

**RAYMOND JAMES FINANCIAL  
INTERNATIONAL LIMITED  
(REGISTERED NUMBER: 3127076)**

**Directors' Report and Accounts  
Year Ended 24 September 1999**



# **Raymond James Financial International Limited**

## **Directors' Report Year Ended 24 September 1999**

The Directors submit to the Shareholders their report and accounts for the year ended 24 September 1999.

### **Principal Activities and Business Review**

The company has traded in equities since November 1998 generating commission income. The company also earns income arising from interest on its cash balances.

### **Payment of creditors**

The company pays its creditors in accordance with their agreed terms of business. The number of creditors days is 47.

### **Year 2000 statement**

The review of computerised systems in connection with Year 2000 compliance was undertaken at Raymond James & Associates Inc. who performs the accounting function. The company has revised all critical information technology internal computer code that it has identified as requiring modification for Year 2000 compliance, and has successfully tested the revised code for the transition between 29 December 1999 and 3 January 2000. The testing will continue throughout 1999 with respect to other dates that could be affected by this problem. The company will be limiting the introduction of new computer code during this period to protect the integrity of the changes made during this year. The company has developed contingency plan for mission critical business functions. The Directors' Report in the Financial Statements of the ultimate parent company Raymond James Financial Inc. for the year ended 24 September 1999 include a full Year 2000 statement.

### **Directors**

The Directors who served during the year, are:

P Steinhauser (appointed on 23 August 1999)  
R Shuck  
T Bedford (resigned on 23 August 1999)  
I Stewart-Hunter  
T Franke

There are no disclosable directors' interests under Section 324 of the Companies Act 1985.

### **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 period. 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; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# **Raymond James Financial International Limited**

## **Directors' Report**

**Year Ended 24 September 1999**

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.

### **Dividends**

The directors do not propose a dividend.

### **Auditors**

A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the Annual General Meeting.

By order of the Board



P Steinhauser  
Director  
20 December 1999

14 Finsbury Square  
London  
EC 2A 1BR

## **Auditors' report to the members of Raymond James Financial International Limited**

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report, including as described on page 1 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of audit 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 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 the company's affairs at 24 September 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.*

*PricewaterhouseCoopers*

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
London

20 December 1999

# Raymond James Financial International Limited

## Profit and Loss Account Year Ended 24 September 1999

		1999	1998
	Note	USD	USD
Turnover		1,335,826	-
Cost of sales		(1,168,116)	-
Gross profit		167,710	-
Administrative expenses		(108,941)	(26,194)
Operating profit/(loss)	2	58,769	(26,194)
Interest receivable		4,978	3,649
Interest payable to group undertakings		(17,457)	-
Profit/(Loss) on ordinary activities before taxation		46,290	(22,545)
Tax on loss on ordinary activities (current period corporation tax charge at 30.5%)		(14,784)	-
Profit/(Loss) after taxation on ordinary activities	6	31,505	(22,545)

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

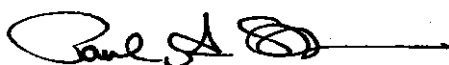
The notes on pages 6 to 7 form part of these accounts.

# Raymond James Financial International Limited

## Balance Sheet for the Year Ended 24 September 1999

		1999	1998
	Note	USD	USD
Cash at bank		606,547	101,473
<b>Debtors</b>			
Amounts owed by group undertakings		155,962	3,170
Prepayments		6,065	-
<b>Creditors – Amounts falling due within one year</b>			
Amounts owed to group undertakings		(6,982)	(40,325)
Accruals		(145,263)	(8,515)
Other creditors including taxation and social security		(14,784)	-
<b>Net current assets</b>		<b>587,308</b>	<b>55,803</b>
<b>Creditors – Amounts falling due after more than one year</b>			
Amounts owed to group undertakings	4	(264,237)	-
		<b>337,308</b>	<b>55,803</b>
<b>Capital and reserves</b>			
Called up share capital	5	78,843	78,760
Share premium account	5	249,917	-
Profit and loss account		8,548	(22,957)
<b>Total shareholders' funds</b>		<b>337,308</b>	<b>55,803</b>

The financial statements were approved by the Board of Directors on 20 December 1999 and signed on their behalf by



P Steinhauser  
Director

The notes on pages 6 to 7 form part of these accounts.

# Raymond James Financial International Limited

## Notes to the Accounts

Year Ended 24 September 1999

### 1. Principal Accounting Policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### Turnover

Turnover constitutes commission income generated from trading in US equities since November 1998.

#### Cost of sales

Cost of sales constitutes commission expense payable to the agents and clearing costs payable to Raymond James & Associates Inc.

#### Interest income

Interest income is received from Heritage Cash Trust, a fund administered by a wholly owned subsidiary of Raymond James Financial Inc.

#### Cash Flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard 1(revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement. The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with group entities.

### 2. Profit/(Loss) on ordinary activities before taxation

	1999	1998
	USD	USD
Profit/(Loss) on ordinary activities before taxation is after charging:		
Auditors' remuneration		
Audit	24,630	8,515
Non-audit services	15,884	-

### 3. Directors Remuneration and Staff Costs

No personnel are employed directly by the company. The directors are employees of other member companies (Raymond James Financial Inc, Raymond James Associates Inc. and Heritage International Limited) and are paid by those principal employers. The directors do not consider that the element of their remuneration which could be deemed to relate to the company is material.

### 4. Subordinated loan

In November 1998 the company obtained subordinated loan of USD 250,000 from its immediate parent company for the period of five years. The accrued interest is due on the loan repayment date.

# Raymond James Financial International Limited

## Notes to the Accounts Year Ended 24 September 1999

### 5. Share Capital and Reserves

The authorised and issued share capital is 1,000 ordinary shares of GBP 50 each

In November 1998 the company issued one GBP 50 ordinary share at a share premium of USD 249,917.

	Called up Share Capital	Share Premium Account	Profit and loss Account
	USD	USD	USD
At 26 September 1998	78,760	-	(22,957)
Issue of share capital	83	249,917	-
Retained profit for the financial year	-	-	31,505
At 24 September 1999	78,843	249,917	8,548

### 6. Reconciliation of Movements in Shareholders' Funds

	1999	1998
	USD	USD
Opening shareholders' funds	55,803	78,348
Profit/(loss) for the period	31,505	(22,545)
Issue of share capital	250,000	-
Closing shareholders' funds	337,308	55,803

### 7. Parent Companies

The immediate parent company is Raymond James International Holdings Inc. The ultimate parent company is Raymond James Financial Inc registered in the United States (Florida). Group accounts in respect of these companies may be obtained from the Company Secretary 14 Finsbury Square, London EC2A 1BR.