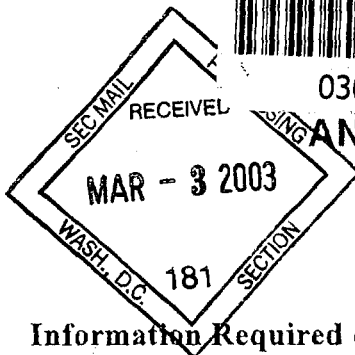




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D.C. 20549

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VF 3-5-03

OMB APPROVAL

OMB Number: 3235-0123
Expires: October 31, 2004
Estimated average burden
hours per response.....12.00

SEC FILE NUMBER

8- 48456

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

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 ThereunderREPORT FOR THE PERIOD BEGINNING January 1, 2002 AND ENDING December 31, 2002
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Wayland Partners Ltd.

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

19 Pine Needle RoadWayland(No. and Street)
Massachusetts01778

(City)

(State)

(Zip Code)

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

Mr. Paul Rosenbaum(508) 653-1000

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Sullivan Shuman & Freedberg LLC

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

Three Tech CircleNatickMassachusetts01760

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

MAR 20 2003

THOMSON
FINANCIAL

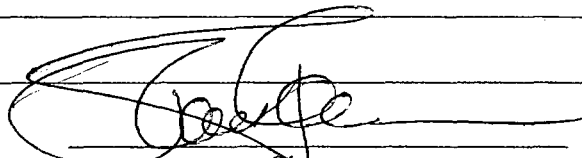
FOR OFFICIAL USE ONLY

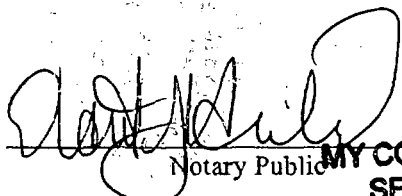
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

MAR 19 2003

OATH OR AFFIRMATION

I, Paul L. Rosenbaum, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Wayland Partners Ltd., as of December 31, 2002, 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

**MY COMMISSION EXPIRES
SEPTEMBER 3, 2004**

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

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (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.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (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.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Independent auditors report on internal accounting control

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

WAYLAND PARTNERS LTD.
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2002

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SULLIVAN SHUMAN & FREEDBERG LLC

Certified Public Accountants

Three Tech Circle, Natick, MA 01760

INDEPENDENT AUDITORS' REPORT

THE BOARD OF DIRECTORS AND STOCKHOLDER
WAYLAND PARTNERS LTD.
WAYLAND, MASSACHUSETTS

We have audited the accompanying statement of financial condition of Wayland Partners Ltd. as of December 31, 2002, and the related statements of operations, stockholder's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit 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 presentation. We believe that our audit provides 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 Wayland Partners Ltd. as of December 31, 2002 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Sullivan Shuman & Freedberg LLC

February 11, 2003

WAYLAND PARTNERS LTD.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2002

ASSETS

CASH	\$ 55,355
SECURITIES OWNED:	
Not readily marketable, at estimated market value	84,300
EQUIPMENT, at cost less accumulated depreciation of \$11,841	<u>5,390</u>
	<u>\$ 145,045</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

ACCRUED EXPENSES	<u>\$ 3,437</u>
STOCKHOLDER'S EQUITY:	
Common stock, no par value, 1,000 shares authorized, 100 shares issued and outstanding	13,943
Retained earnings	<u>127,665</u>
TOTAL STOCKHOLDER'S EQUITY	<u>141,608</u>
	<u>\$ 145,045</u>

WAYLAND PARTNERS LTD.
STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2002

REVENUES:

Commissions and fee income
Investment income

\$	10,195
	844
	<u>11,039</u>

OPERATING EXPENSES

<u>20,457</u>

NET LOSS

\$	<u>(9,418)</u>
----	----------------

WAYLAND PARTNERS LTD.
STATEMENT OF STOCKHOLDER'S EQUITY
YEAR ENDED DECEMBER 31, 2002

	<u>Common Stock</u>	<u>Retained Earnings</u>	<u>Total Stockholder's Equity</u>
BALANCE, December 31, 2001	\$ 13,943	\$ 137,083	\$ 151,026
NET LOSS	-	(9,418)	(9,418)
BALANCE, December 31, 2002	<u>\$ 13,943</u>	<u>\$ 127,665</u>	<u>\$ 141,608</u>

WAYLAND PARTNERS LTD.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2002

OPERATING ACTIVITIES:

Net Loss	\$ (9,418)
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Adjustments to reconcile net loss to net cash provided by
operating activities:

Depreciation	2,142
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Changes in operating assets and liabilities:

Accounts receivable	13,202
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Accrued expenses	(182)
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NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>5,744</u>
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INVESTING ACTIVITIES:

Purchase of equipment	<u>(2,900)</u>
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NET CASH USED IN INVESTING ACTIVITIES	<u>(2,900)</u>
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NET INCREASE IN CASH	2,844
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CASH, beginning of year	<u>52,511</u>
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CASH, end of year	<u><u>\$ 55,355</u></u>
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WAYLAND PARTNERS LTD.
NOTES TO FINANCIAL STATEMENTS

A. Summary of Significant Accounting Policies:

Securities Owned:

Securities consist of common stock, preferred stock, and warrants of nonpublic corporations held by the Company, all of which are not readily marketable. These securities are carried at cost, which approximates estimated fair value as determined by management.

Equipment:

Equipment is stated at cost and consists primarily of office and computer equipment. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives of these assets are three to seven years.

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 and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. Line of Business:

The Company (a Massachusetts corporation) provides consulting services to businesses in need of assistance with raising capital. The Company is a registered securities broker-dealer. The Company does not hold funds or securities for the accounts of its customers and thus claims an exemption from the requirements of Securities and Exchange Commission Rule 15(c)3-3.

C. Taxes on Income:

The Company has elected to be treated as an S-Corporation for both federal and state tax purposes whereby the stockholder reports all income and losses on his individual tax return. Accordingly, no taxes on income have been provided.

D. Subordinated Liabilities:

The Company did not have any subordinated liabilities at any time during the year.

WAYLAND PARTNERS LTD.
NOTES TO FINANCIAL STATEMENTS

E. Net Capital Requirement under Rule 15(c)3-1:

The Company's net capital as calculated under the Uniform Net Capital Rule (Rule 15(c)3-1) is as follows:

Stockholder's equity as of December 31, 2002	\$ 141,608
Less:	
Equipment	5,390
Debit balance in accrued expenses	100
Haircuts:	
Securities not readily marketable	<u>84,300</u>
Net capital as of December 31, 2002	<u>\$ 51,818</u>
Minimum required	<u>\$ 5,000</u>

The difference in net capital as computed above and as reported in the Company's unaudited part II of form X-17-A-5 is \$1, due to rounding.

F. Supplemental Cash Flow Information:

During 2002 \$456 was expended on taxes.

SULLIVAN SHUMAN & FREEDBERG LLC

Certified Public Accountants

Three Tech Circle, Natick, MA 01760

THE BOARD OF DIRECTORS AND STOCKHOLDER WAYLAND PARTNERS LTD. WAYLAND, MASSACHUSETTS

In planning and performing our audit of the financial statements of Wayland Partners Ltd. for the year ended December 31, 2002, 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 internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and 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 (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive positions of Rule 15(c)3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making the 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 conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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 necessary 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

fraud 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 internal control, including internal control activities for safeguarding securities, that we consider to be material weakness 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 purpose 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 December 31, 2002, to meet the SEC's objectives.

This report is intended solely for information and use of the Board of Directors, management, the SEC, the NASD, 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.

Sullivan Shuman + Fierberg LLC

February 11, 2003