

BANHAMS PATENT LOCKS LIMITED

Annual report

for the year ended 31 December 1996

Registered no: 457812



**BANHAMS PATENT LOCKS LIMITED**

**Annual report  
for the year ended 31 December 1996**

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**BANHAMS PATENT LOCKS LIMITED**

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**Directors and advisers**

<b>Directors</b>	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
<b>Secretary</b>	T.J.Ward
<b>Registered office</b>	233-235 Kensington High Street LONDON W8 6SF
<b>Auditors</b>	Coopers & Lybrand 1 Embankment Place LONDON WC2N 6NN
<b>Solicitors</b>	Calvert Smith & Sutcliffe Onslow House 9 The Green Richmond Surrey TW9 1PU
<b>Bankers</b>	Barclays Bank Plc National Westminster Bank Plc

**Report of the directors  
for the year ended 31 December 1996**

The directors present their report and the audited consolidated financial statements for the year ended 31 December 1996.

**Principal activities**

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

The principal activity of the group is that of burglary prevention specialists.

**Review of business and future developments**

The directors consider that the group traded satisfactorily during the year in a period of difficult economic conditions. Turnover increased from £11.3m. to £12.1m

Operating profit remained static at 1.96m (1995 - 1.96m) due to the start-up costs incurred in both the opening of our new showrooms and the manufacture of roller shutters.

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 1996, 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 1996		31 December 1995	
	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

On 1st July T.Ward was appointed a director of the company.

**Property Values**

Properties have been included at cost. In the opinion of the directors market value exceeds cost considerably.

**Dividends and transfers to reserves**

The directors have paid an interim ordinary dividend of £258,048 in respect of the year ended 31 December 1996 (1995: £229,376).

The directors do not propose the payment of a final dividend.

The retained profit for the financial year of £1,534,093 (1995: £1,533,928) 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 1996. 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.

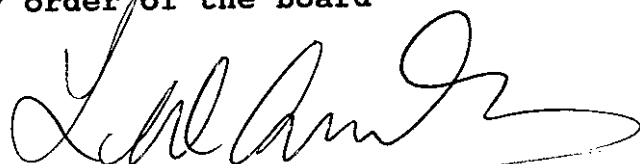
**Close company provisions**

The company is a close company as defined by the provisions of the income and Corporation Taxes Act 1988, as amended. There has been no change in this respect since the end of the financial year.

**Auditors**

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board



**T J Ward**  
**Company Secretary**

27th October 1997

**Report of the auditors to the members of  
BANHAMS PATENT LOCKS LIMITED**

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We have audited the financial statements on pages 5 to 19.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with 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 judgments 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 affairs of the company and group at 31 December 1996 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Coopers & Lybrand*

**Coopers & Lybrand**

Chartered Accountants and Registered Auditors

London

30 October 1997

**BANHAMS PATENT LOCKS LIMITED**

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**Consolidated profit and loss account  
for the year ended 31 December 1996**

	Notes	1996 £	1995 £
<b>Turnover</b>	2	12,148,885	11,269,815
Cost of sales		<u>(5,938,542)</u>	<u>(5,406,211)</u>
<b>Gross Profit</b>		6,210,343	5,863,604
Net operating expenses	3	<u>(4,249,746)</u>	<u>(3,906,911)</u>
<b>Operating profit</b>	4	1,960,597	1,956,693
Other income	7	<u>688,531</u>	<u>644,231</u>
<b>Profit on ordinary activities before taxation</b>		2,649,128	2,600,924
Tax on profit on ordinary activities	8	<u>(856,987)</u>	<u>(837,620)</u>
<b>Profit for the financial year</b>	9	1,792,141	1,763,304
Dividends	10	<u>(258,048)</u>	<u>(229,376)</u>
<b>Retained profit for the year</b>		<u>£1,534,093</u> =====	<u>£1,533,928</u> =====
<b>Statement of retained profits</b>			
Retained profit at 1 January 1996		10,554,948	9,021,020
Retained profit for the year	20	<u>1,534,093</u>	<u>1,533,928</u>
<b>Retained profit at 31 December 1996</b>		<u>£12,089,041</u> =====	<u>£10,554,948</u> =====

The above figures relate entirely to continuing operations.

The group has no recognised gains and losses other than those included in the profits above, and, therefore, no separate statement of total recognised gains and losses has been presented.

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.

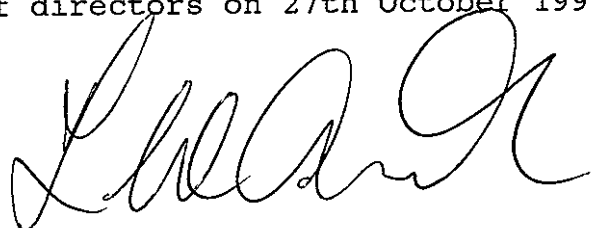
**BANHAMS PATENT LOCKS LIMITED**

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**Balance sheets - 31 December 1996**

	Notes	Group 1996 £	1995 £	Company 1996 £	1995 £
<b>Fixed assets</b>					
Tangible assets	11	1,867,778	1,423,399	1,449,486	1,423,399
Investments	12	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>
		<u>1,867,778</u>	<u>1,423,399</u>	<u>1,449,492</u>	<u>1,423,405</u>
<b>Current assets</b>					
Stocks	13	965,743	859,711	964,943	858,911
Debtors	14	1,633,628	1,422,127	2,013,629	1,390,921
Investments	15	650	650	650	650
Cash at bank and in hand	24	12,336,478	10,727,055	11,693,934	10,400,605
		<u>14,936,499</u>	<u>13,009,543</u>	<u>14,673,156</u>	<u>12,651,087</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(4,707,922)</u>	<u>(3,870,680)</u>	<u>(4,529,831)</u>	<u>(3,848,239)</u>
<b>Net current assets</b>		<u>10,228,577</u>	<u>9,138,863</u>	<u>10,143,325</u>	<u>8,802,848</u>
<b>Net assets</b>		<u>£12,096,355</u>	<u>£10,562,262</u>	<u>£11,592,817</u>	<u>£10,226,253</u>
<b>Capital and reserves</b>					
Called up share capital	19	5,734	5,734	5,734	5,734
Capital Redemption Reserve	20	1,580	1,580	1,580	1,580
Profit and loss account	20	<u>12,089,041</u>	<u>10,554,948</u>	<u>11,585,503</u>	<u>10,218,939</u>
<b>Equity shareholders' funds</b>	21	<u>£12,096,355</u>	<u>£10,562,262</u>	<u>£11,592,817</u>	<u>£10,226,253</u>

The financial statements on pages 5 to 19 were approved by the board of directors on 27th October 1997 and were signed on its behalf by:


**T. Ward**
**Director**



**BANHAMS PATENT LOCKS LIMITED**
**Consolidated cash flow statement  
for the year ended 31 December 1996**

	Notes	1996 £	1995 £
<b>Net cash inflow from operating activities</b>	23	<u>2,768,814</u>	<u>1,790,577</u>
<b>Returns on investments and servicing of finance</b>			
Interest received		668,257	644,120
Rent received		20,156	-
Dividends received from investments		118	111
Dividends paid		<u>(258,048)</u>	<u>(229,376)</u>
<b>Net cash inflow from returns on investments and servicing of finance</b>		<u>430,483</u>	<u>414,855</u>
<b>Taxation</b>			
UK corporation tax paid		<u>(847,605)</u>	<u>(832,063)</u>
<b>Tax paid</b>		<u>(847,605)</u>	<u>(832,063)</u>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(755,632)	(405,621)
Sale of tangible fixed assets		<u>13,363</u>	<u>32,058</u>
<b>Net cash outflow from investing activities</b>		<u>(742,269)</u>	<u>(373,563)</u>
<b>Increase in cash and cash equivalents</b>	24	<u>£1,609,423</u> =====	<u>£999,806</u> =====

**Notes to the financial statements  
for the year ended 31 December 1996**

**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 undertaking made up to 31 December 1996. 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.

**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 on a straight line basis as follows:-

Freehold buildings	2% straight line
Freehold improvements	20% net book value
Leasehold improvements	25% net book value
Plant and machinery	10% net book value
Motor vehicles	25% net book value
Fixtures and fittings	10% net book value
Electronic equipment	20% net book value

Freehold land is not depreciated

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 principle 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 revalued properties of £5,494 (1995: Nil)

## 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.

Deferred taxation has been provided at the full potential amount in respect of accelerated capital allowances and other timing differences at the rate of corporation tax likely to prevail.

## Pension costs

Up to 31st March 1994 the company operated a defined benefit pension scheme which was not contracted out of the state scheme. The assets of the scheme are held separately from those of the group in independently administered funds. The amount charged to the profit and loss account is equal to the contributions payable by the company to the scheme for the year.

During 1995 the company successfully negotiated a grouped personal pension scheme for its employees which is operated independently from the company. The amount charged to the profit and loss account is equal to the contributions held up to 31st March 1996 paid into the scheme by the company together with subsequent contributions to the scheme as they became payable.

## 2 Turnover

Turnover is attributable to one activity, that of being burglary prevention specialists and is confined to the United Kingdom.

## 3 Net operating expenses

Net operating expenses are made up as follows:

	1996 £	1995 £
Selling and distribution costs	1,203,193	1,111,351
Administrative expenses	<u>3,046,553</u>	<u>2,795,560</u>
	<u>£4,249,746</u>	<u>£3,906,911</u>
	=====	=====

## 4 Operating profit

	1996 £	1995 £
--	-----------	-----------

Operating profit is stated after charging/(crediting):

Loss/(Profit) on disposal of tangible fixed assets	5,857	(2,266)
Depreciation of owned tangible fixed assets	292,033	282,649
Operating lease rentals - non plant & machinery	104,000	96,693
Auditors' remuneration	33,500	33,400
	=====	=====

(Company £31,500 ; 1995 £31,900)

In addition amounts paid to the company's auditors in respect of non audit services amounted to £28,100 (1995 : £47,000) for the year. These amounts are in respect of taxation and general financial advice provided.

## 5 Directors' emoluments

	1996 £	1995 £
--	-----------	-----------

Remuneration as executives	1,394,219	1,190,200
Pension contributions	<u>63,298</u>	<u>50,142</u>
	<u>£1,457,517</u>	<u>£1,240,342</u>
	=====	=====

Directors' emoluments, excluding pension contributions include:

	1996 £	1995 £
--	-----------	-----------

Emoluments of the chairman and highest paid director	<u>£487,302</u>	<u>£403,381</u>
	=====	=====

The number of directors including the chairman who received emoluments in the following ranges was:

	1996	1995
--	------	------

£ 25,001 to £ 30,000	1	2
£ 30,001 to £ 35,000	1	-
£ 40,001 to £ 45,000	1	2
£ 45,001 to £ 50,000	2	2
£ 50,001 to £ 55,000	2	1
£ 55,001 to £ 60,000	-	1
£ 60,001 to £ 65,000	1	-
£ 90,001 to £ 95,000	-	1
£100,001 to £105,000	-	1
£105,001 to £110,000	1	-
£110,001 to £115,000	1	-
£250,001 to £255,000	-	1
£320,001 to £325,000	1	-
£400,001 to £405,000	-	1
£485,001 to £490,000	1	-
	=====	=====

## 6 Employee information

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

	1996 Number	1995 Number
Factory	26	24
Motor mechanics	3	3
Despatch Riders	6	6
Fitters/Operatives	88	87
Surveyors	3	3
Administration	51	50
Directors	<u>12</u>	<u>12</u>
	189	185
	===	===

Employment costs - all employees including directors:

	1996 £	1995 £
Wages and salaries	4,767,283	4,384,294
Social security costs	471,722	451,548
Other pension costs	<u>111,298</u>	<u>79,825</u>
Total direct costs of employment	<u>£5,350,303</u>	<u>£4,915,667</u>
	=====	=====

## 7 Other income

	1996 £	1995 £
Bank interest receivable	668,257	644,120
Rent Receivable	20,156	-
Income from listed investments	<u>118</u>	<u>111</u>
	<u>£688,531</u>	<u>£644,231</u>
	=====	=====

**BANHAMS PATENT LOCKS LIMITED****8 Taxation**

	1996 £	1995 £
<b>Tax on profit on ordinary activities</b>		
U.K. Corporation tax at 33% (1995: 33%)	856,987	853,406
Over provision in respect of prior years	<u>-</u>	<u>(15,786)</u>
	<b>856,987</b>	<b>837,620</b>
	<b>=====</b>	<b>=====</b>

**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:

	1996 £	1995 £
Dealt with in the financial statements of the holding company	1,624,612	1,650,447
Retained by subsidiary companies	<u>167,529</u>	<u>112,857</u>
	<b>£1,792,141</b>	<b>£1,763,304</b>
	<b>=====</b>	<b>=====</b>

**10 Dividends**

	1996 £	1995 £
Interim dividends paid: at £2.25 per share (1995: £2.00)	£258,048	£229,376
	<b>=====</b>	<b>=====</b>

# BANHAMS PATENT LOCKS LIMITED

## 11 Tangible fixed assets - Group

	Freehold Land & Buildings	Investment Properties	Improvements Freehold	Leasehold	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Electronic Equipment	Total
<b>Cost or Valuation</b>									
<b>At 1 Jan 1996</b>	<b>492,956</b>	-	<b>566,356</b>	<b>53,002</b>	<b>285,392</b>	<b>208,530</b>	<b>908,317</b>	<b>455,687</b>	<b>2,970,240</b>
Additions	146,513	274,710	60,010	3,934	38,790	7,909	168,011	55,755	755,632
Disposals	-	-	-	-	-	-	(99,639)	-	(99,639)
<b>At 31 Dec 1996</b>	<b>639,469</b>	<b>274,710</b>	<b>626,366</b>	<b>56,936</b>	<b>324,182</b>	<b>216,439</b>	<b>976,689</b>	<b>511,442</b>	<b>3,626,233</b>
<b>Depreciation</b>									
<b>At 1 Jan 1996</b>	<b>127,737</b>	-	<b>274,579</b>	<b>25,016</b>	<b>158,102</b>	<b>136,098</b>	<b>504,242</b>	<b>321,067</b>	<b>1,546,841</b>
Eliminated on disposal	-	-	-	-	-	-	(80,419)	-	(80,419)
Prov for year	12,791	-	70,356	7,980	16,608	8,035	138,188	38,075	292,033
<b>At 31 Dec 1996</b>	<b>140,528</b>	-	<b>344,935</b>	<b>32,996</b>	<b>174,710</b>	<b>144,133</b>	<b>562,011</b>	<b>359,142</b>	<b>1,758,455</b>
<b>Net book value</b>									
<b>At 31 Dec 1996</b>	<b>498,941</b>	<b>274,710</b>	<b>281,431</b>	<b>23,940</b>	<b>149,472</b>	<b>72,306</b>	<b>414,678</b>	<b>152,300</b>	<b>1,867,778</b>
<b>At 31 Dec 1995</b>	<b>365,219</b>	-	<b>291,777</b>	<b>27,986</b>	<b>127,290</b>	<b>72,432</b>	<b>404,075</b>	<b>134,620</b>	<b>1,423,399</b>

The investment property represents the elements of the groups freehold buildings not occupied by the group and are held for their investment potential. It was valued on 31st December 1996 by the directors on the basis of open market value, which due to the proximity of the acquisition date to the year end, the directors believe is not materially different to its cost. If the properties had not been classified as investment properties then depreciation would have been provided of 5,494 and they would have been included at a net book value based on cost of 269,216.

At 31st December 1996 commitments authorised but not contracted for amounted to 277,500 (1996: Nil).

BANHAMS PATENT LOCKS LIMITED

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11 Tangible fixed assets - Company

Cost	Freehold Land & Buildings	Improvements Freehold	Leasehold	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Electronic Equipment	Total
At 1 Jan 1996	492,956	566,356	53,002	285,392	208,530	908,317	455,687	2,970,240
Additions	-	60,010	3,934	38,790	7,909	168,011	55,755	334,409
Disposals	-	-	-	-	-	(99,639)	-	(99,639)
At 31st Dec 1996	492,956	626,366	56,936	324,182	216,439	976,689	511,442	3,205,010
Depreciation								
At 1 Jan 1996	127,737	274,579	25,016	158,102	136,098	504,242	321,067	1,546,841
Eliminated on disposal	-	-	-	-	-	(80,419)	-	(80,419)
Prov for year	9,860	70,356	7,980	16,608	8,035	138,188	38,075	289,102
At 31 Dec 1996	137,597	344,935	32,996	174,710	144,133	562,011	359,142	1,755,524
Net book value								
At 31 Dec 1996	355,359	281,431	23,940	149,472	72,306	414,678	152,300	1,449,486
At 31 Dec 1995	365,219	291,777	27,986	127,290	72,432	404,075	134,620	1,423,399



12	Fixed asset investments	Company	
		1996	1995
		£	£
Cost			
As at 1st January 1996		6	2
Additions		-	4
As at 31st December 1996		<u>6</u>	<u>6</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>
Banham Security Limited	Property
Banham Alarms Limited	Dormant
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 1996.

Operations are based in the country of incorporation.

### 13 Stocks

The amounts attributable to different categories are as follows:

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Raw materials and consumables	232,384	224,347	231,584	223,547
Finished goods and goods for resale	<u>733,359</u>	<u>635,364</u>	<u>733,359</u>	<u>635,364</u>
	<u>£965,743</u>	<u>£859,711</u>	<u>£964,943</u>	<u>£858,911</u>
	=====	=====	=====	=====

### 14 Debtors

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Amounts falling due within one year				
Trade debtors	1,218,542	923,063	1,181,103	891,857
Accrued income	267,454	346,496	267,454	346,496
Other debtors	36,360	22,444	36,360	22,444
Prepayments	111,272	130,124	111,270	130,124
Amounts due from Group Undertaking	-	-	417,442	-
	<u>£1,633,628</u>	<u>£1,422,127</u>	<u>£2,013,629</u>	<u>£1,390,921</u>
	=====	=====	=====	=====

The amounts due from the group undertaking represent an advance for the purchase of Freehold Land and Buildings and is due in greater than one year.

## 15 Investments

	Group and Company	
	1996	1995
	£	£
Listed investments - cost	£650	£650
	=====	=====
- market value	£1,960	£1,838
	=====	=====

## 16 Creditors: amounts falling due within one year

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Trade creditors	256,598	257,957	256,598	257,957
Other creditors including:				
Taxation and social security costs	1,375,590	1,308,731	1,296,101	1,252,695
Pensions and similar obligations	250,000	250,000	250,000	250,000
Accruals and deferred income	2,825,734	2,053,992	2,641,879	1,923,248
Amount owed to group undertaking	-	-	85,253	164,339
	£4,707,922	£3,870,680	£4,529,831	£3,848,239
	=====	=====	=====	=====

Taxation and social security costs are made up as follows:

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
U.K. corporation tax payable	797,233	795,019	734,751	751,857
Advance corporation tax	64,512	57,344	64,512	57,344
PAYE and social security	186,225	157,194	186,225	157,194
VAT	327,620	299,174	310,613	286,300
	£1,375,590	£1,308,731	£1,296,101	£1,252,695
	=====	=====	=====	=====

## 17 Provisions for liabilities and charges

## Deferred taxation - Group and company

Analysis of provision and potential liability calculated at 33%(1995:33%)

	Amount provided		Full potential liability	
	1996	1995	1996	1995
	£	£	£	£
Accelerated capital allowances	45,259	82,500	45,259	91,359
Other timing differences	(45,259)	(82,500)	(45,259)	(82,500)
	-	£ -	-	£ 8,859
	=====	=====	=====	=====
			1996	1995
			£	£

Movements on the provision for deferred taxation are as follows:

At 1 January	-	-
Transferred to profit and loss account	-	-
At 31 December	Nil	Nil
	====	====

## 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 £48,000 (1995: £31,283). In addition £63,298 (1995: £50,142) was paid into private schemes of the directors.

The company has decided since 31st December 1996 to transfer the sum of £250,000 to the grouped personal pension plan in respect of members of the London and Manchester scheme who are current employees. This amount represents an additional voluntary contribution by the company which was provided for in the 1993 financial statements. The scheme will then be wound up.

## 19 Called up share capital

	1996	1995
	£	£
<b>Authorised</b>		
Ordinary shares of 5p each - 150,000	7,500	7,500
Ordinary shares of £1 each - 5,000	5,000	5,000
	£12,500	£12,500
	=====	=====
<b>Allotted, called up and fully paid</b>		
Ordinary shares of 5p each - 114,688	£ 5,734	£5,734
	=====	=====

**BANHAMS PATENT LOCKS LIMITED****20 Reserves**

	Capital redemption reserve £	Profit and loss account £
<b>Group</b>		
At 1 January 1996	1,580	10,554,948
Retained profit for the year	<u>-</u>	<u>1,534,093</u>
<b>At 31 December 1996</b>	<b>1,580</b> <b>=====</b>	<b>12,089,041</b> <b>=====</b>
<b>Company</b>		
At 1 January 1996	1,580	10,218,939
Retained profit for the year	<u>-</u>	<u>1,366,564</u>
<b>At 31 December 1996</b>	<b>1,580</b> <b>=====</b>	<b>11,585,503</b> <b>=====</b>

**21 Reconciliation of movements in shareholders' funds**

	1996 £	1995 £
Profit for the financial year	1,792,141	1,763,304
Dividends	<u>(258,048)</u>	<u>(229,376)</u>
Net addition to shareholders funds	1,534,093	1,533,928
Opening shareholders' funds	<u>10,562,262</u>	<u>9,028,334</u>
	<b>£12,096,355</b> <b>=====</b>	<b>£10,562,262</b> <b>=====</b>

**22 Financial commitments**

At 31 December 1996 the group had annual commitments under non-cancellable operating leases as follows:

	1996 £	1995 £
	<b>Land and Buildings</b>	<b>Land and Buildings</b>
Expiring within one year	-	75,000
Expiring in over five years	<u>88,500</u>	<u>23,500</u>
	<b>£88,500</b> <b>=====</b>	<b>£98,500</b> <b>=====</b>

**BANHAMS PATENT LOCKS LIMITED****23 Reconciliation of operating profit to net cash inflow from operating activities**

	1996 £	1995 £
Operating profit	1,960,597	1,956,693
Depreciation on tangible fixed assets	292,033	282,649
Loss/(Gain) on sale of tangible fixed assets	5,857	(2,266)
(Increase) in stocks	(106,032)	(52,564)
(Increase) in trade debtors	(295,479)	(84,297)
Decrease/(Increase) in accrued income	79,042	(132,582)
(Increase) in other debtors	(13,916)	(5,455)
Decrease/(Increase) in prepayments	18,852	(933)
(Decrease) in trade creditors	(1,359)	(23,560)
Increase/(Decrease) in other taxation and social security	57,477	(18,524)
Increase/(Decrease) in accruals and deferred income	<u>771,742</u>	<u>(128,584)</u>
<b>Net cash inflow from operating activities</b>	<b><u>2,768,814</u></b>	<b><u>£1,790,577</u></b>

**24 Cash and cash equivalents**

	1996 £	1995 £
<b>Changes during the year</b>		
At 1 January	10,727,055	9,727,249
Net cash inflow	<u>1,609,423</u>	<u>999,806</u>
At 31 December	<u>12,336,478</u>	<u>10,727,055</u>

	1996 £	1995 £	Change in year £
<b>Analysis of balances</b>			
Cash at bank and in hand	<u>12,336,478</u>	<u>10,727,055</u>	<u>1,609,423</u>
At 31 December	<u>12,336,478</u>	<u>10,727,055</u>	<u>1,609,423</u>

**25 Related party transactions**

There were no related party transactions in the year