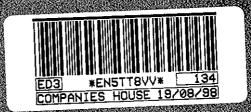
The Fleming Geared Growth

investment irust ple

Directors Report & Accounts

Year ended 31st May 1998



Directors' Report

Business of the Company

The business of the Company is that of an investment trust.

The Company is an investment company as defined by the Companies Act 1985 and has been recognised as an approved investment trust by the Inland Revenue under Section 842 of the Income and Corporation Taxes Act 1988 for all relevant periods up to 31st May 1997. In the opinion of the Directors, the Company's affairs have been conducted since that date in such manner as to enable the above recognition to be continued.

The Company is not a close company for taxation purposes.

A review of the Company's activities and prospects is given in the Chairman's statement on pages 2 and 3 and in the Investment Manager's report on pages 5 and 6.

Personal Equity Plans

The Company qualifies for the annual investment limit of £6,000 in a PEP as it has over 50% of its assets in qualifying securities. It is the Directors' intention that the Company should maintain its qualification.

The accounts of the Company for the year ended 31st May 1998 are shown on pages 22 to 31.

Revenue and Dividends

Gross revenue for the year totalled £3,511,337 and distributable revenue after deducting administrative expenses, interest and taxation amounted to £2,621,731. The dividends on the preference shares absorbed £2,234,593 leaving £387,138 available for distribution to the ordinary shareholders. An interim dividend of 0.95 pence per ordinary share was paid on 27th February 1998. The Directors recommend a dividend of 1.90p per share be paid on 30th September 1998 to holders on the register at the close of business on 7th September 1998. These distributions will absorb £527,887 resulting in a transfer from the revenue reserve of £140,749. The revenue reserve after this

Investments

The Company's investments were valued at £104,535,505 at 31st May 1998 and are listed on pages 11

Going Concern

After making enquiries, the Directors consider that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in the preparation of the accounts.

Payment Policy

It is the Company's payment policy to obtain the best terms for all business and therefore there is no consistent policy as to the terms used. In general the Company agrees with its suppliers the terms on which business will take place and it is our policy to abide by these terms. As at 31st May 1998, the Company had no outstanding trade creditors.

Directors

The Directors of the Company at the end of the year, together with their beneficial interests in the shares of the Company, are shown below:

	31st May 1998	31st May 1997
Mr LE Linaker	9.700	31st Way 1997
Mr BG Hill	& CC7	2,760
with JG i regoning.	23.794	6,667
Mr JP de Blocq van Kuffeler		23,794
lat date of appoint		

at date of appointment.

No change in the above holdings has been recorded to the date of this report.

At 31st May 1998 Mr Tregoning was treasurer of two charities which owned an aggregate of 300,000 ordinary shares in the Company.

As explained in last year's annual report and accounts Mr CR Tracey retired as a Director on 16th October 1997. Sir Hugh Bidwell GBE retired as a Director on 31st December 1997.

The Director retiring by rotation is Mr JG Tregoning, who being eligible, offers himself for reelection. Mr JP de Blocq van Kuffeler was appointed a Director on 1st December 1997. In accordance with the Articles of Association, Mr van Kuffeler offers himself for re-election.

The manager and secretary, Fleming Investment Trust Management Limited, is a subsidiary of Robert Fleming Holdings Limited which, through other subsidiaries, also provides banking, investment management dealing and custodian services to the Company.

At the year end Mr Tregoning was a director of Robert Fleming International Limited, a subsidiary of Robert Fleming Holdings Limited in which he is a shareholder.

The manager and secretary is employed under a contract which is subject to one year notice of termination. The fee is calculated and paid quarterly in arrears and is charged at a rate of 0.5% per annum of the Company's total assets less current liabilities. In addition the Company pays the fees of the registrar and the Directors and its other administrative and operating expenses. Half of all fees and expenses are charged to the capital reserve.

As at the date of this report the Company had been notified of the following interests in its ordinary

shares: Number of shares held	%
Shareholder 2,769,925	14.95 10.26
Equitable Life Assurance Society 1,900,000 1,900,000 1,804,913	10.23
Robert Fleming Holdings Limited ¹ Included within this is: 1,604,339	8.66 3.56
Save & Prosper Group Limited 660,000 Postel Investment Management Limited 650,000	3.51 3.51
Standard Life Assurance Company 650,000 Warrants & Value Investment Trust PLC 568,044	3.07
Henderson Crosthwaite Limited	

^{&#}x27;non-beneficial and held on behalf of various clients.

Some computer systems express dates using only the last two digits of the year and require modification or replacement before the Year 2000 in order to avoid malfunctions.

Most of the computer systems used for the Company's business are provided by the Flemings Group. The Board of the Company has received assurance from Flemings that their Year 2000 project is being given the highest priority and that their computer systems are being modified, enhanced or changed as necessary and tested so as to be Year 2000 compliant.

In instances where the Company depends on third party suppliers, the Board has received assurance that Flemings are seeking to ensure that all such suppliers are Year 2000 compliant.

The Board has been assured by Flemings that sufficient resources are being devoted to this issue. While the Board believes that Flemings will achieve an acceptable state of readiness, it is not possible, given the complexity of the problem, for any organisation to guarantee Year 2000 compliance.

Capital reorganisation and change of name In November 1997, the shareholders of The Fleming Geared Income & Assets Investment Trust plc approved various changes to the Company including a capital reorganisation and a change of name.

As a result of the reorganisation, the 6.3-13.3% cumulative limited participating preferred shares no longer participate in the capital growth of the Company and the rate of dividend on these shares was reduced to 13.0% per annum and are now known as preference shares. To enable the preferred shareholders to continue to participate in the capital growth of the Company they received a bonus issue of 9 ordinary shares for every 100 preferred shares held. Details of the number of shares issued are shown in note 12 to the accounts on page 29.

Directors' Report continued

The winding-up date of the Company was fixed at 30th November 2010 and the name of the Company was changed to The Fleming Geared Growth Investment Trust plc. There were no changes to the entitlements of holders of ordinary shares.

Corporate Governance

To ensure the appropriate level of corporate governance the Board have put in place arrangements which it believes are suitable for an investment trust and enable the Company to comply with the Cadbury Committee's Code of Best Practice ("the Code").

The Board consists solely of non-executive Directors, the majority of whom are independent of the Company's manager.

A management agreement between the Company and Fleming Investment Trust Management Limited sets out the matters over which the manager has authority. All other matters are reserved for the approval of the Board. The Audit Committee reviews the terms of the management agreement

To ensure its independence from the manager, the Audit Committee excludes from membership all Directors who are employed by Robert Fleming Holdings Limited or any of its subsidiaries.

The members of the Audit Committee are shown on page 14.

The Directors' statement on the Company's System of Internal Financial Control can be found on pages 18 and 19 and the Report by the Auditors to the Directors on Corporate Governance matters is set out on

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office and a resolution to reappoint them and authorise the Directors to agree their remuneration for the ensuing year will be proposed at the Annual General Meeting.

By order of the Board Fleming Investment Trust Management Limited, Secretary: FW Easton

11th August 1998

System of Internal Financial Control

The Directors are responsible for the Company's system of internal financial control which is designed to safeguard the Company's assets, maintain proper accounting records and ensure that financial information used within the business, or published, is reliable. However, such a system can be designed only to provide reasonable but not absolute assurance against material misstatement or loss.

Since investment management, custody of assets and all administrative services are provided to the Company by companies in the Flemings Group ('Flemings'), the Company's system of internal financial control mainly comprises monitoring the services provided by Fleming Investment Trust Management, ('the Manager'), and its associates, including the operating controls established by them to ensure they meet the Company's business objectives.

The key elements designed to provide effective internal financial control are as follows:

Financial Reporting - Regular and comprehensive review by the Board of key investment and financial data, including management accounts, revenue projections, transaction analyses and performance

Management Agreement - Appointment of the Manager, regulated by IMRO, and custodians regulated by the SFA whose responsibilities are clearly defined in a written agreement.

Management Systems - Inclusion in the Manager's system of internal financial control of organisational agreements which clearly define the lines of responsibility, delegated authority, control procedures and systems. These are monitored by Flemings' Internal Audit Department. Flemings' Compliance Department regularly monitors compliance with IMRO rules.

Investment Strategy - Authorisation and monitoring of the Company's investment strategy and exposure limits by the Board.

The Board keep under review the effectiveness of the Company's system of internal financial control by monitoring the operation of the key operating controls of the Manager and its associates as follows:

- the Board, through the Audit Committee, review the terms of the management agreement and receives regular reports from both Flemings' Internal Audit and Compliance Departments;
- the Directors review the self-certification provided by the manager on its compliance with documented controls; and
- the Directors review the report on the internal controls and the operations of its custodian, Robert Fleming & Co. Limited, which is independently audited:

The Company's Auditors have reported to the Board on corporate governance matters and their report is set out on page 21. ...

Directors' Responsibilities in Respect of the Accounts

Company law requires the Directors to prepare accounts 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 year and of the revenue for the year. In preparing those accounts, 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 accounts.

The Directors confirm that they have complied with the above requirements.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. Also, they are 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' Report

Report of the Auditors

to the members of The Fleming Geared Growth Investment Trust plc

We have audited the accounts on pages 22 to 31, which have been prepared under the historical cost convention as modified by the revaluation of investments and on the basis of the accounting policies set out on page 25.

Respective Responsibilities of Directors and Auditors

As described on page 19, 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 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.

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 31st May 1998 and of its revenue for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ever & Jang

Registered Auditor

London, 11th August 1998

Report by the Auditors on Corporate Governance

to The Fleming Geared Growth Investment Trust plc

In addition to our audit of the accounts, we have reviewed the Directors' statements on pages 16, 18 and 19 concerning the Company's compliance with the paragraphs of the Code of Best Practice specified for our review by the London Stock Exchange and their adoption of the going concern basis in preparing the accounts. The objective of our review is to draw attention to any non-compliance with Listing Rules 12,43(j) and 12,43(v).

We carried out our review in accordance with guidance issued by the Auditing Practices Board, and assessed whether the Directors' statements on going concern and internal financial control are consistent with the information of which we are aware from our audit. That guidance does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of either the Company's system of internal financial control or its corporate governance procedures nor on the ability of the Company to continue in operational existence.

Opinion

With respect to the Directors' statements on internal financial control on pages 18 and 19 and going concern on page 16, in our opinion the Directors have provided the disclosures required by the Listing Rules referred to above and such statements are consistent with the information of which we are aware from our audit work on the accounts.

Based on enquiry of certain Directors and officers of the Company, and examination of relevant documents, in our opinion the Directors' statement on page 18 appropriately reflects the Company's compliance with the other paragraphs of the Code specified for our review by Listing Rule 12.43(j).

ERNST & YOUNG Registered Auditor Enor Kyng

London, 11th August 1998

Statement of Total Return

for the year ended 31st May 1998

Notes	*****	1998			1997	* .
	Revenue	Capital	Total	Revenue	Capital	Tot
	. £ .	£	£	i. £	£	
Realised gains/(losses) on investments 8	· : -	1,766,516	1,766,516	-	(1,005,076)	(1,005,07
Net change in unrealised gains 8	· · · · · · · · · · · · · · · · · · ·	22,018,397	22,018,397	·	10,386,249	10,386,24
Expenses re capital restructuring 13		(195,158)	(195,158)	i Pilogoj a s	(98,467)	(98,46
Income from investments1	3,310,792	1 1.1	3,310,792	3,255,546	· · · · · · · · · · · · · · · · · · ·	3,255,54
Other income I	200,545		200,545	168,439		168,43
Net return before expenses and taxation	3,511,337	23,589,755	27,101,092	3,423,985	9,282,706	12,706,69
Management fee 2	(258,861)	(258,861)	(517,722)	(219,592)	(219,592)	(439,18
Other administrative expenses 3	(69,832)	(69,832)	(139,664)	(58,975)	(58,976)	(117,95
Interest payable 4	(1,326)	· · · · · · · · · · · · · · · · · · ·	(1,326)	(350)		(35
Net return before taxation	3,181,318	23,261,062	26,442,380	3,145,068	9,004,138	12,149,20
Taxation 5	(559,587)	61,282	(498,305)	(589,443)	59,080	(530,36
Return after taxation	2,621,731	23,322,344	25,944,075	2,555,625	9,063,218	11,618,84
Dividends on preference shares 6	(2,234,593)	irlakali la	(2,234,593)	(2,260,082)	· · · · · · · · · · · · · · · · · · ·	(2,260,08
Transfer/(appropriations) in respect	runiner, iki felipi politik juriluit di	ra innviga inanazzan alina. Basi adrika birki geradak	រូបស្ថិត សម្ព័ត្រស៊ីន ស សម្រ សមានសមានប្រើក្រុំក្រុងសម្រិន		n simun in want. Tempulapanapak	
of non equity shares 13		4,479,558	4,479,558		(906,322)	(906,32
Return attributable to ordinary shareholders	387,138	27,801,902	28,189,040	295,543	8,156,896	8,452,43
Dividends on ordinary shares 6						
Dividends paid	(175,962)	······································	(175,962)	(152,938)	ingin in F <u>err</u> ani	(152,93
Dividends payable	(351,925)		(351,925)	(305,876)	· · · · · · · · · · · · · · · · · · ·	(305,87
	(527,887)		(527,887)	(458,814)		(458,81
Transfer (from)/to reserves	(140,749)	27,801,902	27,661,153	(163,271)	8,156,896	7,993,62
	akatan sa a	***************************************			0,200,000	
Return per ordinary share 7	2.17p	156.05p	158.22p	1.74p	48.00p	49.74
and the state of t	ila ar ta ila ila laida		enstrugger um:	**	ta da tattat i itili.	

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued in the year.

The notes on pages 25 to 31 form part of these accounts.

Balance Sheet

at 31st May 1998

o en la colocia de la marca de la disposición de la colocia de la colocia de la colocia de la colocia de la co La colocia de la colocia d	Notes	1998	1997
engun unu situaten kilologia kantara kantara kantara kenala kantara kenala kenala kenala kenala kenala kenala Kenala kenala kenal			
ASSETS EMPLOYED			
Fixed assets	1 1 1111		
Investments at valuation	8	104,535,505	80,481,496
	a aprodes. Julius santas	andre service and the service	in ignities fair kind). Disinguasion (kind)
Current assets	\$2.1 HERE 12. 3		
Debtors	9	2,178,774	677,587
Cash and short-term deposits		1,591,135	946,819
San na sanagara (S. Latina ang makalang matang matang na balang sa	ander projekt. Dala Alaksida	3,769,909	1,624,406
			in angangasan ag Spiggs isal, sanjay
Creditors		9 4 40 000	
Amounts falling due within one year	10	3,450,938	345,911
Net current assets		318,971	1,278,495
Total assets less current liabilities	ovinteralist Geografia gine	104,854,476	81,759,991
	កែលមួយប្រជាជា ក្រុមប្រជាជា		rashayasa Hasarifisa Tarihi da
Provision for liabilities and charges			
Deferred taxation	- I I		87,110
		104,854,476	81,672,881
FINANCED BY	n illini		mkun tha makan
Capital and reserves			
Share capital	12	26,254,277	25,489,649
Share premium account	13	7,224,415	7,224,415
Capital reserve - realised	13.	35,909,862	26,733,400
Capital reserve - unrealised	13:	32,715,569	14,854,757
Redemption reserve	13		4,479,558
Revenue reserve	13	2,750,353	2,891,102
Total capital and reserves		104,854,476	81,672,881
Attributable to			
13.0% cumulative preference shareholders' funds.		16,993,099	16,993,099
Ordinary shareholders' funds		87,861,377	64,679,782
	e object on Spilote States The Spilote States Spilote Spilote States Spilote States	104,854,476	81,672,881
Net asset value per share	14		
Ordinary shares		474.4p	349.2p
Signature State of the State of		en en en en 1881 en	

^{&#}x27;Adjusted to take account of the capital restruction and to enable comparisons to be made.

The accounts on pages 22 to 31 were approved by the Directors

on 11th August 1998 and are signed on their behalf by:

LE Linaker Chairman

The notes on pages 25 to 31 form part of these accounts.

Cash Flow Statement

for the year ended 31st May 1998

Programs – pomocnosti stanovnik spoljenik se postava stanovnik se	na verfanan et janenn an are et 1998 a. Belge kalande wêreke et ek et al 1998 a.a.	1997
	Note 16 £	
Operating activities		
Cash received from investments	2,785,422	2,761,464
Deposit interest received	190,889	177,470
Underwriting commission received	i ing mangalan in akamalan at 16,021 m	2,252
Manager's remuneration paid	(440,614)	(373,774)
Directors' fees paid	(38,216)	(22,869)
Other cash payments	(180,306)	(148,427)
Net cash inflow from operating	activities 2,323,196	2,396,116
Returns on investments and se	ervicing of finance	andan an maraka sakar da an Maraka sakar sakar sakar sakar sa
Interest paid	(1,326)	
Preference dividends paid	(1,130,041)	(2,260,082)
Net cash outflow from returns o	n investments and	
servicing of finance	(1,131,367)	(2,260,432)
Taxation	e gandeling free group of the special state of the free growth of the contribution of the special state of the contribution of the special state of the spec	
Tax recovered	77,809	64,138
Total tax recovered	77,809	64,138
Capital expenditure and finance	ial investment	di damiya bilga başları diliya ili. Diliye yen İştarbaş açı da taşışı
Purchases of investments	(37,504,012)	(42,326,730)
Sales of investments	37,555,686	38,999,224
Net cash inflow/(outflow) from o	apital expenditure	
and financial investment	,	(3,327,506)
Equity dividends paid	de se a filozofia de la filozo La filozofia de la filozofia d	
and account of the contraction of the first of the same and the contraction of the contra	git, nga a mangganinginggan pinangi je nga ingganini.	(781,683)
Dividends paid on ordinary shares	(481,838)	
The state of the s	The stage of the s	(781,683)
Total equity dividends paid	(481,838)	(781,683)
The second secon	(481,838)	(781,683) (3,909,367)
Total equity dividends paid Net cash inflow/(outflow) before	(481,838)	111. L. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.
Total equity dividends paid Net cash inflow/(outflow) before Financing	(481,838) e financing 839,474	(3,909,367)
Total equity dividends paid Net cash inflow/(outflow) before Financing Expenses paid in connection with	e financing 839,474 capital reconstruction (195,158)	(3,909,367) (98,467)
Total equity dividends paid Net cash inflow/(outflow) before Financing	e financing 839,474 capital reconstruction (195,158)	(3,909,367)

Notes to the Accounts

at 31st May 1998

A SUMMARY OF THE PRINCIPAL ACCOUNTING POLICIES, ALL OF WHICH HAVE BEEN APPLIED CONSISTENTLY THROUGHOUT THE YEAR, IS SET OUT BELOW:

i. Basis of accounting

The accounts are prepared under the historical cost convention, modified to include the revaluation of investments and in accordance with applicable accounting standards and the Statement of Recommended Practice 'Financial statements of investment trust companies' (SORP).

ii. Valuation of investments

Quoted investments are valued at middle market prices. Where trading in the securities of an investee company is suspended, the investment is valued at the Board's estimate of its net realisable value. Realised surpluses or deficits on the disposal of investments and permanent impairments in the value

Realised surpluses or deticus on the disposal of thresuments and permanent impairments in the of investments are taken to capital reserve – realised, and unrealised surpluses and deficits on the revaluation of investments are taken to capital reserve – unrealised.

iii. Income

Income from investments is included in the revenue account on an ex-dividend basis.

Where the Company has elected to receive its dividend in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend foregone is recognised in capital reserve – realised.

Unfranked income is included in the revenue account gross before deduction of income tax. In the case of franked income, related tax credits are included in the figures presented and also form part of the tax charge.

iv. Expenses

All expenses are accounted for on an accruals basis. Expenses are charged half through the revenue account and half to capital reserve — realised except as follows:

- expenses which are incidental to the acquisition of an investment are included in the cost of the investment;
- expenses which are incidental to the disposal of an investment are deducted from the proceeds of the investment.

v. 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.

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue on the same basis as the particular item to which it relates, using the Company's effective rate of tax for the accounting period.

vi. Capital reserve

Capital reserve - realised

The following are accounted for in this reserve:

- -gains and losses on the realisation of investments;
- realised exchange differences of a capital nature;
- expenses, together with the related taxation effect, charged to this reserve in accordance with the above policies.

Capital reserve – unrealised

The following are accounted for in this reserve:

- increases and decreases in the valuation of investments held at the year-end;
- unrealised exchange differences of a capital nature.

Notes to the Accounts continued

199	1998				
	£				
	1.00				1. Income
		int in the		Alexandrica de Salar Alexandrica de Salar	Income from investments
2,921,38	781,013		a nadalehi.	1 ATT 1115	Franked investment income
	589				UK interest
291,50	529,190			om metalovala silike monto alla saksi senim	Foreign income dividends
8,16	i 				Scrip dividends
34,500	600 (1 <u>3 1 1</u> 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1				Other investment income
3,255,546	310,792	arardi ing	ni piku Sem wakaza wa		
	·H İber.	nya antara	andar mestebi	i en a constituita (fila) Ricia e e e e e e e e e e e e e e e e e e e	Other income
distriction of the second seco	nna nacia iluma. Gesti kasulia				ang kaling kalawasa salay kan gilara da atau atau atau atau atau atau atau
166,187	194,524			ม เมษาย์ หายเร็น มหายังสมาชิก ครั้ง	Deposit interest
2,252	6,021	trading ings			Underwriting commission
168,439	200,545	ri dagagaran basa Kalangagaran basa		<u>n - Sei man de anasega</u>	a the property of the state of the state of
3,423,985	511,337	3			Total income
		i iriji iyo ah		nir döriy sələdə	
	rungayikaa ar Potasii aasa	oznila feli a Sa kommula		o drajovo serito pedale. Postajo serito, pjesaja,	Total income comprises:
3,255,546	310,203	7		fuir immail (f. st. www.n.e.n.e.n.e.n.e.n.e.n.e.n.e.n.e.n.e.	Dividends from investments
adirakan baran da. Baran dari	589	navajšaji in jil Navajšaji in jil	Jelen, Arbini, Art Artifici		nterest from investments
168,439	00,545	Janiana ali	رعي أن أخراط أداع عَرَاعُ تَعْفُو عَرِينَ أَدِيْكِ	rangling films Low Late Control	Other income
3,423,985	11,337	3	gardidirgirsi Kangbassan		Total income
ta kalamana meningi m	بردي فيجيبن			nter	Analysis of income from investme
anapigo nanangian Waliotanangga Bas	10,792				isted UK
3,255,546	10,792	gran grajsi ⁹) Prišilija ir i	Notes demigrati Notes de distrib	gangginotopa aga Tasa basa	in engli Bankin propi kinggra Managaran kanggaran in ter
1997	รากการเลือดให้เรีย การเการเลือดให้เรีย	jikelejmuir n Kan Timur	1998	aga i sabarkila gi Istoberaraj biras	ereninen, jeronogom egete prins Erfortenski den men bejarkens
Capital Total	Revenue	Total	Capital	Revenue	
£ £	raeishea Marana £ io	(%, sluip £ ,			
			- Taras and the Company of the Compa		2. Management fee
186,887 373,774	186,887	440,614	220,307	220,307	Management fee
32,705 65,410	32,705	77,108	38,554	38,554	rrecoverable VAT thereon
	igrassišis i ri	4-5	2 2 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	ranger and the second s	
219,592 439,184	219,592	517,722	258,861	258,861	erte for the transfer the control of
and the Committee of th	paragagariyan Ankiranin				
oning to an include the		ğırının çeri Miller İstinat	an mingipadi Magazia		3. Other administrative expe
35,544 71,088	35,544	83,062	41,531	41,531	Other management expenses
14,851 29,702	14,851	36,966	18,483	18,483	Directors' fees'
4,250 8,500	4,250	8,500	4,250	4,250	Auditors' remuneration
		17 100	EECO	5,568	Irrecoverable VAT
4,331 8,661	4,330	11,136	5,568	69,832	C. 15592 St. M. 1577 St. M. 150 S

The Chairman is paid at the rate of £11,000 per annum and other Directors at the rate of £7,500 per annum each (1997; same). The total Directors' fees of £36,966 (1997; 29,702) comprise £26,651 (1997; £18,428) in respect of aggregate emoluments paid to Directors and £10,315 (1997: £11,274) paid to a third party for making available the services of one of the Directors (1997; two Directors).

²In addition the Auditors were paid £1,850 (1997: £500) in respect of services not directly connected with the audit. This amount has been included in other management expenses:

นที่สุดการ์ที่มาตามและและสารศาสัตร์สุดสุ

an afan mantanan (pilya, eerlas) .

ana na ana ana ana ana ana ana ana ana	All Free	1998			1997	er and a con-
	Revenue	Capital	Total	Revenue	Capital	Total
a tender of the figure and the consequence of the c	£	£	, . £	£	., .,. £ ,	£
4. Interest payable	* *:::::			11.1.1.1.1.1		
Interest on bank loans and			nina na 14 atawa Tanananina		nunu ku (Singu) Herri di Bartuan	i an a ta can total
overdraft	1,326		1,326	:350	1	350
	1,326		1,326	350	خ <u>نج ک</u> ے دری ہے۔ ماند الحدود میں ا	350
			nakaka Markakan	. 3/1 - 121 111 111 111 . 3/1 - 141 111 111 111	recorder, Elitable	
5. Taxation	umagum Kanupa		antenadores de la companya de la companya de la companya de la companya de la companya de la companya de la co			, Twansinini
Tax on franked investment income	558,929		558,929	658,969	ag ng m <u>ns</u> n sambalaband	658,969
Recovery of tax credits on franked				l deliberation deliberation. Alternational deliberation	anger (1991), ku u Lakangang kang	
investment income	(60,624)	a de la companya de la companya de la companya de la companya de la companya de la companya de la companya de La companya de la co	(60,624)	(77,809)		(77,809)
Deferred taxation		m pada <u>lan</u> in Padanjan	ikutukt <i>olog<u>ent</u>us</i> Patangangangan	(55,461)	i V ryj <u>et.</u> Kurninii u	(55,461)
Tax relief on expenses charged	ายใช้ไม่กรายนำใ การเกราะสาร			ili tsamuuti si Markiga ji sa	i kanatan igi 44.4008 8008 a	agangetye Samanid
to capital reserve	61,282	(61,282)	Addin to dita	59,080	(59,080)	ooraa in .
Prior year adjustment	imingkal <u>an</u> in Sasangan	() T TRE SEAC 25 EX		4,664		4,664
	559,587	(61,282)	498,305	589,443	(59,080)	530,363
			English negati		ari inganjina Pilitar	
				1998		1997
				aranga atau gada (g £ ajala		£
6. Dividends					stalen hasi	
Dividends on ordinary shares						
Paid	0.95p			175,962		152,938
Payable	1.90p		goson asayay May qayay	351,925		305,876
	2.85p			527,887		458,814
		and <u>de combilid</u> Light of the Carlo				ZA Isani me Za ingkalaya
Dividends on preference shares						
(formerly preferred shares)	6.65p	ariga Massacka Tarihin Santan		,130,041		1,130,041
November 1997 May 1998	6.50p			,104,552		1,130,041
-way 1990				2,234,593	TO TOTAL TOTAL	2,260,082
in and the interior of the contraction of the contr	. 13.15p	schiffightela	សំរុងស្រាល់ដែរ	5,404,090	ស្តេកវេជ្ជបណ្ឌិតក្រុងក្នុ	۲,400,004

Following the capital restructuring (see note 12) holders of preference shares are entitled, in priority to any payment of dividend on any other class of shares, to a fixed cumulative preferential dividend of 13.0p (net) for the remaining life of the Company. Prior to this, preferred shares were entitled to 13.3p (net).

Preference shares are only entitled to vote upon any resolution which would amend their rights, wind-up the Company or reduce its share capital.

Notes to the Accounts continued

7. Return per ordinary share

The return per ordinary share is based on 17,816,545 ordinary shares, being the weighted average number of ordinary shares in issue during the year (1997: 16,993,099), and on the figures shown below.

er i menden 120 i de er 120 eta erre. Or i den menden bliver en 120 i de erre.	า เดิมการทั้ง เกมารายหนึ่งรับรั	1998			1997	
the property of the control of the c	Revenue	Capital	Total	Revenue	Capital	Total
		£	<u> </u>	£	£	£
Return after taxation	2,621,731 23			2,555,625		11,618,843
Dividends on preference shares	(2,234,593)	· · · · · · · · · · ·	(2,234,593)	(2,260,082)	 .	(2,260,082)
Transfer/(appropriations) in	Vii minimistra	400 220	444	**: 3,	(000 000)	(000 000
respect of non-equity shares		,479,558		····		(906,322
	387,138 27	,801,902	28,189,040	295,543	8,156,896	8,452,439
Return per ordinary share	2.17p	156.05p	158.22p	1.74p	48.00p	49.74p
	ารา ได้ราชนักใช้เหล่าได้ ที่นักขึ้น วิทยาลักใหม่ขึ้น	Allengia Zenia en ind	t kiyaran birini Tistinan birin	ista amazas Salarininis	ra janen errega er Partituden errega	na ak masa di kacamatan da kacamatan da kacamatan da kacamatan da kacamatan da kacamatan da kacamatan da kacam Baratan da kacamatan
	นายาวเกรียกสำ			1998	Karla haar l	1997
			i (Prajiti di 1919) Grinding Jawa di	£		£
8. Investments	ani a da bari di kalaba Prancisi kana kana kalaba	inifiki) mendi. Harin Kar				
Investments listed on a recognise	d investment ex	change	104	,535,505		80,481,496
		inaria da	ika hijiha		Agailetti (1.1.)	mijosak ojir
in die eine Geregen voor in die ster verschiede van die ster verschiede van die ster verschiede van die ster v Die geregen verschiede van die ster verschiede van die ster verschiede van die ster verschiede van die ster ve	May a strategy and			uddillik diagiji Am ngha tima		
	કલા મુખ્યાલ છે. મામ જેવા માટે કરો છે જેવા	សំនំការ ដូសស សមារ សំនាំ	Normanni varnami Vantatan inti ili.			Listed in UK
	nightinithipiy	piljiker r	timing jaan		gandrif (d	£
Opening book cost	to construit des Minerales d' en referencia de Mandre des des	argina piga malaban	agrikum kalab Januaran		nigan kananganya Mga tangan m	65,626,739
Opening unrealised appreciation	pro , spreggerneru. Konstruktur	LMG และสมัย มหาสาราชาน	e in America Amerikan	non et e tereligi Le energenakin	ritariya teribi Harriya terib	14,854,757
Opening valuation			pro 100 140			80,481,496
Movements in the year:						
Purchases at cost	i in in his in die de e				illen eren finn 18. Strik allerale in 18.	39,460,188
Sales - proceeds	ngirongessiikkol. Varasii naniinga		Alaman Marikar Negara		din da 1995. Din ngan	(39,191,092)
Sales – realised gains/(losses) on	sales	beelings, qu			gerena ne ne r As e la la co	1,766,516
Increase in unrealised appreciation	and the second of the second					22,018,397
and the state of t		raggers).	adiran bila			04,535,505
	. nore cologia.		utteratytti ter. Simere galliani t		uga Mara a	104,535,505
Closing book cost	nding a Malanda gayi ng ada an andara a Aga	harayeran .				71,819,936
Closing unrealised appreciation		Alan arangan		an ingista najima Najimar an ali s		32,715,569
						04,535,505
During the year, £4,157,585 of th	ie Drior vear uni	ealised and	reciation wa	s transferred	to realised :	s disclosed
in note 13.					. 2	
	Arishmidir Tren Arishmidir Aren	r Jerusen Afte Historia	Night of	hiran da wila Mareka	asiran momen 	
				1998		1997
The state of the state of the state of	<u> </u>			· · · · /E · · ·	· · · · · · · · · · · · · · · · · · ·	
9. Debtors	ntritik i sisti sigri Majorinajori ir kas	nningung ingbig. Balan	and the target	n name en in Booken en in	arrik i h	
Securities sold for future settleme			1	,716,111		80,705
Tax credits recoverable on franke		come	And the state of	60,624		77,809
Dividends and interest receivable	and and the second	Mariannan Dahaman	100 min 100 mi	395,146		515,815
Other debtors			1.00	6,893		3,258
	taninin da da da da da da da da da da da da da	rajar Jagaran	2	,178,774	araya arabi Sarahasaran mas	677,587

រព្ធស្វេក ស៊ីស៊ីសុល សា សារប្រែសេរីសុស្តិសុក្សសេ

a ranga mendepapatan seri da amanga a

en rulius es en tronsello en la libro el ligit Le publica estigliga en la latra glas mingo Le la seguista en publica en la libro esta esta en la libro esta en la libro esta en la libro esta en la libro

	1998	
, general egune lega ("a la la aliana la traditat en en en en en en en en en en en en en	£	£
10. Creditors		
Amounts falling due within one year:		
Securities purchased for future settlement	1,956,176	
Other creditors	38,285	40,035
Dividends payable on preference shares	1,104,552	rani da da da da da da da da da da da da da
Dividends payable on ordinary shares	351,925	305,876
	3,450,938	345,911
	in the second second of the second se	intuluden i mil kriti na alimbia
	1998 : :	1997
ers Personal ers erstell et sentrer i de printer et grund met i 18 de filosoficiers (filosoficiers). La transferier et de sentre filosoficier et de sentre filosoficier et de sentre et de filosoficier et de sentr	:::::::	£
11. Provisions for liabilities and charges	aungpenia sa anamienti ika; Maamelaassaan sa saansi	gar arayar dalah Masamayar ara di s
These are in respect of deferred taxation, and comprise:	a in a serier et erro a striker a som a serier error der bis	ti, pitra eti tupat ili ji. Amali ili ililina eti
Timing differences related to revenue income		87,110
		87,110
The movement on deferred taxation comprises:		เล้าเกียร์ที่สิทธิบาท ในนักรักใน แบบราการและสาราช การเคยส
Opening balance	87,110	142,571
Transfer of tax credits	(87,110)	
Credited in respect of revenue	naste na salakan katan sa Basharan salakan katan sala	(55,461)
ได้เก็บการแล้ว การเป็นรู้กระสารแก้ และเส้าเก็บการเล่าเรียกเล่นสารให้สารแก้ รู้การแก้ รู้การเก็บการ เล็ก เก็บสารเก็บการเก็บการเก็บการเก็บการเก็บการเล็ก เก็บสารให้เก็บการเก็บการเก็บการเก็บการเก็บการเก็บการเก็บกา		87,110
ni ang mga masuning jingu panjak pupak na panganagan n		days his responsible of a
12. Share capital		
Authorised:	18,000,000	18,000,000
18,000,000 13.0% cumulative preference shares of £1 each	12,000,000	9,000,000
24,000,000 ordinary shares of 50p each	30,000,000	27,000,000
	Section (Section Control of Contr	
Issued and fully paid:		
13.0% cumulative preference shares of £1 each in issue at		
beginning and end of year (16,993,099 shares)	16,993,099	16,993,099
in the state of the control of the c	atabakesakerahan salah Kengalenbarahan	Description (การกระบานการกระบานการกระบานการกระบานการกระบานการกระบานการกระบานการกระบานการกระบานการกระบานการกระบ เพลาะ
Ordinary shares of 50p each: In issue at beginning of year (16,993,099 shares)	8,496,550	8,496,550
Bonus issue of 1,529,257 shares	764,628	
In issue at end of year (18;522,356 shares)	9,261,178	8,496,550
Total issued and fully-paid at end of year	26,254,277	25,489,649
		- 1 () () () () () () () () () (
national services representation of the second community of the community of the second community of the second	ha halden of 6 2 12 2%	cumulative limited

- (a) On 23rd October 1997 at a Separate General Meeting of the holders of 6.3-13.3% cumulative limited participating preferred shares and at a Separate General Meeting of the ordinary shareholders and at an Extraordinary General Meeting of the Company, it was resolved that the authorised share capital of the Gompany be increased from £27,000,000 to £30,000,000 by the creation of 6,000,000 ordinary shares of 50p each. It was also resolved that the 6,3-13.3% cumulative limited participating preferred shares of £1 each be reclassified as 13.3% cumulative preference shares of £1 each (the 'preference shares') and that they receive a bonus issue of ordinary shares in the ratio of 9 ordinary shares for every 100 preference shares held.
- (b) On 19th November 1997 at an Extraordinary General Meeting of the Company, it was resolved that the coupon on the Preference Shares be reduced from 13.3% to 13.0%.

Notes to the Accounts continued

	Share premium	Capital reserve	Capital reserve	Revenue	Redemption
	account	realised	unrealised	reserve	reserve
	£	£	£	£	£
13. Reserves		1. 11	** *		1 1
Beginning of year	7,224,415	26,733,400	14,854,757	2,891,102	4,479,558
Realised gains on investments		1,766,516	:: <u></u> .	· · · · · <u>· · ·</u>	_
Unrealised gains now realised	ere i jihah selel	4,157,585	(4,157,585)		• • • •
Transfer of redemption reserve	adina (n. 1905). Estimosifie in antala Casa, Sinaira (1807). La casa (1807).				
following capital restructuring					
(see below)		4,479,558	· . · · · · · · ·	·: · · · —	(4,479,558)
Increase in unrealised appreciat	ion	n a promining. Table in the latest	22,018,397		
Expenses charged to capital	an againman <u>i i</u> n	(328,693)		:	<u>-</u> :
Tax relief on management fee t	o capital	61,282	960 - 56 <u>4</u> 1.		· · · · · · · · · · · · · · · · · · ·
Expenses re capital restructurin	rania, anguarananang rasa Baluwaran bangina ca	(195,158)	outure is remissed as: Liu surken sissi liill iu	na de la composición. Astronomica de la composición de la composición de la composición de la composición de la composición de la c	. to the state of
Bonus issue of ordinary shares	i salam kan dan palaman dan kan kan kan kan kan kan kan kan kan k	(764,628)	enskir 4 5		
Revenue deficit	pain na h. <u>ei</u> n		: '-!'	(140,749)	
	7,224,415	35,909,862	32,715,569	2,750,353	

Following the capital restructuring, as described in note 12, the redemption reserve previously set up to reflect the repayment entitlement of the cumulative limited participating preferred shares is no longer required and the balance has been transferred to capital reserve—realised.

14. Net asset value per share

The net asset value per share at the year end is as follows:

:	i ifige. Litatys		arabitet Myakariman			Net o	sset value	Net asset values
.:	• • • • • • • • • • • • • • • • • • • •		.:	gi nimin' di	garikana, biba	per shar	e attributable :	attributable
: 1				i naikanan da . Ininaikan da .		1998	1997	1998 1997
•					An Little	p	: :	. : .£
1	Ordin	ary share	s		ga sir geria di			61,377 64,679,782
::.	Prefer	ence sha	ires			100.0	100.01 16,99	03 ,099 16,993,099!

Adjusted to take account of the capital reconstruction.

The movements during the year of the assets attributable to each class of share were as follows:

recipion manale biant i cini e minimaliane are escere, e	Ordinary	Distance .	
te un untitat de la coloritat de la coloritat de la coloritat de la partigió de la coloritat de la gardo una Osable de la media de la coloritat de la media de la tradició de la coloritat de la coloritat de la coloritat Osable de la coloritat de la coloritat de la coloritat de la media de la coloritat de la coloritat de la colori	shares £	Preference shares £	Total £
	60,200,224	21,472,657	81,672,881
Transfer of redemption reserve following capital restructuring	attifiti ti riiiti.i.		
(see note 13)	4,479,558	(4,479,558)	_
Total recognised gains for the year	23,709,482	2,234,593	25,944,075
Dividends appropriated in the year	(527,887)	(2,234,593)	(2,762,480)
Total net assets attributable at end of year	87,861,377	16,993,099	104,854,476

and a security of the contract	in the second of	1998	1997	
	er juriğundu ir d	£	£	nti stopon filozof (1925) Granda filozofia
15. Reconciliation of movements in shareholders' funds				
Opening shareholders' funds		81,672,881	72,772,934	
Total recognised gains for the year		25,944,075	11,618,843	a nationalists (at Non-London Communication
Dividends on preference shares		(2,234,593)	(2,260,082)	to the promotion of with
Dividends on ordinary shares		(527,887)	(458,814).	ill till to the second second
Closing shareholders' funds		104,854,476	81,672,881	
and missions in the comment of which transfer on Especially in the telebraic	Sedinaria njari	min i krim i .		a vila i dan vila da
16. Cash flow statement	, sepute longon è : Aus minu in iskliki	age percelais de Britania		
Reconciliation of revenue to net cash inflow from operating activities	nai promovint drik da 1. Staga nai negativa (da jar	vana varienti siyid Marangari		
Income before interest payable and taxation		3,182,644	3,145.418	error in a series errores
Scrip dividends received as income		ende George	(8,161)	
Decrease in accrued income	เขาสังเรียน (1867) ใช้สาร ใช้สาร ใหม่เหมือนใหม่ (1867)	33,559	173,048	arkogatinte dost tu orrolatikanggagkei
(Increase)/decrease in other debtors		(3,635)	11,283	
(Decrease)/increase in other creditors		(1,750)	12,065	l Askol (kerrinda)
Tax on franked income	positi in interest. Kardaratia	(558,929)	(658,969)	i Podrijan pamina aslije Pando Bariania, menišir
Expenses charged to capital		(328,693)	(278,568)	riginās" rāgyargani, lagsildīgi. Pilotas rikulātienās (1943. ild.)
		2,323,196	2,396,116	
			Man Hali	
Reconciliation of net cash flow to movement in net funds:	e jereze je je ili se ili se Greativa ili se ili se ili se	ra gir lafarir a Mel um komun a		an da gar gapa dagga
Movement in net funds for the year		644,316	(4,007,834)	r gjjerg bervaret rivist Smer rede kide se kras
Net funds at beginning of the year		946,819	4,954,653	าในการสากที่ได้ เกาะสากทางใ ด้วยตัวสารสารสารสารสารสารสาร
Glosing net funds		1,591,135	946,819	นาวานนาวนุการน้ำ ๆ ผู้รับนำ และจากระบบก็นำการเกรียว
		the lighten ma when he light in	arguna a Mari	i Arganarhina, dan dipa Tanàn ang manara
Analysis of net funds	As at	Japannan ga	As at	
liteli selegii sili iselegi. Astonomi telegi selime elikishme selim sili selimi sili iselimi iselimi. Selimos protesti selimi iselimi mangan mesekalar mesekalar selimi telegi selimi iselimi sili selimi iselimi si	31st May		31st May	a transfer highly places at
	1998	Cash flow	1997	กรถสิตเลียงเรียกลาวรัส จัดเมิดได้ รอกที่ได้เปลี่ยงสิตเลียงใหม่
	e e e e e e e e e e e e e e e e e e e	. 334. W		

17. Transactions with Flemings

Cash at bank and in hand

Details of the management contract are set out on page 17. The terms make allowance for the exclusion of management charges on investments held in funds managed by Flemings. No such investments were held during the year. The management fee paid to FITM for the year can be found in note 2, page 26. FITM was kasanining garapat saning also paid £20,254 for the marketing of 'wrapper' products (1997: £19,161).

FITM carries out some of its dealing transactions through Robert Fleming & Co. Ltd., a fellow subsidiary of Robert Fleming Holdings. These transactions are carried out at arm's length. The commission paid in the year was £755 (1997: £3,065).

no a primotion of other Commission in their many is

Notice of Meeting

Notice is hereby given that the thirteenth Annual General Meeting of The Fleming Geared Growth Investment Trust plc will be held at 25 Copthall Avenue, London EC2R at 2.30 pm on 16th September 1998 for the following purposes:

- 1 To receive and adopt the Directors' report, the annual accounts and the auditors' report for the year ended 31st May 1998.
- 2 To declare a final dividend on the ordinary shares.
- 3 To re-elect Mr JG Tregoning a Director of the Company.
- 4 To re-elect Mr JP de Blocq van Kuffeler a Director of the Company.
- 5 To re-appoint Ernst & Young as auditors to the Company and to authorise the Directors to agree their remuneration.

By order of the Board Fleming Investment Trust Management Limited, Secretary. 11th August 1998

Notes

- 1 To be entitled to attend and vote at the meeting (and for the purpose of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members 48 hours before the meeting ('the specified time'). If the meeting is adjourned to a time not more than 48 hours after the specified time applicable to the original meeting, that time also will apply for the purpose of determining the number of votes they may cast) at the adjourned meeting. If however the meeting is adjourned for a longer period then, to be so entitled, members must be entered on the Company's register of members at the time which is 48 hours before the time fixed for the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.
- 2 Any member of the Company entitled to attend and vote at the Meeting may appoint one or more proxies to attend and, on a poll, vote instead of him; and such proxy need not be a member. The lodging of a form of proxy does not prevent a member from attending and voting if he/she so wishes
- 3 Any instrument appointing a proxy, to be valid, must be lodged at the Company's transfer office at the office of the Registrar not less than forty-eight hours before the time fixed for the Meeting.
- 4 Entry to the annual general meeting will be restricted to ordinary shareholders, with guests only by prior agreement.

Information about the Company

History

Your Company was incorporated on 3rd April 1984 as Save & Prosper Return of Assets Investment Trust Plc. It had a split capital structure and was due to be wound up between 2008/10. The £29.2m which was raised was invested in fixed proportions in three specialised unit trusts managed by Save & Prosper.

In June 1993 the Company was reorganised, changing its name to The Fleming Geared Income & Assets Investment Trust plc and adopting an investment objective of growth of income and capital from investment in the UK through a split capital structure.

In November 1997 the Company was further reorganised. The split capital structure was removed, the winding-up date was fixed at 30th November 2010 and the name of the Company was changed to the current form.

Fleming Investment Trust Management Limited has been the Company's manager and secretary since June 1993.

Financial Calendar

31st May		
January		
July		
September		
In February and September		
31st May, 30th November		

Company Number

Market Information

The Company's shares are listed on the London Stock Exchange. The market price of the ordinary shares are shown daily in the Financial Times, Daily Telegraph and The Times. The market price of the Units can be obtained by phoning the Fleming Helpline on 0500 500 324.

Share Transactions

The shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf. They may also be purchased and held through the Fleming Investment Trusts Share Plan, Personal Equity Plan and Pension Accounts.

Investing through Flemings

Flemings has a range of "wrapper" products available which enable investors to purchase Fleming investment trusts as follows:

Share Plan

The Fleming Investment Trusts Share Plan is a savings plan allowing investments in any of the Flemings trusts, as shown below. The minimum investment is £40 per month or a lump sum of £400. There are no charges on share purchases and switches. There is a 1% brokerage charge on sales. The normal spread between buying and selling prices applies.

Personal Equity Plan

The Company is a qualifying trust for PEP purposes which, under current regulations, means that the whole annual allowance of £6,000 for a general PEP can be invested in its shares. The Company's shares are available in the Fleming Investment Trusts Personal Equity Plan. The PEP allows investment in the qualifying Fleming trusts, as shown below. Shares held in the PEP are free of income tax and capital gains tax. The minimum investment is £100 per month or a lump sum of £1,000, subject to a maximum of £6,000 per person per tax year. The existing tax benefits of PEPs will remain unchanged until April 1999, after which a new tax-privileged vehicle, the Individual Savings Account (ISA), will be introduced. PEPs will no longer be available after this time although existing plans can continue to be held as PEPs.

Pension Account

Fleming Pension Accounts are suitable for the self-employed, employees not currently members of a company scheme and those employees wishing to make additional voluntary contributions. Under current regulations tax relief is available on all contributions and investments grow free of all income and capital gains tax. The minimum investment is £100 gross per month or £1,000 gross lump sum.

The Range of Fleming Investment Trusts

Fleming American

Capital growth from North American investments

Fleming Asian²

Capital growth from Asian investments, excluding Japan

Fleming Chinese

Capital growth from China-related investments

Fleming Claverhouse

Capital and income growth from UK

Fleming Continental European

Capital growth from Continental European investments

Fleming Emerging Markets

Capital growth from emerging markets worldwide

Fleming Enterprise

Capital growth from medium-sized UK companies

Fleming European Fledgeling

Capital growth from smaller Continental European companies

Fleming Geared Growth

Growth of income and capital from a UK portfolio

Fleming Income & Capital!

Income and capital growth from UK investments through a split-capital structure

Fleming Income & Growth

Income and capital growth from higheryielding investments through a split-capital

Fleming Indian

Capital growth from investment in India

Fleming Japanese

Capital growth from Japanese investments

Fleming Mercantile

Capital growth from a portfolio of medium and smaller UK companies

Fleming Natural Resources

Capital growth from commodity and energy shares worldwide

Fleming Overseas

Capital growth from overseas markets

Fleming Smaller Companies

Capital and income growth from UK smaller companies

Fleming US Discovery

Capital growth from investing in US micro cap companies

Fleming Worldwide Income

High income with capital growth through a split-capital structure from a portfolio of equities and bonds with international exposure

Electra investment Trust PLC which is:

independently managed by Electra Fleming Limited is also available in the Fleming Share Plan and Pension Accounts. It invests in a wide variety of private equity situations. Further details are available on request.

Trusts eligible for £6,000 investment in the Fleming PEP.

2 Trusts eligible for £1,500 investment in the Fleming PEP.

Please remember that the value of shares and the income from them can fall as well as rise and investors may not get back the full amount invested. Past performance is not necessarily a guide to the future. For trusts investing in Emerging Markets the risk to your capital may be greater. Exchange rate changes may cause the value of overseas investments to rise or fall. Unquoted investments may be illiquid and difficult to value and may be more volatile. The existing tax benefits of PEPs will remain unchanged until April 1999, after which a new lax-privileged vehicle, the Individual Savings Account (ISA), will be introduced. PEPs will no longer be available after this time although existing plans can continue to be held as PEPs. Issued by Fleming Investment Trust Services Limited, which is regulated by the Personal Investment Authority, and only sells unit trusts, recognised collective investment schemes, investment trust saving schemes, PEPs, life assurance and pension products offered by Flemings and Save & Prosper marketing group.

Contact Details

Manager, Secretary and Registered Office

Fleming Investment Trust Finsbury Dials, 20 Finsbury Street, London, EC2Y 9AQ

Management Limited Telephone number: 0171 638 5858

Please contact Fraser Easton for administrative matters.

Auditor

Ernst & Young Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Registrar

Lloyds Bank Registrars Reference 1085, The Causeway, Worthing, West Sussex, BN99 6DA.

Telephone number: 01903 502 541

Notifications of changes of address and enquiries regarding certificates or dividend cheques should be made in writing to the Registrar quoting reference 1085.

Fleming Brochureline

Freephone 0500 500 161 or 0171 382 8989

Please use this service to order PEP, Pension Accounts or Share Plan literature and/or annual reports of the Fleming investment trusts.

Fleming Helpline

Freephone 0500 500 324 or 0171 382 8800

Please use this service if you have any general queries about Fleming trusts or any of their products.

Account Queries

If you have an account query and your Fleming investment trust shares are held in one of Flemings' "wrapper" products please call the appropriate department:

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