

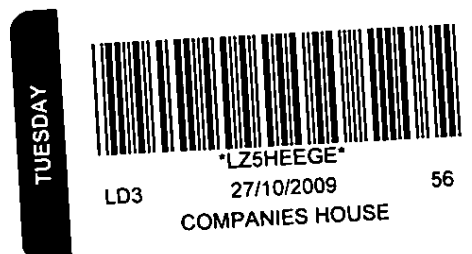
Banhams Patent Locks Limited

Report and Financial Statements

Year Ended

31 December 2008

Company Number 457812



Banhams Patent Locks Limited

Report and financial statements for the year ended 31 December 2008

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Directors

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

Secretary and registered office

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

Company number

457812

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU.

Banhams Patent Locks Limited

Report of the directors for the year ended 31 December 2008

The directors present their report together with the audited consolidated financial statements for the year ended 31 December 2008.

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 (2007 - £Nil). The directors paid an interim dividend during the year of £10.00 per share, amounting to £1,146,880 (2007 - £8.65 per share amounting to £992,051).

Principal activities, trading review and future developments

The principal activity of the company is that of burglary prevention specialists. Additionally the principal activities of the group are burglary prevention specialists and property letting.

The directors consider that the group traded satisfactorily during the year. Turnover has increased by 2% to £25,233,000, and the directors are confident that an increased level of trading can be achieved next year whilst maintaining a healthy net profit percentage.

There have been no events since the balance sheet date which materially affect the position of the group.

Key performance indicator

The group considers gross profit margins (2008 - 46.5%, 2007 - 43.7%) and operating profit margins (2008 - 10.7%, 2007 - 10.2%) to be the key performance indicators which it monitors on a regular basis.

The group performed satisfactorily in all key areas.

Financial risk

The main financial risk from the group's activities is credit risk. The group'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.

The company has little exposure to the 2008 Bank Crisis as all deposits were held as treasury Deposits through British clearing banks, and the group is debt free.

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 £1,997,254 (2007 - £13,197).

Payment of creditors

It is Company policy to pay all suppliers within their credit terms.

Banhams Patent Locks Limited

Report of the directors for the year ended 31 December 2008 (Continued)

Directors and their interests

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

	Ordinary shares of 5p each			
	2008 Number	2008 £	2007 Number	2007 £
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 (Deceased 16.1.09)	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 that are occupied by the group 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 by the Directors at 31 December 2008.

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.

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.

Banhams Patent Locks Limited

Report of the directors for the year ended 31 December 2008 (Continued)

Auditors

All of the directors have taken all steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO 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

21/10/2009

Banhams Patent Locks Limited

Independent auditor's report

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 2008 which comprise the consolidated profit and loss account, the consolidated reconciliation of movements in shareholders' funds, the consolidated statement of total recognised gains and losses, 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 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, 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

Independent auditor's report (*Continued*)

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 2008 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 2008; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

BDO LLP

BDO LLP
*Chartered Accountants
and Registered Auditors*
London
United Kingdom

21 October 2009

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Banhams Patent Locks Limited

Consolidated profit and loss account for the year ended 31 December 2008

	Note	2008 £'000	2007 £'000
Turnover	2	25,233	24,711
Cost of sales		(13,511)	(13,924)
Gross profit		11,722	10,787
Operating expenses	3	(9,018)	(8,274)
Operating profit	6	2,704	2,513
Interest receivable	7	1,636	1,502
Interest payable	8	(106)	-
Profit on ordinary activities before taxation		4,234	4,015
Taxation on profit on ordinary activities	9	(1,308)	(1,275)
Retained profit for the financial year	10	2,926	2,740

All amounts relate to continuing activities.

There is no difference arising between actual profit and historical cost profit.

The notes on pages 12 to 22 form part of these financial statements.

Banhams Patent Locks Limited

Consolidated reconciliation of movements in shareholders' funds for the year ended 31 December 2008

	Note	2008 £'000	2007 £'000
Profit for the year		2,926	2,740
Dividends	11	(1,146)	(992)
		<u>1,780</u>	<u>1,748</u>
Revaluation in the year		536	2,000
		<u>2,316</u>	<u>3,748</u>
Net additions to shareholders' funds		2,316	3,748
Opening shareholders' funds		36,946	33,198
		<u>39,262</u>	<u>36,946</u>
Closing shareholders' funds		39,262	36,946

The notes on pages 12 to 22 form part of these financial statements.

Banhams Patent Locks Limited

Consolidated statement of total recognised gains and losses for the year ended 31 December 2008

	2008 £'000	2007 £'000
Profit for the year	2,926	2,740
Unrealised surplus on revaluation of properties	536	2,000
Total recognised gains and losses for the financial year	3,462	4,740

The notes on pages 12 to 22 form part of these financial statements.

Banhams Patent Locks Limited

Consolidated balance sheet at 31 December 2008

Company number 457812	Note	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Fixed assets					
Tangible assets	12		11,990		11,479
Intangible assets	14		2,487		2,683
			<u>14,477</u>		<u>14,162</u>
Current assets					
Stocks	15	1,011		1,103	
Debtors	16	4,514		4,285	
Cash at bank and in hand		32,086		27,992	
		<u>37,611</u>		<u>33,380</u>	
Creditors: amounts falling due within one year	17	<u>12,826</u>		<u>10,596</u>	
Net current assets			<u>24,785</u>		<u>22,784</u>
Total assets less current liabilities			<u>39,262</u>		<u>36,946</u>
Capital and reserves					
Called up share capital	18		6		6
Revaluation reserve	19		3,383		2,847
Profit and loss account	19		35,873		34,093
Shareholders' funds			<u>39,262</u>		<u>36,946</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21/10/2009

T J Ward
Director



The notes on pages 12 to 22 form part of these financial statements.

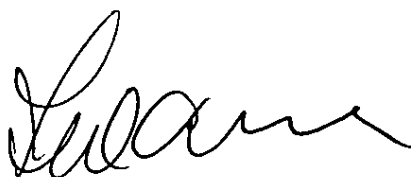
Banhams Patent Locks Limited

Company balance sheet at 31 December 2008

<i>Company number 457812</i>	Note	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Fixed assets					
Tangible assets	12		2,534		2,629
Investments	13		3,360		3,360
			5,894		5,989
Current assets					
Stocks	15	969		970	
Debtors - due within one year	16	3,604		7,134	
- due after one year	16	4,400		4,748	
Cash at bank and in hand		21,767		16,259	
		30,740		29,111	
Creditors: amounts falling due within one year	17	9,027		7,549	
Net current assets			21,713		21,562
Total assets less current liabilities			27,607		27,551
Capital and reserves					
Called up share capital	18		6		6
Profit and loss account	19		27,601		27,545
			27,607		27,551
Shareholders' funds					27,551

The financial statements were approved by the Board of Directors and authorised for issue on 21/10/2009

T J Ward
Director



The notes on pages 12 to 22 form part of these financial statements.

Banhams Patent Locks Limited

Consolidated cash flow statement for the year ended 31 December 2008

	Note	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Net cash inflow from operating activities	20		5,543		4,754
Returns on investments and servicing of finance					
Interest received		1,636		1,502	
Interest paid		(106)		-	
Net cash inflow from returns on investments and servicing of finance			1,530		1,502
Taxation			(1,308)		(1,661)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(588)		(1,446)	
Sale of tangible fixed assets		63		63	
Net cash outflow from capital expenditure and financial investment			(525)		(1,383)
Dividend paid			(1,146)		(992)
Increase in cash	21		4,094		2,220

The notes on pages 12 to 22 form part of these financial statements.

Banhams Patent Locks Limited

Notes forming part of the financial statements for the year ended 31 December 2008

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 financial statements incorporate the results of the company and its subsidiary undertakings as at 31 December 2008 using the acquisition method of accounting. The results of subsidiary undertakings are included from the date of acquisition. 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 to external customers.

Valuation of investments

Investments are stated at cost less any provision for impairment.

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
Motor vehicles	-	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 2008

1 Accounting policies (*Continued*)

Investment properties

In accordance with SSAP 19 investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 1985, i.e. non depreciation of investment properties, has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on purchase on a first in first out basis. Work in progress and finished goods include labour and attributable overheads. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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.

Banhams Patent Locks Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (Continued)

2 Segment analysis of class of business

	Turnover		Profit before tax		Net assets	
	2008 £'000	2007 £'000	2008 £'000	2007 £'000	2008 £'000	2007 £'000
Burglary prevention	24,891	24,385	2,701	2,510	3,043	5,577
Property letting	342	326	3	3	4,127	3,377
	<u>25,233</u>	<u>24,711</u>	<u>2,704</u>	<u>2,513</u>	<u>7,170</u>	<u>8,954</u>
Net non-operating income/assets	-	-	1,530	1,502	32,086	27,992
	<u>25,233</u>	<u>24,711</u>	<u>4,234</u>	<u>4,015</u>	<u>39,256</u>	<u>36,946</u>

Turnover is confined to the United Kingdom.

3 Operating expenses

	2008 £'000	2007 £'000
Net operating expenses are made up as follows:		
Selling and distribution costs	1,724	1,669
Administrative expenses	7,294	6,605
	<u>9,018</u>	<u>8,274</u>

4 Employees

	2008 £'000	2007 £'000
Staff costs, including directors, consist of:		
Wages and salaries	9,172	8,912
Social security costs	966	947
Other pension costs	354	347
	<u>10,492</u>	<u>10,206</u>

Banhams Patent Locks Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (Continued)

4 Employees (Continued)

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

	2008 Number	2007 Number
Factory	14	15
Motor mechanics	3	3
Despatch riders	23	21
Fitters/operatives	162	162
Surveyors	12	8
Administration	85	84
Directors	12	12
	<hr/>	<hr/>
	311	305
	<hr/>	<hr/>

5 Directors' emoluments

	2008 £'000	2007 £'000
Remuneration as executives	2,394	2,232
Pension contributions	170	207
	<hr/>	<hr/>
	2,564	2,439
	<hr/>	<hr/>
Emoluments of the highest paid director	724	699
	<hr/>	<hr/>
Number of directors in pension scheme	6	6
	<hr/>	<hr/>

6 Operating profit

	2008 £'000	2007 £'000
This has been arrived at after charging:		
Loss on disposal of tangible fixed assets	21	-
Depreciation of tangible fixed assets	529	515
Amortisation of goodwill	196	210
Auditors' remuneration	45	45
	<hr/>	<hr/>

Included in the group audit fee is an amount of £35,000 (2007 - £35,000) in respect of the company.

Banhams Patent Locks Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (Continued)

7 Interest receivable

	2008 £'000	2007 £'000
Bank interest receivable	1,636	1,502

8 Interest payable

	2008 £'000	2007 £'000
Interest payable on late tax payments	106	-

9 Taxation on profit from ordinary activities

	2008 £'000	2007 £'000
Current tax		
Taxation on profit on ordinary activities	1,308	1,275

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

	2008 £'000	2007 £'000
Profit on ordinary activities before tax	4,234	4,015
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28.5% (2007 - 30%)	1,207	1,205
Effects of: Other differences	101	70
Current tax charge for year	1,308	1,275

10 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:

	2008 £'000	2007 £'000
Dealt with in the financial statements of the parent company	1,202	1,060
Retained by subsidiary companies	1,724	1,680
	2,926	2,740

Banhams Patent Locks Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (Continued)

11 Dividends

	2008 £'000	2007 £'000
Interim dividends paid at £10 per share (2007 - £8.65)	1,146	992

12 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 2008	2,800	1,067	7,469	4,538	15,874
Additions	-	232	-	356	588
Disposals	-	-	-	(310)	(310)
Revaluation	-	-	536	-	536
Reclassification	242	-	(242)	-	-
At 31 December 2008	3,042	1,299	7,763	4,584	16,688
<i>Depreciation</i>					
At 1 January 2008	436	924	-	3,035	4,395
Eliminated on disposal	-	-	-	(226)	(226)
Charge for the year	65	75	-	389	529
At 31 December 2008	501	999	-	3,198	4,698
<i>Net book value</i>					
At 31 December 2008	2,541	300	7,763	1,386	11,990
At 31 December 2007	2,364	143	7,469	1,503	11,479

The investment properties were valued by the Directors at open market value at 31 December 2008.

Two investment properties were reclassified during the course of the year to reflect a change in usage.

Banhams Patent Locks Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (Continued)

12 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 2008	1,332	1,067	2,362	1,671	6,432
Additions	-	232	22	114	368
Disposals	-	-	-	(234)	(234)
At 31 December 2008	1,332	1,299	2,384	1,551	6,566
<i>Depreciation</i>					
At 1 January 2008	192	924	1,814	873	3,803
Disposal	-	-	-	(168)	(168)
Charge for the year	27	75	83	212	397
At 31 December 2008	219	999	1,897	917	4,032
<i>Net book value</i>					
At 31 December 2008	1,113	300	487	634	2,534
At 31 December 2007	1,140	143	548	798	2,629

13 Fixed asset investments

	Company £'000
<i>Cost</i>	
At 1 January 2008 and 31 December 2008	3,360

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
Tara Security Ltd	Burglary prevention
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 2008.

Operations are based in the country of incorporation.

Banhams Patent Locks Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (*Continued*)

14 Intangible assets - goodwill	Group £'000			
<i>Cost</i>				
At 1 January 2008 and at 31 December 2008				3,919
<i>Amortisation</i>				
At 1 January 2008				1,236
Provision for year				196
At 31 December 2008				1,432
<i>Net book value</i>				
At 31 December 2008				2,487
At 31 December 2007				2,683
15 Stocks	Group 2008 £'000	Group 2007 £'000	Company 2008 £'000	Company 2007 £'000
Raw materials and consumables	192	175	192	175
Finished goods and goods for resale	819	928	777	795
	1,011	1,103	969	970
16 Debtors	Group 2008 £'000	Group 2007 £'000	Company 2008 £'000	Company 2007 £'000
Trade debtors	3,690	3,431	2,525	2,604
Accrued income	-	72	-	72
Other debtors	204	15	20	13
Prepayments	620	767	413	491
Amounts due from group undertakings	-	-	5,046	8,702
	4,514	4,285	8,004	11,882

Included within amounts due from group undertakings is £4,400,000 (2007 - £4,748,137) which is due after one year.

Banhams Patent Locks Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (Continued)

17 Creditors: amounts falling due within one year

	Group 2008 £'000	Group 2007 £'000	Company 2008 £'000	Company 2007 £'000
Trade creditors	364	1,114	309	658
Corporation tax	1,070	896	208	467
Taxation and social security	1,047	1,149	925	652
Accruals and deferred income	7,625	7,406	5,118	5,405
Other creditors	617	18	421	354
Charitable contributions payable	1,997	13	1,997	13
Interest payable on late tax payments	106	-	49	-
	12,826	10,596	9,027	7,549

18 Share capital

	2008 Number	2007 Number	Authorised 2008 £'000	2007 £'000
Ordinary shares of 5p each	150,000	150,000	8	8
Ordinary shares of £1 each	5,000	5,000	5	5
	155,000	155,000	13	13
	2008 Number	2007 Number	Allotted, called up and fully paid 2008 £'000	2007 £'000
Ordinary shares of 5p each	114,688	114,688	6	6
Ordinary shares of £1 each	-	-	-	-
	114,688	114,688	6	6

Banhams Patent Locks Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 (Continued)

19 Reserves

Group	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2008	2,847	34,093
Profit for the year	-	2,926
Provision in the year	536	-
Dividends	-	(1,146)
	<hr/>	<hr/>
At 31 December 2008	3,383	35,873
	<hr/>	<hr/>
Company		Profit and loss account £'000
At 1 January 2008		27,545
Profit for the year		1,202
Dividends		(1,146)
		<hr/>
At 31 December 2008		27,601
		<hr/>

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

	2008 £'000	2007 £'000
Operating profit	2,704	2,513
Depreciation on tangible fixed assets	529	515
Amortisation of goodwill	196	210
Loss on sale of tangible fixed assets	21	4
Decrease in stock	92	101
Decrease/(increase) in debtors	(229)	1,315
Increase in creditors	2,230	96
	<hr/>	<hr/>
Net cash inflow from operating activities	5,543	4,754
	<hr/>	<hr/>

Banhams Patent Locks Limited

Notes forming part of the financial statements
for the year ended 31 December 2008 *(Continued)*

21 Reconciliation of net cash inflow to movement in net funds

	2008 £'000	2007 £'000
Increase in cash in the year	4,094	2,220
Net funds at start of year	27,992	25,772
	<hr/>	<hr/>
Net funds at end of year	32,086	27,992
	<hr/>	<hr/>

22 Analysis of net funds

	At 1 January 2008 £'000	Cash flow £'000	At 31 December 2008 £'000
Cash in hand and at bank	27,992	4,094	32,086
	<hr/>	<hr/>	<hr/>

23 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 members of the group headed by Banhams Patent Locks Limited on the grounds that at least 90% of the voting rights in the company are controlled within the group and the company is included in the consolidated financial statements of Banhams Patent Locks Limited.