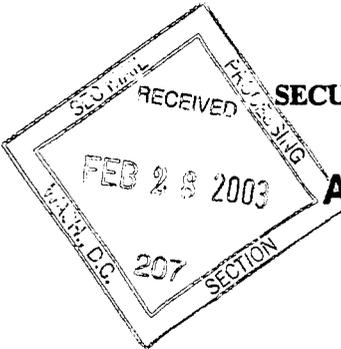




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**ANNUAL AUDITED REPORT
 FORM X-17A-5
 PART III**

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
 Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01-01-02 AND ENDING 12-31-02
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Cambridge International Partners Inc.

OFFICIAL USE ONLY
 FIRM ID. NO.

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

780 Third Avenue

(No. and Street)

New York,

NY

10017

(City)

(State)

(Zip Code)

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

Douglas P. Klassen

(212) 826-8294

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Lesser Leff & Company LLP

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

733 Third Avenue

New York

NY

10017

(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 18 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).

ALP
3/18/03

OATH OR AFFIRMATION

I, M. Barry Leff CPA, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Cambridge International Partners Inc., 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:

M. Barry Leff
Signature
Partner - CPA
Title

Richard Zuckerman
Notary Public

RICHARD ZUCKERMAN
Notary Public, State of New York
No. 01ZU4793881
Qualified in Westchester County
Commission Expires Aug. 31, 2003

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.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's 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 15c3-1 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.

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

CAMBRIDGE INTERNATIONAL PARTNERS INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2002

LESSER, LEFF & COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

CAMBRIDGE INTERNATIONAL PARTNERS INC.

INDEX

Report of the Certified Public Accountants

EXHIBIT "A" - Balance Sheet as at December 31, 2002 and 2001

EXHIBIT "B" - Statement of Operations for the Year ended December 31, 2002 and 2001

EXHIBIT "C" - Statement of Retained Earnings for the Year Ended December 31, 2002 and 2001

EXHIBIT "D" - Statement of Cash Flows for the Year Ended December 31, 2002 and 2001

Notes to Financial Statements

LESSER, LEFF & COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

733 THIRD AVENUE
NEW YORK, N. Y. 10017
(212) 682-2180
FAX (212) 370-7827

LONG ISLAND OFFICES
RIVERHEAD, N. Y. - WOODBURY, N. Y.
WESTCHESTER OFFICE
TARRYTOWN, N. Y.

Cambridge International Partners Inc.
780 Third Avenue
New York, NY 10017

Gentlemen:

We have audited the accompanying balance sheets of Cambridge International Partners Inc. as of December 31, 2002 and 2001 and the related statements of operations, retained earnings and cash flows for the years then ended. The financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 statement 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 Cambridge International Partners Inc. as of December 31, 2002 and 2001 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.



January 25, 2003
New York, New York

CAMBRIDGE INTERNATIONAL PARTNERS INC.

BALANCE SHEET

DECEMBER 31, 2002 AND 2001

ASSETS

	<u>2002</u>	<u>2001</u>
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents	\$ 230,009	\$ 216,344
Accounts Receivable	<u>53,740</u>	<u>425,469</u>
<u>Total Current Assets</u>	283,749	641,813
<u>FIXED ASSETS</u> - Net of Accumulated Depreciation and Amortization - Note 2	81,355	77,921
<u>OTHER ASSETS</u>		
Security Deposits	<u>7,106</u>	<u>6,977</u>
<u>TOTAL ASSETS</u>	<u>\$ 372,210</u>	<u>\$ 726,711</u>

EXHIBIT "A"

LIABILITIES AND STOCKHOLDERS' EQUITY

<u>CURRENT LIABILITIES</u>		
Accrued Taxes Payable	\$ 2,736	\$ 1,616
Accrued Expenses	<u>2,001</u>	<u>--</u>
<u>TOTAL CURRENT LIABILITIES</u>	<u>4,737</u>	<u>1,616</u>
<u>STOCKHOLDERS' EQUITY</u>		
Capital Stock	20	20
Paid in Capital	126,958	126,958
Treasury Stock	(24,319)	(24,319)
Retained Earnings	<u>264,814</u>	<u>622,436</u>
<u>Total Stockholders' Equity</u>	<u>367,473</u>	<u>725,095</u>
<u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u>	<u>\$ 372,210</u>	<u>\$ 726,711</u>

The accompanying notes are an integral part of this financial statement.

LESSER, LEFF & COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

CAMBRIDGE INTERNATIONAL PARTNERS INC.

PRO-FORMA COMPUTATION OF NET CAPITAL

Rule 15c3-21 of the Securities Exchange Act of 1934

(Per Statement of Financial Condition)

As of December 31, 2002

			<u>2002</u>
Total Shareholders' Equity			\$ 365,857
Less: Non-allowable Assets & Haircuts,			
Net Fixed Assets			(81,355)
Accounts Receivable – Clients			(53,740)
Security Deposit – 780 Third Avenue			(7,106)
Haircut – MM Funds	\$122,517	2.0%	(2,450)
Haircut – T-Bills	\$ 0	0%	<u> --</u>
Net Regulatory Capital			221,206
Current Liabilities			6,353
Long –term Debt			<u> --</u>
Aggregate Indebtedness			6,353
Minimum Net Capital required			
Greater of:			
Regulatory Minimum for “Other” Broker Dealers			5,000
Aggregate Indebtedness X		6.67%	<u> 424</u>
Excess of Net Capital over Minimum required			<u>\$ 220,782</u>
Ratio of Aggregate Indebtedness to Net Capital			0.03

Independent Auditor's Statement With Respect to Computation of Net Capital Under Rule 15c3-1

As required by rule 17a(d) (4) of the SEC Rules and Regulation T, we hereby confirm that no material difference exists between the Computation of Net Capital under Rule 15c3-1 included in the audit report for the period ended December 31, 2002, and the Company's Net Capital reported in its Focus Report Part IIA for the period ended December 31, 2002.

Signed:

Michael Lesser *CPA*

Dated:

January 25, 2003

Independent Auditor's Report on Internal Controls Required by SEC Rule 17a-5

Since the activities of Cambridge International Partners Inc. are limited to the provisions of merger and acquisition advisory services only and since the company claims exemption from the provisions of Sec Rule 15c3-3 the Company's internal controls and their adequacy in relation to SEC Rule 17a5(q) have been reviewed only in the context of the limited scope of the firm's securities-related activities as described below:

- I. Cambridge's Securities-related activities are strictly limited to the provision of merger and acquisition advice to sophisticated (mostly institutional) clients. While approved to conduct private placement activities, Cambridge has never provided those services and has no current intention of doing so.
- II. Cambridge does not hold, take delivery of take possession or custody of, or otherwise control or hold power of attorney over any securities or cash or any other asset for or on behalf of its clients or any other third party.
- III. Cambridge does not act as agent for any third party in the sale or purchase of any security. In providing its advisory services pursuant to its engagement agreements, and otherwise, Cambridge is never empowered to authorize, or otherwise commit its clients or any other third party to, the sale or purchase of any security.
- IV. Cambridge does not act as principal or agent in any securities transactions of any kind except to the extent of investing its own undistributed cash in money market accounts, treasury bills or similar short-term fixed income instruments.

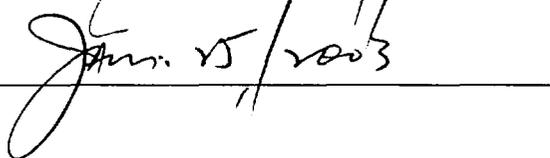
Within the scope of the Company's activities as described above we believe that the Company's practices procedures and internal controls were adequate as at December 31, 2002 to meet the SEC's objectives described in Rule 17A-5

Nothing has come to our attention as of December 31, 2002, which would indicate the Company was not in compliance with the exemption from Rule 15c3-3.

Signed

 M. Sampleff CPA

Dated

 Jan. 15, 2003

New York, New York
January 25, 2003