

REGISTERED NUMBER: 3633197 (England and Wales)

FALCON PRECISION LIMITED
ABBREVIATED UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2007

Rothman Pantall & Co
Chartered Accountants
Fryern House
125 Winchester Road
Chandlers Ford
Hampshire
SO53 2DR



FALCON PRECISION LIMITED
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FOR THE YEAR ENDED 31 MAY 2007

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**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
FALCON PRECISION LIMITED**

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements, from which the unaudited abbreviated accounts (set out on pages two to six) have been prepared.

In accordance with our terms of engagement and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company for the year ended 31 May 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us

This report is made to the company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England & Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the Balance Sheet as at 31 May 2007 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Rothman Pantall & Co
Chartered Accountants
Fryern House
125 Winchester Road
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10 December 2007

This page does not form part of the abbreviated accounts

FALCON PRECISION LIMITED
ABBREVIATED BALANCE SHEET
31 MAY 2007

	Notes	2007 £	£	2006 £	£
FIXED ASSETS					
Intangible assets	2		10,400		15,600
Tangible assets	3		198,043		210,482
			<u>208,443</u>		<u>226,082</u>
CURRENT ASSETS					
Stocks		37,384		35,372	
Debtors		151,043		179,265	
Cash at bank and in hand		77,197		9,340	
		<u>265,624</u>		<u>223,977</u>	
CREDITORS					
Amounts falling due within one year	4	173,978		181,395	
NET CURRENT ASSETS			<u>91,646</u>		<u>42,582</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>300,089</u>		<u>268,664</u>
CREDITORS					
Amounts falling due after more than one year	4		(81,232)		(101,150)
PROVISIONS FOR LIABILITIES			<u>(11,868)</u>		<u>(12,899)</u>
NET ASSETS			<u><u>206,989</u></u>		<u><u>154,615</u></u>
CAPITAL AND RESERVES					
Called up share capital	5		1,000		1,000
Share premium			9,900		9,900
Profit and loss account			196,089		143,715
SHAREHOLDERS' FUNDS			<u><u>206,989</u></u>		<u><u>154,615</u></u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 May 2007

The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2007 in accordance with Section 249B(2) of the Companies Act 1985

The directors acknowledge their responsibilities for

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company

The notes form part of these abbreviated accounts

FALCON PRECISION LIMITED
ABBREVIATED BALANCE SHEET - continued
31 MAY 2007

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the Board of Directors on 9 December 2007 and were signed on its behalf by



Mr D Joyce - Director

The notes form part of these abbreviated accounts

FALCON PRECISION LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2007

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Turnover

Turnover represents net amounts invoiced during the year (excluding value added tax) adjusted for accrued and deferred income where applicable

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as when necessary if circumstances emerge that indicate the carrying value may not be recoverable. The current goodwill is amortised over a period of 10 years.

Amortisation

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

Goodwill	- 10% straight line
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Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter:

Improvements to property	- Write off costs over length of lease
Plant and machinery	- 25% on reducing balance
Furniture & equipment	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Fixed assets

All fixed assets are initially recorded at cost.

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

FALCON PRECISION LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MAY 2007**

1 ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2 INTANGIBLE FIXED ASSETS

	Total £
COST	
At 1 June 2006	
and 31 May 2007	<u>52,000</u>
AMORTISATION	
At 1 June 2006	36,400
Charge for year	<u>5,200</u>
At 31 May 2007	<u>41,600</u>
NET BOOK VALUE	
At 31 May 2007	<u>10,400</u>
At 31 May 2006	<u>15,600</u>

3 TANGIBLE FIXED ASSETS

	Total £
COST	
At 1 June 2006	551,469
Additions	53,647
Disposals	<u>(29,059)</u>
At 31 May 2007	<u>576,057</u>
DEPRECIATION	
At 1 June 2006	340,987
Charge for year	54,866
Eliminated on disposal	<u>(17,839)</u>
At 31 May 2007	<u>378,014</u>
NET BOOK VALUE	
At 31 May 2007	<u>198,043</u>
At 31 May 2006	<u>210,482</u>

FALCON PRECISION LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MAY 2007**

4 CREDITORS

The following secured debts are included within creditors

	2007	2006
	£	£
Hire purchase contracts	<u>130,696</u>	<u>144,912</u>

5 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid

Number	Class	Nominal value	2007	2006
			£	£
900	Ordinary A	£1	900	900
100	Ordinary B	£1	100	100
			<u>1,000</u>	<u>1,000</u>