

HOTDOCS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31st JULY 2010



THE A9 PARTNERSHIP LIMITED
Chartered Accountants & Statutory Auditor
Abercorn School
Newton
Broxburn
EH52 6PZ

HOTDOCS LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 31st JULY 2010

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HOTDOCS LIMITED

INDEPENDENT AUDITOR'S REPORT TO HOTDOCS LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of HotDocs Limited for the year ended 31st July 2010 prepared under Section 396 of the Companies Act 2006.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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

BASIS OF OPINION

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

OPINION

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

Abercorn School
Newton
Broxburn
EH52 6PZ

25/3/11
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MR RICHARD BAIRD
(Senior Statutory Auditor)
For and on behalf of
THE A9 PARTNERSHIP LIMITED
Chartered Accountants
& Statutory Auditor

HOTDOCS LIMITED

ABBREVIATED BALANCE SHEET

31st JULY 2010

	Note	2010 £	2009 £
FIXED ASSETS	2		
Intangible assets		1,349,214	-
Tangible assets		7,684	40,815
Investments		6	-
		<u>1,356,904</u>	<u>40,815</u>
CURRENT ASSETS			
Debtors	3	220,779	195,100
Cash at bank and in hand		276,482	433,982
		<u>497,261</u>	<u>629,082</u>
CREDITORS: Amounts falling due within one year	4	<u>1,178,140</u>	<u>415,830</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(680,879)</u>	<u>213,252</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>676,025</u>	<u>254,067</u>
CREDITORS: Amounts falling due after more than one year	5	500,000	85,502
PROVISIONS FOR LIABILITIES		-	5,568
		<u>176,025</u>	<u>162,997</u>
CAPITAL AND RESERVES			
Called-up equity share capital	7	20,710	20,710
Share premium account		115,989	115,989
Profit and loss account		39,326	26,298
SHAREHOLDERS' FUNDS		<u>176,025</u>	<u>162,997</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These abbreviated accounts were approved by the directors and authorised for issue on 25/3/11, and are signed on their behalf by:

MR R SHEPHERD
Director



Company Registration Number: SC166375

The notes on pages 3 to 5 form part of these abbreviated accounts.

HOTDOCS LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31st JULY 2010****1. ACCOUNTING POLICIES****Basis of accounting**

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

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 not to prepare group accounts.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax, as adjusted for movements in the opening and closing deferred income creditor for income not yet earned on maintenance contracts invoiced in advance.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

HotDocs Software - 5 Years Straight Line

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office Equipment - 3 Years Straight Line
Fixtures & Fittings - 15% Reducing Balance

During the year the directors changed the rate at which the office equipment was to be depreciated at from 15% reducing balance to 3 years straight line. The new depreciation rate more accurately reflects the useful economic lives of the assets included in office equipment. The additional depreciation charged during the year relating to this change in policy is £29,745.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution scheme available to employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

HOTDOCS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31st JULY 2010

1. ACCOUNTING POLICIES *(continued)***Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

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

2. FIXED ASSETS

	Intangible Assets £	Tangible Assets £	Investments £	Total £
COST				
At 1st August 2009	—	122,096	—	122,096
Additions	1,571,901	3,282	6	1,575,189
Disposals	—	(73)	—	(73)
At 31st July 2010	<u>1,571,901</u>	<u>125,305</u>	<u>6</u>	<u>1,697,212</u>
DEPRECIATION				
At 1st August 2009	—	81,281	—	81,281
Charge for year	222,687	36,351	—	259,038
On disposals	—	(11)	—	(11)
At 31st July 2010	<u>222,687</u>	<u>117,621</u>	<u>—</u>	<u>340,308</u>
NET BOOK VALUE				
At 31st July 2010	<u>1,349,214</u>	<u>7,684</u>	<u>6</u>	<u>1,356,904</u>
At 31st July 2009	<u>—</u>	<u>40,815</u>	<u>—</u>	<u>40,815</u>

The company owns 100 \$0.10 common stock shares in HotDocs Corporation, which represents 100% of the issued share capital. HotDocs Corporation is a company registered in the state of Delaware in the USA.

The aggregate capital and reserves of the subsidiary company were in deficit at the period end by £58,108. The loss for the period ended 31st July 2010 was £58,115.

3. DEBTORS

Debtors include amounts of £Nil (2009 - £12,826) falling due after more than one year.

HOTDOCS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31st JULY 2010

4. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2010 £	2009 £
Bank loans and overdrafts	<u>150,000</u>	<u>-</u>

5. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2010 £	2009 £
Bank loans and overdrafts	<u>500,000</u>	<u>-</u>

The bank holds a bond and floating charge over the assets of the company.

6. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

At 01/08/09, Mr R Shepherd's current account was overdrawn by £21,030. During the year the company made advances of £13,977 to Mr R Shepherd. No interest was charged on this balance. As a result of these transactions, at 31/7/10 Mr R Shepherd owed the company £35,007.

7. SHARE CAPITAL

Authorised share capital:

	2010 £	2009 £
50,000 Ordinary shares of £1 each	50,000	50,000
50,000 Ordinary B shares of £1 each	<u>50,000</u>	<u>50,000</u>
	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2010		2009	
	No	£	No	£
20,240 Ordinary shares of £1 each	20,240	20,240	20,240	20,240
470 Ordinary B shares of £1 each	<u>470</u>	<u>470</u>	<u>470</u>	<u>470</u>
	<u>20,710</u>	<u>20,710</u>	<u>20,710</u>	<u>20,710</u>

8. ADOPTION OF APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.