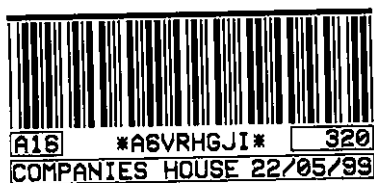


RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED
(REGISTERED NUMBER: 3127076)

Directors' Report and Accounts
For the Year Ended 25 September 1998



RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

Directors' Report Year Ended 25 September 1998

The Directors submit to the Shareholders their report and accounts for the year ended 25 September 1998.

Principal Activities and Business Review

The Company has not traded during the year, its income arising from interest on its cash balances. It has made an application to the Securities & Futures Authority to begin trading as a broker in equities.

Payment of creditors

The company pays its creditors in accordance with their agreed terms of business.

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 will begin full integration testing of the revised code during the first quarter of fiscal year 1999. The Directors' Report in the Financial Statements of Raymond James & Associates Inc. for the year ended 25 September 1998 include a full Year 2000 statement.

Directors

The Directors who served for the whole year, are:

R Shuck
T Bedford
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 25 September 1998

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

Price Waterhouse and Coopers & Lybrand merged with effect from 1st July 1998. Following that merger Price Waterhouse resigned as auditors to the Company and PricewaterhouseCoopers were appointed in their place.

By order of the Board



T Bedford
Secretary
February 1999

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Southwark Towers
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London SE1 9SY
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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

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 company's affairs as at 25 September 1998 and of its profit for the year end then ended, and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors

15 March 1999

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

Profit And Loss Account Year Ended 25 September 1998

	Note	1998 USD	1997 USD
Other interest receivable and similar income		3,649	3,045
Administrative expenses	2	(26,194)	(1,534)
Profit/ (Loss) on ordinary activities before taxation		(22,545)	1,511
Tax on loss on ordinary activities		-	-
Profit/(Loss) after taxation on ordinary activities		(22,545)	1,511

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 and 7 form part of these accounts.

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

Balance Sheet for the Year Ended 25 September 1998

	Note	1998	1997
		USD	USD
Cash at bank		101,473	78,373
Amounts owed by group undertakings		3,170	-
Creditors - Amounts falling due within one year			
Amounts owed to group undertakings		(40,325)	(25)
Accruals and derived income		(8,515)	-
Net current assets		55,803	78,348
Capital and reserves			
Called up share capital	4	78,760	78,760
Profit and loss account		(22,545)	(412)
Total shareholders' funds		55,803	78,348

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



T Bedford
Director

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

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

Notes to the Accounts Year Ended 25 September 1998

1. Principal Accounting Policies

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

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 No 1 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.

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

	1998	1997
	USD	USD
Profit/(Loss) on ordinary activities before taxation is after charging:		
Auditors' remuneration		
Audit	8,515	-

In prior year the audit fee was borne by another group company.

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. Share Capital

The company's share capital is GBP 50,000 divided into 1,000 shares of 50 GBP each.

	1998	1997
	USD	USD
Issued, called up and fully paid: 999 shares of 50 GBP each	78,760	78,760

5. Reconciliation of Movements in Shareholders' Funds

	1998	1997
	USD	USD
Opening shareholders' funds	78,348	76,837
Profit/(loss) for the period	(22,545)	1,511
Closing shareholders' funds	55,803	78,348

RAYMOND JAMES FINANCIAL INTERNATIONAL LIMITED

Notes to the Accounts Year Ended 25 September 1998

6. 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.