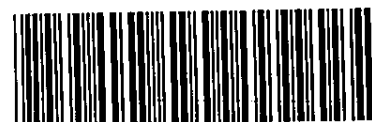


CM.

Company Registration No. 3931782 (England and Wales)

MOSS EUROPE LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008

THURSDAY



AQZ0VDX4

A09

08/10/2009

407

COMPANIES HOUSE

MOSS EUROPE LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Auditors' report	4
Abbreviated profit and loss account	5
Abbreviated balance sheet	6
Cash flow statement	7
Notes to the cash flow statement	8
Notes to the abbreviated accounts	9 - 17

MOSS EUROPE 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 and review of the business

The principal activity of the company continued to be that of distribution and manufacture of parts and accessories for classic and sports cars.

This period operating profit is £650,233 compared to £294,649. This improvement was driven by an increase in sales and a more significant increase in margin.

Cash Generation

The company generated cash inflow from operating activities of £281,628 (2007: £21,352 outflow). Capital expenditure was £112,186 (2007: £154,620). We have reduced trade debtors during the year by having better control of the credit limits. Our stock levels were 11% above that of 2007.

Interest and Bank Facilities

The net interest payments of £144,943 (2007: £190,659) reflect a reduction in both the bank base rate and the property loan.

Currency Exposures

The Company sells only in pounds, therefore there is no foreign currency exposure for sales.

With regard to purchases, the Company's US Dollar transactions in 2008 were approximately \$1,900,000. The dollar exchange rates strengthened from 1.98 to the pound in January 2008 to 1.46 in December, with most of the strengthening coming in the 4th Quarter. The Company is monitoring the situation closely & judiciously increasing selling prices to offset the increase in costs due to the stronger Dollar.

Going Concern

The directors have a reasonable expectation that the company has enough resources to continue in operational existence for the foreseeable future. The directors have prepared projections which indicate improvement in the financial performance of the business and considered the actual performance since the period end. The company is reliant on the continued support of the shareholders and bankers.

Employees

We continue to develop out staff using both external and in house resources. Programmes are developed around both business needs and personal development. A staff appraisal system is in place. It is important that our customer facing staff present a professional and friendly service and employees are encouraged to engage with customers to gain feedback on our activities. Where possible, we promote from within the organisation. The company operates a defined contribution pension scheme for the benefit of its employees.

MOSS EUROPE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

Environmental and Health and Safety

We continue to monitor activities which could lead to an environmental impact.

We have had a Health and Safety Policy in place for a number of years. Our Health and Safety Officer liaises with site based safety representatives and organises health, safety and risk assessment courses as appropriate. We use external experts as and when required.

Risks facing the business

The company has a location based management structure supported by a head office function as we believe that this is the most appropriate way to manage day to day business activities and risks. Each of the sites are managed by a site manager and local support team. Each site sends reports to the head office of sales and key performance indicators on a range of activities.

The head office function is responsible for managing corporate risk. We have service risk management processes that are reviewed on a regular basis and, where applicable, staff are properly trained and qualified to work in regulated areas in accordance with guidelines.

The chief market risk we face is our ability to grow profitable sales in a niche market and we are continually looking for new niche areas to explore within our current area of expertise.

Our annual energy bill amounts to £41,554. A significant price increase has been experienced in gas. We continue to focus on energy efficiency and usage reduction methods to minimise the cost impact.

The company will continue to review its business to ensure the best use is made of its assets and this will include customer service enhancement.

Financial Instruments

The company's principal financial instruments comprise trade creditors, trade debtors, invoice discounting and loans to the company. The main purpose of these instruments is to raise funds for and finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and the flexibility through the use of invoice discounting and loans.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Results and dividends

The results for the year are set out on page 5.

The directors report that the company has made profit for the year after taxation of £360,100. The directors propose that no dividend be paid and that the profits as stated be carried to reserves.

MOSS EUROPE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

Directors

The following directors have held office since 1 January 2008:

G.D. Adams

P.A. Buckles

R.A. Goldman

P. Fewell

(Appointed 1 September 2008)

F. Lynch

N.C. Lavender

Auditors

In accordance with the Company's Articles, a resolution proposing that Morley and Scott be reappointed as auditors of the company will be put at a General Meeting.

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 those 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.

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.

On behalf of the board



N.C. Lavender

Director

3/3/09.....

MOSS EUROPE LIMITED

INDEPENDENT AUDITORS' REPORT TO MOSS EUROPE LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 5 to 17, together with the financial statements of Moss Europe Limited for the year ended 31 December 2008 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

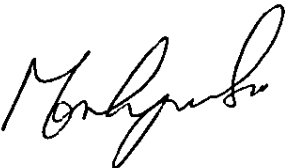
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.



Morley and Scott

4 March 2009

Chartered Accountants
Registered Auditor

Lynton House
7-12 Tavistock Square
London
WC1H 9LT

MOSS EUROPE LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Notes	2008 £	2007 £
Gross profit		4,950,707	4,558,479
Administrative expenses		(4,300,474)	(4,263,830)
Operating profit	2	650,233	294,649
Profit on sale of property	2	-	541,642
Profit on ordinary activities before interest		650,233	836,291
Other interest receivable and similar income		2,545	1,677
Interest payable and similar charges	4	(144,943)	(190,659)
Profit on ordinary activities before taxation		507,835	647,309
Tax on profit on ordinary activities	5	(147,735)	(145,676)
Profit for the year	14	360,100	501,633

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

MOSS EUROPE LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	6		463,322		458,683
Current assets					
Stocks	7	4,326,164		3,768,712	
Debtors	8	1,156,563		1,237,462	
Cash at bank and in hand		23,467		6,710	
		<u>5,506,194</u>		<u>5,012,884</u>	
Creditors: amounts falling due within one year	9	<u>(2,070,535)</u>		<u>(1,917,136)</u>	
Net current assets			<u>3,435,659</u>		<u>3,095,748</u>
Total assets less current liabilities			<u>3,898,981</u>		<u>3,554,431</u>
Creditors: amounts falling due after more than one year	10		(1,023,909)		(1,064,459)
Provisions for liabilities	11		<u>(125,000)</u>		<u>(100,000)</u>
			<u>2,750,072</u>		<u>2,389,972</u>
Capital and reserves					
Called up share capital	13	2,000,000		2,000,000	
Profit and loss account	14	750,072		389,972	
Shareholders' funds	15	<u>2,750,072</u>		<u>2,389,972</u>	

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

Approved by the Board and authorised for issue on 2/3/09



G.D. Adams
Director



N.C. Lavender
Director

MOSS EUROPE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

	£	2008 £	£	2007 £
Net cash inflow from operating activities		281,628		520,290
Returns on investments and servicing of finance				
Interest received	2,545		1,677	
Interest paid	(144,943)		(190,659)	
Net cash outflow for returns on investments and servicing of finance		(142,398)		(188,982)
Taxation		(147,769)		-
Capital expenditure				
Payments to acquire tangible assets	(112,186)		(154,620)	
Receipts from sales of tangible assets	3,429		228,274	
Net cash (outflow)/inflow for capital expenditure		(108,757)		73,654
Net cash (outflow)/inflow before management of liquid resources and financing		(117,296)		404,962
Financing				
Repayment of long term bank loan	(34,071)		(158,806)	
Repayment of other long term loans	(6,479)		(25,922)	
Capital element of hire purchase contracts	-		(5,100)	
Net cash outflow from financing		(40,550)		(189,828)
(Decrease)/increase in cash in the year		(157,846)		215,134

MOSS EUROPE LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2008

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities	2008	2007
		£	£
	Operating profit	650,233	294,649
	Depreciation of tangible assets	107,279	108,437
	Profit on disposal of tangible assets	(3,160)	(12,336)
	Increase in stocks	(557,452)	(352,603)
	Decrease/(increase) in debtors	80,899	(4,298)
	Decrease in creditors within one year	(21,171)	(80,201)
	Other reserve movement	25,000	25,000
	Net cash inflow/(outflow) from operating activities	281,628	(21,352)

2	Analysis of net debt	1 January 2008	Cash flow	Other non-cash changes	31 December 2008
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	6,710	16,757	-	23,467
	Bank overdrafts	(822,019)	(174,603)	-	(996,622)
		(815,309)	(157,846)	-	(973,155)
	Debt:				
	Debts falling due within one year	(59,990)	19,440	-	(40,550)
	Debts falling due after one year	(1,064,459)	40,550	-	(1,023,909)
		(1,124,449)	59,990	-	(1,064,459)
	Net debt	(1,939,758)	(97,856)	-	(2,037,614)

3	Reconciliation of net cash flow to movement in net debt	2008	2007
		£	£
	(Decrease)/increase in cash in the year	(157,846)	215,134
	Cash outflow from decrease in debt	59,990	232,355
	Movement in net debt in the year	(97,856)	447,489
	Opening net debt	(1,939,758)	(2,387,247)
	Closing net debt	(2,037,614)	(1,939,758)

MOSS EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% straight line
Land and buildings Leasehold	20% or 33% straight line
Plant and machinery	20% straight line
Fixtures, fittings & equipment	20% straight line
Motor vehicles	25% straight line

1.5 Leasing

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

1.6 Stock and work in progress

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

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.9 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.

MOSS EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

2	Operating profit	2008 £	2007 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	107,279	108,437
	Loss on foreign exchange transactions	23,833	-
	Operating lease rentals	298,031	297,791
	Auditors' remuneration (including expenses and benefits in kind)	13,500	12,400
	and after crediting:		
	Profit on disposal of tangible assets	(3,160)	(12,336)
	Profit on foreign exchange transactions	-	(2,383)
		<u> </u>	<u> </u>
3	Investment income	2008 £	2007 £
	Bank interest	2,545	1,677
		<u> </u>	<u> </u>
		2,545	1,677
		<u> </u>	<u> </u>
4	Interest payable	2008 £	2007 £
	On amounts payable to group companies	70,679	78,928
	On bank loans and overdrafts	6,498	15,228
	On amounts payable to factors	67,766	96,503
		<u> </u>	<u> </u>
		144,943	190,659
		<u> </u>	<u> </u>

MOSS EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

5	Taxation	2008 £	2007 £
	Domestic current year tax		
	U.K. corporation tax	145,642	145,676
	Adjustment for prior years	2,093	-
	Current tax charge	<u>147,735</u>	<u>145,676</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>507,835</u>	<u>647,309</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2007 - 30.00%)	<u>152,351</u>	<u>194,193</u>
	Effects of:		
	Non deductible expenses	546	(95)
	Depreciation add back	32,184	32,531
	Capital allowances	(30,770)	(24,159)
	Tax losses utilised	-	(25,627)
	Chargeable disposals	(948)	(30,827)
	Adjustments to prior year	2,093	-
	Marginal relief	-	(340)
	Effect of reduction in taxation rate	(7,721)	-
		<u>(4,616)</u>	<u>(48,517)</u>
	Current tax charge	<u>147,735</u>	<u>145,676</u>

The tax charge relating to the disposal of a property during the previous year amounted to £135,051.

MOSS EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

6 Tangible fixed assets

	Land and buildings Freehold	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2008	238,725	91,479	110,859	567,614	150,713	1,159,390
Additions	-	3,404	1,500	99,842	7,440	112,186
Disposals	-	-	-	(3,424)	(16,122)	(19,546)
At 31 December 2008	238,725	94,883	112,359	664,032	142,031	1,252,030
Depreciation						
At 1 January 2008	36,926	38,734	98,180	402,823	124,043	700,706
On disposals	-	-	-	(3,155)	(16,122)	(19,277)
Charge for the year	4,775	17,990	4,777	71,879	7,858	107,279
At 31 December 2008	41,701	56,724	102,957	471,547	115,779	788,708
Net book value						
At 31 December 2008	197,024	38,159	9,402	192,485	26,252	463,322
At 31 December 2007	201,797	52,745	12,679	164,792	26,670	458,683

7 Stocks and work in progress

	2008 £	2007 £
Raw materials and consumables	104,766	83,066
Work in progress	25,112	24,551
Finished goods and goods for resale	4,196,286	3,661,095
	<u>4,326,164</u>	<u>3,768,712</u>

MOSS EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

8 Debtors	2008 £	2007 £
Trade debtors	738,687	759,545
Amounts owed by parent and fellow subsidiary undertakings	-	51,940
Other debtors	166,239	169,353
Prepayments and accrued income	251,637	256,624
	<u>1,156,563</u>	<u>1,237,462</u>

Amounts falling due after more than one year and included in the debtors above are:

	2008 £	2007 £
Other debtors	<u>60,160</u>	<u>60,160</u>

9 Creditors: amounts falling due within one year	2008 £	2007 £
Invoice discounting advance	996,622	822,019
Bank loans	34,070	34,070
Trade creditors	525,857	574,264
Amounts owed to parent and fellow subsidiary undertakings	68,986	-
Corporation tax	145,642	145,676
Other taxes and social security costs	60,354	63,023
Other loans	6,480	25,669
Accruals and deferred income	232,524	252,415
	<u>2,070,535</u>	<u>1,917,136</u>

The above banks loans and invoice discounting advance are secured by a fixed and floating charge over the company's assets.

MOSS EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

10 Creditors: amounts falling due after more than one year	2008 £	2007 £
Bank loans	36,909	70,980
Other loans	987,000	993,479
	<u>1,023,909</u>	<u>1,064,459</u>
Analysis of loans		
Wholly repayable within five years	1,064,459	1,124,449
	<u>1,064,459</u>	<u>1,124,449</u>
Included in current liabilities	(40,550)	(59,990)
	<u>1,023,909</u>	<u>1,064,459</u>
Loan maturity analysis		
In more than one year but not more than two years	1,023,909	1,064,459
	<u>1,023,909</u>	<u>1,064,459</u>

Interest is payable on the above loans at rates linked to the Bank of England base rate. The bank loan is secured as disclosed in note 10.

11 Provisions for liabilities and charges

	Other £
Balance at 1 January 2008	100,000
Profit and loss account	25,000
	<u>125,000</u>
Balance at 31 December 2008	<u>125,000</u>

At the balance sheet date, the company has made a provision of £125,000 for work required on dilapidations of the leased premises.

MOSS EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

12 Pension and other post-retirement benefit commitments

Defined contribution

	2008 £	2007 £
Contributions payable by the company for the year	39,081	36,748
Contributions payable to the fund at the year end and included in creditors	(6,296)	(6,428)

13 Share capital

	2008 £	2007 £
Authorised		
2,000,000 Ordinary shares of £1 each	2,000,000	2,000,000
Allotted, called up and fully paid		
2,000,000 Ordinary shares of £1 each	2,000,000	2,000,000

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2008	389,972
Profit for the year	360,100
Balance at 31 December 2008	750,072

15 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	360,100	501,633
Opening shareholders' funds	2,389,972	1,888,339
Closing shareholders' funds	2,750,072	2,389,972



MOSS EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

16 Financial commitments

At 31 December 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2009:

	Land and buildings		Other	
	2008	2007	2008	2007
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	4,813	-
Between two and five years	359,933	62,233	6,603	24,128
In over five years	-	297,700	-	-
	<u>359,933</u>	<u>359,933</u>	<u>11,416</u>	<u>24,128</u>

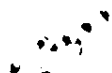
17 Directors' emoluments

	2008	2007
	£	£
Emoluments for qualifying services	263,528	205,494
Company pension contributions to money purchase schemes	6,029	5,847
	<u>269,557</u>	<u>211,341</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2007 - 1).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	<u>105,906</u>	<u>93,805</u>
------------------------------------	----------------	---------------



MOSS EUROPE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2008

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2008 Number	2007 Number
Management	2	2
Sales	30	32
Warehouse	44	41
Other	31	32
	<u>107</u>	<u>107</u>

Employment costs

	2008 £	2007 £
Wages and salaries	2,289,083	2,185,837
Social security costs	189,885	209,520
Other pension costs	39,081	36,748
	<u>2,518,049</u>	<u>2,432,105</u>

19 Ultimate parent company

The ultimate parent company is Motorsport Products Inc, a company incorporated in the USA.