

## Rug Doctor Limited

### Annual Report and Financial Statements

For the period from 1 January 2014 to 31 December 2014



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# **RUG DOCTOR LIMITED**

## **Consolidated Financial Statements - 31 December 2014**

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# **RUG DOCTOR LIMITED**

## **General Information**

<b>DIRECTORS:</b>	J P Shields K S Dosanjh
<b>SECRETARY:</b>	P Lynch
<b>REGISTERED OFFICE:</b>	Global House High Street Crawley West Sussex RH10 1DL
<b>BANKERS:</b>	National Westminster Bank plc Worthing West Sussex BN11 3AR
<b>SOLICITORS:</b>	Coole and Haddock 5 The Steyne Worthing West Sussex BN11 3DT
<b>REGISTERED AUDITORS:</b>	PricewaterhouseCoopers LLP The Portland Building 25 High Street Crawley RH10 1BG
<b>REGISTERED NUMBER:</b>	1544366

## **RUG DOCTOR LIMITED**

### **Directors' Report**

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2014.

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **DIRECTORS**

The directors who served throughout the year and up to the date of signing financial statements were as follows:

T J Wall (resigned 1<sup>st</sup> July 2014)

K S Dosanjh

J P Shields (appointed 1<sup>st</sup> July 2014)

### **DETAILS CONTAINED WITHIN THE STRATEGIC REPORT**

Details relating to principal activities including future developments, risks and uncertainties, and financial KPIs are contained within the Strategic Report.

### **DIVIDENDS**

The directors do not propose a dividend payment (2013 - £nil).

## RUG DOCTOR LIMITED

### Directors' Report (continued)

#### PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing its report and to establish that the company's auditors are aware of that information.

#### AUDITOR

Mazars LLP resigned during the year (due to requirement flowing down from the ultimate parent undertakings (Note 8)). The directors appointed, PricewaterhouseCoopers LLP, who has subsequently indicated their willingness to continue in office.

Approved by the board on 31-3-15  
and signed by its order by

A handwritten signature in black ink, appearing to read 'K S Dosanjh', written over a horizontal line.

K S Dosanjh  
Director

# RUG DOCTOR LIMITED

## Strategic Report

### INTRODUCTION

The principal activities of the company continue to be the sale and rental of carpet cleaning equipment and products.

### BUSINESS REVIEW

Trading performance was ahead of prior year due to retail outlet growth, and improved economic conditions. The directors expect that business performance will continue to improve in the foreseeable future, driven by increased footfall in existing outlets, and further expansion.

### PRINCIPAL RISKS AND UNCERTAINTIES

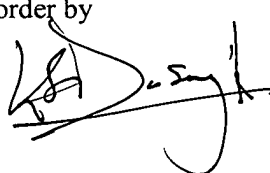
Going forward, the company recognises business risk from the general condition of the European economy, and, to a lesser extent, movement in global exchange rates. Expansion in Europe is deliberately restricted to Germany, Luxembourg and Belgium; considered stable markets. Potential impact of foreign exchange fluctuation is considered immaterial; therefore no mitigating strategy is adopted.

### KEY PERFORMANCE INDICATORS

The group's profit for the financial year for 2014 of £149k was £221k less than that achieved in 2013. Sales increased by 11% from £8,270k in 2013 to £9,178k in 2014, cost of sales decreased by 4.0% from £1,944k in 2013 to £1,866k in 2014, and administrative expenses increased by 17.5%. The effect of these is seen on the profit on ordinary activities before taxation, which has decreased by 5.9% from £482k in 2013 to £454k in 2014. The group also monitors EBITDA (earnings before interest, tax, depreciation and amortisation) which increased by 14.3% from £2,296k in 2013 to £2,623k in 2014. In addition, rental occasions non-financial indicator increased by 6.4% from 390k in 2013 to 415k in 2014.

The company's profit for the financial year for 2014 of £679k was £14k less than achieved in 2013, primarily due to investment in category advertising and promotion. Net assets increased from £8,191k in 2013 to £8,869k in 2014, primarily due to investment in stock, which has increased by 51% from £1,473k in 2013 to £2,225k in 2014. The company's EBITDA increased by 12.5%, from £2,485k in 2013 to £2,795k in 2014. The company's rental occasions increased by 6.1%; from 381k in 2013 to 404k in 2014.

Approved by the board on  
and signed by its order by

31-3-15  


K S Dosanjh  
Director

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RUG DOCTOR LIMITED**

**Report on the financial statements**

**Our opinion**

In our opinion, Rug Doctor Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2014 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**What we have audited**

Rug Doctor Limited's financial statements comprise:

- the Consolidated and Company Balance Sheets as at 31 December 2014;
- the Consolidated Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Other matters on which we are required to report by exception**

**Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

**Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

**Responsibilities for the financial statements and the audit**

**Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Peter Latham (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Gatwick

**31** March 2015



# RUG DOCTOR LIMITED

## Consolidated Profit and Loss Account For the Year Ended 31 December 2014

	Note	2014 £	Restated 2013 (Note 1) £
<b>TURNOVER</b>	2	9,177,784	8,270,447
Cost of sales		(1,865,762)	(1,944,010)
<b>GROSS PROFIT</b>		7,312,022	6,326,437
Administrative expenses		(6,858,344)	(5,836,311)
<b>OPERATING PROFIT</b>	3	453,678	490,126
Interest payable and similar charges	6	-	(8,254)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		453,678	481,872
Tax on profit on ordinary activities	7	(304,379)	(111,437)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	16	149,299	370,435

The group's turnover and expenses all relate to continuing operations.

The profit on ordinary activities before taxation and the profit for the financial year have been calculated on the historical cost basis.

The group has no recognised gains or losses other than the profit or loss for the year.

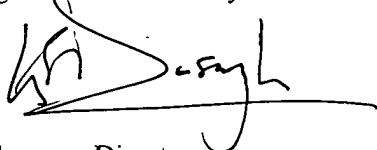
The notes on pages 11 to 26 form part of these financial statements.

# RUG DOCTOR LIMITED

## Consolidated Balance Sheet at 31 December 2014

	Note	2014	2013
		£	£
<b>FIXED ASSETS</b>			
Intangible assets	8	41,803	69,975
Tangible assets	9	1,833,513	1,798,553
		<u>1,875,315</u>	<u>1,868,528</u>
<b>CURRENT ASSETS</b>			
Stocks	11	2,260,415	1,509,474
Debtors	12	3,364,297	3,952,702
Cash at bank and in hand		1,215,324	1,090,480
		<u>6,840,036</u>	<u>6,552,656</u>
<b>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	13	<u>(1,640,249)</u>	<u>(1,585,544)</u>
<b>NET CURRENT ASSETS</b>		<u>5,199,787</u>	<u>4,967,112</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,075,102</u>	<u>6,835,640</u>
<b>PROVISIONS FOR LIABILITIES</b>	14	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>		<u><u>£7,075,102</u></u>	<u><u>£6,835,640</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	276,000	276,000
Profit and loss account	16	6,799,102	6,559,640
<b>TOTAL SHAREHOLDERS' FUNDS</b>	16	<u><u>7,075,102</u></u>	<u><u>6,835,640</u></u>

The financial statements on pages 8 to 26 were approved by the Board of Directors on 31-3-15 and were signed on its behalf by



K S Dosanjh - Director

The notes on pages 11 to 26 form part of these financial statements.

# RUG DOCTOR LIMITED

## Company Balance Sheet at 31 December 2014

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	9		1,620,111		1,533,073
Investments	10		22,506		22,506
			<u>1,642,617</u>		<u>1,555,579</u>
<b>CURRENT ASSETS</b>					
Stocks	11	2,224,993		1,473,517	
Debtors: amounts falling due within one year	12	3,268,920		3,685,860	
Debtors: amounts falling due after more than one year	12	2,355,887		2,145,304	
Cash at bank and in hand		925,347		846,269	
		<u>8,775,147</u>		<u>8,150,950</u>	
<b>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	13	(1,547,858)		(1,515,781)	
<b>NET CURRENT ASSETS</b>			<u>7,227,289</u>		<u>6,635,169</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			8,869,906		8,190,748
<b>PROVISIONS FOR LIABILITIES</b>	14		-		-
<b>NET ASSETS</b>			<u>£8,869,906</u>		<u>£8,190,748</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		276,000		276,000
Profit and loss account	16		8,593,906		7,914,748
<b>TOTAL SHAREHOLDERS' FUNDS</b>	16		<u>8,869,906</u>		<u>8,190,748</u>

The financial statements on pages 8 to 26 were approved by the Board of Directors on 31-3-15, and were signed on its behalf by



K S Dosanjh - Director

The notes on pages 11 to 26 form part of these financial statements.

**Notes to the Financial Statements  
For the Year Ended 31 December 2014**

**1 ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements, unless otherwise stated.

**(a) Basis of preparation and going concern**

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom and under the historical cost accounting rules.

The financial statements of the group and the company have been prepared on a going concern basis.

**(b) Basis of consolidation**

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 December 2014. Intercompany Balances are eliminated fully on consolidation.

The company has taken the exemption under section 408 of the Companies Act 2006, and is not presenting its own profit and loss account. The company's profit for the financial year was £679,158 (2013 - £693,264).

**(c) Goodwill**

The assets and liabilities of subsidiary undertakings acquired are included in the balance sheet at their estimated fair values to the group, any goodwill being written off over the directors' estimate of useful economic life.

**(d) Investments**

In the company's financial statements, investments in subsidiary undertakings and other investments are stated at cost less amounts written off.

**(e) Fixed assets and depreciation**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on all tangible fixed assets in use, at rates estimated to write off the cost, less estimated residual value, of each asset over its expected useful economic life, as follows

Leasehold improvements	- 5%-33.33% pa
Office, rental and other equipment	- 10%-33% pa
Motor vehicles	- 20% - 33% pa

**(f) Stocks**

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, a standard cost is assigned based on the most recent purchase price at specific points in time during the year. Two standard cost reviews were carried out during the year. For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

# **RUG DOCTOR LIMITED**

## **Notes to the Financial Statements For the Year Ended 31 December 2014 (continued)**

### **1 ACCOUNTING POLICIES (continued)**

#### **(g) Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Results of overseas subsidiaries are translated at the average rate for the year. Assets and liabilities of overseas subsidiaries are translated at rate ruling at the balance sheet date. These exchange differences arising are calculated on a monthly basis throughout the year and released to the profit and loss account.

#### **(h) Leases**

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### **(i) Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

#### **(j) Post retirement benefits**

The company pays contributions into defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

#### **(k) Turnover**

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers. Distribution centre chemical revenue is recognised upon delivery date. Rental revenue is recognised when payment is received for online bookings. Rental and chemical electronic point of sale (EPOS) data is invoiced or accrued within the relevant period. Handheld terminal transaction revenue is recognised on upload, or accrued within the relevant period.

**Notes to the Financial Statements  
For the Year Ended 31 December 2014 (continued)**

**1 ACCOUNTING POLICIES (continued)**

**(l) Change of Accounting Policy**

During the year, the directors carried out a review of the classification of certain costs in the profit and loss account and as a result concluded that it would be more appropriate to disclose sales distribution related cost, being a portion of overheads and labour costs absorbed into finished goods, within cost of sales rather than administrative expenses. As a result of this change in accounting policy, the prior year comparatives have been restated, resulting in increasing cost of sales by £466,680 and reducing administrative expenses by £466,680 from the amounts shown in the prior year financial statements. For 2014, the equivalent amount would be £350,331.

**(m) Cash flow statement**

The company is a wholly owned subsidiary company of a group headed by Rug Doctor, LLC, and is included in the consolidated financial statements of that company. Consequently, the company has taken advantage of the exemption within FRS1 (revised 1996) 'Cash flow statements' from preparing a cash flow statement.

# RUG DOCTOR LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2014 (continued)

### 2 TURNOVER

	2014 %	2013 %
<b>GROUP</b>		
A geographical analysis of turnover for the group is as follows:		
United Kingdom	95	95
Europe	5	5
	<u>100</u>	<u>100</u>

### 3 OPERATING PROFIT

	2014 £	2013 £
<b>GROUP</b>		
The operating profit is stated after charging:		
Auditors' remuneration:		
Fees payable to company's auditor for the audit of parent company and consolidated financial statements	22,500	20,764
Fees payable to company's auditors and its associates for services:		
-Tax compliance services	6,750	44,400
Depreciation on tangible and intangible fixed assets:		
- owned	884,594	901,192
Hire of plant and machinery - rentals payable under operating leases	51,776	49,271
Land and buildings - rentals payable under operating leases	148,070	136,000
	<u>1,084,380</u>	<u>1,086,863</u>

# RUG DOCTOR LIMITED

## Notes to the Financial Statements

For the Year Ended 31 December 2014 (continued)

### 4 STAFF NUMBERS AND COSTS

#### GROUP

The monthly average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	<b>Number of employees</b>	<b>Number of employees</b>
	<b>2014</b>	<b>2013</b>
Sales	34	31
Manufacturing	11	13
Administration	28	29
	<u>73</u>	<u>73</u>

The aggregate payroll costs of these persons were as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,219,451	2,074,544
Social security costs	249,049	237,119
Other pension costs	26,428	27,038
	<u>2,494,928</u>	<u>2,338,701</u>



# RUG DOCTOR LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2014 (continued)

### 5 DIRECTORS' REMUNERATION

	2014 £	2013 £
Emoluments	190,266	192,639
Contributions to money purchase pension schemes	1,750	7,000
	<u>192,016</u>	<u>199,639</u>

One director (2013 - one director) received remuneration and accrued benefits under the money purchase pension scheme.

### 6 INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
Interest payable	<u>0</u>	<u>8,254</u>

# RUG DOCTOR LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2014 (continued)

### 7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2014 £	2013 £
(a) Analysis of charge in year		
Current tax:		
UK corporation tax on income for the year	202,597	262,904
Adjustments in respect of prior years	85,695	(101,297)
	<hr/>	<hr/>
Total current tax (see (b) below)	288,292	161,607
Deferred tax	16,087	(50,170)
	<hr/>	<hr/>
Tax on profit on ordinary activities	<u>304,379</u>	<u>111,437</u>
(b) Factors affecting tax charge for year		
The tax charged for the year is higher (2013: higher) than the standard rate of corporation tax in the UK of 21.49% (2013:23.25%)		
Profit on ordinary activities before tax	<u>983,537</u>	<u>804,701</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013:23.25%)	211,393	193,128
Effects of:		
Expenses not deductible for tax purposes	3,645	9,263
Capital allowances for period in excess of depreciation	(12,442)	69,034
Adjustments respect of prior years	85,695	(101,297)
Change in tax rate		(8,521)
	<hr/>	<hr/>
Total current tax charge (see (a) above)	<u>288,292</u>	<u>161,607</u>

The figures noted above relate to the company, Rug Doctor Limited. There is no tax charge or credit relating to Rug Doctor GmbH.

# RUG DOCTOR LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2014 (continued)

### 8 INTANGIBLE FIXED ASSETS

	Goodwill £
<b>GROUP</b>	
<b>COST</b>	
At 1 January 2014	126,211
Revaluation	(7,912)
Additions	-
At 31 December 2014	<u>118,299</u>
<b>ACCUMULATED AMORTISATION</b>	
At 1 January 2014	56,236
Revaluation	(3,525)
Charge for the year	23,785
At 31 December 2014	<u>76,496</u>
<b>NET BOOK VALUES</b>	
At 31 December 2014	<u>41,803</u>
At 31 December 2013	<u>69,975</u>
Amortisation rate	20%

# RUG DOCTOR LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2014 (continued)

### 9 TANGIBLE FIXED ASSETS

GROUP	Leasehold improve- ments £	Office equipment £	Rental equipment £	Equipment £	Motor vehicles £	Total £
<b>COST OR VALUATION</b>						
At 1 January 2014	36,839	229,100	6,041,893	122,905	306,725	6,737,462
Revaluation	-	(667)	(25,308)	-	(2,120)	(28,095)
Additions	7,250	27,169	785,583	39,684	95,785	955,471
Disposals	-	(783)	(621,315)	(2,250)	-	(624,348)
	<u>44,089</u>	<u>254,819</u>	<u>6,180,853</u>	<u>160,339</u>	<u>400,390</u>	<u>7,040,490</u>
<b>ACCUMULATED DEPRECIATION</b>						
At 1 January 2014	19,922	211,769	4,536,577	103,103	67,538	4,938,909
Revaluation	-	(394)	(9,661)	-	(911)	(10,966)
Charge for the year	3,849	11,137	763,866	7,357	73,612	859,821
On disposals	-	(783)	(577,754)	(2,250)	-	(580,787)
	<u>23,771</u>	<u>221,729</u>	<u>4,713,028</u>	<u>108,210</u>	<u>140,239</u>	<u>5,206,977</u>
<b>NET BOOK VALUE</b>						
At 31 December 2014	<u>20,318</u>	<u>33,090</u>	<u>1,467,825</u>	<u>52,129</u>	<u>260,151</u>	<u>1,833,513</u>
At 31 December 2013	<u>16,917</u>	<u>17,331</u>	<u>1,505,316</u>	<u>19,802</u>	<u>239,187</u>	<u>1,798,553</u>
<b>Depreciation rates:</b>						
Leasehold improvements		- 5%-33.33% pa				
Office, rental and other equipment		- 10%-33% pa				
Motor vehicles		- 20% - 33% pa				

# RUG DOCTOR LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2014 (continued)

### 9 TANGIBLE FIXED ASSETS (continued)

COMPANY	Leasehold improve- ments £	Office equipment £	Rental equipment £	Equipment £	Motor vehicles £	Total £
<b>COST OR VALUATION</b>						
At 1 January 2014	36,839	218,893	5,650,788	122,905	273,011	6,302,436
Additions	7,250	27,169	729,508	39,684	95,785	899,396
Disposals	-	-	(621,315)	(2,250)	-	(623,565)
	<u>44,089</u>	<u>246,062</u>	<u>5,758,981</u>	<u>160,339</u>	<u>368,796</u>	<u>6,578,267</u>
At 31 December 2014	<u>44,089</u>	<u>246,062</u>	<u>5,758,981</u>	<u>160,339</u>	<u>368,796</u>	<u>6,578,267</u>
<b>ACCUMULATED DEPRECIATION</b>						
At 1 January 2014	19,922	204,939	4,388,298	103,103	53,101	4,769,363
Charge for the year	3,849	9,356	680,900	7,357	67,335	768,797
Disposals	-	-	(577,754)	(2,250)	-	(580,004)
	<u>23,771</u>	<u>214,295</u>	<u>4,491,444</u>	<u>108,210</u>	<u>120,436</u>	<u>4,958,156</u>
At 31 December 2014	<u>23,771</u>	<u>214,295</u>	<u>4,491,444</u>	<u>108,210</u>	<u>120,436</u>	<u>4,958,156</u>
<b>NET BOOK VALUE</b>						
At 31 December 2014	<u>20,318</u>	<u>31,767</u>	<u>1,267,537</u>	<u>52,129</u>	<u>248,360</u>	<u>1,620,111</u>
At 31 December 2013	<u>16,917</u>	<u>13,954</u>	<u>1,262,490</u>	<u>19,802</u>	<u>219,910</u>	<u>1,533,073</u>

#### Depreciation rates:

Leasehold improvements	- 5%-33.33% pa
Office, rental and other equipment	- 10%-33% pa
Motor vehicles	- 20% - 33% pa

## RUG DOCTOR LIMITED

### Notes to the Financial Statements For the Year Ended 31 December 2014

#### 10 FIXED ASSET INVESTMENTS

##### COMPANY

	Shares in group undertakings 2014 £	Shares in group undertakings 2013 £
<b>COST AND NET BOOK VALUE</b>		
At 1 January and 31 December 2014	<u>22,506</u>	<u>22,506</u>

The undertakings in which the company's interest at the year end is more than 20% are as follows:

	Country of incorporation	Class and percentage of shares held
<b>Direct investment</b>		
Rug Doctor GmbH	Germany	Ordinary 100%

The aggregate value of capital and reserves and the result for this undertaking for the last relevant financial year were as follows:

	Capital and reserves	Loss for the financial year
Rug Doctor GmbH	<u>(1,243,186)</u>	<u>(525,148)</u>

The directors believe the carrying value of the investment is supported by the future forecast earnings.

# RUG DOCTOR LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2014 (continued)

### 11 STOCKS

	<b>Group 2014 £</b>	<b>Company 2014 £</b>	<b>Group 2013 £</b>	<b>Company 2013 £</b>
Raw materials and consumables	243,477	243,477	170,610	170,610
Work in progress	-	-	38,249	38,249
Finished goods and goods for resale	2,016,938	1,981,516	1,300,615	1,264,658
	<u>2,260,415</u>	<u>2,224,993</u>	<u>1,509,474</u>	<u>1,473,517</u>

### 12 DEBTORS

#### AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>Group 2014 £</b>	<b>Company 2014 £</b>	<b>Group 2013 £</b>	<b>Company 2013 £</b>
Trade debtors	2,393,419	2,311,512	2,498,052	2,255,579
Amounts owed by group undertakings	498,589	498,589	950,433	950,434
Deferred taxation	48,541	48,541	64,627	64,627
Other debtors	20,566	19,136	67,637	54,544
Prepayments and accrued income	403,182	391,142	371,953	360,676
	<u>3,364,297</u>	<u>3,268,920</u>	<u>3,952,702</u>	<u>3,685,860</u>

Amounts owed by group undertakings are non-interest bearing and are repayable on demand.

#### AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<b>Group 2014 £</b>	<b>Company 2014 £</b>	<b>Group 2013 £</b>	<b>Company 2013 £</b>
Amounts owed by group undertakings	-	2,355,887	-	2,145,304

Amounts owed by group undertakings are non-interest bearing and the directors have confirmed they will not call upon this debt within the next 12 months.

# RUG DOCTOR LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2014 (continued)

### 13 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>Group 2014 £</b>	<b>Company 2014 £</b>	<b>Group 2013 £</b>	<b>Company 2013 £</b>
Trade creditors	188,320	188,321	197,946	196,079
Corporation tax	46,576	46,576	-	-
Other taxation and social security	381,959	385,267	82,047	80,378
Other Creditors	148	146	-	-
Accruals and deferred income	1,023,246	927,548	1,305,551	1,239,324
	<u>1,640,249</u>	<u>1,547,858</u>	<u>1,585,544</u>	<u>1,515,781</u>

### 14 PROVISIONS FOR LIABILITIES

	<b>Deferred taxation £</b>
<b>Group and company</b>	
At 1 January 2014	(64,627)
Charge to the profit and loss account	16,086
	<u>          </u>
At 31 December 2014	<u>(48,541)</u>

The deferred tax asset is included in debtors (note 12).



# RUG DOCTOR LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2014 (continued)

### 15 CALLED UP SHARE CAPITAL

	2014 £	2013 £
<b>Authorised</b>		
276,000 (2013: 276,000) Ordinary shares of £1 each	276,000	276,000
	<u>276,000</u>	<u>276,000</u>
	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
276,000 (2013: 276,000) Ordinary shares of £1 each	276,000	276,000
	<u>276,000</u>	<u>276,000</u>

### 16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2014	276,000	6,559,640	6,835,640
Gain on opening balance retranslation of subsidiary	-	90,162	90,162
Profit for the financial year	-	149,299	149,299
	<u>276,000</u>	<u>6,799,101</u>	<u>7,075,101</u>
Shareholders' funds at 31 December 2014	276,000	6,799,101	7,075,101

# RUG DOCTOR LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2014 (continued)

### 16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS (continued)

#### Company

	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total shareholders' funds £</b>
At 1 January 2014	276,000	7,914,748	8,190,748
Profit for the financial year	-	679,158	679,158
	<hr/>	<hr/>	<hr/>
Shareholders' funds at 31 December 2014	<u>276,000</u>	<u>8,593,906</u>	<u>8,869,906</u>

### 17 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2014 the group was committed to making the following annual payments under non-cancellable operating leases.

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Group and company</b>				
Operating leases which expire:				
Within one year	-	-	15,474	6,005
In the second to fifth years inclusive	-	-	30,893	39,383
In more than five years	154,000	136,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>154,000</u>	<u>136,000</u>	<u>46,367</u>	<u>45,388</u>

## **RUG DOCTOR LIMITED**

### **Notes to the Financial Statements**

**For the Year Ended 31 December 2014 (continued)**

#### **18 ULTIMATE PARENT UNDERTAKING AND CONTROLLING ENTITY**

The immediate parent undertaking is Rug Doctor, LLC.

The ultimate parent undertaking and controlling party is RD Holdco Inc., a company incorporated in the USA.

RD Holdco Inc. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2014. The consolidated financial statements of RD Holdco Inc. are available from 4701 Old Shephard Place Plano, TX 75093.

Rug Doctor, LLC is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Rug Doctor, LLC can be obtained from 4701 Old Shephard Place Plano, TX 75093.

#### **19 RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related Party Disclosures', not to disclose transactions with members of the group headed by RD Holdco Inc on the grounds that these companies are wholly owned by the group headed by RD Holdco Inc and the company is included in the consolidated financial statements.