

Interface UK Manufacturing Limited

Annual Report and Financial Statements

Year Ended 30 December 2018

Company Number 07365225

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Interface UK Manufacturing Limited

Annual report and financial statements for the year ended 30 December 2018

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Directors

J Hasselman (resigned 11 June 2019)
S Carlton
D Verschuur (appointed 11 June 2019)

Secretary and registered office

S Carlton, 10th Floor, The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT

Company number

07365225

Auditors

BDO LLP, Central Square, 29 Wellington Street, Leeds, LS1 4DL

Interface UK Manufacturing Limited

Strategic report for the year ended 30 December 2018

The directors present their strategic report together with the audited financial statements for the year ended 30 December 2018. The year end 2018 refers to the period from 1 January 2018 to 30 December 2018. The comparative year end refers to the period 2 January 2017 to 31 December 2017.

Principal activities

The company's principal activity in the year was the toll manufacture of interior floor coverings for other group companies.

Review of the business and future developments

The income statement is set out on page 7 and shows turnover for the period of £9,380,000 (2017 - £9,193,000) and profit after taxation for the period of £689,000 (2017 - £687,000).

The economic environment for 2019 is challenging, but we remain ambitious for the future. Within the European group we expect further growth in some markets whilst circumstances remain challenging in others. In particular, we are closely monitoring the final negotiations and outcomes around Brexit and considering how this will further impact our UK based manufacturing and distribution companies.

The Interface Inc. group will continue its emphasis on sustainability, functionality and design, and plans to introduce a wide range of new products with unique designs and advanced well-being functionality in 2019, including plans to introduce the lowest CO2-footprint product available in the marketplace today. We expect to maintain and expand upon our market leader position in 2019. With these plans we respond to the trend of adding value as a company to overall welfare in areas, such as the environment (including climate change), society and social equality. More information on our global initiatives can be found on our corporate website:

<https://www.interface.com/US/en-US/campaign/climate-take-back/Climate-Take-Back>

The company is committed to providing a safe environment to all employees. Reported accidents, those involving three or more days absence from work, for the UK sites were three (2017 - three).

Principal risks and uncertainties

The nature of the company's operations exposes it to the risks of the wider Interface Inc. group. A significant proportion of the European group's business is in the corporate office sector and the performance of this sector remains an important factor in the performance of the group as a whole. The European group seeks to manage this risk by continuing the development of other business segments, such as hospitality, education, healthcare and government. Additionally the group is seeking to convert traditional broadloom customers to modular flooring.

The main financial risk arising from the European group's activities, applicable to the company, is liquidity risk. The group seeks to manage this risk and monitors it regularly. Liquidity risk is managed through a co-ordinated approach, across the group's European subsidiaries through a mixture of long term and short term debt finance and readily accessible bank deposit accounts to ensure that the group and company have sufficient funds for operations. The cash deposits are held in a mixture of short term deposits and current accounts which earn interest at a floating rate. Debt is maintained at fixed interest rates.

Key performance indicators

The directors closely monitor the company's operating costs, managing business investment in accordance with market conditions. Cost of sales for the year of £8,529,000 compared with £8,336,000 for the previous year, representing an increase of 2.3%.

Approval

This strategic report was approved by order of the Board on 27 September 2019.



S Carlton
Director

Interface UK Manufacturing Limited

Annual report of the directors for the year ended 30 December 2018

The directors present their annual report together with the audited financial statements for the year ended 30 December 2018.

Matters covered in the strategic report

Details of the company's principal activities, annual review of the business, future developments and principal risks and uncertainties are shown in the strategic report on page one.

Directors

The directors of the company during the year were:

J Hasselman (resigned 11 June 2019)

S Carlton

D Verschuur (appointed 11 June 2019)

Charitable and political contributions

During the period the company made charitable contributions of £nil (2017 - £nil).

Disclosure of information to the auditors

All of the current directors have taken all of the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purpose of their audit, and to establish that the auditors are aware of that information. The directors are not aware of any relevant information of which the auditors are unaware.

By order of the Board



S Carlton
Director

27 September 2019

Interface UK Manufacturing Limited

Directors' responsibilities statement

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Interface UK Manufacturing Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERFACE UK MANUFACTURING LIMITED

Opinion

We have audited the financial statements of Interface UK Manufacturing Limited ("the Company") for the year ended 30 December 2018 which comprise the income statement, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 December 2018 and of its profit for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Interface UK Manufacturing Limited

Independent auditor's report (*continued*)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Interface UK Manufacturing Limited

Independent auditor's report (*continued*)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Mark Langford (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
LEEDS
Date *27 SEPTEMBER 2019*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Interface UK Manufacturing Limited

Income statement for the year ended 30 December 2018

	Note	2018 £'000	2017 £'000
Turnover	5	9,380	9,193
Cost of sales		(8,529)	(8,336)
Operating profit and profit on ordinary activities before taxation	6	851	857
Taxation on profit from ordinary activities	8	(162)	(170)
Profit on ordinary activities after taxation		689	687
Other comprehensive income		-	-
Total comprehensive income for the year		689	687

All amounts relate to continuing activities.


The notes on pages 10 to 18 form part of these financial statements.

Interface UK Manufacturing Limited

Statement of financial position as at 30 December 2018

Company number 07365225	Note	2018 £'000	2017 £'000
Fixed assets			
Tangible assets	9	4,814	5,716
Current assets			
Debtors	10	24,095	17,793
Cash at bank and in hand		-	36
		24,095	17,829
Creditors: amounts falling due within one year	11	18,066	(13,333)
Net current assets		6,029	4,496
Total assets less current liabilities		10,843	10,212
Provisions for liabilities	12	(371)	(429)
Net assets		10,472	9,783
Capital and reserves			
Called up share capital	14	5,879	5,879
Profit and loss account		4,593	3,904
		10,472	9,783

The financial statements were approved by the Board of Directors and authorised for issue on 27 September 2019.



S Carlton
Director

The notes on pages 10 to 18 form part of these financial statements.

Interface UK Manufacturing Limited

Statement of changes in equity for the year ended 30 December 2018

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2018	5,879	3,904	9,783
Comprehensive income for the year			
Profit for the year	-	689	689
Total comprehensive income for the year	-	689	689
At 30 December 2018	5,879	4,593	10,472

Statement of changes in equity for the year ended 31 December 2017

	Called up share capital £'000	Profit and loss account £'000	Total Equity £'000
At 2 January 2017	5,879	3,217	9,096
Comprehensive income for the year			
Profit for the year	-	687	687
Total comprehensive income for the year	-	687	687
At 31 December 2017	5,879	3,904	9,783

Interface UK Manufacturing Limited

Notes forming part of the financial statements for the year ended 30 December 2018

1 General information

Interface UK Manufacturing Limited ("the company") provides toll manufacturing services to Interface European Manufacturing BV. Services are provided within the UK.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of the registered office is 10th Floor, The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT.

2 Statement of compliance

The financial statements of Interface UK Manufacturing Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (note 3).

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company either as lessor or lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Recoverability of intercompany receivables. The directors consider the intercompany receivables to be recoverable, based on the continued support as provided by the wider Interface Inc. group.

Other key sources of estimation uncertainty:

- Tangible fixed assets (note 9)

Tangible fixed assets are depreciated over their useful life taking into account residual values, where appropriate. The actual life of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset life, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Interface UK Manufacturing Limited

Notes forming part of the financial statements for the year ended 30 December 2018 (*continued*)

4 Summary of significant accounting policies

Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 required the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

The year end 2018 refers to the period from 1 January 2018 to 30 December 2018. The comparative year end refers to the period 2 January 2017 to 31 December 2017.

Going concern

The company provides the majority of its services within the European group of companies, of which it is a member, and is reliant on that group for the funds necessary to meet its working capital requirements. The group's forecasts and projections, taking into account reasonably possible changes in trading performance, show that the group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders.

The company has taken advantage of the following exemptions in its individual financial statements:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12 (a) (iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17 (d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Interface Europe Ltd as at 30 December 2018 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Consolidated financial statements

The company is a wholly owned subsidiary of Interface Europe Ltd whose registered office is 10th Floor, The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT. It is included in the consolidated financial statements of Interface Europe Ltd, copies of which are available from Companies House.

Interface Inc. is the parent undertaking of the largest group of which Interface UK Manufacturing Limited is a member. Copies of its consolidated financial statements are available from 1280 West Peachtree Street, Atlanta, Georgia 30309, USA.

Turnover

Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Turnover is recognised when the services are provided.

Interface UK Manufacturing Limited

Notes forming part of the financial statements for the year ended 30 December 2018 (*continued*)

4 Summary of significant accounting policies (*continued*)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful life, at the following rates:

Leasehold improvements	-	over the period of the lease
Plant, machinery and motor vehicles	-	8.33 – 33.33% per annum
Fixtures, fittings and equipment	-	10 - 50% per annum

Leased assets

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

Foreign currency translation

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

Deferred tax

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Pensions

The pension costs for defined contribution schemes are the contributions payable in the period.

Cash flow statement

The company has taken advantage of the exemption from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of a parent which prepares a consolidated cash flow statement. The consolidated cash flow statement is included in the financial statements of Interface Europe Ltd.

Financial instruments

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Interface UK Manufacturing Limited

Notes forming part of the financial statements for the year ended 30 December 2018 (continued)

4 Summary of significant accounting policies (continued)

Financial instruments (continued)

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

5 Turnover

Turnover is derived from a single class of business carried out in the UK, that of the toll manufacture of interior floor coverings.

6 Operating profit is stated after charging / (crediting):

	2018 £'000	2017 £'000
Depreciation of tangible fixed assets - owned fixed assets	930	882
Impairment of fixed assets	104	-
Loss on disposal of fixed assets	-	9
Operating lease rentals		
- land and buildings	336	327
- other	27	46
Foreign exchange loss / (gain)	17	(34)

The audit fee of £4,000 (2017 - £4,000) has been borne by another group company, Interface Administration Services Limited.

Interface UK Manufacturing Limited

Notes forming part of the financial statements for the year ended 30 December 2018 *(continued)*

7 Employees and directors

Employees

The average weekly number of persons (including directors) recharged to the company during the year was:

	2018 Number	2017 Number
Production	129	122
Administration	5	7
Management	5	5
	<hr/>	<hr/>
	139	134
	<hr/>	<hr/>

	2018 £'000	2017 £'000
Employment costs (including directors)		
Wages and salaries	4,116	4,213
Social security costs	393	409
Pension and other costs	287	280
	<hr/>	<hr/>
	4,796	4,902
	<hr/>	<hr/>

The employment costs of Interface UK Manufacturing Limited are recharged from Interface Europe Ltd, the company which holds the contracts of employment for all UK based staff.

Directors

No directors received any remuneration in respect of their services to the company during the current or preceding year.

Interface UK Manufacturing Limited

Notes forming part of the financial statements for the year ended 30 December 2018 (*continued*)

8 Taxation on profit on ordinary activities

	2018 £'000	2017 £'000
<i>Current tax</i>		
UK corporation tax on profit for the year	216	156
Tax under / (over)provided in previous years	4	(5)
	<hr/>	<hr/>
Total current tax	220	151
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 12)	(58)	19
	<hr/>	<hr/>
Taxation on profit on ordinary activities	162	170
	<hr/>	<hr/>

The tax assessed for the year is different than the standard rate of corporation tax in the UK. The differences are explained below:

	2018 £'000	2017 £'000
Profit on ordinary activities before tax	851	857
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19.00% (2017 – 19.25%)	161	165
Effects of:		
Expenses not deductible for tax purposes	(1)	(1)
Capital allowances in deficit / (excess) of depreciation	56	(8)
Tax under / (over)provided in previous years	4	(5)
Deferred tax - origination and reversal of timing differences (note 12)	(58)	19
	<hr/>	<hr/>
Tax charge for the year	162	170
	<hr/>	<hr/>

Interface UK Manufacturing Limited

Notes forming part of the financial statements for the year ended 30 December 2018 (*continued*)

9 Tangible fixed assets

	Leasehold improvements £'000	Fixtures, fittings, plant and machinery £'000	Total £'000
<i>Cost</i>			
At 1 January 2018	926	14,794	15,720
Additions	22	6	28
At 30 December 2018	948	14,800	15,748
<i>Depreciation</i>			
At 1 January 2018	328	9,676	10,004
Impairment loss	-	104	104
Charge for the year	64	762	826
At 30 December 2018	392	10,542	10,934
<i>Net book value</i>			
At 30 December 2018	556	4,258	4,814
At 31 December 2017	598	5,118	5,716

10 Debtors

	2018 £'000	2017 £'000
<i>Amounts due within one year:</i>		
Amounts owed by group undertakings	23,791	17,475
VAT recoverable	33	40
Other debtors	6	2
Prepayments and accrued income	265	276
	24,095	17,793

All debtors are due within one year. Intercompany balances are unsecured, interest free, have no fixed date for repayment and are repayable on demand.

Interface UK Manufacturing Limited

Notes forming part of the financial statements for the year ended 30 December 2018 *(continued)*

11 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	78	98
Amounts owed to group undertakings	17,334	12,640
Corporation tax	101	60
Other taxes and social security cost	124	97
Accruals and deferred income	429	438
	<u>18,066</u>	<u>13,333</u>

Intercompany balances are unsecured, interest free, have no fixed date for repayment and are repayable on demand.

12 Provisions for liabilities

	Deferred tax £'000
At 1 January 2018	429
Charge to income statement	(58)
	<u>371</u>
At 30 December 2018	<u>371</u>

Deferred tax provided in the financial statements is as follows:

	Provided 2018 £'000	Provided 2017 £'000
Accelerated capital allowances	(375)	(433)
Other timing differences	4	4
	<u>(371)</u>	<u>(429)</u>

Interface UK Manufacturing Limited

Notes forming part of the financial statements for the year ended 30 December 2018 (*continued*)

13 Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

14 Called up share capital

	2018 Number	2017 Number	2018 £'000	2017 £'000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	5,878,832	5,878,832	5,879	5,879

15 Financial commitments - operating leases

At 30 December 2018, the company had the following minimum lease payments under non-cancellable operating leases:

	2018 Land and buildings £'000	2018 Other £'000	2017 Land and buildings £'000	2017 Other £'000
Payments due:				
Within one year	240	81	240	36
Between two and five years	500	298	740	28
	<u>740</u>	<u>379</u>	<u>980</u>	<u>64</u>

16 Ultimate parent company

The directors regard Interface Inc. a company incorporated in the United States of America, as the company's ultimate parent undertaking.

Interface, Inc. is the parent undertaking of the largest group of which Interface UK Manufacturing Limited is a member. Copies of its consolidated financial statements are available from 1280 West Peachtree Street, Atlanta, Georgia, 30309, USA.

Interface Europe Ltd is the parent undertaking of the smallest group of which Interface UK Manufacturing Limited is a member and for which group accounts are drawn up. Copies of its consolidated financial statements are available from Companies House.

The immediate parent undertaking is Interface Europe Ltd, incorporated in England and Wales.