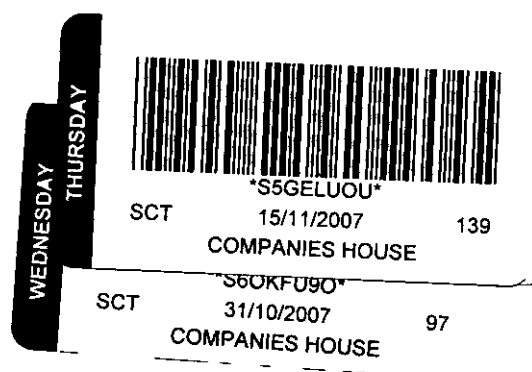


BLACKCIRCLES.COM LIMITED

Abbreviated Accounts

31 DECEMBER 2006



BLACKCIRCLES.COM LIMITED

REPORT AND FINANCIAL STATEMENTS 2006

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

Michael Welch

SECRETARY

DM Company Services Limited

REGISTERED OFFICE

16 Charlotte Square
Edinburgh
EH2 4DF

BANKERS

Royal Bank of Scotland plc
142/144 Princes Street
Edinburgh
EH2 4EQ

SOLICITORS

Dickson Minto WS
16 Charlotte Square
Edinburgh
EH2 4DF

HBJ Gateley Wareing LLP
Exchange Tower
19 Canning Street
Edinburgh
EH3 8EH

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Edinburgh, United Kingdom

Blackcircles com Limited is a subsidiary of Black Circles Holdings Limited (SC 258092)

BLACKCIRCLES.COM LIMITED

DIRECTOR'S REPORT

The director presents the following annual report on the affairs of the company, together with the financial statements for the year ended 31 December 2006. This director's report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

ACTIVITIES, RESULTS AND FUTURE PROSPECTS

The company's principal activity is the supply and fitting of car tyres sold principally through the internet.

The rapid growth experienced in the previous three years has continued through 2006. Sales for the year to 31 December 2006 were 49% higher than 2005. Administrative expenses increased, reflecting continued investment in developing and establishing the Blackcircles.com proposition.

Blackcircles.com seeks to provide the top brands on the market at highly competitive prices and to make tyre buying as safe and pleasant an experience as possible for our customers. In addition to direct retailing through the internet, the business works in partnership with a number of blue chip companies in the UK to provide their customers with the benefits of access to the Blackcircles.com network. The company has the largest network of fitting centres in the UK and tyres are fitted at times which are chosen by our customers. Blackcircles.com can therefore provide complete convenience to our customers as to fitting location and time. Coupled with the convenience of buying on line and our low prices, we are able to offer an unrivalled tyre sales service. Our rapid growth confirms the attractiveness of this to our growing customer base. During 2006, direct sales into Continental European countries commenced and we have rolled out a franchise offer to our fitting partners which offers them attractive benefits and further reinforces our future growth prospects. Further progress has been made in all key areas during 2007.

No dividend is recommended by the director in respect of the year to 31 December 2006 (2005 (unaudited) £nil).

DIRECTOR AND HIS INTERESTS

The director, Michael Welch, who served throughout the year, had no direct interest in the share capital of the company as at 31 December 2006 (31 December 2005 nil).

The interests of the director in the share capital of the parent undertaking, Black Circles Holdings Limited, are disclosed in that company's financial statements.

Robert Russell was appointed and resigned as a director on 1 August 2006 and 30 November 2006, respectively.

AUDITORS

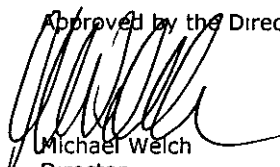
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors following their appointment by the directors during the year. In accordance with section 385 of the Companies Act 1985, a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Director


Michael Welch
Director
30 October 2007

INDEPENDENT AUDITORS' REPORT TO BLACKCIRCLES.COM LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts consisting of the balance sheet and related notes 1 to 6, together with the financial statements of Blackcircles com Limited for the year ended 31 December 2006 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 that we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 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 sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions 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. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

As the company was exempt from audit under section 249A of the Companies Act 1985 in the prior year, we have not audited the corresponding amounts for that year.

Opinion

In our opinion, the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
Edinburgh, United Kingdom

 October 2007

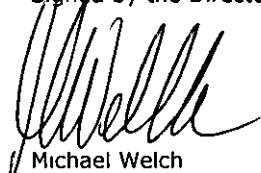
BLACKCIRCLES.COM LIMITED

BALANCE SHEET 31 December 2006

	Note	2006 £	2005 (Unaudited) £
FIXED ASSETS			
Tangible assets	2	151,505	121,211
CURRENT ASSETS			
Debtors		275,466	185,360
Cash at bank and in hand		574,496	224,793
		849,962	410,153
CREDITORS. amounts falling due within one year		(1,707,211)	(1,090,899)
NET CURRENT ASSETS		(857,249)	(680,746)
TOTAL ASSETS LESS CURRENT LIABILITIES		(705,744)	(559,535)
CAPITAL AND RESERVES			
Called up share capital	4	100	100
Share premium		37,475	37,475
Profit and loss account		(743,319)	(597,110)
SHAREHOLDER'S DEFICIT		(705,744)	(559,535)

These abbreviated accounts have been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985 with respect to the delivery of individual accounts

Signed by the Director



Michael Welch
Director
30 October 2007

BLACKCIRCLES.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2006

1. ACCOUNTING POLICIES

Accounting convention

The full financial statements from which these abbreviated accounts have been extracted, have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) under the historical cost convention

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and any provisions for impairments

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows

Fixtures, fitting and equipment	25% per annum
Computer software	25% per annum

Web site development costs

Design and content development costs are capitalised only to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised. If there is insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated in the period until the design and content are next updated, the costs of developing the design and content are charged to the profit and loss account as incurred. Capitalised amounts are recognised as computer software within tangible fixed assets

Taxation

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax, in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is measured on a non discounted basis

Leases

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term

Grants

Government grants relating to fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred

Pension costs

The company contributes to certain employees' personal defined contribution pension plans. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date

2. COMPARATIVE INFORMATION

The comparatives for the year ended 31 December 2005 are unaudited as the company was exempt from audit under section 249A of the Companies Act 1985 in the prior year.

BLACKCIRCLES.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2006

3. TANGIBLE FIXED ASSETS

	Total £
Cost	
At 1 January 2006 (unaudited)	185,524
Additions in year	85,657
	271,181
At December 2006	
Accumulated depreciation	
At 1 January 2006 (unaudited)	64,313
Charge in year	55,363
	119,676
At 31 December 2006	
Net book value	
At 31 December 2006	151,505

4. CALLED UP SHARE CAPITAL

	31 December 2006 £	31 December 2005 (Unaudited) £
Authorised		
1,000 ordinary shares of £1.00 each	1,000	1,000
Called up, allotted and fully paid		
100 ordinary shares of £1 00 each	100	100

5. ULTIMATE PARENT COMPANY

The immediate and ultimate parent company is Black Circles Holdings Limited, a company incorporated in the United Kingdom. Copies of the abbreviated financial statements of Black Circles Holdings Limited can be obtained from Companies House, Argyle House, 37 Castle Terrace, Edinburgh EH1 2EB.

6. RELATED PARTY TRANSACTIONS

At 31 December 2006, Blackcircles.com Limited owed £222,828 (2005: £231,843) to Black Circles Holdings Limited, in respect of expenses paid on its behalf by Black Circles Holdings Limited. This amount is included in creditors' amounts due within one year.