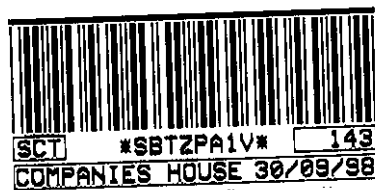


LIPSONTO LIMITED
ABBREVIATED FINANCIAL STATEMENTS

31 DECEMBER 1997

Registered number: SC071237



NELSON GILMOUR SMITH & CO.

CHARTERED ACCOUNTANTS

Glasgow

LIPSONTO LIMITED

ABBREVIATED FINANCIAL STATEMENTS

for the year ended 31 December 1997

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LIPSONTO LIMITED

Auditors' report to
Lipsonto Limited
under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements set out on pages 2 to 3, together with the financial statements of the company for the year ended 31 December 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 3 are properly prepared in accordance with those provisions.

Nelson Gilmour Smith & Co.

Glasgow
1 September 1998

Nelson Gilmour Smith & Co.
Chartered Accountants and
Registered Auditors

LIPSONTO LIMITED

ABBREVIATED BALANCE SHEET

at 31 December 1997

	Note	1997 £	1996 £
Current assets			
Debtors	2	42,091	42,091
Cash at bank and in hand		8	8
		<u>42,099</u>	<u>42,099</u>
Net current assets		<u>42,099</u>	<u>42,099</u>
Total assets less current liabilities		<u>42,099</u>	<u>42,099</u>
Capital and reserves			
Called up share capital	3	100	100
Other reserves		44,295	44,295
Profit and loss account		(2,296)	(2,296)
Total shareholders' funds		<u>42,099</u>	<u>42,099</u>
Attributable to			
Equity shareholders		<u>42,099</u>	<u>42,099</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated financial statements on pages 2 to 3 were approved by the board of directors on 1 September 1998 and signed on its behalf by:


D.G. Rattray
Chairman

LIPSONTO LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1997

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

2 Debtors

The loan to the parent company is interest free with no fixed repayment date.

3 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1	100	100	100	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Allotted called up and fully paid				
Ordinary shares of £1	100	100	100	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4 Ultimate parent undertaking

The Company's ultimate parent company is Lanero Property Company Limited.