

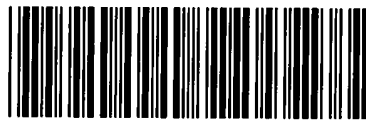
RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

COMPANY REGISTERED No. 03127076

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

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RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

COMPANY INFORMATION

Registration Number 03127076

Directors Jeffrey Trocin
Peter Moores
Paul Allison (Chairman)
John Carson, Jr. (Appointed November 2015)

Secretary Nazibul Islam

Registered office Broadwalk House
5 Appold Street
London
EC2A 2AG

Auditor KPMG LLP
15 Canada Square
London
E14 5GL

Banks Barclays Bank PLC
1 Churchill Place
London
E14 5HP

JPMorgan Chase Bank, N.A. - London Branch
25 Bank Street
London
E14 5JP

Citibank, N.A. - London
25 Canada Square
Canary Wharf
London
E14 5LB

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2016

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RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

Our Vision

To be a premier financial services provider built on trust and relationships. We will combine insightful, high quality research in select industry sectors with value-added financial insight and trading support to serve the needs of institutional clients.

Our Values

Our core values are instilled in the firm at the parent Company level and embedded in our culture and business practices. In the pursuit of our goals, we conduct ourselves in accordance with the following precepts:

- Client First: Client interest is a priority.
- Conservatism: We take a long-term approach. Discipline in decision making translates to a strong, stable firm.
- Independence: We are an independent firm made up of empowered individuals who choose to make this Company great.
- Integrity: We are forthright in our approach and seek to earn each client's trust.

Strategic Objectives and Business Review

The firm's primary objectives are:

- To continue to operate in the EU market undertaking dealing relationships with professional and eligible counterparty clients;
- To increase the size of the business operations through organic growth;
- To achieve economies of scale that will allow the Company to increase its profitability, thereby providing a greater return to its shareholders.

The Company intends to maintain sufficient capital resources to allow it to achieve these objectives whilst meeting its regulatory obligations as demonstrated by current capital levels.

Turnover was \$12.6 million (2016), a decreased of 4% versus \$13.2 million (2015). However, the net loss was \$2.8 million compared with \$6.1 million in September 2015. The year-over-year decrease in net losses is primarily related to the severance and redundancy expenses incurred during FY15 resulting from the decision to divest and close the fixed income securities business. We anticipate a continued movement toward profits as efforts to grow revenue are executed.

We continue to build our business through organic growth and by providing existing clients with access to resources and superior service provided by the ultimate parent Company (Raymond James Financial, Inc.). We are confident that we will succeed in the EU market by providing excellent service, robust trading services and premier research access. Our confidence also reflects the commitment and enthusiasm of our staff and management team.

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

Principal risks and uncertainties

The Company has identified the following principal risks:

- **Market Risk**
 - Market correction due to economic factors and/or a geopolitical event: Mitigated by the retention of appropriate capital resources, which are determined on the basis of stress testing, sensitivity testing and modelling;
 - Loss of key clients: Mitigated by diversification of clients and servicing clients with sales teams rather than one individual sales associate.
- **Credit Risk**
 - Failure of a client to complete a dealing transaction: Mitigated by the credit analysis undertaken by the Company as part of its account opening process and ongoing monitoring of clients' business activities.
- **Supervisory/ Regulatory Risk**
 - The risk resulting from inadequate supervision and/or non-compliance with regulation mitigated through our Compliance monitoring programme and including regular Training and Competency activities.
- **Liquidity Risk/ Capital Risk**
 - Insufficient funds to meet liabilities as they fall due: Mitigated by the regular monitoring of liquidity and capital coverage. Reliance on group facility should there be a need.
- **Operational Risk**
 - The risk resulting from inadequate or failed business processes and systems. The Company seeks to monitor potential sources of errors arising from its operations and continually strengthen our internal systems and processes to reduce our residual risk exposure.
- **Business Continuity Management**
 - Interruption in business due to natural disaster and/or external events. Mitigated by resilient infrastructure and appropriate access controls and network threat and prevention.
- **Information Security**
 - Unauthorized access to private, confidential, or proprietary Company or client data. Mitigated through our internal policies and procedures, appropriate access controls and network threat detection and prevention.
- **Workforce Development**
 - Loss of key staff and skills. Mitigated by the maintenance of competitive staff compensation, measured by industry benchmarking.

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

- Strategic Risk
 - Failure to anticipate and meet pressures of the marketplace could lead to loss of competitive positioning. Mitigated by the Company's Senior Management team, who regularly assesses the competitive landscape and determines appropriate actions to manage strategic risks.
- Currency Risk
 - Company's loss of income due to currency fluctuations: Mitigated by maintaining sufficient cash reserves in more than one currency to absorb short-term currency exchange rate fluctuations.

The Company considers each risk listed as giving rise to Reputational Risk – damage to our reputation either through censure by our regulator or by a perception by the market of poor quality and service. We therefore consider the severity of the impact to the Company's reputation in the assessment of both the inherent and residual risk that we face in each of our key risk areas.

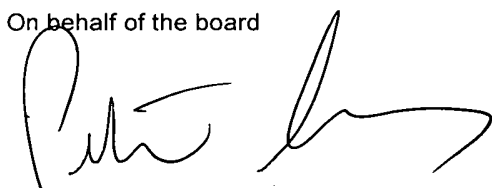
These principal risks of the Company are aligned with the risks of the ultimate parent, Raymond James Financial, Inc. (RJF). Risk management policies and procedures for the Company are set and managed by the Company's Board of Directors (the Board) in line with RJF practices.

The Board is ultimately responsible for the Company's risk management and internal control systems. It determines the nature and extent of the significant risks of the Company in pursuit of its strategic objectives. Accountability for identifying and managing business risks lies with the Company's management, with Board oversight.

Risk management is considered to be of paramount importance in day-to-day operations. Consequently, significant resources (including investments in employees and technology) are devoted to measurement, analysis and management of risks.

Information in relation to the Company's risk management is included in the Company's Pillar 3 statement which accompanies the management accounts.

On behalf of the board



.....
Peter Moores

Director

11th January 2017

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

The Directors of Raymond James Financial International Limited (the Company) submit to the Shareholders their report and accounts for the year ended 30 September 2016.

Directors

The Directors who served during the year and up to the date of this report are shown on page 8.

Principal activities

The Company is ordinarily engaged in the brokerage of transactions on an agency basis in US, European and Canadian equity securities and fixed income loan trading with a targeted base of Institutional clients only. The Company also earns interest on its cash.

Going Concern Basis

The Directors consider it appropriate to prepare these financial statements on a going concern basis for the foreseeable future as the Shareholder has provided a 'Letter of Comfort' which acknowledges their requirement to continue to fund the Company's Capital needs (please see note 11 on page 22) in light of the Company's net loss for fiscal year 2016.

Pillar 3 Disclosures

Introduction

The Company reduced its FCA scope of permission in October 2015 from an IFPRU €730K full scope firm to a €50K limited licence firm. It continues to be required to comply with the three "Pillars" of the Capital Requirements Directive. These are:

- Pillar 1, which sets out the minimum amount of capital that the Company needs to meet its basic regulatory obligations;
- Pillar 2, which requires the Company to calculate how much (if any) additional capital it needs to maintain to mitigate other prudential risks (e.g. credit risk, market risk and operational risk) that are specific to the Company;
- Pillar 3, which requires the Company to disclose to market participants key information about the Company's underlying risks, risk management controls and capital position.

The rules allow for firms to omit certain information, in specifically-defined circumstances, where a disclosure contains information that is immaterial, proprietary or confidential. The Company confirms that it has NOT omitted any disclosures on these grounds.

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

Risk Management Policies and Objectives

Where possible, the Company seeks to manage all of the risks that arise from its operations. The Company has devised a prudential risk management framework that is appropriate to its size, scope and operations. The risk management framework identifies the key prudential risks faced by the Company, and reports them to the Company's Board of Directors. The Company's Board of Directors is responsible for ensuring that an appropriate amount of capital, both in amount and quality, is maintained. Other risk management information is collected, reviewed, and where appropriate, acted upon as part of established internal procedures.

A summary of the key risks that have been identified by the Company, and how they are mitigated, is given below:

1. Business Risk

- Market correction due to economic factors and/or a geopolitical event: Mitigated by the retention of appropriate capital resources, which are determined on the basis of stress testing, sensitivity testing and modelling;
- Loss of key staff: Mitigated by the maintenance of competitive staff compensation, measured by industry benchmarking;
- Loss of key clients: Mitigated by diversification of clients and servicing clients with multiple Raymond James touch points including sales teams rather than individual sales associates, sales traders and equity analysts.

2. Counterparty Risk

- Failure of a client to complete a dealing transaction: Mitigated by the credit analysis undertaken by the Company as part of its account opening process and ongoing monitoring of clients' business activities; and

3. Currency Risk

- Company's loss of income due to currency fluctuations: Mitigated by maintaining sufficient cash reserves in more than one currency to absorb short-term currency exchange rate fluctuations.

Risk Management Function

Given the size and scope of the Company's business activities, the Company does not have a dedicated risk management function. Instead, responsibility for risk management is shared among the Board of Directors, the Institutional Operating Committee (the "Committee") (a committee established by the Board consisting of senior managers within the Company, each of whom is involved in the Company's day-to-day business activities) and senior managers of the Company. The Company's Internal Capital Adequacy Assessment Process ("ICAAP"), which considers the material risks that the Company is exposed to, is commissioned and approved by the Board on at least an annual basis.

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

Capital Resources

Capital is held to ensure that a suitable capital level is maintained in excess of the combined Pillar 1 and Pillar 2 capital requirements. Pillar 2 capital requirements are calculated as part of the ICAAP using a risk-based approach that explicitly takes into account management's view of specific risk exposures.

As an IFPRU €50K limited licence firm, the Company's Pillar 1 capital requirement will be calculated as the greater of the following:

- Credit Risk and Market Risk Requirements; or
- Fixed Overheads Requirements

Credit risk has been calculated using the simplified approach. The Company's Credit Risk Capital requirement was \$284,000 as of 30 September 2016. The Company's Market Risk Capital Requirement was \$215,000 as of 30 September 2016. Combined Credit Risk and Market Risk Requirements were \$499,000 as of 30 September 2016. The Company's Fixed Overheads Requirement was \$2,972,000 as of 30 September 2016 using the basic indicator approach. Since the Fixed Overheads Requirement is greater than the sum of the Credit Risk and Market Risk Requirements, the Company has determined that the Pillar 1 capital requirement is \$2,972,000.

The Company's capital resources are comprised entirely of share capital, share premium and audited reserves. Tier 1, Tier 2 and Tier 3 capital of the firm as at 30 September 2016 is as set out below:

	<i>Tier 1 Capital</i>
Gross	\$8,708,000
Hybrid Tier 1 Capital	-
Other Tier 1 Capital	-
Deductions	-
Net	\$8,708,000
	<i>Total 2 Capital</i>
Gross	-
Deductions	-
Net	-
	<i>Total 3 Capital</i>
Gross	-
Net	-
	<i>Total Capital</i>
Gross	\$8,708,000
Deductions	-
Net	\$8,708,000

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

Integration into Business Strategy

The Company's primary objectives are:

- To continue to operate in the EU and US markets undertaking dealing with institutional clients;
- To increase the size of the operations through organic growth;
- To achieve economies of scale that will allow the Company to increase its profitability, thereby providing a greater return to its shareholders.

The Company intends to maintain sufficient capital resources to allow it to achieve these objectives whilst meeting its regulatory obligations as demonstrated by current capital levels.

Remuneration Code

The Company is a IFPRU €50K limited licence firm and is considered a proportionality level 3 firm by the Financial Conduct Authority ("FCA") for purposes of the Remuneration Code (the "Code") based on relevant total assets. The Company does not hold client money or assets and does not have the relevant regulatory permission to do so.

Given the size, nature and lack of complexity of the Company, it is not proportionate to establish a remuneration committee. It is the role of the Committee, as the body responsible for the governance of the Company, to incorporate the fundamental principles of the Code in its oversight function. Specifically, the Committee has assumed the responsibilities of revising as necessary the Company's remuneration policies to ensure compliance with FCA rules and regulations. The Committee has determined that the Company's compensation structure is consistent with and promotes effective risk management and conforms to the general principles of the Code.

Specifically, the Company has established a remuneration framework that is designed to be market competitive and motivate employees to improve individual and business performance, retain key employees and align employee actions with the interests of shareholders. While compensation arrangements for associates vary depending on the role and responsibilities of the individual, the remuneration structure of key sales and agency trading desk associates is commission-based. While this structure incentivises and rewards employees for increased business production, it also contains loss-sharing provisions for business generated that may result in losses for the Company. Aligning the compensation scheme with both profits and losses motivates the employees to seek business with reputable, financially solvent clients which helps mitigate the Company's exposure to counterparty risk.

As part of its obligations to comply with the Code, the Company has undergone the process of identifying those employees known as Code Staff. Due to the low number of total staff, the Company has elected as a starting point to review all employees' compensation. It has also included, as part of the review, employees of the Raymond James Group, regardless of where the employee may be based, who perform any senior management function, senior influence or controlled function for the Company ("Group Employees"). It is appropriate to estimate the amount of time spent by each Group Employee on Company matters based on their global responsibilities before concluding that they are Code Staff. The Company has also evaluated whether any employees classified as "high earners" may have a material impact on the Company's risk profile. Based on this comprehensive review, the Committee has identified 14 employees as Code Staff due to their involvement with the business. The Company is entitled to disapply certain aspects of Principle 12 relying on the general FCA guidance on proportionality.

The Code is applicable to 5 of the 14 individuals classified as Code Staff. The total amount of remuneration paid to the 5 individuals for the fiscal year was \$1,778,000 (fixed) and \$1,604,000 (variable). These figures include remuneration paid by Raymond James Group entities.

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

Results and dividends

The loss for the year was USD 2,757,792 (2015: loss USD 6,103,721) which has been transferred against reserves. The Directors have not proposed or paid any dividend during or in respect of the year (2015: \$ nil).

Directors

The directors who held office during the year are as follows:

Jeffrey Trocin

Peter Moores

Paul Allison

John Carson, Jr. was appointed a director in November 2015.

Directors' Interests

The ordinary shares of the Company are held by the immediate parent Raymond James International Holdings, Inc. The Directors of the Company do not hold any beneficial shares of the Company or stock of the immediate parent Raymond James International Holdings, Inc. The ultimate parent Company is Raymond James Financial, Inc. registered in the United States (Florida).

The beneficial shareholding of Jeffrey Trocin, Peter Moores, Paul Allison, and John Carson, Jr. in the common stock of Raymond James Financial, Inc. is as follows:

Beginning of Year	Common Stock	Employee Stock Ownership Plan	Options	Restricted Stock Units
Jeffrey Trocin	136,771	15,545	62,910	12,874
Peter Moores	-	-	16,900	437
Paul Allison	27,300	-	62,500	6,036
John Carson, Jr.	60,429	257	12,500	10,896
End of Year	Common Stock	Employee Stock Ownership Plan	Options	Restricted Stock Units
Jeffrey Trocin	153,280	12,904	50,000	20,153
Peter Moores	-	-	14,400	3,417
Paul Allison	38,172	-	50,000	10,277
John Carson, Jr.	64,967	375	12,500	17,504

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

Political contributions

The Company made no disclosable political donations or incurred any disclosable political expenditure during the year.

Directors' representation

The directors who held office at the date of the approval of this Directors' Report confirm that, so far as they each are aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Other information

An indication of likely developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on pages 1 – 3.

Auditor

Pursuant to Section 487 of the Companies Act 2006, auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Signed on behalf of the Directors



.....
Peter Moores

Director



RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with the Financial Reporting standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under Company law the directors must not approve the financial statements unless they are satisfied that they 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 these 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 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 that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

We have audited the financial statements of Raymond James Financial International Limited for the year ended 30 September 2016 which comprise the Profit and Loss account and other comprehensive income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes on pages 13 – 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

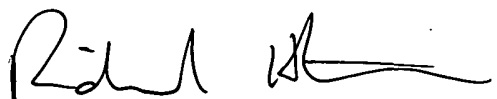
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Richard Hinton (Senior Statutory Auditor)
for and on behalf of KPMG LLP

18 January 2017
.....

Chartered Accountants
Statutory Auditor
15 Canada Square
Canada Wharf
London, E14 5GL

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	2016 USD	2015 USD
Turnover	3	12,637,180	13,223,233
Cost of sales		(5,842,053)	(6,648,332)
Gross profit		6,795,127	6,574,901
Administrative expenses		(9,564,743)	(12,810,215)
Operating (loss)/profit		(2,769,616)	(6,235,314)
Interest receivable and similar income	6	8,809	12,142
Loss before taxation		(2,760,807)	(6,223,172)
Taxation on profit of ordinary activities	7	3,015	119,451
(Loss)/profit for the financial year		(2,757,792)	(6,103,721)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 13 to 24 form an integral part of these financial statements

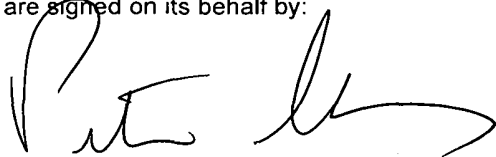
RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2016

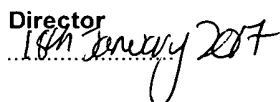
	Note	30 September 2016 USD	30 September 2015 USD
Current assets			
Debtors	8	241,750	241,605
Cash at bank and in hand		10,442,263	8,716,079
		10,684,013	8,957,684
Creditors – Amounts falling due within one year	9		
Accruals		(1,973,016)	(2,488,895)
Net current assets		8,710,997	6,468,789
Capital and reserves			
Called up share capital	10	21,136,631	16,136,631
Share premium account		318,687	318,687
Profit and loss account		(12,744,321)	(9,986,529)
Total shareholders' funds		8,710,997	6,468,789

The financial statements were approved by the board of directors and authorised for issue on 09/01/2017 and are signed on its behalf by:



.....
Peter Moores

Director



Company Registration No. 03127076

The notes on pages 13 to 24 form an integral part of these financial statements

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Called up Share capital	Called up Share premium account	Profit and loss reserves	Total Equity
Note	USD	USD	USD	USD
Balance at 1 October 2014	16,136,631	318,687	(3,882,808)	12,572,510
Year ended 30 September 2015:				
Loss and total comprehensive income for the year	-	-	(6,103,721)	(6,103,721)
Balance at 30 September 2015	16,136,631	318,687	(9,986,529)	6,468,789
Year ended 30 September 2016:				
Profit and total comprehensive income for the year	-	-	(2,757,792)	(2,757,792)
Issue of shares	5,000,000	-	-	5,000,000
Balance at 30 September 2016	21,136,631	318,687	(12,744,321)	8,710,997

The notes on pages 13 to 24 form an integral part of these financial statements

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	2016 USD	2015 USD
Cash flow from operating activities			
Operating loss		(2,757,792)	(6,103,721)
Decrease/(increase) in operating debtors		1,595	(75,444)
Decrease/(increase) in creditors		(514,604)	226,937
Taxation (credited)/charged		(3,015)	(119,451)
Investment income		(8,809)	(12,142)
Income taxes refunded		-	128,424
Net cash outflow from operating activities		(3,282,625)	(5,955,397)
Cash flow from investing activities			
Interest received	6	8,809	12,142
Net cash from investing activities		8,809	12,142
Cash flow from financing activities			
Proceeds from contributed capital	10	5,000,000	-
Net cash from financing activities		5,000,000	-
Net increase/(decrease) in cash and cash equivalents		1,726,184	(5,943,255)
Cash and cash equivalents at beginning of the year		8,716,079	14,659,334
Cash and cash equivalents at end of the year		10,442,263	8,716,079

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies

Company information

Raymond James Financial International Limited is a Company limited by shares incorporated in England and Wales. The registered office is Broadwalk House, 5 Appold Street, London, EC2A 2AG.

1.1 Basis of preparation

The Company's financial statements have been prepared in compliance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland for the year ended 30 September 2016.

The Company transitioned from previously extant UK GAAP to FRS 102 as at 1 October 2015 explanation of how the transition to FRS 102 has affected the reported financial position and financial performance is given in note 15.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The financial statements are prepared in USD, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest USD.

1.2 Foreign currency

Transactions in foreign currencies are translated into USD at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies other than USD are translated into USD at the rate of exchange ruling at the balance sheet date. All differences arising from translation are recognised in the profit and loss account.

1.3 Going concern

The Directors consider it appropriate to prepare these financial statements on a going concern basis as the Shareholder has provided a 'Letter of Comfort' which acknowledges their requirement to continue to fund the Company's Capital needs and meet liabilities as they fall due (please see note 11) in light of the Company's net loss for the year ended September 30, 2016.

1.4 Revenue recognition

Commission revenues and related expenses from securities transactions are recorded on a trade date basis. Commission revenues are recorded at the amount charged to clients.

1.5 Basic financial instruments

Financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with original maturity date of three months or less.

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies

(Continued)

Financial liabilities

Basic financial liabilities, including creditors, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates, branch, joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.7 Cost of sales

Cost of sales comprises commissions payable to the independent agents and employed sales team, together with the clearing costs payable to Raymond James and Associates, Inc.

1.8 Interest income

Interest income is accounted for on an accruals basis.

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

2 Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods

3 Turnover and other revenues

Turnover represents commission income generated from dealing activities, which is recognised at trade date.

	2016 USD	2015 USD
An analysis of the Company's turnover is as follows:		
Turnover		
Agency fees receivable	12,637,180	13,223,233
Other significant revenue		
Interest income	8,809	12,142

Turnover analysed by geographical market:

	2016 USD	2015 USD
United Kingdom	8,107,716	7,866,094
Germany	1,400,695	2,117,321
Belgium	1,340,544	1,598,174
Poland	1,092,239	1,478,032
Switzerland	404,061	163,612
Italy	291,925	-
	12,637,180	13,223,233

4 Operating (loss):

	2016 USD	2015 USD
Operating (loss)/profit for the year is stated after charging/(crediting):		
Currency exchange (losses)	(222,264)	(677,567)

Fees payable to the Company's auditor for the audit of the Company's financial statements:

Audit fees	63,339	69,900
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RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

5 Employees

The directors are employees of one or more of the following Group companies (Raymond James & Associates, Inc., Raymond James Investment Services, and Raymond James, Ltd.) and are paid by this principal employer. Each director receives USD 1,000 as compensation for their services on the Board. The average number of employees during the year was 33.75 (2015: 34.75). Associate wages and salaries for the year amounted to USD 2,980,546 (2015: USD 3,011,243). Associate social security costs were USD 337,640 (2015: USD 901,168). Sales draws for the year amounted to USD 691,926 (2015: USD 1,670,569). Commission based social security costs were USD 449,576 (2015: USD 609,646).

5.1 Directors' emoluments

During the year, the highest paid director received remuneration of USD 3,559,700 (2015: USD 3,182,950).

Pension contributions to ESOP, Profit Sharing, LTIP and 401(K) in respect of the highest paid director for the year amount to USD 57,768 (2015: USD 60,461).

5.2 Share-based payments

For cash-settled share-based payment transactions, the fair value of the amount payable to the employee is recognised as an expense with a corresponding increase in liabilities. The fair value is measured at grant date and amortised over the period during which the employees become unconditionally entitled to payment. The liability is revalued at each balance sheet date and settlement date with any changes to fair value being recognised in the profit and loss accounts.

6 Interest receivable and similar income

	2016 USD	2015 USD
Interest income		
Interest on bank deposits	<u>8,809</u>	<u>12,142</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	<u>8,809</u>	<u>12,142</u>

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

7 Tax on profit on ordinary activities

	2016 USD	2015 USD
Total Tax expense/(income) recognised in the profit and loss account		
Current tax: UK Corporation Tax at 20% (2015 – 20.51%)	-	-
Deferred tax	(3,015)	(119,451)
Total	(3,015)	(119,451)

Reconciliation of the current tax charge for the year

The difference between the tax assessed for the period and the Standard rate of corporation tax is explained as follows:

Loss on ordinary activities before taxation	(2,760,807)	(6,223,172)
Standard rate of corporation tax in the UK	20%	20.51%
Loss on ordinary activities multiplied by the standard rate of corporation tax	(552,161)	(1,276,373)
Expenses not deductible for tax purposes	36,240	45,424
Adjustments in respect of prior years	(69)	(128,424)
Group relief	222,256	80,001
Other non-reversing timing differences	-	9,169
Unrelieved tax carried forward	290,719	1,150,752
Tax expense for the year	(3,015)	(119,451)

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

7 Tax on profit on ordinary activities

(Continued)

Deferred Tax

	2016 USD	2015 USD
Tax losses carried forward	(9,502,485)	(8,029,485)
Other timing differences	(188,154)	(192,830)
Total timing differences	(9,690,639)	(8,222,315)

The standard rate of UK Corporation Tax at the balance sheet date was 20% (2015 – 20.51%) but reduction to 19% effective from 1 April 2017 and 17% effective from 1 April 2020 were substantively enacted on 26 October 2015 and 16 March 2016, respectively. The total timing differences multiplied these standard rates of UK Corporation Tax are:

Corporation Tax Rate %	Deferred tax asset 2016 USD	2015 USD
20.51%		(1,686,397)
20.00%	(1,938,128)	
19.49%	(1,888,706)	
19.00%	(1,841,221)	
18.00%	(1,774,315)	
17.00%	(1,647,409)	

The deferred tax asset arising from short term timing differences has not been recognised in the balance sheet because its realization is uncertain and the company continues to be in a loss making position.

8 Debtors

	2016 USD	2015 USD
UK corporate tax benefit	1,740	-
Prepaid expenses	58,125	65,880
Amounts due from fellow group undertakings	181,885	175,725
Total debtors	241,750	241,605
Due within one year	241,750	241,605

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

9	Creditors: amounts falling due within one year	2016 USD	2015 USD
	Corporation tax	-	1,275
	Other creditors	50,457	2,200
	Accruals and deferred income	1,922,559	2,485,420
		1,973,016	2,488,895

10 Share capital

	2016 USD	2015 USD
Ordinary share capital issues and fully paid	21,136,631	16,136,631

On 28 June 2016, there was a capital injection into Raymond James Financial International Limited ("RJFI") Limited from the immediate parent Company, Raymond James International Holdings, Inc. ("RJIH").

Furthermore, 74,660 ordinary shares of RJFI were issued at GBP 50 and subscribed by parent RJIH for a total aggregate amount of GBP 3,733,000 (USD 5,000,000).

RJFI directors have authority to allot RJFI shares up to an aggregate nominal amount of £25,000,000.

Issued share capital is represented by 273,357 (2015: 198,697) ordinary shares of GBP 50 each.

11 Controlling party

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 Broadwalk House, 5 Appold Street, London EC2A 2AG.

The immediate parent Company has provided a 'Letter of Comfort' which acknowledges the requirement to continue to fund the Company's Capital needs.

12 Related party transactions

As the Company is a wholly owned subsidiary of Raymond James Financial, Inc. for which consolidated accounts are publicly available, it is exempt under FRS 102.1.12(d) from the disclosure requirements in respect of transactions with other entities within the Raymond James group.

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2016

13 Post balance sheet events

In relation to the assessment and monitoring of economic, political and regulatory risks, Company is continuing to evaluate the impact of the outcome of the recent referendum in relation to the UK's membership of the EU on the company's business strategy and business risks in the short, medium and long term. In the short term there is no significant impact expected on the Company's business activities, there will be no immediate change in business strategy, and it does not affect the going concern position of the company. Over the course of the expected two year transition period following a notification of intention to leave the EU, the Company will continue to closely monitor developments and will make appropriate changes to the business strategy once the outcome of the referendum result and its impact on the UK and European industry is more certain.

14 Transition to FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 October 2015. The transition to FRS 102 has had no impact on capital reserves. There have been no changes to accounting policies as a result of transitioning to FRS 102.