

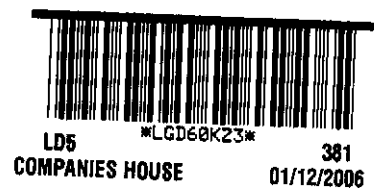
US-7812

**Banhams Patent Locks Limited**

Report and Financial Statements

Year Ended

31 December 2005



BDO Stoy Hayward  
Chartered Accountants

## **Banhams Patent Locks Limited**

### **Annual report and financial statements for the year ended 31 December 2005**

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##### **Directors**

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#### **Directors**

P F Banham	W F Banham	M J Hallatt
C M Banham	B E Cowper	M A Herbert
L Q Banham	C R Hallatt	P A Rodda
M V Banham	E M Hallatt	T J Ward

#### **Secretary and registered office**

T J Ward, 233-235 Kensington High Street, London, W8 6SF.

#### **Company number**

457812

#### **Auditors**

BDO Stoy Hayward LLP, 8 Baker Street, London, W1U 3LL.

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## **Banhams Patent Locks Limited**

### **Report of the directors for the year ended 31 December 2005**

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The directors present their report together with the audited consolidated financial statements for the year ended 31 December 2005.

#### **Results and dividends**

The consolidated profit and loss account is set out on page 6 and shows the profit for the year.

The directors do not propose the payment of a final dividend (2004 - £Nil). The directors paid an interim dividend of £6.17 per share, amounting to £707,590 (2004 – £5.46 per share amounting to £626,000).

#### **Principal activities, trading review and future developments**

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

The directors consider that the group traded satisfactorily during the year. Turnover increased to £22.3m, an increase of 4.9% on last year.

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

#### **Financial risk**

The main financial risk from the company's activities is credit risk. The company's policy in respect of credit risk is to require appropriate credit checks on significant customers.

The exposure to interest rate risk, liquidity and cash flow risk is minimal as the group has significant cash balances and no borrowings.

#### **Employment policy**

The group operates a policy of encouraging employee participation and involvement in affairs that affect their interest. It is the policy of the group to support the employment of disabled persons whenever practicable and to ensure, if possible, their participation in career development opportunities available to staff. The group operates equal opportunities in recruitment, training and promotion regardless of gender, ethnic origin, religion, nationality or disability.

#### **Charitable and political contributions**

During the year the company made charitable contributions of £5,092 (2004 - £3,290).

## Banhams Patent Locks Limited

### Report of the directors for the year ended 31 December 2005 (Continued)

#### Directors and their interests

The directors interests in the shares of the company during the year were:

	Ordinary shares of 5p each			
	2005 Number	2005 £	2004 Number	2004 £
P F Banham (Chairman and Managing Director)	16,164	808	16,164	808
Mrs C M Banham	33	2	33	2
Mrs L Q Banham	-	-	-	-
Mrs M V Banham	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
B E Cowper	-	-	-	-
C R Hallatt	9,500	475	9,500	475
Mrs E M Hallatt	1,827	91	1,827	91
Mrs M J Hallatt	-	-	-	-
M A Herbert	-	-	-	-
Mrs P A Rodda	12,077	604	12,077	604
P A Rodda Trust	8,750	437	8,750	437
T J Ward	-	-	-	-

#### Property value

Freehold properties have been included at cost. In the opinion of the directors market value still remains in excess of cost. Investment properties have been revalued on an open market value basis.

#### Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## Banhams Patent Locks Limited

### Report of the directors for the year ended 31 December 2005 (*Continued*)

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#### Directors' responsibilities

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Auditors

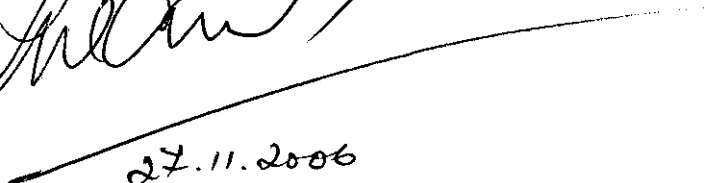
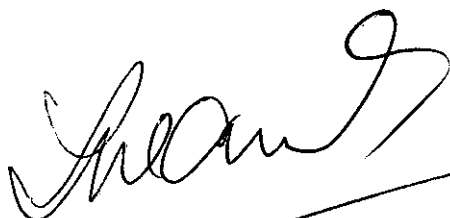
BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

#### By order of the Board

T J Ward

Secretary

Date



27.11.2006

## **Banhams Patent Locks Limited**

### **Report of the independent auditors**

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#### **To the shareholders of Banhams Patent Locks Limited**

We have audited the group and parent company financial statements (the "financial statements") of Banhams Patent Locks Limited for the year ended 31 December 2005 which comprise the consolidated profit and loss account, the consolidated reconciliation of movements in shareholders' funds, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### *Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been 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 those 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 other transactions 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *Basis of audit opinion*

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

**Banhams Patent Locks Limited**

**Report of the independent auditors (*Continued*)**

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*Opinion*

In our opinion:

- the group financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's affairs as at 31 December 2005 and of its profit for the year then ended;
- the parent company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent company's affairs as at 31 December 2005; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.



**BDO STOY HAYWARD LLP**

*Chartered Accountants  
and Registered Auditors*  
London

Date *27 November 2006*

**Banhams Patent Locks Limited****Consolidated profit and loss account for the year ended 31 December 2005**

	Note	2005 £'000	2004 £'000
Turnover	2	22,341	21,299
Cost of sales		(11,774)	(10,883)
<b>Gross profit</b>		<b>10,567</b>	<b>10,416</b>
Operating expenses	3	(7,289)	(7,233)
<b>Operating profit</b>	6	<b>3,278</b>	<b>3,183</b>
Interest receivable	7	995	824
<b>Profit on ordinary activities before taxation</b>		<b>4,273</b>	<b>4,007</b>
Taxation on profit on ordinary activities	8	(1,458)	(1,203)
<b>Profit for the financial year</b>	9	<b>2,815</b>	<b>2,804</b>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 11 to 24 form part of these financial statements.



**Banhams Patent Locks Limited****Consolidated reconciliation of movements in shareholders' funds for the year ended 31 December 2005**

	<b>Note</b>	<b>2005 £'000</b>	<b>2004 £'000</b>
Profit for the year		<b>2,815</b>	2,804
Dividends	10	<b>(708)</b>	(626)
		<hr/>	<hr/>
Opening shareholders' funds		<b>2,107 28,905</b>	2,178 26,727
		<hr/>	<hr/>
Closing shareholders' funds		<b>31,012</b>	28,905
		<hr/>	<hr/>

The notes on pages 11 to 24 form part of these financial statements.

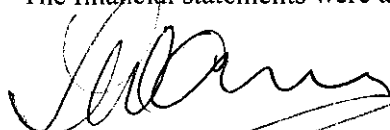
**Banhams Patent Locks Limited**

**Consolidated balance sheet at 31 December 2005**

	Note	2005 £'000	2005 £'000	2004 £'000	2004 £'000
<b>Fixed assets</b>					
Tangible assets	11		7,965		7,687
Goodwill	13		2,684		2,860
			<u>10,649</u>		<u>10,547</u>
<b>Current assets</b>					
Stocks	14	1,438		1,292	
Debtors	15	4,037		3,808	
Investments	16	-		1	
Cash at bank and in hand		23,947		21,304	
		<u>29,422</u>		<u>26,405</u>	
<b>Creditors: amounts falling due within one year</b>	17	9,059		8,047	
		<u></u>		<u></u>	
<b>Net current assets</b>			<u>20,363</u>		<u>18,358</u>
<b>Total assets less current liabilities</b>			<u>31,012</u>		<u>28,905</u>
<b>Capital and reserves</b>					
Called up share capital	18		6		6
Capital redemption reserve	19		1		1
Revaluation reserve	19		847		847
Profit and loss account	19		30,158		28,051
			<u>31,012</u>		<u>28,905</u>
<b>Shareholders' funds</b>			<u>31,012</u>		<u>28,905</u>

The financial statements were approved and authorised for issue by the Board on

27/11/2006



T J Ward  
Director

The notes on pages 11 to 24 form part of these financial statements.

**Banhams Patent Locks Limited**

**Company balance sheet at 31 December 2005**

	Note	2005 £'000	2005 £'000	2004 £'000	2004 £'000
<b>Fixed assets</b>					
Tangible assets	11		1,775		1,827
Investments	12		3,360		3,360
			<u>5,135</u>		<u>5,187</u>
<b>Current assets</b>					
Stocks	14	1,370		1,236	
Debtors - due within one year	15	7,489		6,092	
- due after one year	15	4,818		4,779	
Investments	16	-		1	
Cash at bank and in hand		13,560		13,055	
		<u>27,237</u>		<u>25,163</u>	
<b>Creditors: amounts falling due within one year</b>	17	6,229		5,754	
		<u></u>		<u></u>	
<b>Net current assets</b>			<u>21,008</u>		<u>19,409</u>
<b>Total assets less current liabilities</b>			<u>26,143</u>		<u>24,596</u>
<b>Capital and reserves</b>					
Called up share capital	18		6		6
Capital redemption reserve	19		1		1
Profit and loss account	19		26,136		24,589
			<u>26,143</u>		<u>24,596</u>
<b>Shareholders' funds</b>			<u>26,143</u>		<u>24,596</u>

The financial statements were approved and authorised for issue by the Board on

27/12/2006

T J Ward  
Director

The notes on pages 11 to 24 form part of these financial statements.

**Banhams Patent Locks Limited****Consolidated cash flow statement for the year ended 31 December 2005**

	Note	2005 £'000	2005 £'000	2004 £'000	2004 £'000
<b>Net cash inflow from operating activities</b>	22		4,433		3,954
<b>Returns on investments and servicing of finance</b>					
Interest received		995		815	
<b>Net cash inflow from returns on investments and servicing of finance</b>			995		815
<b>Taxation</b>			(1,332)		(1,357)
<b>Capital expenditure and financial investment</b>					
Purchase of tangible fixed assets		(820)		(3,557)	
Sale of tangible fixed assets		75		136	
<b>Net cash outflow from capital expenditure and financial investment</b>			(745)		(3,421)
<b>Equity dividend paid</b>			(708)		(626)
<b>Increase/(decrease) in cash</b>	23		2,643		(635)

The notes on pages 11 to 24 form part of these financial statements.

**1 Accounting policies**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

*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 2005. Intra-group balances, sales and results 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 FRS 8 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. Goodwill 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.

*Turnover*

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

*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%-25% net book value
Plant and equipment	-	10%-25% net book value

Freehold land is not depreciated.

## Banhams Patent Locks Limited

### Notes forming part of the financial statements for the year ended 31 December 2005

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#### 1 Accounting policies (*Continued*)

##### *Tangible fixed assets (Continued)*

In accordance with SSAP 19, (i) investment properties are revalued annually to open market value 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 value. The effects of this departure from the Companies Act 1985 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

##### *Stocks*

Stocks are stated at the lower of cost and net realisable value. 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. Net realisable value is based on estimated selling price less additional costs of disposal.

##### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief.

Deferred tax balances are not discounted.

##### *Leases*

Where assets are financed by operating leases, their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease. The company does not hold any assets under finance leases.

##### *Pensions*

The company operates a group 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 and accrued by the group during the year.

# Banham's Patent Locks Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)

## 2 Segment analysis of class of business

	Turnover		Profit before tax		Net assets	
	2005 £'000	2004 £'000	2005 £'000	2004 £'000	2005 £'000	2004 £'000
Burglary prevention	22,052	21,106	3,238	3,138	7,673	7,288
Property letting	289	193	40	45	1,189	1,162
	<u>22,341</u>	<u>21,299</u>	<u>3,278</u>	<u>3,183</u>	<u>8,862</u>	<u>8,450</u>
Net non operating income/assets	-	-	995	824	22,150	20,455
	<u>22,341</u>	<u>21,299</u>	<u>4,273</u>	<u>4,007</u>	<u>31,012</u>	<u>28,905</u>

Turnover is confined to the United Kingdom.

## 3 Operating expenses

	2005 £'000	2004 £'000
Net operating expenses are made up as follows:		
Selling and distribution costs	1,470	1,435
Administrative expenses	5,819	5,798
	<u>7,289</u>	<u>7,233</u>

## 4 Employees

	2005 £'000	2004 £'000
Staff costs, including directors, consist of:		
Wages and salaries	7,981	7,127
Social security costs	857	784
Other pension costs	201	294
	<u>9,039</u>	<u>8,205</u>

**Banhams Patent Locks Limited****Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)****4 Employees (Continued)**

The average number of employees employed by the group, including executive directors, during the year was:

	<b>2005 Number</b>	<b>2004 Number</b>
Factory	18	18
Motor mechanics	3	3
Despatch riders	19	18
Fitters/operatives	129	135
Surveyors	7	6
Administration	75	76
Directors	12	12
	<hr/>	<hr/>
	263	268
	<hr/>	<hr/>

**5 Directors' emoluments**

	<b>2005 £'000</b>	<b>2004 £'000</b>
Remuneration as executives	2,102	2,337
Pension contributions	65	104
	<hr/>	<hr/>
	2,167	2,441
	<hr/>	<hr/>
Emoluments of the highest paid director	661	628
	<hr/>	<hr/>



**Banhams Patent Locks Limited****Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)****6 Operating profit**

	2005 £'000	2004 £'000
This has been arrived at after charging:		
Loss on disposal of tangible fixed assets	30	26
Depreciation of tangible fixed assets	437	424
Amortisation of goodwill	176	176
Operating lease rentals – non plant and machinery	83	83
Auditors' remuneration	33	32

Included in the group audit fee is an amount of £22,000 (2004 - £22,000) in respect of the company.

Amounts paid to the company's auditors in respect of non audit services amounted to £Nil (2004 - £2,000) for the year.

**7 Interest receivable**

	2005 £'000	2004 £'000
Bank interest receivable	995	824

# Banhams Patent Locks Limited

## Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)

### 8 Taxation on profit from ordinary activities

	2005 £'000	2004 £'000
<i>Current tax</i>		
Taxation on profit on ordinary activities	1,458	1,203

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2005 £	2004 £
Profit on ordinary activities before tax	4,273	4,007
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2004 – 30%)	1,282	1,202
Effects of:		
Expenses not deductible for tax purposes	171	78
Depreciation for year in excess of capital allowances	-	10
Non qualifying loss on disposal of fixed assets	11	8
Adjustment to tax charge in respect of previous year	2	6
Marginal relief	(2)	13
Differing tax rates in subsidiary undertakings	(6)	-
Current tax charge for year	1,458	1,203

### 9 Profit for the financial year

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

	2005 £'000	2004 £'000
Dealt with in the financial statements of the parent company	2,255	2,476
Retained by subsidiary companies	560	328
	2,815	2,804

**Banhams Patent Locks Limited**

**Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)**

**10 Dividends**

	2005 £'000	2004 £'000
Interim dividends paid at £6.17 per share (2004 - £5.46)	708	626

**11 Tangible assets**

Group	Freehold land and buildings £'000	Improvements to buildings £'000	Investment properties £'000	Plant, equipment, and motor vehicles £'000	Total £'000
<i>Cost or valuation</i>					
At 1 January 2005	1,366	1,021	5,078	3,834	11,299
Additions	346	15		459	820
Disposals	-	-	-	(308)	(308)
At 31 December 2005	<u>1,712</u>	<u>1,036</u>	<u>5,078</u>	<u>3,985</u>	<u>11,811</u>
<i>Depreciation</i>					
At 1 January 2005	257	804	-	2,551	3,612
Eliminated on disposal	-	-	-	(203)	(203)
Charge for the year	54	46	-	337	437
At 31 December 2005	<u>311</u>	<u>850</u>	<u>-</u>	<u>2,685</u>	<u>3,846</u>
<i>Net book value</i>					
At 31 December 2005	<u>1,401</u>	<u>186</u>	<u>5,078</u>	<u>1,300</u>	<u>7,965</u>
At 31 December 2004	<u>1,109</u>	<u>217</u>	<u>5,078</u>	<u>1,283</u>	<u>7,687</u>

The investment properties were valued on an open market basis on 31 December 2005 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 during the year. If the properties had not been classified as investment properties then depreciation would have been provided in the year of £101,560 and they would have been included at a net book value based on cost of £4,129,440.

**Banhams Patent Locks Limited**

Notes forming part of the financial statements for the year ended 31 December 2005 (*Continued*)

**11 Tangible assets (*Continued*)**

Company	Freehold land and buildings £'000	Improvements to buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Total £'000
<i>Cost or valuation</i>					
At 1 January 2005	642	1,021	2,174	1,260	5,097
Additions	-	15	72	288	375
Disposals	-	-	-	(263)	(263)
At 31 December 2005	<b>642</b>	<b>1,036</b>	<b>2,246</b>	<b>1,285</b>	<b>5,209</b>
<i>Depreciation</i>					
At 1 January 2005	152	804	1,510	804	3,270
Eliminated on disposal	-	-	-	(181)	(181)
Charge for the year	13	46	109	177	345
At 31 December 2005	<b>165</b>	<b>850</b>	<b>1,619</b>	<b>800</b>	<b>3,434</b>
<i>Net book value</i>					
At 31 December 2005	<b>477</b>	<b>186</b>	<b>627</b>	<b>485</b>	<b>1,775</b>
At 31 December 2004	490	217	664	456	1,827

**12 Fixed asset investments**

	Company £'000
<i>Cost</i>	
At 1 January 2005 and 31 December 2005	<b>3,360</b>

## Banhams Patent Locks Limited

### Notes forming part of the financial statements for the year ended 31 December 2005 *(Continued)*

#### 12 Fixed asset investments *(Continued)*

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

Company	Activity
Capstan Security Limited	Security
Banham Security Limited	Property
Banham Alarms Limited	Dormant
Banham Home Insurance Services Limited	Insurance services
Central Monitoring Services Limited	Keyholding and central station facility
Aegis Alarm Systems Limited	Security

The financial statements of the above subsidiary companies have been consolidated. Banham Alarms Limited did not trade in the year to 31 December 2005.

Operations are based in the country of incorporation

13 Goodwill	£'000
<i>Cost</i>	
At 1 January 2005 and at 31 December 2005	3,534
<i>Amortisation</i>	
At 1 January 2005	674
Provision for year	176
At 31 December 2005	850
<i>Net book value</i>	
At 31 December 2005	2,684
At 31 December 2004	2,860

# Banhams Patent Locks Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)

## 14 Stocks

	Group 2005 £'000	Group 2004 £'000	Company 2005 £'000	Company 2004 £'000
Raw materials and consumables	316	284	301	272
Finished goods and goods for resale	1,122	1,008	1,069	964
	<u>1,438</u>	<u>1,292</u>	<u>1,370</u>	<u>1,236</u>

## 15 Debtors

	Group 2005 £'000	Group 2004 £'000	Company 2005 £'000	Company 2004 £'000
Amounts falling due within one year:				
Trade debtors	2,533	2,385	1,082	1,539
Accrued income	1,041	874	1,041	874
Other debtors	173	-	20	-
Prepayments	290	549	290	378
Amounts due from group undertakings	-	-	9,874	8,080
	<u>4,037</u>	<u>3,808</u>	<u>12,307</u>	<u>10,871</u>

Included within amounts due from group undertakings is £4,818,000 (2004 - £4,779,000) which is due after one year. All other amounts are repayable on demand.

## 16 Investments

	Group and company	
	2005 £'000	2004 £'000
Listed investments - cost	-	1
- market value	-	3

The listed shares were sold during the year.

# Banhams Patent Locks Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)

## 17 Creditors: amounts falling due within one year

	Group 2005 £'000	Group 2004 £'000	Company 2005 £'000	Company 2004 £'000
Trade creditors	792	490	448	350
Corporation tax	883	757	525	448
Taxation and social security	995	882	798	702
Accruals and deferred income	6,389	5,918	4,426	4,254
Amounts due to group undertakings	-	-	32	-
	<u>9,059</u>	<u>8,047</u>	<u>6,229</u>	<u>5,754</u>

Taxation and social security costs are as follows:

PAYE and social security	445	352	460	334
VAT	550	530	338	368
	<u>995</u>	<u>882</u>	<u>798</u>	<u>702</u>

## 18 Share capital

	2005 Number	Authorised 2004 Number	2005 £'000	2004 £'000
Ordinary shares of 5p each	150,000	150,000	8	8
Ordinary shares of £1 each	5,000	5,000	5	5
	<u>155,000</u>	<u>155,000</u>	<u>13</u>	<u>13</u>

	2005 Number	Allotted, called up and fully paid 2004 Number	2005 £'000	2004 £'000
Ordinary shares of 5p each	114,688	114,688	6	6
Ordinary shares of £1 each	-	-	-	-
	<u>114,688</u>	<u>114,688</u>	<u>6</u>	<u>6</u>

**Banhams Patent Locks Limited****Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)****19 Reserves**

<b>Group</b>	<b>Revaluation reserve £'000</b>	<b>Capital redemption reserve £'000</b>	<b>Profit and loss account £'000</b>
At 1 January 2005	847	1	28,051
Profit for the year	-	-	2,815
Dividends	-	-	(708)
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2005</b>	<b>847</b>	<b>1</b>	<b>30,158</b>
	<hr/>	<hr/>	<hr/>
<b>Company</b>		<b>Capital redemption reserve £'000</b>	<b>Profit and loss account £'000</b>
At 1 January 2005		1	24,589
Profit for the year		-	2,255
Dividends		-	(708)
		<hr/>	<hr/>
<b>At 31 December 2005</b>		<b>1</b>	<b>26,136</b>
		<hr/>	<hr/>

**20 Pensions and similar obligations**

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

On 31 March 1994 the company discontinued this defined benefit pension in favour of a group personal pension plan. The company's contributions range from 2% to 6% depending on the age of the employee.

The total pension cost for the group in respect of these schemes was £201,000 (2004 - £294,000). £65,000 (2004 - £104,000) was paid into private schemes of the directors.



**Banhams Patent Locks Limited****Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)****21 Commitments under operating leases**

As at 31 December 2005, the group had annual commitments under non-cancellable operating leases as set out below:

	<b>2005</b>	<b>2004</b>
	<b>Land and</b>	<b>Land and</b>
	<b>buildings</b>	<b>buildings</b>
	<b>£'000</b>	<b>£'000</b>
Operating leases which expire:		
Over five years	83	83

**22 Reconciliation of operating profit to net cash inflow from operating activities**

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Operating profit	3,278	3,183
Depreciation on tangible fixed assets	437	424
Amortisation of goodwill	176	176
Loss on sale of tangible fixed assets	30	26
Increase in stocks	(146)	(28)
Increase in debtors	(229)	(180)
Increase in creditors	887	353
Net cash inflow from operating activities	4,433	3,954

**23 Reconciliation of net cash inflow to movement in net funds**

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Increase/(decrease) in cash in the year	2,643	(635)
Net funds at start of year	21,304	21,939
Net funds at end of year	23,947	21,304

**Banhams Patent Locks Limited**

**Notes forming part of the financial statements for the year ended 31 December 2005 (*Continued*)**

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**24 Analysis of net funds**

	At 1 January 2005 £'000	Cash flow £'000	At 31 December 2005 £'000
Cash in hand and at bank	21,304	2,643	23,947
	<hr/>	<hr/>	<hr/>
Total	21,304	2,643	23,947
	<hr/>	<hr/>	<hr/>