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HOOVER PLC

REPORT AND FINANCIAL STATEMENTS
FOR THE 12 MONTHS ENDED
30 NOVEMBER 1987

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HOOVER PLC

Company Number 325270

DIRECTORS' REPORT

The directors present their report and the financial statements for the 12 months ended 30 November 1987.

Principal Activities and Business Review

The principal activities of the Group, in the United Kingdom and Overseas, are the manufacturing, marketing and servicing of domestic appliances. During the period, several new products were introduced and continuing improvements were made to our manufacturing facilities. The sale of the Perivale site was completed, and the UK Headquarters transferred to Merthyr Tydfil where the registered office is now located. The freeholds of the Cambuslang factory and of the headquarters' office building at Merthyr Tydfil were purchased. The subsidiary companies in South Africa and Zimbabwe were sold during the year.

The company received a refund of £26.88 million, net of tax, from the Staff Pension Scheme, which was wound up and the assets and liabilities transferred to a new scheme - the Hoover (1987) Pensions Scheme. The rights of all participants have been fully protected under the new scheme.

The directors of Hoover plc will continue to seek new product and business opportunities, cost reductions and rationalisation measures, in order to continue the improvement in profitability reflected in these accounts.

Results

The Group profit before taxation and extra-ordinary income amounted to £19,024,000 and the charge for taxation thereon amounted to £4,619,000. There was also extra-ordinary income of £25,563,000.

Dividends and Reserves

No interim dividend for 1987 was paid and no final dividend for 1987 is recommended by the directors. The transfer to the reserves of Hoover plc is £39,379,000.

Research and Development

The Group continues to maintain an extensive research and development programme directed towards the improvement in the design and features of existing domestic appliances and the introduction of new products.

Fixed Assets

In the opinion of the directors the market value of the Group's land and buildings is not less than the net book amount. Fixed asset movements are summarised in note 7 to the accounts.

Charitable and Political Contributions

No charitable donations were made and no money was contributed for political purposes in the United Kingdom during the period.

Directors

Mr H Hill resigned as a director on 1 January 1987 and Mr J R Rawson resigned as a director and Chairman on 10 November 1987, when Mr F E Vaughn was appointed Chairman.

The following were directors of the Company throughout the year to 30 November 1987 and at the date of this report, other than Mr G S Spurling who was appointed on 5 June 1987:-

Mr F.E. Vaughn
Mr A.W.J. Simpson
Mr A.E. Williamson
Mr P.H.J. Budd
Mr E.J. Harrison
Mr G.F. Jessopp
Mr H. Kapnick
Mr C.G. Perkins
Mr G.S. Spurling

Election of Directors

In accordance with the articles of association of the Company, Mr F.E. Vaughn, Mr P.H.J. Budd, Mr E.J. Harrison, Mr G.F. Jessopp, Mr H. Kapnick, Mr G.S. Spurling retire from the board, and being eligible offer themselves for re-election.

Employment Policies

It is the policy of the Company to keep its employees informed on matters concerning the progress and financial position of the Company. There continues to be close consultation between management and other employees on matters of mutual concern. The Company makes every effort to continue the employment of any employee who becomes disabled, and to give sympathetic consideration to applications for employment made by disabled persons.

By order of the board

J.R. TURNER, Secretary

19 February 1988

HOOVER PLC AND SUBSIDIARIES

AUDITORS' REPORT

Report of the auditors to the members

We have audited the financial statements on pages 5 to 20 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group at 30 November 1987 and of the profit and source and application of funds of the Group for the year then ended and comply with the Companies Act 1985.

Rice Waterhouse

PRICE WATERHOUSE
Chartered Accountants
Haywood House North
Dumfries Place
Cardiff
19 February 1988

HOOVER PLC AND SUBSIDIARIES
GROUP PROFIT AND LOSS ACCOUNT
For the 12 months ended 30 November 1987

	Notes	Year to 30 Nov 1987 £'000	11 mths to 30 Nov 1986 £'000
Turnover	2	257,646	214,484
Cost of sales		(196,694)	(159,516)
Gross profit		<u>60,952</u>	<u>54,968</u>
Distribution costs		(39,878)	(34,440)
Administrative expenses		(8,302)	(7,969)
Operating profit - Hoover plc and subsidiaries	3	<u>12,771</u>	<u>12,559</u>
Share of associated company operating profit		<u>2,071</u>	<u>1,549</u>
Operating profit		14,842	14,108
Interest receivable (payable) - net	4	268	(1,460)
Exceptional item: Gain on property disposals net of rationalisation costs	5	<u>3,874</u>	<u>-</u>
Profit on ordinary activities before taxation		19,024	12,648
Taxation:-	6		
Hoover plc and subsidiaries		(3,646)	(2,858)
Associated company		(973)	(685)
Profit on ordinary activities after taxation		<u>14,405</u>	<u>9,105</u>
Extra-ordinary Income			
Refund from Pension Scheme (net of tax £17,920)		26,880	-
Loss on disposal of subsidiaries		(1,317)	-
Profit for the financial year, transferred to reserves	19	<u><u>39,968</u></u>	<u><u>9,105</u></u>
Earnings per share	7	73p	46p

The notes on pages 9 to 20 form an integral part of these accounts.

HOOVER PLC AND SUBSIDIARIES

GROUP BALANCE SHEET

30 November 1987

	Notes	30 Nov 1987 £'000	30 Nov 1986 £'000
Fixed assets			
Tangible assets	9	38,919	36,766
Investments	10/12	12,749	9,755
		<u>51,668</u>	<u>46,521</u>
Current assets			
Stocks	13	44,997	45,634
Debtors	14	36,981	55,307
Short term deposits		9,736	5,676
Cash at bank and in hand		2,237	537
		<u>143,951</u>	<u>107,404</u>
Creditors: Amounts falling due within one year			
Bank borrowing		(22,665)	(14,562)
Other	15	(54,572)	(55,075)
Net current assets		<u>66,714</u>	<u>37,767</u>
Total assets less current liabilities		118,332	84,288
Creditors: Amounts falling due after more than one year			
	16	(7,953)	(9,631)
Provisions for liabilities and charges			
	17	(309)	(467)
		<u>110,120</u>	<u>74,190</u>
Capital and reserves			
Called up share capital	18	4,963	4,963
Share premium account		939	939
Revaluation reserve		412	1,901
Other reserves	19	2,507	2,518
Profit and loss account	19	101,299	63,869
		<u>110,120</u>	<u>74,190</u>

The notes on pages 9 to 20 form an integral part of these accounts.

HATVER PLC
BALANCE SHEET
30 November 1987

	Notes	30 Nov 1987 £ 000	30 Nov 1986 £'000
Fixed assets			
Tangible assets	9	32,356	29,035
Investments	10/12	4,625	5,423
		<u>36,981</u>	<u>34,508</u>
Current assets			
Stocks	13	35,128	35,781
Debtors	14	74,854	39,269
Cash at bank and in hand		7,522	74
		<u>117,504</u>	<u>75,124</u>
Creditors: Amounts falling due within one year			
Bank borrowing		(20,035)	(11,970)
Other	15	(41,419)	(42,534)
		<u>56,050</u>	<u>20,620</u>
Net current assets			
		93,031	55,128
Total assets less current liabilities			
Creditors: Amounts falling due after more than one year			
	16	(5,703)	(8,179)
		<u>56,328</u>	<u>46,949</u>
Capital and reserves			
Called up share capital	18	4,963	4,963
Share premium account		939	939
Revaluation reserve		-	1,489
Other reserves	19	2,203	2,203
Profit and loss account	19	78,223	37,355
		<u>86,328</u>	<u>46,949</u>

The notes on pages 9 to 20 form an integral part of these accounts.

Approved by the board of directors on 19 February 1988 and signed on its behalf by:-

 D. S. PERKINS
A. E. WILLIAMSON) Directors

HOOVER PLC AND SUBSIDIARIES
SOURCE AND APPLICATION OF FUNDS

	Year to 30 Nov 1987 £'000	11 months to 30 Nov 1986 £'000
SOURCE OF FUNDS		
Profit before taxation and extraordinary income	19,034	12,648
Extraordinary income	25,563	-
	<u>44,597</u>	<u>12,648</u>
Items not involving the movement of funds		
Movement in investment in the associated companies	(303)	(2,368)
Depreciation	5,957	5,441
Movement in capital reserve	(11)	-
Currency translation differences	(2,071)	1,459
	<u>48,053</u>	<u>17,210</u>
Funds from other sources		
Fixed asset disposals	5,290	395
Redemption of gilt edged stock	398	-
	<u>54,741</u>	<u>17,595</u>
APPLICATION OF FUNDS		
Investment in related company	3,083	-
Purchase of fixed assets	16,256	9,090
Corporate taxes paid	3,730	3,471
	<u>23,069</u>	<u>12,561</u>
Increase (decrease) in working capital		
(Decrease) increase in stocks	(887)	2,751
Increase in debtors	32,090	12,703
Decrease (increase) in creditors	2,812	(5,310)
	<u>57,084</u>	<u>22,705</u>
(DECREASE) IN NET LIQUID FUNDS	<u>(2,343)</u>	<u>(5,110)</u>

HOOVER PLC AND SUBSIDIARIES
STATEMENT OF ACCOUNTING POLICIES

Year end date

In order to facilitate the preparation of the consolidated accounts of the parent company, the year end date for the audited accounts of Hoover plc its subsidiaries and its associated company was changed from 31 December to 30 November with effect from 30 November 1986. 1986 comparatives therefore cover an 11 month period.

Basis of accounting

The Company prepares its accounts on the historical cost basis of accounting.

Basis of consolidation

The group profit and loss account and balance sheet include the accounts of Hoover plc and subsidiaries made up to 30 November. Hoover plc's share of the consolidated profit of the associated company for the period is shown in the group profit and loss account and the share of the consolidated undistributed profits since acquisition is included in the group balance sheet. The amounts included are based on audited accounts for the period ended 30 November.

Foreign currencies

Assets and liabilities denominated in foreign currency are translated to sterling at rates ruling at 30 November, and profit and loss accounts at the average rates for the period. Translation differences arising on consolidation are taken to reserves and other exchange differences are taken to the profit and loss account.

Stocks

Stocks include work in progress and are valued throughout the group at the lower of cost (which includes an addition for manufacturing overhead expenses) and net realisable value.

Turnover

Turnover represents sales less returns and discounts to customers and associated companies but excludes sales to subsidiaries, and is arrived at after deducting sales taxes.

Deferred taxation

Deferred taxation is provided, using the liability method, only on timing differences where, in the opinion of the directors, there is reasonable probability that such taxation will become payable in the foreseeable future.

Government grants

Government grants are released to the profit and loss account in the same proportion as the expenditure to which they relate is charged.

Finance leases

Finance leases have been recorded in the balance sheet as assets and as an obligation to pay future rental in compliance with the statement of standard accounting practice number 21.

Operating Leases

Rentals under operating leases are charged to the profit and loss account as they are incurred.

Depreciation

No depreciation is provided on freehold land. Other fixed assets are depreciated using the straight line method during their expected useful lives as follows:-

Freehold buildings	50 years
Leasehold buildings	Over the life of the lease
Plant, machinery, equipment and tooling	3 to 20 years

Assets leased under finance leases are depreciated over their useful lives as set out above or the lease term, if shorter.

Warranty liability

Provision is made for the group's estimated liability on all products still under warranty.

Research and development

All research and development costs are written off as incurred.

Pensions

The company and its major subsidiary operate retirement benefit schemes. The funds are set up under separate trusts and their assets are separate from the assets of the companies.

It is the general policy to fund pension liabilities by the payment of contributions at rates determined on the advice of independent actuaries.

HOOVER PLC AND SUBSIDIARIES

NOTES ON ACCOUNTS

1 Profit for the financial period

In accordance with the exemption allowed by Section 228 (7) of the Companies Act 1985 the company has not presented its own profit and loss account. Note 19 shows the retained profit for the period of the company.

	Year to 30 Nov 1987 £'000	11 mths to 30 Nov 1986 £'000
2 Analysis of group turnover		
Europe	196,293	162,575
Australasia, Africa, and Asia	60,589	51,615
The Americas	764	294
	<u>257,646</u>	<u>214,484</u>

3 Profit on ordinary activities before taxation

Operating profit of Hoover plc and its subsidiaries, is arrived at after charging:-		
Depreciation - owned assets	4,457	3,823
- assets held under finance leases	1,400	1,618
Auditors' remuneration	100	110
Hire of plant and machinery - operating leases	907	1,144
Hire of other assets - operating leases	457	908
and after crediting:-		
Government grants	1,433	597

4 Interest receivable (payable)

Interest payable on overdrafts and loans	(1,135)	(1,957)
Finance charges payable - finance leases	(319)	(311)
Interest receivable	1,742	782
Income from listed fixed asset investments	-	26
	<u>288</u>	<u>(1,460)</u>

5 Gain on property disposals

The gain on property disposals, net of rationalisation costs includes a government grant towards the costs of relocation.

	Year to 30 Nov 1987 £'000	11 mths to 30 Nov 1986 £'000
6 Taxation		
The charge is arrived at as follows:-		
UK corporation tax after deducting double taxation relief of £82,000 (1986-£67,000)	-	415
Overseas taxation including share of taxation of associated company	3,992	3,785
Transfer to (from) deferred taxation	230	(268)
	-----	-----
	4,222	3,912
Adjustment in respect of prior periods	397	(369)
	-----	-----
	4,619	3,543
	=====	=====

7 Earnings per share

The calculations of earnings per share are based on earnings excluding extra-ordinary income of £14,485,000 (1986 - £9,105,000) and 7,640,000 ordinary and 12,210,800 'A' non-voting ordinary shares in issue throughout the period from 1 January 1986 to 30 November 1987.

8 Emoluments of directors and employees

The fees of Hoover plc directors amounted to £4,000 (1986-£5,000) and other emoluments, including pension contributions, to £745,000 (1986-£413,000). The duties of the Chairman and three other directors arose mainly outside the United Kingdom.

The emoluments (excluding pension contributions) of the highest paid director amounted to £226,000 (1986-£175,000).

The number of other directors and employees with emoluments in excess of £30,000, fall into the following scales:-

	Directors		Other employees	
	12 mths to 30 Nov 1987	11 mths to 30 Nov 1986	12 mths to 30 Nov 1987	11 mths to 30 Nov 1986
£5,001-£10,000	1	-		
£30,001-£35,000	1	-	3	4
£35,001-£40,000	-	-	2	2
£40,001-£45,000	-	-	4	-
£45,001-£50,000	-	1	2	-
£50,001-£55,000	-	1	4	1

Directors		Other Employees	
12 mths to 30 Nov 1987	11 mths to 30 Nov 1986	12 mths to 30 Nov 1987	11 mths to 30 Nov 1986

8 Emoluments of directors and employees (cont)

Emolument Range	Directors 12 mths to 30 Nov 1987	Directors 11 mths to 30 Nov 1986	Other Employees 12 mths to 30 Nov 1987	Other Employees 11 mths to 30 Nov 1986
£55,001-£60,000	1	1	1	-
£60,001-£65,000	-	2	4	-
£70,001-£75,000	-	-	3	-
£75,001-£80,000	1	-	3	-
£80,001-£85,000	-	-	3	-
£85,001-£90,000	1	-	1	-
£90,001-£95,000	-	-	2	-
£95,001-£100,000	-	-	1	-
£100,001-£105,000	-	-	2	-
£105,001-£110,000	-	-	2	-
£110,001-£115,000	-	-	2	-
£115,001-£120,000	-	-	1	-
£120,001-£125,000	-	-	-	-
£125,001-£130,000	-	-	-	-
£130,001-£135,000	-	-	-	-
£135,001-£140,000	-	-	-	-
£140,001-£145,000	-	-	-	-
£145,001-£150,000	-	-	-	-
£150,001-£155,000	-	-	-	-
£155,001-£160,000	-	-	-	-
£160,001-£165,000	-	-	-	-
£165,001-£170,000	-	-	-	-
£170,001-£175,000	-	-	-	-
£175,001-£180,000	-	-	-	-
£180,001-£185,000	-	-	-	-
£185,001-£190,000	-	-	-	-
£190,001-£195,000	-	-	-	-
£195,001-£200,000	-	-	-	-

Emoluments for 1987 include taxable relocation allowances granted to directors and employees relocating to Wales on transfer of the U.K. headquarters. These allowances will not recur in 1988.

	Year to 30 Nov 1987	11 mths to 30 Nov 1986
	£'000	£'000
Employment costs include the following amounts:-		
Wages and salaries	61,325	51,974
Social security costs	5,493	4,464
Pension costs	442	999
	1987	1986
The average number of employees during the period was:-		
United Kingdom	5,027	5,130
Overseas	1,501	1,580
	=====	=====
	6,528	6,710
	=====	=====

9 Tangible fixed assets	Land and buildings £'000	Plant, machinery, tooling, equipment £'000	Total £'000
The Group			
Cost at 30 November 1986	19,492	61,756	81,248
Exchange adjustments	(337)	(2,131)	(2,461)
Capital expenditure	7,334	8,722	16,256
Disposals	(9,605)	(4,829)	(14,634)
	-----	-----	-----
Cost at 30 November 1987	<u>16,691</u>	<u>63,718</u>	<u>80,409</u>
	=====	=====	=====
Depreciation at 30 November 1986	8,202	36,280	44,482
Exchange adjustments	(117)	(388)	(505)
Charge for the year	510	5,347	5,857
Disposals	(3,917)	(4,427)	(8,344)
	-----	-----	-----
Depreciation at 30 November 1987	<u>4,678</u>	<u>36,812</u>	<u>41,490</u>
	=====	=====	=====
Net book amount at 30 November 1987	<u>12,013</u>	<u>26,906</u>	<u>38,919</u>
	=====	=====	=====

Fixed assets include £13,845,000 (cost) and £7,980,000 (net book amount) in respect of assets held under finance leases.

Hoover plc

Cost at 30 November 1986	16,791	47,456	64,247
Capital expenditure	7,333	7,071	14,404
Disposals	(9,574)	(3,716)	(13,290)
	-----	-----	-----
Cost at 30 November 1987	<u>14,550</u>	<u>50,811</u>	<u>65,361</u>
	=====	=====	=====
Depreciation at 30 November 1986	7,316	27,846	35,162
Charge for the year	471	4,023	4,494
Disposals	(3,862)	(2,769)	(6,651)
	-----	-----	-----
Depreciation at 30 November 1987	<u>3,905</u>	<u>29,100</u>	<u>33,005</u>
	=====	=====	=====
Net book amount at 30 November 1987	<u>10,645</u>	<u>21,711</u>	<u>32,356</u>
	=====	=====	=====

Fixed assets include £13,643,000 (cost) and £7,980,000 (net book amount) in respect of assets held under finance leases.

	The Group		Hoover plc	
	30 Nov 1987	30 Nov 1986	30 Nov 1987	30 Nov 1986
9 Tangible Fixed Assets (cont)	£'000	£'000	£'000	£'000
Land and buildings comprise:-				
Freehold land and buildings	12,546	11,846	10,405	9,145
Short term leasehold buildings	4,145	7,646	4,145	7,646
	<u>16,691</u>	<u>19,492</u>	<u>14,550</u>	<u>16,791</u>

The approximate amounts of future capital expenditure not dealt with in these accounts are:-

In respect of contracts placed	3,000	4,000	2,800	3,600
Authorised by the directors but not yet committed	6,400	17,600	6,200	17,500

10 Fixed asset investments

	Subsidiaries £'000	Associated company £'000	Other investments £'000	Total £'000
The Group				
Cost				
At 30 November 1986	-	3,117	398	3,505
Acquisitions	3,083	-	-	3,083
Disposals	-	-	(398)	(398)
	-----	-----	-----	-----
At 30 November 1987	<u>3,083</u>	<u>3,107</u>	<u>-</u>	<u>6,190</u>
Share of post acquisition reserves at 30 November 1986		6,250		6,250
Profit for the year		1,118		1,118
Currency translation differences		309		309
		-----		-----
At 30 November 1987		<u>6,557</u>		<u>6,559</u>
Net book amount at 30 November 1987	<u>3,083</u>	<u>9,666</u>	<u>-</u>	<u>12,749</u>
	Subsidiaries £'000	Associated company £'000	Other investments £'000	Total £'000
Hoover plc				
Cost				
At 30 November 1986	2,220	3,107	398	5,735
Disposals	(265)	-	(398)	(663)
	-----	-----	-----	-----
At 30 November 1987	<u>1,965</u>	<u>3,107</u>	<u>-</u>	<u>5,072</u>
Amounts written off				
At 30 November 1986	312	-	-	312
Amount written off	135	-	-	135
	-----	-----	-----	-----
At 30 November 1987	<u>447</u>	<u>-</u>	<u>-</u>	<u>447</u>
Net book amount at 30 November 1987	<u>1,519</u>	<u>3,107</u>	<u>-</u>	<u>4,625</u>

11 Shares in subsidiaries

The principal operating subsidiaries of Hoover plc, together with their countries of incorporation and registration, are:-

Manufacturing and marketing domestic appliances	
Hoover (Australia) Pty. Ltd.	Australia
Hoover Electrica Portuguesa Lda.	Portugal
Marketing domestic appliances	
Hoover Gx.	Finland
Hoover Austria Ges.m.b.H.	Austria

All shares are ordinary shares and are held by Hoover plc or its nominees.

12 Investment in associated company

The share capital of Hoover (Holland) BV which comprises 53,064 ordinary and 21,720 preference shares is owned equally by Hoover plc and The Hoover Company.

13 Stocks comprise	The Group		Hoover plc	
	30 Nov 1987 £'000	30 Nov 1986 £'000	30 Nov 1987 £'000	30 Nov 1986 £'000
Raw materials and consumables	6,287	7,995	3,335	3,683
Work in progress	13,295	12,258	12,809	11,637
Finished goods	25,415	25,631	18,984	20,461
	-----	-----	-----	-----
	44,997	45,884	35,128	35,781
	=====	=====	=====	=====

14 Debtors comprise

Trade debtors	54,647	49,010	42,613	34,374
Amounts owed by subsidiaries	-	-	936	869
Amounts owed by related companies	27,012	1,860	26,514	1,886
Other debtors	3,533	2,232	3,162	1,623
Prepayments and accrued income	709	709	549	517
Deferred taxation (note 17)	1,080	1,496	1,080	-
	-----	-----	-----	-----
	86,981	55,307	74,854	39,269
	=====	=====	=====	=====

Debtors include £2,055,000 (1986-£2,062,000) falling due after more than one year.

	The Group		Hoover plc	
	30 Nov	30 Nov	30 Nov	30 Nov
	1987	1986	1987	1986
	£'000	£'000	£'000	£'000
15 Creditors: Amounts falling due within one year comprise				
Trade creditors	26,802	25,335	21,449	20,323
Amounts owed to fellow subsidiaries and holding company	776	1,099	317	1,070
Amounts owed to associated companies	4,755	4,259	4,019	3,676
Taxation and social security	8,444	7,810	4,826	4,598
Other creditors	103	268	52	193
Accruals and deferred income	12,035	14,600	9,598	10,995
Obligations under finance leases	1,657	1,704	1,657	1,689
	<u>54,572</u>	<u>55,075</u>	<u>41,419</u>	<u>42,534</u>

16 Creditors: Amounts falling due after more than one year comprise

Other creditors	439	2,113	-	1,577
Accruals and deferred income	2,420	2,068	1,609	1,152
Obligations under finance leases:-				
in 2nd to 5th years inclusive	3,138	3,513	3,138	3,513
in over 5 years	1,956	1,937	1,956	1,937
	<u>7,953</u>	<u>9,631</u>	<u>6,703</u>	<u>8,179</u>

17 Provisions for liabilities and charges comprise

	The Group	Hoover plc
	£'000	£'000
Deferred taxation	467	-
At 30 November 1986	230	(1,080)
Charged to profit and loss	192	-
Exchange adjustments	(165)	-
Disposal of subsidiary	(415)	(1,080)
Transferred to debtors		
	<u>309</u>	<u>-</u>

Debtors include recoverable A.C.T. of £1,080,000. Net deferred taxation comprises:

	The Group		Hoover plc	
	30 Nov	30 Nov	30 Nov	30 Nov
	1987	1986	1987	1986
	£'000	£'000	£'000	£'000
Accelerated capital allowances	82	(333)	-	-
Other timing differences	227	(696)	-	-
Recoverable advance corporation tax	(1,080)	-	(1,080)	-
	<u>(771)</u>	<u>(1,029)</u>	<u>(1,080)</u>	<u>-</u>

17 Provisions for liabilities and charges (cont)

In addition there is an unrealised deferred taxation asset which comprises:

	The Group		Hoover plc	
	30 Nov 1987	30 Nov 1986	30 Nov 1987	30 Nov 1986
	£'000	£'000	£'000	£'000
Accrued capital allowances	182	-	-	-
Other timing differences	399	-	-	-
Advance corporation tax	1,139	2,269	1,139	2,269
	<u>1,720</u>	<u>2,269</u>	<u>1,139</u>	<u>2,269</u>

There are also substantial tax losses available to be carried forward against future profits. No provision has been made in respect of tax payable on the remittance of earnings retained overseas.

18 Share capital of Hoover plc

	Authorised		Issued and fully paid	
	30 Nov 1987	30 Nov 1986	30 Nov 1987	30 Nov 1986
	£'000	£'000	£'000	£'000
7,640,000 ordinary shares of 25p each issued	1,920	1,920	1,910	1,910
12,210,000 "A" non-voting ordinary shares of 25p each issued	3,090	3,090	3,053	3,053
	<u>5,010</u>	<u>5,010</u>	<u>4,963</u>	<u>4,963</u>

The ultimate holding company is The Chicago Pacific Corporation, incorporated in the U.S.A.

	The Group		Hoover plc	
	30 Nov 1987	30 Nov 1986	30 Nov 1987	30 Nov 1986
	£'000	£'000	£'000	£'000
19 Reserves				
Other reserves				
At 30 November 1986	2,518	2,518	2,203	2,203
Disposal of subsidiary	(11)	-	-	-
At 30 November 1987	<u>2,507</u>	<u>2,518</u>	<u>2,203</u>	<u>2,203</u>
Profit and loss account				
At 30 November 1986	63,869	53,472	37,355	31,707
Retained (released) during period	39,968	9,105	39,379	5,648
Transfer from revaluation reserves	1,489	-	1,489	-
Currency translation differences	(4,027)	1,292	-	-
At 30 November 1987	<u>101,299</u>	<u>63,869</u>	<u>78,223</u>	<u>37,355</u>

The Group		Hoover plc	
30 Nov	30 Nov	30 Nov	30 Nov
1987	1986	1987	1986
£'000	£'000	£'000	£'000

20 Contingent liabilities comprise

Guarantees in respect of borrowings by wholly-owned subsidiaries		Customs and Excise guarantees		Other trading guarantees	
-	-	1,550	1,250	2,625	2,500
475	530	-----	-----	-----	-----
1,550	1,250	4,425	3,800	4,650	4,250
-----	-----	=====	=====	=====	=====

21 Operating lease commitments

The annual commitments under non-cancellable operating leases comprise:-

Land & building leases which expire:-		Other leases which expire:-		
within one year	126	70	4	6
in 2nd to 5th years inclusive	211	99	29	20
in over 5 years	192	759	192	759
within one year	5	29	-	-
in 2nd to 5th years inclusive	2	105	-	69
-----	536	1,071	225	863
-----	=====	=====	=====	=====

22 Pension commitments

The Group has a number of pension schemes for its employees. The latest actuarial valuations of the major schemes indicated that there were sufficient assets in each of the funds to secure the benefits of existing pensioners and to provide paid up pensions to present employees on the basis of present salaries and credited periods of service.