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ELY PLACE UNIT TRUST MANAGERS LIMITED

ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 1996

Company Number 2190813



ELY PLACE UNIT TRUST MANAGERS LIMITED**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 1996**

The directors have pleasure in presenting their report together with the audited financial statements for the year ended 30 June 1996.

PRINCIPAL ACTIVITY AND REVIEW

The principal activity of the company continued to be that of management of Ely Place Growth Fund, Ely Place L&C Income Fund, and Ely Place BRI Director Dealings Unit Trust, all of which are authorised unit trusts. The company is regulated by the Investment Management Regulatory Organisation (IMRO), and is authorised by them to manage unit trusts.

The results for the year are set out on page 4 of the financial statements and the directors consider the state of affairs to be satisfactory.

DIVIDENDS

	Year	Six Months
Ordinary dividend paid:	£ Nil	(1995: £ Nil)
Non-voting preference dividend paid:	£ 95,860	(1995: £40,001)

DIRECTORS

The directors of the company, who all served throughout the year are :

E. G. Barratt
N. V. S. Paravicini
G. A. Crowther
J. Whatley
E. M. Dunmore
D. J. E. Sewell

E. G. Barratt, G. A. Crowther, E. M. Dunmore and D. J. E. Sewell are all partners in MacIntyre & Co., a firm of Chartered Accountants which wholly owns Ely Place Investments Limited, the company's holding undertaking. E. G. Barratt, N. V. S. Paravicini, G. A. Crowther and J. Whatley are also directors of Ely Place Investments Limited.

ELY PLACE UNIT TRUST MANAGERS LIMITED

**REPORT OF THE DIRECTORS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 1996**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:-

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business;

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution proposing re-appointment of Messrs Vincent Bifulco & Co. as auditors for the ensuing year will be submitted to the Annual General Meeting of the company.

By order of the Board

J. Whatley
Secretary

24 September 1996

28 Ely Place
London
EC1N 6RL

REPORT OF THE AUDITORS TO THE MEMBERS OF**ELY PLACE UNIT TRUST MANAGERS LIMITED
FOR THE YEAR ENDED 30 JUNE 1996**

We have audited the accounts on pages 4 to 10 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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 accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 June 1996 and of the loss of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Vincent Bifulco & Co.
Chartered Accountants
Registered Auditors

47 Cumberland Park
London
W3 6SX

24 September 1996

ELY PLACE UNIT TRUST MANAGERS LIMITED

Profit and Loss Account
For the year ended 30 June 1996

	Notes	Year ended 30 June 1996 £	Six months to 30 June 1995 £
TURNOVER	1 (ii)	483,576	128,598
Administration expenses		<u>(382,324)</u>	<u>(74,927)</u>
OPERATING PROFIT	2	101,252	53,671
Profit/(Loss) on sale of investments		19,194	(40)
Other income	3	5,588	440
Unrealised gain on revaluation of investments		0	1,664
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>126,034</u>	<u>55,735</u>
TAXATION	4	<u>(31,626)</u>	<u>(13,935)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>94,408</u>	<u>41,800</u>
PREFERENCE DIVIDENDS	5	<u>(95,860)</u>	<u>(40,001)</u>
RETAINED (LOSS)/PROFIT FOR THE YEAR	12	<u><u>(1,452)</u></u>	<u><u>1,799</u></u>

There have been no other recognised surpluses or deficits apart from those included in the above profit and loss account.

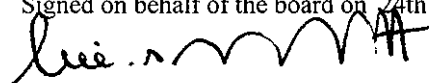
The notes on pages 6 to 10 form an integral part of these accounts.

ELY PLACE UNIT TRUST MANAGERS LIMITED

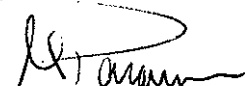
Balance Sheet
As at 30 June 1996

	Notes	30 June 1996		1995	
		£	£	£	£
CURRENT ASSETS					
Investments	8	12,792		23,303	
Debtors due after one year	9	0		20,000	
Debtors due within one year	9	24,574		6,603	
Cash at bank and in hand		35,529		54,040	
		<u>72,895</u>		<u>103,946</u>	
CREDITORS : amounts falling due within one year					
	10	<u>(22,407)</u>		<u>(52,006)</u>	
NET CURRENT ASSETS			<u>50,488</u>		<u>51,940</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>50,488</u>		<u>51,940</u>
CAPITAL AND RESERVES					
Called up share capital	11	50,001		50,001	
Profit and Loss account	12	487		1,939	
SHAREHOLDERS' FUNDS	13	<u>50,488</u>		<u>51,940</u>	
(Including non-equity interests)					

Signed on behalf of the board on 24th September 1996



E.G. Barratt



N.V.S. Paravicini

The notes on pages 6 to 10 form an integral part of these accounts.

ELY PLACE UNIT TRUST MANAGERS LIMITED

**Notes to the accounts
For the year ended 30 June 1996**

1. ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards, and include the results of the company's operations which are described in the directors' report.

The particular accounting policies adopted are described below:

i) BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

ii) TURNOVER

Turnover represents initial and management charges relating to unit trust management.

iii) CURRENT ASSET INVESTMENTS

Current asset investments are shown at the lower of cost or bid value.

iv) CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement, on the grounds that its parent undertaking prepares consolidated financial statements.

2. OPERATING PROFIT

The operating profit is stated after charging:
Auditors' remuneration

Year ended 30 June 1996	Six months to 30 June 1995
£	£
1,500	500

ELY PLACE UNIT TRUST MANAGERS LIMITED

Notes to the accounts (Continued)
For the year ended 30 June 1996

	Year ended 30 June 1996 £	Six months to 30 June 1995 £
3. OTHER INCOME		
Investment income	319	70
Interest receivable	5,269	370
	<u>5,588</u>	<u>440</u>
	Year ended 30 June 1996 £	Six months to 30 June 1995 £
4. TAXATION		
The taxation charge, based on profits for the year at current rates, comprises:		
UK Corporation tax	34,300	13,935
Interest element on tax repaid	(35)	-
Overprovision in respect of prior year	<u>(2,639)</u>	<u>-</u>
	<u>31,626</u>	<u>13,935</u>
Corporation tax payable comprises:		
Tax (recoverable)/payable	(3,691)	23,499
Tax charge on profits for the period	34,300	13,935
Advance Corporation Tax paid	<u>(23,965)</u>	<u>(10,000)</u>
	<u>10,335</u>	<u>3,935</u>
	<u>6,644</u>	<u>27,434</u>
	Year ended 30 June 1996 £	Six months to 30 June 1995 £
5. DIVIDENDS		
Dividends paid on Ordinary shares	-	-
Dividends paid on Preference shares	<u>95,860</u>	<u>40,001</u>
	<u>95,860</u>	<u>40,001</u>

ELY PLACE UNIT TRUST MANAGERS LIMITED

Notes to the accounts (Continued)
For the year ended 30 June 1996

6. STAFF COSTS	Year ended 30 June 1996 £	Six months to 30 June 1995 £
Staff costs including directors' remuneration, were as follows:		
Salaries	187,227	36,392
Social security costs	18,602	3,608
	<u>205,828</u>	<u>40,000</u>

The average number of employees, including directors, during the period was 7 (1995: 9)

7. DIRECTORS REMUNERATION	Year ended 30 June 1996 £	Six months to 30 June 1995 £
Emoluments as directors	<u>109,807</u>	<u>22,704</u>

The directors received emoluments for services to the company for the period in the following ranges:

	No.	No.
£0 - £5,000	4	4
£10,001 - £15,000	-	2
£35,001 - £40,000	1	-
£70,001 - £75,000	<u>1</u>	<u>-</u>

8. INVESTMENTS	1996 £	1995 £
Unit trust investment		
Bid value at 30 June	<u>13,018</u>	<u>23,303</u>
Cost at 30 June	<u>12,792</u>	<u>23,325</u>

9. DEBTORS	1996 £	1995 £
Amounts falling due after more than one year:		
Amounts due from parent company undertaking		
Subordinated interest-free loan to parent undertaking	<u>0</u>	<u>20,000</u>
Amounts falling due within one year:		
Trade debtors	2,325	5,042
Subordinated interest-free loan to parent undertaking	20,000	0
Prepayments	<u>2,249</u>	<u>1,561</u>
	<u>24,574</u>	<u>6,603</u>

ELY PLACE UNIT TRUST MANAGERS LIMITED

Notes to the accounts (Continued)
For the year ended 30 June 1996

10. CREDITORS	1996	1995
Amounts falling due within one year	£	£
Due to trustee for creation of units	12,759	23,610
Corporation tax	6,644	27,434
Amount owed to parent undertaking	1,504	0
Accruals	1,500	962
	<u>22,407</u>	<u>52,006</u>

11. SHARE CAPITAL	1996	1995
	£	£
Authorised:		
Ordinary shares of £1 each	99,999	99,999
Non-voting preference share of £1	1	1
	<u>100,000</u>	<u>100,000</u>
Allotted and fully paid:		
Ordinary shares of £1 each	50,000	50,000
Non-voting preference share of £1	1	1
	<u>50,001</u>	<u>50,001</u>

The non-voting preference share carries a preferred right to dividends based on the underlying value of Ely Place Growth Fund, with a guaranteed annual minimum of £10,000. It is also redeemable at par on a sale, reconstruction or winding-up of the company.

12. PROFIT AND LOSS ACCOUNT	Year	ix Months
	1996	1995
	£	£
Retained (loss)/profit for the period	(1,452)	1,799
Reserves brought forward	1,939	140
Reserves carried forward	<u>487</u>	<u>1,939</u>

ELY PLACE UNIT TRUST MANAGERS LIMITED

Notes to the accounts (Continued)
For the year ended 30 June 1996

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	Year ended 30 June 1996 £	Six months to 30 June 1995 £
Profit for the financial year / period after taxation	94,408	41,800
Dividend	<u>(95,860)</u>	<u>(40,001)</u>
Movement in the year / period	(1,452)	1,799
Opening Shareholders' funds	<u>51,940</u>	<u>50,141</u>
Closing Shareholders' funds	<u><u>50,488</u></u>	<u><u>51,940</u></u>
Represented by:		
Equity interests	50,487	51,939
Non-equity interests	<u>1</u>	<u>1</u>
	<u><u>50,488</u></u>	<u><u>51,940</u></u>

The non equity interests are attributable to the non-voting preference share. This share may be redeemed at par at any time by agreement between the company and the preference shareholder. It is also redeemable at par on a sale, reconstruction or winding-up of the company.

14. ULTIMATE HOLDING COMPANY

The company's ultimate holding undertaking is MacIntyre & Co., whose principal place of business is 28 Ely Place, London EC1N 6RL. The company's parent undertaking is Ely Place Investments Limited, incorporated in England.