

325270

HOOVER PLC

REPORT AND FINANCIAL STATEMENTS

FOR THE 12 MONTHS ENDED
30 NOVEMBER 1988

COMPANIES ACT 1985
18 MAY 1989
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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 1988.

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.

In September 1988 the Trustees of the Hoover (1987) Pension Scheme agreed improvements to the benefits under the Scheme and to a repayment of about £18 million (subject to approval by the relevant authorities) to the company.

In January 1989, Maytag Corporation of Iowa, USA merged with Chicago Pacific Corporation and is now the ultimate holding company of Hoover plc.

The directors of Hoover plc intend to continue modernising production facilities and seeking new product and business opportunities while striving for further improvements in productivity and keeping a tight control of costs throughout the Group.

Results

The Group profit before taxation and extra-ordinary income amounted to £20,697,000 and the charge for taxation thereon amounted to £4,476,000.

Dividends and Reserves

No interim dividend for 1988 was paid and no final dividend for 1988 is recommended by the directors.

The transfer to the reserves of the group is £16,221,000.

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 9 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 D S Perkins resigned as a director on 29 February 1988.

The following were directors of the Company throughout the year to 30 November 1988:-

Mr.F.E.Vaughn
Mr.A.U.J.Simpson
Mr.A.E.Williamson
Mr.P.H.J.Budd
Mr.E.J.Harrison
Mr.D.F.Jessopp
Mr.H.Kapnick
Mr.G.S.Spurling

The above named were also directors of the Company at the date of this report other than Mr H Kapnick and Mr E J Harrison who resigned as directors on 21 February 1989.

Election of Directors

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

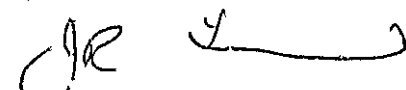
Employment Policies

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.

Auditors

The Report and Accounts have been audited by Price Waterhouse who, following the merger of Chicago Pacific with the Maytag Corporation are resigning. Ernst and Whinney will seek election at the forthcoming annual general meeting.

By order of the board



J.R.TURNER, Secretary
6 February 1989

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 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 1988 and of the profit and source and application of funds of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants
Haywood House North
Dumfries Place
Cardiff
6 February 1989

HOOVER PLC AND SUBSIDIARIES
GROUP PROFIT AND LOSS ACCOUNT
For the 12 months ended 30 November 1988

	Notes	Year to 30 Nov 1988 £'000	Year to 30 Nov 1987 £'000
Turnover	2	263,999	257,646
Cost of sales		(197,621)	(196,694)
Gross profit		<u>66,378</u>	<u>60,952</u>
Distribution costs		(43,068)	(39,878)
Administrative expenses		(9,586)	(8,303)
Operating profit - Hoover plc and subsidiaries		<u>13,724</u>	<u>12,771</u>
Share of associated company operating profit		1,700	2,091
Operating profit		<u>15,424</u>	<u>14,862</u>
Interest receivable (payable) - net	3	776	288
Exceptional item: Gain on property disposals	4	4,495	3,874
Profit on ordinary activities before taxation	5	<u>20,697</u>	<u>19,024</u>
Taxation:-	6		
Hoover plc and subsidiaries		(3,758)	(3,646)
Associated company		(718)	(973)
Profit on ordinary activities after taxation		<u>16,221</u>	<u>14,405</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>16,221</u>	<u>39,968</u>
Earnings per share	7	82p	73p

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

HOOVER PLC AND SUBSIDIARIES

GROUP BALANCE SHEET

30 November 1988

	Notes	30 Nov 1988 £'000	30 Nov 1987 £'000
Fixed assets			
Tangible assets	9	42,719	38,919
Investments	10/12	13,007	12,749
		<u>55,726</u>	<u>51,668</u>
Current assets			
Stocks	13	62,008	44,997
Debtors	14	63,079	86,981
Short term deposits		730	9,736
Cash at bank and in hand		12,799	2,237
		<u>138,616</u>	<u>143,951</u>
Creditors: Amounts falling due within one year			
Bank borrowing		(3,585)	(22,665)
Other	15	(54,397)	(54,572)
		<u>80,634</u>	<u>66,714</u>
Net current assets			
		136,360	118,382
Total assets less current liabilities			
Creditors: Amounts falling due after more than one year			
	16	(7,016)	(7,953)
Provisions for liabilities and charges			
	17	(279)	(309)
		<u>129,065</u>	<u>110,120</u>
Capital and reserves			
Called up share capital	18	4,963	4,963
Share premium account		939	939
Revaluation reserve		412	412
Other reserves	19	2,507	2,507
Profit and loss account	19	120,244	101,299
		<u>129,065</u>	<u>110,120</u>

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

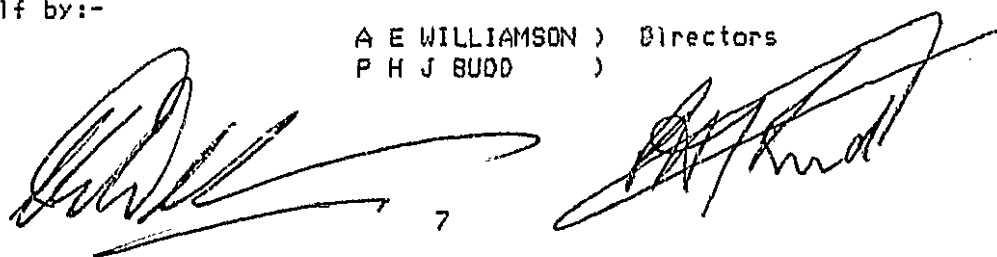
HOOVER PLC
BALANCE SHEET
30 November 1988

	Notes	30 Nov 1988 £'000	30 Nov 1987 £'000
Fixed assets			
Tangible assets	9	34,140	32,356
Investments	10/12	4,577	4,625
		<u>38,737</u>	<u>36,981</u>
Current assets			
Stocks	13	51,861	35,128
Debtors	14	48,261	74,854
Cash at bank and in hand		3,139	7,522
		<u>108,261</u>	<u>117,504</u>
Creditors: Amounts falling due within one year			
Bank borrowing		(500)	(20,035)
Other	15	(42,194)	(41,419)
		<u>65,567</u>	<u>56,050</u>
Net current assets			
		104,304	93,031
Creditors: Amounts falling due after more than one year			
	16	(5,555)	(6,703)
		<u>98,749</u>	<u>86,328</u>
Capital and reserves			
Called up share capital	18	4,963	4,963
Share premium account		939	939
Other reserves	19	2,203	2,203
Profit and loss account	19	90,644	78,223
		<u>98,749</u>	<u>86,328</u>

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

Approved by the board of directors on 6 February 1989 and signed on its behalf by:-

A E WILLIAMSON) Directors
P H J BUDD)



HOKWER PLC AND SUBSIDIARIES
SOURCE AND APPLICATION OF FUNDS

	Year to 30 Nov 1988 £'000	Year to 30 Nov 1987 £'000
SOURCE OF FUNDS		
Profit before taxation and extra-ordinary income	20,697	19,024
Extra-ordinary income	-	25,563
	-----	-----
	20,697	44,587
Items not involving the movement of funds		
Movement in investment in the associated company	(258)	(309)
Depreciation	5,508	5,857
Movement in capital reserve	-	(11)
Currency translation differences	1,299	(2,071)
Profit on disposal of fixed assets	(4,981)	(7,943)
	-----	-----
Total funds generated from operations	22,265	40,110
Funds from other sources		
Proceeds from disposal of fixed assets	5,493	14,233
Redemption of gilt edged stock	-	398
	-----	-----
	27,758	54,741
	=====	=====
APPLICATION OF FUNDS		
Investment in related company	-	3,083
Purchase of fixed assets	8,395	16,256
Corporate taxes paid	3,716	3,730
	-----	-----
	12,111	23,069
(Decrease) increase in working capital		
Increase (decrease) in stocks	17,011	(887)
(Decrease) increase in debtors	(22,822)	32,090
Decrease in creditors	822	2,912
	-----	-----
	7,122	57,084
	=====	=====
INCREASE (DECREASE) IN NET LIQUID FUNDS	20,636	(2,343)
	=====	=====

HOOVER PLC AND SUBSIDIARIES
STATEMENT OF ACCOUNTING POLICIES

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

	Year to 30 Nov 1988 £'000	Year to 30 Nov 1987 £'000
2 Analysis of group turnover		
Europe	203,419	196,293
Australasia, Africa, and Asia	57,376	60,589
The Americas	3,204	764
	262,999	257,646
	262,999	257,646

3 Interest receivable (payable)

Interest payable on overdrafts and loans	(896)	(1,135)
Finance charges payable - finance leases	(256)	(319)
Interest receivable	1,930	1,742
	778	288
	778	288

4 Gain on property disposals

The gain on property disposals (1987) net of rationalisation costs includes a government grant towards the costs of relocation.

5 Profit on ordinary activities before taxation

Operating profit of Hoover plc and its subsidiaries, is arrived at after charging:-		
Depreciation - owned assets	4,403	4,457
- assets held under finance leases	1,105	1,400
Auditors' remuneration	118	100
Hire of plant and machinery - operating leases	1,320	907
Hire of other assets - operating leases	452	457
and after crediting:-		
Government grants	476	1,433

	Year to 30 Nov 1988 £'000	Year to 30 Nov 1987 £'000
6 Taxation		
The charge is arrived at as follows:-		
UK corporation tax at 35% after deducting double taxation relief of £ nil (1987-£82,000)	1,576	-
Overseas taxation including share of taxation of associated company	3,007	3,992
Transfer (from) to deferred taxation	(126)	230
	-----	-----
	4,457	4,222
Adjustment in respect of prior periods	19	397
	-----	-----
	<u>4,476</u>	<u>4,619</u>

7 Earnings per share

The calculations of earnings per share are based on earnings excluding extra-ordinary income of £16,221,000 (1987 - £14,405,000) and 7,640,000 ordinary and 12,210,800 'A' non-voting ordinary shares in issue throughout the period from 1 December 1986 to 30 November 1988.

8 Emoluments of directors and employees

The fees of Hoover plc directors amounted to £2,708 (1987-£4,000). Compensation of £142,000 was paid to a director who's employment terminated during the year. Other emoluments, including pension contributions amounted to £497,000 (1987-£745,000). The duties of the Chairman and two other directors, for which they received no emoluments (1987 - £nil), arose mainly outside the United Kingdom. The emoluments (excluding pension contributions) of the highest paid director amounted to £ 87,000 (1987-£226,000).

The number of other directors and employees with emoluments (excluding compensation for termination of employment) in excess of £30,000, fall into the following scales:-

	Directors		Other employees	
	12 mths to 30 Nov 1988	12 mths to 30 Nov 1987	12 mths to 30 Nov 1988	12 mths to 30 Nov 1987
£5,001-£10,000	-	1		
£25,001-£30,000	1	-		
£30,001-£35,000	-	1	2	3
£35,001-£40,000	-	-	5	2
£40,001-£45,000	-	-	4	4
£45,001-£50,000	-	-	1	2
£50,001-£55,000	-	-	3	4

	Directors		Other Employees	
	12 mths	12 mths	12 mths	12 mths
	to	to	to	to
	30 Nov	30 Nov	30 Nov	30 Nov
	1988	1987	1988	1987

8 Emoluments of directors and employees (cont)

£55,001-£60,000	-	1	-	1
£60,001-£65,000	1	-	-	4
£65,000-£70,000	2	-	-	-
£70,001-£75,000	-	-	-	3
£75,001-£80,000	1	1	-	3
£80,001-£85,000	-	-	-	3
£85,001-£90,000	-	1	-	1
£90,001-£95,000	-	-	-	2
£105,001-£110,000	-	-	-	1
£115,001-£120,000	-	-	-	2
£125,001-£130,000	-	-	-	2
£175,001-£200,000	-	1	-	-

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

	Year to	Year to
	30 Nov	30 Nov
	1988	1987
	£'000	£'000

Employment costs include the following amounts:-

Wages and salaries	62,752	61,413
Social security costs	5,283	5,493
Pension costs	671	452

	1988	1987
The average number of employees during the period was:-		
United Kingdom	5,264	5,027
Overseas	1,213	1,501
	-----	-----
	6,477	6,528
	=====	=====

Tangible fixed assets	Land and buildings £'000	Plant, machinery, tooling, equipment £'000	Total £'000
The Group			
Cost or valuation at 30 November 1987	16,691	63,718	80,409
Exchange adjustments	396	2,933	3,329
Capital expenditure	267	8,128	8,395
Disposals	(475)	(3,113)	(3,588)
	<u>16,879</u>	<u>71,666</u>	<u>88,545</u>
Depreciation at 30 November 1987	4,678	36,812	41,490
Exchange adjustments	145	1,759	1,904
Charge for the year	490	5,018	5,508
Disposals	(233)	(2,843)	(3,076)
	<u>5,080</u>	<u>40,746</u>	<u>45,826</u>
Net book amount at 30 November 1988	<u>11,799</u>	<u>30,920</u>	<u>42,719</u>

Land and buildings include £1,765,000 (cost) and £622,000 (net book amount) in respect of short term leasehold properties.
Fixed assets in total include £14,122,000 (cost) and £7,325,000 (net book amount) in respect of assets held under finance leases.

The net book amount at 30 November 1988 includes £54,000 (1987 - £55,000), being the balance of a revaluation to land and buildings made in 1962 in subsidiaries in Australia.

Hoover plc

Cost at 30 November 1987	14,550	50,811	65,361
Capital expenditure	266	6,286	6,552
Disposals	(475)	(2,831)	(3,306)
	<u>14,341</u>	<u>54,266</u>	<u>68,607</u>
Depreciation at 30 November 1987	3,905	29,100	33,005
Charge for the year	451	3,866	4,317
Disposals	(233)	(2,642)	(2,875)
	<u>4,123</u>	<u>30,324</u>	<u>34,447</u>
Net book amount at 30 November 1988	<u>10,218</u>	<u>23,942</u>	<u>34,160</u>

Land and buildings include £1,765,000 (cost) and £622,000 (net book amount) in respect of short term leasehold properties.
Fixed assets in total include £14,026,000 (cost) and £7,325,000 (net book amount) in respect of assets held under finance leases.

	The Group		Hoover plc	
	30 Nov 1988	30 Nov 1987	30 Nov 1988	30 Nov 1987
9 Tangible Fixed Assets (cont)	£'000	£'000	£'000	£'000
Land and buildings comprise:-				
Freehold land and buildings	12,707	12,546	10,170	10,405
Short term leasehold buildings	4,172	4,145	4,171	4,145
	<u>16,879</u>	<u>16,691</u>	<u>14,341</u>	<u>14,550</u>

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

In respect of contracts placed	5,000	3,000	4,800	2,800
Authorised by the directors but not yet committed	5,900	6,400	5,200	6,200

10 Fixed asset investments

	Trade Investment £'000	Associated company £'000	Total £'000
The Group			
Cost			
At 30 November 1987	3,083	3,107	6,190
Acquisitions	-	-	-
Disposals	-	-	-
	<u>-----</u>	<u>-----</u>	<u>-----</u>
At 30 November 1988	<u>3,083</u>	<u>3,107</u>	<u>6,190</u>
Share of post acquisition reserves at 30 November 1987		6,559	6,559
Profit for the year		982	982
Currency translation differences		(724)	(724)
		<u>-----</u>	<u>-----</u>
At 30 November 1988		<u>6,817</u>	<u>6,817</u>
Net book amount at 30 November 1988	<u>3,083</u>	<u>9,924</u>	<u>13,007</u>
	Subsidiaries £'000	Associated company £'000	Total £'000
Hoover plc			
Cost			
At 30 November 1987	1,965	3,107	5,072
	<u>-----</u>	<u>-----</u>	<u>-----</u>
At 30 November 1988	<u>1,965</u>	<u>3,107</u>	<u>5,072</u>
Amounts written off			
At 30 November 1987	447	-	447
Amount written off	48	-	48
	<u>-----</u>	<u>-----</u>	<u>-----</u>
At 30 November 1988	<u>495</u>	<u>-----</u>	<u>495</u>
Net book amount at 30 November 1988	<u>1,470</u>	<u>3,107</u>	<u>4,577</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 Oy.	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 35,000 ordinary and 21,720 preference shares is owned equally by Hoover plc and Hoover Holdings Incorporated.

13 Stocks comprise

	The Group		Hoover plc	
	30 Nov 1988 £'000	30 Nov 1987 £'000	30 Nov 1988 £'000	30 Nov 1987 £'000
Raw materials and consumables	7,926	6,287	3,825	3,335
Work in progress	10,867	13,295	10,078	12,809
Finished goods	43,215	25,415	37,958	18,984
	<u>62,008</u>	<u>44,997</u>	<u>51,861</u>	<u>35,128</u>

14 Debtors comprise

Trade debtors	52,333	54,647	37,826	42,613
Amounts owed by subsidiaries	-	-	610	936
Amounts owed by related companies	6,860	27,012	6,433	26,514
Other debtors	2,658	3,533	2,446	3,162
Prepayments and accrued income	1,228	709	946	549
Deferred taxation (note 17)	-	1,080	-	1,080
	<u>63,079</u>	<u>86,981</u>	<u>48,261</u>	<u>74,854</u>

Debtors included £ nil (1987-£2,055,000) falling due after more than one year.

	The Group		Hoover plc	
	30 Nov	30 Nov	30 Nov	30 Nov
	1988	1987	1988	1987
	£'000	£'000	£'000	£'000
15 Creditors: Amounts falling due within one year comprise				
Trade creditors	31,722	26,802	25,886	21,449
Amounts owed to fellow subsidiaries and holding company	166	721	142	817
Amounts owed to associated companies	464	4,810	1,269	4,010
Taxation and social security	6,991	8,444	4,097	4,826
Other creditors	126	103	76	62
Accruals and deferred income	13,225	12,035	9,021	8,598
Obligations under finance leases	1,703	1,657	1,703	1,657
	<u>54,397</u>	<u>54,572</u>	<u>42,194</u>	<u>41,419</u>

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

Other creditors	417	439	-	-
Accruals and deferred income	2,876	2,420	1,332	1,609
Obligations under finance leases:-				
in 2nd to 5th years inclusive	1,928	3,138	1,928	3,138
in over 5 years	1,795	1,956	1,795	1,956
	<u>7,016</u>	<u>7,953</u>	<u>5,555</u>	<u>6,703</u>

Accruals and deferred income include a loan secured on property in Finland to the value of £371,000 (1987-£371,000).

17 Provisions for liabilities and charges comprise

	The Group	Hoover plc
	£'000	£'000
Deferred taxation		
At 30 November 1987	309	-
Released from profit and loss	(126)	-
Exchange adjustments	96	-
	<u>279</u>	<u>-</u>
At 30 November 1988		
	<u>279</u>	<u>-</u>

Debtors in 1987 included recoverable A.C.T. of £1,080,000. Net deferred taxation comprises:

	The Group		Hoover plc	
	30 Nov	30 Nov	30 Nov	30 Nov
	1988	1987	1988	1987
	£'000	£'000	£'000	£'000
Accelerated capital allowances	84	82	-	-
Other timing differences	195	227	-	-
Recoverable advance corporation tax	-	(1,080)	-	(1,080)
	<u>279</u>	<u>(771)</u>	<u>-</u>	<u>(1,080)</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 1988	30 Nov 1987	30 Nov 1988	30 Nov 1987
	£'000	£'000	£'000	£'000
Accelerated capital allowances	(1,878)	(173)	(1,602)	(355)
Other timing differences	2,551	1,845	1,498	946
Advance corporation tax	1,190	1,189	1,190	1,189
	<u>1,863</u>	<u>2,861</u>	<u>1,086</u>	<u>1,780</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 1988	30 Nov 1987	30 Nov 1988	30 Nov 1987
	£'000	£'000	£'000	£'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 at the balance sheet date was The Chicago Pacific Corporation which has subsequently merged with the Maytag Corporation, incorporated in the U.S.A.

	The Group		Hoover plc	
	30 Nov 1988	30 Nov 1987	30 Nov 1988	30 Nov 1987
	£'000	£'000	£'000	£'000
19 Reserves				
Other reserves				
At beginning of year	2,507	2,518	2,203	2,203
Disposal of subsidiary	-	(11)	-	-
At end of year	<u>2,507</u>	<u>2,507</u>	<u>2,203</u>	<u>2,203</u>
Profit and loss account				
At beginning of year	101,299	63,869	78,223	37,355
Retained (released) during period	16,221	39,968	12,421	39,379
Transfer from revaluation reserves	-	1,489	-	1,489
Currency translation differences	2,724	(4,027)	-	-
At end of year	<u>120,244</u>	<u>101,299</u>	<u>90,644</u>	<u>78,223</u>

	The Group		Hoover plc	
	30 Nov 1988 £'000	30 Nov 1987 £'000	30 Nov 1988 £'000	30 Nov 1987 £'000
20 Contingent liabilities comprise				
Guarantees in respect of borrowings by				
wholly owned subsidiaries	-	-	450	475
Customs and Excise guarantees	1,500	1,550	1,500	1,550
Other trading guarantees	2,950	2,875	2,500	2,625
	<u>4,450</u>	<u>4,425</u>	<u>4,450</u>	<u>4,650</u>

21 Operating lease commitments

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

Land & building leases which expire:-

within one year	41	126	-	4
in 2nd to 5th years inclusive	115	211	33	29
in over 5 years	242	192	242	192
Other leases which expire:-				
within one year	-	5	-	-
in 2nd to 5th years inclusive	41	2	-	-
	<u>439</u>	<u>536</u>	<u>275</u>	<u>225</u>

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.