

Company Registration No. 2855032

**FLEMING SMALLER COMPANIES
SECURITIES LIMITED**

Report and Financial Statements

31-Jul-05



FLEMING SMALLER COMPANIES SECURITIES LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

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FLEMING SMALLER COMPANIES SECURITIES LIMITED

The Company has previously carried on business as a securities dealing company. However, in the financial year under review no investment activity took place.

As the Company did not trade in the financial year under review and the Company's expenses have been borne by its holding company, a profit and loss account has not been prepared.

The parent company and ultimate holding company of Fleming Smaller Companies Securities Limited is JPMorgan Fleming Smaller Companies Investment Trust plc, which is incorporated in Great Britain.

The Company Secretary is JPMorgan Asset Management (UK) Limited.

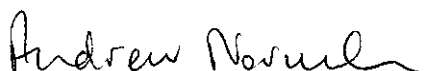
The Directors of the Company at the end of the year are:

P S S Macpherson
R A Fitzalan Howard

No Director has a service contract with the Company. No other contract has existed during the year or after the year-end in which any Director is interested.
No Director owns shares in the Company.

In accordance with the Companies Act elective resolutions to exempt the Company from laying accounts in General Meeting and holding Annual General Meetings were passed in March 1998.

By order of the Board
JPMorgan Asset Management (UK) Limited - Secretary



A. Norman
Authorised Signatory

FLEMING SMALLER COMPANIES SECURITIES LIMITED

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 as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to :

- Select suitable accounting policies and then apply them consistently; and
- Make judgements and estimates that are reasonable and prudent; and
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the financial statements on a going concern basis, unless it is inappropriate to assume 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 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 of detection of fraud and other irregularities.

FLEMING SMALLER COMPANIES SECURITIES LIMITED

BALANCE SHEET 31st July 2005

	Note	2005 £	2004 £
CURRENT ASSETS			
Debtors	2	<u>1,000</u>	<u>1,000</u>
CREDITORS: amounts falling due within one year		<u>-</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,000</u>	<u>1,000</u>
CAPITAL AND RESERVES			
Called up share capital	3	<u>1,000</u>	<u>1,000</u>
EQUITY SHAREHOLDERS' FUNDS		<u>1,000</u>	<u>1,000</u>

(a) For the year ended 31st July 2005 the Company was entitled to exemption under section 249A(1) of the Companies Act 1985.

(b) Members have not required the Company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

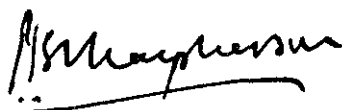
(c) The directors acknowledge their responsibilities for:

- (i) ensuring the Company keeps accounting records which comply with section 221; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit and loss for the financial year, in accordance with the requirements of section 266, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

(d) The account have been prepared in accordance with the special provisions in Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the Board of Directors on 21 October 2005.

Signed on behalf of the Board of Directors.



21.10.05

Director
P S S Macpherson

FLEMING SMALLER COMPANIES SECURITIES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31st July 2005

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

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

Turnover

Turnover represents proceeds from the sale of investments.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability will crystallise.

2 DEBTORS

	2005 £	2004 £
Amounts wholly owned by parent company	1,000	1,000

3 CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

4 DIRECTORS' EMOLUMENTS

The directors do not receive any remuneration for their services to the Company.

5 ULTIMATE PARENT COMPANY

The Company is wholly owned subsidiary undertaking of JPMorgan Fleming Smaller Companies Investment Trust Plc, which is incorporated in Great Britain and registered in England and Wales. Copies of the accounts of the parent company can be obtained from the Company Secretary, JPMorgan Asset Management (UK) Limited, Finsbury Dials, 20 Finsbury Street, London, EC2Y 9AQ.