

BANHAMS PATENT LOCKS LIMITED

Annual report

for the year ended 31 December 2000

Registered no: 457812



BANHAMS PATENT LOCKS LIMITED

Annual report
for the year ended 31 December 2000

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Directors and advisers

Directors	P.F.Banham, (Chairman & Managing Director) C.M.Banham, Mrs L.Q.Banham, Mrs M.V.Banham, Mrs W.F.Banham A.M.Chillag, Mrs B.E.Cowper C.R.Hallatt E.M.Hallatt, Mrs M.J.Hallatt, Mrs M.A.Herbert P.A.Rodda, Mrs T.J.Ward
Secretary	T.J.Ward
Registered office	233-235 Kensington High Street LONDON W8 6SF
Auditors	BDO Stoy Hayward 8 Baker Street LONDON W1U.3LL
Solicitors	Calvert Smith & Sutcliffe Onslow House 9 The Green Richmond Surrey TW9 1PU
Bankers	Barclays Bank Plc National Westminster Bank Plc Coutts & Co.

**Report of the directors
for the year ended 31 December 2000**

The directors present their report and the audited consolidated financial statements for the year ended 31 December 2000.

Principal activities

The consolidated profit and loss account for the year is set out on page 5.

The principal activities of the group are that of burglary prevention specialists and property letting.

Review of business and future developments

The directors consider that the group traded satisfactorily during the year. Turnover increased to £16.75 m an increase of 19% on last year.

The directors are confident that an increased level of trading can be achieved next year whilst maintaining the net profit percentage.

Directors and their interests

The directors of the company at 31 December 2000, all of whom have been directors for the whole of the year ended on that date and their interests in the shares of the company, according to the register required to be kept under Section 325 of the Companies Act 1985, were as follows:-

	Ordinary shares of 5p each			
	31 December 2000		31 December 1999	
	Number	Amount	Number	Amount
		£		£
P.F.Banham (Chairman)	16,164	808	16,164	808
C.M.Banham, Mrs	33	2	33	2
L.Q.Banham, Mrs	-	-	-	-
M.V.Banham, Mrs	14,664	733	14,664	733
G.M & M.V.Banham trust	9,000	450	9,000	450
W.F.Banham	4,254	213	4,254	213
A.M.Chillag, Mrs	5,828	291	5,828	291
B.E.Cowper	-	-	-	-
C.R.Hallatt	9,500	475	9,500	475
E.M.Hallatt, Mrs	1,827	91	1,827	91
M.J.Hallatt, Mrs	-	-	-	-
M.A.Herbert	-	-	-	-
P.A.Rodda, Mrs	12,077	604	12,077	604
P.A.Rodda trust	8,750	437	8,750	437
T.Ward	-	-	-	-

Property Values

Freehold properties have been included at cost. In the opinion of the directors market value exceeds cost considerably. Investment properties have been included at the directors valuation, based on open market value.

Charitable Donations

During the year the company made charitable donations of £20,104

Dividends and transfers to reserves

The directors have paid an interim ordinary dividend of £401,000 in respect of the year ended 31 December 2000 (1999: £355,000).

The directors do not propose the payment of a final dividend (1999: Nil).

The retained profit for the financial year of £1,964,000 (1999: £1,666,000) has been transferred to reserves.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2000. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Year 2000

Since 1st January 2000 the company has not experienced any significant operational problems as a result of the Year 2000 issue.

Auditors

A resolution to reappoint BDO Stoy Hayward as auditors to the company will be proposed at the annual general meeting.

By order of the board



T J Ward
Company Secretary

26th October 2001

Report of the independent auditors

To the shareholders of Banham Patent Locks Limited

We have audited the financial statements of Banham Patent Locks Limited on pages 5 to 20 which have been prepared under the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD

Chartered Accountants
and Registered Auditors
London.



Date 26 October 2001

BANHAMS PATENT LOCKS LIMITED

Consolidated profit and loss account
for the year ended 31 December 2000

	Notes	2000 £000	1999 £000
Turnover - Continuing Operations		15,497	14,086
- Acquisitions		<u>1,252</u>	<u>-</u>
Total Turnover	2	16,749	14,086
Cost of sales		<u>(8,564)</u>	<u>(7,005)</u>
Gross Profit - Continuing Operations		7,694	7,081
- Acquisitions		<u>491</u>	<u>-</u>
Total Gross Profit		8,185	7,081
Net operating expenses	3	<u>(5,660)</u>	<u>(4,999)</u>
Operating profit	4	2,525	2,082
Other income	7	<u>927</u>	<u>848</u>
Profit on ordinary activities before taxation		3,452	2,930
Tax on profit on ordinary activities	8	<u>(1,087)</u>	<u>(909)</u>
Profit for the financial year	9	2,365	2,021
Dividends	10	<u>(401)</u>	<u>(355)</u>
Retained profit for the year		<u>1,964</u> =====	<u>1,666</u> =====
Statement of retained profits			
Retained profit at 1 January 2000		17,534	15,868
Retained profit for the year	20	<u>1,964</u>	<u>1,666</u>
Retained profit at 31 December 2000		<u>19,498</u> =====	<u>17,534</u> =====

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

BANHAMS PATENT LOCKS LIMITED

Statement of total recognised gains and losses
For the year ended 31 December 2000

	2000 £000	1999 £000
Profit for the financial year	<u>2,365</u>	<u>2,021</u>
Total gains recognised since last annual report	<u>2,365</u> =====	<u>2,021</u> =====

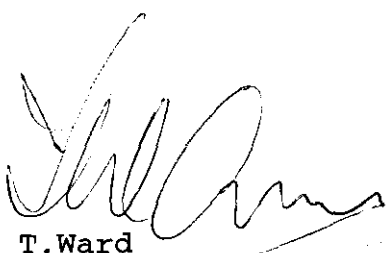
Reconciliation of movements in shareholders funds
For the year ended 31 December 2000

	2000 £000	1999 £000
Profit for the financial year	2,365	2,021
Dividends	<u>(401)</u>	<u>(355)</u>
	1,964	1,666
Other recognised gains for the year	<u>-</u>	<u>-</u>
Net additions to shareholders funds	1,964	1,666
Opening Shareholders Funds	<u>18,388</u>	<u>16,722</u>
Closing Shareholders Funds	<u>20,352</u> =====	<u>18,388</u> =====

Balance sheets as at 31 December 2000

		Group		Company	
	Notes	2000 £000	1999 £000	2000 £000	1999 £000
Fixed assets					
Tangible assets	12	3,815	3,478	1,513	1,670
Investments	13	-	-	2,059	-
Goodwill	11	<u>1,917</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>5,732</u>	<u>3,478</u>	<u>3,572</u>	<u>1,670</u>
Current assets					
Stocks	14	1,032	842	991	841
Debtors	15	2,849	2,660	4,252	3,905
Investments	16	1	1	1	1
Cash at bank and in hand		<u>16,652</u>	<u>16,131</u>	<u>13,570</u>	<u>13,847</u>
		<u>20,534</u>	<u>19,634</u>	<u>18,814</u>	<u>18,594</u>
Creditors: amounts falling due within one year	17	<u>(5,914)</u>	<u>(4,724)</u>	<u>(4,936)</u>	<u>(4,238)</u>
Net current assets		<u>14,620</u>	<u>14,910</u>	<u>13,878</u>	<u>14,356</u>
Net assets		<u>20,352</u> =====	<u>18,388</u> =====	<u>17,450</u> =====	<u>16,026</u> =====
Capital and reserves					
Called up					
share capital	19	6	6	6	6
Capital Redemption Reserve	20	1	1	1	1
Revaluation Reserve	20	847	847	-	-
Profit and loss account	20	<u>19,498</u>	<u>17,534</u>	<u>17,443</u>	<u>16,019</u>
Equity shareholders' funds		<u>20,352</u> =====	<u>18,388</u> =====	<u>17,450</u> =====	<u>16,026</u> =====

The financial statements on pages 5 to 20 were approved by the board of directors on 26th October 2001 and were signed on its behalf by:



T. Ward

Director

BANHAMS PATENT LOCKS LIMITED

Consolidated cash flow statement
for the year ended 31 December 2000

	Notes	2000 £000	1999 £000
Net cash inflow from operating activities	23	3,630	2,112
Returns on investments and servicing of finance			
Interest received		<u>927</u>	<u>848</u>
Net cash inflow from returns on investments and servicing of finance		<u>927</u>	<u>848</u>
Taxation		<u>(937)</u>	<u>(1,147)</u>
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(745)	(496)
Purchase goodwill		(2,017)	
Sale of tangible fixed assets		<u>64</u>	<u>53</u>
Net cash outflow from capital expenditure and financial investment		<u>(2,698)</u>	<u>(443)</u>
Acquisitions and disposals		-	-
Equity dividend paid		<u>(401)</u>	<u>(355)</u>
		521	1,015
Management of liquid resources		-	-
Financing		-	-
Increase in cash	24	<u>521</u> =====	<u>1,015</u> =====

Notes to the financial statements
for the year ended 31 December 2000

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, modified by the revaluation of investment properties.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2000. Intra-group sales and profits are eliminated fully on consolidation.

Related party transactions

Under FRS 8 the company is required to disclose details of material transactions between itself and related parties. The company has taken advantage of exemptions under FRS8 not to disclose transactions with other group companies which have been eliminated on consolidation.

Goodwill

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. It is capitalised and amortised through the profit and loss account over the directors estimate of its useful economic life which ranges from 15 to 20 years. Impairment tests on the carrying value of goodwill are undertaken:

- * At the end of the first full financial year following acquisition;
- * In other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Tangible fixed assets

Freehold buildings that are not fully occupied by a group company are apportioned between the 'occupied' element and the 'non occupied' elements held for their investment potential which are treated as investment properties.

The occupied element of freehold land and buildings and other tangible fixed assets are stated at cost, together with any incidental costs of acquisition, less accumulated depreciation.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values over their expected useful economic lives as follows:-

Freehold buildings	2% straight line
Improvement to Buildings	20% to 25% net book value
Plant and equipment	10% to 25% net book value
Freehold land is not depreciated	

Tangible fixed assets

In accordance with SSAP 19, (i) investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve, and (ii) no depreciation or amortisation is provided in respect of freehold investment properties. The requirement of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with generally accepted accounting principles set out in SSAP 19. The directors consider that as these properties are not held for consumption but for investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view. If this departure from the Act had not been made the profit for the financial year would have been reduced by depreciation on the investment properties of £16,198 (1999 : £15,000)

Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs; in the case of manufactured products costs include all direct expenditure and production overheads based on the normal level of activity. Provision is made where necessary for obsolescent, slow moving and defective stocks.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

Deferred taxation

Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise at the rate of corporation tax likely to prevail.

Pension costs

The company operates a grouped personal pension scheme for its employees which is operated independently from the company. The amount charged to the profit and loss account represents the contributions made by the company during the year.

2 Segment analysis by class of business

	Turnover		Profit before Tax		Net Assets	
	2000	1999	2000	1999	2000	1999
	£000	£000	£000	£000	£000	£000
Burglary Prevention	16,669	14,010	2,473	2,014	2,043	685
Property Letting	<u>80</u>	<u>76</u>	<u>52</u>	<u>68</u>	<u>1,657</u>	<u>1,572</u>
	<u>16,749</u>	<u>14,086</u>	<u>2,525</u>	<u>2,082</u>	<u>3,700</u>	<u>2,257</u>
Net Non Operating Assets	<u>-</u>	<u>-</u>	<u>927</u>	<u>848</u>	<u>16,652</u>	<u>16,131</u>
	<u>16,749</u>	<u>14,086</u>	<u>3,452</u>	<u>2,930</u>	<u>20,352</u>	<u>18,388</u>
	=====	=====	=====	=====	=====	=====

Turnover is confined to the United Kingdom.

3 Net operating expenses

Net operating expenses are made up as follows:

	2000 £000	1999 £000
Selling and distribution costs	1,620	1,430
Administrative expenses	<u>4,040</u>	<u>3,569</u>
	5,660	4,999
	=====	=====

4 Operating profit

	2000 £000	1999 £000
--	--------------	--------------

Operating profit is stated after
charging/(crediting):

Loss/(Profit) on disposal of tangible fixed assets	(5)	6
Depreciation of owned tangible fixed assets	346	369
Operating lease rentals - non plant & machinery	69	88
Auditors' remuneration	27	24
	==	==

(Company £21,000; 1999 £22,000)

In addition amounts paid to the company's auditors in respect of non audit services amounted to £4,000 (1999: £6,000) for the year. These amounts are in respect of taxation and general financial advice provided.

5 Directors' emoluments

	2000 £000	1999 £000
Remuneration as executives	1,841	1,738
Pension contributions	<u>83</u>	<u>89</u>
	1,924	1,827
	=====	=====

	2000 £000	1999 £000
Emoluments of the highest paid director	571	562
	==	==

6 Employee information

The average weekly number of persons employed by the group including executive directors during the year is analysed below:

	2000	1999
	Number	Number
Factory	22	23
Motor mechanics	3	3
Despatch Riders	10	8
Fitters/Operatives	130	105
Surveyors	3	2
Administration	65	50
Directors	<u>12</u>	<u>12</u>
	245	203
	===	===

Employment costs - all employees including directors:

	2000	1999
	£000	£000
Wages and salaries	6,374	5,468
Social security costs	641	550
Other pension costs	<u>167</u>	<u>165</u>
Total direct costs of employment	7,182	6,183
	=====	=====

7 Other income

	2000	1999
	£000	£000
Bank interest receivable	<u>927</u>	<u>848</u>
	927	848
	=====	=====

BANHAMS PATENT LOCKS LIMITED

8 Taxation

	2000 £000	1999 £000
Tax on profit on ordinary activities		
U.K. Corporation tax at 30% (1999: 31%)	1,089	922
(Over)provision in respect of prior years	<u>(2)</u>	<u>(13)</u>
	1,087	909
	=====	=====

9 Profit for the financial year

As permitted by Section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2000 £000	1999 £000
Dealt with in the financial statements of the holding company	1,825	1,596
Retained by subsidiary companies	<u>540</u>	<u>425</u>
	2,365	2,021
	=====	=====

10 Dividends

	2000 £000	1999 £000
Interim dividends paid: at £3.50 per share (1999: £3.10)	401	355
	===	===

11 Goodwill

	2000 £000	1999 £000
Cost		
At 1 January 2000	-	-
Additions	<u>2,017</u>	<u>-</u>
	2,017	-
Amortisation		
At 1 January 2000	-	-
Provision for year	<u>100</u>	<u>-</u>
	100	-
Net Book Value		
At 31 December 2000	<u>1,917</u>	<u>-</u>
At 31 December 1999	-	-
	=====	=====

BANHAMS PATENT LOCKS LIMITED
12 Tangible fixed assets - Group

14

	Freehold Land & Buildings	Improvements to Buildings	Investment Properties	Plant & Equipment	Total
	£000	£000	£000	£000	£000
Cost or Valuation					
At 1 Jan 2000	522	800	1,577	2,892	5,791
Additions	361	19	80	285	745
Disposals	-	-	-	(192)	(192)
At 31 Dec 2000	883	819	1,657	2,985	6,344
Depreciation					
At 1 Jan 2000	112	585	-	1,616	2,313
Eliminated on disposal	-	-	-	(133)	(133)
Charge for year	<u>16</u>	<u>47</u>	-	<u>286</u>	<u>349</u>
At 31 Dec 2000	128	632	-	1,769	2,529
Net book value					
At 31 Dec 2000	755	187	1,657	1,216	3,815
	===	===	=====	=====	=====
At 31 Dec 1999	410	215	1,577	1,276	3,478
	===	===	=====	=====	=====

The investment properties represent the element of the group's freehold buildings not occupied by the group and are held for their investment potential. They were last valued on 31 December 1997 by the directors, having taken informed professional advice, on the basis of open market value. The directors consider that there has not been a significant change in market value since that date. If the properties had not been classified as investment properties then depreciation would have been provided in the period of £16,198 and they would have been included at a net book value based on cost of £745,691.

At 31 December 2000 commitments authorised but not contracted for amounted to Nil (1999: Nil)

12 Tangible fixed assets - Company

	Land & Buildings	Improvements to Buildings	Plant & Equipment	Total
	£000	£000	£000	£000
Cost				
At 1 Jan 2000	280	800	2,884	3,964
Additions	-	19	206	225
Disposals	<u>-</u>	<u>-</u>	<u>(192)</u>	<u>(192)</u>
At 31st Dec 2000	<u>280</u>	<u>819</u>	<u>2,898</u>	<u>3,997</u>
Depreciation				
At 1 Jan 2000	95	585	1,614	2,294
Eliminated on disposal	-	-	(133)	(133)
Charge for year	<u>5</u>	<u>47</u>	<u>271</u>	<u>323</u>
At 31 Dec 2000	<u>100</u>	<u>632</u>	<u>1,752</u>	<u>2,484</u>
Net book value				
At 31 Dec 2000	<u>180</u> ===	<u>187</u> ===	<u>1,146</u> =====	<u>1,513</u> =====
At 31 Dec 1999	<u>185</u> ===	<u>215</u> ===	<u>1,270</u> =====	<u>1,670</u> =====

13	Fixed asset investments	Company	
		2000	1999
		£000	£000
Cost			
As at 1 January 2000			
		-	-
Additions			
		<u>2,059</u>	<u>-</u>
As at 31 December 2000			
		<u>2,059</u>	<u>-</u>
		=====	===

Fixed asset investments relate to subsidiaries in which Banhams Patent Locks Limited owns 100% of the issued £1 ordinary shares and which are all incorporated in England and Wales:-

<u>Company</u>	<u>Activity</u>
Capstan Security Limited	Security
Banham Security Limited	Property
Banham Alarms Limited	Dormant
Banham Home Insurance Services Limited	Insurance
Central Monitoring Services Limited	Keyholding & Central Station Facility

The financial statements of the above subsidiary companies have been consolidated. Banham Alarms Ltd did not trade in the year to 31st December 2000.

Operations are based in the country of incorporation.

14 Stocks

The amounts attributable to different categories are as follows:

	Group		Company	
	2000	1999	2000	1999
	£000	£000	£000	£000
Raw materials and consumables	191	196	191	195
Finished goods and goods for resale	<u>841</u>	<u>646</u>	<u>800</u>	<u>646</u>
	1,032	842	991	841
	=====	===	===	===

15 Debtors

	Group		Company	
	2000	1999	2000	1999
	£000	£000	£000	£000
Amounts falling due within one year				
Trade debtors	2,305	2,089	2,004	2,040
Accrued income	312	428	310	418
Other debtors	20	16	18	16
Prepayments	212	127	139	125
Amounts due from Group Undertakings	<u>-</u>	<u>-</u>	<u>1,781</u>	<u>1,306</u>
	2,849	2,660	4,252	3,905
	=====	=====	=====	=====

Of the amounts due from the group undertakings, £1,264,000 (2000: £973,000) represents advances for the purchase of Freehold Land and Buildings and is due in greater than one year.

16 Investments

Group and Company	
2000	1999
£000	000

Listed investments - cost	1	1
	===	=
- market value	9	8
	===	=

17 Creditors: amounts falling due within one year

	Group		Company	
	2000	1999	2000	1999
	£000	£000	£000	£000
Trade creditors	373	262	318	262
Other creditors including:				
Taxation and social security costs	1,569	1,280	1,305	1,109
Accruals and deferred income	<u>3,972</u>	<u>3,182</u>	<u>3,313</u>	<u>2,867</u>
	<u>5,914</u>	<u>4,724</u>	<u>4,936</u>	<u>4,238</u>
	=====	=====	=====	=====

Taxation and social security costs are made up as follows:

	Group		Company	
	2000	1999	2000	1999
	£000	£000	£000	£000
U.K. corporation tax payable	802	652	613	511
PAYE and social security	381	275	364	275
VAT	<u>386</u>	<u>353</u>	<u>328</u>	<u>323</u>
	<u>1,569</u>	<u>1,280</u>	<u>1,305</u>	<u>1,109</u>
	=====	=====	=====	=====

18 Pensions and similar obligations

Up to 31st March 1994 the group operated a defined benefit pension scheme in the United Kingdom. The assets of that scheme are held in a separate trustee administered fund. Funds from the scheme are held on behalf of the trustees by London and Manchester (Pensions) Limited.

On 31st March 1994 the company discontinued this defined benefit pension in favour of a grouped personal pension plan with Legal and General. The company's contributions ranges from 2% to 6% depending on the age of the employee.

The total pension cost for the group in respect of these schemes was £106,000 (1999: £104,000). In addition £56,000 (1999: £62,000) was paid into private schemes of the directors.

19 Called up share capital

	2000 £000	1999 £000
Authorised		
Ordinary shares of 5p each - 150,000	8	8
Ordinary shares of £1 each - 5,000	<u>5</u>	<u>5</u>
	13	13
	—	—
Allotted, called up and fully paid		
Ordinary shares of 5p each - 114,688	6	6
	<u>=</u>	<u>=</u>

BANHAMS PATENT LOCKS LIMITED
20 Reserves

	Revaluation Reserve	Capital redemption reserve	Profit and loss account
	£000	£000	£000
Group			
At 1 January 2000	847	1	17,534
Retained profit for the year	-	-	1,964
Surplus on valuation	-	-	-
At 31 December 2000	847 ===	1 ==	19,498 =====
Company			
At 1 January 2000		1	16,019
Retained profit for the year		-	<u>1,424</u>
At 31 December 2000		1 ==	17,443 =====

21 Financial commitments

At 31 December 2000 the group had annual commitments under non-cancellable operating leases as follows:

	2000 £000	1999 £000
	Land and Buildings	Land and Buildings
Expiring within one year	-	-
Expiring in over five years	<u>69</u>	<u>89</u>
	69 ==	89 ===

22 Acquisition of Capstan Security Limited

In calculating the goodwill arising on acquisition, the fair value of the assets of Capstan Security Limited have been assessed and no adjustments from book value have been deemed necessary.

The assets and liabilities acquired are summarised in the following table

	Book Value	Fair Value
	£000	£000
Fixed Assets		
Tangible Assets	203	203
Current Assets		
Debtors	213	213
Stock and work in progress	50	50
Cash	<u>127</u>	<u>127</u>
Total Assets	593	593
Creditors	<u>551</u>	<u>551</u>
Net Assets	42 ==	42 =====
Cash consideration		£2,059
Net assets acquired		<u>42</u>
Goodwill		£2,017 =====

BANHAMS PATENT LOCKS LIMITED

23 Reconciliation of operating profit to net cash inflow from operating activities

	2000 £000	1999 £000
Operating profit	2,525	2,082
Depreciation on tangible fixed assets	349	375
Amortisation of goodwill	100	-
Loss/(Gain) on sale of tangible fixed assets	(5)	6
Decrease/(Increase) in stocks	(190)	13
Decrease/(Increase) in trade debtors	(216)	(367)
Decrease/(Increase) in accrued income	116	154
Decrease/(Increase) in other debtors	(4)	4
Decrease/(Increase) in prepayments	(85)	(22)
Increase/(Decrease) in trade creditors	111	37
Increase/(Decrease) in other taxation and social security	139	150
Increase/(Decrease) in accruals and deferred income	<u>790</u>	<u>(320)</u>
Net cash inflow from operating activities	3,630 =====	2,112 =====

24 Reconciliation of net cash flow to movement in net funds

	2000 £000	1999 £000
Increase in cash in the period	521	1,015
Net funds at 1 January	<u>16,131</u>	<u>15,116</u>
Net funds at 31 December	<u>16,652</u> =====	<u>16,131</u> =====

	2000 £000	1999 £000	Cash Flows £000
Analysis of balances			
Cash at bank and in hand	<u>16,652</u>	<u>16,131</u>	<u>521</u>
At 31 December	<u>16,652</u> =====	<u>16,131</u> =====	<u>521</u> =====

25 Related party transactions

There were no related party transactions in the year