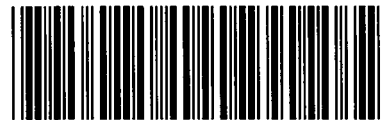


Company Registration No. SC166375 (Scotland)

HOTDOCS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

TUESDAY



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HOTDOCS LIMITED

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HOTDOCS LIMITED

INDEPENDENT AUDITORS' REPORT TO HOTDOCS LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 2 to 6, together with the financial statements of HotDocs Limited for the year ended 31 December 2014 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with Chapter 10 of Part 15 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 auditors' 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 auditors

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.

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.



David Holmes (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

13 August 2015

Chartered Accountants
Statutory Auditor

7-11 Melville Street
Edinburgh
EH3 7PE

HOTDOCS LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Intangible assets	2		-		263,579
Tangible assets	2		57,141		51,809
Investments	2		6		6
			<u>57,147</u>		<u>315,394</u>
Current assets					
Debtors		771,863		644,778	
Cash at bank and in hand		566,408		260,881	
		<u>1,338,271</u>		<u>905,659</u>	
Creditors: amounts falling due within one year	3	<u>(254,937)</u>		<u>(416,518)</u>	
Net current assets			<u>1,083,334</u>		<u>489,141</u>
Total assets less current liabilities			<u>1,140,481</u>		<u>804,535</u>
Creditors: amounts falling due after more than one year	4		(4,247)		(5,989)
Provisions for liabilities			(6,945)		(2,108)
Accruals and deferred income			(878,005)		(393,675)
			<u>251,284</u>		<u>402,763</u>
Capital and reserves					
Called up share capital	5		20,710		20,710
Share premium account			115,989		115,989
Profit and loss account			114,585		266,064
Shareholders' funds			<u>251,284</u>		<u>402,763</u>

These abbreviated financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board and authorised for issue on 13/8/2015

.....
Mr R Shepherd
Director



Company Registration No. SC166375

HOTDOCS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

1.1 Accounting convention

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

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. It has been adjusted for movements in opening and closing deferred income for income on maintenance contracts which have been invoiced in advance but not yet earned.

1.4 Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2010, is being amortised evenly over its estimated useful life of five years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	3 years straight line
Fixtures, fittings & equipment	25% Reducing Balance

The de-minimus level being applied during the year is £250.

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.8 Pensions

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

HOTDOCS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies (Continued)

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.11 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.12 Group accounts

The financial statements contains information of HotDocs limited as an individual company and do not contain consolidated information as a parent of a group. The company has taken the option under section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

2 Fixed assets

	Intangible assets £	Tangible assets £	Investments £	Total £
Cost				
At 1 January 2014	1,571,901	100,691	6	1,672,598
Additions	-	35,068	-	35,068
Disposals	-	(402)	-	(402)
At 31 December 2014	1,571,901	135,357	6	1,707,264
Depreciation				
At 1 January 2014	1,308,322	48,882	-	1,357,204
On disposals	-	(313)	-	(313)
Charge for the period	263,579	29,647	-	293,226
At 31 December 2014	1,571,901	78,216	-	1,650,117
Net book value				
At 31 December 2014	-	57,141	6	57,147
At 31 December 2013	263,579	51,809	6	315,394

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
HotDocs Corporation	USA	Common	100.00

HOTDOCS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

2 Fixed assets

(Continued)

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves	Profit/(loss) for the year
		2014	2014
		£	£
HotDocs Corporation	Principal activity Software production	617,956	(27,418)

3 Creditors: amounts falling due within one year

The aggregate amount of creditors for which security has been given amounted to £8,652 (2013 - £141,571).

4 Creditors: amounts falling due after more than one year

The aggregate amount of creditors for which security has been given amounted to £4,247 (2013 - £5,598).

5 Share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
20,240 Ordinary A of £1 each	20,240	20,240
470 Ordinary B of £1 each	470	470
	<u>20,710</u>	<u>20,710</u>

In March 2014, 891 options were granted to 7 employees and a further 1,554 options were granted to 9 employees during May 2014 in respect of ordinary A shares of £1 each, with an exercise price of £118.24 per share. These are exercisable on or before March/May 2024. At the year end all 2,445 options remain unexercised.

HOTDOCS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

6 Related party relationships and transactions

The following directors had interest free loans during the year. The movement on these loans are as follows:

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Mr R Shepherd -	-	15,739	6,150	-	17,031	4,858
		<u>15,739</u>	<u>6,150</u>	<u>-</u>	<u>17,031</u>	<u>4,858</u>