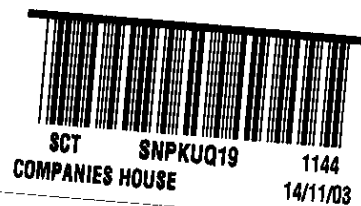


Rowan

Registration number SC224310

Black Circles Limited
Directors' report and financial statements
for the year ended 31 October 2002



Black Circles Limited

Company information

Directors	Michael Welch
Secretary	DM Company Services Limited
Company number	SC224310
Registered office	16 Charlotte Square Edinburgh EH2 4DR
Accountants	Michael Revels & Co Ladhope Vale House Ladhope Vale Galashiels TD1 1BT P1 0DE
Bankers	Royal Bank of Scotland plc 142/144 Princes Street Edinburgh EH2 4EO

Black Circles Limited

Directors' report for the year ended 31 October 2002

The directors present their report and the financial statements for the year ended 31 October 2002.

Incorporation and change of name

The company was incorporated on 16 October 2001 as Online Tyre Store Limited. The name of the company was changed to Black Circles Limited on 12 November 2001. The company commenced trade on 1 November 2001.

Principal activity

The principal activity of the company was the supply and fitting of tyres.

Directors and their interests

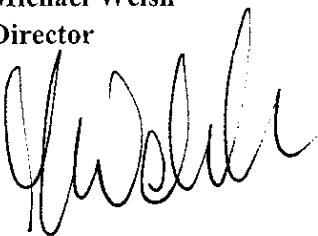
The directors who served during the year and their interests in the company are as stated below. Christopher J Grant resigned on 30 November 2002 and Ross Laurie resigned on 27 December 2001.

	Ordinary shares	
	31/10/02	01/11/01
Michael Welch	25	-
Christopher J Grant	25	-
Ross Laurie	25	-

This report is 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 12 November 2003 and signed on its behalf by

Michael Welsh
Director



Black Circles Limited

**Accountants' report on the unaudited financial statements to the directors of
Black Circles Limited**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 October 2002 set out on pages 3 to 8 and you consider that the company is exempt from an audit. In accordance with your instructions we have compiled these unaudited financial statements, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information supplied to us.



Michael Revels & Co

**Ladhope Vale House
Ladhope Vale
Galashiels
TD1 1BT
P1 0DE**

Date: 12 November 2003

Black Circles Limited

**Profit and loss account
for the year ended 31 October 2002**

		2002
	Notes	£
Turnover	2	49,218
Cost of sales		(46,188)
Gross profit		<u>3,030</u>
Administrative expenses		(61,666)
Other operating income		<u>6,000</u>
Loss on ordinary activities before taxation		(52,636)
Loss for the year		<u><u>(52,636)</u></u>

There are no recognised gains or losses other than the profit or loss for the above financial year.

The notes on pages 6 to 8 form an integral part of these financial statements.

Black Circles Limited

**Balance sheet
as at 31 October 2002**

	Notes	2002	
		£	£
Fixed assets			
Tangible assets	5		13,767
Current assets			
Debtors	6	11,262	
Cash at bank and in hand		8,643	
		<u>19,905</u>	
Creditors: amounts falling due within one year	7	<u>(39,821)</u>	
Net current liabilities			<u>(19,916)</u>
Total assets less current liabilities			(6,149)
Creditors: amounts falling due after more than one year	8		<u>(46,412)</u>
Deficiency of assets			<u>(52,561)</u>
Capital and reserves			
Called up share capital	9		75
Profit and loss account			<u>(52,636)</u>
Equity shareholders' funds	10		<u>(52,561)</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 8 form an integral part of these financial statements.

Black Circles Limited

Balance sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 31 October 2002**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 October 2002 and

(c) that we acknowledge our responsibilities for:

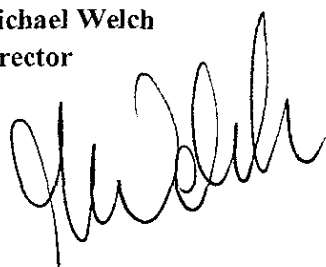
(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements 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 year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are 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 on 12 November 2003 and signed on its behalf by

Michael Welch
Director

A handwritten signature in black ink, appearing to read 'Michael Welch', written over the printed name and title.

The notes on pages 6 to 8 form an integral part of these financial statements.

Black Circles Limited

Notes to the financial statements for the year ended 31 October 2002

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. 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:

Fixtures, fittings and equipment	- 25% straight line
Computer Software	- 25% straight line

1.4. 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.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating loss

2002
£

Operating loss is stated after charging:

Depreciation and other amounts written off tangible assets

2,773

and after crediting:

Government grants

6,000

4. Directors' emoluments

2002
£

Remuneration and other benefits

26,050

Black Circles Limited

Notes to the financial statements for the year ended 31 October 2002

..... continued

5. Tangible fixed assets	Fixtures, fittings and equipment £	Computer Software £	Total £
Cost			
Additions	1,040	15,500	16,540
At 31 October 2002	1,040	15,500	16,540
Depreciation			
Charge for the year	117	2,656	2,773
At 31 October 2002	117	2,656	2,773
Net book value			
At 31 October 2002	923	12,844	13,767
6. Debtors			2002 £
Other debtors			11,262
7. Creditors: amounts falling due within one year			2002 £
Trade creditors			21,803
Other taxes and social security costs			4,310
Directors' accounts			3,494
Other creditors			4,765
Accruals and deferred income			5,449
			39,821
8. Creditors: amounts falling due after more than one year			2002 £
Loan - Future 19 Limited			46,412

Black Circles Limited

Notes to the financial statements
for the year ended 31 October 2002

..... continued

9. Share capital	2002
	£
Authorised equity	
1,000.00 Ordinary shares of £1 each	1,000
	<u> </u>
Allotted, called up and fully paid equity	
75 Ordinary shares of £1 each	75
	<u> </u>
 10. Reconciliation of movements in shareholders' funds	 2002
	£
Loss for the year	(52,636)
Net proceeds of equity share issue	75
	<u> </u>
Net addition to/deduction from shareholders' funds	<u>(52,561)</u>