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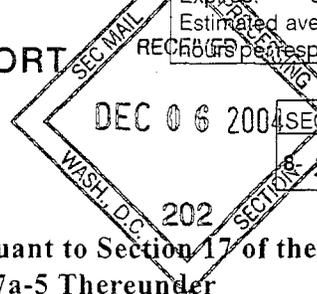


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ANNUAL AUDITED REPORT
FORM X-17A-5
PART III



SEC FILE NUMBER
8-22815

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING October 1, 2003 AND ENDING September 30, 2004
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: FFMC Securities, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

400 Commonwealth Avenue

(No. and Street)

Boston

MA

02215

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

James F. Quinn, Jr.

(617) 266-3400

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Parent, McLaughlin & Nangle,
Certified Public Accountants, Inc.

(Name - if individual, state last, first, middle name)

160 Federal Street

Boston

MA

02110

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

PROCESSED
DEC 16 2004
THOMSON FINANCIAL

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

DB 12-15

OATH OR AFFIRMATION

I, James F. Quinn, Jr., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of FFMC Securities, Inc., as of September 30, 2004, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Signature
President

Title

Notary Public

This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of ~~Income (Loss)~~ Earnings
- (d) Statement of ~~Changes in Financial Condition~~ Cash Flows
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors. N/A
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3. N/A
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation. N/A
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report. N/A
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS:	
Statements of financial condition	2
Statements of earnings	3
Statements of changes in stockholder's equity	4
Statements of cash flows	5
Notes to financial statements	6-7
SUPPLEMENTARY INFORMATION TO FINANCIAL STATEMENTS:	8
Computation of net capital	9
Computation of basic net capital requirements	9
Computation of aggregate indebtedness	9
Reconciliation of net capital	9
Exemptive provisions under Rule 15c3-3	10
REPORT ON INTERNAL ACCOUNTING CONTROL	11-12





INDEPENDENT AUDITOR'S REPORT

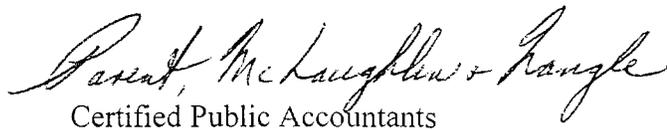
FFMC SECURITIES, INC.
Boston, Massachusetts

We have audited the accompanying statements of financial condition of FFMC Securities, Inc. as of September 30, 2004 and 2003, and the related statements of earnings, changes in stockholder's equity and cash flows for the years then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FFMC Securities, Inc. at September 30, 2004 and 2003, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Pages 9 and 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Certified Public Accountants

October 19, 2004

Parent, McLaughlin & Nangle
Certified Public Accountants, Inc.

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FFMC SECURITIES, INC.

STATEMENTS OF FINANCIAL CONDITION

	September 30	
	<u>2004</u>	<u>2003</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 85,218	\$ 81,827
Receivables from non-customers	806	806
Non-allowable receivables from limited partnerships	257,150	537,380
	<u>\$ 343,174</u>	<u>\$ 620,013</u>
 <u>LIABILITIES AND STOCKHOLDER'S EQUITY</u>		
Deferred revenue	\$ 257,150	\$ 537,380
Accrued federal and state income taxes	1,679	2,955
	258,829	540,335
Stockholder's equity		
Common stock - \$1 par value:		
Authorized, 100 shares;		
Issued and outstanding, 50 shares	50	50
Additional paid-in capital	3,495	3,495
Retained earnings	80,800	76,133
	<u>84,345</u>	<u>79,678</u>
	<u>\$ 343,174</u>	<u>\$ 620,013</u>

See notes to financial statements.

FFMC SECURITIES, INC.

STATEMENTS OF EARNINGS

	Year ended September 30	
	<u>2004</u>	<u>2003</u>
REVENUES:		
Commissions from sale of limited partnership interests	\$ 472,230	\$ 289,084
Interest income	116	184
	<u>472,346</u>	<u>289,268</u>
EXPENSES:		
Officers' compensation and commissions	440,000	233,200
Regulatory fees and expenses	7,748	7,927
Other operating expenses	17,321	14,422
	<u>465,069</u>	<u>255,549</u>
EARNINGS BEFORE FEDERAL AND STATE INCOME TAXES	7,277	33,719
FEDERAL AND STATE INCOME TAXES	<u>2,610</u>	<u>3,761</u>
NET EARNINGS	<u>\$ 4,667</u>	<u>\$ 29,958</u>

See notes to financial statements.

FFMC SECURITIES, INC.

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

YEARS ENDED SEPTEMBER 30, 2004 AND 2003

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>
	<u>Shares</u>	<u>Amount</u>		
Balance, September 30, 2002	50	\$ 50	\$ 3,495	\$ 46,175
Net earnings	-	-	-	29,958
Balance, September 30, 2003	50	50	3,495	76,133
Net earnings	-	-	-	4,667
Balance, September 30, 2004	<u>50</u>	<u>\$ 50</u>	<u>\$ 3,495</u>	<u>\$ 80,800</u>

See notes to financial statements.

FFMC SECURITIES, INC.

STATEMENTS OF CASH FLOWS

	Year ended September 30	
	2004	2003
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	\$ 4,667	\$ 29,958
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Decrease in:		
Receivables from limited partnerships	280,230	241,516
Increase (decrease) in:		
Deferred revenue	(280,230)	(241,516)
Accrued federal and state income taxes	(1,276)	2,955
Total adjustments	(1,276)	2,955
Net cash provided by operating activities	3,391	32,913
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,391	32,913
CASH AND CASH EQUIVALENTS, beginning of year	81,827	48,914
CASH AND CASH EQUIVALENTS, end of year	\$ 85,218	\$ 81,827
 SUPPLEMENTAL DISCLOSURES:		
Cash paid during the year for income taxes	\$ 3,886	\$ 806

See notes to financial statements.

FFMC SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2004 AND 2003

A. Significant Accounting Policies:

Description of business and revenue recognition:

The Company's revenue is principally derived from commissions relating to sales of limited partnership interests in real estate. A portion of those commissions is payable in future installments, contingent upon the real estate venture meeting certain levels of construction and rental performance. The Company recognizes commission revenue when installments are received from the limited partnership.

Deferred revenue on the accompanying statement of financial condition represents commission revenue which will be recognized in future years, if the applicable commitments of the real estate ventures are fulfilled.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income taxes:

The Company provides for income taxes actually payable and, in addition, provides for deferred income taxes resulting from the temporary difference in reporting income on the accrual basis of accounting for financial reporting purposes and the cash basis of accounting for tax reporting purposes. No significant temporary differences existed at September 30, 2004 or 2003.

Cash and cash equivalents:

For purposes of cash flows, the Company considers money market instruments to be cash equivalents.

FFMC SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2004 AND 2003

(continued)

B. Related Party Transactions:

FFMC Securities, Inc.'s commission revenue is derived from the sale of limited partnership interests in ventures syndicated by First Financial Management Corporation and First Partners Group, Inc., related parties through common ownership.

C. Net Capital Requirements:

Under the "Net Capital Rule" of the Securities Exchange Commission, the Company is required to maintain net capital of the greater of 1/15th of aggregate indebtedness, or \$5,000. At September 30, 2004 and 2003, net capital and required net capital, computed in accordance with the rules of the Commission, amounted to \$83,126 and \$5,000, respectively.

D. Concentration of Credit Risk:

At September 30, 2004, the Company maintained a \$20,692 balance in a money market account which is not insured.

SUPPLEMENTARY INFORMATION TO
FINANCIAL STATEMENTS

FFMC SECURITIES, INC.

COMPUTATION OF NET CAPITAL

SEPTEMBER 30, 2004

COMPUTATION OF NET CAPITAL

Total stockholder's equity qualified for net capital		\$	84,345
Non-allowable assets:			
Receivables from limited partnerships	\$	257,150	
Receivables from non-customers		<u>806</u>	(257,956)
Other allowable credits:			
Deferred revenue			<u>257,150</u>
Net capital before haircuts on securities positions			83,539
Haircuts on securities:			
Trading and investment securities			<u>(413)</u>
Net capital		\$	<u>83,952</u>

COMPUTATION OF BASIC NET CAPITAL REQUIREMENTS

Minimum net capital required (6 2/3% of aggregate indebtedness)	\$	<u>112</u>
Minimum net capital requirement	\$	<u>5,000</u>
Required net capital	\$	<u>5,000</u>
Excess net capital	\$	<u>78,952</u>
Excess net capital at 1000%	\$	<u>82,958</u>
Ratio of aggregate indebtedness to net capital		<u>0.002 to 1</u>

COMPUTATION OF AGGREGATE INDEBTEDNESS

Items included in statement of financial condition:		
Accrued federal and state income taxes	\$	<u>1,679</u>

RECONCILIATION OF NET CAPITAL

Net capital per unaudited X-17a-5	\$	85,594
Adjustments, primarily federal and state income taxes		(1,662)
Increase in non-allowable assets		<u>(806)</u>
Net capital, as above	\$	<u>83,126</u>

FFMC SECURITIES, INC.

EXEMPTIVE PROVISION UNDER RULE 15c3-3
OF THE SECURITIES EXCHANGE COMMISSION

SEPTEMBER 30, 2004

EXEMPTIVE PROVISION UNDER RULE 15c3-3

A "special account for the exclusive benefit of customers" is maintained.



REPORT ON INTERNAL ACCOUNTING CONTROL

FFMC SECURITIES, INC.
Boston, Massachusetts

In planning and performing our audit of the financial statements and supplementary information of FFMC Securities, Inc. (*the Company*) for the year ended September 30, 2004, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company, including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions related to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons;
2. Recordation of differences required by rule 17a-13;
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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Certified Public Accountants, Inc.

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Because of inherent limitations in internal control or the practices and procedures referred to above, errors or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at September 30, 2004, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, the National Association of Security Dealers, Inc., and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.


Certified Public Accountants

October 19, 2004