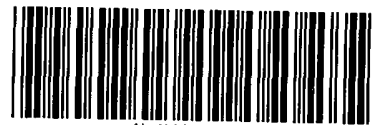


COMPANY REGISTRATION NUMBER 457812

BANHAM PATENT LOCKS LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2014

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BANHAM PATENT LOCKS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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BANHAM PATENT LOCKS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

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

Company secretary

T J Ward

Registered office

20 Thornsett Road
London
SW18 4EF

Auditor

BDO LLP
Chartered Accountants
& Statutory Auditor.
55 Baker Street
London
W1U 7EU

BANHAM PATENT LOCKS LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2014

Principal activities, trading review and future developments

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

The directors consider that the group traded satisfactorily during the period. Turnover has increased by 4.9% to £24,048,095, 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.

Group reorganisation

As part of a strategic reorganisation of the group, during the period the group disposed of its subsidiary, Banham Security Limited, together with certain investment properties, to a new group headed by Banham Security Holdings Limited, a company under common control.

Key performance indicators

The directors considers gross profit margins(2014 - 46.77%, 2013 - 41.21%) and operating profit margins(2014 - 10.78%, 2013 -8.5%) to be the key performance indicators which it monitors on a regular basis.

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 company has significant cash balances and no borrowings.

The company has little exposure to current credit crisis as all deposits were held as treasury Deposits through British clearing banks, and the company is debt free.

Signed by order of the directors



T J Ward
Company Secretary

Approved by the directors on 30 September 2015

BANHAM PATENT LOCKS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements of the company for the year ended 31 December 2014.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,891,931. Particulars of dividends paid are detailed in note 8 to the financial statements.

The directors do not recommend the payments of a final dividend.

FINANCIAL INSTRUMENTS

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

DIRECTORS

The directors who served the company during the year were as follows:

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

M V Banham retired as a director on 15 February 2015.

POLICY ON THE PAYMENT OF CREDITORS

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

DISABLED EMPLOYEES

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

EMPLOYEE INVOLVEMENT

The company is a member of a group that operates a policy of encouraging employee participation and involvement in affairs that affect their interest. It is 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.

BANHAM PATENT LOCKS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2014

AUDITOR

BDO LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
20 Thornsett Road
London
SW18 4EF

Signed by order of the directors



T J Ward
Company Secretary

Approved by the directors on 30 September 2015

BANHAM PATENT LOCKS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2014

The directors are responsible for preparing the Strategic Report, 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 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 company and of the profit or loss of the company for that year.

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;
- 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 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.

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 2014 which comprise the profit and loss account, the balance sheet 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 auditor

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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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

BANHAMS PATENT LOCKS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BANHAMS PATENT LOCKS LIMITED (continued)

- we have not received all the information and explanations we require for our audit.



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

Date 30/9/15

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

BANHAM PATENT LOCKS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
TURNOVER	2	24,048,095	22,930,083
Cost of sales		<u>12,799,727</u>	<u>13,479,297</u>
GROSS PROFIT		11,248,368	9,450,786
Distribution costs		1,310,148	1,203,332
Administrative expenses		6,575,143	6,594,647
Other operating income	3	<u>(300,110)</u>	
OPERATING PROFIT	4	3,363,077	1,952,917
Loss on disposal of fixed assets		<u>(770,097)</u>	<u>-</u>
		2,592,980	1,952,917
Interest receivable		21,014	73,257
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>2,613,994</u>	<u>2,026,174</u>
Tax on profit on ordinary activities	7	722,063	660,139
PROFIT FOR THE FINANCIAL YEAR		<u>1,891,931</u>	<u>1,366,035</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 10 to 17 form part of these financial statements.

BANHAM PATENT LOCKS LIMITED

BALANCE SHEET

31 DECEMBER 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	9	956,796	1,927,882
Investments	10	<u>3,362,617</u>	<u>3,362,617</u>
		<u>4,319,413</u>	<u>5,290,499</u>
CURRENT ASSETS			
Stocks	11	3,073,961	2,605,752
Debtors	12	16,660,819	12,311,124
Cash at bank		<u>2,870,811</u>	<u>4,564,393</u>
		<u>22,605,591</u>	<u>19,481,269</u>
CREDITORS: Amounts falling due within one year	13	<u>25,784,053</u>	<u>24,497,888</u>
NET CURRENT LIABILITIES		<u>(3,178,462)</u>	<u>(5,016,619)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,140,951</u>	<u>273,880</u>
CAPITAL AND RESERVES			
Called-up equity share capital	15	5,734	5,734
Other reserves	16	1,580	1,580
Profit and loss account	17	<u>1,133,637</u>	<u>266,566</u>
SHAREHOLDERS' FUNDS	18	<u>1,140,951</u>	<u>273,880</u>

These accounts were approved by the directors and authorised for issue on 30 September 2015, and are signed on their behalf by:

T J Ward



Company Registration Number: 457812

The notes on pages 10 to 17 form part of these financial statements.

BANHAM PATENT LOCKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Building Improvements -	2% straight line
Plant & Machinery	10% to 25% net book value
Motor Vehicles	25% net book value

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

BANHAM PATENT LOCKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax balances are recognised in respect of 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

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.

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.

2. TURNOVER

The directors consider that the company traded satisfactorily during the year.

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

An analysis of turnover is given below:

	2014	2013
	£	£
United Kingdom	<u>24,048,095</u>	<u>22,930,083</u>

3. OTHER OPERATING INCOME

	2014	2013
	£	£
Other interest received	<u>110</u>	110
Other operating income	<u>300,000</u>	<u>300,000</u>
	<u>300,110</u>	<u>300,110</u>

BANHAM PATENT LOCKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2014 £	2013 £
Depreciation of owned fixed assets	402,821	592,776
Profit on disposal of fixed assets	(210)	(33,132)
Auditor's remuneration - as auditor	<u>56,000</u>	<u>56,000</u>

All amounts relate to continuing activities.

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2014 No	2013 No
Motor mechanics	3	3
Fitters/operatives	130	126
Surveyors	14	13
Administration	114	129
Directors	<u>11</u>	<u>11</u>
	<u>272</u>	<u>282</u>

The aggregate payroll costs of the above were:

	2014 £	2013 £
Wages and salaries	9,229,697	9,259,363
Social security costs	1,140,332	284,237
Other pension costs	162,202	226,310
	<u>10,532,231</u>	<u>9,769,910</u>

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2014 £	2013 £
Remuneration receivable	1,611,057	1,384,952
Value of company pension contributions to money purchase schemes	<u>162,202</u>	<u>226,310</u>
	<u>1,773,259</u>	<u>1,611,262</u>

BANHAM PATENT LOCKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014 £	2013 £
Current tax:		
UK Corporation tax based on the results for the year at 21.50% (2013 - 23.25%)	722,063	660,139
Total current tax	<u>722,063</u>	<u>660,139</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21.50% (2013 - 23.25%).

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>2,613,994</u>	<u>2,026,174</u>
Profit on ordinary activities by rate of tax	561,815	471,085
Expenses not deductible for tax purposes	142,463	184,729
Capital allowances for period in excess of depreciation	17,785	4,325
Total current tax (note 7(a))	<u>722,063</u>	<u>660,139</u>

8. DIVIDENDS

Equity dividends

	2014 £	2013 £
Paid during the year:		
Dividends on equity shares	<u>1,024,860</u>	<u>18,795,499</u>

BANHAM PATENT LOCKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

9. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Motor Improvemen Vehicles t to buildings £	£	Total £
COST				
At 1 January 2014	1,317,169	1,546,951	830,137	3,694,257
Additions	109,156	109,889	–	219,045
Disposals	(1,317,169)	(87,696)	–	(1,404,865)
At 31 December 2014	109,156	1,569,144	830,137	2,508,437
DEPRECIATION				
At 1 January 2014	547,073	754,310	464,992	1,766,375
Charge for the year	31,017	220,017	151,787	402,821
On disposals	(547,073)	(70,482)	–	(617,555)
At 31 December 2014	31,017	903,845	616,779	1,551,641
NET BOOK VALUE				
At 31 December 2014	78,139	665,299	213,358	956,796
At 31 December 2013	770,096	792,641	365,145	1,927,882

10. INVESTMENTS

Fixed asset investments

	£
COST	
At 1 January 2014 and 31 December 2014	3,362,617
NET BOOK VALUE	
At 31 December 2014 and 31 December 2013	3,362,617

The company owns 100% of the issued share capital of the companies listed below, except for Security 201 Limited (87.5%), Close Link Security Limited (55%) and Complete Security (Essex) Limited (85%). All companies are incorporated in England and Wales:

Company	Activity
Capstan Security Limited	Security
Banham Security Limited	Property
Banham Alarms Limited	Dormant
Tara Security Ltd	Burglary prevention
CMS Keyholding Limited	Keyholding and central station facility
Aegis Alarm Systems Limite	Security
Complete Security (Essex) Limited	Security
Securisys Link Limited	Security
Security 201 Limited	Security

BANHAM PATENT LOCKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

11. STOCKS

	2014	2013
	£	£
Finished goods	<u>3,073,961</u>	<u>2,605,752</u>

12. DEBTORS

	2014	2013
	£	£
Trade debtors	3,434,792	3,701,390
Amounts owed by group undertakings	2,514,754	2,011,747
Other debtors	<u>10,711,273</u>	<u>6,597,987</u>
	<u>16,660,819</u>	<u>12,311,124</u>

13. CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	732,642	1,398,923
Amounts owed to group undertakings	2,224,707	—
Corporation tax	651,010	433,452
Other taxation and social security	668,672	823,086
Other creditors	16,935,507	17,423,834
Accruals and deferred income	<u>4,571,515</u>	<u>4,418,593</u>
	<u>25,784,053</u>	<u>24,497,888</u>

BANHAM PATENT LOCKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

14. 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 Holdings Limited on the grounds where 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 Holdings Limited.

The company has a 55% interest in Close Link Security Limited. Management charges of £58,797(2013 - £259,452) have been made to Close Link Security Limited and the balance owed to Banhams Patent Locks Limited at the year end is £414,217 (2013 - £348,315).

The company has a 85% interest in Complete Security (Essex) Limited. Management charges of £22,706 (2013 - £21,215) have been made to Complete Security (Essex) Limited and the balance owed to Banhams Patent Locks Limited at the year end is £41,517 (2013 - £443,392).

The company has a 87.5% interest in Security 201 Limited. Management charges of £47,229(2013 - £51,501) have been made to Security 201 Limited and the balance owed to Banhams Patent Locks Limited at the year end is £704,554 (2013 - £561,249).

During the year, Banham Security Limited, a company under common control, was charged management fees of £nil(2013 - £50,329) by the company. At the year end, the group was owed £4,770,928(2013 - £4,592,928) by Banham Security Limited.

The company was charged rent of £350,000 (2013 - £150,000) by Banham Security Holdings Limited, a company under common control. At the year end the group also owed £13,947,789 (2013 - £17,273,623) to Banham Security Holdings Limited.

15. SHARE CAPITAL

Authorised share capital:

	2014	2013
	£	£
150,000 Ordinary shares of £0.05 each	7,500	7,500
5,000 Ordinary Class 2 shares of £1 each	5,000	5,000
	<u>12,500</u>	<u>12,500</u>

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £0.05 each	<u>114,688</u>	<u>5,734</u>	<u>114,688</u>	<u>5,734</u>

BANHAM PATENT LOCKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

16. OTHER RESERVES

	2014	2013
	£	£
Capital redemption reserve	<u>1,580</u>	<u>1,580</u>

17. PROFIT AND LOSS ACCOUNT

	2014	2013
	£	£
Balance brought forward	266,566	17,696,030
Profit for the financial year	1,891,931	1,366,035
Equity dividends	<u>(1,024,860)</u>	<u>(18,795,499)</u>
Balance carried forward	<u>1,133,637</u>	<u>266,566</u>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Profit for the financial year	1,891,931	1,366,035
Equity dividends	<u>(1,024,860)</u>	<u>(18,795,499)</u>
Net addition/(reduction) to shareholders' funds	867,071	(17,429,464)
Opening shareholders' funds	<u>273,880</u>	<u>17,703,344</u>
Closing shareholders' funds	<u>1,140,951</u>	<u>273,880</u>

19. ULTIMATE PARENT COMPANY

The directors regard Banahms Patent Locks Holdings Limited, a company registered in England and Wales, to be the ultimate immediate parent company and hence the parent of both the smallest and largest groups of which the company is a member. Copies of the parent's consolidated financial statements may be obtained from the registered office of the company.

20. CAPITAL COMMITMENT

At the year end, the company had capital commitment of £216,507(2013:NIL).