

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

**Directors' Report and Accounts
Year Ended 27 September 2002**



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Raymond James Financial International Limited

Directors' Report Year Ended 27 September 2002

The Directors submit to the Shareholders their report and accounts for the year ended 27 September 2002.

Principal Activities and Business Review

The principal activity of the company is stockbroking generating commission income. The company also earns income arising from interest on its cash and investment balances.

Both the level of business and the year end financial position were satisfactory.

Directors

The Directors who served for the whole year, are:

P Steinhäuser
R Shuck
T Franke
J Trocin

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.

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.

Raymond James Financial International Limited

Directors' Report Year Ended 27 September 2002


Dividends

The directors do not propose a dividend.

Auditors

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

By order of the Board



J. Critchlow
Secretary
19 December 2002

14 Finsbury Square
London
EC 2A 1BR

Report of the independent auditors to the members of Raymond James Financial International Limited

We have audited the financial statements on pages 4 to 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 1, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 1985. 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 with the company is not disclosed.

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 as at 27 September 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

19 December 2002

Raymond James Financial International Limited

Profit and Loss Account Year Ended 27 September 2002

		2002	2001
	Note	USD	USD
Turnover	1	3,150,702	4,301,952
Cost of sales	1	(2,391,267)	(3,398,389)
Gross profit		759,435	903,563
Administrative expenses		(596,790)	(713,299)
Operating profit		162,645	190,264
Interest receivable		11,774	35,824
Interest payable to group undertakings		(14,839)	(24,784)
Profit on ordinary activities before taxation	2	159,580	201,304
Tax on profit on ordinary activities	6	(59,326)	(80,589)
Profit after taxation on ordinary activities	5, 7	100,254	110,715

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.

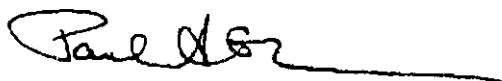
The notes on pages 6 to 8 form part of these accounts.

Raymond James Financial International Limited

Balance Sheet for the Year Ended 27 September 2002

		2002	2001
	Note	USD	USD
Current assets			
Cash at bank		1,317,321	503,733
Short term investment		1,176	913,009
Amounts owed by group undertakings		3,177	8,848
Prepayments		0	337
		<u>1,327,674</u>	<u>1,425,925</u>
Creditors – Amounts falling due within one year			
Amounts owed to group undertakings		(8,751)	(296,340)
Accruals		(109,977)	(90,543)
UK Corporation Tax		(115,987)	(61,187)
		<u>(234,725)</u>	<u>(448,070)</u>
Net current assets		1,082,949	977,855
Creditors – Amounts falling due after more than one year			
Amounts owed to group undertakings	4	(332,135)	(317,295)
Net assets		760,814	660,560
Capital and reserves			
Called up share capital	5	78,843	78,843
Share premium account	5	249,917	249,917
Profit and loss account	5	432,054	331,800
Total shareholders' funds		760,814	660,560

The financial statements were approved by the Board of Directors
on 19 December 2002 and signed on their behalf by



P. Steinhauser
Director

The notes on pages 6 to 8 form part of these accounts.

Raymond James Financial International Limited

Notes to the Accounts

Year Ended 27 September 2002

1. Principal Accounting Policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with group entities.

Turnover

Turnover constitutes commission income generated from stockbroking activities, which is recognised at trade date.

Cost of sales

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

Interest Income

Interest income is received from Wachovia, Bank of America, and 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.

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is only recognised to the extent that it is regarded as recoverable. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. The directors do not believe that there are any such timing differences at the balance sheet date.

2. Profit on ordinary activities before taxation

	2002	2001
	USD	USD
Profit on ordinary activities before taxation is after charging:		
Auditors' remuneration		
- Audit	32,000	24,630
- Non-audit services	-	-

Raymond James Financial International Limited

Notes to the Accounts

Year Ended 27 September 2002

3. Directors Remuneration and Staff Costs

The directors are employees of other member companies (Raymond James Financial, Inc. and Raymond James and Associates, Inc.) and are paid by those principal employers. The aggregate amount of emoluments paid to or receivable by directors in respect of qualifying services is USD4,000 (2001: USD4,000).

4. Subordinated loan

The subordinated loan of USD 250,000 was obtained from the immediate parent company, for the period of five years on which interest accrues at a rate of broker call rate as published in the Wall Street Journal plus 1%. The accrued interest is due on the loan repayment date. Both the loan and accrued interest are payable on demand on not less than five years notice.

5. Share Capital and Reserves

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

	Called up Share Capital	Share Premium Account	Profit and loss Account
	USD	USD	USD
At 28 September 2001	78,843	249,917	331,800
Profit for the year	-	-	100,254
At 27 September 2002	78,843	249,917	432,054

6. Taxation on the Profit for the Year

The charge in the profit and loss account, based on Corporation Tax rate of 30% is represented by:

	2002	2001
	USD	USD
Current tax:		
UK Corporation tax on profits of the period	47,874	65,113
Adjustment in respect of previous periods	0	25,476
US federal tax on profits of the period	11,452	-
Total current tax charge for the period	59,326	90,589

Raymond James Financial International Limited

Notes to the Accounts Year Ended 27 September 2002

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2001: higher) than the standard rate of corporation tax in the UK (30%, 2001: 30%). The differences are explained below.

	2002	2001
	USD	USD
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	158,580	201,304
Current tax at 30% (2001: 30%)	47,874	60,391
<i>Effects of:</i>		
US Federal Tax	11,452	4,722
Adjustments to tax charge in respect of previous periods	-	25,476
Total current tax charge (see above)	59,326	90,589

7. Reconciliation of Movements in Shareholders' Funds

	2002	2001
	USD	USD
Opening shareholders' funds	680,560	549,845
Profit for the year	100,254	110,715
Issue of share capital	-	-
Closing shareholders' funds	780,814	660,560

8. 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.