees be fixed by reference to the time properly given by them 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 It will be for the creditors' committee to fix the basis and level of

Summary of the Joint Administrators' Proposals

the Administrators' fees and Category 2 disbursements but if no committee is appointed, it will be for the general body of creditors (by resolution of the appropriate class(es) of creditors) to determine these instead If the Administrators determine that the Company has insufficient property to enable a distribution to be made to non-preferential unsecured creditors other than by virtue of Section 176A IA86, a resolution of the creditors will be taken as passed if approved by the / each secured creditor and preferential creditors whose debts amount to 50% of preferential debts, disregarding the debts of creditors who do not respond or withhold approval

Creditors will be asked to vote upon the following matters at the initial meeting of creditors held via correspondence on 31 August -

- that the "Administrators' proposals for achieving the purpose of the Administration" dated 12 August 2005 be adopted

Receipts and Payments account for the period 23 December 2006 to 7 June 2007

Account		£
Sale of business	(1)	285,000 00
Sale of fixtures		0 00
Cash on hand at date of appointment		0 00
Rent and property costs		0 00
Third party funds		0.00
Insurance refund		0 00
Other trading		17,595 02
Administrators trading		0 00
Shareholders unclaimed dividend a/c		0 00
Total receipts		**302,595.02**
Administrators fees and expenses		0 00
Rent		0 00
Statutory costs		0 00
Legal fees & disbursements		0 00
Other trading		(72 68)
Total payments		**(72.68)**
VAT (input) / output		**49,875.00**
Cash on hand		**£352,397.34**

(1) Sale proceeds do not include proceeds of the sale to Laurel which were paid direct to the Secured Chargeholder by the Group

Rule 2 47 Form 2 24B

The Insolvency Act 1986

Administrator's progress report

Name of Company Angel Realisations 1 Limited	Company number 02676948
In the High Court of Justice, Chancery Division, Companies Court [full name of court]	Court case number 4149 of 2005

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

I / We (a) MJA Jervis, DGL Hargraves and DC Chubb

of PricewaterhouseCoopers LLP, Plumtree Court, London EC4A 4HT

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

(b) Insert dates

from	to
(b) 23 December 2006	(b) 7 June 2007

Signed
Joint / Administrator(s)

Dated 11/6/07

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

Daisy Bassila	
c/o PricewaterhouseCoopers LLP, Plumtree Court	
London EC4A 4HT	Tel 020 7804 8683
DX Number	DX Exchange

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mpanies House, Crown Way, Cardiff, CF14 3UZ DX 33050 Cardiff