

**REGISTRAR OF
COMPANIES**

Banhams Patent Locks Limited

Report and Financial Statements

Year Ended

31 December 2009

Company Number 457812

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Banhams Patent Locks Limited

Report and financial statements for the year ended 31 December 2009

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Directors

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

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 2009

The directors present their report together with the audited consolidated financial statements for the year ended 31 December 2009

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 (2008 - £Nil) The directors paid an interim dividend during the year of £61.00 per share, amounting to £6,996,000 (2008 - £10.00 per share amounting to £1,146,880)

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 decreased by 4.6% to £24,067,000, but 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 (2009 - 50.3%, 2008 - 46.5%) and operating profit margins (2009 - loss, 2008 - 10.7%) to be the key performance indicators which it monitors on a regular basis.

The group performed satisfactorily in all key areas and anticipates returning to a positive operating profit margin next year.

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 £452,488 (2008 - £1,997,254)

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 2009 *(Continued)*

Directors

The directors during the year were

C R Hallatt (Chairman)
W F Banham (Joint Managing Director)
M A Herbert (Joint Managing Director)
B E Cowper
L A F Banham (appointed 3 August 2009)
P F Banham (Deceased 19 October 2010)
Mrs C M Banham
Mrs L Q Banham
Mrs M V Banham
G M & M V Banham Trust
Mrs E M Hallatt (Deceased 16 January 2009)
Mrs M J Hallatt
Mrs P A Rodda
P A Rodda Trust
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 2009.

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 2009 *(Continued)*

Directors' responsibilities *(Continued)*

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


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

29 September 2010

Banhams Patent Locks Limited

Independent auditor's report

TO THE MEMBERS OF BANHAMS PATENT LOCKS LIMITED

We have audited the financial statements of Banhams Patent Locks Limited for the year ended 31 December 2009 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. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2009 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Banhams Patent Locks Limited

Independent auditor's report (*Continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

BDO LLP

*David Campbell, (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

29 September 2010

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 2009

	Note	2009 £'000	2008 £'000
Turnover	2	24,067	25,233
Cost of sales		(11,971)	(13,511)
Gross profit		12,096	11,722
Operating expenses	3	(15,403)	(9,018)
Operating (loss)/profit	6	(3,307)	2,704
Interest receivable	7	490	1,636
Interest payable	8	-	(106)
(Loss)/profit on ordinary activities before taxation		(2,817)	4,234
Taxation on (loss)/profit on ordinary activities	9	-	(1,308)
Retained (loss)/profit for the financial year	10	(2,817)	2,926

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 2009

	Note	2009 £'000	2008 £'000
(Loss)/profit for the year		(2,817)	2,926
Dividends	11	(6,996)	(1,146)
		(9,813)	1,780
Revaluation in the year		-	536
Net (reduction in)/additions to shareholders' funds		(9,813)	2,316
Opening shareholders' funds		39,262	36,946
Closing shareholders' funds		29,449	39,262

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 2009

	2009 £'000	2008 £'000
(Loss)/profit for the year	(2,817)	2,926
Unrealised surplus on revaluation of properties	-	536
	<hr/>	<hr/>
Total recognised gains and losses for the financial year	(2,817)	3,462
	<hr/>	<hr/>

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

Banhams Patent Locks Limited

Consolidated balance sheet at 31 December 2009

Company number 457812	Note	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Fixed assets					
Tangible assets	12		11,942		11,990
Intangible assets	14		2,291		2,487
			14,233		14,477
Current assets					
Stocks	15	1,054		1,011	
Debtors	16	3,761		4,514	
Cash at bank and in hand		22,619		32,086	
		27,434		37,611	
Creditors: amounts falling due within one year	17	12,218		12,826	
Net current assets			15,216		24,785
Total assets less current liabilities			29,449		39,262
Capital and reserves					
Called up share capital	18		6		6
Revaluation reserve	19		3,383		3,383
Profit and loss account	19		26,060		35,873
Shareholders' funds			29,449		39,262

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2010

T J Ward
Director

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

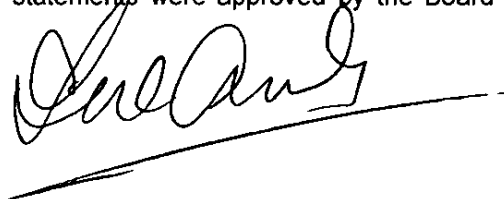
Banhams Patent Locks Limited

Company balance sheet at 31 December 2009

Company number 457812	Note	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Fixed assets					
Tangible assets	12		2,589		2,534
Investments	13		3,360		3,360
			5,949		5,894
Current assets					
Stocks	15	979		969	
Debtors - due within one year	16	6,193		3,604	
- due after one year	16	4,400		4,400	
Cash at bank and in hand		10,001		21,767	
		21,573		30,740	
Creditors: amounts falling due within one year	17	9,058		9,027	
Net current assets			12,515		21,713
Total assets less current liabilities			18,464		27,607
Capital and reserves					
Called up share capital	18		6		6
Profit and loss account	19		18,458		27,601
Shareholders' funds			18,464		27,607

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2010

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 2009

	Note	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Net cash (outflow)/inflow from operating activities	20		(1,299)		5,543
Returns on investments and servicing of finance					
Interest received		490		1,636	
Interest paid		-		(106)	
Net cash inflow from returns on investments and servicing of finance			490		1,530
Taxation			(1,179)		(1,308)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(518)		(588)	
Sale of tangible fixed assets		35		63	
Net cash outflow from capital expenditure and financial investment			(483)		(525)
Dividend paid			(6,996)		(1,146)
(Decrease)/increase in cash	21		(9,467)		4,094

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 2009

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 2009 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 2009

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 2006, 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 2009 (Continued)

2 Segment analysis of class of business

	Turnover		(Loss)/profit before tax		Net assets	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Burglary prevention	23,814	24,891	(3,191)	2,701	2,822	3,043
Property letting	253	342	3	3	4,121	4,127
	<u>24,067</u>	<u>25,233</u>	<u>(3,188)</u>	<u>2,704</u>	<u>6,943</u>	<u>7,170</u>
Net non-operating income/assets	-	-	371	1,530	22,506	32,092
	<u>24,067</u>	<u>25,233</u>	<u>(2,817)</u>	<u>4,234</u>	<u>29,449</u>	<u>39,262</u>

Turnover is confined to the United Kingdom

3 Operating expenses

	2009 £'000	2008 £'000
Net operating expenses are made up as follows		
Selling and distribution costs	1,337	1,425
Administrative expenses	14,066	7,593
	<u>15,403</u>	<u>9,018</u>

4 Employees

	2009 £'000	2008 £'000
Staff costs, including directors, consist of		
Wages and salaries	14,798	9,172
Social security costs	1,688	966
Other pension costs	332	354
	<u>16,818</u>	<u>10,492</u>

Banhams Patent Locks Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 (Continued)

4 Employees (Continued)

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

	2009 Number	2008 Number
Factory	14	14
Motor mechanics	3	3
Despatch riders	23	23
Fitters/operators	161	162
Surveyors	11	12
Administration	78	85
Directors	11	12
	<u>301</u>	<u>311</u>

5 Directors' emoluments

	2009 £'000	2008 £'000
Remuneration as executives	8,321	2,394
Pension contributions	164	170
	<u>8,485</u>	<u>2,564</u>
Emoluments of the highest paid director	<u>2,742</u>	<u>724</u>
Number of directors in pension scheme	<u>7</u>	<u>6</u>

6 Operating profit

	2009 £'000	2008 £'000
This has been arrived at after charging		
Loss on disposal of tangible fixed assets	19	21
Depreciation of tangible fixed assets	512	529
Amortisation of goodwill	196	196
Auditors' remuneration	50	45
	<u></u>	<u></u>

Included in the group audit fee is an amount of £35,000 (2008 - £35,000) in respect of the company

Banhams Patent Locks Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 (Continued)

7 Interest receivable

	2009 £'000	2008 £'000
Bank interest receivable	490	1,636

8 Interest payable

	2009 £'000	2008 £'000
Interest payable on late tax payments	-	106

9 Taxation on (loss)/profit from ordinary activities

	2009 £'000	2008 £'000
Current tax		
Taxation on (loss)/profit on ordinary activities	-	1,308

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

	2009 £'000	2008 £'000
(Loss)/profit on ordinary activities before tax	(2,698)	4,234
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 - 28.5%)	(755)	1,207
Effects of		
Other differences	-	101
Losses carried forward	755	-
Current tax charge for year	-	1,308

10 Profit for the financial year

As permitted by Section 408 of the Companies Act 2006, the parent company's profit and loss account has not been included in these financial statements. Included within the group result for the year is a loss of £2,147,000 that relates to the company.

Banhams Patent Locks Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 (Continued)

11 Dividends

	2009 £'000	2008 £'000
Interim dividends paid at £61 00 per share (2008 - £10 00)	6,996	1,146

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 2009	3,042	1,299	7,763	4,584	16,688
Additions	-	154	-	364	518
Disposals	-	-	-	(169)	(169)
At 31 December 2009	3,042	1,453	7,763	4,779	17,037
<i>Depreciation</i>					
At 1 January 2009	501	999	-	3,198	4,698
Eliminated on disposal	-	-	-	(115)	(115)
Charge for the year	66	91	-	355	512
At 31 December 2009	567	1,090	-	3,438	5,095
<i>Net book value</i>					
At 31 December 2009	2,475	363	7,763	1,341	11,942
At 31 December 2008	2,541	300	7,763	1,386	11,990

The investment properties were valued by the Directors at open market value at 31 December 2009

Banhams Patent Locks Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 (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 2009	1,332	1,299	2,384	1,551	6,566
Additions	-	154	218	124	496
Disposals	-	-	(13)	(91)	(104)
At 31 December 2009	1,332	1,453	2,589	1,584	6,958
<i>Depreciation</i>					
At 1 January 2009	219	999	1,897	917	4,032
Disposal	-	-	-	(64)	(64)
Charge for the year	25	91	103	182	401
At 31 December 2009	244	1,090	2,000	1,035	4,369
<i>Net book value</i>					
At 31 December 2009	1,088	363	589	549	2,589
At 31 December 2008	1,113	300	487	634	2,534

13 Fixed asset investments

	Company £'000
<i>Cost</i>	
At 1 January 2009 and 31 December 2009	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 2009

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 2009 (Continued)

14 Intangible assets - goodwill				Group £'000
<i>Cost</i>				
At 1 January 2009 and at 31 December 2009				3,919
<i>Amortisation</i>				
At 1 January 2009				1,432
Provision for year				196
At 31 December 2009				1,628
<i>Net book value</i>				
At 31 December 2009				2,291
At 31 December 2008				2,487
15 Stocks				
	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
Raw materials and consumables	145	192	145	192
Finished goods and goods for resale	909	819	834	777
	1,054	1,011	979	969
16 Debtors				
	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
Trade debtors	2,792	3,690	1,881	2,525
Other debtors	526	204	294	20
Prepayments	443	620	345	413
Amounts due from group undertakings	-	-	8,073	5,046
	3,761	4,514	10,593	8,004

Included within amounts due from group undertakings is £4,400,000 (2008 - £4,400,000) which is due after one year

Banhams Patent Locks Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 (Continued)

17 Creditors: amounts falling due within one year

	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
Trade creditors	558	364	527	309
Corporation tax	169	1,070	-	208
Taxation and social security	801	1,047	696	925
Accruals and deferred income	7,446	7,625	4,988	5,118
Other creditors	794	617	397	421
Charitable contributions payable	2,450	1,997	2,450	1,997
Interest payable on late tax payments	-	106	-	49
	12,218	12,826	9,058	9,027

18 Share capital

	2009 Number	Authorised 2008 Number	2009 £'000	2008 £'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
	2009 Number	Allotted, called up and fully paid 2008 Number	2009 £'000	2008 £'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 2009 (*Continued*)

19 Reserves

Group	Revaluation reserve £'000	Profit and loss account £'000
At 1 January 2009	3,383	35,873
Loss for the year	-	(2,817)
Dividends	-	(6,996)
At 31 December 2009	3,383	26,060
Company		Profit and loss account £'000
At 1 January 2009		27,601
Loss for the year		(2,147)
Dividends		(6,996)
At 31 December 2009		18,458

20 Reconciliation of operating (loss)/profit to net cash inflow from operating activities

	2009 £'000	2008 £'000
Operating (loss)/profit	(3,307)	2,704
Depreciation on tangible fixed assets	512	529
Amortisation of goodwill	196	196
Loss on sale of tangible fixed assets	19	21
(Increase)/decrease in stock	(43)	92
Decrease/(increase) in debtors	1,225	(229)
Increase in creditors	99	2,230
Net cash (outflow)/inflow from operating activities	(1,299)	5,543

Banhams Patent Locks Limited

Notes forming part of the financial statements
for the year ended 31 December 2009 (Continued)

21 Reconciliation of net cash inflow to movement in net funds

	2009 £'000	2008 £'000
(Decrease)/increase in cash in the year	(9,467)	4,094
Net funds at start of year	32,086	27,992
	<hr/>	<hr/>
Net funds at end of year	22,619	32,086
	<hr/>	<hr/>

22 Analysis of net funds

	At 1 January 2009 £'000	Cash flow £'000	At 31 December 2009 £'000
Cash in hand and at bank	32,086	(9,467)	22,619
	<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 all 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.