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

SEC FILE NUMBER
B-38553

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 1/1/2002 AND ENDING 12/31/2002
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Biltmore International Corporation

OFFICIAL USE ONLY
FIRM I.D. NO.

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

17 Battery Place, Suite 709
(No. and Street)

New York
(City)

NY
(State)

10004
(Zip Code)

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

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Rosedale & Scerbo, Certified Public Accountants
(Name - if individual, state last, first, middle name)

2001 Grove St.
(Address)

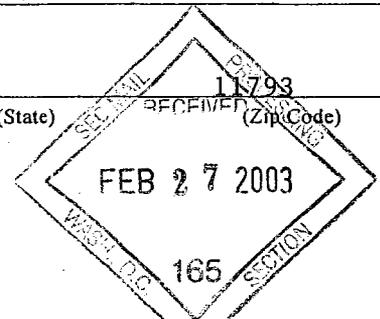
Wantagh
(City)

NY
(State)

11793
(Zip Code)

CHECK ONE:

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



PROCESSED

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APR 02 2003
THOMSON FINANCIAL

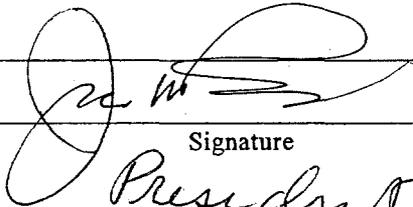
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

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etc

OATH OR AFFIRMATION

I, James Rawdon, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Biltmore International Corporation, 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:

TERESA ALBA
Notary Public, State of New York
No. 01ALS015728
Qualified in The Bronx County
Commission Expires Nov. 9, 2006


Signature
President
Title


Notary Public

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 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 Control Structure.

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

BILTMORE INTERNATIONAL CORPORATION

REPORT ON AUDIT OF FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION

REPORT ON INTERNAL CONTROL STRUCTURE

DECEMBER 31, 2002

BILTMORE INTERNATIONAL CORPORATION
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ROSEDALE & SCERBO

CERTIFIED PUBLIC ACCOUNTANTS
INDEPENDENT AUDITORS' REPORT

To the Stockholders of
BILTMORE INTERNATIONAL CORPORATION
New York, NY

We have audited the accompanying statement of financial condition of Biltmore International Corporation as of December 31, 2002 and the related statements of income and retained earnings, changes in stockholder's equity and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities and Exchange Act of 1934. These 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 Biltmore International Corporation at December 31, 2002, and the results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 of the Securities and Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Rosedale & Scerbo

Rosedale & Scerbo
Wantagh, New York
February 21, 2003

BILTMORE INTERNATIONAL CORPORATION
STATEMENT OF FINANCIAL CONDITION
December 31, 2002

ASSETS	
Cash	\$ 1,441
Receivable from clearing organization	2,446
Deposits with clearing organization	757,336
Marketable securities, at market value	146,133
Property and equipment (Net of accumulated depreciation of \$20,187)	9,981
Security deposits	<u>17,050</u>
TOTAL ASSETS	<u>\$ 934,387</u>
LIABILITIES & STOCKHOLDERS' EQUITY	
LIABILITIES	
Securities sold, not yet purchased, at market value	\$ 460,063
Loan payable	3,000
Income taxes payable	7,417
Accounts payable, accrued expenses and other liabilities	<u>80,788</u>
TOTAL LIABILITIES	<u>551,268</u>
SUBORDINATED BORROWINGS	<u>175,000</u>
STOCKHOLDERS' EQUITY	
Common Stock - \$1 par value, 20,000 shares authorized, 20,000 shares issued and outstanding	20,000
Additional Paid-In Capital	130,000
Retained Earnings	<u>58,119</u>
	<u>208,119</u>
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	<u>\$ 934,387</u>

The accompanying notes are an integral
part of these financial statements.

BILTMORE INTERNATIONAL CORPORATION
STATEMENT OF INCOME AND RETAINED EARNINGS
For the Year Ended December 31, 2002

REVENUES

Principal transactions	\$ 766,315
Commissions	11,190
Interest and dividends	<u>5,101</u>
	<u>782,606</u>

EXPENSES

Employee compensation and benefits	384,050
Clearance and exchange fees	89,380
Communications and data processing	79,240
Interest expense	17,798
Other operating expenses	<u>158,686</u>
	<u>729,154</u>

INCOME BEFORE INCOME TAXES 53,452

INCOME TAXES 15,815

NET INCOME 37,637

RETAINED EARNINGS, BEGINNING OF YEAR 20,482

RETAINED EARNINGS, END OF YEAR \$ 58,119

The accompanying notes are an integral part
of these financial statements.

BILTMORE INTERNATIONAL CORPORATION
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
For The Year Ended December 31, 2002

	<u>COMMON</u>	<u>ADDITIONAL PAID IN CAPITAL</u>	<u>RETAINED EARNINGS</u>	<u>TOTAL</u>
BALANCE, 1/1/02	\$20,000	\$130,000	\$20,482	\$170,482
NET INCOME	_____	_____	<u>37,637</u>	<u>37,637</u>
BALANCE, 12/31/02	<u>\$20,000</u>	<u>\$130,000</u>	<u>\$58,119</u>	<u>\$208,119</u>

The accompanying notes are an integral part
of these financial statements.

BILTMORE INTERNATIONAL CORPORATION
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2002

CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income	\$ <u>37,637</u>
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	6,169
(Increase) Decrease in:	
Receivables from clearing organization	2,905
Deposits with clearing organization	(76,764)
Marketable securities	(112,451)
Security deposits	(9,800)
Increase (Decrease) in:	
Securities sold, not yet purchased	172,975
Income taxes payable	(2,725)
Accounts payable, accrued expenses and other liabilities	<u>2,377</u>
	<u>(17,314)</u>
Net cash provided by operating activities	<u>20,323</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(8,414)</u>
Net cash used by investing activities	<u>(8,414)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment of loan payable	<u>(12,000)</u>
Net cash used by financing activities	<u>(12,000)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(91)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,532</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,441</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash paid during the year for:	
INTEREST	<u>\$ 20,715</u>
INCOME TAXES	<u>\$ 20,040</u>

The accompanying notes are an integral part
of these financial statements.

BILTMORE INTERNATIONAL CORPORATION
SCHEDULE OF OTHER OPERATING EXPENSES
For the Year Ended December 31, 2002

Advertising	\$ 5,000
Automobile	24,087
Bank Charges	571
Dues and Subscriptions	5,553
Depreciation	6,169
Entertainment	14,928
Insurance	16,807
Miscellaneous	2,990
Moving Expense	3,302
Office Expense	12,443
Professional Fees	9,996
Rent	12,950
Travel	31,141
Telephone	<u>12,749</u>
	<u>\$158,686</u>

The accompanying notes are an integral part
of these financial statements.

BILTMORE INTERNATIONAL CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Company is organized to be active in various aspects of the securities industry and is registered to be a broker-dealer with the National Association of Securities Dealers and Securities and Exchange Commission. The Firm engages in proprietary trading and makes markets in Over The Counter securities. The Firm is an introducing broker clearing its accounts on a fully disclosed basis and doesn't handle any customers funds or securities.

a. Income Taxes

Certain items of expense are recognized for income tax purposes in different periods from those in which such items are recognized for financial reporting purposes, primarily depreciation expense. For the year ended December 31, 2002, the amount of deferred income taxes due to these differences is deemed to be insignificant.

b. Property and Equipment

Property and equipment is stated at cost. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is included in income. Depreciation of property and equipment is provided using accelerated methods over estimated useful lives of 3 to 7 years.

c. Credit Concentration

The Company's financial instruments that are exposed to concentration of credit risk consist primarily of cash and cash equivalents held by a clearing organization. The Company places its cash and cash equivalents with high credit quality institutions insured by the FDIC and/or the SIPC.

BILTMORE INTERNATIONAL CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

d. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

e. Use of Estimates

The preparation of the financial statements requires management to make certain estimates and assumptions that affect the reported amounts in the accompanying financial statements. Management does not believe that actual results will differ materially from these estimates.

2. PROPERTY AND EQUIPMENT

Furniture and Fixtures	\$ 6,663
Computer Equipment	<u>29,674</u>
	36,337
Accumulated depreciation	<u>26,356</u>
	<u>\$ 9,981</u>

Depreciation expense for the year ended December 31, 2002 was \$6,169.

3. INCOME TAXES

The income tax expense of the Company consists of the following:

Federal income tax	\$ 6,075
State income tax	4,350
City income tax	<u>5,390</u>
	<u>\$15,815</u>

BILTMORE INTERNATIONAL CORPORATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

4. SECURITIES OWNED AND SOLD, NOT YET PURCHASED

Marketable securities owned and sold, not yet purchased, consist of trading securities at market value as follows:

	<u>Owned</u>	<u>Sold, Not Yet Purchased</u>
Corporate stocks	<u>\$146,133</u>	<u>\$460,063</u>

5. SUBORDINATED BORROWINGS

The borrowings under subordination agreements at December 31, 2002 consist of a \$175,000 subordinated note with interest payable at 10% per annum, maturing on November 30, 2003. There were no changes to the subordinated liability of \$175,000 during 2002.

The subordinated borrowings are available in computing net capital under the SEC's uniform net capital rule. To the extent that such borrowings are required for the Company's continued compliance with minimum net capital requirements, they may not be repaid.

6. NET CAPITAL REQUIREMENT

The Company must maintain a minimum net capital of \$100,000 in accordance with paragraph (a) (2) of SEC Rule 15c3-1. Its aggregate indebtedness must not exceed 1500% of its net capital. Biltmore International Corporation also is required to maintain 120% of its minimum capital requirement in accordance with SEC Rule 17a-11. At December 31, 2002, the Company has net capital of \$265,530 which was \$165,530 in excess of its minimum required net capital of \$100,000.



CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL
INFORMATION REQUIRED BY SEC RULE 17a-5

To the Stockholders of
Biltmore International Corporation
New York, NY

We have audited the accompanying financial statements of Biltmore International Corporation as of and for the year ended December 31, 2002 and have issued our report thereon dated February 21, 2003. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule 1 is presented for purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 of the Securities and Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Rosedale & Scerbo

Rosedale & Scerbo
Wantagh, New York
February 21, 2003

BILTMORE INTERNATIONAL CORPORATION
SCHEDULE 1
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
December 31, 2002

SCHEDULE 1

NET CAPITAL

Total Stockholders' Equity	\$ 208,119
Subordinated Loan for Equity	<u>175,000</u>
	383,119
Deductions and/or charges	
Non-Allowable Assets	<u>(29,477)</u>
Net Capital before haircuts on securities possessions	353,642
Haircuts on corporate stocks	<u>(88,112)</u>
Net Capital	<u>\$ 265,530</u>
AGGREGATE INDEBTEDNESS	<u>\$ 91,205</u>
MINIMUM NET CAPITAL REQUIREMENT	<u>\$ 100,000</u>
EXCESS OF NET CAPITAL OVER MINIMUM REQUIREMENT	<u>\$ 165,530</u>
PERCENTAGE OF AGGREGATE INDEBTEDNESS TO NET CAPITAL	<u>34.35%</u>

See independent auditors' report on supplemental information and accompanying notes to the financials.

BILTMORE INTERNATIONAL CORPORATION
SCHEDULE 1 (continued)
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
December 31, 2002

RECONCILIATION WITH COMPANY'S COMPUTATION (included in Part IIA
of Form X-17a-5 as of December 31, 2002)

Total Stockholders' Equity as reported in Company's Part IIA (Unaudited) FOCUS Report	\$ 206,219
Net Audit Adjustments:	
-Other assets	(309)
-Corporate taxes payable	3,567
-Accounts payable	<u>(1,358)</u>
Total Stockholders' Equity	<u>\$ 208,119</u>
Total Non-Allowable Assets as Reported in Company's Part IIA (Unaudited) FOCUS Report	\$ 29,786
Net Audit Adjustments:	
-Other assets	<u>(309)</u>
Total Non-Allowable Assets	<u>\$ 29,477</u>

See independent auditors' report on supplemental information
and accompanying notes to the financials.



CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE
REQUIRED BY SEC RULE 17a-5

To the Stockholders of
Biltmore International Corporation
New York, NY

In planning and performing our audit of the financial statements of Biltmore International Corporation for the year ended December 31, 2002, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by rule 17a-5(g)(1) of the Securities 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 provisions of rule 15c3-3. 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 quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by rule 17a-13.
2. 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 an internal control structure 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 internal control structure policies and procedures 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 an internal control structure 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 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 any internal control structure or the practices and procedures referred to above, errors or irregularities 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 the internal control structure would not necessarily disclose all matters in the internal control structure 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 structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 the internal control structure, including procedures for safeguarding securities, that we consider to be material weaknesses as defined above, except for:

The size of the business and resultant limited number of employees imposes practical limitations on the effectiveness of those internal control structure procedures that depend on the segregation of duties. Since this condition is inherent in the size of the Company, the specific weaknesses are not described herein and no corrective action has been taken or proposed by the Company.

The foregoing condition was considered in determining the nature, timing and extent of the procedures to be performed in our audit of the financial statements of Biltmore International Corporation for the year ended December 31, 2002 and this report does not effect our report thereon dated February 21, 2003.

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 purposes in accordance with the Securities Exchange Act of 1934 and regulated 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 the use of management, the SEC, the New York Stock Exchange and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

Rosedale & Scerbo
Rosedale & Scerbo
Wantagh, New York
February 21, 2003