

Chartered Accountants

Ballard|Dale|Syree|Watson

LLP



Ballard Dale Syree Watson LLP

Oakmoore Court

Kingswood Road

Hampton Lovett

Droitwich Spa

Worcestershire

WR9 0QH

**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**  
**FOR**  
**VOICEVAULT LIMITED**  
**(FORMERLY BIOMETRIC SECURITY LIMITED)**



Tel 01905 794504 Fax 01905 795281 Email [mail@ballardsca.com](mailto:mail@ballardsca.com) Web [www.ballardsca.com](http://www.ballardsca.com)

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**VOICEVAULT LIMITED (REGISTERED NUMBER: 05422709)  
(FORMERLY BIOMETRIC SECURITY LIMITED)**

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FOR THE YEAR ENDED 31 DECEMBER 2012**

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**VOICEVAULT LIMITED  
(FORMERLY BIOMETRIC SECURITY LIMITED)**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**DIRECTORS**

K J Lomax  
M Farmer

**SECRETARY.**

Pinsent Masons Secretarial Limited

**REGISTERED OFFICE.**

1 Park Row  
Leeds  
LS1 5AB

**REGISTERED NUMBER:**

05422709 (England and Wales)

**AUDITORS:**

Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
1020 Eskdale Road  
IQ Winnersh  
Wokingham  
Berkshire  
RG41 5TS

**REPORT OF THE INDEPENDENT AUDITORS TO  
VOICEVAULT LIMITED  
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages three to seven, together with the full financial statements of Voicevault Limited for the year ended 31 December 2012 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

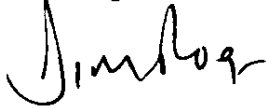
The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



James Rogers (Senior Statutory Auditor)  
for and on behalf of Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
1020 Eskdale Road  
IQ Winnersh  
Wokingham  
Berkshire  
RG41 5TS

Date 26 July 2013

**VOICEVAULT LIMITED (REGISTERED NUMBER. 05422709)**  
**(FORMERLY BIOMETRIC SECURITY LIMITED)**

**ABBREVIATED BALANCE SHEET**  
**31 DECEMBER 2012**

	Notes	2012 £	2011 £
<b>FIXED ASSETS</b>			
Intangible assets	2	-	-
Tangible assets	3	11,899	7,000
		<u>11,899</u>	<u>7,000</u>
<b>CURRENT ASSETS</b>			
Debtors		175,641	190,345
Cash at bank and in hand		56,824	190,652
		<u>232,465</u>	<u>380,997</u>
<b>CREDITORS</b>			
Amounts falling due within one year		10,259,650	9,860,244
		<u>(10,027,185)</u>	<u>(9,479,247)</u>
<b>NET CURRENT LIABILITIES</b>			
		<u>(10,015,286)</u>	<u>(9,472,247)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>(10,015,286)</u>	<u>(9,472,247)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	4	3,987	3,987
Share premium		3,151,181	3,151,181
Profit and loss account		(13,170,454)	(12,627,415)
		<u>(10,015,286)</u>	<u>(9,472,247)</u>
<b>SHAREHOLDERS' FUNDS</b>			
		<u>(10,015,286)</u>	<u>(9,472,247)</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved and authorised for issue by the Board of Directors on 23 July 2013 and were signed on its behalf by



K J Lomax - Director

The notes form part of these abbreviated accounts

**VOICEVAULT LIMITED (REGISTERED NUMBER: 05422709)  
(FORMERLY BIOMETRIC SECURITY LIMITED)**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**1 ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The principal accounting policies of the company remain unchanged and are set out below. The directors have reviewed the accounting policies adopted and consider them to be the most appropriate.

The Company is dependent on its parent company for the future funding of its working capital. Biometric Security Holdings Limited has agreed to support the Company and continue to fund its working capital requirements for the foreseeable future. If this funding was not forthcoming, the Company would be unable to continue in business in its present form without finding an alternative form of short-term funding.

The Company's ability to continue on a going concern basis depends on the ability of the parent entity, Biometric Security Holdings Limited, to support the operations of the group companies. There remains an uncertainty surrounding the Group's ability to secure additional forecast revenues. The Directors have drawn up Group forecasts under multiple scenarios in order to manage future cashflow.

Since the year end, the company has completed two further funding rounds raising £1,926m. The most recent round of £1,576m in July 2013 provides the company with sufficient working capital for a period of at least 18 months from the date of the audit report. The directors consider it appropriate to prepare the financial statements on a going concern basis.

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

**Exemption from preparing a cash flow statement**

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

**Turnover**

Turnover shown in the profit and loss account represents the total amount receivable by the company for goods supplied and services provided during the year, excluding VAT.

Revenue is recognised once delivery has occurred and all performance obligations have been satisfied, where persuasive evidence of an arrangement exists which provides the right to consideration, the fee is fixed or determinable such that it can be measured reliably and the collection of the amounts receivable is considered reasonably assured.

Revenue in respect of software licences where the Company has no further obligations and the contract is non-cancellable is recognised at the time of sale. Revenue in respect of software licences, which are typically for a fixed term and where there are further ongoing obligations, is recognised over the period of the licence term. Ongoing services during the licence term typically represent verification, implementation, support and training services. These ongoing services are recognised as the services are performed and are measured at fair value.

**Goodwill**

Goodwill represents the excess of the cost of the acquisition over the fair value of the identifiable net assets acquired. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is stated at costs less any accumulated impairment losses. Goodwill is allocated to appropriate cash generating units (those expected to benefit from the business combination) and it is not subject to amortisation but is instead tested annually for impairment.

The Company uses forecast cash flow and estimates of future growth to assess whether goodwill and other intangible fixed assets are impaired. If the results of an operation in future years are adverse to the estimates used for impairment testing, an impairment may be triggered at that point, or a reduction in the useful economic life may be required.

**VOICEVAULT LIMITED (REGISTERED NUMBER: 05422709)  
(FORMERLY BIOMETRIC SECURITY LIMITED)**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**1 ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures and fittings	- 33 3% on cost
Computer equipment	- 50% on cost

All fixed assets are initially recorded at cost

**Deferred tax**

Deferred tax is recognised on all timing differences where the transactions or events give the company an obligation to pay more tax in the future, or a right to pay less tax in the future has occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates that have been enacted or substantively enacted by the balance sheet date.

The accumulated losses have resulted in significant tax allowable losses being built up which can be offset against future trading profits. At present the directors are uncertain as to whether sufficient profits will be realised against which to offset these losses and accordingly no deferred tax asset has been recognised in the financial statements.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Operating lease agreements**

Rentals paid under operating lease are charged to the profit and loss account on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

**Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

**VOICEVAULT LIMITED (REGISTERED NUMBER: 05422709)**  
**(FORMERLY BIOMETRIC SECURITY LIMITED)**

**NOTES TO THE ABBREVIATED ACCOUNTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

**2 INTANGIBLE FIXED ASSETS**

	Total £
<b>COST</b>	
At 1 January 2012	
and 31 December 2012	393,754
<b>AMORTISATION</b>	
At 1 January 2012	
and 31 December 2012	393,754
<b>NET BOOK VALUE</b>	
At 31 December 2012	-
At 31 December 2011	-

The goodwill relates wholly to the acquisition of VoiceVault in 2005. During 2007, a number of changes were made to the Group structure and the management of the business. Based on the disappointing performance of the Company during 2007 and the uncertainty regarding the ongoing funding of the Group, an impairment review was undertaken in December 2007 resulting in the full impairment of goodwill.

**3 TANGIBLE FIXED ASSETS**

	Total £
<b>COST</b>	
At 1 January 2012	334,013
Additions	14,455
Disposals	(980)
At 31 December 2012	347,488
<b>DEPRECIATION</b>	
At 1 January 2012	327,013
Charge for year	9,148
Eliminated on disposal	(572)
At 31 December 2012	335,589
<b>NET BOOK VALUE</b>	
At 31 December 2012	11,899
At 31 December 2011	7,000

**4 CALLED UP SHARE CAPITAL**

Allotted, Number	issued and fully paid Class	Nominal value	2012 £	2011 £
129,138	Ordinary Shares	1p	1,291	1,291
119,116	A Preferred Shares	1p	1,191	1,191
150,459	B Preferred Shares	1p	1,505	1,505
			3,987	3,987



**VOICEVAULT LIMITED (REGISTERED NUMBER. 05422709)  
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**NOTES TO THE ABBREVIATED ACCOUNTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**4 CALLED UP SHARE CAPITAL - continued**

The Ordinary shares and the A and B Preferred shares rank pari passu in all respects

**5 RELATED PARTY DISCLOSURES**

**Biometric Security Holdings Limited**

The holding company of Voicevault Limited

Advances to fund working capital to the value of £678,245 were received during the accounting period

	2012 £	2011 £
Amount due to related party at the balance sheet date	<u>9,504,229</u>	<u>8,825,984</u>

**Voicevault Inc.**

A USA based subsidiary of Voicevault Limited

During the year Voicevault Limited repaid £288,879 of loans to Voicevault Inc

	2012 £	2011 £
Amount due to related party at the balance sheet date	<u>611,299</u>	<u>900,178</u>

**Eden Ventures Limited**

A company in which M Farmer is a director

	2012 £	2011 £
Amount due from related party at the balance sheet date	<u>-</u>	<u>16,869</u>

**Yarronbridge Limited**

A company in which Mr K Lomax is a shareholder

During the year, Voicevault Ltd incurred expenses relating to professional services provided by Yarronbridge Limited of £37,224

	2012 £	2011 £
Amount due to related party at the balance sheet date	<u>10,500</u>	<u>45,841</u>

**6 POST BALANCE SHEET EVENTS**

The parent company, Biometric Security Holdings Limited has indicated its willingness to continue its support for the Company going forward in light of its' closing of a £1 926m funding round in July 2013

**7 ULTIMATE CONTROLLING PARTY**

The ultimate parent undertaking and controlling party is Biometric Security Holdings Limited incorporated in England and Wales. There was no overall controlling party of Biometric Security Holdings Limited in the current year