



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

SEC FILE NUMBER
8- 51390

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: Trade-PMR, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
6777 Newberry Road

(No. and Street)

Gainesville, Florida 32605-4312

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT Chris Baldwin 352-332-1938

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Stephen R. Rotroff, CPA, P. A.

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

130 Wimbledon Circle, Heathrow, Florida 32746

(Address)

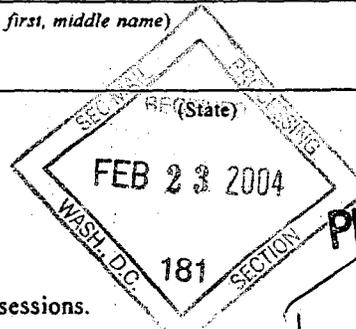
(City)

(State)

(Zip Code)

CHECK ONE:

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



PROCESSED
MAR 05 2004

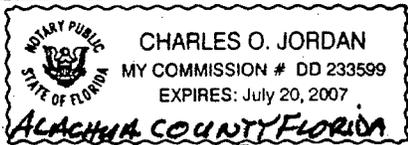
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THOMSON
FINANCIAL

*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)

OATH OR AFFIRMATION

I, Christopher M. Baldwin, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Trade-PMR, 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:



[Signature]

Signature

Financial Officer

Title

[Signature] 2/23/04
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.

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

**TRADE-PMR, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003
AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT**

**TRADE-PMR, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

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Report of Independent Certified Public Accountant

Board of Directors and Stockholders
Trade-PMR, Inc.

I have audited the accompanying statement of financial condition of Trade-PMR, Inc. as of December 31, 2003 and related statement 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. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Trade-PMR, Inc. as of December 31, 2003 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.

Stephen R. Rotroff, CPA, P.A.

January 23, 2004

Trade-PMR, Inc.
Statement of Financial Condition
December 31, 2003

	<u>2003</u>
ASSETS	
Cash & cash equivalents	\$ 5,151
Deposit with clearing broker	35,000
Receivables from clearing broker	24,285
Accounts receivable	798
Prepaid expenses and other current assets	8,061
Property, plant and equipment, net of accumulated depreciation of \$94,810	16,718
Other assets	<u>2,518</u>
Total assets	<u>\$ 92,531</u>
LIABILITIES AND STOCKHOLDERS' EQUITY	
Liabilities:	
Accounts payable and accrued expenses	\$ 14,074
Total Liabilities	<u>14,074</u>
Stockholders' equity:	
Common stock, \$.01 par value, 10,000 shares authorized; 1,620 shares issued and outstanding	16
Additional paid-in capital	559,188
Retained deficit	<u>(480,747)</u>
Total stockholder's equity	<u>78,457</u>
Total liabilities and stockholders' equity	<u>\$ 92,531</u>

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

Trade-PMR, Inc.
Statement of Operations
For the Year Ended December 31, 2003

	<u>2003</u>
REVENUES:	
Commissions	\$ 265,334
Rebates and other fees	43,036
Interest	106
Other	780
Total revenue	<u>309,256</u>
EXPENSES:	
Clearing costs	101,096
Execution costs	77,391
Other operating costs	120,677
Depreciation	26,332
Total expenses	<u>325,496</u>
Net loss	<u>\$ (16,240)</u>

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

Trade-PMR, Inc.
Statement of Changes in Stockholders' Equity
For the Year Ended December 31, 2003

	Capital Stock		Additional Paid-In Capital	Retained Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance at December 31, 2002	1,620	\$ 16	\$ 559,188	\$ (464,507)	\$ 94,697
Net loss	-	-	-	(16,240)	(16,240)
Balance at December 31, 2003	1,620	\$ 16	\$ 559,188	\$ (480,747)	\$ 78,457

TRADE-PMR, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2003

Cash flow from operating activities:	
Net loss	\$ (16,240)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	26,333
Increase or decrease in assets and liabilities:	
Increase in due from clearing broker	(12,831)
Decrease in accounts receivable	422
Increase in prepaid assets	(8,061)
Decrease in other assets	7,286
Increase in accounts payable and accrued expenses	<u>4,311</u>
Total cash provided by operating activities	<u>1,220</u>
Cash flow from financing activities:	
Payment of lease payable	<u>(536)</u>
Total cash used in financing activities	<u>(536)</u>
Net increase (decrease) in cash	684
Cash and cash equivalents at beginning of year	<u>4,467</u>
Cash and cash equivalents at end of year	<u><u>\$ 5,151</u></u>
Supplemental disclosure of cash flow information:	
Cash paid during the year for interest	<u><u>\$ 1,018</u></u>
Cash paid during the year for income taxes	<u><u>\$ -</u></u>

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

TRADE-PMR, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

1. ORGANIZATION

Trade-PMR, Inc. (the "Company") was incorporated on October 30, 1998, in the state of Florida. The Company is a registered broker-dealer with the Securities and Exchange Commission ("SEC") and is a member of the National Association of Securities Dealers ("NASD").

The Company operates an office in Gainesville, Florida. The Company is an introducing broker-dealer and clears its trades through Sterne, Agee & Leach, Inc. (the "Clearing Broker"). Although the Company's Clearing Broker maintains the accounts of all customers, the Company remains contingently liable for customers who do not fulfill their obligations. The Company provides online brokerage services for investment advisors and individuals.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash equivalents - Cash equivalents are short-term, liquid investments with an original maturity of three months or less and are carried at cost, which approximates market value.

Due from clearing brokers - Due from clearing broker represents commissions and other monies due the Company from the Clearing Broker. An allowance for doubtful accounts is not recorded since the Clearing Broker adjusts accounts monthly to actual results.

Property and Equipment - Property and equipment are recorded at cost. Ordinary repairs and maintenance are charged to expense as incurred. Depreciation is recorded for property and equipment using the straight-line method over the estimated useful lives of the assets.

Securities transactions - Securities transactions are recorded on a trade date basis. Amounts receivable and payable for securities transactions that have not reached their contractual settlement date are recorded net on the statement of financial condition

Income taxes - The Company accounts for income taxes according to Statement of Financial Accounting Standard No. 109, "Accounting for Income Taxes", which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future, based on tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred asset will not be realized. Income tax expense is the tax payable or refundable for the period, plus or minus the change during the period in deferred tax assets and liabilities.

TRADE-PMR, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2003

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. RELATED PARTY TRANSACTIONS

Under a verbal expense sharing agreement, Portfolio Management & Research, Inc. an investment advisory corporation, owned by a majority of stockholders of the Company, agreed to pay some of the Company's expenses. These expenses included, but were not necessarily limited to rent, utilities, payroll, and telephone. Under the terms of this verbal agreement, the Company was not required to repay Portfolio Management & Research, Inc.; accordingly, no payable has been recorded as of December 31, 2003. The expenses the Company elected to pay have varied from year-to-year based upon management's decisions and are not necessarily comparable. For the year ended December 31, 2003, Portfolio Management Research paid approximately \$48,450 of costs related to the Company's operations that are not reported in the accompanying financial statements.

Beginning December 1, 2003, the Company began recording the expenses paid by Portfolio Management & Research, Inc. on its books and began reimbursing and/or accruing the expenses in compliance with a SEC opinion rendered to the National Association of Securities Dealers during the year ended December 31, 2003.

In addition, the Company provided brokerage services to Portfolio Management & Research Inc.'s clients.

4. PROPERTY AND EQUIPMENT

Property and equipment was comprised of the following at December 31, 2003:

Computers	\$ 20,763
Software	54,740
Office furniture	22,470
Leasehold improvements	<u>3,206</u>
Less: accumulated depreciation	<u>(84,461)</u>
	<u>\$ 16,018</u>

Depreciation expense for the year ended December 31, 2003 was \$26,332.

TRADE-PMR, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2003

5. INCOME TAXES

As of December 31, 2003, the Company has an approximate deferred tax asset of \$95,700 and has recorded a valuation allowance of \$95,700, since it is uncertain whether the Company will be able to utilize the deferred tax asset. The increase in the valuation allowance for the year ended December 31, 2003 was approximately \$4,000. This results from two timing differences of \$16,017 of start-up expenses that have been expensed for financial reporting purposes, but are being amortized over five years for income tax reporting purposes, and an approximate unused cumulative income tax net operating loss carryover of \$478,500. Therefore, the Company has recognized a deferred income tax benefit of \$0 for the year ending December 31, 2003.

The unused net operating loss is available to offset future taxable income of the Company through the year ending December 31, 2023.

6. CONTRACTUAL COMMITMENTS

The Company has a Clearing Agreement (the "Agreement") with the Clearing Broker that requires a cash security deposit of \$35,000 be maintained at all times with the Clearing Broker during the term of the agreement and any renewals thereof. The Clearing Broker has a right to charge the security deposit for any customer obligations the Clearing Broker may accrue against the Company. The balance of the cash security deposit was \$35,000 at December 31, 2003. The Agreement also calls for a minimum monthly clearing charge of \$2,000.

During the year ended December 31, 2003, the Company paid \$536 to Dell Financial Services, Inc., which paid in full a lease outstanding for computer equipment.

The Company entered into a lease agreement to rent office space effective May 15, 2001. The agreement was amended on May 1, 2003 to extend the term of the lease through April 30, 2005. The minimum rental payment, plus estimated outside maintenance fees, tax and insurance, is due monthly.

As of December 31, 2003, the Company has the following minimum rental commitment:

2004	\$ 15,390
2005	7,695

TRADE-PMR, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2003

**7. FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND
CONCENTRATION OF CREDIT RISK**

The Company's customers' securities transactions are introduced on a fully disclosed basis to its Clearing Broker. The Clearing Broker is responsible for collection of and payment of funds and receipt and delivery of securities for customer transactions. Off-balance sheet risk exists with respect to these transactions due to the possibility that customers may be unable to fulfill their contractual commitments and the Clearing Broker may charge any losses to the Company. The Company seeks to minimize the risk through procedures designed to monitor creditworthiness of the customers and proper execution of transactions by the Clearing Broker.

The Company is affiliated with three investment advisors that transact business through the Company. These advisors account for approximately 56% of the revenue of the Company.

8. NET CAPITAL REQUIREMENTS

The Company's minimum net capital requirement under Rule 15c3-1 of the Securities and Exchange Commission is the greater of 6 2/3% of aggregate indebtedness (\$939 at December 31, 2003) or \$5,000. The Company operates pursuant to the (K)(2)(ii) exemption under SEC Rule 15c3-3 and does not hold customer funds or securities. The Company is, therefore, exempt from the reserve formula calculations and possession or control computations. At December 31, 2003, the net capital, as computed, was \$51,134. The Company had excess net capital of \$46,134 over its minimum requirement of \$5,000.

At December 31, 2002 the percentage of aggregate indebtedness to net capital was approximately 27.5% versus an allowable percentage of 1500%.

9. RECONCILIATION OF NET CAPITAL

The net capital computation shown on the Company's December 31, 2000 FOCUS IIA, and the computation shown on the attached Computation of Net Capital pursuant to SEC Rule 15c3-1 agree, since audit adjustments are insignificant.

Schedule I

Computation and Reconciliation of Net Capital Trade-PMR, Inc. December 31, 2003

Net capital	\$	78,457
Deductions and/or charges:		
Nonallowable assets:		
Furniture and equipment, net	\$	16,719
Other assets		<u>10,579</u>
		<u>(27,298)</u>
Net capital before haircuts		51,159
Miscellaneous haircut		<u>(25)</u>
Net capital	\$	<u>51,134</u>
Computation of basic net capital requirement:		
Minimum net capital required (6 2/3% of aggregated indebtedness)	\$	<u>939</u>
Minimum dollar net capital requirement of reporting broker or dealer	\$	<u>5,000</u>
Net capital requirement	\$	<u>5,000</u>
Excess net capital	\$	<u>46,134</u>
Excess net capital at 1000%	\$	<u>49,726</u>
Computation of aggregate indebtedness:		
Total allowable liabilities from statement of financial condition	\$	14,074
Drafts of immediate credit		-
Market value of securities borrowed for which no equivalent is paid or credited		-
Other unrecorded amounts		<u>-</u>
Total aggregate indebtedness	\$	<u>14,074</u>
Percentage of aggregate indebtedness to net capital		<u>27.52%</u>
Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1(d)		<u>.2752 to 1</u>
Reconciliation with Trade-PMR, Inc.'s Computation:		
Net capital, as reported in Trade-PMR, Inc.'s Part IIA (unaudited) Focus Report for December 31, 2003	\$	51,134
Audit adjustments, net		<u>-</u>
Net capital, as shown above	\$	<u>51,134</u>

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

Schedule II

TRADE-PMR, INC.

**INFORMATION RELATING TO THE POSSESSION OR CONTROL
REQUIREMENTS**

UNDER SEC RULE 15c3-3 AS OF DECEMBER 31, 2003

Trade-PMR, Inc. operates pursuant to the (k)(2)(ii) exemption under SEC Rule 15c3-3 and does not hold funds or securities. Trade-PMR, Inc. is, therefore, exempt from the reserve formula calculations and possession and control computations.

REPORT ON INTERNAL CONTROL STRUCTURE REQUIRED BY SEC RULE 17a-5 FOR A BROKER-DEALER CLAIMING EXEMPTION FROM SEC RULE 15c3-3

Board of Directors and Stockholders
Trade-PMR, Inc.

In planning and performing my audit of the financial statements of TRADE-PMR, INC. (the "Company") for the year ended December 31, 2003, I considered its internal control structure, including procedures for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my 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 and Exchange Commission ("SEC"), I have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by the Company, including tests of such practices that I 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 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, I 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 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 accounting principles generally accepted in the United States of America. 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.

My 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, I noted no matters involving the internal control structure, including procedures for safeguarding securities that I consider to be material weaknesses as defined above.

I 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 related regulations, and the 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 my study, I believe that the Company's practices and procedures were adequate at December 31, 2003, to meet the SEC's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the National Association of Securities Dealers, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and should not be used for any other purpose.

Stephen R. Kelly, CPA, P.A.

January 23, 2004