

325270

HOOVER PLC

REPORT AND FINANCIAL STATEMENTS
FOR THE 11 MONTHS ENDED
30 NOVEMBER 1986

COMMUNICATIONS
- 5 MAY 1987
M OFFICE 9

HOOVER PLC

Company Number 325270

DIRECTORS' REPORT

The directors present their report and the financial statements for the 11 months ended 30 November 1986.

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 further improvements were made to our manufacturing facilities.

Arrangements were made for the sale of the Perivale site, and the UK headquarters will be transferred to Merthyr Tydfil in 1987. The profit arising from the sale, together with the associated costs and the related taxation consequences of these transactions, will be dealt with in the 1987 accounts when completion takes place.

Following publication of the Finance Act 1986, application has been made to the Superannuation Funds Office for their approval to planned changes in the Hoover Staff Pension Scheme, including the improvement of benefits and the refund of part of the surplus to the Company.

At the request of our parent company, and in conjunction with all its subsidiaries outside North America, our accounts have been drawn up to 30 November and therefore reflect the results of eleven months trading activities.

The directors of Hoover plc intend to seek new product and business opportunities, while keeping a tight control of costs, in order to continue the improvement in profitability reflected in these accounts.

Results

The Group profit before taxation amounted to £12,648,000 and the charge for taxation thereon amounted to £3,543,000.

Dividends and Reserves

No interim dividend for 1986 was paid and no final dividend for 1986 is recommended by the directors.

The transfer to the reserves of Hoover plc is £5,648,000.

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 in excess of the net book value.

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

Sir Peter Boon, Mr.P.R.Goode, Mr.J.R.Cutinella and Mr.F.L.Tabacchi resigned as directors of the Company on 2 April 1986 and Mr H.Hill resigned as a director on 1 January 1987. The following were directors of the Company throughout the 11 months to 30 November 1986 and at the date of this report, other than Mr.E.J.Harrison, Mr.H.Kapnick and Mr.F.Vaughn who were appointed on 2 April 1986:-

Mr.M.R.Rawson
Mr.A.V.J.Simpson
Mr.A.E.Williamson
Mr.P.H.J.Budd
Mr.E.J.Harrison
Mr.D.F.Jessopp
Mr.H.Kapnick
Mr.D.S.Perkins
Mr.F.E.Vaughn

Election of Directors

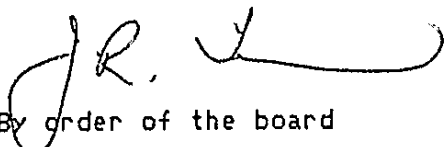
In accordance with the articles of association of the Company, Mr.M.R.Rawson, Mr.P.H.J.Budd, Mr.E.J.Harrison, Mr.D.F.Jessopp, Mr.H.Kapnick, Mr.D.S.Perkins and Mr.F.E.Vaughn retire from the board, and being eligible, offer themselves for re-election.

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

25 February 1987

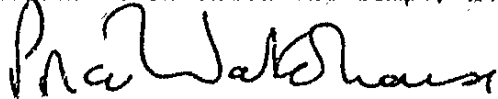
HOOVER PLC AND SUBSIDIARIES

AUDITORS' REPORT

Report of the auditors to the members

We have audited the financial statements on pages 5 to 19 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 1986 and of the profit and source and application of funds of the Group for the eleven months then ended and comply with the Companies Act 1985.



PRICE WATERHOUSE
Chartered Accountants
London
25 February 1987

HOOVER PLC AND SUBSIDIARIES
GROUP PROFIT AND LOSS ACCOUNT
For the 11 months ended 30 November 1986

	Notes	11 mths to 30 Nov 1986 £'000	Year to 31 Dec 1985 £'000
Turnover	2	214,484	233,797
Cost of sales		(159,516)	(171,513)
Gross profit		<u>54,968</u>	<u>62,284</u>
Distribution costs		(34,440)	(39,439)
Administrative expenses		(7,969)	(11,630)
Operating profit - Hoover plc and subsidiaries	3	<u>12,559</u>	<u>11,215</u>
Share of associated company operating profit		1,549	506
Operating profit		<u>14,108</u>	<u>11,721</u>
Interest (net)	4	(1,460)	(1,696)
Rationalisation costs		-	(3,884)
Profit on ordinary activities before taxation		<u>12,648</u>	<u>6,141</u>
Taxation:-	5		
Hoover plc and subsidiaries		(2,858)	(3,235)
Associated company		(685)	(420)
Profit on ordinary activities after taxation transferred to reserves		<u><u>9,105</u></u>	<u><u>2,486</u></u>
Earnings per share	6	46p	13p

HOOVER PLC AND SUBSIDIARIES

GROUP BALANCE SHEET
30 November 1986

	Notes	30 Nov 1986 £'000	31 Dec 1985 £'000
Fixed assets			
Tangible assets	8	36,766	33,669
Investments	9/11	9,755	7,417
		<u>46,521</u>	<u>41,086</u>
Current assets			
Stocks	12	45,884	43,133
Debtors	13	55,307	42,430
Short term deposits		5,676	5,989
Cash at bank and in hand		537	444
		<u>107,404</u>	<u>92,016</u>
Creditors: Amounts falling due within one year			
Bank borrowing		(14,562)	(9,672)
Other	14	(55,075)	(50,015)
Net current assets		<u>37,767</u>	<u>32,329</u>
Total assets less current liabilities		84,288	73,415
Creditors: Amounts falling due after more than one year	15	(9,631)	(9,131)
Provisions for liabilities and charges	16	(467)	(491)
		<u>74,190</u>	<u>63,793</u>
Capital and reserves			
Called up share capital	17	4,963	4,963
Share premium account		939	939
Revaluation reserve		1,901	1,901
Other reserves	18	2,518	2,518
Profit and loss account	18	63,869	53,472
		<u>74,190</u>	<u>63,793</u>

HOOVER PLC
BALANCE SHEET
30 November 1986

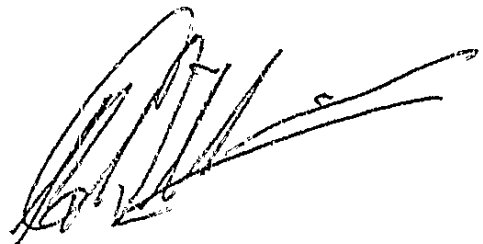
	Notes	30 Nov 1986 £'000	31 Dec 1985 £'000
Fixed assets			
Tangible assets			
Investments	8 9/11	29,085 5,423 -----	26,313 5,315 -----
Current assets		34,508	31,628
Stocks			
Debtors	12	35,781	34,777
Cash at bank and in hand	13	39,269 74 -----	30,278 52 -----
		75,124	65,107
Creditors: Amounts falling due within one year			
Bank borrowing			
Other	14	(11,570) (42,534) -----	(7,963) (39,764) -----
Net current assets		20,620 -----	17,380 -----
Total assets less current liabilities		55,128	49,008
Creditors: Amounts falling due after more than one year	15	(8,179) ----- 46,949 =====	(7,707) ----- 41,301 =====
Capital and reserves			
Called up share capital			
Share premium account	17	4,963	4,963
Revaluation reserve		939	939
Other reserves		1,489	1,489
Profit and loss account	18 18	2,203 37,355 -----	2,203 31,707 -----
		46,949 =====	41,301 =====

Approved by the board of directors on 25 February 1987 and signed on its behalf by:-

D S PERKINS)
A E WILLIAMSON) Directors



7



HOOVER PLC AND SUBSIDIARIES
SOURCE AND APPLICATION OF FUNDS

	11 mths to 30 Nov 1986 £'000	Year to 31 Dec 1985 £'000
SOURCE OF FUNDS		
Profit before taxation	12,648	6,141
Items not involving the movement of funds		
Movement in investment in the associated company	(2,338)	299
Depreciation	5,441	5,661
Currency translation differences	1,459	(5,808)
Total funds generated from operations	<u>17,210</u>	<u>6,293</u>
Funds from other sources		
Fixed asset disposals	385	771
	<u>17,595</u>	<u>7,064</u>
APPLICATION OF FUNDS		
Purchase of fixed assets	9,090	13,575
Corporate taxes paid	3,471	3,253
	<u>12,561</u>	<u>16,828</u>
Increase (decrease) in working capital		
Increase (decrease) in stocks	2,751	(7,044)
Increase in debtors	12,703	528
(Increase) in creditors	(5,310)	(703)
	<u>22,705</u>	<u>9,609</u>
(DECREASE) IN NET LIQUID FUNDS	<u>(5,110)</u>	<u>(2,545)</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 has been changed from 31 December to 30 November with effect from 30 November 1986. These accounts 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 transferred to profit and loss account in proportion to the charge for depreciation or other writing off of items on which grants have been claimed.

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.

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.

Following a review of the expected useful lives of plant, machinery, equipment and tooling new lives have been assigned to certain assets purchased after 31 December 1985. The effect of this on group results is not significant.

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 subsidiaries operate retirement benefit schemes. The various schemes and funds are set up under separate trusts or through insurance companies and their assets are completely 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 or, where appropriate, insurance companies.

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 18 shows the retained profit for the period of the company.

	11 mths to 30 Nov 1986 £'000	Year to 31 Dec 1985 £'000
2 Analysis of group turnover		
Europe	162,575	174,160
Australasia, Africa, and Asia	51,615	59,059
The Americas	294	578
	214,484	233,797
	214,484	233,797

3 Operating profit

Operating profit of Hoover plc and its subsidiaries, is arrived at after charging:-

Depreciation - owned assets	3,823	4,059
- assets held under finance leases	1,618	1,602
Auditors' remuneration	110	105
Hire of plant and machinery - operating leases	1,144	1,115
Hire of other assets - operating leases	908	946
and after crediting:-		
Government grants	597	590

4 Interest

Interest payable on overdrafts and loans	1,957	2,377
Finance charges payable - finance leases	311	435
Interest receivable	(782)	(1,090)
Income from listed fixed asset investments	(26)	(26)
	1,460	1,696
	1,460	1,696

	11 mths to 30 Nov 1986 £'000	Year to 31 Dec 1985 £'000
5 Taxation		
The charge is arrived at as follows:-		
UK corporation tax after deducting double taxation relief of £67,000 (1985-Nil)	415	-
Overseas taxation including share of taxation of associated company	3,785	3,352
Transfer (from) to deferred taxation	(288)	444
	-----	-----
Adjustment in respect of prior periods	3,912 (369)	3,796 (141)
	-----	-----
	<u>3,543</u>	<u>3,655</u>

The UK corporation taxation charge on trading profits has been eliminated by trading losses brought forward.

6 Earnings per share

The calculations of earnings per share are based on earnings of £9,105,000 (1985-£2,486,000), and 7,640,000 ordinary and 12,210,800 'A' non-voting ordinary shares in issue throughout the period from 1 January 1985 to 30 November 1986.

7 Emoluments of directors and employees

The fees of Hoover plc directors amounted to £5,000 (1985-£5,000) and other emoluments, including pension contributions, to £413,000 (1985-£359,000). The duties of the Chairman and six other directors arose mainly outside the United Kingdom.

The emoluments (excluding pension contributions) of the highest paid director amounted to £75,000 (1985-£87,000).

No compensation was paid to any director for loss of office (1985-£25,000).

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

	Directors		Other employees	
	11 mths 1986	Year 1985	11 mths 1986	Year 1985
£5,001-£10,000	-	2		
£10,001-£15,000	-	1		
£20,001-£25,000	-	1		
£30,001-£35,000	-	-	4	5
£35,001-£40,000	-	-	2	4
£40,001-£45,000	-	-	-	3
£45,001-£50,000	1	1	-	-
£50,001-£55,000	1	1	1	-
£55,001-£60,000	1	1	-	-
£60,001-£65,000	2	-	-	-

	11 mths to 30 Nov 1986 £'000	Year to 31 Dec 1985 £'000
7 Emoluments of directors and employees (cont)		
Employment costs include the following amounts:-		
Wages and salaries	51,974	59,477
Social security costs	4,464	4,331
Pension costs	999	2,057
	1986	1985
The average number of employees during the period was:-		
United Kingdom	5,130	5,526
Overseas	1,580	1,444
	<u>6,710</u>	<u>6,970</u>

8 Tangible fixed assets	Land and buildings £'000	Plant, machinery, tooling, equipment £'000	Total £'000
The Group			
Cost at 31 December 1985	19,652	56,922	76,574
Exchange adjustments	(5)	(316)	(321)
Capital expenditure	54	9,036	9,090
Disposals	(209)	(3,886)	(4,095)
Cost at 30 November 1986	<u>19,492</u>	<u>61,756</u>	<u>81,248</u>
Depreciation at 31 December 1985	7,835	35,070	42,905
Exchange adjustments	(1)	(153)	(154)
Charge for the period	498	4,943	5,441
Disposals	(130)	(3,580)	(3,710)
Depreciation at 30 November 1986	<u>8,202</u>	<u>36,280</u>	<u>44,482</u>
Net book value at 30 November 1986	<u>11,290</u>	<u>25,476</u>	<u>36,766</u>

The net book value of fixed assets of £36,766,000 includes an amount of £7,908,000 in respect of assets held under finance leases.

8 Tangible fixed assets (cont)	Land and buildings £'000	Plant, machinery, tooling, equipment £'000	Total £'000
Hoover plc			
Cost at 31 December 1985	16,946	43,923	60,869
Capital expenditure	54	7,265	7,319
Disposals	(209)	(3,732)	(3,941)
	<u>16,791</u>	<u>47,456</u>	<u>64,247</u>
Depreciation at 31 December 1985	6,990	27,566	34,556
Charge for the period	456	3,737	4,193
Disposals	(130)	(3,457)	(3,587)
	<u>7,316</u>	<u>27,846</u>	<u>35,162</u>
Depreciation at 30 November 1986	<u>7,316</u>	<u>27,846</u>	<u>35,162</u>
Net book value at 30 November 1986	<u>9,475</u>	<u>19,610</u>	<u>29,085</u>

The net book value of fixed assets of £29,085,000 includes an amount of £7,893,000 in respect of assets held under finance leases.

	The Group		Hoover plc	
	30 Nov 1986 £'000	31 Dec 1985 £'000	30 Nov 1986 £'000	31 Dec 1985 £'000
Land and buildings comprise:-				
Freehold land and buildings	11,846	11,885	9,145	9,179
Short term leasehold buildings	7,646	7,767	7,646	7,767
	<u>19,492</u>	<u>19,652</u>	<u>16,791</u>	<u>16,946</u>

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

In respect of contracts placed Authorised by the directors but not yet committed	4,000	4,300	3,600	3,700
	17,800	13,000	17,500	12,800

At 30 November one of the company's freehold properties is subject to a contract for sale. Assuming that this contract is completed as anticipated in 1987 the sale proceeds will exceed the present net book value.

9 Fixed asset investments

The Group	Associated company £'000	Other investments £'000	Total £'000
Cost			
At 31 December 1985 and at 30 November 1986	<u>3,107</u>	<u>398</u>	<u>3,505</u>
Share of post acquisition reserves			
At 31 December 1985	3,912		3,912
Profit for the period	864		864
Currency translation differences	<u>1,474</u>		<u>1,474</u>
At 30 November 1986	<u>6,250</u>		<u>6,250</u>
Net book value at 30 November 1986	<u>9,357</u>	<u>398</u>	<u>9,755</u>

Hoover plc	Subsidiaries £'000	Associated company £'000	Other investments £'000	Total £'000
Cost				
At 31 December 1985	2,019	3,107	398	5,524
Additions	211	-	-	211
At 30 November 1986	<u>2,230</u>	<u>3,107</u>	<u>398</u>	<u>5,735</u>
Amounts written off				
At 31 December 1985	209	-	-	209
Amount written off	103	-	-	103
At 30 November 1986	<u>312</u>	<u>-</u>	<u>-</u>	<u>312</u>
Net book value at 30 November 1986	<u>1,918</u>	<u>3,107</u>	<u>398</u>	<u>5,423</u>

Other investments of £398,000 comprise investments listed on a recognised stock exchange and are redeemable on 1 May 1987. Their market value at 30 November 1986 was £395,000 (1985-£379,000).

10 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 S.A. (Proprietary) Ltd.		South Africa
Hoover Electrica Portuguesa Lda.		Portugal
Marketing domestic appliances		
Hoover (Zimbabwe)(Pvt.) Ltd.		Zimbabwe
Hoover Oy.		Finland
Hoover Austria Ges.m.b.H.		Austria

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

11 Investment in associated company

The share capital of Hoover (Holland) BV which comprises 35,064 ordinary and 21,720 preference shares is owned equally by Hoover plc and The Hoover Company.

12 Stocks comprise

	The Group		Hoover plc	
	30 Nov 1986 £'000	31 Dec 1985 £'000	30 Nov 1986 £'000	31 Dec 1985 £'000
Raw materials and consumables	7,995	6,317	3,683	3,704
Work in progress	12,258	11,437	11,637	11,023
Finished goods	25,631	25,379	20,461	20,050
	<u>45,884</u>	<u>43,133</u>	<u>35,781</u>	<u>34,777</u>

13 Debtors comprise

Trade debtors	49,010	36,939	34,374	26,310
Amounts owed by subsidiaries	-	-	869	444
Amounts owed by fellow subsidiaries	1,368	46	1,394	46
Amounts owed by associated companies	492	1,679	492	1,685
Other debtors	2,232	1,977	1,623	1,583
Prepayments and accrued income	709	467	517	210
Deferred taxation (note 16)	1,496	1,342	-	-
	<u>55,307</u>	<u>42,450</u>	<u>39,269</u>	<u>30,278</u>

Debtors include £2,062,000 (1985-£2,092,000) falling due after more than one year.

	The Group		Hoover plc	
	30 Nov 1986 £'000	31 Dec 1985 £'000	30 Nov 1986 £'000	31 Dec 1985 £'000
14 Creditors: Amounts falling due within one year comprise				
Trade creditors	25,335	22,084	20,323	18,830
Amounts owed to fellow subsidiaries and holding company	1,099	988	1,070	953
Amounts owed to associated companies	4,259	3,166	3,676	2,626
Taxation and social security	7,810	7,461	4,588	4,309
Other creditors	268	278	193	263
Accruals and deferred income	14,600	14,378	10,995	11,145
Obligations under finance leases	1,704	1,658	1,689	1,638
	<u>55,075</u>	<u>50,015</u>	<u>42,534</u>	<u>39,764</u>

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

Other creditors	2,113	2,072	1,577	1,577
Accruals and deferred income	2,068	1,838	1,152	923
Obligations under finance leases:-				
in 2nd to 5th years inclusive	3,513	3,325	3,513	3,311
in over 5 years	1,937	1,896	1,937	1,896
	<u>9,631</u>	<u>9,131</u>	<u>8,179</u>	<u>7,707</u>

16 Provisions for liabilities and charges comprise

	The Group £'000	Hoover plc £'000
Deferred taxation		
At 31 December 1985	491	-
Charged to profit and loss	(288)	-
Exchange adjustments	110	-
Transferred to debtors	154	-
	<u>467</u>	<u>-</u>
At 30 November 1986		
Debtors include deferred taxation of £1,496,000. The net amount of £1,029,000 comprises:		
The taxation provision on the difference between the net book value of fixed assets and their written down values for taxation purposes	(333)	-
Other timing differences	(696)	-
	<u>(1,029)</u>	<u>-</u>

The same figures arise using the full liability method.
There are substantial tax losses available to be carried forward against future profits

17 Share capital of Hoover plc

	Authorised		Issued and fully paid	
	30 Nov 1986 £'000	31 Dec 1985 £'000	30 Nov 1986 £'000	31 Dec 1985 £'000
7,640,000 ordinary shares of 25p each issued	1,920	1,920	1,910	1,910
12,210,800 '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., who, through a wholly owned subsidiary acquired the share capital of The Hoover Company during 1985, who together with its nominees hold all the issued share capital of Hoover plc.

	The Group		Hoover plc	
	30 Nov 1986 £'000	31 Dec 1985 £'000	30 Nov 1986 £'000	31 Dec 1985 £'000
18 Reserves				
Other reserves				
At 31 December 1985	2,518	2,503	2,203	2,203
Transfer to Profit and Loss account	-	15	-	-
At 30 November 1986	<u>2,518</u>	<u>2,518</u>	<u>2,203</u>	<u>2,203</u>
Profit and loss account				
At 31 December 1985	53,472	59,651	31,707	32,536
Retained (released) during period	9,105	2,486	5,648	(829)
Transfer from Other Reserves	-	(15)	-	-
Currency translation differences	1,292	(8,650)	-	-
At 30 November 1986	<u>63,869</u>	<u>53,472</u>	<u>37,355</u>	<u>31,707</u>

19 Contingent liabilities comprise

Guarantees in respect of borrowings by wholly owned subsidiaries	-	-	500	400
Customs and Excise guarantees	1,250	1,100	1,250	1,100
Other trading guarantees	2,550	200	2,500	50
	<u>3,800</u>	<u>1,300</u>	<u>4,250</u>	<u>1,550</u>

	The Group		Hoover plc	
	30 Nov 1986 £'000	31 Dec 1985 £'000	30 Nov 1986 £'000	31 Dec 1985 £'000

20 Operating lease commitments

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

	The Group 30 Nov 1986 £'000	The Group 31 Dec 1985 £'000	Hoover plc 30 Nov 1986 £'000	Hoover plc 31 Dec 1985 £'000
Land & building leases which expire:-				
within one year	79	60	6	6
in 2nd to 5th years inclusive	99	103	29	85
in over 5 years	759	799	759	799
Other leases which expire:-				
within one year	29	24	-	-
in 2nd to 5th years inclusive	105	125	69	87
	<u>1,071</u>	<u>1,111</u>	<u>863</u>	<u>903</u>

21 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. Following the publication of the Finance Act 1986, consideration has been given to the surplus in the Hoover plc staff pension scheme. Prior to 30 November, the Company commenced discussions with various interested parties. These had not been finalised at the balance sheet date, but it is expected that a refund will be made to the Company in 1987.