In accordance with Rule 3.35 of the Insolvency (England & Wales) Rules 2016 & Paragraph 49(4) of Schedule B1 to the Insolvency Act 1986

AM03
Notice of administrator's proposals

Companies House

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1 Company details

Company number	0 5 4 2 2 7 0 9
Company name in full	VoiceVault Limited

→ **Filling in this form**
Please complete in typescript or in bold black capitals.

2 Administrator's name

Full forename(s)	Andrew Stephen
Surname	McGill

3 Administrator's address

Building name/number	Smith & Williamson LLP
Street	3rd Floor
	9 Colmore Row
Post town	Birmingham
County/Region	
Postcode	B 3 2 B J
Country	United Kingdom

4 Administrator's name ❶

Full forename(s)	Gilbert John
Surname	Lemon

❶ **Other administrator**
Use this section to tell us about another administrator.

5 Administrator's address ❷

Building name/number	Smith & Williamson LLP
Street	Portwall Place
	Portwall Lane
Post town	Bristol
County/Region	
Postcode	B S 1 6 N A
Country	United Kingdom

❷ **Other administrator**
Use this section to tell us about another administrator.

AM03
Notice of Administrator's Proposals

6 Statement of proposals

☑ I attach a copy of the statement of proposals

7 Sign and date

Administrator's Signature	Signature ✕ ✕
Signature date	d 2 d 8 m 1 m 1 y 2 y 0 y 1 y 8

AM03
Notice of Administrator's Proposals

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name: Rachael Sherwood
Company name: Smith & Williamson LLP
Address: 3rd Floor, 9 Colmore Row
Post town: Birmingham
County/Region:
Postcode: B 3 2 B J
Country: United Kingdom
DX:
Telephone: 0121 710 5200

Checklist

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- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.

Important information

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Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

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Smith & Williamson

Voicevault Limited(in administration)

Joint administrators' Report and Statement of Proposals pursuant to Paragraph 49 of Schedule B1 Insolvency Act 1986

23 November 2018

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1. Glossary

Abbreviation	Description
the Company	Voicevault Limited
the administrators / joint administrators	Andrew Stephen McGill and Gilbert John Lemon
SIP	Statement of Insolvency Practice (England & Wales)
IA86	Insolvency Act 1986 If preceded by S this denotes a section number
Sch B1	Schedule B1 to the Insolvency Act 1986 If preceded by P this denotes a paragraph number
IR16	Insolvency (England and Wales) Rules 2016 If preceded by R this denotes a rule number
SOA	Statement of Affairs
ETR	Estimated to realise
CVA	Company Voluntary Arrangement
CVL	Creditors' Voluntary Liquidation
HMRC	HM Revenue & Customs
the Landlord	CBLH Plc t/a CitiBase
RPS	Redundancy Payments Service
FCA	Financial Conduct Authority
Biometric	Biometric Security Holdings Limited - the sole shareholder of the Company
VV Inc	VoiceVault Inc - a sister company of VoiceVault Limited incorporated in the USA
Verint	Verint Systems UK Limited
Coutts	Coutts & Co - the Company's bank
NDA	Non-disclosure agreement
CTO	Chief Technical Officer

2. Introduction

We, Andrew Stephen McGill and Gilbert John Lemon, of Smith & Williamson LLP, 3rd Floor, 9 Colmore Row, Birmingham, B3 2BJ and licensed insolvency practitioners, were appointed administrators of the Company on 8 October 2018

This report sets out our proposals in respect of the administration of the Company.

Appendix I contains information in respect of the Company and the joint administrators that is required under the IR16.

We will deliver these proposals to the creditors on **30 November 2018.**

3. Key points

- We were appointed joint administrators of the Company on 8 October 2018 by the sole Director.
- *The objective of the administration is as in P3(1)(b) Sch B1, namely 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 administrators' strategy was to maximise realisations into the estate by achieving a sale as a going concern of the Company's IT software and hardware, business contracts, intellectual property, and book debts. A sales process was undertaken and is discussed in detail in **Section 7.3** of this report. As part of this strategy, the administrators continued to trade the Company on a reduced scale for the duration of the sales process, and the Company's 3 employees were retained for this purpose.
- On 9 November 2018 the administrators completed a sale of the business and assets noted above as a going concern for £220,000 to Verint. These monies have been received into the Administration bank account.
- A total of £23,727 has been realised in respect of cash held in the Company's bank accounts at appointment.
- The Company's 3 employees were retained during the administration trading period, and were subsequently transferred to Verint under TUPE on 9 November 2018.
- The Company did not have any secured or preferential creditors.
- A distribution will be paid to the unsecured creditors in due course. The quantum and timing of this distribution are currently uncertain, however we anticipate it will not exceed 1 pence in the £ given the extent of unsecured liabilities (c. £12.5m, primarily monies owed to Biometric).
- Our proposals will be deemed to have gained the creditors' consent on 18 December 2018 if we do not receive a valid request for a creditors' meeting.
- Creditors with partly or wholly unsecured claims will be invited to form a Creditors' Committee which, if formed, will need to comprise three to five members.
- If 10% or more by value of the Company's creditors object to the proposals being approved by Deemed Consent and wish for us to call a meeting to consider the proposals, details of the process are covered in **Section 16** below.
- Creditors who meet certain thresholds prescribed by the Insolvency Act 1986, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may request that a physical meeting to be held to consider the Proposed Decisions (incorporating the approval of our fees). However, such a request must be made in writing to the Convener within 5 business days from 30 November 2018.
- We are seeking approval from the creditors of the basis of our remuneration and disbursements as set out at **Section 14** and of the pre-appointment costs and expenses as set out in **Section 13**.
- We are also seeking approval of our discharge from liability from the creditors.

4. Background to the administration

The Company was incorporated in April 2005 as Biometric Security Limited, and changed its name to VoiceVault Limited in March 2012. Its registered office was 1 Park Row, Leeds, LS1 5AB and it operated from Suite 50, Wellington, Wyvolls Court, Swallowfield, Reading, Berkshire, RG7 1WY.

The Company developed voice biometric solutions to establish trusted identities and enable trusted transactions. Its comprehensive suite of IT security products included mobile security, voice e-signatures, identity and access management, out of band authentication embedded voice biometrics, proof of life, and time and attendance tracking.

Significant investment was made by the Company's 100% shareholder, Biometric, in order to develop the biometrics products noted above, and a sister company (VV Inc) was established in the USA to provide sales services from a Silicon Valley base.

The Company secured a number of IT security contracts (including a service contract for a US financial institution) but failed to trade profitably due to inadequate revenue streams to meet its underlying cost base.

During 2018, Biometric concluded that it did not wish to invest the additional funds required to enable the Company to scale up, and which were ultimately required for it to achieve breakeven and trade profitably in the future. As a result, the Company carried out a marketing exercise in April 2018 to try to find a purchaser for the business. The marketing process was unsuccessful.

With cash flow pressures intensifying during September 2018, the Director sought advice from Smith & Williamson LLP. As a result, a strategy was agreed whereby the Company would be placed into Administration and accelerated sales process undertaken to identify potential interested parties and attempt to achieve a sale of the business and assets as a going concern.

Andrew Stephen McGill and Gilbert John Lemon are both qualified insolvency practitioners and licensed by the Institute of Chartered Accountants in England & Wales. As proposed joint administrators, statements and consents to act were provided by both on 5 October 2018.

The joint administrators were appointed by the company on 8 October 2018.

5. Purpose of administration and strategy

The joint administrators must perform their functions with the objective of:

- 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 (without first being in administration); or
- realising property in order to make a distribution to one or more secured or preferential creditors.

In this case, the second objective above is being pursued.

The first objective cannot be achieved in this instance as the Company's previous recent attempts to sell the business as a going concern have been unsuccessful, in part due to the significant outstanding loan owed to Biometric, and the Company's considerable share premium reserve.

We believe that the second objective has been achieved on the basis that the realisations from the administration have significantly exceeded what would have been achieved in liquidation, which will enhance the return to all creditors. Should the Company have ceased to trade prior to its IT software and hardware, business contracts and intellectual property being sold, it is likely that the value of the Company's intangible assets would have been significantly eroded, thereby reducing final realisations available for distribution to creditors.

In the absence of secured and preferential creditors, the third objective cannot be achieved.

Our role, prior to appointment as joint administrators, was to advise the Company, not the directors or any party considering acquisition of the business whether by means of a pre-pack or other. Once appointed, *administrators are obliged to perform their functions in the interests of the Company's creditors as a whole.* Where the objective of the administration is to realise property in order to make a distribution to secured or preferential creditors, we have a duty to avoid harming unnecessarily the interests of the creditors as a whole.

Section 7 provides details of the actions taken to date in pursuit of our strategy for the administration and **Section 10** details our proposals to achieve the purpose of the administration and to bring it to a conclusion in due course.

6. Joint administrators' receipts and payments

A summary of our receipts and payments for the administration period from the date of our appointment to 23 November 2018 is attached at **Appendix III**. This shows funds in hand of **£231,905.**

Further monies amounting to £1,423 and USD$5,403 are presently held in the Company's bank accounts. These monies will be transferred to the administration bank account and dealt with in due course.

7. Conduct of the administration

7.1 Strategy

The joint administrators sought to realise the following assets of the Company:

- IT software and hardware (primarily the Company's suite of IT security software)
- Customer contracts
- Intellectual property
- Book debts

Following pre-administration discussions with the Director, it was established that the strategy most likely to achieve the best possible realisation from these assets was to run a structured sales process. Further details are set out at **Section 7.3**.

In order to preserve the value of the assets (particularly the customer contracts, which constituted the future revenue stream for the business), the administrators continued to trade the Company on a reduced scale in administration. Further information is provided at **Section 7.2**.

The Company had 3 employees, all of whom were retained during the administration trading period and were subsequently transferred to Verint under TUPE on 9 November 2018.

7.2 Trading period

To protect the value of the business and enable a sale on a going concern basis, the administrators continued to trade the business on a reduced scale from 8 October 2018 until 9 November 2018.

The administrators retained the Company's 3 employees to facilitate this strategy and provide key financial and accounting information.

IT security services and customer support provided pursuant to the Company's ongoing service contracts remained available to customers during the administration trading period, but no new contracts were entered into or negotiated. This strategy prevented the customer contracts from being breached, and in doing so

secured the future income associated with them and facilitated collection of the debtor monies owed in respect of outstanding September invoices (see **Section 7.5** below).

The administrators wrote to Coutts on 15 October requesting that the Company's bank accounts remain open during the administration trading period in order to receive incoming debtor monies. However, in line with Coutts' standard policy, a block was placed on the Company's bank accounts on 22 October. It was agreed that Coutts would telephone the administrators to notify them of any incoming transactions and obtain permission for the transactions to be credited to the Company bank accounts. See **Section 7.4** for further information regarding the Companies bank accounts.

Trading receipts for October 2018 have been transferred to Verint under the terms of the asset sales agreement dated 9 November 2018, and as such there are no trading receipts. The net trading deficit is £14,310, however as noted above, continuity of trade was necessary to protect the value of the business while a sales process was carried out.

7.3 Sales process

A structured sales process for the Company's business and assets commenced on 8 October 2018, which followed the stages outlined below.

7.3.1 Identification of potential interested parties

The following sources were used to compile a list of parties who we believed might be interested in purchasing the assets:

- Discussions with the Director and Chief Technical Officer;
- Contacts of Smith & Williamson LLP, its Partners and Directors;
- Search of the FAME database; and
- Internet research to identify other companies operating within the same sector as VoiceVault.

The assets were also advertised via a press release circulated by S&W's marketing team, LinkedIn posts and TP Deals (an online business opportunities system run by Turner Parkinson LLP).

In total, 52 parties were identified.

7.3.2 Sales process

A structured sales process was used, which followed four stages:

1. An anonymised sales profile giving a high level overview of the assets for sale was circulated via the following channels:
    a. Emailed to all potential interested parties
    b. Shared via LinkedIn posts
    c. Uploaded to the TP Deals system
    d. Emailed to 15 contacts of S&W in the financial services and legal sectors; and
    e. Emailed to all S&W Partners & Directors with a request that they forward it on to any additional contacts they believed may be interested
2. Parties with an interest in purchasing the assets signed an NDA.
3. Upon receipt of a signed NDA, interested parties were provided with a sales pack containing additional information regarding the assets for sale and were put in contact with the CTO.
4. Full and final funded offers were requested with a deadline of Thursday 18 October 2018, on the understanding that the sale would be completed shortly thereafter.

7.3.3 Expressions of interest received

In total, 19 parties expressed an interest in the assets, all of whom requested an NDA to sign.

Signed NDAs were received from 13 parties. These parties were provided with a sales pack containing further information to enable them to complete their due diligence exercises, and were provided with contact details for the CTO.

Of the parties who signed NDAs, 6 went on to engage in discussions with the CTO regarding the technology on offer.

S&W and the CTO engaged in regular email and telephone correspondence with all 6 parties during the due diligence phase of the sales process.

7.3.4 Offers received & accepted

The administrators received offers from 3 parties by the deadline of 18 October 2018.

After considering the offers, the joint administrators accepted an offer of £250,000 submitted by Verint as this provided a significantly higher financial return to creditors than the other offers received.

7.3.5 Completion of the sales process

Following a period of protracted contract negotiations, the sale to Verint was completed on 9 November 2018. During the course of the contract negotiations it became apparent that the majority of contracts performed by the Company had been entered into in the name of its USA-based sister company, VV Inc, a company over which the Administrators had no control. As such, a separate asset sale agreement was required for these assets, and the consideration paid to the Company was reduced to £220,000 accordingly.

As the completion of the sale took longer than initially anticipated, it was agreed that Verint would assume responsibility for trading costs from 1 November.

7.4 Cash at bank

The Company operated two bank accounts with Coutts, one of which was an active current account and the other a reserve account with a nil balance.

Prior to the joint administrators' appointment, all funds held in the Company's GBP£ current account were transferred into a trust account held by Smith & Williamson LLP so as to enable smooth continuation of trade once the Company entered administration. These monies amounted to £6,562 and were paid into the administration estate on appointment.

A further £17,165 was received from VV Inc's USD$ bank account on 10 October, in respect of monies paid to VV Inc pursuant to customer contracts performed by the Company prior to the administration.

Total realisations in respect of cash at bank therefore amount to £23,727.

7.5 Book debts

At the date of appointment the Company's sales ledger had a value of USD$7,500 relating to invoices to September 2018.

These debtor monies were recovered in full into VV Inc's USD$ bank account, as this was the usual arrangement for the Company's customers. To date USD$3,445 has been transferred into the administration bank account at a rate of 1.378 USD$: 1 £GBP, resulting in a receipt of £2,500. The remaining debtor monies in the amount of USD$4,055 remain in VV Inc's USD$ bank account. We will arrange for these monies to be transferred into the administration bank account in due course.

7.6 Rent deposit

The Director's SOA shows a rent deposit of £3,156 in respect of the Company's Reading premises. It is anticipated that this will be offset against the liabilities arising as a result of the lease being terminated, which will exceed the value of the deposit. As such, there will be no realisation in respect of the rent deposit.

7.7 Bank interest

Bank interest in the amount of £6 has been received to date. This interest was received gross of tax.

7.8 Other steps taken since appointment

We summarise below the other key matters that we have dealt with since our appointment. We have:

- Negotiated arrangements with the Landlord regarding continued occupation of the premises;
- Retained a member of the accounts team during the trading period to produce critical financial information for the joint administrators;
- Obtained funds from the Company's former bank account (subject to any ongoing receipts from debtors into that account);
- Ensured the production and dispatch of P45s to former employees and relevant returns to HMRC;
- Liaised with creditors regarding their claims; and
- Commenced our initial investigations into the director's conduct, as required by statute.

8. Financial position at the date of administration

8.1 Director's SOA

Attached at **Appendix IV** is a copy of the Director's SOA as at the date of our appointment as joint administrators on 8 October 2018. We received the SOA on 22 October and it has since been filed with the Registrar of Companies.

We do not consider there to be any material omissions, discrepancies or errors in the SOA.

8.2 Charges and secured creditors

The Company had not granted any charges and accordingly there are no secured creditors.

8.3 Prescribed Part

Where a company has created a floating charge on or after 15 September 2003 Section 176A of the Insolvency Act 1986 makes provision for a share of the company's net property to be set aside for distribution to unsecured creditors in priority to the floating charge holder. The company's net property is the balance that remains after preferential creditors have been paid and which would then otherwise be available for satisfaction of the claims of any holder of a debenture secured by a floating charge. The funds are referred to as the Prescribed Part.

The Company did not grant any floating charges and the Prescribed Part requirements do not, therefore, apply.

8.4 Preferential creditors

The Company did not have any preferential creditors, as all employees were transferred to Verint under TUPE under the terms of the asset sale agreement dated 9 November 2018.

8.5 Unsecured creditors

Unsecured creditors are estimated to be £12,582,687 in the director's SOA. This primarily relates to inter-company loans from Biometric Security Holdings Limited, which amount to £12,548,401.

9. Estimated outcome for creditors

Our current assessment of the likely outcome for creditors is as follows:

- A distribution will be made to the Company's unsecured creditors in due course;
- The timing and quantum of such are currently uncertain, however we anticipate it will not exceed 1 pence in the £; and
- Any distribution will be made once the Company has entered creditors' voluntary liquidation (see **Section 11** below)

10. Proposals for achieving the purpose of administration

Our proposals for achieving the purpose of administration for the Company are as follows:

i. The administrators will continue to manage the affairs of the Company in order to achieve the purpose of the administration, namely with the objective of 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) pursuant to P3(1)(b) Sch B1.

ii. If having realised the assets of the Company, the joint administrators think that a distribution will be made to unsecured creditors, other than by way of any applicable Prescribed Part distribution, they propose filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the joint administrators to an end and will move the Company automatically into CVL in order that the distribution can be made.

iii. If the administrators consider it appropriate and cost effective to do so, they may make an application to court for permission to make any distribution to the unsecured creditors that is not from the Prescribed Part in the administration instead of moving the Company to CVL and then making a distribution. (Note: If permission is granted, subject to the need for further investigations as detailed in the next section, the Company will exit into dissolution once the distribution has been made and the administration concluded).

iv. If the joint administrators think that the Company has no property which might permit a distribution to its creditors, they will file a notice with the court and the Registrar of Companies for the dissolution of the Company.

v. The joint administrators shall do all such other things and generally exercise all of their powers as contained in Schedule 1 IA86, as they consider desirable or expedient to achieve the purpose of the administration.

vi. The administrators propose asking creditors to consider establishing a creditors' committee. If such a committee is formed the creditors who become members of the committee will be responsible for

sanctioning the basis of the joint administrators' remuneration and disbursements, any unpaid pre-administration costs and certain proposed acts on the part of the joint administrators. The committee will be able to make these decisions without the need to report back to a further meeting of creditors generally.

11. Exit route from administration

It is proposed that, at the appropriate time, the joint administrators will use their discretion to exit the administration by way of one of the following means:

i. If having realised the assets of the Company, the joint administrators think that a distribution will be made to the unsecured creditors other than by virtue of the Prescribed Part, they may file a notice with the Registrar of Companies which will have the effect of bringing the appointment of the joint administrators to an end and will move the Company automatically into CVL in order that the distribution can be made, but only if they consider that the associated incremental costs of a CVL are justified. In these circumstances, it is proposed that the joint administrators, A S McGill & G J Lemon, will become the joint liquidators of the CVL. The acts of the joint liquidators may be undertaken by either or both of them.

   Creditors have the right to nominate alternative liquidators of their choice. To do this, creditors must make their nomination in writing to the joint administrators prior to these proposals being approved. Where this occurs, the joint administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, the joint administrators will automatically become the joint liquidators of the Company in the subsequent CVL.

ii. If the joint administrators have, with the permission of the court, made a distribution to unsecured creditors in addition to any Prescribed Part distribution, or they think that the Company otherwise has no property which might permit a distribution to its unsecured creditors, subject to there being a need for further investigations as described below, they will file a notice, together with their final progress report, at court and with the Registrar of Companies for the dissolution of the Company. The joint administrators will send copies of these documents to the Company and its creditors. The joint administrators' appointment will end following the registration of the notice by the Registrar of Companies.

iii. Administrators have the power to bring claims against former officers of the company in respect of transactions that may have caused or exacerbated a company's insolvency. Claims with a good prospect of success may indeed be pursued by administrators but there may be cases where it would be more appropriate if a liquidator brought the claim or where the timeframe would not be long enough, given the maximum extension period available to administrators. The proposed exit route would, in these cases, be liquidation.

If a creditors' committee is established the joint administrators will consult with the members and agree the most appropriate exit route from administration.

12. Other matters relating to the conduct of the administration

The matters detailed below are not considered to be part of the proposals but are intended to provide creditors with information concerning the remaining statutory and other matters that must be dealt with in the administration.

- Submitting confidential information relating to the conduct of the director to the Department for Business, Energy & Industrial Strategy. This obligation arises under the Company Directors' Disqualification Act

1986. Creditors should note that the content of any submission is strictly confidential and under no circumstances will discussions be entered into regarding this.

- Considering the costs and merits of making an application to Court to enable a distribution to be made by the administrators in lieu of exiting via CVL; the sole purpose being to make this distribution.
- Filing corporation tax returns and obtaining tax clearance in respect of the administration period.
- Paying all costs and expenses of the administration once any required approval has been obtained.
- Further statutory reporting as required by IA86 and IR16.

13. Pre-administration costs and expenses

13.1 Pre-administration costs

Pre-administration costs are defined as fees charged and expenses incurred by the joint administrators or another person qualified to act as an insolvency practitioner before the Company entered administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the Company entered administration.

The basis of our pre-administration costs was set out in our engagement letter with the Company dated 2 October 2018. Our costs were to be charged on a time cost basis.

Our engagement was to:

- Advise on the financial control of the Company up to the date that the company entered administration, to include advising on the protection and sale of the Company's business and assets;
- Seek purchasers for all or part of the business - this involved commencing preparations for the structured sales process outlined in **Section 7.3**, including:
  - Preparation of a sales profile
  - Compilation of a listing of potential interested parties
  - Initial assessment as to what should be included in the sales pack
- Prepare, in consultation with the Company and solicitors, all necessary documentation for placing the Company into administration.

The pre-appointment work outlined above served to benefit the Company's creditors by ensuring that their position did not worsen during the period immediately prior to the Company entering administration, and enabling the sales process to commence immediately upon appointment (which ultimately resulted in a successful business and assets sale to Verint).

Our total time costs in assisting the Company prior to our appointment as joint administrators are **£12,698**, a breakdown of which is given in **Appendix V**. As at the date of this report none of these costs have been paid.

Pre-appointment fees charged and expenses incurred by us are detailed below:

Charged by/service(s) provided	Total amount charged £	Amount paid £	Who made payment	Amount unpaid £
Smith & Williamson LLP - services provided as outlined above	12,698	Nil	N/A	12,698
Harrison Clark Rickerbys LLP - solicitors time costs and disbursements	3,556	Nil	N/A	3,586

We are not aware of any fees or expenses incurred by any other person qualified to act as an insolvency practitioner with a view to the Company entering administration.

The payment of the unpaid pre-administration costs set out above as an expense of the administration is subject to the approval of creditors, separately from the approval of the joint administrators' proposals. This approval will be the responsibility of the creditors' committee if one is appointed or alternatively by resolution of a virtual meeting of creditors, electronic or postal voting where there is no committee. In this case we are requesting approval for a fixed fee of £75,000 to include both pre and post appointment work carried out.

14. Joint administrators' remuneration

Insolvency Practitioners are required to provide stakeholders with details of the work they propose to do and the expenses that are likely to be incurred. Prior to drawing any fees, these details must be provided to creditors and approval given. Alternatively, creditors may form a committee and, if so, it is up to the majority of committee members to give consent.

Where it is proposed that fees are drawn from the insolvent estate on a time costs basis, a fees estimate will also need to be provided. Where it is unrealistic to estimate the work to be done at the outset, an estimate may be provided for a designated period or up to a particular milestone.

Creditors should be aware that the fees estimate is based on information available at present and may change due to unforeseen circumstances arising. If any approved fees estimate is exceeded, a revised estimate will need to be provided and approval given before any fees may be drawn in excess of the original approved estimate.

Some of the work required by Insolvency Practitioners is required by law and may not necessarily result in any financial benefit for creditors (or members). Examples of this work would include investigations required under the Company Directors' Disqualification Act 1986 or dealing with former employees' claims through the Redundancy Payments Service.

On some occasions, third parties may be instructed to provide expert advice on tax, legal or property matters to produce a financial benefit to creditors.

Each aspect of the work undertaken will require different levels of expertise and, therefore, cost. To make it clear, we have given the rates for each grade of staff with estimates of the total hours to be spent on each aspect in the table provided.

The basis of the joint administrators' remuneration may be fixed on one or more of the following bases and different bases may be fixed in respect of different things done by them:

- as a percentage of the value of the assets they have to deal with, or
- by reference to time properly spent by the joint administrators and their staff in attending to matters arising in the administration, or
- as a set amount

In this case, the joint administrators are seeking approval for the basis of their remuneration as follows:

- As a set amount of **£75,000** to meet pre and post appointment costs to the conclusion of the Administration (or CVL, should this be the exit route to facilitate the unsecured dividend). The post appointment costs incurred to date in respect of the administrators' fees amount to **£54,693**, and a full breakdown of this is set out in **Appendix VI**. As noted in Section 13 above, the administrators' pre appointment time costs are **£12,698**. The total time costs incurred to date therefore amount to **£67,391**.

Where no creditors' committee is appointed, approval of the joint administrators' remuneration shall be fixed using the decision making process either at a virtual creditors' meeting or by electronic and/or postal voting. Where the joint administrators have concluded that the company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with R18.18 IR16.

A total fee estimate is set out at **Appendix VII**, which includes the estimated time costs to the conclusion of the Administration (or CVL, should this be the exit route to facilitate the unsecured dividend). We estimate that the total costs for the administration will be approximately **£88,336**. Included in this total estimate are the accrued joint administrators' pre and post appointment time costs to 23 November 2018, which total **£67,391**. A breakdown is given in **Appendix V** (pre appointment) and **Appendix VI** (post appointment). This represents 284 hours at an average rate of £238 per hour.

A copy of "A Creditor's Guide to Administrator's Fees", as produced by the ICAEW, is available free on request or can be downloaded from their website as follows:

https://www.icaew.com/-/media/corporate/files/technical/insolvency/creditors-guides/2017/administration-creditor-fee-guide-6-april-2017.ashx?la=en

Details of Smith & Williamson LLP's charge out rates and policies in relation to the use of staff are provided at **Appendix VIII**.

15. Administration expenses

15.1 Trading costs

We have incurred and/or paid the following costs in relation to the administration trading period. The nature of the work provided and the basis upon which fees were agreed is also set out below.

Provider/service(s)	Basis of fee arrangement	Costs incurred in current period £	Costs paid in current period £
Direct labour - 3 employees	Net October 2018 salaries based on contracts of employment	11,528	11,528
HMRC - PAYE & NI	Deductions from October 2018 payroll	7,312	Nil
NetPayroll.co.uk Limited - Payroll processing	£50 per month processed (September & October 2018)	100	Nil
CBLH Plc t/a CitiBase - Telephone & web service	Telephone costs based on usage & standard monthly IT costs (September & October 2018)	315	315
Microsoft Office 365	October 2018 invoices based on usage	39	39
Amazon Web Service	£1,626 per month (September & October 2018)	3,252	1,626
NEST - Pension contributions for employees	In accordance with usual payroll figures	840	840

All costs relating to September 2018 were paid as ransom payments to ensure the continuation of critical IT, office and payroll services during the administration trading period.

15.2 Subcontractors

We have not utilised the services of any subcontractors in this case.

15.3 Professional advisors

We have used the professional advisers listed below. We have also indicated alongside the basis of our fee arrangement with them, which is subject to review on a regular basis.

Professional adviser/service	Basis of fee arrangement	Costs incurred £	Costs paid £
Harrison Clark Rickerbys LLP (legal advice re the business & asset sale to Verint)	Hourly rate and disbursements (see note below)	29,034	Nil
Total		**29,034**	**Nil**

The costs incurred in respect of Harrison Clark Rickerbys LLP relates to extensive contract negotiations relating to the business and asset sale outline in Section 7 of this report. They have agreed to restrict their fees to £25,000 (excluding disbursements and VAT).

15.4 Administrators' disbursements

We have paid and/or incurred the following disbursements in the current period:

Description	Incurred in current period £	Paid in current period £	Total costs outstanding at period end £
Statutory advertising	81	Nil	81
Joint Administrators' bonds	140	Nil	140
Category 2 disbursements (see next section)	183	Nil	183
Continuing IT services (Microsoft Office 365)	39	Nil	39
Subsistence	17	Nil	17
Total	**460**	**Nil**	**460**

Note: Total costs outstanding may include costs incurred in prior periods, but not yet paid.

Payment of the Microsoft Office 365 subscription was paid as a disbursement due to a credit card being *required in order to make payment. This transaction is also noted in* ***Section 15.1*** *above.*

15.5 Category 2 disbursements

Since our appointment we have incurred the following Category 2 disbursements:

Description	Cost incurred £
Business mileage @ HMRC rates	182.70

The business mileage incurred relates to attendance at the Company's premises on 8 October 2018.

In accordance with SIP 9, Remuneration of Insolvency Office Holders, the joint administrators will be seeking approval to draw Category 2 disbursements as and when funds are available, in accordance with Smith & Williamson's disbursement recovery policy.

15.6 Policies regarding use of third parties and disbursement recovery

Details of Smith & Williamson's policies regarding the use of subcontractors and professional advisors and the recovery of disbursements are set out at **Appendix VIII**.

16. Creditors decisions

With the exception of the proposals relating to the joint administrators' and third party pre and post appointment remuneration and costs, the joint administrators propose to seek approval of these proposals by deemed consent. Unless more than 10% in value of relevant creditors object to the decision to approve the proposals by deemed consent, approval of the proposals will take effect from 18 December 2018. Relevant creditors are those creditors who would be entitled to vote in the event of an alternative decision procedure being used.

If any creditors object to the joint administrators seeking approval of the proposals by deemed consent, those creditors will have to have delivered a notice to this effect to the joint administrators, along with a proof in respect of their claim, by no later than 18 December 2018, failing which their objection will be disregarded.

It is the joint administrators' responsibility to aggregate any objections to see if the threshold is met for the decision to approve the proposals by deemed consent is to be taken as having not been made.

In the event that the threshold is met, the deemed consent procedure will no longer apply and approval will be sought by means of an alternative decision procedure.

The joint administrators wish to seek approval of third party and their pre and post appointment remuneration and costs by means of voting by correspondence, together with being discharged from liability once their appointment ceases to have effect. Notice to this effect is given in **Appendix X** along with steps required by creditors.

Creditors who meet certain thresholds prescribed by the Insolvency Act 1986, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may request a physical meeting to be held to consider the Proposed Decisions (incorporating the approval of our fees). However, such a request must be made in writing to the Convener within 5 business days from 30 November 2018.

However, there are certain matters that require specific approval from creditors and we propose to deal with these by correspondence rather than by calling a virtual meeting of creditors, in order to save costs. Notice of these decisions is attached at **Appendix IX** along with a voting form for you to complete and return no later than 18 December 2018.

17. Privacy and data protection

As part of our role as joint administrators, I would advise you that we may need to access and use data relating to individuals. In doing so, we must abide by data protection requirements. Information about the way that we will use and store personal data in relation to insolvency appointments can be found at https://smithandwilliamson.com/rrsgdpr

If you are unable to download this, please contact my office and a hard copy will be provided free of charge.

To the extent that you hold any personal data of the Company's data subjects provided to you by the Company or obtained otherwise, you must process such data in accordance with data protection legislation. Please contact us if you believe this applies.

18. Next report and creditors' rights

The joint administrators are required to provide a progress report within one month of the end of the first six months of the administration or earlier if the administration has been finalised.

From receipt of the first progress report, creditors have rights under IR16 to request further information and to challenge the joint administrators' remuneration and/or expenses incurred. In summary:

- Within 21 days of the receipt of a progress report, a secured creditor, or an unsecured creditor (with the concurrence of at least 5% in value of the unsecured creditors or otherwise with the court's permission) may request in writing that the joint administrators provide further information about their remuneration or expenses which have been itemised in the report.
- Any secured creditor, or an unsecured creditor (with the concurrence of at least 10% in value of the unsecured creditors or otherwise with the court's permission) may within 8 weeks of receipt of a progress report make an application to court on the grounds that, in all the circumstances, the basis fixed for the joint administrators' remuneration is inappropriate and/or the remuneration charged or the expenses incurred (including any paid) by the joint administrators, as set out in the report, are excessive.

The above rights apply only to matters which have not been disclosed in previous reports.

On a general note, if you have any comments or concerns in connection with our conduct, please contact Andrew Stephen McGill or Gilbert John Lemon in the first instance. If the matter is not resolved to your satisfaction, you may contact our Head of Legal by writing to 25 Moorgate, London EC2R 6AY or by telephone on 020 7131 4000.

Thereafter, if you wish to take the matter further you may contact the Insolvency Services directly via Insolvency Complaints Gateway. They can be contacted by email, telephone or letter as follows:

i) Email: insolvency.enquiryline@insolvency.gsi.gov.uk

ii) Telephone number: +44 300 678 0015

iii) Postal address: The Insolvency Service, IP Complaints, 3rd Floor, 1 City Walk, Leeds LS11 9DA.

Andrew Stephen McGill and Gilbert John Lemon

Joint Administrators

Date: 23 November 2018

I Statutory information

Relevant Court	High Court of Justice, Business & Property Court in Birmingham Companies & Insolvency List
Court Reference	8273 of 2018
Trading Name(s)	N/A
Trading Addresses	Suite 50 Wellington, Wyvolls Court, Swallowfield, Reading, Berkshire, RG7 1WY
Former Name(s)	Biometric Security Limited
Registered Office	1 Park Row, Leeds, LS1 5AB
Registered Number	05422709
Joint Administrators	Andrew Stephen McGill and Gilbert John Lemon both of 3rd Floor, 9 Colmore Row, Birmingham, B3 2BJ (IP No(s) 9350 and 9573) In accordance with P100 (2) Sch B1 1A 86 a statement has been made authorising the Joint Administrators to act jointly and severally.
Date of Appointment	8 October 2018
Appointor	Sole Director
Director(s)	Mr Kevin Lomax
Shareholder(s)	Biometric Security Holdings Limited (100%)
Secretary (if applicable)	Pinsent Masons Secretarial Limited
EU Regulations	The EU Regulation on Insolvency Proceedings 2015 applies to the administration. The proceedings are main proceedings as defined by Article 3 of the Regulation. The Company is based in the United Kingdom.

II Prior professional relationship

Statement of prior professional relationship of Andrew Stephen McGill and Gilbert John Lemon in respect of the appointment of joint administrators

We have a prior professional relationship with VoiceVault Limited to the extent set out below:

We are Partners of Smith & Williamson LLP. Representatives of Smith & Williamson LLP have had meetings with the Director of the Company to give advice on its financial position and options.

No fees have been received in respect of the services noted above.

We confirm that we have fully considered the relevant guide to professional conduct and ethics issued by our professional body and are satisfied that the existence of this prior relationship does not create any conflict of interest or threat to independence for us as office holders.

We confirm that we considered whether the interests of creditors would be better served by the appointment of other insolvency practitioners as the joint administrators and are satisfied that, with the implementation of the safeguards explained above, the interests of creditors will not be prejudiced by our appointment as the joint administrators.

III Receipts and payments account

Receipts and payments account to 23 November 2018

Voicevault Limited
(In Administration)
Joint Administrators' Trading Account

Statement of Affairs £		From 08/10/2018 To 23/11/2018 £	From 08/10/2018 To 23/11/2018 £
	OTHER DIRECT COSTS		
	Direct Labour	11,528.31	11,528.31
	Pension Contributions	420.22	420.22
		(11,948.53)	(11,948.53)
	TRADING EXPENDITURE		
	Ransom - September Pensions	420.22	420.22
	Ransom - September Phone & Web	205.00	205.00
	Telephone & Web Service	110.42	110.42
	Bank Charges	0.40	0.40
	Ransom - September Amazon	1,625.83	1,625.83
		(2,361.87)	(2,361.87)
	TRADING SURPLUS/(DEFICIT)	**(14,310.40)**	**(14,310.40)**

Voicevault Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs £		From 08/10/2018 To 23/11/2018 £	From 08/10/2018 To 23/11/2018 £
	ASSET REALISATIONS - CASH		
3,156.00	Rent Deposit	NIL	NIL
NIL	Furniture & Equipment	NIL	NIL
6,331.44	Book Debts	2,500.00	2,500.00
250,000.00	Intellectual Property Rights/Patents	220,000.00	220,000.00
6,562.31	Cash at Bank	23,727.26	23,727.26
	Bank Interest Gross	5.92	5.92
	Trading Surplus/(Deficit)	(14,310.40)	(14,310.40)
		231,922.78	231,922.78
	COST OF REALISATIONS		
	Change of name fee	10.00	10.00
	Bank Charges	7.95	7.95
		(17.95)	(17.95)
	UNSECURED CREDITORS		
(12,582,686.61)	Trade & Expense Creditors	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(3,987.00)	Ordinary Shareholders	NIL	NIL
(3,151,181.00)	Share Premium	NIL	NIL
		NIL	NIL
(15,471,804.86)		**231,904.83**	**231,904.83**
	REPRESENTED BY		
	VAT Receivable		703.83
	Deposit account		231,516.60
	VAT Payable		(315.60)
			231,904.83

Notes and further information required by SIP 7

- The joint administrators' remuneration has not yet been approved.
- We have not yet sought approval of or drawn any other costs that would require the same approval as our remuneration.
- No payments have been made to us from outside the estate.
- Details of significant expenses paid are provided in the body of our report.
- Details of payments made to sub-contractors are shown in the body of our report.
- Information concerning our remuneration and disbursements incurred is provided in the body of the report.
- Information concerning the ability to challenge remuneration and expenses of the administration is provided in our report.
- All bank accounts are interest bearing.
- There are no foreign currency holdings within the Administration bank account at this time, however there is USD$4,055 belonging to the Company held in VV Inc's USD$ bank account as at 23 November. These funds (net of bank charges) will be transferred to the Administration bank account in due course.
- All amounts in the receipts and payments account are shown exclusive of any attributable VAT. Where VAT is not recoverable it is shown as irrecoverable VAT.

IV Director's Statement of Affairs as at 8 October 2018

R3.30 IR 2016

Statement of affairs

Name of Company	Company number
Voicevault Limited	06422709

In the	Court case number
High Court of Justice, Business & Property Court in Birmingham Companies & Insolvency List [full name of court]	8273 of 2018

(a) Insert name and address of registered office of the company

Statement as to the affairs of (a) Voicevault Limited, 1 Park Row, Leeds, LS1 5AB

(b) Insert date

on the (b) 8 October 2018, the date that the company entered administration.

Statement of Truth

I believe that the facts stated in this statement of affairs are a full, true and complete statement of the affairs of the above-named company as at (b) 8 October 2018 the date that the company entered administration.

Full name KEVIN JOHN LOWRY

Signed

Dated 30/10/2018

A – Summary of Assets

Assets

	Book Value £	Estimated to Realise £
Assets subject to fixed charge: – NONE	—	—
Assets subject to floating charge: – NONE	—	—
Uncharged assets:		
CASH AT BANK	6562-31	6562-31
FIXED ASSETS	665-00	—
TRADE DEBTORS	6331-44	6331-44
RENT DEPOSIT	3156-00	3156-00
IPR	—	250,000-00
Estimated total assets available for preferential creditors	16,714-75	266,049-75

Signature _____ Date 23/10/09

A1 – Summary of Liabilities

		Estimated to realise £
Estimated total assets available for preferential creditors (carried from page A)	£	266,047.75
Liabilities Preferential creditors:-	£ NIL	—
Estimated ~~deficiency~~/surplus as regards preferential creditors	£	266,047.75
Estimated prescribed part of net property where applicable (to carry forward)	£ NIL	—
Estimated total assets available for floating charge holders	£	266,047.75
Debts secured by floating charges	£ NIL	—
Estimated ~~deficiency~~/surplus of assets after floating charges	£	266,047.75
Estimated prescribed part of net property where applicable (brought down)	£ NIL	—
Total assets available to unsecured creditors	£	266,047.75
Unsecured non-preferential claims (excluding any shortfall to floating charge holders) a.Unsecured non-preferential company creditor claims b.Unsecured non-preferential former employee & director claims (claims) c.Unsecured non-preferential consumer claims (claims)	£ 12,552,686.61	12,552,686.61
Estimated deficiency/~~surplus~~ as regards non-preferential creditors (excluding any shortfall to floating charge holders)	£	12,316,638.86
Shortfall to floating charge holders (brought down)	£ NIL	—
Estimated deficiency/~~surplus~~ as regards creditors	£	12,316,638.86
Issued and called up capital SHARE PREMIUM RESERVE	£ £3,987 £3,151,181	3,987.00 3,151,181.00
Estimated total deficiency/surplus as regards members	£	15,471,806.86

Signature _____ Date 23/10/2018

Smith & Williamson LLP
Voicevault Limited
Creditor Claims Summary Report

Key	Name	Rep. By	S of A £	Claim £	Agreed Claim £
CB00	Baiards LLP		1,800.00	0.00	0.00
CB01	BIOMETRIC SECURITY HOLDINGS LIMITED		12,548,401.00	0.00	0.00
CC00	Citibase Holdings Limited		2,216.68	0.00	0.00
CC01	Coutts Business Card		204.30	0.00	0.00
CG00	Genesys Telecommunications Laboratories		1,134.56	0.00	0.00
CH00	HMRC PAYE		21,899.14	0.00	0.00
CJ00	Jobson James Insurance Brokers Limited		3,940.06	0.00	0.00
CJ01	INDIVIDUAL CREDITOR (X1)		2,217.25	0.00	0.00
CN00	NEST Pension Schems		420.22	0.00	0.00
CN01	NetPayroll.co.uk Limited		60.00	0.00	0.00
CP00	Personalized Communications, Inc		92.00	0.00	0.00
CR00	Regus		279.00	0.00	0.00
CR01	RBS Citizens Commercial Account		0.00	0.00	0.00
CS00	Select Environmental Services Limited		20.40	0.00	0.00
14 Entries Totalling			12,582,688.81	0.00	0.00

Signature

B2 - COMPANY CREDITORS – CONSUMER CREDITORS — N/A

Name of creditor or Claimant	Address (with postcode)	Amount of debt £	Details of any security held by creditor	Date security given	Value of security £

Signature _____ Date 23/10/2013

B1 - COMPANY CREDITORS – EMPLOYEES & DIRECTORS – N/A

Name of creditor or Claimant	Address (with postcode)	Amount of debt £

Signature _____ Date 21/11/2015

COMPANY SHAREHOLDERS

Name of Shareholder	Address (with postcode)	No. of shares held	Nominal Value	Details of Shares held
BIOMETRIC SECURITY HOLDINGS LIMITED	1 PARK ROW, LEEDS, LS1 5AB	129,138	£1291.38	ORDINARY 1p
BIOMETRIC SECURITY HOLDINGS LIMITED	1 PARK ROW, LEEDS, LS1 5AB	119,116	£1191.16	A PREFERRED 1p
BIOMETRIC SECURITY HOLDINGS LIMITED	1 PARK ROW, LEEDS, LS1 5AB	150,459	£1504.59	B PREFERRED 1p
	TOTALS	398,713	£3987.13	

Signature _____ Date 28/10/2018

V Time analysis for the pre-appointment period

Time costs incurred to 8 October 2018

VoiceVault Limited
Breakdown of time spent by Smith & Williamson LLP employees
for the period ended 8 October 2018

	Hours							
Classification of work function	**Partner**	**Associate director**	**Manager/ Assistant Manager**	**Senior Administrator/ Administrator**	**Assistants & support staff**	**Total hours**	**Time cost**	**Average hourly rate**
Pre-Appointment								
AML, Conflict & ethics checks, engagement letters	0.00	0.00	1.50	7.60	0.00	9.10	1,795.00	197.25
Initial meetings	0.00	0.00	3.00	0.00	0.00	3.00	930.00	310.00
General advisory work insolvent	3.70	0.00	3.25	0.00	0.00	6.95	2,339.50	336.62
Appointment formalities	2.00	0.00	0.75	0.00	0.00	2.75	952.50	346.36
Preparation of pre-appointment documents	0.00	0.00	1.25	0.35	0.00	1.60	448.75	280.47
Interested parties	0.00	0.00	0.00	9.15	0.00	9.15	1,601.25	175.00
Job planning	0.00	0.00	3.45	20.35	0.00	23.80	4,630.75	194.57
Total	**5.70**	**0.00**	**13.20**	**37.45**	**0.00**	**56.35**	**12,697.75**	**225.34**

Explanation of major work activities undertaken

- Completion of anti-money laundering, conflict and ethics checks;
- Initial meeting with the Director regarding the position of the Company;
- Advising the Director during the period preceding the administration;
- Liaising with Harrison Clark Rickerbys LLP regarding appointment formalities & documents; and
- Planning and preparation for the structured sales process, comprising preparation of a high level sales profile, identification of interested parties and assessment of the information required for a sales pack.

VI Time analysis for the period

From 8 October 2018 to 23 November 2018

VoiceVault Limited
Breakdown of time spent by Smith & Williamson LLP employees
for the period ended 23 November 2018

Classification of work function	Partner	Associate director	Manager/ Assistant Manager	Senior Administrator/ Administrator	Assistants & support staff	Total hours	Time cost	Average hourly rate
	Hours							
Administration and planning								
Statutory returns, reports & meetings	0.00	0.00	3.60	7.50	0.00	11.10	2,428.50	218.78
Initial post-appointment notification letters, including creditors	0.00	0.00	1.75	2.95	0.00	4.70	1,058.75	225.27
Cashiering general, including bonding	0.00	0.00	0.00	4.00	0.00	4.00	721.75	180.44
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary	4.30	0.00	0.00	0.00	0.00	4.30	1,548.00	360.00
Travelling	0.00	0.00	0.00	3.00	0.00	3.00	525.00	175.00
Filing, file and information management	0.00	0.00	0.00	3.25	0.00	3.25	568.75	175.00
Director/manager review, approval and signing	0.50	0.00	0.00	0.00	0.00	0.50	260.00	520.00
Other	1.20	0.00	3.15	3.35	0.00	7.70	1,994.75	259.06
Investigations								
Directors' correspondence & conduct questionnaires	0.00	0.00	0.00	1.90	0.00	1.90	332.50	175.00
Realisation of assets								
Debtors not financed (includes reassigned debtors)	0.00	0.00	0.30	0.00	0.00	0.30	93.00	310.00
Sale of business as a whole, including liaison with legal advisers agents etc	14.95	0.00	62.75	80.50	0.00	158.20	38,922.00	246.03
Cash at Bank	0.00	0.00	0.00	0.85	0.00	0.85	148.75	175.00
Sale of business-post completion matters	1.60	0.00	0.70	0.00	0.00	2.30	793.00	344.78
Other	0.00	0.00	0.00	0.55	0.00	0.55	96.25	175.00
Trading								
Trading on decision and day 1-3 operations	0.00	0.00	1.25	0.00	0.00	1.25	387.50	310.00
Sales and customers	0.00	0.00	1.90	0.00	0.00	1.90	589.00	310.00
Purchasing/suppliers (not landlord)	0.00	0.00	0.15	2.80	0.00	2.95	536.50	181.86
Accounting	0.00	0.00	1.25	6.80	0.00	8.05	1,577.50	195.96
Staff and payroll (inc PAYE/NIC for trading period)	0.00	0.00	0.65	1.60	0.00	2.25	481.50	214.00
Creditors								
Employees & pension (other) (incl Jobcentre/CSA etc)	0.00	0.00	0.30	3.90	0.00	4.20	770.50	183.45
Unsecured creditors	0.00	0.00	0.65	3.05	0.00	3.70	735.25	198.72
Case-Specific 1, Shareholders								
Shareholder general communications	0.00	0.00	0.40	0.00	0.00	0.40	124.00	310.00
Total	**22.55**	**0.00**	**78.80**	**126.00**	**0.00**	**227.35**	**54,692.75**	**240.57**

Explanation of major work activities undertaken

Administration & Planning

The following activities have been undertaken:

- Initial notification of appointment to creditors and shareholders;
- Statutory duties associated with the appointment;
- Opening and maintaining bank accounts;
- Identification of and securing access to physical and electronic records to be retained;
- Liaising with HMRC regarding the Company's tax records;
- 'Other' administration and planning to include preparing and maintaining an EOS for the case; and
- Statutory reporting to creditors, including this report.

Investigations

The time spent includes the following matters:

- *Issuing a conduct questionnaire to the sole Director; and*
- Initial work to comply with SIP2 & SIP4 obligations.

Realisation of Assets

Please refer to Section 7 of this report for full details, but in summary the time spent includes:

- Carrying out a structured sales process for the assets of the Company, to include:
  - Identifying and liaising with interested parties regarding the Company's asset;
  - Preparing and circulating further information required by interested parties;
  - Preparation of a high level sales profile;
  - Compilation and maintenance of a comprehensive sales pack;
  - Liaising with Verint, Verint's solicitors and HCR regarding the asset sales agreement;
- Liaising with Verint to bring post-sale matters to a close following completion of the sale;
- Liaising with Coutts regarding the Company's bank accounts; and
- Liaising with the Company's office manager regarding collection of book debts.

Trading

The time spent relates to the following matters:

- Meeting with the Company's employees on day 1 to outline the proposed strategy;
- Liaising with the Company's employees throughout the trading period regarding the ongoing provision of IT security services to customers;
- Continuously reviewing the Company's cash flows to ensure sufficient funds were available to continue trading;
- Liaising with the Company's bank regarding receipts and blocks placed on the accounts;
- Liaising with the Company's payroll provider to ensure that wages were paid in a timely manner;
- Liaising with the Company's suppliers and making critical payments where necessary; and
- Responding to creditor queries regarding the Company's continued operation.

Creditors

The time spent includes:

- Recording and maintaining the list of creditors;
- Dealing with creditor queries arising as a result of the ongoing strategy, and assisting with any claim queries; and
- Notifying HMRC of the Administration.

Shareholders

The time spent includes:

- Liaising with the sole shareholder regarding the dividend prospects as a result of the administration.

VII Fees and costs estimate

VoiceVault Limited (in Administration)
Fees estimate according to number of hours, grade of staff and expected work to be undertaken

	Hours							
Classification of work function	***Partner***	**Associate** ***director***	**Manager/ Assistant** ***Manager***	**Senior Administrator/** ***Administrator***	**Assistants &** ***support staff***	**Total** ***hours***	***Time cost***	**Average hourly** ***rate***
Time costs previously incurred								
Administrators' pre-appointment time costs	5.70	0.00	13.20	37.45	0.00	56.35	12,697.75	225.34
Administrators' time costs for the period 8 October - 23 November 2018	22.55	0.00	78.80	126.00	0.00	227.35	54,692.75	240.57
Total	**28.25**	**0.00**	**92.00**	**163.45**	**0.00**	**283.70**	**67,390.50**	**237.54**
Administration and planning								
Statutory returns, reports & meetings	2.00	0.00	4.00	13.00	0.00	19.00	3,835.00	201.84
Cashiering general, including bonding	0.00	0.00	0.00	3.50	0.00	3.50	612.50	175.00
Job planning, reviews and progression (inc 6 month reviews and planning meetings, checklist & diary	0.00	0.00	2.00	3.50	0.00	5.50	1,032.50	187.73
Post appointment taxation (VAT, PAYE-NIC, Corp Tax that are not trading related)	0.00	0.00	0.50	3.50	0.00	4.00	717.50	179.38
Protection of company records (incl electronic)	0.00	0.00	0.00	2.50	0.00	2.50	437.50	175.00
Insurance & general asset protection	0.00	0.00	0.00	1.00	0.00	1.00	175.00	175.00
Filing, file and information management	0.00	0.00	0.50	2.50	0.00	3.00	542.50	180.83
Director/manager review, approval and signing	1.50	2.75	0.00	0.00	0.00	4.25	540.00	127.06
Investigations								
Directors correspondence & conduct questionnaires	0.00	0.00	0.50	1.50	0.00	2.00	367.50	183.75
Statutory books and accounting records review	0.00	0.00	1.00	6.00	0.00	7.00	1,260.00	180.00
SIP2 and SIP4 obligations (inc CDDA86 forms)	1.00	0.00	2.00	4.00	0.00	7.00	1,480.00	211.43
Director/manager review, approval and signing	0.50	0.00	1.50	0.00	0.00	2.00	495.00	247.50
Realisation of assets								
Cash at Bank	0.00	0.00	0.00	2.00	0.00	2.00	350.00	175.00
Sale of business-post completion matters	0.00	0.00	1.50	3.00	0.00	4.50	840.00	186.67
Director/manager review, approval and signing	1.00	0.00	0.50	0.00	0.00	1.50	465.00	310.00
Trading								
Purchasing/suppliers (not landlord)	0.00	0.00	1.50	3.00	0.00	4.50	840.00	186.67
Accounting	0.00	0.00	0.00	1.50	0.00	1.50	262.50	175.00
Staff and payroll (inc PAYE NIC for trading period)	0.00	0.00	1.00	2.50	0.00	3.50	647.50	185.00
Premises issues (inc landlord and site clearance)	0.00	0.00	1.00	2.50	0.00	3.50	647.50	185.00
Director/manager review, approval and signing	0.00	0.00	0.50	0.00	0.00	0.50	105.00	210.00
Creditors								
Crown (not RPO etc)	0.00	0.00	0.50	1.50	0.00	2.00	367.50	183.75
Unsecured creditors	0.00	0.00	2.00	6.00	0.00	8.00	1,470.00	183.75
Distributions for prefs and unsecured	1.00	0.00	2.50	4.00	0.00	7.50	1,585.00	211.33
Filing creditors	0.00	0.00	0.00	1.50	0.00	1.50	262.50	175.00
Director/manager review, approval and signing	1.00	0.00	1.00	0.00	0.00	2.00	570.00	285.00
Case-Specific 1, Shareholders								
Shareholder general communications	0.50	0.00	1.00	1.00	0.00	2.50	565.00	226.00
Shareholder non statutory reporting	0.00	0.00	1.00	1.50	0.00	2.50	472.50	189.00
Total	**8.50**	**2.75**	**26.00**	**71.00**	**0.00**	**108.25**	**88,335.50**	**816.03**

Explanation of major work activities to be undertaken

An explanation of the work carried out to date is included in **Appendix V** (pre-appointment) and **Appendix VI** *(post-appointment) above.*

The headings below outline the further work we expect to undertake to bring the Administration to completion.

Administration & Planning

- Statutory notifications and advertising
- Protection of the Company's assets and records (including electronic)
- Dealing with routine correspondence
- Maintaining physical case files and electronic case details on IPS (case management software)
- *Case reviews (including 6 month case reviews)*
- Case bordereau and reviews
- Case planning, administration and general case progression, including adjustments in strategy

- Preparing reports to stakeholders
- Maintaining and managing the administration cash book and bank account
- Submitting VAT returns and Corporation Tax returns
- Dealing with internal Smith & Williamson LLP compliance requirements
- Finalisation of the administration, whether by arranging for the Company to move automatically into CVL or making an application to Court for permission to make a distribution to the unsecured creditors in administration (see **Section 10**)

Investigations

- Investigating the reasons for the failure of the Company (including enquiries with the Company's Director and possible interviews with key stakeholders)
- Review of Company books and records;
- Preparing a return pursuant to the Company Directors Disqualification Act
- Discussions and correspondence with relevant personnel and agents

Realisation of Assets

- Liaising with Verint to finalise post-sales process matters
- Dealing with tax matters arising as a result of the sales process
- Realising the remaining cash at bank and closing the Company's bank account
- Liaising with the Landlord in relation to the rent deposit

Trading

- Discharging the outstanding costs incurred during the trading period
- Liaising with suppliers regarding services received during the trading period
- Payment of trading period PAYE/NIC to HMRC

Creditors

- Dealing with creditor correspondence via email and telephone
- If applicable, dealing with the creditors committee by email and telephone
- Maintaining creditors' information on our insolvency database
- Adjudicating on creditor claims
- Making a distribution to the unsecured creditors

Shareholders

- Maintaining shareholder information on IPS software
- Shareholder communications, including non-statutory reporting

VIII Staffing, charging, subcontractor and adviser policies and charge out rates

Introduction

Detailed below are:

- Smith & Williamson LLP's policies in relation to:
  - Staff allocation and the use of subcontractors
  - Professional advisers
  - Disbursement recovery
- Smith & Williamson LLP's current charge out rates

Staff allocation and the use of subcontractors

Our general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a partner and a partner or director or associate director as joint office holders, a manager, and an administrator or assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. The charge out rate schedule below provides details of all grades of staff and their experience level.

We may use subcontractors to perform work which might ordinarily be carried out by us and our staff where it is cost effective to do so and/or where the specific expertise offered by the subcontractor is required.

Details of any subcontractors' services utilised in the period covered by this report are set out in the body of this report.

Use of professional advisers

We select professional advisers such as agents and solicitors on the basis of balancing a number of factors including:

- The industry and/or practice area expertise required to perform the required work.
- The complexity and nature of the assignment.
- The availability of resources to meet the critical deadlines in the case.
- The charge out rates or fee structures that would be applicable to the assignment.
- The extent to which we believe that the advisers in question can add value to the assignment.

Disbursements

Category 1 disbursements do not require approval by creditors. The type of disbursements that may be charged as a Category 1 disbursement to a case generally comprise external supplies of incidental services specifically identifiable to the case, such as postage, case advertising, invoiced travel and external printing, room hire and document storage. Also chargeable will be any properly reimbursed expenses incurred by personnel in connection with the case.

Category 2 disbursements do require approval from creditors. These are costs which are directly referable to the appointment in question but are not payments which are made to an independent third party and may

include shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis such as internal room hire, document storage or business mileage.

Since 7 July 2012 Smith & Williamson LLP's policy is to recover only one type of Category 2 disbursement, namely business mileage at HMRC's approved mileage rates at the relevant time. Current mileage rates are 45p per mile plus 5p per passenger per mile. Prior to 7 July 2012 approval may have been obtained to recover other types of Category 2 disbursements.

Details of any Category 2 disbursements incurred and/or recovered in the period covered by this report are set out in the body of this report.

Charge out rates

A schedule of Smith & Williamson LLP's charge out rates applicable to this appointment is set out below. There have been no changes to the charge out rates during the period of this report.

Smith & Williamson LLP Restructuring & Recovery Services Charge out rates as at 1 July 2018	London office £/hr	Regional offices £/hr
Partner / Director	450-520	360-380
Associate Director	420	290-320
Managers	250-365	225-310
Other professional staff	170-320	140-185
Support & secretarial staff	90	60-140

Notes

1. Time is recorded in units representing 3 minutes or multiples thereof.
2. It may be necessary to utilise staff from both regional and London offices, subject to the requirements of individual cases.
3. The firm's cashiering function is centralised and London rates apply. The cashiering function time is incorporated within "Other professional staff" rates.

IX Notice of a Decision being sought by the Deemed Consent Procedure

Voicevault Limited- In Administration (the 'Company')
Registered Number - 05422709

This notice is given pursuant to Part 15 of the Insolvency (England and Wales) Rules 2016 (**the Rules**).

Court details	
Court Name	High Court of Justice, Business & Property Court in Birmingham Companies & Insolvency List
Court Number	8273 of 2018

Office Holder details	
Joint Administrators' Names	Andrew Stephen McGill and Gilbert John Lemon
Administrators' Firm Name	Smith & Williamson LLP
Date of Appointment of Administrators	8 October 2018

THE PROPOSED DECISION

The following decision is proposed by the joint administrators (**the Convener**) to be made by the deemed consent procedure:

1. That the joint administrators' proposals for achieving the purpose of the Administration, as set out in the joint administrator's report and statement of proposals, be approved.

In the absence of 10% in value of the Company's creditors (**the Threshold**) objecting to the Proposed Decision by no later than 18 December 2018 (**the Decision Date**), creditors will be treated as having made the Proposed Decision.

Procedure for objecting

In order to object to the Proposed Decision, a creditor must have delivered a notice in writing of their objection, together with a proof of debt in respect of their claim (unless a proof has already been submitted) to the Convener, whose contact details are below, by no later than the Decision Date, failing which their objection will be disregarded.

It is the Convener's responsibility to aggregate any objections to determine if the Threshold is met for the Proposed Decision to be taken as not having been made. A creditor may appeal the decision of the Convener on the aggregation of objections. However such an appeal may not be made later than 21 days after the Decision Date.

If the Threshold is met, the deemed consent procedure will terminate without a decision being made and if a decision is sought again on the same matter it will be sought by an alternative decision procedure.

Creditors with a small debt

Any creditor whose debt is treated as a small debt (less than £1,000 inclusive of VAT) must still deliver a proof in respect of their claim by no later than the Decision Date if they wish to object to the Proposed Decision.

Creditors who have opted out from receiving notices

Any creditor who has opted out of receiving notices but still wishes to object to the Proposed Decision is entitled to do so. However, they must have delivered a notice in writing of their objection, together with a proof in respect of their claim (unless a proof has already been submitted) to the Convener, whose contact details are below, by no later than the Decision Date, failing which their objection will be disregarded.

Request for a physical meeting

Creditors who meet certain thresholds prescribed by the Insolvency (England & Wales) Rules 2016, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may require a physical meeting to be held to consider the Proposed Decision. However, such a request must be made in writing to the Convener within 5 business days from 30 November 2018 and be accompanied by a proof in respect of their claim (unless one has already been submitted).

Contact details

The Convener's postal address is at Smith & Williamson LLP, 3rd Floor, 9 Colmore Row, Birmingham, B3 2BJ. Any person who requires further information may contact the Convener by telephone on 0121 710 5200 or alternatively by e-mail at rachael.sherwood@smithandwilliamson.com.

Dated: 23 November 2018

Signed: .....
Convener

X Notice of a Decision being sought by a Decision Procedure

Voicevault Limited- In Administration (the 'Company')
Registered Number - 05422709

This notice is given pursuant to Part 15 of the Insolvency (England and Wales) Rules 2016 (**the Rules**).

Court details	
Court Name	High Court of Justice, Business & Property Court in Birmingham Companies & Insolvency List
Court Number	8273 of 2018

Office Holders' details	
Joint Administrators	Andrew Stephen McGill and Gilbert John Lemon
Administrators' Firm Name	Smith & Williamson LLP
Date of Appointment of Joint Administrators	8 October 2018

THE PROPOSED DECISIONS

The joint administrators (**the Convener**) are seeking that the following decisions be made by the Company's creditors by correspondence:

1. Under Rule 3.52 of the Insolvency (England and Wales) Rules 2016 and in the absence of a Creditors' Committee, the unpaid pre-administration costs as detailed in the Joint Administrators' Report and Statement of Proposals be approved.
2. Under Rule 18.16 of the Insolvency (England and Wales) Rules 2016 and in the absence of a Creditors' Committee, the remuneration of the Joint Administrators be fixed at £75,000 to meet pre and post appointment costs to the conclusion of the Administration (or CVL, should this be the exit route to facilitate the unsecured dividend) as detailed in the Joint Administrators' Report and Statement of Proposals.
3. In accordance with Statement of Insolvency Practice No 9, issued by the Association of Business Recovery Professionals, the joint administrators be authorised to draw remuneration as and when funds are available.
4. In accordance with Statement of Insolvency Practice No 9, issued by the Association of Business Recovery Professionals, the Joint Administrators' be authorised to draw Category 2 disbursements in accordance with their firm's published tariff.
5. The Joint Administrators will be discharged from liability under Paragraph 98(2) of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Joint Administrators ceasing to have effect.

6 Whether a creditors' committee should be established if sufficient creditors are willing to be members of a committee and if so, who the creditors' wish to nominate for membership of the committee.

ENSURING YOUR VOTES ON THE PROPOSED DECISIONS ARE COUNTED

In order for votes on the Proposed Decisions to be counted, a creditor must have delivered the Voting Form accompanying this notice, together with a proof of debt in respect of their claim (unless a proof has already been submitted) to the Convener, whose contact details are below, on or before 18 December 2018 (**the Decision Date**), failing which their votes will be disregarded.

Appeal of Convener's decision

Pursuant to Rule 15.35 of the Rules, any creditor may apply to the court to appeal a decision of the Convener. However, an appeal must be made within 21 days of the Decision Date.

Creditors' committee - nominations

In relation to the proposed decision set out above concerning the formation of a committee, any nominations for membership of the committee must be received by the Convener by no later than the Decision Date and will only be accepted if the joint administrators are satisfied as to the nominee's eligibility to be a member of such committee under Rule 17.4 of the Rules. Please note that nominations for membership can be made on the Voting Form accompanying this notice.

Creditors with a small debt

Any creditor whose debt is treated as a small debt (less than £1,000 inclusive of VAT) must still deliver a proof of debt in respect of their claim by no later than the Decision Date if they wish to vote on the Proposed Decisions.

Creditors who have opted out of receiving notices

Any creditor who has opted out of receiving notices but still wishes to vote on the Proposed Decisions is entitled to do so. However, they must have delivered a completed Voting Form, together with a proof of debt in respect of their claim (unless a proof has already been submitted) to the Convener, whose contact details are below, by no later than the Decision Date, failing which their votes will be disregarded.

Request for a physical meeting

Creditors who meet certain thresholds prescribed by the Insolvency (England & wales) Rules 2016, namely 10% in value of creditors, 10% in number of creditors or 10 creditors, may request a physical meeting to be held to consider the Proposed Decisions. However, such a request must be made in writing to the Convener within 5 business days from 30 November 2018 and be accompanied by a proof in respect of their claim (unless one has already been submitted).

Contact details

The Convener's postal address is at Smith & Williamson LLP, 3rd Floor, 9 Colmore Row, Birmingham, B3 2BJ. Any person who requires further information may contact the Convener by telephone on 0121 710 5200 or alternatively by e-mail at rachael.sherwood@smithandwilliamson.com.

Dated: 23 November 2018

Signed: .....

Convener