

The Insolvency Act 1986

Statement of administrator's proposals**2.17B**

| | |
|--|-----------------------------------|
| Name of Company 3B View Limited | Company number 05182699 |
| In the High Court of Justice, Chancery Division, Companies Court, London (full name of court) | Court case number 4714 of 2011 |

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

We (a) Paul John Clark and Matthew Peter Bond
MCR
43-45 Portman Square
London
W1H 6LY

attach a copy of ~~my~~/our proposals in respect of the administration of the above company

* Delete as appropriate

A copy of these proposals was sent to all known creditors on

(b) Insert date

(b) 4 August 2011

Signed

Joint Administrator

Dated

4 August 2011

Contact Details

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

MCR
43-45 Portman Square
London
W1H 6LY

Tel 020 7487 7240

When you have completed and signed this form please send it to the Registrar of Companies at

Companies House, Crown Way, Cardiff CF14 3UZ

DX 33050 Cardiff

FRIDAY



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05/08/2011

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COMPANIES HOUSE

**3B View Limited
(In Administration)**

**Joint Administrators' Report and Statement of Proposals to Creditors
For the period from 10 June 2011 to 4 August 2011
Pursuant to Paragraph 49 of Schedule B1 to the Insolvency Act 1986, as amended**

4 August 2011



Names of Joint Administrators: Paul John Clark
Matthew Peter Bond

Date of appointment: 10 June 2011

Date of report: 4 August 2011

Appointed by: The Directors

Court reference: High Court of Justice
Chancery Division
Companies Court
London
Court No 4714 of 2011

MCR
43-45 Portman Square
London
W1H 6LY

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1. DEFINITIONS

| | |
|----------------------------|---|
| "Appointment Date" | means 10 June 2011, being the date of appointment of the Joint Administrators over the Company, |
| "the Joint Administrators" | means Paul John Clark and Matthew Peter Bond of MCR, 43-45 Portman Square, London, W1H 6LY; |
| "the Directors" | means Catharine Mary Brode and GCrypt Limited; |
| "the Company" | means 3B View Limited (In Administration) (Company Number 05182699), |
| "GCrypt" | means GCrypt Limited (Company Number 05671802), one of the Directors and sole shareholder; |
| "RBS" | means The Royal Bank of Scotland plc, the holder of a fixed and floating charge over the assets of the Company and with whom the Company banked, |
| "AFM" | means AFM Small Firms Fund Limited as General Partner of Merseyside Special Investment (Small Firms) Fund No.3, former fixed and floating charge holder; |
| "Litera" | means Litera Technology LLC, a US company having offices at 5000 Crossmill Road, McLeansville, North Carolina 27301 an independent third party; |
| "MSYS" or "the Purchaser" | means Freedom Solutions Group LLC trading as Microsystems, a US Company having offices at 3025 Highland Parkway, Suite 450, Downers Grove, Illinois 60515 an independent third party, |
| "DBIS" | means the Department for Business, Innovation and Skills; |
| "SOA" | means Statement of Affairs, documentation supplied by the Directors outlining the Company's financial position as at the Appointment Date; |
| "EC Regulation" | means EC Regulation on Insolvency Proceedings 2000, |
| "CVL" | means Creditors' Voluntary Liquidation, |
| "RPO" | means the Redundancy Payments Office; |
| "the Act" | means the Insolvency Act 1986, as amended, and |
| "the Rules" | means the Insolvency Rules 1986, as amended. |

2. INTRODUCTION

- 2.1 The Joint Administrators were appointed on 10 June 2011 by the Directors of the Company pursuant to Paragraph 22 of Schedule B1 to the Act
- 2.2 In accordance with Paragraph 100(2) of Schedule B1 to the Act the functions of the Joint Administrators are being exercised jointly and severally
- 2.3 This report sets out the circumstances leading up to the appointment of the Joint Administrators and the steps taken by them to date.

3. BACKGROUND

- 3.1 Statutory information on the Company and a summary of its financial history is included at Appendix 1
- 3.2 The Company's principal activity was the development and provision of metadata removal software and services across multiple device types and access methods. After a year development the Company commenced marketing its products in early 2006
- 3.3 The Company operated from serviced offices in Merseyside, United Kingdom and its customers were predominantly based in North America.
- 3.4 In August 2010 all of the Company's shares were purchased by GCrypt and they continued to provide funding for the development of the Company's software and market share

4. EVENTS LEADING UP TO THE ADMINISTRATION

- 4.1 In January 2007, Litera made an application to register a patent in the US for a product similar to that designed and sold by the Company. The Company had not registered a patent for its product and it was considered that Litera's patent would not prevent the Company continuing to offer its product to the market
- 4.2 In February 2011, Litera was granted a US patent for server based metadata cleaning software which was wider ranging than anticipated. Subsequently Litera wrote to the Company alleging that the Company's software infringed Litera's patent and threatening legal action.
- 4.3 The Company sought legal advice and gained favourable opinions that the Company's software did not infringe Litera's patent. However, the cost to contest the legal action was estimated to be approximately US\$750,000, which the Company could not afford. As a result the Directors sought to agree a settlement with Litera to avoid legal action.
- 4.4 In May 2011, the Directors agreed a settlement with Litera, in which the Company would receive US\$100,000 in return for withdrawing its software from the market and Litera not taking action regarding the alleged patent infringement
- 4.5 The Directors resolved that the Company could not viably develop or sustain the business outside the US market and the Company ceased to trade with all staff being made redundant
- 4.6 The Directors sought initial insolvency advice from MCR on 24 May 2011. All insolvency options were considered, however in view of creditor liabilities and to protect the Company's assets it was considered appropriate to file Form 2.8B "Notice of intention to appoint an administrator by company or director(s)"

- 4.7 It was considered that the source code of the software developed by the Company and associated intellectual property rights still had a commercial value and MCR were instructed by the Directors to assist in the marketing of the Company's assets. Further details of the sale can be found at section 6 below.
- 4.8 Subsequently, the Joint Administrators were appointed by the Directors on 10 June 2011. As a result of the cessation of business the Joint Administrators were unable to trade the Company in Administration.

5. PURPOSE OF THE ADMINISTRATION

- 5.1 The purpose of the Administration is to achieve one of the following hierarchical objectives:
- 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
- 5.2 In accordance with Paragraph 49(2) of Schedule B1 of the Act, the Joint Administrators note the following:
- 5.2.1. The first objective will not be achieved as the extent of the Company's liabilities was such, that a refinancing of the Company or sale of the shares was impossible.
- 5.2.2. The Joint Administrators do not believe that the second objective will be achieved, as there will not be a better result for creditors as a whole as there will be insufficient realisations to pay a dividend to non-preferential unsecured creditors.
- 5.2.3 The Joint Administrators believe that the third objective may be achieved through a distribution to the secured creditors.
- 5.3 The Joint Administrators proposals for achieving the purpose of the Administration are set out in the remainder of this report.

6. PROGRESS OF THE ADMINISTRATION TO DATE

- 6.1 The manner in which the affairs and business of the Company have been managed since the appointment of Joint Administrators and will continue to be managed and financed are set out below.

Sale of the Company's assets

- 6.2 On 1 June 2011 the Company's assets were advertised for sale by MCR on behalf of the Company by way of a Business Lite Memo, sent to potential interested parties.
- 6.3 The above marketing campaign resulted in interest from four companies who, following signing a Non-Disclosure Agreement, were sent further details in respect of the Company by way of a Business Information Memorandum.
- 6.4 The original deadline set for final offers was extended from 9 June 2011 to 13 June 2011 following the level of interest and number of technical queries.

- 6.5 The Joint Administrators continued to assist interested parties with specific queries, with the assistance of the Directors and former staff and two offers were subsequently received
- 6.6 One offer was significantly higher than the other. The Joint Administrators therefore accepted, subject to contract, the highest offer which was from MSYS for the sum of US\$51,500
- 6.7 The Joint Administrators did not consider it commercial to obtain a valuation for the Company's assets due to the specific and technical nature of the source code and the limited chattel assets, which were two old computers. It is noted that all other computers were provided by GCrypt and the Company operated from serviced offices
- 6.8 Further, as the source code had been marketed to key competitors and potential interested parties in the industry, the Joint Administrators believe that the consideration received was reflective of the market price
- 6.9 In order to protect the Company's principal asset, MSYS tested the source code for the software in a secured environment provided by GCrypt on 24 June 2011
- 6.10 Following successful testing a draft sale agreement was sent to the Purchaser's solicitors Travers Smith for review on 26 June 2011. Following the resolution of a number of contractual queries, the final draft of the agreement was agreed on 20 July 2011.
- 6.11 The Joint Administrators discussed the sale with RBS and GCrypt as the major creditors, and they subsequently gave release of their charges in order for the sale to proceed.
- 6.12 On 22 July 2011 the sale of the assets was completed which included the source code, intellectual property and computer equipment only. Payment was made in full on completion. The sale proceeds are currently held by the solicitors and therefore are not currently reflected in the receipts and payments account attached at Appendix 2
- 6.13 The sale is not part of a wider transaction and there are no options or buy-back arrangements conditions attached to the contract of sale.

Cash at Bank

- 6.14 As at the Appointment Date, the Company's solicitors held a balance of £20,000 in their client account which was remitted to the Joint Administrators on 17 June 2011

Book debts

- 6.15 As at the Appointment Date the Company's debtor ledger totalled approximately £9,359, consisting of debtors predominantly based in North America.
- 6.16 Since the Appointment Date, £900 has been collected

Investigations

- 6.17 The Joint Administrators' investigations into the Company's affairs are currently ongoing
- 6.18 The Joint Administrators have a statutory obligation to file a report with DBIS regarding the conduct of any directors that held office in the three years prior to the Administration. This report must be filed within six months from the Appointment Date and the content of this report is confidential.

6.19 The Joint Administrators also have a duty to investigate antecedent transactions which include:

- Transactions at an undervalue, Section 238 of the Act,
- Preferences, Section 239 of the Act, and
- Transactions to defraud creditors, Section 423 the Act.

6.20 The Joint Administrators are in the preliminary stages of their investigations. Creditors are invited to provide any information concerning the Company's affairs which they believe should be taken into consideration.

Receipts and Payments

6.21 A receipts and payments account for the period 10 June 2011 to 4 August 2011 is shown in Appendix 2

Joint Administrators' Agents and Solicitors

6.22 The Joint Administrators engaged the following firms to assist with the sale of the Company's assets and other statutory matters

| Company | Role | Basis of Remuneration |
|---------------------------|--|------------------------------|
| Charles Russell LLP | Produce the sale contract, assist with placing the Company into Administration and other ad hoc legal matters. | Time cost basis |
| GCrypt Ltd | Software hosting and support of the verification process undertaken by MSYS | Fixed fee basis |
| Total Data Management Ltd | Storage of the Company's books and records as required under statute. | Per unit basis |
| Courts Advertising Ltd | Advertising the Joint Administrators' appointment over the Company | Per unit basis |

6.23 The Joint Administrators' choice of advisors was based on their perception of the experience and ability of the respective firms/individuals to perform their work, the complexity and nature of the assignment and the basis of their fee arrangement.

7. STATEMENT OF AFFAIRS

7.1 In accordance with Paragraph 47 of Schedule B1 to the Act the Directors have provided the Joint Administrators with a SOA of the Company, a copy of which is attached at Appendix 3

7.2 Some creditor amounts shown may differ from the actual amount owed. This does not affect their claim.

8. STATEMENT OF PRE-ADMINISTRATION COSTS

8.1 The Joint Administrators incurred pre-appointment time costs of £23,674 in relation to the initial strategic review of the Company, the preparation of documentation, planning for the Company to be placed into Administration and initial marketing and sale exercise. The Joint Administrators' time costs were necessarily incurred in order to obtain sufficient details from the Directors and the Company's accountant for the sales process and from discussions with interested parties

- 8.2 A breakdown of the Joint Administrators' pre-appointment time costs is attached at Appendix 4. No remuneration has been drawn to date with regard to pre-appointment time costs
- 8.3 The payment of unpaid pre-appointment costs as an expense of the Administration is subject to approval in accordance Rule 2.67A of the Rules. As a result the Joint Administrators will be seeking approval from the secured creditors

9. JOINT ADMINISTRATORS' COSTS

- 9.1 In accordance with Rule 2.106 of the Rules, it is proposed that the basis, upon which the Joint Administrators' remuneration should be fixed, is by reference to the time properly given by them and their staff in attending to matters arising in the Administration. The Joint Administrators' will be seeking approval from the secured creditors.
- 9.2 The Joint Administrators' time costs for the period 10 June 2011 up to and including 28 July 2011 total £47,095. A schedule of these time costs is set out at Appendix 4
- 9.3 The principle areas where the Joint Administrators and their staff have spent their time are.
- Dealing with creditors, the Directors and other ad hoc matters,
 - The sale of the Company's assets, and
 - Statutory requirements in accordance with the Act and Rules
- 9.4 Information regarding the fees of Joint Administrators called "A Creditors' Guide to Administrators' Fees" can be found on the Joint Administrators' website at www.mcr-uk.com. Should you require a copy, please contact this office

10. DIVIDEND PROSPECTS / PRESCRIBED PART

Secured Creditors

RBS

- 10.1 In consideration for providing a loan of £100,000 the Company granted RBS a mortgage debenture dated 28 November 2007 which confers fixed and floating charges over all of the assets of the Company
- 10.2 At the Appointment Date, the Company's indebtedness to RBS was approximately £96,974 subject to accruing interest and charges.
- 10.3 The loan is subject to the Government's Small Companies Loan Guarantee Scheme. It is anticipated that there will be insufficient realisations to repay RBS in full

GCrypt

- 10.4 In consideration for providing a loan of £30,000 the Company granted AFM a mortgage debenture dated 26 June 2006 which confers fixed and floating charges over all of the assets of the Company.
- 10.5 Prior to the Appointment Date, GCrypt discharged the Company's debt to AFM in the sum of £5,464
- 10.6 AFM subsequently filed Form MG02 "Statement of Satisfaction in Full or in Part of Mortgage or Charge" with Companies House on 13 July 2011

- 10.7 GCrypt have advised they hold a subrogated fixed and floating charge over the Company's assets after they discharged the Company's debt to AFM
- 10.8 At the Appointment Date, the Company's indebtedness to GCrypt (excluding unsecured loans) was approximately £5,464 subject to accruing interest and charges.
- 10.9 It is anticipated that there will be insufficient realisations to repay GCrypt in full
- 10.10 The Directors and shareholder of the Company have not provided either of the secured creditors with a personal/corporate guarantee.

Preferential Creditors

- 10.11 Pursuant to the SOA, the estimated preferential claims are £18,228
- 10.12 Although the Joint Administrators are yet to receive notification of the preferential creditors' claims, at this stage, there will be insufficient funds available to enable a distribution to preferential creditors.
- 10.13 It is likely that a significant element of the preferential claims will be employees' claims which are mostly subrogated to the Secretary of State, following payment by the RPO.

Prescribed Part

- 10.14 Pursuant to Section 176A of the Act where a floating charge is created after 15 September 2003 a Prescribed Part of the Company's net property shall be made available to non-preferential unsecured creditors.
- 10.15 The Joint Administrators' are of the opinion, based on the current information, that there is no prospect of a distribution, via the Prescribed Part, to any class of creditor.
- 10.16 The Prescribed Part is calculated as a percentage of net property, as follows:

| | |
|-----------------------------------|--|
| Net property less than £10,000 | 50% unless the Joint Administrators believe the costs of distribution outweigh the benefit to creditors. |
| Net property greater than £10,000 | 50% up to £10,000 plus 20% thereafter to a maximum of £600,000 |

- 10.17 The maximum value of the ring-fenced proportion of the funds, known as the "Prescribed Part", is £600,000

Non-Preferential Creditors

- 10.18 According to the SOA, non-preferential creditors total £631,850. The non-preferential unsecured creditors claims received to date can be summarised as follows

| | SOA | Claims Received |
|---------------------------|----------------|----------------------------|
| | (£) | (£) |
| Trade & Expense Creditors | 14,201 | 1,466 |
| Inter-company loan | 445,142 | - |
| Director's Loan | 14,849 | - |
| HM Revenue & Customs | 157,658 | 157,376 |
| Total | 631,850 | 158,842 |

- 10 19 Based upon the current information available, it is anticipated that there will be insufficient realisations to enable a distribution to the non-preferential unsecured creditors of the Company

11. EC REGULATION

- 11 1 It is the Joint Administrators' opinion that the EC Regulation applies and these proceedings are main proceedings as defined in Article 3 of the EC Regulation. The centre of main interest of the Company is in England.

12. CREDITORS' MEETING

- 12.1 In accordance with Paragraph 52(1) of Schedule B1 of the Act, a creditors' meeting will not be convened as the Joint Administrators believe that the Company will have insufficient property to enable a distribution to be made to non-preferential unsecured creditors, other than the Prescribed Part (if any)
- 12 2 However, the Joint Administrators shall summon an initial creditors' meeting, if requested to by the creditors of the Company, whose debts amount to at least 10% of the total debts of the Company, using the prescribed Form 2.21B, attached at Appendix 5, within 8 business days from the date of this report
- 12 3 Creditors are reminded that the costs of any meeting called shall be paid for by them and that a deposit will be required for such purpose. Such costs may be ordered to be paid as an expense of the Administration if the meeting so resolves.

13. END OF THE ADMINISTRATION

- 13 1 The options available to the Joint Administrators for the exit from the Administration are as follows
- Compulsory Liquidation
 - Creditors' Voluntary Liquidation
 - Company Voluntary Arrangement
 - Return of control to the Directors
 - Dissolution of Company
- 13 2 The Joint Administrators recommend that the Company should be dissolved, for the reasons set out below.
- 13 3 The Joint Administrators have formed the view that once all the outstanding Administration matters have been finalised, and all liabilities incurred during the Administration have been discharged, there will be insufficient funds available to allow a distribution to non-preferential unsecured creditors, other than from the Prescribed Part (if any).
- 13 4 Once all outstanding matters have been satisfactorily completed by the Joint Administrators, they will give notice to the Registrar of Companies under Paragraph 84 of Schedule B1 to the Act to the effect that the Company has no property to realise which might permit a distribution to its unsecured creditors, at which stage the Administration will cease. The Company will be dissolved three months following the registration of the notice at the Registrar of Companies.

- 13 5 You will note from the proposals section below that the Joint Administrators have left the choice of exit route from Administration open so that an alternative strategy can be adopted, should this prove more appropriate at the time

14. JOINT ADMINISTRATORS' PROPOSALS

14.1 The Joint Administrators propose the following:

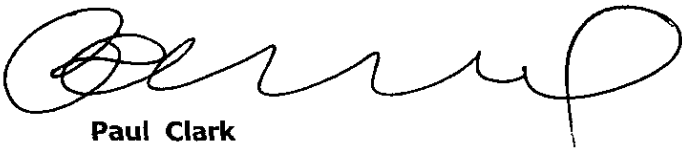
- 14.1 1 That the Joint Administrators continue the Administration to deal with such outstanding matters in relation to the Company as the Joint Administrators consider necessary until such time as the Administration ceases to have effect
 - 14 1 2 That the Joint Administrators do all such other things and generally exercise all of their powers as contained in Schedule 1 of the Act, as they, in their sole and absolute discretion consider desirable or expedient in order to achieve the purpose of the Administration.
 - 14 1 3 That the Joint Administrators, once all outstanding matters have been satisfactorily completed, take the necessary steps to give notice under Paragraph 84 of Schedule B1 of the Act to the Registrar of Companies to the effect that the Company has no property which might permit a distribution to its creditors, at which stage the Administration will cease.
 - 14 1 4 Should it be deemed appropriate by the Joint Administrators, then they should take the necessary steps to put the Company into either Creditors' Voluntary Liquidation, Company Voluntary Arrangement or into Compulsory Liquidation. It is proposed that the Joint Administrators, currently Paul John Clark and Matthew Peter Bond of MCR would act as Joint Liquidators should the Company be placed into Creditors' Voluntary Liquidation acting and in accordance with Section 231 of the Act will act jointly and severally. In accordance with Paragraph 83(7) of Schedule B1 to the Act and Rule 2.117 of the Rules creditors may nominate a different person as the proposed liquidator, provided the nomination is received at this office prior to the approval of these proposals. In the absence of such nomination, the Joint Administrators will be appointed Joint Liquidators
 - 14.1.5 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Act, upon filing the end of the Administration or their appointment otherwise ceasing
 - 14 1 6 That the Joint Administrators' remuneration, where no Creditors' Committee is established, be fixed by reference to the time properly incurred by them and their staff in attending matters during the Administration and that they be allowed to draw such remuneration as and when funds permit without further recourse to the creditors of the Company.
 - 14 1 7 That the Joint Administrators' statement of pre-administration costs under Rule 2.33 of the Rules, where no Creditors' Committee is established, be approved for payment in accordance with Rule 2 67A of the Rules
- 14.2 Pursuant to Rule 2.33(5) of the Rules, the proposals in paragraph 14 1 shall be deemed to be approved by the creditors on the expiry of the period in which a meeting can be requisitioned by creditors in the manner described in paragraph 12.2 above, provided that no meeting has been so requisitioned.

14 3 The Joint Administrators will be seeking the following resolutions from the secured creditors.

- 14 3 1 That the Joint Administrators be discharged from all liability pursuant to Paragraph 98 of Schedule B1 to the Act, upon filing the end of the Administration or their appointment otherwise ceasing
- 14 3 2 That the Joint Administrators' remuneration be fixed by reference to the time properly incurred by them and their staff in attending matters during the Administration and that they be allowed to draw such remuneration as and when funds permit without further recourse to the creditors of the Company.
- 14 3 3 That the Joint Administrators' statement of pre-administration costs under Rule 2.33 of the Rules be approved for payment in accordance with Rule 2.67A of the Rules
- 14 3 4 That the Joint Administrators be authorised to draw their firm's internal costs and expenses in dealing with the Administration ("Category 2 Disbursements"), if any.

If you require further information or assistance, please do not hesitate to contact Darran Griffiths.

Yours faithfully
For and on behalf of
3B View Limited



Paul Clark
Joint Administrator

Encs

The affairs, business and property of the Company are being managed by the Joint Administrators, Paul Clark and Matthew Bond Who act as agents for the Company and without personal liability They are both licensed by the Insolvency Practitioners Association



APPENDIX 1
Statutory Information

STATUTORY INFORMATION

| | | |
|--------------------------------|---|--|
| Date of incorporation | 19 July 2004 | |
| Registered number | 05182699 | |
| Company directors | Ms Catharine Mary Brode - 87-89 Saffron Hill, London, EC1N 8QU GCrypt Limited - 87-89 Saffron Hill, London, EC1N 8QU | |
| Company secretary | CNG Associates Limited | |
| Shareholders | Wholly owned subsidiary of GCrypt Limited | |
| Trading address | Court Building 2nd Floor Alexandra Park St Helens | |
| Registered office | Current | Formerly. |
| | 43-45 Portman Square London W1H 6LY | 87-89 Saffron Hill London EC1N 8QU |
| Any other trading names | None | |



| Financial Information | For the 8 Months Ended 31 May 2011 (Management) £ | Year Ended 30 September 2010 (Management) £ |
|--|--|--|
| Profit and Loss Account | | |
| Turnover | 72,637 | 157,798 |
| Overheads | | |
| Marketing and Promotion | (1,775) | (19,974) |
| Staffing | (260,632) | (353,720) |
| Technology | 424 | (17,697) |
| Occupancy | (1,727) | (2,423) |
| Legal and Professional | 2,416 | (4,547) |
| Other overheads | (13,609) | (14,673) |
| | <u>(274,903)</u> | <u>(413,034)</u> |
| EBITDA | (202,266) | (255,236) |
| Depreciation | (1,275) | (1,340) |
| Operating Profit | (203,541) | (256,576) |
| Interest | (4,980) | (3,992) |
| Profit Before Tax | (208,521) | (260,568) |
| Corporation Tax | 0 | 0 |
| Retained Profit/(loss) for the year | <u>(208,521)</u> | <u>(260,568)</u> |

| Financial Information | As at 31 May 2011 (Management) £ | As at 30 September 2010 (Management) £ |
|--|---|---|
| Balance Sheet | | |
| Fixed Assets | 2,928 | 3,929 |
| Current Assets | | |
| Debtors | 16,568 | 13,650 |
| Cash / Overdraft | 495 | 4,045 |
| Other Debtors | 397 | 1,412 |
| VAT | 1,266 | 4,743 |
| | <u>18,726</u> | <u>23,850</u> |
| Current Liabilities | | |
| Trade Creditors | (6,573) | (20,316) |
| Directors Loan | (14,849) | - |
| Deferred Income and Other Creditors | (53,179) | (148,676) |
| Taxation | (72,066) | (64,034) |
| | <u>(146,667)</u> | <u>(233,026)</u> |
| Net Current Assets | <u>(127,940)</u> | <u>(209,176)</u> |
| Total Assets less Current Liabilities | <u>(125,012)</u> | <u>(205,247)</u> |
| Long Term Liabilities | 553,130 | 307,321 |
| Total Assets Less Total Liabilities | <u>(678,142)</u> | <u>(512,568)</u> |
| Capital and Reserves | | |
| Share Capital | 1,108,291 | 1,108,291 |
| P&L Account | (1,786,433) | (1,620,859) |
| | <u>(678,142)</u> | <u>(512,568)</u> |

APPENDIX 2

Joint Administrators' Receipts and Payments Account

3B View Limited
(In Administration)
Joint Administrators' Abstract of Receipts & Payments
To 4 August 2011

| | S of A £ | | £ | £ |
|---|---------------------|-------------------------------|-----------|------------------|
| | | SECURED ASSETS | | |
| 1 | 31,250 00 | Intellectual Property | NIL | NIL |
| | | COSTS OF REALISATION | | |
| | | Software Hosting Costs | 3,200 00 | (3,200 00) |
| | | ASSET REALISATIONS | | |
| | 10,126.00 | Debtors | 900.00 | |
| 2 | 85,593 00 | Tax Refund | NIL | |
| | 1,266 00 | Pre appointment VAT refund | NIL | |
| | | Cash at Bank | 20,000 00 | |
| | | Bank Interest Gross | 0.34 | |
| | 397 00 | PayPal Account | NIL | 20,900 34 |
| | | COST OF REALISATIONS | | |
| | | Statement of Affairs Costs | 1,500 00 | |
| | | Re-Direction of Mail | 27.20 | |
| | | Statutory Advertising | 76 50 | (1,603 70) |
| | | PREFERENTIAL CREDITORS | | |
| | (157,658 00) | PAYE/NIC | NIL | |
| | (18,228 00) | Employee Arrears/Hol Pay | NIL | |
| | (95,000.00) | RBS Loan | NIL | |
| | (5,464 00) | GCrypt Loan | NIL | NIL |
| | (147,718.00) | | | 16,096.64 |
| | | REPRESENTED BY | | |
| | | VAT receivable | | 315 30 |
| | | Floating/main current account | | 15,141 34 |
| | | Fixed charge VAT receivable | | 640.00 |
| | | | | 16,096.64 |

Notes

1 Sale proceeds not yet received

2 Tax Refund is likely to be subject to Crown set-off

APPENDIX 3
Statement of Affairs

INSOLVENCY ACT 1986

DIRECTORS STATEMENT OF AFFAIRS

A - Summary of Assets (as at 31 May 2011)

| Assets | Notes | Book Value £ | Estimated to realise £ |
|---|-------|-----------------|---------------------------|
| Assets subject to fixed charge/and floating charge | | | |
| Intellectual Property (USD \$ 50 000) | | | 31,250 |
| Computer Equipment - no value | | | 0 |
| Assets subject to floating charge: | | | |
| Uncharged assets: | | | |
| R+D tax credit (HMRC) (ESTIMATED) | ✓ | 85,593 | 85,593 |
| VAT refund | ✓ | 1266 | 1266 |
| Trade Debtors | ✓ | 12005 | 10,126 |
| Paypal | ✓ | 397 | 397 |
| Estimated total assets available for preferential creditors | £ | | 128,632 |

Signature



Date

20/6/2011

INSOLVENCY ACT 1986

DIRECTORS STATEMENT OF AFFAIRS

A1 – Summary of liabilities

| | | Estimated to realise £ |
|---|------------------------|------------------------------|
| Estimated total assets available for preferential creditors (carried from page A) | £ | 128,632 |
| Liabilities | | |
| Preferential creditors RBS loan and Gcnypst loan PAUE, Net wages | ✓ 100,464 ✓ 175,886 | |
| Estimated deficiency / surplus as regards preferential creditors: | £ | (147,718) |
| Estimated prescribed part of net property where applicable (to carry forward) | £ — | |
| Estimated total assets available for floating charge holders | £ | (147,718) |
| Debts secured by floating charges | £ — | |
| Estimated deficiency / surplus of assets after floating charges | £ | |
| Estimated prescribed part of net property where applicable (brought down) | £ — | |
| Total assets available to unsecured creditors | £ | (147,718) |
| Unsecured non-preferential claims (excluding any shortfall to floating charge holders) | ✓ 474,192 | |
| Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall to floating charge holders) | £ | (621,910) |
| Shortfall to floating charge holders (brought down) | | |
| Estimated deficiency/surplus as regard creditors | | |
| Issued and called up capital | | |
| Estimated total deficiency / surplus as regards members | £ | (621,910) |

Signature



Date

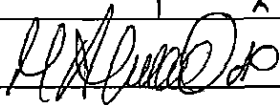
20/6/2011

COMPANY CREDITORS

Note: You must include all creditors and identify all creditors under hire-purchase, chattel leasing or conditional sale agreements *and* customers claiming amounts paid in advance of the supply of goods or services *and* creditors claiming retention of title over property in the company's possession

| Name of creditor or claimant | Address (with postcode) | Amount of debt £ | Details of any security held by creditor | Date security given | Value of Security £ |
|------------------------------|-------------------------|---------------------|--|---------------------|------------------------|
| RBS loan | | 95000 | | | |
| Crypt Loan | | 5464 | | | |
| PAYE | | 157658 | | | |
| Net wages | | 18228 | | | |
| | Total | 276350 | | | |
| Crypt Ltd | | 445,142 | | | |
| Directors Loan | | 14,849 | | | |
| N Brode | | 7523 | | | |
| Suppliers | ✓ | 6573 | | | |
| RBS Mastercard | | 105 | | | |
| | Total | 474,192 | | | |
| | | | | | |

Signature



Date

20/6/2011

COMPANY SHAREHOLDERS

| Name of Shareholder | Address (with postcode) | No. of shares held | Nominal value £ | Details of shares held |
|---------------------|--------------------------------------|--------------------|-----------------|------------------------|
| Gcrypt Ltd | 87, 89 Saffron Hill, London EC1N 8PW | 89,159 | 89,159 | ordinary shares |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| TOTALS | | 89,159 | 89,159 | |

Signature



Date

20/6/2011

APPENDIX 4

Analysis of Time Charged and Expenses Incurred

3B View Limited (In Administration)

Analysis of Joint Administrators' Pre-Appointment time costs for the period 23 May 2011 to 9 June 2011

| Classification of Work Function | Hours | | | | | Total Hours | Time Cost £ | Av hourly Rate £ |
|---|-----------------|-----------------|-----------------|-----------------|-------------|----------------|-------------------|------------------------|
| | Partner | Manager | Senior | Assistant | Support | | | |
| Administration and Planning | | | | | | | | |
| Strategy planning & control | 4 40 | 3 10 | 4 10 | 6 90 | | 18 50 | 5,943 50 | 321 27 |
| Dealings with Directors and Management | | 4 10 | 0 90 | 4 30 | | 9 30 | 2,744 50 | 295 11 |
| Statutory matters (Meetings, Reports and Notices) | | 0 30 | 1 50 | 7 70 | | 9 50 | 1,673 50 | 176 16 |
| Cashiering & accounting | | 0 10 | 0 90 | 0 40 | | 1 40 | 363 00 | 259 29 |
| IPS set up & maintenance | | | | 1 20 | | 1 20 | 204 00 | 170 00 |
| Financial review | | | | 0 50 | | 0 50 | 85 00 | 170 00 |
| Realisation of Assets | | | | | | | | |
| Sale of business | | 9 60 | 16 10 | 13 70 | | 39 40 | 10,369 00 | 263 17 |
| Goodwill and Intellectual Property Rights | | | 0 50 | 3 10 | | 3 60 | 647 00 | 179 72 |
| Freehold and Leasehold Property | | | 0 20 | | | 0 20 | 48 00 | 240 00 |
| Creditors | | | | | | | | |
| Secured Creditors | | 0 90 | 2 40 | 1 80 | | 5 10 | 1,273 50 | 249 71 |
| Non Pref Creditors/Employee claims handling | | | | 1 90 | | 1 90 | 323 00 | 170 00 |
| Total Hours | 4 40 | 18 10 | 26 60 | 41 50 | 0 00 | 90 60 | | 261 30 |
| Total Fees Claimed (£) | 2,398 00 | 7,869 00 | 6,478 00 | 6,929 00 | 0 00 | | 23,674 00 | |

Category 2 Disbursements.

There are no category 2 disbursements for this case to date

3B View Limited (In Administration)

Analysis of Joint Administrators' time costs for the period 10 June 2011 to 31 July 2011

| Classification of Work Function | Hours | | | | | Total Hours | Time Cost £ | Av hourly Rate £ |
|--|-----------------|------------------|-----------------|------------------|-------------|----------------|-------------------|------------------------|
| | Partner | Manager | Senior | Assistant | Support | | | |
| Administration and Planning | | | | | | | | |
| Statutory matters (Meetings, Reports and Notices) | | 1 30 | 4 20 | 41 00 | | 46 50 | 8,303 50 | 178 57 |
| Strategy planning & control | 2 80 | 8 20 | 0 90 | 0 40 | | 12 30 | 5,353 00 | 435 20 |
| Dealings with Directors and Management | | 4 30 | 2 40 | 5 90 | | 12 60 | 3,470 50 | 275 44 |
| Case review and Case Diary management | 0 20 | 1 50 | 1 50 | 12 50 | | 15 70 | 3,260 50 | 207 68 |
| Cashiering & accounting | 0 10 | 0 50 | 1 30 | 6 50 | | 8 40 | 1,696 00 | 201 90 |
| Tax Compliance/Planning | | | 0 20 | 1 20 | | 1 40 | 252 00 | 180 00 |
| Insurance | | | 0 10 | 0 50 | | 0 60 | 122 50 | 204 17 |
| IPS set up & maintenance | | | 0 20 | | | 0 20 | 48 00 | 240 00 |
| Statement of affairs | | | 0 10 | | | 0 10 | 24 00 | 240 00 |
| Investigations | | | | | | | | |
| Financial review and Investigations (S238/239 etc) | | | 0 20 | 0 50 | | 0 70 | 133 00 | 190 00 |
| CDDA, reports & Communication | 0 10 | | | | | 0 10 | 54 50 | 545 00 |
| Realisation of Assets | | | | | | | | |
| Sale of business | 1 50 | 16 80 | 5 20 | 29 00 | | 52 50 | 14,303 50 | 272 45 |
| Goodwill and Intellectual Property Rights | | | 12 70 | 3 60 | | 16 30 | 3,660 00 | 224 54 |
| Book debts | | 0 10 | 0 40 | 5 90 | | 6 40 | 1,142 50 | 178 52 |
| Other Tangible Assets | | | | 1 20 | | 1 20 | 204 00 | 170 00 |
| Freehold and Leasehold Property | | | 0 20 | 0 40 | | 0 60 | 134 00 | 223 33 |
| Creditors | | | | | | | | |
| Non Pref Creditors/Employee claims handling | | | 0 60 | 12 10 | | 12 70 | 2,153 00 | 169 53 |
| Secured Creditors | 0 30 | 0 70 | 2 60 | 4 10 | | 7 70 | 1,789 00 | 232 34 |
| Communications with Creditors/Employees | 0 10 | 0 30 | 2 60 | 0 30 | | 3 30 | 860 00 | 260 61 |
| Non Pref Creditor claims adjudication and dist'n | | | | 0 80 | | 0 80 | 88 00 | 110 00 |
| Pref claims adjudication and distribution | | 0 10 | | | | 0 10 | 43 50 | 435 00 |
| Total Hours | 5 10 | 33 80 | 35 40 | 125 90 | 0 00 | 200 20 | | 235 24 |
| Total Fees Claimed (£) | 2,779 50 | 14,685 00 | 8,535 00 | 21,095 50 | 0 00 | | 47,095 00 | |

Category 2 Disbursements

There are no category 2 disbursements for this case to date

3B Veiw Limited (In Administration)
Joint Administrators' Incurred Expenses
as at 4 August 2011

| Company / Organisation | Expenses (as per Receipts and Payments Account) | Detail | Incurred (£) | Amount Paid (£) |
|-----------------------------|---|--|------------------|-----------------|
| COST OF REALISATIONS | | | | |
| Charles Russell | Legal Fees (including disbursements) | Preparing the sale of business contract, assistance with placing the Company into Administration and other general legal matters | 17,560 00 | 0 00 |
| GCrypt | Software Hosting | Software hosting and support of the verification process undertaken by MSYS | 3,200 00 | 3,200 00 |
| GCrypt | Statement of Affairs Costs | Preparation of management accounts and completion of Statement of Affairs pursuant to Rule 2 67(1)(d) of the Rules | 1,500 00 | 1,500 00 |
| Total Data Management | Storage Costs (estimate) | Storage of the Company's books and records as required under statute | 50 00 | 0 00 |
| Royal Mail | Re-Direction of Mail | Re-direction of post from the Company | 27 20 | 27 20 |
| Courts Advertising | Statutory Advertising | Advertising the Joint Administrators' appointment over the Company | 91 80 | 76 50 |
| | | TOTAL | 22,429 00 | 4,803 70 |

APPENDIX 5

Form 2.21B - Creditor's Request for a Meeting

Rule 2.37

Creditor's request for a meeting

Name of Company

3B View Limited

Company number

05182699

In the
High Court of Justice, Chancery Division,
Companies Court, London

Court case number

4714 of 2011

(a) Insert full name and
address of the creditor
making the request

I (a)

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

request a meeting of the creditors of 3B View Limited

(b) Registered Office
43-45 Portman Square
London
W1H 6LY

(c) Insert amount of claim

My claim in the administration is (c)

(d) Insert full name(s) and
address(es) of creditors
concurring with the
request (if any) and their
claims in the
administration if the
Requesting creditor's claim
is below the required 10%

(d)

concur with the above request, and I attach copies of their written confirmation of
concurrence

(e) Insert details of the
purpose of the meeting

The purpose of the meeting is (e)

Signed

Dated

APPENDIX 6
Proof of Debt Form

Proof of Debt – General Form

3B View Limited (In Administration)

Date of administration 10 June 2011

| | | |
|-------------------------------------|--|---------------------------|
| 1 | Name of creditor (If a company please also give company registration number) | |
| 2 | Address of creditor for correspondence | |
| 3 | Total amount of claim, including any Value Added Tax and outstanding uncapitalised interest as at the date the company went into administration | |
| 4 | Details of any documents by reference to which the debt can be substantiated. (Note. There is no need to attach them now but the administrator may call for any document or evidence to substantiate the claim at his discretion as may the chairman or convenor of any meeting) | |
| 5 | If amount in 3 above includes outstanding uncapitalised interest please state amount | £ |
| 6 | Particulars of how and when debt incurred (If you need more space append a continuation sheet to this form) | |
| 7 | Particulars of any security held, the value of the security, and the date it was given | |
| 8 | Particulars of any reservation of title claimed in respect of goods supplied to which the claim relates | |
| 9 | Signature of creditor or person authorised to act on his behalf | |
| | Name in BLOCK LETTERS | |
| | Position with or in relation to creditor | |
| | Address of person signing (if different from 2 above) | |
| For Administrators' Use only | | |
| Admitted to vote for | | Admitted for dividend for |
| £ | | £ |
| Date | | Date |
| Administrator | | Administrator |