

VOCALTEC COMMUNICATIONS LTD
Form 20-F/A
May 16, 2006

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F/A
AMENDMENT NO. 1

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF
THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2005

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

Commission file number: 2-0-27648

VOCALTEC COMMUNICATIONS LTD.
(Exact name of registrant as specified in its charter and
translation into English)

STATE OF ISRAEL
(Jurisdiction of incorporation or organization)

60 MEDINAT HAYEHUDIM STREET
HERZLIYA 46140
ISRAEL
(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

NONE.

Page 1

Securities registered or to be registered pursuant to Section 12(g) of the Act:

ORDINARY SHARES, PAR VALUE OF NIS 0.13
Title of each class

Edgar Filing: VOCALTEC COMMUNICATIONS LTD - Form 20-F/A

Securities for which there are a reporting obligation pursuant to Section 15(d) of the Act:

NONE.

The number of outstanding shares of each of the issuer's classes of capital or common stock as of December 31, 2005

4,661,627 ORDINARY SHARES, PAR VALUE NIS 0.13 PER SHARE

Indicate by check mark if the registrant is a well known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past ninety (90) days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer.

Large accelerate filer Accelerate filer Non-accelerated filer

Page 2

Indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in rule 12b-2 of the Exchange Act)

Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

Page 3

Edgar Filing: VOCALTEC COMMUNICATIONS LTD - Form 20-F/A

EXPLANATORY NOTE

VocalTec Communications Ltd. (the "Company") is filing this Form 20-F/A to amend certain information set forth in its Annual Report on Form 20-F for the year ended December 31, 2005, which was filed with the US Securities and Exchange Commission on April 21, 2006 (the "Original Report"), as follows:

1. The balance sheet data included in Item 3A of the Original Report provided inadvertently that the accumulated deficit of the Company as of December 31, 2005 was \$49,546,000. As set forth in the Company's balance sheet as of December 31, 2005, included in the Company's consolidated audited financial statements included in Item 18 of the Original Report, the accumulated deficit of the Company as of December 31, 2005 was \$66,952,000.

2. The last sentence under the header "TAXES ON INCOME, TAX REFUNDS AND TAX BENEFITS" on page 52 of the Original Report is replaced by "In 2005 we recorded a tax benefit of one of our foreign subsidiaries in the amount of \$19,000."

3. Item 16C of the Original Report is replaced with the following:

"ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Our audit committee pre-approval policies and procedures for audit and non-audit services are referred to in Exhibit 4.1(f) to this annual report.

The auditors of VocalTec received the following fees for audit and audit-related services in 2004 and 2005 (in thousands of U.S. dollars):

| | Year Ended December 31, | | | |
|-------------------|-------------------------|-------------|------|-------------|
| | 2004 | | 2005 | |
| Services rendered | Fees | Percentages | Fees | Percentages |
| Audit (1) | 41.7 | 30% | 70 | 64% |
| Audit-related (2) | 9.5 | 7% | 0 | 0% |
| Tax (3) | 66.3 | 47% | 32 | 29% |
| Other (4) | 23.2 | 16% | 8 | 7% |
| Total | 140.7 | 100% | 110 | 100% |

(1) Audit fees consist of services that would normally be provided in connection with statutory and regulatory filings or engagements, including services that generally only the independent accountant can reasonably provide.

(2) Audit-related fees relate to assurance and associated services that traditionally are performed by the independent auditor, including: accounting consultation and consultation concerning financial accounting and reporting standards.

Page 4

(3) Tax fees relate to tax compliance, planning and advice.

(4) Other fees relate to consulting services.

All of the services referred to in clauses (2), (3) and (4) above were approved

Edgar Filing: VOCALTEC COMMUNICATIONS LTD - Form 20-F/A

by the audit committee of VocalTec.

During 2004 and 2005 Tdsoft paid its accountants an aggregate of \$11,000 and \$108,000, respectively. Since Tdsoft was a private-held company, it was not required under Israeli law to have an audit committee."

4. The first paragraph under "Property, Plants and Equipment" on Page 40 of the Original Report is replaced with "Our headquarters are located in Herzliya Pituach, Israel and occupy 21,500 square feet pursuant to a lease expiring on April 2007. We currently pay total yearly rental and management fees of approximately \$256,000. These facilities are used for management, marketing, sales, research and development and production."

5. The first paragraph under "Compensation of Directors and Executive Officers" on Page 67 of the Original Report is replaced with "The aggregate compensation paid to VocalTec's and Tdsoft's directors and executive officers as a group (prior to the business combination) during the fiscal year ended December 31, 2005 was approximately \$1.76 million and \$0.23 million, respectively, in salaries, directors' fees and bonuses. The aggregate compensation paid to the directors and executive officers as a group of the combined company during the fiscal year ended December 31, 2005 was approximately \$30,000."

6. The first paragraph under "Export Sales" on Page 74 of the Original Report is replaced with "Export sales of Tdsoft (prior to the business combination) in 2005 were \$3.3 million or 85% of sales compared with export sales in 2004 which were \$2.8 million or almost 68% of sales, and with \$2.6 million or 67% of sales in 2003."

Except for the foregoing, the Company is not amending any other information set forth in the Original Report.

Page 5

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F/A and it has duly caused and authorized the undersigned to sign this amendment to annual report on its behalf.

By: /s/ Joseph Albagli

Joseph Albagli
Chief Executive Officer

Date: May 16, 2006

Page 6

EXHIBITS

12. Certifications of CEO and CFO of VocalTec Communications Ltd. required by Rule 13a-14(a) (17 CFR 240.13a - 14(a)) or Rule 15d-14(a) (17 CFR 240.15d - 14(a)).

13. Certifications of CEO and CFO of VocalTec Communications Ltd. required by Rule 13a-14(b) (17 CFR 240.13a - 14(b)) or Rule 15d-14(b) (17 CFR 240.15d -

14(b) .

Page 7