

BLACKCIRCLES.COM LIMITED

Abbreviated Accounts

31 DECEMBER 2007

WEDNESDAY



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BLACKCIRCLES.COM LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Michael Welch
Kenneth Baillie (appointed 21 February 2008)

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

DIRECTORS' REPORT

The directors present the following annual report on the affairs of the company, together with the financial statements for the year ended 31 December 2007. This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

PRINCIPAL ACTIVITIES

The Company's principal trading activity is the supply and fitting of car tyres, sold principally through the internet and fitted across a national network of over 900 garage outlets.

2007 saw a continuation of the solid growth experienced in the previous four years. Additional investment was made in key areas of the company's infrastructure most notably people.

Blackcircles.com retails top brand tyres at highly competitive prices based on our web-based low cost business model. Working in partnership with blue chip clients the company has grown rapidly and has developed a significant customer base. Therefore the early focus and continued investment in customer service has proved an invaluable asset, ensuring ongoing high levels of satisfaction and loyalty. Investments have been made in customer acquisition, the retail experience and the capacity of the operational team. These areas have been integral to the company's success so far and will support an ambitious and exciting expansion plans in 2008 and beyond.

DIRECTORS

The directors of the company are:

Michael Welch

Kenneth Baillie (appointed 21 February 2008)

AUDITORS

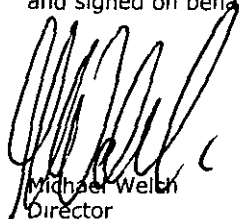
The directors at the date of approval of this report confirm that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves 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 section 234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors. In accordance with s385 of the Companies Act 1985, a resolution to re-appoint them as auditors of the company will be proposed at the forthcoming Annual General Meeting.

Approved by the Directors
and signed on behalf of the Board



Michael Welch
Director

15 October 2008

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

We have examined the abbreviated accounts set out on pages 4 to 6, together with the financial statements of Blackcircles.com Limited for the year ended 31 December 2007 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.

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
31 October 2008

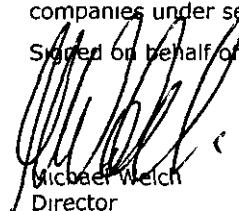
BLACKCIRCLES.COM LIMITED

BALANCE SHEET 31 December 2007

		2007	2006
	Note	£	£
FIXED ASSETS			
Tangible assets	2	165,924	151,505
CURRENT ASSETS			
Debtors		323,986	275,466
Cash at bank and in hand		173,478	574,496
		497,464	849,962
CREDITORS: amounts falling due within one year		(1,466,248)	(1,707,211)
NET CURRENT LIABILITIES		(968,784)	(857,249)
TOTAL ASSETS LESS CURRENT LIABILITIES		(802,860)	(705,744)
CAPITAL AND RESERVES			
Called up share capital	3	100	100
Share premium account		37,475	37,475
Profit and loss account		(840,435)	(743,319)
SHAREHOLDER'S DEFICIT		(802,860)	(705,744)

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 on behalf of the Board of Directors



Michael Welch
Director

15 October 2008

BLACKCIRCLES.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2007

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 impairment

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 hardware and software	25% 33% 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

BLACKCIRCLES.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2007

2. TANGIBLE FIXED ASSETS

	Total £
Cost	
At 1 January 2007	271,181
Additions in year	89,068
	360,249
Accumulated depreciation	
At 1 January 2007	119,676
Charge in year	74,649
	194,325
Net book value	
At 31 December 2007	165,924
At 31 December 2006	151,505

3. CALLED UP SHARE CAPITAL

	31 December 2007 £	31 December 2006 £
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

4. 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.

5. RELATED PARTY TRANSACTIONS

At 31 December 2007, Blackcircles.com Limited owed £222,578 (2006: £222,828) 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.