

The Insolvency Act 1986

**Notice of result of meeting
of creditors****2.23B**

Name of Company

**CAMBRIDGE UNITED FOOTBALL CLUB
LTD-IN ADMINISTRATION**

Company number

0482197

In the HIGH COURT OF JUSTICE CHANCERY
DIVISIONCourt case number
2830 OF 2005

[full name of court]

(a) Insert full name(s) and
address(es) of the
administrator(s)✓/ We (a) Ian Carr & Nick Wood of Grant Thornton UK LLP, Byron House, Cambridge Business Park,
Cowley Road, Cambridge

*Delete as applicable

hereby report that *a meeting of the creditors of the above company was held at

(b) Insert place of meeting

(b) Cambridge United Football Club Ltd, The Abbey Stadium, Newmarket Road, Cambridge

(c) Insert date of meeting

on (c) 18 July 2005 at which:

*Delete as applicable

*1. The Joint Administrators' Proposals were approved.

*2. Other resolutions: (f)

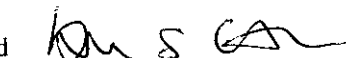
Approval to pay Grant Thornton's fees on a time cost basis in accordance with sections 7.1, 7.2 & 7.3 of the
proposals.(d) Give details of the
modifications (if any)

Approval to charge Category 2 disbursements as per section 7.5 of the proposals.

(e) Insert time and date of
adjourned meetingApproval for the Administrators to be discharged from liability in accordance with paragraph 98 of
Schedule B1 of the Insolvency Act 1986 with effect from 14 days after they send their final report to the
creditors.(f) Details of other resolutions
passed

A creditors' committee was not formed.

Signed



Joint Administrator

Dated 20 July 2005

*Delete as applicable

A copy of the *original proposals is attached for those who did not receive such documents prior to the meeting.

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

Grant Thornton, Byron House, Cambridge Business Park, Cowley Road, Cambridge CB4 0WZ	
	Tel
DX Number	DX Exchange

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

Recovery and Reorganisation

Grant Thornton UK LLP

Chartered Accountants

UK member of

Grant Thornton International

Our Ref ISC/JWB/C20247/PF7

TO THE CREDITORS

30 June 2005

Dear Sirs

**CAMBRIDGE UNITED FOOTBALL CLUB LTD - IN
ADMINISTRATION (CUFC)**

INTRODUCTION

- 1.1 Following the appointment of my partner Nick Wood and myself as the Joint Administrators of CUFC by the directors on 29 April 2005, we are submitting our proposals pursuant to paragraph 49(1) of Schedule B1 to the Insolvency Act 1986 for achieving the objectives of the administration. These proposals should be read in conjunction with the Company Voluntary Arrangement (CVA) proposal being put to creditors. Once approved, the CVA will enable the administration to be concluded and CUFC to trade on, with the view to playing in the Nationwide Conference in the 2005/2006 season.
- 1.2 This report contains the information required by Rule 2.33 of the Insolvency Rules 1986.
- 1.3 In accordance with paragraph 100 (2) of Schedule B1 to the Insolvency Act 1986 the functions of the administrators are to be exercised by any or all of them.
- 1.4 In accordance with paragraph 108 of Schedule B1 of the Insolvency Act 1986, the majority of the unsecured creditors have given approval for the extension of the deadlines, by two weeks, both for issuing these proposals and holding the meeting of creditors to 7 July and 21 July 2005 respectively.

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Grant Thornton UK LLP is a limited liability partnership registered in England and Wales. No OC307742. Registered office: Grant Thornton House, Melton Street, Euston Square, London NW1 2EP. A list of members is available from our registered office.

Grant Thornton UK LLP is authorised and regulated by the Financial Services Authority for investment business.

A list of personnel permitted by Grant Thornton to accept appointments as insolvency practitioners and of their respective authorising bodies may be inspected at the above address.

2 STATUTORY INFORMATION

2.1 The company's statutory details are as follows:

Registered number	482197
Date of incorporation	17 May 1950
Registered office	Abbey Stadium, Newmarket Road, Cambridge
Authorised share capital	3.2 million Ordinary shares of 50 pence each
Issued share capital-as at 29 April 2005	2,353,936 Ordinary shares of 50 pence each

Directors:	shareholding
Brian J Attmore	2,157
Paul Barry	455,000
George G Harwood	125,000
Dr Johnny S H Hon (resigned 13 April 2005)	400,000
John S Howard	70,001
Roger F Hunt	200,000
Gerald P Lowe	125,000
Justyn Medd	0
Nicholas Pomery	25,000

2.2 The administration constitutes "main proceedings" under the EC Regulation on Insolvency Proceedings. However, as the company does not have branch operations in other EU member states, this is of little practical relevance.

3 BACKGROUND TO THE ADMINISTRATORS' APPOINTMENT

3.1 Grant Thornton UK LLP was first consulted by the directors of CUFC on 19 April 2005 with a view to giving advice on the company's financial position. We had previously been consulted by Cambridge Fans United (CFU) in November 2004 but had had no direct contact with the directors at that time.

3.2 Prior to that consultation, neither the firm nor either of us had any dealings or involvement with the company, the directors or its secretary within the previous three years.

3.3 Having considered all the options, the directors considered that the best route for CUFC was for it to be placed into administration and subsequently, on 29 April 2005, made the direct appointment of administrators in accordance with paragraph 22(2) of Schedule B1 to the Insolvency Act 1986.

- 3.4 The objective of the administration is rescuing the company as a going concern or achieving a better result for the company's creditors as a whole than would be likely if the company were wound up.

4 ASSETS AND LIABILITIES

- 4.1 The directors have been requested to prepare a statement of affairs of the company, but have not yet done so because CUFC's records have only recently been brought up to date. An estimate of the financial position of the company is attached at Appendix I. Details of the creditors, the amount of their debts and details of any security held are included in the CVA proposal that accompanies this report.
- 4.2 There will be no prescribed part floating charge assets to be set aside for the benefit of unsecured creditors under Section 176A of the Insolvency Act 1986, because CUFC has no liability under a floating charge and a CVA proposal is to be made to creditors to enable a dividend to be paid.

5 CONDUCT OF THE ADMINISTRATION

TRADING AND FINANCING OF THE ADMINISTRATION

- 5.1 Upon my appointment I discussed the trading and financing of the administration period with CUFC's directors and obtained the backing of CFU to provide ongoing funding support.
- 5.2 My first priority was to ensure that CUFC completed its matches for the 2004/5 season and cooperated fully with the Football League, the Football Association and the Conference to facilitate a transfer to the Nationwide Conference.
- 5.3 With the funding organised by CFU and the receipt of the transfer fee for John Ruddy to Everton Football Club Company Ltd, together with the balance in CUFC's bank account at 29 April 2005, sufficient funds are available to finance the planned administration period and the CVA proposal.
- 5.4 My receipts and payments account covering the period 29 April to 17 June 2005 is attached, Appendix II. It will be appreciated that this summary only reflects the income received and costs paid up to 17 June 2005. A summary of the budgeted income and costs of the operation of CUFC during the administration period are given in the CVA proposal document.

6 PROPOSALS FOR ACHIEVING THE OBJECTIVE OF THE ADMINISTRATION

- 6.1 The Administrators will pursue the objective of a rescue of CUFC or of achieving a better result for the company's creditors as a whole than would be likely if the company were wound up.

- 6.2 This will be achieved by a CVA proposal being made to the creditors.
- 6.3 Once the CVA is approved by the creditors and the Administration Order discharged, the control of CUFC will pass back to the directors. The administration will terminate when notice is filed with the Court and the Registrar of Companies to the effect that the objective of the administration has been achieved.

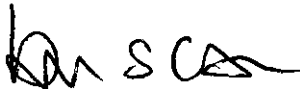
7 ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

- 7.1 Prior to 29 April 2005, it was agreed with the directors that Grant Thornton's combined fee for the administration and the CVA would be calculated on a time cost basis to a maximum of £40,000 plus disbursements.
- 7.2 The Administrators will request that their remuneration be calculated according to the time properly given by the Administrators and their staff in attending to matters arising in the administration. A copy of "a creditors guide to administrators' fees" is attached.
- 7.3 Payment of the Administrator's remuneration and disbursements are to be met from funds held in the administration in priority to the claims of creditors, and, after approval of the basis, the Administrators may draw sums on account.
- 7.4 Time costs to 10 June 2005 amount to £72,951, reflecting 340 hours incurred. Further details, including a breakdown by category of staff and work done, will be given to the creditors' committee, if appointed, or made available at the creditors' meeting.
- 7.5 The Administrators will also seek approval to the recovery of disbursements on the following basis:
- Out of pocket expenses are charged at cost.
 - Mileage is charged at standard rates which comply with Inland Revenue limits or AA recommended rates.
 - Disbursements which are not amenable to precise attribution to individual cases, namely land line telephone and fax calls, postage, stationery and photocopying are charged to administrations at £3.72 per creditor, £3.72 per shareholder and £2.92 per debtor.
 - Where a room is booked at a Grant Thornton UK LLP office for a meeting of creditors or of a creditors' committee, a charge of £65 is made.
 - VAT is added to disbursement charges as necessary.
- 7.6 The estimated legal and other costs of the administration and CVA proposal, including disbursements, are c£20,000.

8 MEETING OF CREDITORS

- 8.1 A meeting of creditors, pursuant to paragraph 51 of Schedule B1 to the Insolvency Act 1986 will be held on 18 July 2005 at the Harris Suite, The Abbey Stadium, Newmarket Road, Cambridge CB5 8LN at 2pm. Formal notice of the creditors' meeting is enclosed. The meeting to consider the CVA proposals will be held immediately following the first meeting at the same location.
- 8.2 Creditors are requested to complete the attached proxy form for the meeting and return it to this office by noon on 15 July 2005, together with a statement/summary of the balance due, to enable them to be represented and/or vote at the meeting.
- 8.3 If you have any queries on the arrangements or procedures for the meeting of creditors, please contact Ross Welham on 01223 225 613.

Yours faithfully
for CAMBRIDGE UNITED FOOTBALL CLUB LTD

A handwritten signature in black ink, appearing to read 'Ian Carr', with a stylized flourish at the end.

Ian Carr
Joint Administrator

Estimated Statement of affairs at 29 April 2005

	Book value £'000	Estimated to realise £'000	Basis of valuation
Assets			
Cash at bank	86	86	Book value
Rushden & Diamonds ticket sales	17	17	Book value
Everton Football Club Co. Ltd	293	0	Assumed no recovery on liquidation
Debtors	72	47	Net of doubtful debts
Stock	17	17	Cost
Plant, machinery and other chattel assets	10	20	Valued by Edward Wells, Chartered Surveyors, 6 May 2005
	495	187	
Liabilities			
Less: Preferential claims-holiday pay	(5)	(5)	
Amount available for the unsecured creditors	490	182	
Unsecured claims			
H M Customs & Excise-VAT	(435)	(435) /	
Inland Revenue-PAYE & NIC	(97)	(97) /	
Trade creditors	(173)	(173) /	
Directors Loans	(83)	(83) /	
Redevelopment loans	(80)	(80) /	
Hire purchase and finance	(14)	(14)	
Accruals	(36)	(36)	
Rushden & Diamonds ticket sales	(17)	(17) /	
Employees - Pay in lieu of notice, redundancy and players contracts	(413)	(413)	
Landlords-estimated damage claims	(150)	(150)	
Football Stadia Improvement Fund	(985)	(985) /	
	(2,483)	(2,483)	
Shortfall to the unsecured creditors	(1,993)	(2,301)	

SUBJECT TO THE COSTS OF ADMINISTRATION OR LIQUIDATION

Cambridge United Football Club Limited-in Administration**APPENDIX II****Joint Administrators' receipts & payments summary
for the period 29 April to 17 June 2005**

RECEIPTS	£
Cash at bank including match day floats	90,619
Commercial income	48,491
Debt collections	24,005
Transfer fee-Everton	250,000
Rushden & Diamonds ticket sales	17,586
Interest	879
VAT payable	48,617
	<u>480,197</u>
PAYMENTS	
Payroll	-100,477
Match costs	-7,949
Ground costs	-1,110
Equipment finance and rentals	-4,292
Utilities	-2,405
Other operating costs	-8,360
Rushden & Diamonds ticket sales	-16,707
Equipment valuation	-650
Insurance bond	-528
Bank charge	-20
VAT receivable	-603
	<u>-143,101</u>
Cash at bank 17 June 2005	<u><u>337,096</u></u>

Notice of a meeting of creditors

Name of Company

**CAMBRIDGE UNITED FOOTBALL CLUB
LTD-IN ADMINISTRATION**

Company number

482197

In the High Court of Justice, Chancery Division

{full name of court}

Court case number

2830 of 2005

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

Notice is hereby given by (a) Ian Carr & Nick Wood, Grant Thornton UK LLP, Byron House, Cambridge Business Park, Cowley Road, Cambridge CB4 0WZ, the Joint Administrators

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

that a meeting of the creditors of (b) Cambridge United Football Club Ltd, The Abbey Stadium, Newmarket Road, Cambridge

(c) Insert details of place
of meeting

is to be held at (c) The Harris Suite, Cambridge United Football Club Ltd, The Abbey Stadium, Newmarket Road, Cambridge CB5 8LN

on (d) 18 July 2005 at 2pm.

(d) Insert date and time of
meeting

The meeting is:

*(1) an initial creditors' meeting under paragraph 51 of Schedule B1 to the Insolvency Act 1986 ("the Schedule");

*Delete as applicable

I invite you to attend the above meeting.

A proxy form is enclosed which should be completed and returned to me by the date of the meeting if you cannot attend and wish to be represented.

In order to be entitled to vote under Rule 2.38 at the meeting you must give to me, not later than midday on the business day before the day fixed for the meeting, details in writing of your claim.

Signed


 Ian Carr

Joint Administrator

Dated 30 June 2005

* Delete as applicable

5.2 After fee approval

Where a resolution fixing the basis of fees is passed at any creditors' meeting held before he has substantially completed his functions, the administrator should notify the creditors of the details of the resolution in his next report or circular to them. In all subsequent reports to creditors the administrator should specify the amount of remuneration he has drawn in accordance with the resolution. Where the fee is based on time costs he should also provide details of the time spent and charge-out value to date and any material changes in the rates charged for the various grades since the resolution was first passed. He should also provide such additional information as may be required in accordance with the principles set out in paragraph 5.1.3. Where the fee is charged on a percentage basis the administrator should provide the details set out in paragraph 5.1.4 above regarding work which has been sub-contracted out.

5.3 Expenses and disbursements

There is no statutory requirement for the committee or the creditors to approve the drawing of expenses or disbursements. However, professional guidance issued to insolvency practitioners requires that, where the administrator proposes to recover costs which, whilst being in the nature of expenses or disbursements, may include an element of shared or allocated costs (such as room hire, document storage or communication facilities provided by the administrator's own firm), they must be disclosed and be authorised by those responsible for approving his remuneration. Such expenses must be directly incurred on the case and subject to a reasonable method of calculation and allocation.

6 What if a creditor is dissatisfied?

6.1 If a creditor believes that the administrator's remuneration is too high he may, if at least 25 per cent in value of the creditors (including himself) agree, apply to the court for an order that it be reduced. If the court does not dismiss the application (which it may if it considers that insufficient cause is shown) the applicant must give the administrator a copy of the application and supporting evidence at least 14 days before the hearing. Unless the court orders otherwise, the costs must be paid by the applicant and not as an expense of the administration.

7 What if the administrator is dissatisfied?

7.1 If the administrator considers that the remuneration fixed by the creditors' committee is insufficient he may request that it be increased by resolution of the creditors. If he considers that the remuneration fixed by the committee or the creditors is insufficient, he may apply to the court for it to be increased. If he decides to apply to the court he must give at least 14 days' notice to the members of the creditors' committee and the committee may nominate one or more of its members to appear or be represented on the application. If there is no committee, the administrator's notice of his application must be sent to such of the company's creditors as the court may direct, and they may nominate one or more of their number to appear or be represented. The court may order the costs to be paid as an expense of the administration.

8 Other matters relating to fees

8.1 Where there are joint administrators it is for them to agree between themselves how the remuneration payable should be apportioned. Any dispute arising between them may be referred to the court, the creditors' committee or a meeting of creditors.

8.2 If the administrator is a solicitor and employs his own firm to act on behalf of the company, profit costs may not be paid unless authorised by the creditors' committee, the creditors or the court.

A CREDITORS' GUIDE TO ADMINISTRATORS' FEES

Where Petition Presented or Appointment Made On or After 15 September 2003

ENGLAND AND WALES

1 Introduction

1.1 When a company goes into administration the costs of the proceedings are paid out of its assets. The creditors, who hope eventually to recover some of their debts out of the assets, therefore have a direct interest in the level of costs, and in particular the remuneration of the insolvency practitioner appointed to act as administrator. The insolvency legislation recognises this interest by providing mechanisms for creditors to determine the basis of the administrator's fees. This guide is intended to help creditors be aware of their rights under the legislation to approve and monitor fees and explains the basis on which fees are fixed.

2 The nature of administration

2.1 Administration is a procedure which places a company under the control of an insolvency practitioner and the protection of the court with the following objective:

- rescuing the company as a going concern, or
- achieving a better result for the creditors as a whole than would be likely if the company were wound up without first being in administration,

or, if the administrator thinks neither of these objectives is reasonably practicable

- realising property in order to make a distribution to secured or preferential creditors.

3 The creditors' committee

3.1 The creditors have the right to appoint a committee with a minimum of 3 and a maximum of 5 members. One of the functions of the committee is to determine the basis of the administrator's remuneration. The committee is normally established at the meeting of creditors which the administrator is required to hold within a maximum of 10 weeks from the beginning of the administration to consider his proposals. The administrator must call the first meeting of the committee within 6 weeks of its establishment, and subsequent meetings must be held either at specified dates agreed by the committee, or when a member of the committee asks for one, or when the administrator decides he needs to hold one. The committee has power to summon the administrator to attend before it and provide information about the exercise of his functions.

4 Fixing the administrator's fees

4.1 The basis for fixing the administrator's remuneration is set out in Rule 2.106 of the Insolvency Rules 1986, which states that it shall be fixed either:

- as a percentage of the value of the property which the administrator has to deal with, or
- by reference to the time properly given by the administrator and his staff in attending to matters arising in the administration.

It is for the creditors' committee (if there is one) to determine on which of these bases the remuneration is to be fixed, and if it is fixed as a percentage fix the percentage to be applied. Rule 2.106 says that in arriving at its decision the committee shall have regard to the following matters:

- the complexity (or otherwise) of the case;
- any responsibility of an exceptional kind or degree which falls on the administrator;
- the effectiveness with which the administrator appears to be carrying out, or to have carried out, his duties;
- the value and nature of the property which the administrator has to deal with.

4.2 If there is no creditors' committee, or the committee does not make the requisite determination, the administrator's remuneration may be fixed by a resolution of a meeting of creditors having regard to the same matters as the committee would. If the remuneration is not fixed in any of these ways, it will be fixed by the court on application by the administrator.

4.3 There are special rules about creditors' resolutions in cases where the administrator has stated in his proposals that the company has insufficient property to enable a distribution to be made to unsecured creditors except out of the reserved fund which may have to be set aside out of floating charge assets.

In this case, if there is no creditors' committee, or the committee does not make the requisite determination, the remuneration may be fixed by the approval of –

- each secured creditor of the company; or
- if the administrator has made or intends to make a distribution to preferential creditors –
 - each secured creditor of the company; and
 - preferential creditors whose debts amount to more than 50% of the preferential debts of the company, disregarding debts of any creditor who does not respond to an invitation to give or withhold approval.

Note that there is no requirement to hold a creditors' meeting in such cases unless a meeting is requisitioned by creditors whose debts amount to at least 10 per cent of the total debts of the company.

4.4 A resolution of creditors may be obtained by correspondence.

5 What information should be provided by the administrator?

5.1 When seeking fee approval

5.1.1 When seeking agreement to his fees the administrator should provide sufficient supporting information to enable the committee or the creditors to form a judgement as to whether the proposed fee is reasonable having regard to all the circumstances of the case. The nature and extent of the supporting information which should be provided will depend on:

- the nature of the approval being sought;
- the stage during the administration of the case at which it is being sought; and
- the size and complexity of the case.

5.1.2 Where, at any creditors' or committee meeting, the administrator seeks agreement to the terms on which he is to be remunerated, he should provide the meeting with details of the charge-out rates of all grades of staff, including principals, which are likely to be involved on the case.

5.1.3

Where the administrator seeks agreement to his fees during the course of the administration, he should always provide an up to date receipts and payments account. Where the proposed fee is based on time costs the administrator should disclose to the committee or the creditors the time spent and the charge-out value in the particular case, together with, where appropriate, such additional information as may reasonably be required having regard to the size and complexity of the case. The additional information should comprise a sufficient explanation of what the administrator has achieved and how it was achieved to enable the value of the exercise to be assessed (whilst recognising that the administrator must fulfil certain statutory obligations that might be seen to bring no added value for creditors) and to establish that the time has been properly spent on the case. That assessment will need to be made having regard to the time spent and the rates at which that time was charged, bearing in mind the factors set out in paragraph 4.1 above. To enable this assessment to be carried out it may be necessary for the administrator to provide an analysis of the time spent on the case by type of activity and grade of staff. The degree of detail will depend on the circumstances of the case, but it will be helpful to be aware of the professional guidance which has been given to insolvency practitioners on this subject. The guidance suggests the following areas of activity as a basis for the analysis of time spent:

- Administration and planning
- Investigations
- Realisation of assets
- Trading
- Creditors
- Any other case-specific matters

The following categories are suggested as a basis for analysis by grade of staff:

- Partner
- Manager
- Other senior professionals
- Assistants and support staff

The explanation of what has been done can be expected to include an outline of the nature of the assignment and the administrator's own initial assessment, including the anticipated return to creditors. To the extent applicable it should also explain:

- Any significant aspects of the case, particularly those that affect the amount of time spent.
- The reasons for subsequent changes in strategy
- Any comments on any figures in the summary of time spent accompanying the request the administrator wishes to make.
- The steps taken to establish the views of creditors, particularly in relation to agreeing the strategy for the assignment, budgeting, time recording, fee drawing or fee agreement.
- Any existing agreement about fees.
- Details of how other professionals, including subcontractors, were chosen, how they were contracted to be paid, and what steps have been taken to review their fees

It should be borne in mind that the degree of analysis and form of presentation should be proportionate to the size and complexity of the case. In smaller cases not all categories of activity will always be relevant, whilst further analysis may be necessary in larger cases.

5.1.4 Where the fee is charged on a percentage basis the administrator should provide details of any work which has been or is intended to be sub-contracted out which would normally be undertaken directly by an administrator or his staff.

Notes to help completion
of the form

Proxy (Administration)
CAMBRIDGE UNITED FOOTBALL CLUB LTD

Please give full name and address
for communication

Name of creditor :

Address :

Please insert name of person
(who must be 18 or over) or the
chairman of the meeting'. If you
wish to provide for alternative
proxy-holders in the circumstances
that your first choice is unable to
attend, please state the name(s) of
the alternatives as well.

Name of proxy-holder _____

1 _____

2 _____

3 _____

Please delete words in brackets if
the proxy holder is only to vote as
directed ie he has no discretion

I appoint the above person to be my/the creditor's proxy holder at the
meeting of creditors to be held on 18 July 2005 or at any adjournment of that
meeting. The proxy holder is to propose or vote as instructed below (and in
respect of any resolution for which no specific instruction is given, may vote
or abstain at his/her discretion).

Voting Instruction for Resolutions

* Please delete as appropriate

1 For the acceptance/rejection* of the administrators' proposals as
circulated.

2 For the appointment of _____ as a
member of the creditors committee.

This form must be signed

Signature _____ Date _____

Name in CAPITAL LETTERS _____

Only to be completed if the creditor
has not signed in person

Position with creditor or relationship to creditor or other authority for
signature _____

Remember : There may be resolutions on the other side of this form.