

Company Registration No. 03291538 (England and Wales)

CHIMNEY COWLS LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2008



Carpenter Box LLP
Chartered Accountants
Grafton Lodge
15 Grafton Road
Worthing
West Sussex
BN11 1QR

CHIMNEY COWLS LIMITED

COMPANY INFORMATION

Directors	Mr P R Stedman Mr J Stedman
Secretary	Mr R Birchenough
Company number	03291538
Registered office	50-51 Lineside Industrial Estate Eldon Way Littlehampton West Sussex BN17 7HE
Auditors	Carpenter Box LLP Grafton Lodge 15 Grafton Road Worthing West Sussex BN11 1QR
Solicitors	Clarke Willmott Burlington House Botley Grange Business Park Southampton Hampshire S030 2DF

CHIMNEY COWLS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 9

CHIMNEY COWLS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and financial statements for the year ended 31 December 2008.

Principal activities

The principal activity of the company continued to be that of the sale and marketing of chimney cowl and associated products.

Directors

The following directors have held office since 1 January 2008:

Mr P R Stedman

Mr J Stedman

Auditors

In accordance with the company's articles, a resolution proposing that Carpenter Box LLP be reappointed as auditors of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records that 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 1985. 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.

CHIMNEY COWLS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



29/10/09

.....
Mr R Birchenough
Secretary
.....

CHIMNEY COWLS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF CHIMNEY COWLS LIMITED

We have audited the financial statements of Chimney Cows Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

CHIMNEY COWLS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF CHIMNEY COWLS LIMITED

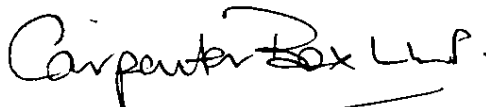
Opinion

In our opinion:

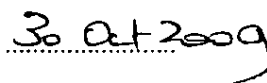
- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1.1 to the financial statements concerning the company's ability to continue as a going concern. Whilst the company retains net assets and recorded a profit for the year to 31 December 2008, it remains interdependent with the other companies within the group. Collectively the group recorded a significant loss for the year to 31 December 2008. These conditions, along with the other matters explained in note 1.1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.



Carpenter Box LLP
Chartered Accountants
Registered Auditor



Grafton Lodge
15 Grafton Road
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CHIMNEY COWLS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
Turnover	2	1,532,265	1,285,812
Cost of sales		(767,019)	(597,060)
Gross profit		765,246	688,752
Administrative expenses		(740,000)	(675,000)
Profit on ordinary activities before taxation		25,246	13,752
Tax on profit on ordinary activities	3	-	-
Profit for the year	8	25,246	13,752

CHIMNEY COWLS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	2008 £	£	2007 £	£
Current assets					
Stocks	4	159,900		136,819	
Debtors	5	3,120,853		2,997,640	
		<u>3,280,753</u>		<u>3,134,459</u>	
Creditors: amounts falling due within one year	6	(1,352,034)		(1,230,986)	
Total assets less current liabilities		<u>1,928,719</u>		<u>1,903,473</u>	
Capital and reserves					
Called up share capital	7		1		1
Profit and loss account	8	1,928,718		1,903,472	
Shareholders' funds		<u>1,928,719</u>		<u>1,903,473</u>	

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Approved by the Board for issue on

29 October 2009

Mr P R Siedman
Director

Company Registration No. 03291538 (England and Wales)

CHIMNEY COWLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The company has net assets but remains dependent upon the infrastructure and support of the parent and ultimate parent companies. The parent and ultimate parent have undertaken to support the company for a period not less than twelve months from the approval date of the accounts. However the group suffered losses in the year to 31 December 2008, whilst cashflow forecasts for 2009/10 indicate the need for additional financing, and potential group restructuring, if the group is to continue as a going concern. Nevertheless the group remains confident that new financing, and any potential restructuring, will be secured and, with the company continuing to trade profitably, the directors deem it appropriate to prepare these accounts on the going concern basis.

1.2 Turnover

Turnover represents amounts receivable for goods net of VAT and trade discounts and is recognised on despatch.

1.3 Stock

Stock is valued at the lower of cost and net realisable value.

1.4 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

In the year to 31 December 2008 18.21% (2007 - 19.40%) of the company's turnover was to markets outside the United Kingdom.

3 Taxation

On the basis of these financial statements no provision has been made for corporation tax.

4 Stocks

	2008 £	2007 £
Finished goods and goods for resale	159,900	136,819

CHIMNEY COWLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

5 Debtors	2008	2007
	£	£
Trade debtors	211,951	153,318
Amounts owed by group undertakings and undertakings in which the company has a participating interest	2,908,901	2,811,797
Other debtors	1	32,525
	<u>3,120,853</u>	<u>2,997,640</u>
 6 Creditors: amounts falling due within one year	 2008	 2007
	£	£
Trade creditors	141,782	20,734
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,210,252	1,210,252
	<u>1,352,034</u>	<u>1,230,986</u>
 7 Share capital	 2008	 2007
	£	£
Authorised		
100 Ordinary Shares of £1 each	100	100
	<u>100</u>	<u>100</u>
 Allotted, called up and fully paid		
1 Ordinary Shares of £1 each	1	1
	<u>1</u>	<u>1</u>
 8 Statement of movements on profit and loss account		Profit and loss account
		£
Balance at 1 January 2008		1,903,472
Profit for the year		25,246
		<u>1,928,718</u>
Balance at 31 December 2008		

CHIMNEY COWLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

9 Control

In the director's opinion the immediate parent company is The Loft Shop Limited, a company registered in England and Wales, and the ultimate parent company is The Loft Shop Group Limited, a company also registered in England and Wales. The ultimate controlling party is Mr P R Stedman.

Both The Loft Shop Limited and The Loft Shop Group Limited prepare group financial statements and copies can be obtained from their registered offices.

10 Related party transactions

The company has taken advantage of the exemption in the Financial Reporting Standard for Smaller Entities (effective January 2007) from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.