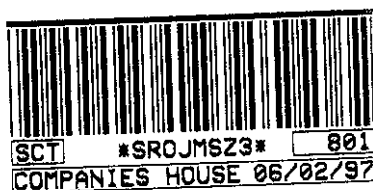


JOHN O'GROATS FERRIES LIMITED

ABBREVIATED ACCOUNTS

for the year ended 30 April, 1996

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JOHN O'GROATS FERRIES LIMITED

Registered No. SC144259

DIRECTOR

Mrs. S. Thomas

SECRETARY

Mr. F. Fermor

AUDITORS

Reid & Fraser
15 Princes Street
THURSO
Caithness

BANKERS

The Royal Bank of Scotland plc
Olrig Street,
THURSO
Caithness

SOLICITORS

Young Robertson & Co
Traill Street
THURSO
Caithness

REGISTERED OFFICE

Ferry Office
JOHN O'GROATS
Caithness

JOHN O'GROATS FERRIES LIMITED

REPORT OF THE AUDITORS

to the directors of John O'Groats Ferries Limited

We have examined the abbreviated financial statements on pages 3 to 5 together with the financial statements of John O'Groats Ferries Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 April, 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to prepare abbreviated financial statements and whether they have been properly prepared in accordance with that schedule.

Basis of Opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions claimed in the directors' statement on page 3 and that the abbreviated financial statements have been properly prepared from those annual financial statements. The scope of our work does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the director is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 30 April, 1996 and the abbreviated financial statements on pages 3 to 5 have been properly prepared in accordance with Schedule 8 to that Act.

Other information

As auditors of the company, we reported to the members on 31 January, 1997 on the annual financial statements prepared under section 226 of the Companies Act 1985 and taking advantage of the provisions of the Companies Act applicable to small companies for the year ended 30 April, 1996, and our audit report was as follows:

"We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board, except that the scope of our audit was limited as explained below. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

REPORT OF THE AUDITORS
to the directors of John O'Groats Ferries Limited

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because the company was not subject to an audit for the year ended 30 April, 1995 and no audit opinion was formed on the opening balances for the current year or on the comparative figures. Any adjustment to those figures would have a consequential significant effect on the profit for the year to 30 April, 1996.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the opening balance sheet, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April, 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

In respect alone of the limitation on our work relating to opening balances:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records had been maintained."



Reid & Fraser
Chartered Accountants
Registered Auditor
THURSO

31 January, 1997

JOHN O'GROATS FERRIES LIMITED

Abbreviated Balance Sheet as at 30 April, 1996

	Notes	1996 £	1995 £
Fixed assets			
Tangible assets	2	492,055	75
Current assets			
Debtors		8,430	177
Cash at bank and in hand		253,037	13,639
		261,467	13,816
Creditors: amounts falling due within one year		584,671	13,599
Net current (liabilities) / assets		(323,204)	217
Total assets less current liabilities		168,851	292
Provisions for liabilities and charges		10,610	-
Accruals and deferred income		38,194	-
Net assets		120,047	292
Capital and reserves			
Called up share capital	3	2	2
Profit and loss account		120,045	290
Equity shareholders' funds		120,047	292

The director has 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.

In the preparation of the company's annual financial statements the director has taken advantage of the exemptions conferred by Part 1 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.

S.M. Thomas

Mrs. S. Thomas
Director

31 January, 1997

JOHN O'GROATS FERRIES LIMITED

Notes to the abbreviated financial statements for the year ended 30 April, 1996

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention.

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:

Land and buildings	4% straight line
Plant and machinery	15% reducing balance
Caravans and motor vehicles	25% reducing balance

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

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.

JOHN O'GROATS FERRIES LIMITED

Notes to the abbreviated financial statements for the year ended 30 April, 1996

2 TANGIBLE FIXED ASSETS

	Total
Cost:	£
At 1 May, 1995	75
Additions	620,922
Disposals	(54,500)
At 30 April, 1996	566,497
Depreciation :	
At 1 May, 1995	-
Charge for year	76,442
Disposals	-
At 30 April, 1996	76,442
Net book value :	
At 30 April, 1996	492,055
At 1 May, 1995	75

3 SHARE CAPITAL

	1996 £	1995 £
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2