

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

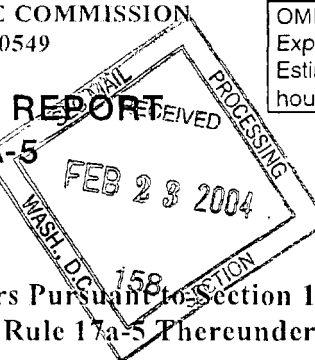
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ANNUAL AUDITED REPORT
FORM X-17A-5
PART III



SEC FILE NUMBER
8- 46743

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 01/01/03 AND ENDING 12/31/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: The Winning Edge Financial Group, Inc.

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

75 Madison Ave.

(No. and Street)

Clifton

(City)

N.J.

(State)

07011

(Zip Code)

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

Ben Zangara

(973) 773-6600

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

DISCHINO + ASSOCIATES, P.C.

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

695 Rt 46 West

(Address)

FAIRFIELD

(City)

NJ

(State)

07004

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

PROCESSED
MAR 05 2004

FOR OFFICIAL USE ONLY

THOMSON
FINANCIAL

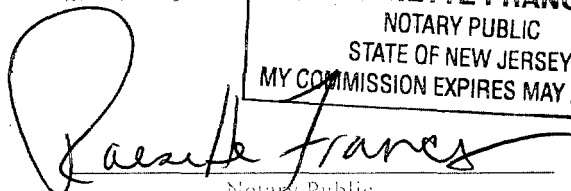
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

Potential persons who are to respond to the collection of
information contained in this form are not required to respond
unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Bennie Zangara, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of The Winning Edge Financial Group, Inc., as of December 31, 2003, 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:


Raenette Franco
Notary Public

RAENETTE FRANCO
NOTARY PUBLIC
STATE OF NEW JERSEY
MY COMMISSION EXPIRES MAY 23, 2008

Ben Zangara
Signature
President
Title

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.

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

**THE WINNING EDGE
FINANCIAL GROUP, INC.**

**AUDIT REPORT
DECEMBER 31, 2003**

WINNING EDGE FINANCIAL GROUP, INC.

TABLE OF CONTENTS

YEAR ENDED DECEMBER 31, 2003

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Condition	2
Statement of Operations	3
Statement of Changes in Stockholders' Equity	4
Statement of Cash Flows	5
Notes to Financial Statements	6-7
Supplementary Information	
Schedule I - Schedule of Computation of Net Capital Persuant to Rule 15(c) 3-1	8



DISCHINO & ASSOCIATES P.C.

*Certified Public Accountants
and Business Consultants*

INDEPENDENT AUDITOR'S REPORT

To the Stockholders of
The Winning Edge Financial Group, Inc.
Clifton, New Jersey

We have audited the accompanying statement of financial condition of The Winning Edge Financial Group, Inc. as of December 31, 2003, and the related statements of operations, changes in stockholders' 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 these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 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 respect, the financial position of The Winning Edge Financial Group, Inc. as of December 31, 2003 and the results of its operations and cash flows for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements, taken as a whole. This information contained in Schedule I 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 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.


Dischino & Associates, P.C.
Certified Public Accountants

February 13, 2004

695 ROUTE 46 WEST, SUITE 303, FAIRFIELD, NJ 07004-1595
TELEPHONE 973 808-5700 • FAX 973 808-5970
WEBSITE www.dischino.com

WINNING EDGE FINANCIAL GROUP, INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2003

ASSETS

CURRENT ASSETS

Cash	\$ 11,758
Commissions receivable	9,680
Securities held for investment (At estimated market value)	11,400
Prepaid expenses	<u>1,027</u>

TOTAL CURRENT ASSETS 33,865

PROPERTY, PLANT, AND EQUIPMENT

Furniture and equipment	35,482
Less: accumulated depreciation	<u>(34,755)</u>

TOTAL PROPERTY, PLANT, AND EQUIPMENT (NET) 727

TOTAL ASSETS 34,592

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES

Accounts payable and accrued expenses	737
Income taxes payable - current	475
Income taxes payable - deferred	<u>-</u>
TOTAL LIABILITIES	1,212

STOCKHOLDERS' EQUITY

Common stock - \$1 par value, 1000 shares authorized, issued and outstanding.	1,000
Paid-in capital	22,500
Retained Earnings	<u>9,880</u>

TOTAL STOCKHOLDERS' EQUITY 33,380

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$ 34,592

WINNING EDGE FINANCIAL GROUP, INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2003

REVENUE:

Commission and other income	\$	65,473
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EXPENSES:

Equipment rental	100
Pension	1,560
Advertising	836
Payroll expenses	124
Automobile	7,325
Bank charge	75
Depreciation	726
Dues and subscriptions	1,331
Insurance	10,567
Licenses and permits	60
Office expense	504
Postage and delivery	294
Printing and reproduction	1,461
Professional fees	3,430
Regulatory fees	1,357
Rent	12,000
Repairs and maintenance	3,530
Travel and entertainment	2,479
Telephone	3,980
Utilities	3,494
Decrease in market value of investment	1,204

TOTAL EXPENSES		<u>56,437</u>
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INCOME BEFORE OTHER INCOME		9,036
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OTHER INCOME (EXPENSE)

Interest income	143	
Interest expense	<u>(46)</u>	

TOTAL OTHER INCOME		<u>97</u>
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INCOME BEFORE INCOME TAXES		9,133
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INCOME TAXES		<u>(1,185)</u>
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NET INCOME FOR THE YEAR ENDED DECEMBER 31, 2003	\$	<u><u>7,948</u></u>
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See independent auditors' report and notes to financial statement

THE WINNING EDGE FINANCIAL GROUP, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
YEAR ENDED DECEMBER 31, 2003

	<u>Common Stock</u>	<u>Paid-in Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Total</u>
BALANCE - December 31, 2002	\$ 1,000	\$ 22,500	\$ 1,932	\$ 25,432
Net income for the year	<u> </u>	<u> </u>	<u>7,948</u>	<u>7,948</u>
BALANCE - December 31, 2003	<u>\$ 1,000</u>	<u>\$ 22,500</u>	<u>\$ 9,880</u>	<u>\$ 33,380</u>

See independent auditors' report and notes to financial statement
(4)

THE WINNING EDGE FINANCIAL GROUP
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2003

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income	\$ 7,948
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation and amortization	726
Decrease in market value of investment	1,204
(Increase) decrease in:	
Commissions receivable	(2,763)
Officer loan receivable	1,163
Prepaid expenses	(443)
Increase (decrease) in:	
Accounts payable	(5,677)
Accrued expenses	(664)
Income taxes payable	75
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,569
NET CASH PROVIDED BY INVESTING ACTIVITIES	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	-
NET INCREASE IN CASH	1,569
CASH AT BEGINNING OF PERIOD	10,189
CASH AT END OF PERIOD	\$ 11,758

Supplemental disclosures of cash flow information - cash paid during
the year for:

Income taxes	\$ 1,015
Interest expense	\$ 46

THE WINNING EDGE FINANCIAL GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The cost of office furniture and equipment is depreciated under the straight-line method over the useful life of the assets. Estimated useful life for office furniture and equipment is five to seven years. For income tax purposes the Corporation has elected to expense the cost of certain acquisitions.

Revenue Recognition

Income Earned from Investment Programs – Commissions earned are recognized at the closing of the transaction.

NOTE 2 – NET CAPITAL REQUIREMENTS

The Winning Edge Financial Group, Inc. is subject to the Securities and Exchange Commission's net capital rule 15(c), 3-1. Under this rule, the required net capital shall be the greater of \$5,000 or 6 2/3% of total aggregate indebtedness. At December 31, 2003, the Company had net capital of \$24,704.

NOTE 3 – COMPUTATION OF AGGREGATE INDEBTEDNESS

Total aggregate indebtedness as of December 31, 2003 was \$1,212. The percentage of aggregate indebtedness to net capital as computed in Schedule – I of this report is 4%.

NOTE 4 – LEASE COMMITMENTS – RELATED PARTY TRANSACTIONS

The Company leases its premises from a related party on a month-to-month basis. Rent expense for 2003 totaled \$12,000.

NOTE 5 – SECURITIES HELD FOR INVESTMENT

Securities held for investment at December 31, 2003 consisted of 1200 shares and 300 warrants to purchase shares of the NASDAQ Stock Market, Inc. The cost investment, which was acquired in the year 2000, was \$18,907. Market value at December 31, 2003 was \$11,400. A provision for the unrealized loss on investment in the amount of \$7,507 is reflected in the financial statements.

THE WINNING EDGE FINANCIAL GROUP, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003
(CONTINUED)

NOTE 6 – PENSION AND PROFIT SHARING EXPENSE

The Company instituted a defined contribution money purchase pension plan and a discretionary profit sharing plan during 2002. The Company had no expenses in 2003.

NOTE 7 – INCOME TAXES

Income tax expense for 2003 consisted of the following:

	<u>Current</u>	<u>Deferred</u>	<u>Total</u>
Federal income taxes	\$ -	\$ -	\$ -
New Jersey income taxes	1,660	475	1,185
Total	<u>\$ 1,660</u>	<u>\$ 475</u>	<u>\$ 1,185</u>

The corporation has approximately \$38,000 in available Federal operating net loss carry forwards as of December 31, 2003. No deferred asset value has been assigned to carry forwards in these financial statements, because the ability to apply them toward future profits is not assured.

SUPPLEMENTARY INFORMATION
See accountants' compilation report

THE WINNING EDGE FINANCIAL GROUP, INC.
SUPPLEMENTARY INFORMATION
SCHEDULE I - SCHEDULE OF COMPUTATION OF
NET CAPITAL PURSUANT TO RULE 15(c) 3-1
AS OF DECEMBER 31, 2003

SCHEDULE I

TOTAL STOCKHOLDERS' EQUITY	\$ 33,380
DEDUCT: Total non-allowable assets	
Securities held for investments	(11,400)
Prepaid expenses	(1,027)
Furniture and equipment	(727)
TOTAL NON-ALLOWABLE ASSETS	<u>(13,154)</u>
NET CAPITAL BEFORE HAIRCUTS ON SECURITIES	20,226
LESS: HAIRCUTS	<u>(1,920)</u>
NET CAPITAL PURSUANT TO RULE 15(c)3-1 AS OF DECEMBER 31, 2003	<u><u>\$ 18,306</u></u>

**RECONCILIATION OF ABOVE COMPUTATION WITH AMOUNT
REPORTED BY THE COMPANY ON FOCUS PART II FOR
DECEMBER 31, 2003:**

Net capital as reported by the company	\$ 18,015
Audit adjustments:	
Prepayments and accruals - net	<u>291</u>
NET CAPITAL AS SHOWN ABOVE	<u><u>\$ 18,306</u></u>



DISCHINO & ASSOCIATES P.C.

*Certified Public Accountants
and Business Consultants*

REPORT ON INTERNAL CONTROL

To the Stockholders of
The Winning Edge Financial Group, Inc.
Clifton, New Jersey

In planning and performing our audit of the financial statements of The Winning Edge Financial Group, Inc. for the year ended December 31, 2003, we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on the internal control structure.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by The Winning Edge Financial Group, Inc. that we considered relevant to the objectives stated in rule 17a-5(g)(1) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and the procedures for determining compliance with the exemptive provisions of rule 15(c)3-3. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by rule 17a-13 or in complying with the requirements for prompt payment for securities under Section 8 of the Regulation T of the Board of Governors of the Federal Reserve System because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

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 to the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission'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 an 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 the 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 of 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.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities and 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 the understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2003 to meet the Commission's objective.

This report is intended solely for the use of management, the Securities and Exchange Commission, the New York Stock Exchange and other regulatory agencies which rely on rule 17a-5(g) under the Securities and Exchange Act of 1934 and should not be used for any other purpose.


Dischino & Associates, P.C.
Certified Public Accountants

February 13, 2004