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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF
EMPLOYEE STOCK REPURCHASE SAVINGS AND SIMILAR PLANS
PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the fiscal year ended December 31, 2005

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934.

For the transition period from _____ to _____

Commission file number 1-106

A. Full title of the plan and the address of the plan, if different
from that of the issuer named below:

401(k) Savings Plan of Lynch Corporation and Participating Employees

B. Name of issuer of the securities held pursuant to the plan and the
address of its principal executive office:

Lynch Corporation
140 Greenwich Avenue, 4th Floor
Greenwich, CT 06830

401(k) Savings Plan of Lynch Corporation
and Participating Employers

Financial Statements
and Supplemental Schedule

Years Ended December 31, 2005 and 2004

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Report of Independent Registered Public Accounting Firm

Board of Directors and Participants
401(k) Savings Plan of Lynch Corporation
and Participating Employers

We have audited the accompanying statements of net assets available for benefits of the 401(k) Savings Plan of Lynch Corporation and Participating Employers as of December 31, 2005 and 2004, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2005 and 2004, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2005 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

June 9, 2006

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401(k) Savings Plan of Lynch Corporation
and Participating Employers

Statements of Net Assets Available for Benefits

| | December 31 | |
|---------------------------|-------------|-------------|
| | 2005 | 2004 |
| | ----- | ----- |
| ASSETS | | |
| Investments | \$4,281,046 | \$3,862,238 |
| Contributions receivable: | | |
| Participants | 2,874 | 2,092 |
| Employer | 10,940 | -- |
| | ----- | ----- |
| | 13,814 | 2,092 |
| | ----- | ----- |
| Total assets | 4,294,860 | 3,864,330 |
| | ----- | ----- |

LIABILITIES

| | | |
|--|-------------|-------------|
| Return of excess participant deferrals | 6,976 | -- |
| | ----- | ----- |
| Net assets available for benefits | \$4,287,884 | \$3,864,330 |
| | ===== | ===== |

SEE ACCOMPANYING NOTES.

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401(k) Savings Plan of Lynch Corporation
and Participating Employers

Statements of Changes in Net Assets Available for Benefits

| | Year Ended December 31 | |
|---|------------------------|--------------|
| | 2005 | 2004 |
| | ----- | ----- |
| ADDITIONS | | |
| Interest and dividend income | \$ 250,429 | \$ 160,143 |
| Net appreciation in fair value of investments | 6,585 | 226,630 |
| | ----- | ----- |
| | 257,014 | 386,773 |
| Contributions: | | |
| Participants | 248,712 | 234,251 |
| Employer | 43,906 | 38,773 |
| | ----- | ----- |
| | 292,618 | 273,024 |
| | ----- | ----- |
| Total additions | 549,632 | 659,797 |
| DEDUCTIONS | | |
| Benefits paid directly to participants | 114,868 | 138,939 |
| Fees | 11,210 | 12,420 |
| | ----- | ----- |
| Total deductions | 126,078 | 151,359 |
| | ----- | ----- |
| Net increase | 423,554 | 508,438 |
| Net assets available for benefits at beginning of year | 3,864,330 | 3,355,892 |
| | ----- | ----- |
| Net assets available for benefits at end of year | \$ 4,287,884 | \$ 3,864,330 |
| | ===== | ===== |

SEE ACCOMPANYING NOTES.

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401(k) Savings Plan of Lynch Corporation
and Participating Employers

Notes to Financial Statements

December 31, 2005

1. DESCRIPTION OF PLAN

The following description of the 401(k) Savings Plan of Lynch Corporation (the Company) and Participating Employers (the Plan) provides only general information. For a more complete description of the Plan's provisions, participants should refer to the Plan Agreement, which is available from the Company.

GENERAL

The Plan is a defined contribution plan covering all employees of the Company and the employees of certain of its subsidiaries, who are at least 18 years of age and who have completed 1,000 hours of service during a consecutive 12-month period. The Plan is subject to the provisions of the Employee Retirement Income

Security Act of 1974 (ERISA).

CONTRIBUTIONS

Participants may elect to contribute, on a pretax basis, between 1% and 15% of their total annual compensation to the Plan up to the maximum allowed under the Internal Revenue Code (the Code).

An annual mandatory employer matching contribution is made to each participant's account equal to 62.5% of the first \$800 of the participant's contribution, as defined in the Plan agreement, generally on or about the closing date of the Plan year. In addition, the Company may make a discretionary matching contribution equal to a percentage of the first \$800 of the participant's contribution. No such discretionary contribution was made in 2005 or 2004.

PARTICIPANTS' ACCOUNTS

Each participant's account is credited with the participant's contributions, employer contributions, and Plan earnings. Allocations are based on participant earnings or account balances, as defined in the Plan Agreement. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

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401(k) Savings Plan of Lynch Corporation and Participating Employers

Notes to Financial Statements (continued)

1. DESCRIPTION OF PLAN (CONTINUED)

VESTING

Participants are vested immediately in all contributions to their accounts, including the Company's matching contributions (mandatory and discretionary, if any) and investment earnings.

PAYMENT OF BENEFITS

Participant benefits are paid as soon as practicable following termination of employment, permanent disability, retirement, death, or upon termination of the Plan in accordance with the terms of the Plan Agreement. All benefit payments are made in lump-sum payments for an amount equal to the fair value of the participant's vested account balance.

PARTICIPANT LOANS

Participants may borrow from their fund accounts a minimum of \$1,000 or up to 50% of their account balance (not to exceed \$50,000). All loans must, by their terms, require repayment over a period not to exceed five years, unless for the purchase of the participant's primary residence for which the term shall be determined by the Company. The loans are secured by the participant's account and bear interest at a reasonable rate as determined by the plan administrator.

PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan, subject to the provisions of ERISA.

EXPENSES

The majority of the Plan's administrative expenses are paid by the Company.

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401(k) Savings Plan of Lynch Corporation

and Participating Employers

Notes to Financial Statements (continued)

2. SUMMARY OF ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared on the accrual basis of accounting.

INVESTMENT VALUATION

The Plan's investments are stated at fair value. The shares of mutual funds are valued at quoted market prices, which represent the net asset values of shares held by the Plan at year end. Common stock is valued at the last reported sales price on the last business day of the year. The fair value of participation units owned by the Plan in the common collective trust fund is based on the redemption value of the fund on the last business day of the plan year.

The Lynch Corporation Stock Fund (the Fund) is tracked on a unitized basis. The Fund consists of Lynch Corporation common stock and funds held in the Galaxy U.S. Treasury Fund sufficient to meet the Fund's daily cash needs. Unitizing the Fund allows for daily trades. The value of a unit reflects the combined market value of Lynch Corporation common stock and the cash investments held by the Fund. At December 31, 2005, 9,754 units were outstanding with a value of \$8.39 per unit (8,149 units were outstanding with a value of \$13.73 per unit at December 31, 2004).

The participant loans are valued at their outstanding balances, which approximate fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

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401(k) Savings Plan of Lynch Corporation
and Participating Employers

Notes to Financial Statements (continued)

3. INVESTMENTS

During 2005 and 2004, the Plan's investments (including investments purchased, sold, as well as held during the year) appreciated in fair value as follows:

| | Year Ended December 31 | |
|--|------------------------|------------|
| | 2005 | 2004 |
| | ----- | ----- |
| Net appreciation in fair value of investments: | | |
| Common stock | \$ (63,460) | \$ 44,044 |
| Mutual funds | 70,045 | 182,586 |
| | ----- | ----- |
| | \$ 6,585 | \$ 226,630 |
| | ===== | ===== |

The fair value of individual investments that represents 5% or more of the Plan's net assets available for benefits is as follows:

| | December 31 | |
|--------------------------------|-------------|-------------|
| | 2005 | 2004 |
| | ----- | ----- |
| Franklin Mutual Qualified Fund | \$1,470,359 | \$1,272,472 |

| | | |
|--|-----------|-----------|
| Fleet Stable Asset Fund | 1,417,305 | 1,346,768 |
| Franklin Mutual Discovery Fund | 586,807 | 473,673 |
| Columbia Government Reserves Fund (formerly Galaxy U.S. Treasury Money Market Fund) | 301,296 | 271,204 |

4. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

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401(k) Savings Plan of Lynch Corporation
and Participating Employers

Notes to Financial Statements (continued)

5. INCOME TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated May 27, 2003, stating that the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Sponsor has indicated that it will take the necessary steps, if any, to maintain its qualification.

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Supplemental Schedule

401(k) Savings Plan of Lynch Corporation
and Participating Employers

401(k) Savings Plan of Lynch Corporation
and Participating Employers

EIN #38-1799862 Plan #004

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

December 31, 2005

| IDENTITY OF ISSUER, BORROWER, LESSOR OR SIMILAR PARTY | DESCRIPTION OF INVESTMENT, INCLUDING MATURITY DATE, RATE OF INTEREST, PAR OR MATURITY VALUE | SHARES | CURRENT VALUE |
|---|---|---------|------------------|
| ----- | ----- | ----- | ----- |
| AMVESCAP National Trust Company | Franklin Mutual Fund | 74,223 | \$1,470,359 |
| | *Fleet Stable Asset Fund | 141,731 | 1,417,305 |
| | Franklin Mutual Discovery Fund | 22,338 | 586,807 |
| | *Columbia Government Reserves Fund (formerly Galaxy U.S. Treasury Money Market Fund) | 301,296 | 301,296 |
| | *Columbia Acorn USA Fund | 6,001 | 162,203 |
| | *Columbia Core Bond Z Fund (formerly Columbia Quality Bond Plus Fund) | 3,795 | 40,375 |

| | | | |
|---------------------|---|-------|-------------|
| | *AIM Global Aggressive Growth Fund | 1,876 | 40,172 |
| | American Century Value Fund | 4,909 | 34,117 |
| | *AIM Diversified Dividend Fund (formerly AIM Core Stock Fund) | 1,723 | 21,387 |
| | *Columbia Balanced Fund | 703 | 15,485 |
| | *AIM Global Health Care Fund (formerly AIM Health Sciences Fund) | 301 | 9,063 |
| | *AIM Blue Chip Investor Fund | 345 | 4,159 |
| | *AIM Technology Fund | 120 | 3,101 |
| Fleet National Bank | | | |
| | *Lynch Corporation - Stock Fund | 9,754 | 81,916 |
| | *Lynch Interactive Corporation - Common Stock | 1,861 | 40,448 |
| | Sunshine PCS Corp. - Common Stock | 2,269 | 255 |
| | Morgan Group Holding Company - Common Stock | 2,057 | 206 |
| Participant loans* | 4% to 9.5% | | 52,392 |
| | | | ----- |
| | | | \$4,281,046 |
| | | | ===== |

* Indicates party-in-interest to the Plan.

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SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

401(K) SAVINGS PLAN OF LYNCH
CORPORATION AND PARTICIPATING EMPLOYEES

Date: June 27, 2006

/s/ Eugene C. Hynes

Name: Eugene C. Hynes
Title: Vice President of Lynch Corporation

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