

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

**ABBREVIATED UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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

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FOR THE YEAR ENDED 31 DECEMBER 2014**

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

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014**

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)

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

ABBREVIATED BALANCE SHEET
31 DECEMBER 2014

	Notes	2014 £	£	2013 £	£
FIXED ASSETS					
Intangible assets	2		-		-
Tangible assets	3		<u>2,328</u>		<u>5,748</u>
			2,328		5,748
CURRENT ASSETS					
Debtors		151,645		163,466	
Cash at bank and in hand		<u>78,242</u>		<u>1,005,641</u>	
		229,887		1,169,107	
CREDITORS					
Amounts falling due within one year		<u>11,489,425</u>		<u>11,833,221</u>	
NET CURRENT LIABILITIES			<u>(11,259,538)</u>		<u>(10,664,114)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(11,257,210)</u>		<u>(10,658,366)</u>
CAPITAL AND RESERVES					
Called up share capital	4		3,986		3,986
Share premium			3,151,181		3,151,181
Profit and loss account			<u>(14,412,377)</u>		<u>(13,813,533)</u>
SHAREHOLDERS' FUNDS			<u>(11,257,210)</u>		<u>(10,658,366)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2014.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2014 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

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 4 February 2015 and were signed on its behalf by:

K J Lomax - Director

The notes form part of these abbreviated accounts

**VOICEVAULT LIMITED (REGISTERED NUMBER: 05422709)
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**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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.

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.

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**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014**

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.

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.

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**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014**

2. INTANGIBLE FIXED ASSETS

	Total £
COST	
At 1 January 2014	
and 31 December 2014	<u>393,754</u>
AMORTISATION	
At 1 January 2014	
and 31 December 2014	<u>393,754</u>
NET BOOK VALUE	
At 31 December 2014	<u>-</u>
At 31 December 2013	<u>-</u>

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 £
COST	
At 1 January 2014	56,399
Additions	<u>2,461</u>
At 31 December 2014	<u>58,860</u>
DEPRECIATION	
At 1 January 2014	50,651
Charge for year	<u>5,881</u>
At 31 December 2014	<u>56,532</u>
NET BOOK VALUE	
At 31 December 2014	<u>2,328</u>
At 31 December 2013	<u>5,748</u>

4. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014 £	2013 £
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	<u>1,504</u>	<u>1,504</u>
			<u>3,986</u>	<u>3,986</u>

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

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**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014**

5. RELATED PARTY DISCLOSURES

Biometric Security Holdings Limited

The holding company of Voicevault Limited

No advances to fund working capital (2013: £1,822,853) were received during the accounting period. Repayments of £243,974 (2013: Nil) were made during the year.

	2014 £	2013 £
Amount due to related party at the balance sheet date	<u>11,083,108</u>	<u>11,327,082</u>

Voicevault, Inc.

A USA based subsidiary of Voicevault Limited

During the year Voicevault Limited repaid £51,349 (2013: £206,672) of loans to Voicevault, Inc.

	2014 £	2013 £
Amount due to related party at the balance sheet date	<u>353,278</u>	<u>404,627</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 £16,091 (2013: £21,876).

	2014 £	2013 £
Amount due to related party at the balance sheet date	<u>-</u>	<u>6,313</u>

6. 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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.