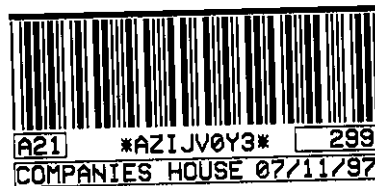


ELY PLACE UNIT TRUST MANAGERS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1997



Company Number : 2190813

ELY PLACE UNIT TRUST MANAGERS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30 JUNE 1997

The directors have pleasure in presenting their report together with the audited financial statements for the year ended 30 June 1997.

PRINCIPAL ACTIVITY AND REVIEW

The principal activity of the company continued to be that of management of Ely Place Growth Fund, Ely Place Income Fund (formerly 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

Ordinary dividends paid:	£ Nil	(1996: £Nil)
Non-voting preference dividend paid:	£117,988	(1996: £95,860)

DIRECTORS

The directors of the company, are as follows:

E G Barratt	- Chairman - Non-executive
N V S Paravicini	- Chief Executive - Executive
G A Crowther	- Finance Director - Non-executive
J Whatley	- Managing Director - Executive
E M Dunmore	- Non-executive
D J E Sewell	(Resigned 13 March 1997) - Non-executive

E G Barratt, G A Crowther, E M Dunmore and D J E Sewell are 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, E M Dunmore and J Whatley are also directors of Ely Place Investments Limited.

ELY PLACE UNIT TRUST MANAGERS LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 1997

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and then 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 financial statements;
- prepare the financial statements 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 financial statements 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

28 Ely Place
London
EC1N 6RL


J Whatley
Secretary

9 October 1997

REPORT OF THE AUDITORS
TO THE MEMBERS OF
ELY PLACE UNIT TRUST MANAGERS LIMITED
FOR THE YEAR ENDED 30 JUNE 1997

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and 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 financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

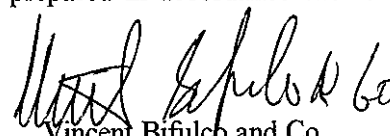
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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.

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

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 June 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Vincent Bifulco and Co
Chartered Accountants
Registered Auditors

47 Cumberland Park
London
W3 6SX

9 October 1997

ELY PLACE UNIT TRUST MANAGERS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 1997

	Notes	1997 £	1996 £
TURNOVER	1 (ii)	551,610	483,576
Administration expenses		(372,624)	(382,324)
OPERATING PROFIT	2	178,986	101,252
Profit on sale of investments		15,088	19,194
Other income	3	5,454	5,588
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		199,528	126,034
TAXATION	4	(57,893)	(31,626)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		141,635	94,408
DIVIDENDS	5	(117,988)	(95,860)
RETAINED PROFIT/(LOSS) FOR THE YEAR	12	£ 23,647	£ (1,452)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

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

The notes on page 6 to 11 form an integral part of these accounts.

ELY PLACE UNIT TRUST MANAGERS LIMITED

BALANCE SHEET

AS AT 30 JUNE 1997

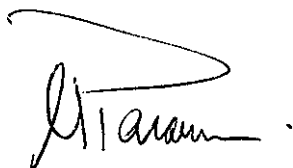
	Notes	1997 £	1996 £
CURRENT ASSETS			
Investments	8	38,046	12,792
Debtors	9	52,485	24,574
Cash at bank and in hand		24,548	35,529
		115,079	72,895
CREDITORS: Amounts falling due within one year			
	10	(40,944)	(22,407)
NET ASSETS		£ 74,135	£ 50,488
CAPITAL AND RESERVES			
EQUITY INTEREST			
Ordinary share capital	11	50,000	50,000
Profit and loss account	12	24,134	487
		74,134	50,487
NON EQUITY INTERESTS			
Preference share capital	11	1	1
SHAREHOLDERS' FUNDS	13	£ 74,135	£ 50,488

Signed on behalf of the board on 9 October 1997

E G Barratt



N V S Paravicini



The notes on page 6 to 11 form an integral part of these accounts.

ELY PLACE UNIT TRUST MANAGERS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 1997

1. ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards. 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.

The receipts and payments to the unit trusts in relation to investors monies are dealt with via the company's dealing bank account and are not part of the company's turnover.

iii) CURRENT ASSETS INVESTMENTS

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

Profit and losses on disposals of current asset investments are recognised when they are realised and are shown net of commissions and charges.

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 holding company publishes consolidated financial statements.

2. OPERATING PROFIT

1997	1996
£	£

The operating profit is stated after charging:

Auditors' remuneration	1,500	1,500
	<u> </u>	<u> </u>

ELY PLACE UNIT TRUST MANAGERS LIMITED

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 30 JUNE 1997

3. OTHER INCOME	1997 £	1996 £
Investment income	276	319
Interest receivable	4,996	5,269
Miscellaneous income	182	-
	£ 5,454	£ 5,588

4. TAXATION	1997 £	1996 £
The taxation charge, based on profits for year at current rates, comprises:		
UK Corporation tax	57,893	34,300
Interest element on tax repaid	-	(35)
Overprovision in respect of prior year	-	(2,639)
	£ 57,893	£ 31,626

Corporation tax payable comprises:	1997 £	1996 £
Tax (recoverable) in respect of prior periods	-	(3,691)
Tax charge on profits for the period	57,893	34,300
Advance Corporation Tax paid	(29,449)	(23,965)
	28,444	10,335
	£ 28,444	£ 6,644

ELY PLACE UNIT TRUST MANAGERS LIMITED

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 30 JUNE 1997

5. DIVIDENDS	1997	1996
	£	£
Dividends paid on Ordinary shares	-	-
Dividends paid on Preference shares	117,988	95,860
	£117,988	£ 95,860

6. STAFF COSTS	1997	1996
	£	£
Staff costs including executive directors' remuneration were as follows:		
Salaries	177,525	187,227
Social Security costs	18,108	18,602
	£195,633	£205,829

The average number of employees, (including the two executive directors), during the period was 9 (1996: 7).

7. DIRECTORS EMOLUMENTS	1997	1996
	£	£
Aggregate emoluments	112,879	109,807
	£112,879	£109,807

8. INVESTMENTS	1997	1996
	£	£
Unit trust investment		
Bid value at 30 June	£ 38,580	£ 13,018
Cost at 30 June	£ 38,046	£ 12,792

ELY PLACE UNIT TRUST MANAGERS LIMITED

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 30 JUNE 1997

9.	DEBTORS	1997 £	1996 £
	Trade debtors	-	2,325
	Amounts due from parent company	50,000	20,000
	Prepayments and accrued income	2,485	2,249
		£ 52,485	£ 24,574
10.	CREDITORS	1997 £	1996 £
	Amounts falling due within one year:		
	Due to trustee for creation of units	-	12,759
	Corporation tax	28,444	6,644
	Amounts owed to parent company	11,000	1,504
	Accruals and deferred income	1,500	1,500
		£ 40,944	£ 22,407
11.	SHARE CAPITAL	1997 £	1996 £
	Authorised:		
	Ordinary shares of £1 each	99,999	99,999
	Non-voting preference share of £1	1	1
		£100,000	£100,000
	Allotted, issued and fully paid:		
	Ordinary shares of £1 each	50,000	50,000
	Non-voting preference share of £1	1	1
		£ 50,001	£ 50,001

ELY PLACE UNIT TRUST MANAGERS LIMITED

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 30 JUNE 1997

11. SHARE CAPITAL (Continued)

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. On a winding-up of the company its capital is limited to £1.

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.

12. PROFIT AND LOSS ACCOUNT	1997 £	1996 £
Retained profit/(loss) for the period	23,647	(1,452)
Reserves brought forward	487	1,939
Reserves carried forward	£24,134	£ 487

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the financial period after taxation	141,635	94,408
Dividend	(117,988)	(95,860)
Movement in the period	23,647	(1,452)
Opening Shareholders' funds	50,488	51,940
Closing Shareholders' funds	£ 74,135	£ 50,488

ELY PLACE UNIT TRUST MANAGERS LIMITED

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 30 JUNE 1997

14. ULTIMATE HOLDING COMPANY

The company is 100% owned by Ely Place Investments Limited which is controlled by MacIntyre & Co.

15. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption relating to subsidiaries in Financial Reporting Standard Number 8 not to disclose transactions with its holding company on the basis that the holding company publishes consolidated financial statements.