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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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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 1/1/03 AND ENDING 12/31/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER - DEALER:

Collins Stewart, Inc.

OFFICIAL USE ONLY
FIRM ID. NO.

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

444 Madison Avenue, 41st Floor

(No. and Street)

New York,

New York

10022

(City)

(State)

(Zip Code)

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

John A. Terech, Jr.

(212) 652-9020

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Deloitte & Touche LLP

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

Two World Financial Center

New York,

New York

10281-1414

(Address)

(City)

(State)

(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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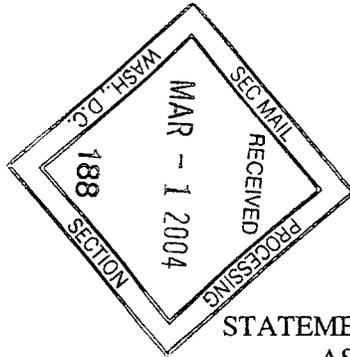
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FINANCIAL

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*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).

KJ
3/29

COLLINS STEWART, INC.
(A Wholly-Owned Subsidiary of
Collins Stewart Limited)
(SEC I.D. NO. 8-51792)



STATEMENT OF FINANCIAL CONDITION
AS OF DECEMBER 31, 2003
AND
INDEPENDENT AUDITORS' REPORT
AND
SUPPLEMENTAL REPORT ON INTERNAL CONTROL

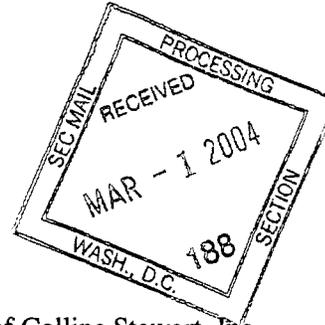
Filed pursuant to Rule 17a-5(e)(3)
under the Securities Exchange Act of 1934 as a
PUBLIC DOCUMENT.



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholder of
Collins Stewart, Inc.:



We have audited the accompanying statement of financial condition of Collins Stewart, Inc. (the "Company") (a wholly-owned subsidiary of Collins Stewart Limited) as of December 31, 2003 that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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, such statement of financial condition presents fairly, in all material respects, the financial position of Collins Stewart, Inc. at December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

February 19, 2004

COLLINS STEWART, INC.
(A Wholly-Owned Subsidiary of Collins Stewart Limited)

STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2003

ASSETS

CASH AND CASH EQUIVALENTS	\$ 3,342,979
DUE FROM THE PARENT	1,717,600
RECEIVABLE FROM CLEARING ORGANIZATION	500,925
FURNITURE AND EQUIPMENT—At cost (less accumulated depreciation of \$547,346)	247,252
OTHER ASSETS	<u>203,489</u>
TOTAL	<u>\$ 6,012,245</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

LIABILITIES:

Accrued compensation	\$ 2,608,513
Accounts payable and accrued expenses	233,798
Income taxes payable	<u>113,198</u>
	<u>2,955,509</u>
SUBORDINATED LIABILITIES	<u>700,000</u>

STOCKHOLDER'S EQUITY:

Common stock	
Par value—\$1.00 per share; 1,000 shares authorized, 100 shares issued and outstanding	100
Additional paid-in capital	599,900
Retained earnings	<u>1,756,736</u>
Total stockholder's equity	<u>2,356,736</u>
TOTAL	<u>\$ 6,012,245</u>

See notes to statement of financial condition.

COLLINS STEWART, INC.
(A Wholly-Owned Subsidiary Of Collins Stewart Limited)

**NOTES TO STATEMENT OF FINANCIAL CONDITION
FOR THE YEAR ENDED DECEMBER 31, 2003**

1. ORGANIZATION AND NATURE OF BUSINESS

Collins Stewart, Inc. (the "Company") is a wholly-owned subsidiary of Collins Stewart Limited (the "Parent"). On May 26, 2000, the Parent was acquired by Collins Stewart Holdings pursuant to a management buyout. In March 2003, Collins Stewart Holdings, acquired all of the outstanding stock of Tullett plc, and it was renamed Collins Stewart Tullett plc. "CST". CST is now the ultimate parent of Collins Stewart Inc.

The Company is registered as a broker-dealer under the Securities Exchange Act of 1934 and is a member of the National Association of Securities Dealers, Inc ("NASD"). The Company, incorporated on April 6, 1998 under the laws of the State of Delaware, conducts business from its office in New York City. The Company obtained approval of its NASD membership application and began operations in September 1999.

The Company is engaged in brokerage activities acting as an agent for U.S. institutional customers in the purchase and sale of UK and European equity securities and American Depository Receipts ("ADR"). All UK and European equity securities transactions are cleared through the Parent, a clearing broker, on a fully disclosed basis and accordingly, the Company does not carry securities accounts for these customers or perform custodial functions relating to their securities. The clearing broker has the right to charge the Company for unsecured losses that result from customer's failure to complete such transactions. The ADR transactions were cleared through the Bank of New York through September 2003. In October 2003, the Company began clearing its ADR transactions through Spear Leeds & Kellogg.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents— As at December 31, 2003, cash and cash equivalents are comprised principally of cash and money market instruments at a major US financial institution.

Furniture and Equipment—Furniture and equipment are reported at cost, net of accumulated depreciation. Depreciation is provided for furniture and equipment on a straight-line basis over the estimated useful life of the assets. The assets are depreciated over four years.

Commissions — Commissions and related clearing expenses are recorded on a trade-date basis.

Income Taxes— Income tax expense is provided using the asset and liability method, under which deferred tax assets and liabilities are determined based upon the temporary differences between the financial statement and income tax bases of assets and liabilities, using currently enacted tax rates.

The effect on deferred taxes of changes in tax rates is recognized in income in the period that includes the enactment date.

Foreign Currency Transactions—Foreign currency transactions (principally commissions earned) are translated at the rates in effect during the period. Assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the rate of exchange prevailing at the close of business at the statement of financial condition date.

Receivable from Clearing Organization—A deposit of approximately \$500,000 is held to meet the collateral agreement of the Company's clearing organization.

3. TRANSACTIONS WITH AFFILIATE

Commissions on foreign equity securities transactions are collected by the Parent directly from the customer and are remitted periodically to the Company. Management fees represent charges from the Parent for dealer services and research, operations, administrative and other services.

Due from the Parent at December 31, 2003, consists of the following:

Commissions	\$ 3,203,197
Management fees	(806,197)
Interest expense	(12,351)
Clearing and settlement fees	(652,335)
Other	<u>(14,714)</u>
Total	<u>\$ 1,717,600</u>

4. INCOME TAXES

At December 31, 2003, the Company had a net deferred tax asset of \$97,529 and a current income payable of \$113,198. Management believes no valuation allowance is necessary. This deferred tax amount is primarily attributable to temporary differences arising from certain organization and set-up costs. The Company believes that it is more likely than not that the results of future operations will generate sufficient taxable income to realize the deferred tax asset.

5. EMPLOYEE BENEFIT PLANS

All employees of the Company may participate in the Company's qualified 401(k) retirement plan provided they have reached the age of 18 years. The Company matches employee contribution amounts, up to a maximum of 5% of employee compensation. Additional employer contributions to this plan are made at the discretion of the Company. The Company also contributes to a money purchase plan for employees who have met certain service requirements.

6. SUBORDINATED LIABILITIES

Subordinated liabilities consist of one floating rate subordinated loan, which pay interest quarterly.

<u>Subordinated Notes</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Floating rate subordinated loan agreement	August 31, 2009	Prime + 3%	<u>\$700,000</u>

The borrowing under this agreement qualifies as regulatory capital and the agreement includes all statutory restrictions specified by the Uniform Net Capital Rule under the Securities Exchange Act of 1934 (the "SEC").

7. NET CAPITAL REQUIREMENT

As a registered broker-dealer under the SEC, the Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule pursuant to Rule 15c3-1 of the Act, which requires the maintenance of a minimum net capital equal to the greater of \$100,000 or 6- 2/3% of aggregate indebtedness. At December 31, 2003, the Company had net capital of \$871,743, which was \$674,710 in excess of required minimum net capital of \$197,033. The ratio of aggregate indebtedness to net capital was 3.39 to 1.

The Company is exempt from the requirements of Rule 15c3-3 pursuant to paragraph (k)(2)(i) since the Company does not carry securities accounts for customers or performs custodial functions relating to customer securities.

8. COMMITMENTS AND CONTINGENCIES

The Company entered into a lease commitment for office space on June 30, 2001, which expires on November 29, 2010. The lease contains certain escalation clauses. The security deposit is in the form of a letter of credit from JPMorgan Chase Bank and was paid for by the Company. At December 31, 2003, the future minimum base rental payments under this lease are as follows:

Year Ending December 31	Total Commitment
2004	\$ 248,964
2005	253,321
2006	259,426
2007	265,639
2008	270,287
Thereafter	<u>695,976</u>
 Total	 <u>\$1,993,613</u>

Guarantees —In the ordinary course of the business, the Company's clearing agreement with the Parent might have a certain element of guarantee. The Company performs securities execution on behalf of its clients for whom it commits to settle with the applicable clearinghouse or broker-dealer. The Company's liability under these agreements is not quantifiable and could exceed any cash deposit made by a client.

Litigation—The Company is involved in a legal matter relating to a claim, which is material to the Company's financial statements. Given the early stage of this matter its outcome cannot be predicted, and its resolution and could be material to the Company's financial condition.

9. FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET AND CREDIT RISK

In the normal course of business, the Company executes securities transactions on behalf of customers through clearing brokers. In connection with these activities, a customer's unsettled trades may expose the Company to off-balance sheet credit risk in the event the customer is unable to fulfill its contracted obligations. The Company seeks to control the risk associated with its customer activities by making credit inquiries when establishing customer relationships. Credit exposure is monitored on an ongoing basis by the Parent, who performs clearing and settlement functions for the Company.

For all transactions cleared through the Parent, the Company's agreement with the Parent provides that the Company assumes customer obligations in the event of non-performance.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

SFAS No. 107, "*Disclosures About Fair Value of Financial Instruments*," requires that all entities disclose the fair value of financial instruments, as defined, for both assets and liabilities recognized and not recognized in the statement of financial condition. All of the Company's financial instruments, as defined, are recognized in the statement of financial condition, and are carried at, or approximate, fair value.

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February 19, 2004

Collins Stewart, Inc.
444 Madison Avenue, 41st Floor
New York, NY 10022

In planning and performing our audit of the financial statements of Collins Stewart, Inc. (the "Company") for the year ended December 31, 2003 (on which we issued our report dated February 19, 2004), we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the Company's internal control.

Also as required by rule 17a-5(g)(1) of the Securities Exchange Act of 1934, we have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by the Company that we considered relevant to the objectives stated in Rule 17a-5(g): 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. We did not review the practices and procedures followed by the Company in making 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 Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities.

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 internal control and of the practices and procedures, and to assess whether those practices and procedures can be expected to achieve the Securities and Exchange Commission's (the "Commission") 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 acquisition, 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 accordance 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 or the practices and procedures referred to above, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal control or of such practices and procedures to future periods are subject to the risk that

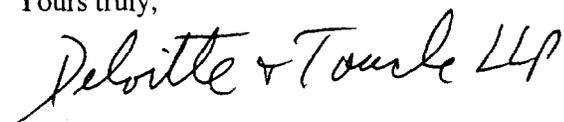
they may become inadequate because of changes in conditions or that degree of compliance with the practices or procedures may deteriorate.

Our consideration of internal control would not necessarily 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 one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error 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 the Company's internal control and its operation, including control activities 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 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, 2003, to meet the Commission's objectives.

This report is intended solely for the use of the board of directors, management, the Securities and Exchange Commission, the National Association of Securities Dealers, Inc. 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.

Yours truly,

A handwritten signature in cursive script that reads "Deloitte & Touche LLP". The signature is written in dark ink and is positioned below the typed name "Deloitte & Touche LLP".