

Registered number  
3291538

**CHIMNEY COWLS LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2003**



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28/10/04

# CHIMNEY COWLS LIMITED

## COMPANY INFORMATION

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### Directors

Mr P R Stedman

### Secretary

Mr R Birchenough

### Auditors

Spofforths  
20 Old Mill Square  
Storrington  
West Sussex  
RH20 4NQ

### Registered office

Lineside Industrial Estate  
Eldon Way  
Littlehampton  
West Sussex  
BN17 7HE

### Registered number

3291538

### Solicitors

Clarke Willmott  
Stoneham Gate  
Stoneham Lane  
Southampton  
Hampshire  
SO50 9NW

# **CHIMNEY COWLS LIMITED**

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# CHIMNEY COWLS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2003

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The directors present their report and accounts for the year ended 31 December 2003.

#### Principal activities

The company's principal activity continued to be that of the marketing of chimney cowls and associated building products.

#### Directors

The directors who served during the year and their interests in the share capital of the company were as follows:

£1 Ordinary shares	
31st	1st
December	January
2003	2002

Mr P R Stedman

The directors' interest in the share capital of the ultimate parent undertaking are disclosed in that company's financial statements.

#### Directors' responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

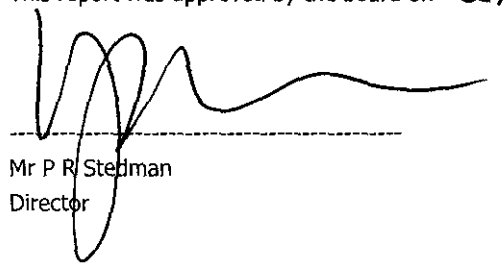
#### Auditors

A resolution to reappoint Spofforths as auditors will be put to the members at the Annual General Meeting.

#### Small company special provisions

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

This report was approved by the board on 22/10/04

  
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Mr P R Stedman  
Director

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
CHIMNEY COWLS LIMITED**

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We have audited the accounts of Chimney Cows Limited for the year ended 31st December 2003 on pages 2 to 8.

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**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if 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 transactions with the company 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.

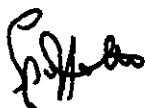
**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Spofforths  
Chartered Accountants and Registered Auditors  
20 Old Mill Square  
Storrington  
West Sussex  
RH20 4NQ**

Date: 25 October 2004

**CHIMNEY COWLS LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2003**

	Notes	2003 £	2002 £
Turnover	2	817,604	921,194
Cost of sales		(575,560)	(637,859)
<b>Gross profit</b>		<b>242,044</b>	<b>283,335</b>
Administrative expenses		(31,644)	(52,022)
<b>Operating profit</b>	3	<b>210,400</b>	<b>231,313</b>
<b>Profit on ordinary activities before taxation</b>		<b>210,400</b>	<b>231,313</b>
Tax on profit on ordinary activities	4	(19,609)	(54,624)
<b>Retained profit for the financial year</b>	10	<b>190,791</b>	<b>176,689</b>

# CHIMNEY COWLS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2003

	Notes	2003 £	2002 £
<b>Fixed assets</b>			
Tangible assets	5	15,719	26,014
<b>Current assets</b>			
Stocks		16,990	24,909
Debtors	6	<u>2,490,382</u>	<u>2,162,556</u>
		2,507,372	2,187,465
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,217,299)</u>	<u>(1,098,478)</u>
<b>Net current assets</b>		<u>1,290,073</u>	<u>1,088,987</u>
<b>Net assets</b>		<u>1,305,792</u>	<u>1,115,001</u>
<b>Capital and reserves</b>			
Called up share capital	8	1	1
Revaluation reserve	9	6,955	14,155
Profit and loss account	10	<u>1,298,836</u>	<u>1,100,845</u>
<b>Shareholders' funds</b>		<u>1,305,792</u>	<u>1,115,001</u>

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

Mr P R Stedman  
Director

Approved by the board on 22/10/04

# CHIMNEY COWLS LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2003

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#### 1 Accounting policies

##### ***Basis of accounting***

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

##### ***Turnover***

Turnover represents the invoiced value of goods and services supplied by the company, net of VAT.

##### ***Depreciation***

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Plant and machinery	10% - 25% per annum on cost
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##### ***Stocks***

Stocks, including work in progress, are consistently valued at the lower of cost and net realisable value.

##### ***Deferred taxation***

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

##### ***Foreign currencies***

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

##### ***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

#### 2 Turnover

	2003	2002
Turnover attributable to geographical markets outside the UK	<u>10.5%</u>	<u>21.0%</u>



# CHIMNEY COWLS LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2003

<b>3 Operating profit</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation of owned fixed assets	<b>10,295</b>	<b>10,956</b>
<b>4 Taxation</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
UK corporation tax	<b>19,609</b>	<b>54,624</b>
<b>5 Tangible fixed assets</b>		
		<b>Plant and machinery</b>
		<b>£</b>
<b>Cost</b>		
At beginning of year		<b>77,965</b>
<b>At end of year</b>		<b>77,965</b>
<b>Depreciation</b>		
At beginning of year		<b>51,951</b>
Charge for the year		<b>10,295</b>
<b>At end of year</b>		<b>62,246</b>
<b>Net book value</b>		
<b>At 31 December 2003</b>		<b>15,719</b>
<i>At 31 December 2002</i>		<i>26,014</i>
<b>6 Debtors</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>87,761</b>	<b>139,047</b>
Amounts owed by group undertakings and undertakings in which the company has a participating interest	<b>2,402,620</b>	<b>2,023,508</b>
Called up share capital not paid	<b>1</b>	<b>1</b>
	<b>2,490,382</b>	<b>2,162,556</b>

# CHIMNEY COWLS LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2003

<b>7 Creditors: amounts falling due within one year</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>50,129</b>	58,126
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<b>1,139,008</b>	975,708
Corporation tax	<b>19,609</b>	54,624
Other creditors	<b>8,553</b>	10,020
	<b><u>1,217,299</u></b>	<b><u>1,098,478</u></b>

<b>8 Share capital</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Authorised:		
Ordinary shares of £1 each	<b><u>100</u></b>	<b><u>100</u></b>

	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
	<b>No</b>	<b>No</b>	<b>£</b>	<b>£</b>
Allotted, called up and fully paid:				
Ordinary shares of £1 each	<b><u>1</u></b>	<b><u>1</u></b>	<b><u>1</u></b>	<b><u>1</u></b>

### 9 Reserves

	<b>Revaluation reserve £</b>
At beginning of year	14,155
Transfer to profit and loss reserve	<u>(7,200)</u>
<b>At end of year</b>	<b><u>6,955</u></b>

# CHIMNEY COWLS LIMITED

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2003

<b>10 Profit and loss account</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
At beginning of year	<b>1,100,845</b>	916,956
Retained profit	<b>190,791</b>	176,689
Transfers between reserves	<b>7,200</b>	7,200
<b>At end of year</b>	<b><u>1,298,836</u></b>	<b><u>1,100,845</u></b>

<b>11 Other financial commitments</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
At the year end the company had annual commitments under non-cancellable operating leases as set out below:		
Operating leases which expire: within two to five years	<b><u>-</u></b>	<b><u>6,537</u></b>

### 12 Related parties

The company's immediate parent undertaking is The Loft Shop Limited which is incorporated in England and Wales. It has included the company in its group accounts, copies of which are available from the registered office at Unit 50-51, Lineside Industrial Estate, Eldon Way, Littlehampton, West Sussex, BN17 7HE.

In the directors' opinion the company's ultimate parent company and controlling party is The Loft Shop Group Limited which is incorporated in England and Wales. Copies of its group accounts, which include the company, are also available from the registered office as stated above.