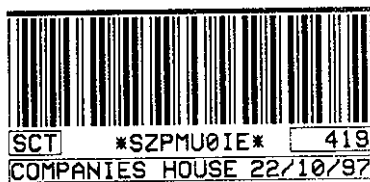


JOHN O'GROATS CRAFTS LIMITED

ABBREVIATED ACCOUNTS

for the year ended 31 December, 1996



Reid & Fraser, Chartered Accountants, Wick & Thurso

A handwritten signature, possibly "JF", is written in the bottom right corner of the page.

JOHN O'GROATS CRAFTS LIMITED

Registered No. SC051634

DIRECTORS

Mr. W.D. Mowat
Mr. W. Mowat
Mrs. A.C. Mowat

SECRETARY

Mrs. A.C. Mowat

ACCOUNTANTS

Reid & Fraser
Chartered Accountants
15 Princes Street
THURSO
Caithness
KW14 7BQ

BANKERS

Royal Bank of Scotland Plc
P.O. Box 31
29 Harbour Road
INVERNESS
IV1 1NU

REGISTERED OFFICE

Roadside
JOHN O'GROATS
Wick
Caithness
KW1 5UR

JOHN O'GROATS CRAFTS LIMITED

Accountant's Report to the Members on the unaudited abbreviated financial statements of John O'Groats Crafts Limited

The following reproduces the text of the report prepared for the purposes of section 249A(2) of the Companies Act 1985 in respect of the company's annual financial statements, from which the abbreviated financial statements set out on pages 2 to 4 have been prepared.

"We report on the accounts for the year ended 31 December, 1996 set out on pages 3 to 7.

Respective responsibilities of directors and reporting accountants

As described on page 1 the company's directors are responsible for the preparation of the accounts and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

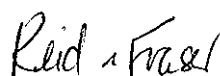
Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985:
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1)."



**Reid & Fraser
Reporting Accountants
THURSO**

7 October, 1997

JOHN O'GROATS CRAFTS LIMITED

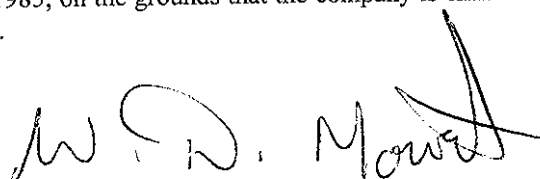
Abbreviated Balance Sheet as at 31 December, 1996

	Notes	1996 £	1995 £
Fixed assets			
Tangible assets	2	137,576	138,019
Investments	3	100	100
		<u>137,676</u>	<u>138,119</u>
Current assets			
Stock		65,100	57,463
Debtors		454	213
Cash at bank and in hand		9,513	486
		<u>75,067</u>	<u>58,162</u>
Creditors: amounts falling due within one year		<u>7,575</u>	<u>5,993</u>
Net current assets		<u>67,492</u>	<u>52,169</u>
Net assets		<u>205,168</u>	<u>190,288</u>
Capital and reserves			
Called up share capital	4	6,011	6,011
Profit and loss account		199,157	184,277
Equity Shareholders' funds		<u>205,168</u>	<u>190,288</u>

For the year ended 31 December, 1996 the company is entitled to the exemptions from an annual audit permitted by subsection (2) of section 249A of the Companies Act 1985 and no notice has been deposited under subsection (2) of section 249B by a member requiring an audit. The directors are responsible for keeping accounting records which comply with section 221 of the Companies Act 1985 and for preparing financial statements which give a true and fair view and which otherwise comply with the requirements of the Companies Act 1985 applicable to small companies.

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985, on the grounds that the company is entitled to the benefit of those exemptions as a small company.

The directors have taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985, on the grounds that the company is entitled to the benefit of those exemptions as a small company.



W.D. Mowat
Director

3 October, 1997

JOHN O'GROATS CRAFTS LIMITED

Notes to the abbreviated financial statements For the year ended 31 December, 1996

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	8% Straight line
-----------------------	------------------

No depreciation is charged on land and buildings.

Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stock.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is thought probable that a liability or asset will arise in the foreseeable future.

2 TANGIBLE FIXED ASSETS

	£
Cost	
As at 1 January, 1996	155,859
Additions	1,700
Disposals	-
	<hr/>
As at 31 December, 1996	157,559
	<hr/>
Depreciation	
As at 1 January, 1996	17,840
Charge for year	2,143
Disposals	-
	<hr/>
As at 31 December, 1996	19,983
	<hr/>
Net book value	
As at 31 December, 1996	137,576
	<hr/>
As at 1 January, 1996	138,019
	<hr/>

JOHN O'GROATS CRAFTS LIMITED

Notes to the abbreviated financial statements For the year ended 31 December, 1996

3 INVESTMENTS	1996	1995
	£	£
Investment in subsidiary undertaking	100	100
	<u>100</u>	<u>100</u>

The investment in subsidiary undertaking comprises a holding of 100% of the issued ordinary share capital of John O'Groats Visitors Centre Limited, a dormant company.

4 SHARE CAPITAL	1996	1995
	£	£
Authorised 12,100 Ordinary shares of £1 each	12,100	12,100
	<u>12,100</u>	<u>12,100</u>
Allotted, called up and fully paid 6,011 Ordinary shares of £1 each	6,011	6,011
	<u>6,011</u>	<u>6,011</u>