Registration number 3205966

Felcon Limited

Abbreviated accounts

for the year ended 30 June 2006



Wilson Sandford & Co
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THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND & WALES
UK200Group

Felcon Limited

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Chartered Accountants' report to the Board of Directors on the unaudited financial statements of Felcon Limited

In accordance with the engagement letter dated 16 August 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company 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 and 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 30 June 2006 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.

Wilson Sandford & C

Wilson Sandford & Co.
Chartered Accountants & UK200 Group members

85 Church Road
Hove
BN3 2BB

16-1-7

Date

Felcon Limited

Abbreviated balance sheet
as at 30 June 2006

	Notes	2006 £	2006 £	2005 £	2005 £
Fixed assets					
Intangible assets	2		10,000		20,000
Tangible assets	2		62,009		78,619
			72,009		98,619
Current assets					
Stocks		103,463		116,482	
Debtors		706,407		625,023	
Cash at bank and in hand		4,383		35,963	
		814,253		777,468	
Creditors: amounts falling due within one year	3	(328,343)		(632,225)	
Net current assets			485,910		145,243
Total assets less current liabilities			557,919		243,862
Creditors: amounts falling due after more than one year			(7,455)		(24,871)
Provisions for liabilities and charges			-		(941)
Net assets			550,464		218,050
Capital and reserves					
Called up share capital	4		100		100
Profit and loss account			550,364		217,950
Shareholders' funds			550,464		218,050

The directors confirm that:

(A) For the year ended 30 June 2006, the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985;

(B) No member or members eligible to do so have deposited a notice requesting an audit within the specified time period; and

(C) The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with Section 221 (Duty to keep accounting records) and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226 (Duty to prepare individual company accounts), and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

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

The abbreviated accounts were approved by the Board on 5 January 2007 and signed on its behalf by

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A.I.PEGLER
DIRECTOR

5-1-07

DATE

The notes on pages 3 to 5 form an integral part of these financial statements.

1. Accounting policies

The principal accounting policies adopted in the presentation of the financial statements are set out below and have remained unchanged from the previous period, and also have been consistently applied within the same accounts.

1.1. Basis of preparation of financial statements

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

1.2. Turnover

Turnover represents the fair value, excluding value added tax, of goods and services provided during the year.

1.3. Goodwill

Transferred goodwill is written off in equal annual instalments over its estimated useful economic life of 5 years.

1.4. Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

1.5. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	25% per annum of net book value
Fixtures, fittings and equipment	-	25% per annum of net book value
Motor vehicles	-	25% per annum of net book value

1.6. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.7. Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.8. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

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1.9. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

1.10. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

2. Fixed assets

	Intangible assets	Tangible fixed assets
Cost	£	£
At 1 July 2005	50,000	203,970
Additions	-	7,825
Disposals	-	(18,770)
At 30 June 2006	50,000	193,025
Depreciation and Provision for diminution in value		
At 1 July 2005	30,000	125,351
On disposals	-	(14,474)
Charge for year	10,000	20,139
At 30 June 2006	40,000	131,016
Net book values		
At 30 June 2006	10,000	62,009
At 30 June 2005	20,000	78,619

3. Creditors

	2006	2005
	£	£
Creditors include the following:		
Secured creditors	29,098	43,774

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4. Share capital

	2006	2005
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

5. Transactions with directors

The directors also have directorships and ultimately a 100% beneficial interest in all group companies.

5.1. During the year, the company:
Paid management charges of £275,000 (2005 - £150,000) to HPM Products Limited.
Paid dividends in the sum of £92,520 (2005 - £22,000) to Felcon Holdings Limited.
Gained £286,007 on the exceptional write-off of a loan owed to Felcon Holdings Limited.

5.2. The company had the following interest-free loan balances with fellow group companies:

	2006	2005
	£	£
HPM Products Limited	212,283	127,247
Felcon Holdings Limited	-	(193,487)
Goldsworth Medical Limited	(5,546)	(5,546)

No inter-company trading occured with Felcon Holdings Limited or Goldsworth Medical Limited.

5.3. The bank have a right of set-off against all group companies in support of borrowings totalling £94,409 owed by HPM Products Limited.

6. Ultimate parent undertaking

The company's parent is Felcon Holdings Limited, a company registered in England and Wales. The ultimate parent company is HPM Products Limited.