

# Banham Patent Locks Holdings Limited

Report and Financial Statements

Year Ended

31 December 2022

Company Number 08207714



# Banham Patent Locks Holdings Limited

## Report and financial statements for the year ended 31 December 2022

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### Directors

C M Banham  
E L Banham  
F L Banham  
L A F Banham  
L Q Banham

G K F Bramwell  
B E Cowper  
C R Hallatt  
M J Hallatt  
T H Hallatt

P A Rodda  
T J Ward  
C S Phillips

### Registered office

20 Thornsett Road, London, SW18 4EF

### Company number

08207714

### Auditor

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

# Banham Patent Locks Holdings Limited

## Strategic report for the year ended 31 December 2022

The directors present the Strategic Report together with the Directors' Report and audited financial statements for the year ended 31 December 2022.

### Principal activities, business review and future developments

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

Despite an increase in administrative expenditure caused mainly by rising payroll costs, the group and company have once again been profitable. The group and company's financial position has been further strengthened as a result, with a profit for the year of £2,940,000 (2021: £2,666,000).

The directors consider that the group and company traded satisfactorily during the period. Turnover for the group has increased by 10.8% to £45.2m and by 8.3% to £44.2m on a like for like basis.

With a strong asset base and in particular cash of £14.3m, the group and company has a strong foundation on which to defend and grow its market share, innovate in new products and technologies and take advantage of strategic opportunities as they arise. This has been demonstrated in year through the acquisition of Tops Security Solutions Limited.

The security and burglary prevention market is, like the wider economy, subject to changes in technology and is also subject to certain level of domestic and global uncertainty. However, as a market leader, the directors consider the group to be well positioned to take measures to mitigate market risks and respond positively to market opportunities.

### Key performance indicators

The directors consider revenue (2022: £45.2m or £44.2m on a like for like basis<sup>1</sup>, 2021: £40.8m), gross profit margins (2022: 48.4%, 2021: 51.4%) and operating profit margins (2022: 8.1%, 2021: 8.1%) to be the key performance indicators which it monitors on a regular basis.

Profit before tax margin remained in line with prior year (2022: 8.1%, 2021: 8.3%) despite significant investment in people, including a newly formed leadership team.

The group and company performed satisfactorily in all key areas and anticipates this will continue next year.

### Principal risks and uncertainties

The principal risks and uncertainties facing the Group and the Company include the ongoing economic volatility, high inflation, rising interest rates, the ongoing impacts of Brexit, staffing constraints and wage inflation, emerging technologies, and threats to security standards.

Although we have recovered from Covid-19 impacts, any significant resurgence in cases would most certainly impact the business both in terms of impact to staffing and our ability to service our customers.

Brexit has clearly had an impact both on availability of staff in the UK but more importantly from a Supply Chain perspective where we are seeing increased prices to cover the additional costs related to Brexit but also in terms of lead times for receiving goods.

Staffing continues to be an ongoing risk both in terms of availability of staff in the market, and aging workforce and the need for succession planning. We continue to recruit where required both in terms of additional headcount required and for replacements for natural churn.

Emerging technologies and new entrants who are not regulated in the same way do pose a threat to the Security Standards that we adhere to.

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<sup>1</sup> Excludes from 2022 revenues the revenues since acquisition of Tops Security Limited and one month of revenue on an apportionment basis from Guardian Locks and Engineering Company Limited.

# Banham Patent Locks Holdings Limited

## Strategic report for the year ended 31 December 2022 *(continued)*

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### **Principal risks and uncertainties (continued)**

The latter half of 2022 and 2023 has seen increased volatility in the UK economy, most notably characterised by high inflation and increasing interest rates. The Company is most impacted by the effects of inflation on consumer spending, the rising cost of products in the entities supply chain and inflation in payroll costs. The company is not negatively impacted by increasing interest rates.

The Board are aware of the risks and uncertainties that the Group and the Company face and continually seek to mitigate them in various ways.

### **Financial instruments**

The main financial risk from the Group and the Company's activities is credit risk. The Group and 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 minimal borrowings (which has been repaid post year end on 18 July 2023).

The Group and the Company have relatively little exposure to credit risk as all deposits were held as treasury deposits through British clearing banks, and the Group is has minimal debt (which has been repaid post year end on 18 July 2023).

### **Section 172 statement**

The Directors, in line with their duties under s172 of the Companies Act 2006, act individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the Group and Company for the benefit of its member, and in doing so have regard amongst other matters, to the:

- Likely consequences of any long-term decisions, interests and wellbeing of the group and company's employees.
- Need to foster the group and company's business relationships with suppliers, customers and others
- Impact of the group and company's operations on the community and the environment.
- Desirability of the group and company maintaining a reputation for high standards of business conduct.
- Need to act fairly between all members of the group and company.

The Directors' regard to these matters is embedded in their decision-making process and the Board promotes a culture of upholding the highest standard of business conduct and regulatory conduct. The Board ensures these core values are communicated to the Group and Company's employees and embedded in the Group and Company's policies and procedures, employee induction and training programmes and its risk control and oversight framework.

The Group and Company's business strategy is focused on achieving success for the Group and Company in the long term. In setting this strategy, the Board considers the impact of relevant factors and stakeholder interests on the Group and Company's performance. The Board also identifies principal risks facing the business and sets risk management objectives.

# Banham Patent Locks Holdings Limited

## Strategic report for the year ended 31 December 2022 (*continued*)

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### Section 172 statement (*continued*)

The Board recognises that building strong and lasting relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate a sustainable business.

The Directors are supported in the discharge of their duties by:

- Processes which ensure the provision of timely management information and escalation through reporting lines to the Board from the Group and Company's business areas, its risk and control functions, support teams and committees of the Board
- Agenda planning for the Board and Committee meetings to provide sufficient time for the consideration and discussion of key matters.
- Regular review of policies with regard to corporate responsibility, including business ethics, ISO compliance (where relevant), anti-bribery, anti-corruption, whistleblowing, equal opportunities, human rights, environmental stewardship and use of resources, sustainable solutions, greenhouse gas emissions and energy management, investing in our local communities and our commitment to the armed forces.

### Approach to engagement with Stakeholders

The Board understands the importance of engagement with all of its stakeholders and gives appropriate weighing to the outcome of its decisions for the relevant stakeholder in weighing up how best to promote the success of the Group and Company.

The Board regularly discusses issues concerning employees, clients, suppliers, community and environment, regulators and its shareholder, which it takes into account in its discussions and in its decision-making process. In addition to this, the Board seeks to understand the interests and views of the Group and Company's stakeholders by engaging with them directly when required. The below summarises the key stakeholders and how we engage with each. Details with regard to employee engagement are provided within the Directors' report.

### Customer engagement

Our extensive customer base is at the centre of our business.

Our client service and sales teams build lasting relationships with current and potential clients to understand their objectives and requirements.

We are in regular contact with clients to meet their security and service requirements. We operate a robust framework for the oversight of the provision of the Company's products and services to our clients. We take a proactive approach with clients especially those who have ongoing contracts.

### Supplier engagement

As a diverse business, we work with a wide range of suppliers, mainly in the UK. We remain committed to being fair and transparent in our dealings with all of our suppliers and recognize the valuable contribution they make to the smooth running of our business. Our collaborative sessions with our key suppliers identify continual improvements to processes between the two parties and identify opportunities to combat price increases and finally to be informed of new products and services from the suppliers.

The Group and the Company has procedures requiring due diligence of suppliers as to their internal governance, including for example GDPR, anti-bribery and corruption practices, data protection policies and modern slavery matters.

The Group and the Company has systems and processes in place to ensure suppliers are paid in a timely manner and have a very proud record in this respect.

# Banham Patent Locks Holdings Limited

**Strategic report**  
**for the year ended 31 December 2022 (continued)**

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## Section 172 statement (continued)

### Community and Environment

The Board's approach to social responsibility, diversity and the community is of high importance. Corporate social responsibility principles are part of our culture and decision-making process. We take a consultative approach focused on building long term relationships and solving business problems. We are ISO 50001 registered and also have a dedicated Charitable Foundation to underpin this.

The Board continues to commit and broaden the company's work and associations with local charitable organisations, involving local schools, mentoring programmes and homeless projects through the Banham Charitable Foundation.

We work with our regulators including NSI, SIA and the government in an open and proactive manner to help develop regulations that meet the needs of all our stakeholders.

We have a risk and control framework and monthly CEDRIC reports to ensure that the Group and the Company complies with all legal and regulatory requirements relating to the provision of products and services to our clients.

### Key decisions during 2022

The Board completed at the end of June 2022 the strategic acquisition of Tops Security Solutions Limited, who specialise in the installation and servicing of intruder alarms, CCTV and access control. With this acquisition, we are continuing our exciting expansion and growth, giving us a local presence in the West. This decision aligns with the business strategy of continued growth and was supported by shareholders. Part of the acquisition strategy was to retain the expert knowledge of the Tops workforce and help support the growth of their reputation in the South West. The current employees are key to that and we very much have retention of the current staff as a priority as part of the acquisition. The acquisition provides specialist resource to further support our engineering teams, as well as an opportunity to grow the B2B side of the business (Tops has about 80% B2B).

The business continues to invest in new technology to assist in the support of our customers and employees. We are replacing our Field Services Management tool which is an ongoing project due to go live in 2023. From first call to final sign off, we will be able to deliver a more personalized and connected service to our customers, improving our business real-time reactivity and simplifying back-office processes. This will have a positive impact on the overall customer journey and service that we provide.

## Approval

This report was approved by the board of directors on 22.12.2023 and signed on behalf of the board by:



L A F Banham  
Director

Registered office:  
20 Thornsett Road  
London  
SW18 4EF

# Banham Patent Locks Holdings Limited

## Directors' report for the year ended 31 December 2022

The directors present their report and the financial statements of the group and company for the year ended 31 December 2022.

### Directors

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

C M Banham	L Q Banham	M J Hallatt	M A Herbert (resigned 02 May 2023)
E L Banham	G K F Bramwell	T H Hallatt	C S Phillips (appointed 02 May 2023)
F L Banham	B E Cowper	P A Rodda	C A Robinson (appointed 02 May 2023, resigned 12 December 2023)
L A F Banham	C R Hallatt	T J Ward	

### Dividends

An interim dividend in the sum of £1,453,059 has been paid. The directors do not recommend the payment of a final dividend.

### Employment of disabled persons

In line with the Equality Act 2010, it is Group and Company policy not to discriminate against persons whether in, or applying for, employment, who have the protected characteristic of disability. The principles, responsibilities, and steps to be taken are outlined in the Companies Equal Opportunities Policy.

### Employee engagement

The Group and the Company is an equal opportunity employer and is fully committed to a policy of treating all of its employees and job applicants equally. The Group and the Company takes all reasonable steps to employ, train and promote employees on the basis of their experience, abilities and qualifications without regard to race, nationality, religion or belief, gender, sexual orientation, age, marital status or disability. The Group and the Company also takes all reasonable steps to provide a work environment in which all employees are treated with respect and dignity and that is free of harassment based upon any form of discrimination.

The Board considers it important that employees are kept informed about both the financial and operational performance of the Group and the Company, factors impacting the wider industry and more general employment related matters. Employees are communicated with in a number of formats depending on the communication, this will include emails, team meetings, overall Groupwide meetings and where appropriate as inclusions or changes to the Employee Handbook.

Our employees contribute to a positive working culture and healthy working environment. Employees are key to the success of our business. In addition to aiming to be a responsible employer in our approach to pay and benefits, we continue to engage with our team to ascertain which training and development opportunities should be made available to improve our team's productivity and our individual employees' potential within the business.

We continually invest in employee development and wellbeing to create and encourage an inclusive culture within the organisation. We are aware of people's focus on mental health and have therefore signed up to an Employee Assistance program which employees and their families can use when required.

With costs rising at the fastest rate in over 40 years, we have reviewed our financial performance and forecast for 2023 and awarded a cost of living pay increase. We continue to support our employees whilst protecting the business to continue to offer long-term job security.

Our culture invites different perspectives, new ideas and opportunities for growth. We work hard to ensure our employees feel welcome and are valued and recognised for their hard work. Employees have regular team meetings with their managers, where they have opportunity to give feedback. Managers of the various areas of the business have regular meetings with the Executive team to review performance and to both give and receive feedback. Communication around changes to peoples working environment are done either via team meetings or if required, on a one to one basis with the Employee and one of the Executive team.

# Banham Patent Locks Holdings Limited

## Directors' report for the year ended 31 December 2022 (continued)

### Streamlined energy and carbon reporting

The group had its Energy Management System certified with ISO 50001 with the purpose of enabling the Company to follow a systematic approach in achieving continual improvement of energy performance, including efficiency, energy use and consumption. The company subscribes to the CEDREC website to ensure compliance with all legal requirements.

Group entities with the scope of SECR requirements were targeting across 2022 a 1% reduction in electricity and gas consumption and to increase the number of electric/hybrid vehicles from 6 to 8 in the Banham fleet with an 1% improvement in miles per litre. For group entities within the scope of Streamlined energy and carbon reporting (SECR) requirements, there was an 7.3% improvement on tCO<sub>2</sub>e emitted for electricity consumption and a 22.3% decrease tCO<sub>2</sub>e emitted in gas usage (heat purchased) for the year. The group also targeted increasing the number of electric/hybrid vehicle in its fleet by 50% (4 vehicles) in 2022 which was achieved. Further improvements are targeted, monitored and measured through the Energy Management System.

For Group entities within the scope of SECR requirements, with regards to Fleet, we have seen a 9.77% improvement in Miles per Litre, linked to an increase in electric/hybrid vehicles as well as renewing of older vehicles throughout the year. Further, the Group is i) looking to increase the usage of electric/hybrid vehicles in the fleet in 2023, and ii) utilising a Field Service Management product that includes a real time route optimisation tool providing engineers with the most time effective route to their visits. This was implemented in November 2023. The general working environment has stabilised and we believe 2023 will be comparably similar to 2022.

For Group entities within the scope of SECR requirements,

The below table is for group entities that are individually large and therefore are within the scope of Streamlined energy and carbon reporting requirements.

	2022		2021	
	Consumption	Emissions (tCO <sub>2</sub> e)	Consumption	Emissions (tCO <sub>2</sub> e)
<b>Scope 1 emissions – direct emissions from operations</b>				
Company vehicles	326,828 litres	577	324,014 litres	533
Electric vehicles	38,272 miles	4	20,492 miles	1
<b>Scope 2 emissions – indirect emissions</b>				
Electricity purchased	591,333 kWh	114	579,017 kWh	123
Heat purchased	305,424 kWh	52	366,673 kWh	67
<b>Scope 3 emissions – other indirect emissions</b>				
Waste disposal	107	2	96 tonnes	2
Homeworking (per FTE working hours)	3,228 hours	1	Nil hours	-
<b>Total greenhouse gas emissions</b>		<b>750</b>		<b>726</b>
<b>Turnover of Group entities within the scope of SECR requirements, £'m</b>		<b>40.415</b>		<b>37.250</b>
<b>Intensity metric tCO<sub>2</sub>e/£'m turnover</b>		<b>18.6</b>		<b>19.5</b>

### Methodology

We report on our emission sources as required by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon report) Regulations 2018 (SI 2018/1155). We have used the GHG Protocol Corporate Accounting and Reporting Standards and data gathered to fulfil the reporting requirements. This includes DEFRA conversion factors to calculate greenhouse gas emission disclosures. Banham subscribes to the CEDREC website to ensure compliance with legal requirements.

Water consumption data is excluded from the above emissions analysis as the information available is not sufficiently accurate for reporting purposes.



# Banham Patent Locks Holdings Limited

## Directors' report for the year ended 31 December 2022 *(continued)*

### Events after the end of the financial year

On 23 June 2023 the company purchased and cancelled 5,000 ordinary shares of 5p each.

### Disclosure of information in the strategic report

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 regarding the business review, future developments and financial instruments.

### Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 for that year.

In preparing these financial statements, the directors are required to:

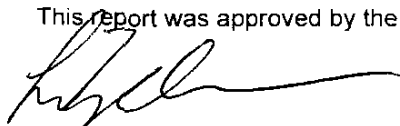
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

### Auditor

All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

This report was approved by the board of directors on 22.12.2023 and signed on behalf of the board by:



L A F Banham  
Director

Registered office:  
20 Thornsett Road, London, SW18 4EF

# Banham Patent Locks Holdings Limited

## Independent auditor's report

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### Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's profit and the Parent Company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Banham Patent Locks Holdings Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2022 which comprise Consolidated statement of comprehensive income, Consolidated balance sheet, Consolidated statement of changes in equity, Consolidated statement of cash flows, Company balance sheet, Company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Strategic Report and Directors' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# **Banham Patent Locks Holdings Limited**

## **Independent auditor's report (continued)**

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Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# Banham Patent Locks Holdings Limited

## Independent auditor's report (continued)

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### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that are applicable to the Group and Parent Company. These include, but are not limited to, compliance with the Companies Act, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.
- Making enquiries of management regarding the Group and Company's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
- Reviewing minutes of the board of Directors in order to identify any instances of fraud or non-compliance with laws and regulations.
- Assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur in the financial statements and any potential indicators of fraud. We identified potential for fraud in the following areas and performed the following procedures:
  - Management override of controls: we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates and judgements. Audit procedures performed included:
    - challenging assumptions made by management in their significant accounting estimates in particular in relation to provisions for impaired or obsolete stock, and provisions against accounts receivable;
    - identifying and testing journal entries, in particular any journal entries to revenue not in line with expectations and reviewing journal entries for journals inconsistent with the usual transactions of the Group and Company.
  - Revenue recognition: application of cut off and existence. Our procedures have been designed to ensure revenue is recognised in the correct period with amounts appropriately deferred or accrued reflective of receipts and the timing of services or goods provided.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## Banham Patent Locks Holdings Limited

### Independent auditor's report (continued)

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#### Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Ian Clayden*

E25A0E124BD44AA

Ian Clayden (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date 22 December 2023

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

# Banham Patent Locks Holdings Limited

## Consolidated statement of comprehensive income for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Turnover</b>	3	<b>45,188</b>	40,794
Cost of sales		<b>(23,295)</b>	(19,815)
<b>Gross profit</b>		<b>21,893</b>	20,979
Distribution expenses		<b>(1,442)</b>	(1,345)
Administrative expenses		<b>(16,808)</b>	(16,325)
Other operating income/(repayment) – government grant income (CJRS)		-	(8)
<b>Operating profit</b>	6	<b>3,643</b>	3,301
Interest receivable	7	29	1
Other non-operating income		-	81
<b>Profit on ordinary activities before taxation</b>		<b>3,672</b>	3,383
Taxation on profit on ordinary activities	8	<b>(732)</b>	(717)
<b>Profit on ordinary activities after taxation</b>		<b>2,940</b>	2,666
<b>Profit for the financial year</b>		<b>2,940</b>	2,666
<b>Total comprehensive income</b>		<b>2,940</b>	2,666

The notes on pages 19 to 39 form part of these financial statements.

# Banham Patent Locks Holdings Limited

## Consolidated balance sheet at 31 December 2022

<b>Company number 08207714</b>	<b>Note</b>	<b>2022 £'000</b>	<b>2022 £'000</b>	<b>2021 £'000 (restated)</b>	<b>2021 £'000</b>
<b>Fixed assets</b>					
Intangible assets	11		<b>4,783</b>		4,097
Tangible assets	12		<b>2,928</b>		2,868
Fixed asset investments	13		<b>92</b>		85
			<hr/>		<hr/>
			<b>7,803</b>		7,050
<b>Current assets</b>					
Stocks	14	<b>5,024</b>		5,147	
Debtors	15	<b>16,411</b>		14,863	
Current asset investments	16	<b>1,845</b>		999	
Cash at bank and in hand		<b>14,301</b>		14,874	
		<hr/>		<hr/>	
		<b>37,581</b>		36,783	
<b>Creditors: amounts falling due within one year</b>	17	<b>(16,210)</b>		(15,408)	
		<hr/>		<hr/>	
<b>Net current assets</b>			<b>21,371</b>		20,475
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			<b>29,174</b>		27,525
			<hr/>		<hr/>
<b>Creditors: amounts falling due after more than one year</b>	18		<b>(34)</b>		-
<b>Provision for liabilities</b>					
Deferred tax	19		<b>(129)</b>		(1)
			<hr/>		<hr/>
			<b>29,011</b>		27,524
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	20		<b>6</b>		6
Profit and loss account			<b>29,005</b>		27,518
			<hr/>		<hr/>
<b>Shareholders' funds</b>			<b>29,011</b>		27,524
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 22 December 2023.



L A F Banham  
Director

The notes on pages 19 to 39 form part of these financial statements.

# Banham Patent Locks Holdings Limited

## Consolidated statement of changes in equity for the year ended 31 December 2022

	Share capital £'000	Profit and loss account £'000	Total equity £'000
<b>1 January 2022</b>	<b>6</b>	<b>27,518</b>	<b>27,524</b>
<b>Comprehensive income for the year</b>			
<b>Profit for the year</b>	-	2,940	2,940
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	-	2,940	2,940
	<hr/>	<hr/>	<hr/>
<b>Contributions by and distributions to owners</b>			
<b>Dividends (note 10)</b>	-	(1,453)	(1,453)
	<hr/>	<hr/>	<hr/>
<b>Total contributions by and distributions to owners</b>	-	(1,453)	(1,453)
	<hr/>	<hr/>	<hr/>
<b>31 December 2022</b>	<b>6</b>	<b>29,005</b>	<b>29,011</b>
	<hr/>	<hr/>	<hr/>
	Share capital £'000	Profit and loss account £'000	Total equity £'000
<b>1 January 2021</b>	<b>6</b>	<b>26,159</b>	<b>26,165</b>
<b>Comprehensive income for the year</b>			
<b>Profit for the year</b>	-	2,666	2,666
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	-	2,666	2,666
	<hr/>	<hr/>	<hr/>
<b>Contributions by and distributions to owners</b>			
<b>Dividends (note 10)</b>	-	(1,307)	(1,307)
	<hr/>	<hr/>	<hr/>
<b>Total contributions by and distributions to owners</b>	-	(1,307)	(1,307)
	<hr/>	<hr/>	<hr/>
<b>31 December 2021</b>	<b>6</b>	<b>27,518</b>	<b>27,524</b>
	<hr/>	<hr/>	<hr/>

The notes on pages 19 to 39 form part of these financial statements.



# Banham Patent Locks Holdings Limited

## Consolidated statement of cash flows for the year ended 31 December 2022

	2022 £'000	2021 £'000 (restated)
<b>Cash flows from operating activities</b>		
<b>Profit for the financial year</b>	<b>2,940</b>	<b>2,666</b>
Adjustments for:		
Depreciation of fixed assets	639	606
Amortisation and impairment of intangible fixed assets	756	736
Fair value losses/(gains) on current asset investments	74	(80)
Net interest receivable	(29)	(1)
Taxation expense	732	717
(Increase)/Decrease in trade and other debtors	(1,394)	618
Decrease in stocks	277	(184)
Increase/(Decrease) in trade and other creditors	688	(1,434)
(Profit) on disposal of fixed assets	(56)	(54)
<b>Cash from operations</b>	<b>4,627</b>	<b>3,590</b>
Interest paid	(2)	-
Taxation paid	(792)	(838)
<b>Net cash generated from operating activities</b>	<b>3,833</b>	<b>2,752</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of tangible fixed assets	218	147
Purchases of tangible fixed assets	(815)	(749)
Purchase of intangible fixed assets	(845)	(667)
Purchase of subsidiary undertakings, net of cash acquired	(606)	(5,481)
Investments acquired	(1,097)	(289)
Investments disposed of	182	310
Interest received	19	1
<b>Net cash from investing activities</b>	<b>(2,944)</b>	<b>(6,728)</b>
<b>Cash flows from financing activities</b>		
Equity dividends paid	(1,453)	(1,307)
Loan repaid	(9)	-
<b>Net cash used in financing activities</b>	<b>(1,462)</b>	<b>(1,307)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(573)</b>	<b>(5,283)</b>
Cash and cash equivalents at beginning of year	14,874	20,157
<b>Cash and cash equivalents at end of year</b>	<b>14,301</b>	<b>14,874</b>
<b>Cash and cash equivalents comprise:</b>		
Cash at bank and in hand	14,301	14,874

The notes on pages 19 to 39 form part of these financial statements.

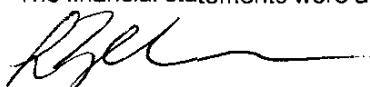
# Banham Patent Locks Holdings Limited

## Company balance sheet at 31 December 2022

<b>Company number 08207714</b>	<b>Note</b>	<b>2022 £'000</b>	<b>2022 £'000</b>	<b>2021 £'000</b>	<b>2021 £'000</b>
<b>Fixed assets</b>					
Fixed asset investments	13		6		6
<b>Current assets</b>					
Debtors	15	1,097		1,395	
Cash at bank and in hand		74		86	
		<u>1,171</u>		<u>1,481</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(1,171)</u>		<u>(1,481)</u>	
<b>Net current assets</b>			-		-
<b>Total assets less current liabilities</b>			<u>6</u>		<u>6</u>
<b>Capital and reserves</b>					
Called up share capital	20		6		6
Profit and loss account			-		-
<b>Shareholders' funds</b>			<u>6</u>		<u>6</u>

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 profit of £1,453,059 (2021 - £1,307,481) that relates to the company.

The financial statements were approved by the Board of Directors and authorised for issue on 22 December 2023.



L A F Banham  
Director

The notes on pages 19 to 39 form part of these financial statements.

# Banham Patent Locks Holdings Limited

## Company statement of changes in equity for the year ended 31 December 2022

	Share capital £'000	Profit and loss account £'000	Total equity £'000
<b>1 January 2022</b>	<b>6</b>	<b>-</b>	<b>6</b>
<b>Comprehensive income for the year</b>			
<b>Profit for the year</b>	<b>-</b>	<b>1,453</b>	<b>1,453</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1,453</b>	<b>1,453</b>
<b>Contributions by and distributions to owners</b>			
<b>Dividends (note 10)</b>	<b>-</b>	<b>(1,453)</b>	<b>(1,453)</b>
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>(1,453)</b>	<b>(1,453)</b>
<b>31 December 2022</b>	<b>6</b>	<b>-</b>	<b>6</b>
	Share capital £	Profit and loss account £	Total equity £
<b>1 January 2021</b>	<b>6</b>	<b>-</b>	<b>6</b>
<b>Comprehensive income for the year</b>			
<b>Profit for the year</b>	<b>-</b>	<b>1,307</b>	<b>1,307</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>1,307</b>	<b>1,307</b>
<b>Contributions by and distributions to owners</b>			
<b>Dividends (note 10)</b>	<b>-</b>	<b>(1,307)</b>	<b>(1,307)</b>
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>(1,307)</b>	<b>(1,307)</b>
<b>31 December 2021</b>	<b>6</b>	<b>-</b>	<b>6</b>

The notes on pages 19 to 39 form part of these financial statements.

# Banham Patent Locks Holdings Limited

## Notes forming part of the financial statements for the year ended 31 December 2022

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### 1.1 General Information

Banham Patent Locks Holdings Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

### 1.2 Statement of compliance

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

### 1.3 Accounting policies

#### Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement or net debt reconciliation has been presented for the parent company;
- Disclosures in respect of the parent company's income, expense, net gains and net losses on financial instruments measured at amortised cost have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

#### Basis of preparation

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### *Going concern*

In preparing the financial statements, the directors have considered existing and available financial resources and various trading scenarios for not less than 12 months from the date of approval of these financial statements. In light of the company's trading performance throughout 2022 and to date in 2023, and the sufficiency of available cash resources within the Company and Group, the directors have concluded that it remains appropriate to continue to prepare these financial statements on the going concern basis and have not identified a material uncertainty in this regard.

These financial statements do not include adjustments that would be required were the company not considered a going concern.

# Banham Patent Locks Holdings Limited

## Notes forming part of the financial statements for the year ended 31 December 2022 (continued)

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### 1.3 Accounting policies (continued)

The following principal accounting policies have been applied:

#### *Basis of consolidation*

The consolidated financial statements incorporate the results of Banham Patent Locks Holdings Limited and its subsidiary undertakings as at 31 December 2022 as if they formed a single entity. Intragroup transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

#### *Intangible fixed assets*

##### *a) Goodwill*

Goodwill represents the excess of the cost of a business combination over the fair value of group's share of the net identifiable assets and liabilities of the acquired subsidiary at the date of acquisition. Goodwill on acquisition is included in "intangible assets".

For business combinations occurring after 1 January 2019, intangible assets acquired are recognised separately from goodwill only when they are separable from the acquired entity and give rise to other contractual/legal rights. Prior to 1 January 2019 intangible assets acquired were recognised separately from goodwill when they were separable from the acquired entity or gave rise to other contractual/legal rights.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. If a reliable estimate cannot be made, the useful life of goodwill is presumed to be 10 years.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

##### *b) Customer relationships*

Intangible assets such as customer relationships are recognised on business combinations if they are separately identifiable from the acquired entity or give rise to other contractual or legal rights. Identifiable assets are recognised at their fair value at the acquisition date. The identified intangibles are amortised over the useful economic life of the asset.

##### *c) Software development*

Software development costs are amortised over the useful economic life from the point at which the assets are brought into use.

# Banham Patent Locks Holdings Limited

## Notes forming part of the financial statements for the year ended 31 December 2022 (*continued*)

### 1.3 Accounting policies (*continued*)

#### *Amortisation of intangible fixed assets*

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset once the asset is available for use as follows:

Goodwill	-	Over useful economic lives of between 5 to 10 years
Customer Relationships	-	Over useful economic lives of 10 years
IT Software	-	Over useful economic lives of 5 years

Amortisation is charged to "Administrative expenses".

If a change is required in amortisation rate, useful life or residual value of an intangible asset, the change in accounting estimate is applied prospectively.

#### *Revenue*

Revenue from the sales of goods is recognised when the group has transferred the significant risks and rewards of ownership to the buyer and it is probable that the group will receive the previously agreed upon payment. These criteria are considered to be met when the goods or services are delivered to the buyer.

Fees received in advance for goods or services including subscriptions are deferred and credited to revenue when the goods are transferred or on a time-apportionment basis for services provided.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

#### *Government grant income*

Grant income is recognised using the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature, including the UK Government Coronavirus Job Retention Scheme ('CJRS' or 'furlough') income, are recognised in the consolidated statement of comprehensive income in the same period as the related expenditure.

#### *Valuation of investments*

In the company's individual accounts, investments in subsidiaries are measured at cost less accumulated impairment.

Investments in debt instruments (such as fixed term deposits) are classified as fixed asset investments unless the maturity of the instrument is less than 12 months after the balance sheet date in which case the instrument is classified as current asset investments. Gains and losses on remeasurement are recognised in profit or loss for the period.

Investments in listed equity, which have been classified as current asset investments, are remeasured to market value (quoted market price in an active market) at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

# Banham Patent Locks Holdings Limited

## Notes forming part of the financial statements for the year ended 31 December 2022 (continued)

### 1.3 Accounting policies (continued)

#### *Current and deferred taxation*

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the company can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined based on the rates expected to apply at the date of reversal, using tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax balances are not discounted.

#### *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.

#### *Holiday pay accrual*

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

#### *Foreign currencies*

Foreign currency transactions are translated into the group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

# Banham Patent Locks Holdings Limited

## Notes forming part of the financial statements for the year ended 31 December 2022 (*continued*)

### 1.3 Accounting policies (*continued*)

#### *Tangible fixed assets*

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Costs of replacing items of fixed assets are capitalised when they are expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

#### *Depreciation*

Depreciation is calculated once an asset is available for use so as to write off the cost of tangible fixed assets less their estimated residual values over their expected useful economic lives as follows:

Improvement to buildings	-	20%-25% net book value
Freehold land	-	Not depreciated
Buildings	-	50 years straight line
Plant and equipment	-	10%-25% net book value
Motor vehicles	-	25% net book value

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income or losses' in the statement of comprehensive income.

#### *Impairment of fixed assets and goodwill*

Fixed assets and goodwill are assessed at each reporting date to determine whether there is any indicators that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Fixed assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased, except for goodwill where impairment losses previously recognised are not reversed.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition. Utilisation of inventory is recorded in the income statement in cost of sales on an average cost basis.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.



# Banham Patent Locks Holdings Limited

## Notes forming part of the financial statements for the year ended 31 December 2022 (*continued*)

---

### 1.3 Accounting policies (*continued*)

#### *Cash and cash equivalents*

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of no more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### *Financial assets*

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

#### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

#### *Defined contribution pension plans*

Contributions to the group's defined contribution pension scheme are charged to profit and loss in the year in which they become payable.

#### *Reserves*

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

#### *Termination benefits*

Termination benefits are recognised when the group or company is demonstrably committed to terminate the employment of an individual employee or group of employees. The group or company is demonstrably committed to a termination only when the group or company has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

#### *Leased assets: Lessee*

The group does not have any finance leases. Operating lease rentals are charged to profit or loss on a straight line basis over the term of the lease.

### 1.4 Prior period restatement

The group has identified the need to make a correction to the consolidated balance sheet as at 31 December 2021 where the adjustment to derecognise sales invoices which had been issued in advance of services commencing prior to the year end. This results in a reduction in current assets being trade debtors by £900k, and a reduction in current liabilities being deferred income by £750k and taxation and social security by £150k.

As a result of this correction the consolidated statement of cash flows required restatement to amend (Increase)/Decrease in trade and other debtors from a cash outflows of £282k to a cash inflow of £618k, and to amend (Decrease) in trade and other creditors from a cash outflow of £535k to a cash outflow of £1,434k.

# Banham Patent Locks Holdings Limited

## Notes forming part of the financial statements for the year ended 31 December 2022 (*continued*)

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### 1.4 Prior period restatement (continued)

There is no impact in the prior year to the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated net current assets, consolidated net assets, company balance sheet, or company statement of changes in equity as a result of this restatement.

### 2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- *Impairment indicators of the group's fixed assets*  
Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill and other intangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- *Impairment indicators of the group's trade receivables*  
Determine whether there are indicators of impairment of the group's trade receivables and the determination of the level of impairment provisions. Factors taken into consideration in reaching such a decision include a review of payment history, ongoing correspondence and corrective action available to the group.
- *Stock obsolescence*  
Determine whether there are indicators of obsolescence of the group's stock and the determination of the level of obsolescence provisions. Factors taken into consideration in reaching such a decision include a review of stock usage and stock that may be required to service active maintenance contracts.
- *Customer relationships*  
The fair value of customer relationships recognised on business acquisition where they are separately identifiable from the acquired entity or give rise to other contractual or legal rights. Identifiable assets are recognised at their fair value at the acquisition date.
- *Amortisation of intangible fixed assets*  
Intangible fixed assets are amortised over their useful lives and if there is an indication of a significant change in the amortisation rate, useful life or residual value of an intangible asset.

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### *Other key sources of estimation uncertainty*

- *Tangible fixed assets*  
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- *Amortisation of goodwill*  
Goodwill is amortised over its estimated useful lives. The actual lives of the assets and residual values are assessed annually and may vary depending on various factors. In re-assessing appropriate amortisation periods for goodwill factors such as revenue and profit generation are considered.

# Banham Patent Locks Holdings Limited

## Notes forming part of the financial statements for the year ended 31 December 2022 (*continued*)

### 2 Judgements in applying accounting policies and key sources of estimation uncertainty (*continued*)

- Recoverable value of goodwill**  
 To assess if any impairment exists, estimate are made of the future cash flows expected and subject to discounting to present value. Actual outcomes could vary from such estimates of discounted future cash flows. Such calculations require assumptions related to the appropriate discount rate, the long-term growth rate, the rate of inflation, and also short-term performance and cash flows. The Directors consider historical performance, internal information and external information to arrive at these estimates. Further details of the impairment review undertaken, assumptions and sensitivities are given in note 11.

### 3 Analysis of turnover

#### Analysis of turnover by business:

	2022 £'000	2021 £'000
Burglary prevention	41,775	37,799
Manufacturing	3,413	2,995
	<b>45,188</b>	<b>40,794</b>

#### Analysis of turnover by country of destination:

	2022 £'000	2021 £'000
United Kingdom	45,054	40,628
Rest of Europe	60	34
Rest of the world	74	132
	<b>45,188</b>	<b>40,794</b>

### 4 Employees

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Staff costs, including directors, consist of:				
Wages and salaries	18,919	18,195	-	-
Social security costs	2,308	2,059	-	-
Cost of defined contribution pension scheme	556	557	-	-
Termination benefits	37	52	-	-
	<b>21,820</b>	<b>20,863</b>	<b>-</b>	<b>-</b>

A defined contribution pension scheme is operated by the group on behalf of the employees of subsidiary undertakings. The assets of the scheme are held separately from those of the group in an independently administered fund. Group contributions amounting to £130,239 (2021 - £30,287) were payable to the fund at the year end and are included in other creditors. Company contributions amounting to £Nil (2021 - £Nil) were payable to the fund at the year end.

# Banham Patent Locks Holdings Limited

Notes forming part of the financial statements  
for the year ended 31 December 2022 (continued)

## 4 Employees (continued)

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

	Group 2022 Number	Group 2021 Number	Company 2022 Number	Company 2021 Number
Motor mechanics	2	2	-	-
Despatch riders	34	36	-	-
Fitters/operators	187	181	-	-
Surveyors	20	20	-	-
Manufacturing	41	43	-	-
Administration	164	165	-	-
Directors	13	13	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	461	460	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Directors are statutory officers of Banham Patent Locks Holdings Limited with employment contracts with Banham Patent Locks Limited.

## 5 Directors' remuneration

	2022 £'000	2021 £'000
Directors' emoluments	2,328	2,415
Pension contributions	41	40
	<hr/>	<hr/>
	2,369	2,455
	<hr/>	<hr/>

There were 5 directors in the group's defined contribution pension scheme (2021 - 5).

Emoluments of the highest paid director were £546,020 (2021 - £496,000). Company pension contributions of £Nil (2021 - £Nil) were made to a pension scheme on his behalf.

Directors are statutory officers of Banham Patent Locks Holdings Limited with employment contracts with Banham Patent Locks Limited.

## 6 Operating profit

	2022 £'000	2021 £'000
This has been arrived at after charging:		
Depreciation of tangible fixed assets	639	606
Amortisation of goodwill and other intangible fixed assets	756	736
Fees payable to the company's auditor for the audit of:		
- the company	12	10
- subsidiary undertakings	128	130
Impairment loss in respect of bad and doubtful trade debtors	30	199
Profit on disposal of tangible fixed assets	90	55
Loss on disposal of intangible fixed assets	(34)	-
Operating lease rentals	87	87
Other operating lease rentals	951	945
	<hr/>	<hr/>

# Banham Patent Locks Holdings Limited

## Notes forming part of the financial statements for the year ended 31 December 2022 (*continued*)

### 7 Interest receivable

	2022 £'000	2021 £'000
Bank interest receivable	29	1

### 8 Taxation on profit from ordinary activities

	2022 £'000	2021 £'000
<i>Current tax</i>		
Taxation on profit on ordinary activities	733	717
Adjustment in respect of prior year	-	-
	733	717

#### *Deferred tax*

Origination and reversal of timing differences	(1)	-
Tax on profit on ordinary activities	732	717

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

	2022 £'000	2021 £'000
Profit on ordinary activities before tax	3,678	3,383
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2021 – 19.00%)	699	643
Effects of:		
Expenses not deductible for tax	8	14
Fixed asset differences	22	22
Other timing differences	3	38
Tax charge for year	732	717

### 9 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 profit of £1,453,059 (2021: £1,307,481) that relates to the company.

### 10 Dividends

	2022 £'000	2021 £'000
Interim dividends paid at £12.67 per share (2021 – £11.40) per share	1,453	1,307

# Banham Patent Locks Holdings Limited

Notes forming part of the financial statements  
for the year ended 31 December 2022 (*continued*)

## 11 Intangible assets

Group	Software development £'000	Customer relationships £'000	Licence Agreements £'000	Goodwill £'000	Total £'000
<i>Cost</i>					
At 1 January 2022	1,788	735	234	7,995	10,752
Additions	604	631	241	-	1,476
Disposals	(34)	-	-	-	(34)
At 31 December 2022	<b>2,358</b>	<b>1,366</b>	<b>475</b>	<b>7,995</b>	<b>12,194</b>
<i>Amortisation</i>					
At 1 January 2022	462	735	-	5,458	6,655
Provision for year	255	37	-	464	756
At 31 December 2022	<b>717</b>	<b>772</b>	<b>-</b>	<b>5,953</b>	<b>7,411</b>
<i>Net book value</i>					
At 31 December 2022	<b>1,641</b>	<b>594</b>	<b>475</b>	<b>2,073</b>	<b>4,783</b>
At 31 December 2021	1,326	-	234	2,537	4,097

Additions in respect of licences agreements in the year have been incurred in respect of assets that have not yet been brought into use.

An impairment indicator for the Group's goodwill arising from the acquisition of the Moor Heart Limited group was identified. This resulted in management undertaking an impairment assessment to determine the recoverable value of the goodwill. Management estimated the recoverable value by reference to the goodwill's value in use which was supported by a discounted cash flow model. The Moor Heart Limited group is considered to comprise of a single cash generating unit, being the operations of Guardian Locks and Engineering Company Ltd.

The key variables applied to the value in use calculation were determined as follows:

- Cash flows were derived based on the budget for 2023, with gross profit margin maintained at 2022 rates. Cash flows for future periods were derived from the 2023 cash flows by applying inflation derived from the Bank of England's forecast as reported in the Monetary Policy Report for November 2022 (2024: 2.8%, 2025: 1.7%, 2026 & 2027: 2.0%).
- Long-term growth factor used of 2.0%
- A pre-tax discount rate of 19.86%, calculated by reference to a weighted average cost of capital (WACC) based on an industry peer group and subject to a premium to reflect the Group's size.

An impairment may be identified if changes to any of the factors mentioned above become significant, including under-performance of the Group against forecast or a deterioration in the UK economy, which would cause the Directors to reconsider their assumptions and revise their cash flow projections. Based on the VIU modelling and impairment testing, the Directors do not consider an impairment charge to be required in respect of any of the goodwill carried in the balance sheet at 31 December 2022.

The Directors' calculated sensitivity analysis as follows:

- an increase in the discount rate of 1.0% would reduce value in use by £103k
- an increase in the long-term growth rate of 0.5% would increase value in use by £56k

# Banham Patent Locks Holdings Limited

Notes forming part of the financial statements  
for the year ended 31 December 2022 (*continued*)

## 12 Tangible assets

Group	Plant and machinery £'000	Motor vehicles £'000	Freehold land and buildings £'000	Total £'000
<i>Cost or valuation</i>				
At 1 January 2022	1,703	2,554	1,505	5,762
Acquisition of subsidiary (note 22)	1	11	-	12
Additions	258	557	-	815
Disposals	-	(458)	-	(458)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	<b>1,962</b>	<b>2,664</b>	<b>1,505</b>	<b>6,131</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 January 2022	875	1,230	789	2,894
Charge for the year	207	420	12	639
Eliminated on disposal	-	(330)	-	(330)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	<b>1,082</b>	<b>1,320</b>	<b>801</b>	<b>3,203</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2022	<b>880</b>	<b>1,344</b>	<b>704</b>	<b>2,928</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	828	1,324	716	2,868
	<hr/>	<hr/>	<hr/>	<hr/>

## 13 Fixed asset investments

Group	Other investments £'000	Total £'000
<i>Cost or valuation</i>		
At 1 January 2022	85	85
Acquisition of subsidiary (note 21)	-	-
Additions	-	-
Disposals	-	-
Accrued interest	7	7
	<hr/>	<hr/>
At 31 December 2022	<b>92</b>	<b>92</b>
	<hr/>	<hr/>

Other investments are fixed term deposits which mature in more than 12 months after the balance sheet date

# Banham Patent Locks Holdings Limited

Notes forming part of the financial statements  
for the year ended 31 December 2022 (continued)

## 13 Fixed asset investments (continued)

Company	£'000
Cost	
At 1 January 2022 and 31 December 2022	6

Fixed asset investments relate to Banham Patent Locks Limited, 100% subsidiary engaged in security related operations, which is incorporated in England and Wales with its registered office at 20 Thornsett Road, London, England, SW18 4EF.

The following are subsidiaries of Banham Patent Locks Limited, each with their registered office at 20 Thornsett Road, London, England, SW18 4EF.

Company	Activity	Country of incorporation	Percentage ownership
Aegis Alarm Systems Limited	Dormant	England	100
Banham Academy Limited	Training	England	100
Banham Alarms Limited	Dormant	England	100
Bridger Alarms Limited	Dormant	England	100
Capstan Security Limited	Dormant	England	100
Close Link Security Limited	Dormant	England	70
CMS Keyholding Limited	Dormant	England	100
Complete Security (Essex) Limited	Dormant	England	100
GSM Security Limited	Dormant	England	100
Security 201 Limited	Dormant	England	100
Tara Security Ltd	Dormant	England	100
Moor Heart Ltd	Holding company	England	100
Guardian Locks and Engineering Company Ltd	Manufacturing	England	100
Banham Close Protection Limited	Dormant	England	100
Banham Keyholding Limited	Dormant	England	100
Banham Security Group Limited	Dormant	England	100
Banham Stealth Limited (formerly "Waterside 30 Limited")	Dormant	England	100
Lost Keys. Co.UK Limited	Dormant	England	100
Securisys Link Limited	Dormant	England	100
Tops Security Solutions Limited	Security	England	100

Operations are based in the country of incorporation. The registered offices of all subsidiary undertakings are the same as the company.



# Banham Patent Locks Holdings Limited

Notes forming part of the financial statements  
for the year ended 31 December 2022 (continued)

## 13 Fixed asset investments (continued)

The company has given guarantees to the following subsidiaries of the group under section 479A of the Companies Act 2006 so that they are exempt from audits of their financial statements for the year ended 31 December 2022.

Aegis Alarm Systems Limited	GSM Security Limited
Banham Academy Limited	Security 201 Limited
Bridger Alarms Limited	Tara Security Limited
Capstan Security Limited	Moor Heart Ltd
Close Link Security Limited	Guardian Locks and Engineering Company Ltd
CMS Keyholding Limited	Tops Security Solutions Limited
Complete Security (Essex) Limited	

## 14 Stocks

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Finished goods and goods for resale	<b>5,024</b>	5,147	-	-

Stock is presented net of an obsolescence provision of £323,723 (2021: £284,768), with the increase of £38,955 (2021: reduction of £16,709) recognised in cost of sales.

## 15 Debtors

	Group 2022 £'000	Group 2021 £'000 (restated)	Company 2022 £'000	Company 2021 £'000
Trade debtors	<b>4,866</b>	4,753	-	-
Other debtors	<b>8,412</b>	8,114	-	-
Prepayments and accrued income	<b>3,133</b>	1,996	-	-
Amounts due from group undertakings	-	-	<b>1,097</b>	1,395
	<b>16,411</b>	14,863	<b>1,097</b>	1,395

All amounts shown within debtors fall due within one year.

Included in other debtors are balances due from related parties of £8,033,917 (2021 - £7,978,909).

# Banham Patent Locks Holdings Limited

Notes forming part of the financial statements  
for the year ended 31 December 2022 (*continued*)

## 16 Current asset investments

Group	Equity investments £'000	Other investments £'000	Total £'000
<i>Cost or valuation</i>			
At 1 January 2022	914	85	999
Additions	97	1,000	1,097
Transferred from fixed asset investments	-	-	-
Disposals	(97)	(85)	(182)
Accrued interest	-	5	5
Increase/(decrease) in fair value	(74)	-	(74)
	<hr/>	<hr/>	<hr/>
At 31 December 2022	<b>840</b>	<b>1,005</b>	<b>1,845</b>
	<hr/>	<hr/>	<hr/>

Equity investments are shares held in listed companies, or similar, which are traded on a regular basis.

Other investments are fixed term deposits which mature in less than 12 months after the balance sheet date.

The total loss recognised on the Equity investments in the period was £73,884 (2021 – income of £80,316) representing the fair value remeasurement losses of £87,544 (2021 – gain of £69,528) less dividends received of £13,660 (2021 – £10,721).

## 17 Creditors: amounts falling due within one year

	Group 2022 £'000	Group 2021 £'000 (restated)	Company 2022 £'000	Company 2021 £'000
Trade creditors	1,994	1,387	-	-
Bank loan (note 18)	12	-	-	-
Corporation tax	328	366	-	-
Taxation and social security	1,574	1,581	-	-
Accruals and deferred income	8,369	8,251	-	-
Other creditors	3,933	3,823	-	-
Amounts due to group undertakings	-	-	1,171	1,481
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>16,210</b>	<b>15,408</b>	<b>1,171</b>	<b>1,481</b>
	<hr/>	<hr/>	<hr/>	<hr/>

# Banham Patent Locks Holdings Limited

Notes forming part of the financial statements  
for the year ended 31 December 2022 (continued)

## 18 Creditors: amounts falling due after more than one year

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Bank loan	34	-	-	-
	<u>34</u>	<u>-</u>	<u>-</u>	<u>-</u>

The maturity of sources of debt finance are as follows:

Group	Bank loans 2022 £'000	Total 2022 £'000	Bank loans 2021 £'000	Total 2021 £'000
In one year or less, or on demand	12	12	-	-
In more than one year but not more than two years	29	29	-	-
In more than two years but not more than five years	5	5	-	-
In more than five years	-	-	-	-
	<u>46</u>	<u>46</u>	<u>-</u>	<u>-</u>

The bank loan is secured by a fixed and floating charge over the undertaking and assets of Tops Security Solutions Limited. The bank loan of £47,833 is repayable by equal monthly instalments of £1,167 over the term ending 30 April 2026. On 18 July 2023 the Group repaid its bank loans in full.

## 19 Deferred taxation

	2022 £'000	2021 £'000
At beginning of year	1	-
Acquisition of subsidiary (note 21)	129	1
Movement in profit and loss	(1)	-
	<u>129</u>	<u>1</u>

The provision of deferred tax is made up of deferred tax on fixed asset timing differences.

# Banham Patent Locks Holdings Limited

Notes forming part of the financial statements  
for the year ended 31 December 2022 (*continued*)

## 20 Share capital

	2022 Number	Allotted, called up and fully paid 2021 Number	2022 £'000	2021 £'000
Ordinary shares of 5p each	114,688	114,688	6	6

## 21 Financial instruments

	Group 2022 £'000	Group 2021 (restated) £'000	Company 2022 £'000	Company 2021 £'000
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	29,615	29,583	74	1,481
Financial assets that are measured at fair value	840	1,084	-	-
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	6,495	4,899	74	1,481

Financial assets measured at amortised cost comprise of cash, trade and other debtors, accrued income, amounts due from group undertakings and fixed term deposits.

Financial assets measure at fair value comprises equity investments.

Financial liabilities measured at amortised cost comprise of trade and other creditors, accruals, amounts due to group undertakings and bank loans.

## Banham Patent Locks Holdings Limited

### Notes forming part of the financial statements for the year ended 31 December 2022 *(continued)*

#### 22 Business combinations

##### *Acquisition of Tops Security Solutions Limited*

On 29 June 2022 the group acquired 100% of Tops Security Solutions Limited, a company incorporated in England which are burglary prevention specialists, for an initial cash consideration of £585,000, and deferred cash consideration of £32,017, all of which were paid during the year.

In calculating the goodwill arising on acquisition, the fair value of net assets of £134,755 have been assessed and adjustments from book value have been made where necessary.

	Book value £'000	Revaluation of fixed assets £'000	Fair value £'000
<i>Fixed assets</i>			
Intangible assets	-	631	631
Tangible assets	12	-	12
<i>Current assets</i>			
Stocks	42	112	154
Debtors	154	-	154
Cash at bank and in hand	34	-	34
<b>Total assets</b>	<b>242</b>	<b>743</b>	<b>985</b>
<i>Creditors</i>			
Due within one year	(216)	-	(216)
Deferred tax on timing differences	(3)	-	(3)
Deferred tax on differences between fair values and tax bases	-	(126)	(126)
<b>Net assets</b>	<b>23</b>	<b>617</b>	<b>640</b>
Goodwill			-
<b>Total purchase consideration (including expenses of £23,085)</b>			<b>640</b>
Purchase consideration settled in cash, as above			(640)
Cash and cash equivalents in subsidiary acquired			34
<b>Net cash outflow on acquisition</b>			<b>(606)</b>

No goodwill arose on the acquisition.

Since the acquisition date to the year ended 31 December 2022, Tops Security Solutions Limited has contributed £555,126 to group turnover and £24,442 to group profit.

# Banham Patent Locks Holdings Limited

Notes forming part of the financial statements  
for the year ended 31 December 2022 (continued)

## 22 Business combinations (continued)

### Acquisition of Moor Heart Limited

On 29 January 2021 the group acquired 100% of Moor Heart Limited, a company incorporated in England which manufactures and distributes metal components, for an initial cash consideration of £5,519,015, and deferred cash consideration of £1,274,525, all of which were paid during the prior year.

In calculating the goodwill arising on acquisition, the fair value of net assets of £4,259,703 have been assessed and adjustments from book value have been made where necessary.

	Book value £'000	Revaluation of fixed assets £'000	Fair value £'000
<i>Fixed assets</i>			
Tangible assets	783	(9)	774
Fixed asset investments	85	-	85
<i>Current assets</i>			
Stocks	751	42	793
Debtors	858	-	858
Current asset investments	940	-	940
Cash at bank and in hand	1,348	-	1,348
<b>Total assets</b>	<b>4,765</b>	<b>33</b>	<b>4,798</b>
<i>Creditors</i>			
Due within one year	(528)	-	(528)
Deferred tax on differences between fair values and tax bases	(1)	-	(1)
<b>Net assets</b>	<b>4,236</b>	<b>33</b>	<b>4,269</b>
Goodwill (note 11)			2,560
<b>Total purchase consideration (including expenses of £35,180)</b>			<b>6,829</b>
Purchase consideration settled in cash, as above			(6,829)
Cash and cash equivalents in subsidiary acquired			1,348
<b>Net cash outflow on acquisition</b>			<b>(5,481)</b>

The net impairment to tangible fixed assets on acquisition is due to a third party's downward valuation of land and buildings of £95,316 and managements upward valuation of the plant and equipment of £86,539. The fair value of the land and buildings was determined by a professional valuer on a market value basis at 29 January 2021. The valuation was carried out in accordance with the Royal Institute of Chartered Surveyors ("RICS") Valuation Guidance as set out within the 2020 Global Standards and to the local Professional Standards (the "Red Book").

# Banham Patent Locks Holdings Limited

## Notes forming part of the financial statements for the year ended 31 December 2022 (continued)

### 22 Business combinations (continued)

The useful economic life of goodwill has been estimated to be 10 years. Included within goodwill are intangible assets that do not require separate recognition.

Since the acquisition date to the year ended 31 December 2021, Moor Heart Limited has contributed £2,932,937 to group turnover and £147,028 to group profit.

### 23 Commitments under operating leases

At 31 December 2022 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2022 £'000	2021 £'000
Not later than 1 year	93	87
Later than 1 year and not later than 5 years	261	348
Later than 5 years	-	-
	<u>354</u>	<u>435</u>

### 24 Related party transactions

Under FRS 102 the company is required to disclose details of material transactions between itself and related parties. The company has taken advantage of exemptions under FRS 102 not to disclose transactions with wholly owned subsidiaries of the group headed by Banham 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 Banham Patent Locks Holdings Limited.

The balance owed by Banham Patent Locks Limited to Close Link Security Limited at the year end was £989 (2021: £989).

Management fees of £98,846 (2021 - £78,657) were made to Banham Security Limited, a company under common control. The group was charged rent of £95,000 (2021 - £95,000) by Banham Security Limited. At the year-end, the group was owed £8,000,600 (2021 - £7,952,624) by Banham Security Limited.

The group was charged rent of £850,000 (2021 - £850,000) by Banham Security Holdings Limited, a company under common control. At the year end, the group was owed £33,317 (2021 - £11,243) by Banham Security Holdings Limited.

Key management personnel include all statutory directors and a number of non-statutory de facto directors across the company who together have authority and responsibility for planning, directing and controlling the activities of the group. Key management personnel of the entity are remunerated by Banham Patent Locks Limited on behalf of the company. Total compensation paid by the group to key management personnel for services provided to the group totalled £2,591,842 (2021 - £2,537,978).

The directors received dividends in aggregate on the same terms as the other shareholder of £463,406 (2021: £435,986). The remainder of the dividends paid in the year were made to other shareholders who are considered to be related parties by virtue of family relationships with the directors.

## **Banham Patent Locks Holdings Limited**

**Notes forming part of the financial statements  
for the year ended 31 December 2022 (*continued*)**

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### **25 Controlling party**

The Directors do not consider there to be a single controlling party of the Company.

### **26 Post balance sheet events**

On 23 June 2023 the Company purchased and cancelled 5,000 ordinary shares of 5p each.