



REGISTERED

COMPANY

REGISTERED

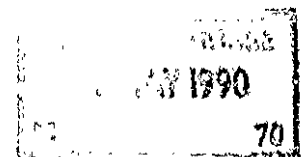
COMPANY

## REGISTRARS

*Company*  
204 174

### INTERFACE FLOORING SYSTEMS LIMITED

DIRECTORS' REPORT AND ACCOUNTS  
for the fifty-two weeks ended  
31 DECEMBER 1989



INTERPACE FLOORING SYSTEMS LIMITED

DIRECTORS

R.C. Anderson                      Chairman  
D.G. Thomas  
D.H. Lee  
D.E. Russell  
A.T. Hill  
W.G. McWhirter  
G.D. Mallinson  
F.C. Harrell  
K. Lister

SECRETARY

A.T. Hill

REGISTERED OFFICE

Shelf Mills, Halifax, West Yorkshire HX3 7PA

AUDITORS

BDO Binder, Chartered Accountants,  
Number Twenty-One, Queen Street, Leeds LS1 2TW

## DIRECTORS' REPORT

### ACCOUNTS

The directors present their report and accounts for the fifty-two weeks ended 31 December 1989.

### ACTIVITIES AND BUSINESS REVIEW

The principal activity of the group continues to be the manufacture and distribution of carpets and carpet tiles. The directors consider that both the results for the period and the trading prospects are satisfactory.

### POST BALANCE SHEET EVENT

On 1 January 1990 the assets, liabilities and trading activities of a wholly owned subsidiary company, Guilford Industries Limited were sold to Guildford of Maine (UK) Limited, which is a fellow subsidiary in the Interface Inc. Group.

This sale was made at net asset value.

### DIVIDENDS

The directors do not recommend payment of a dividend for the fifty-two weeks ended 31 December 1989 and the group retained profit of £7,409,000 (52 weeks ended 1 January 1989: £5,596,000) will be added to reserves.

### FIXED ASSETS

Movements in fixed assets are shown in notes 6 to 8 of the accounts.

### EMPLOYEES

It is group policy to offer appropriate employment, training and promotion opportunities to disabled people where the disability does not materially affect work performance. Should it become necessary every effort would be made in accordance with this policy to continue the employment of anyone becoming disabled whilst in the service of the group.

Information to employees regarding the group and factors affecting its performance are provided through normal management channels and regular consultation.

### DIRECTORS

The members of the board during the period were:

R.C. Anderson  
D.G. Thomas  
D.H. Lee  
D.E. Russell  
A.T. Hill  
W.G. McWhirter  
G.D. Mallinson  
F.C. Harrell  
\*K. Lister

MINERAL MACHINERY SYSTEMS LIMITED

OPERATIONS REPORT Continued

DIRECTORS Continued

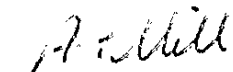
\* (A. Lister is the alternate director for F.C. Harrell).

Messrs. D.G. Thomas, D.H. Lee and D.E. Russell retire by rotation and, being eligible, offer themselves for re-election.

AUDITORS

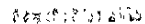
BDO Binder offer themselves for re-appointment in accordance with Section 384(1) Companies Act 1985.

By order of the board



Secretary

8 February 1990



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INCOME STATEMENT AND LOSS ACCOUNT FOR THE FIFTY-TWO WEEKS ENDED 31 DECEMBER 1989

	Notes	52 weeks ended 31 December 1989 £'000	52 weeks ended 1 January 1989 £'000
Turnover	2	48,697	44,553
Change in stocks of finished goods and work in progress		(1,196)	3,327
Own work capitalised		31	97
Other operating income		135	361
		<u>47,667</u>	<u>48,338</u>
Raw materials and consumables		(22,973)	(25,076)
Other external charges		(2,415)	(2,083)
Staff costs	20	(7,025)	(6,160)
Depreciation and amounts written off intangible assets		(1,111)	(910)
Other operating charges		<u>(7,381)</u>	<u>(7,836)</u>
Operating profit		6,757	6,273
Other income		297	-
Interest receivable and similar income		1,426	1,675
Interest payable and similar charges		(558)	(907)
Unrealised exchange gain		<u>1,533</u>	<u>784</u>
Profit on ordinary activities before taxation	3	9,455	7,825
Tax on profit on ordinary activities	4	<u>(2,046)</u>	<u>(2,229)</u>
Profit on ordinary activities after taxation and amount transferred to reserves	16	<u>7,409</u>	<u>5,596</u>

THE LANCASHIRE & CHESHIRE CEMENT WORKS LIMITED

STATE OF BALANCE SHEET AT 31 DECEMBER 1989

	Notes	31 December 1989 £'000	1 January 1989 £'000
<b>FIXED ASSETS</b>			
Intangible assets	6	35	38
Tangible assets	7	8,985	9,332
Investments	8	39,825	30,126
		<u>48,845</u>	<u>39,496</u>
<b>CURRENT ASSETS</b>			
Stocks	9	7,641	7,949
Debtors	10	26,984	30,659
Cash at bank and in hand		4,402	499
		<u>39,027</u>	<u>39,107</u>
<b>CREDITORS (amounts due within one year)</b>	11	<u>(11,729)</u>	<u>(13,382)</u>
<b>NET CURRENT ASSETS</b>		<u>27,298</u>	<u>25,725</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>76,143</b>	<b>65,221</b>
<b>CREDITORS (amounts due after one year)</b>	12	<u>(1,059)</u>	<u>(7,562)</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	14	<u>(1,232)</u>	<u>(933)</u>
<b>NET ASSETS</b>		<u><u>73,852</u></u>	<u><u>56,726</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	14,216	14,216
Share premium account	16	5,276	5,276
Revaluation reserve	16	39,647	29,948
Profit and loss account	16	14,713	7,286
		<u>73,852</u>	<u>56,726</u>

Signed on behalf of the board

..... *G. M. A. B.*  
 ..... *A. J. H.* Directors

THE LAMP GROUP (PVT) LIMITED

BALANCE SHEET AT 31 DECEMBER 1989

	Notes	31 December 1989 £'000	1 January 1989 £'000
<b>FIXED ASSETS</b>			
Intangible assets	6	35	38
Tangible assets	7	8,972	9,255
Investments	8	48,804	39,447
		<u>57,811</u>	<u>48,740</u>
<b>CURRENT ASSETS</b>			
Stocks	9	7,478	7,826
Debtors	10	27,378	31,071
Cash at bank and in hand		4,329	366
		<u>39,185</u>	<u>39,263</u>
CREDITORS (amounts due within one year)	11	(11,683)	(13,203)
NET CURRENT ASSETS		<u>27,502</u>	<u>26,060</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
CREDITORS (amounts due after one year)	12	(26,226)	(32,620)
PROVISIONS FOR LIABILITIES AND CHARGES	14	(1,232)	(933)
NET ASSETS		<u>57,855</u>	<u>41,247</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	14,216	14,216
Share premium account	16	5,276	5,276
Revaluation reserve	16	23,088	13,389
Profit and loss account	16	15,275	8,366
		<u>57,855</u>	<u>41,247</u>

Signed on behalf of the board

.....  
*Comanica*  
 .....  
*H. J. Hill*  
 ..... } Directors



STATEMENT OF THE GROUP'S SOURCE AND APPLICATION OF FUNDS FOR THE FIFTY-TWO WEEKS ENDED 31 DECEMBER 1989

	52 weeks ended 31 December 1989 £'000	52 weeks ended 1 January 1989 £'000
Funds generated from operations:		
Profit on ordinary activities before taxation	9,455	7,825
Net adjustments to tangible and intangible fixed assets	1,134	911
Exchange difference	18	10
Total generated from operations	10,607	8,746
Tax liability (paid) released	(1,682)	24
Net funds generated from operations	8,925	8,770
Fixed assets:		
Tangible assets acquired	1,339	4,357
Disposal proceeds	(555)	(124)
	784	4,233
Additional (reduced) working capital:		
Stocks	(308)	2,074
Debtors	(3,601)	3,569
Creditors (excluding loans, overdrafts and corporation tax)	7,232	(2,829)
	3,323	2,814
Total funds applied	4,107	7,047
Surplus funds available	4,818	(1,723)
Application of surplus funds:		
Loans net of repayments		(2,000)
Decrease (increase) in overdraft	915	(505)
Increase in liquid funds	3,903	782
	4,818	(1,723)

The following accounting policies are used consistently in dealing with items which are considered material in relation to the accounts.

The accounts are prepared under the historical cost convention, except for the investment in the parent company, which is stated at market value.

The group profit and loss account and balance sheet includes the accounts of the parent company and its subsidiaries made up to the period end date.

A separate profit and loss account dealing with the results of the parent company only has not been presented as permitted by Section 228(7) Companies Act 1985.

Acquisitions for which the consideration comprises an issue of shares which are eligible for relief under Sections 131 to 134 of the Companies Act 1985 are stated in the holding company balance sheet at the nominal value of the shares issued plus the minimum premium value. All other investments, other than the trade investments, are stated at the lower of cost and net realisable value. The investment in the parent company is stated at its market value at the balance sheet date.

The cost of all tangible fixed assets except for freehold land is written off, on a straight line basis, over the estimated useful lives of the assets, at the following annual rates:-

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ACCOUNTING POLICIES

ACCOUNTING POLICIES Continued

Capital grants

Government grants on the purchase of fixed assets are treated as deferred revenue and credited to other operating income over the expected useful lives of the assets concerned.

Intangible assets

Goodwill, patents and trade marks are amortised over a period of twenty years which the directors consider to be their useful economic lives.

Stocks and work in progress

Stocks and work in progress are valued on a "first-in, first-out" basis at the lower of cost and net realisable value.

Raw material costs consist of purchase price together with any directly attributable costs. In the case of finished goods, the work in progress cost consists of expenditure directly incurred in purchasing or manufacturing the stock and bringing it to its current location and condition, plus an appropriate proportion of production overheads based on a normal level of activity.

Net realisable value is the price at which stock can be realised in the normal course of business after allowing for the costs of realisation, and where appropriate, the cost of conversion from its existing state to a finished condition.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies and the accounts of overseas subsidiaries are translated at the rate of exchange ruling at the balance sheet date. Exchange differences arising from the retranslation of the opening net investment in overseas subsidiaries at the period end rate are taken directly to reserves. All other exchange differences are dealt with in the profit and loss account.

Deferred taxation

Deferred taxation is provided if, in the opinion of the directors, there is a reasonable probability of an actual liability arising in the foreseeable future.

Leasing and rental transactions

Assets funded by finance leases are capitalised and future lease obligations, excluding interest, are included in creditors in the balance sheet.

Depreciation on such assets is charged in accordance with the group's policy on depreciation and interest charges, calculated on the actuarial method, are written off as incurred.

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## ACCOUNTING POLICIES Continued

### Leasing and rental transactions Continued

Payments under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

### Pensions

Pension costs are charged to the profit and loss account on a systematic and rational basis over the period during which the group derives benefit from the employees' services. This is a change of accounting policy following the adoption of Statement of Standard Accounting Practice Number 24. In previous periods, the charge to the profit and loss account comprised the actual contributions made by the group to the scheme. This change in accounting policy has had no material affect on the current period's trading results. The surplus arising on the adoption of Statement of Standard Accounting Practice Number 24, will be amortised over the average remaining service lives of the employees.

2	TURNOVER	52 weeks ended	52 weeks ended
		31 December	1 January
		1989	1989
		£'000	£'000

### Geographical market:

United Kingdom	35,872	31,183
Other EC countries	8,320	7,600
The Americas	537	267
Middle East	286	512
Far East	835	1,243
Europe other than EC	2,137	2,474
Africa and Australia	710	1,274
	<u>48,697</u>	<u>44,553</u>

3	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	£'000	£'000

### After charging:

Directors' emoluments (note 19)	207	38
Depreciation of tangible fixed assets	1,108	935
Loss on sale of fixed assets	23	-
Hire of plant and machinery	191	41
Auditors' remuneration	42	43
Interest payable on bank borrowings and other borrowings repayable within five years	58	312
Interest payable to group companies	473	518
Amounts written off intangible assets	3	2
Finance charges on leased assets	27	77
Exchange losses	-	87
	<u></u>	<u></u>

NOTE 3: THE ACCOUNTS

PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION Continued

	52 weeks ended 31 December 1989 £'000	52 weeks ended 1 January 1989 £'000
After crediting:		
Interest receivable from group companies	1,250	1,641
Profit on sale of investments	103	51
Profit on sale of fixed assets	-	27
Realised exchange gains	133	-
Unrealised exchange gains	2,533	784
	<u>2,489</u>	<u>2,320</u>
4 TAX ON PROFIT ON ORDINARY ACTIVITIES	£'000	£'000
U.K. Corporation tax at 35%	2,100	2,050
Transfer to deferred taxation	389	270
	<u>2,489</u>	<u>2,320</u>
Prior period adjustments:		
U.K. Corporation tax	(353)	(9)
Deferred taxation	(90)	(82)
	<u>2,046</u>	<u>2,229</u>

5 PROFIT FOR THE PERIOD

Included in profit for the period is a profit of £6,909,000 (52 weeks ended 1 January 1989: £4,113,000) which is attributable to the holding company.

6 INTANGIBLE FIXED ASSETS  
- GROUP AND COMPANY

	Patents and trademarks £'000	Goodwill £'000	Total £'000
Cost			
At 1 January 1989 and 31 December 1989	5	45	50
Provisions for diminution in value			
At 1 January 1989	1	11	12
Provided during the period	1	2	3
	<u>2</u>	<u>13</u>	<u>15</u>
At 31 December 1989	2	13	15
Net book value at 31 December 1989	3	32	35
Net book value at 1 January 1989	4	34	38

NOTE TO THE ACCOUNTS

7 TANGIBLE FIXED ASSETS  
- GROUP

Cost	Freehold land and buildings £'000	Long leasehold land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Total £'000
At 1 January 1989	2,570	897	7,315	1,260	12,042
Reclassification	771	(897)	253	(127)	-
Additions	216	-	991	132	1,339
Disposals	-	-	(109)	(750)	(859)
Transferred to group companies	-	-	(39)	(97)	(136)
At 31 December 1989	3,557	-	8,411	418	12,386
Depreciation					
At 1 January 1989	47	59	2,061	543	2,710
Reclassification	59	(59)	122	(122)	-
Provision for the period	62	-	891	155	1,108
Disposals	-	-	(74)	(314)	(388)
Transferred to group companies	-	-	(7)	(22)	(29)
At 31 December 1989	168	-	2,993	240	3,401
Net book value at 31 December 1989	3,389	-	5,418	178	8,985
Net book value at 1 January 1989	2,523	838	5,254	717	9,332

# NET ASSETS

## TANGIBLE FIXED ASSETS Continued

### - COMPANY

Cost	Freehold land and buildings £'000	Long leasehold land and buildings £'000	Plant and machinery £'000	Motor Vehicles £'000	Total £'000
At 1 January 1989	2,570	897	7,289	1,190	11,946
Reclassification	771	(897)	253	(127)	-
Transferred from group companies	-	-	1	-	1
Transferred to group companies	-	-	(6)	(37)	(43)
Additions	216	-	968	132	1,316
Disposals	-	-	(109)	(740)	(849)
At 31 December 1989	<u>3,557</u>	<u>-</u>	<u>8,396</u>	<u>418</u>	<u>12,371</u>
Depreciation					
At 1 January 1989	47	59	2,057	528	2,691
Reclassification	59	(59)	122	(122)	-
Transferred to group companies	-	-	(2)	(8)	(10)
Provided in the period	62	-	868	151	1,101
Disposals	-	-	(74)	(309)	(383)
At 31 December 1989	<u>168</u>	<u>-</u>	<u>2,991</u>	<u>240</u>	<u>3,399</u>
Net book value at 31 December 1989	<u>3,389</u>	<u>-</u>	<u>5,405</u>	<u>178</u>	<u>8,972</u>
Net book value at 1 January 1989	<u>2,523</u>	<u>897</u>	<u>5,232</u>	<u>662</u>	<u>9,255</u>

The net book value of freehold land and buildings comprises:

	Group and company 31 December 1989 £'000	1 January 1989 £'000
Freehold land	229	168
Freehold buildings	<u>3,160</u>	<u>2,355</u>
	<u>3,389</u>	<u>2,523</u>

NOTES TO THE ACCOUNTS

TANGIBLE FIXED ASSETS Continued

	Group and company	
	31 December 1989 £'000	1 January 1989 £'000
Capital commitments:		
Contracted for	95	165
Authorised but not contracted for	447	87
	<u>542</u>	<u>252</u>

8 FIXED ASSET INVESTMENTS  
- GROUP

Trade investment  
listed on  
a recognised  
stock exchange  
£'000

Cost

At 1 January 1989 and  
at 31 December 1989

178

Revaluation

At 1 January 1989  
Revaluation in period

29,948  
9,699

At 31 December 1989

39,647

Net book value

At 31 December 1989

39,825

At 1 January 1989

30,126



NOTE TO THE ACCOUNTS

FIXED ASSET INVESTMENTS Continued

- COMPANY	Shares in group companies £'000	Loans to group companies £'000	Trade investment listed on a stock exchange £'000	Total £'000
<b>Cost</b>				
At 1 January 1989	8,936	3,287	16,737	28,960
Reclassification	128	(128)	-	-
Disposals	(138)	-	-	(138)
At 31 December 1989	8,926	3,159	16,737	28,822
<b>Provisions</b>				
At 1 January 1989	743	2,159	-	2,902
Increase in provision	214	-	-	214
Disposals	(10)	-	-	(10)
At 31 December 1989	947	2,159	-	3,106
<b>Revaluations</b>				
At 1 January 1989	-	-	13,389	13,389
Revaluation in period	-	-	9,699	9,699
At 31 December 1989	-	-	23,088	23,088
<b>Net book value at 31 December 1989</b>	<b>7,979</b>	<b>1,000</b>	<b>39,825</b>	<b>48,804</b>
<b>Net book value at 1 January 1989</b>	<b>8,193</b>	<b>1,128</b>	<b>30,126</b>	<b>39,447</b>

Detailed below is a list of subsidiary companies and a related company which, in the opinion of the directors principally affected the amount of profit or the value of assets in the Group during the fifty-two weeks ended 31 December 1989.

Subsidiary companies	Country of incorporation	Group % of equity interest	Current activities
Debron Investments Limited	UK	100	Dormant
Carpets International Overseas Limited	UK	100	Intermediate holding company
Guilford Industries Limited	UK	100	Supply of office interior fabrics
*Deep Dye Processors AG	Switzerland	100	Non-trading
*Carpets International Hong Kong Limited	Hong Kong	100	Non-trading
Interface Flooring Systems GmbH	Germany	100	Dormant
John Crossley & Sons Limited	UK	100	Non-trading

IN THE UNITED STATES

FIXED ASSET INVESTMENTS Continued

Related company:

*Bell Carpets International Manufacturing Inc.	Philippines	21.61	Manufacture and distribution of carpets
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\* Investments marked \* are held by subsidiaries. All others are held by the company.

9 STOCKS

	Group		Company	
	31 December 1989	1 January 1989	31 December 1989	1 January 1989
	£'000	£'000	£'000	£'000
Raw materials and consumables	3,024	2,136	3,024	2,136
Work in progress	513	641	513	641
Finished goods	4,104	5,172	3,941	5,049
	<u>7,641</u>	<u>7,949</u>	<u>7,478</u>	<u>7,826</u>

10 DEBTORS

	Group		Company	
	31 December 1989	1 January 1989	31 December 1989	1 January 1989
	£'000	£'000	£'000	£'000
Trade debtors	6,020	8,391	5,980	7,024
Amounts owed by subsidiary company	-	-	470	1,949
Amounts owed by other group companies	20,406	21,367	20,373	21,367
Other debtors	240	507	238	489
Prepayments and accrued income	318	245	317	242
Corporation tax recoverable	-	74	-	-
Other taxes and social security	-	75	-	-
	<u>26,984</u>	<u>30,659</u>	<u>27,378</u>	<u>31,071</u>

Included in debtors are the following amounts which are due after one year:

	£'000	£'000	£'000	£'000
Amounts owed by other group companies	<u>17,005</u>	<u>-</u>	<u>17,005</u>	<u>-</u>

11 CREDITORS (AMOUNTS DUE WITHIN ONE YEAR)

	Group		Company	
	31 December 1989	1 January 1989	31 December 1989	1 January 1989
	£'000	£'000	£'000	£'000
Bank overdrafts - secured	-	915	-	906
Trade creditors	2,784	2,758	2,763	2,739
Amounts owed to other group companies	2,981	3,608	2,976	3,602
Obligations under finance leases (note 13)	126	224	126	220
Other creditors	78	206	78	124
Corporation tax	3,691	3,700	3,691	3,700
Other taxes and social security	669	584	659	543
Accruals and deferred income	1,400	1,387	1,390	1,369
	<u>11,729</u>	<u>13,382</u>	<u>11,683</u>	<u>13,203</u>

12 CREDITORS (AMOUNTS DUE AFTER ONE YEAR)

	Group		Company	
	31 December 1989	1 January 1989	31 December 1989	1 January 1989
	£'000	£'000	£'000	£'000
Amounts owed to other group companies	442	6,898	25,609	31,958
Obligations under finance leases (note 13)	87	234	87	232
Accruals and deferred income	530	430	530	430
	<u>1,059</u>	<u>7,562</u>	<u>26,226</u>	<u>32,620</u>

13 OBLIGATIONS UNDER FINANCE LEASES

	31 December 1989	1 January 1989
	£'000	£'000
Obligations under finance leases	213	458
Due within 1 year (included in current liabilities)	<u>(126)</u>	<u>(224)</u>
	<u>87</u>	<u>234</u>
Payments fall due as follows:	£'000	£'000
Within one year	126	224
Within two to five years	87	234
	<u>213</u>	<u>458</u>

NOTES TO THE ACCOUNTS

14 PROVISIONS FOR LIABILITIES AND CHARGES - DEFERRED TAXATION	Group and Company £'000
At 1 January 1989	933
Transferred (to) from profit and loss account	
- current period	389
- prior period	(90)
At 31 December 1989	<u>1,232</u>

The balance at 31 December 1989 is made up as follows:

	Provided		Unprovided	
	31 December 1989	1 January 1989	31 December 1989	1 January 1989
	£'000	£'000	£'000	£'000
Timing differences:				
Fixed asset timing differences	705	736	124	-
Other timing differences	<u>527</u>	<u>197</u>	<u>-</u>	<u>-</u>
	<u>1,232</u>	<u>933</u>	<u>124</u>	<u>-</u>

No provision has been made for corporation tax on chargeable gains which would arise if the trade investment was sold at the market value at which it is stated in the balance sheet because it is the directors' opinion that no liability will arise in the foreseeable future. If the trade investment was sold for its market value, as stated in the balance sheet, corporation tax on the chargeable gain would be approximately £7 million (1 January 1989: £4 million).

15 CALLED UP SHARE CAPITAL	31 December 1989	1 January 1989
	£'000	£'000
Authorised:		
23,679,407 ordinary shares of 50p each	11,840	11,840
26,602,965 'A' ordinary shares of 10p each	<u>2,660</u>	<u>2,660</u>
	<u>14,500</u>	<u>14,500</u>
Allotted, called up and fully paid:		
23,679,407 ordinary shares of 50p each	11,840	11,840
23,766,667 'A' ordinary shares of 10p each	<u>2,376</u>	<u>2,376</u>
	<u>14,216</u>	<u>14,216</u>

The ordinary and the 'A' ordinary shares each carry equal voting rights.

RETURN TO THE TAXPAYER

16 RESERVES  
- GROUP

	Share premium account £'000	Revalu- ation reserve £'000	Profit and loss account £'000
At 1 January 1989	5,276	29,948	7,286
Profit for the period	-	-	7,409
Exchange movement	-	-	18
Revaluation	-	9,699	-
At 31 December 1989	5,276	39,647	14,713
- COMPANY	£'000	£'000	£'000
At 1 January 1989	5,276	13,389	8,366
Profit for the period	-	-	6,909
Revaluation	-	9,699	-
At 31 December 1989	5,276	23,088	15,275

17 CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS  
- GROUP

Government grants:

Under the terms of the Department of Economic Development letter of offer dated 26 August 1982, there is a contingent liability to repay certain government grants in the event of any of those capital assets which are grant aided being sold or otherwise disposed of within a certain time of claiming, namely five years in the case of expenditure on buildings and three years in the case of plant. At 31 December 1989 the contingent liability in this respect is estimated at £511,000 (1 January 1989: £481,000).

18 ULTIMATE HOLDING COMPANY

Interface Inc., incorporated in the United States of America, is regarded by the directors as being the company's ultimate holding company.

NOTE TO THE ACCOUNTS

19 INFORMATION REGARDING DIRECTORS

Share interests:

The directors had no interests in the share capital of this company or any other group company incorporated in Great Britain on appointment or at any other time during the period.

	52 weeks ended 31 December 1989 £'000	52 weeks ended 1 January 1989 £'000
Remuneration:		
Directors' emoluments	207	38

Directors' remuneration, excluding pension contributions, is as follows:

	52 weeks ended 31 December 1989 £'000	52 weeks ended 1 January 1989 £'000
Chairman	-	-
Highest paid director	59	10

Other directors' remuneration is within the following bands:

	52 weeks ended 31 December 1989 Number	52 weeks ended 1 January 1989 Number
£0 - £5,000	3	6
£5,001 - £10,000	1	4
£15,001 - £20,000	1	-
£20,001 - £25,000	1	-
£25,001 - £30,000	1	-

20 PARTICULARS OF EMPLOYEES

The average number of persons (including directors) employed by the group during the period was:

	52 weeks ended 31 December 1989	52 weeks ended 1 January 1989
Category: Direct labour	309	288
Office and supervision	204	197
Management	25	27
	538	512

12. 1989-1990 ACCOUNTS

PARTICULARS OF EMPLOYEES Continued

	52 weeks ended 31 December 1989 £'000	52 weeks ended 1 January 1989 £'000
Their total remuneration was:		
Wages and salaries	6,498	5,644
Social security costs	527	516
	<u>7,025</u>	<u>6,160</u>

21 PENSION COSTS

The group operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the group.

The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was as at 1 June 1988. The assumptions which have the most significant effect on the results of the valuation are those relating to the rates of increase in salaries and pensions. It was assumed that investment return would be 1.5% greater than salary increases and pensions arising in respect of further service with the group would increase at the rate of 3% per annum.

The pension charge for the period was £nil (52 weeks ended 1 January 1989: £nil). The regular cost of £227,500 was matched by the amortisation of experience surpluses that are being recognised over 15 years, the average remaining service lives of employees.

The most recent actuarial valuation as adjusted for 3% per annum increase in respect of further service with the group, showed that the calculated value of the scheme's assets was £11.9m and that the actuarial value of these assets represented 138% of the benefits that had accrued to members after allowing for expected future increase in earnings. The contribution of the group will remain at nil and that of employees will be between 3.75% and 5% of earnings, respectively.

The funding policy which determines the rates of contribution payable to the scheme is to seek to achieve and maintain a past service funding level (ratio of value of assets to value of liabilities for benefits in respect of service to date) of 100%.

NOTES TO THE ACCOUNTS

22 POST BALANCE SHEET EVENT

On 1 January 1990 the assets, liabilities and trading activities of a wholly owned subsidiary company, Guilford Industries Limited, were sold to Guilford of Maine (UK) Limited, which is a fellow subsidiary in the Interface Inc. Group.

This sale was made at net asset value.

23 APPROVAL OF ACCOUNTS

These accounts were approved at a directors' meeting held on 8 February 1990.