

May 18



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

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

SEC  
Section

MAR 04 2014

SEC FILE NUMBER  
8-67033

Washington DC  
404

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 01/01/2013 AND ENDING 12/31/2013  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: CAPITAL & CREDIT INTERNATIONAL, INC.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

14600 N.E. 5TH COURT

(No. and Street)

MIAMI

FLORIDA

33161

(City)

(State)

(Zip Code)

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

VERA REID

305-705-4250

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

WATSON & COMPANY, P.A.

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

20401 N.W. 2ND AVENUE, STE 300

MIAMI

FLORIDA

33169

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

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

**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)

MA

OATH OR AFFIRMATION

I, VERA REID, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of CAPITAL & CREDIT INTERNATIONAL, INC, as of DECEMBER 31,, 20 13, 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:

Vera A. Reid

Signature

MANAGING DIRECTOR/CFP

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 15c3-1 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).

**CAPITAL & CREDIT INTERNATIONAL, INC.**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2013 AND 2012**

**Watson & Company, P.A.**  
Certified Public Accountants

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**SEC**  
**Mail Processing**  
**Section**  
MAR 04 2014  
**Washington DC**  
**404**

**CAPITAL & CREDIT INTERNATIONAL, INC.**

**FINANCIAL STATEMENTS**  
**AND**  
**SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2013 AND 2012**

**CAPITAL & CREDIT INTERNATIONAL, INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013 AND 2012**

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# Watson & Company, P.A.

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Certified Public Accountants

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Capital & Credit International, Inc.  
Miami, Florida

### **Report on the Financial Statements**

We have audited the accompanying statements of financial conditions of Capital & Credit International, Inc. as of December 31, 2013 and 2012, and the related statements of operations, changes in stockholders' equity, and cash flows for the years then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934, and the related notes to the financial statements.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. These 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Basis for Qualified Opinion**

Because of the implication for the matters discussed in notes 7 and 8 of the financial statements, doubts now surround the company's status and its ability to exist as a going concern.

### **Qualified Opinion**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements referred to above present fairly, in all material respects, the financial condition of Capital & Credit International, Inc. as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### **Report on Other Regulatory Requirements**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II 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 under 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.

February 25, 2014

*Watson + Company, P.A.*

**CAPITAL & CREDIT INTERNATIONAL, INC.**  
**STATEMENTS OF FINANCIAL CONDITIONS**  
**DECEMBER 31, 2013 AND 2012**

<b><u>ASSETS</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Cash and cash equivalents	\$ 26,793	\$ 27,032
Property and equipment net of accumulated depreciation	-	1,697
Prepaid expenses	10,731	9,214
Other assets	<u>2,075</u>	<u>864</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 39,599</u></b>	<b><u>\$ 38,807</u></b>
 <b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
Accounts payable	\$ 3,901	\$ 5,157
Stockholders' equity	<u>35,698</u>	<u>33,650</u>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b><u>\$ 39,599</u></b>	<b><u>\$ 38,807</u></b>

The accompanying notes are an integral part of the financial statements

**CAPITAL & CREDIT INTERNATIONAL, INC.**  
**STATEMENTS OF OPERATIONS**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

<b><u>REVENUE</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Interest	\$ -	\$ -
Referral fees	-	-
Commission income, net	-	-
Other income	-	-
Total Revenue	<u>-</u>	<u>-</u>
<b><u>OPERATING EXPENSES</u></b>		
Compensation	40,000	40,000
Advertising, marketing and development	-	260
Communications	2,356	3,319
Interest expense	1,108	908
Licenses and taxes	4,344	4,322
Occupancy	6,000	6,000
Other administrative expenses	7,954	30,913
Professional fees	11,190	21,565
Total Operating Expenses	<u>72,952</u>	<u>107,287</u>
<b>OPERATING LOSS</b>	<b><u>\$ (72,952)</u></b>	<b><u>\$ (107,287)</u></b>

The accompanying notes are an integral part of the financial statements

**CAPITAL & CREDIT INTERNATIONAL, INC.**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

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	<u>2013</u>	<u>2012</u>
Beginning Balance	\$ 33,650	\$ 44,838
Contribution by Stockholder	75,000	96,099
Operating loss	<u>(72,952)</u>	<u>(107,287)</u>
Ending Balance	<u>\$ 35,698</u>	<u>\$ 33,650</u>

**The accompanying notes are an integral part of the financial statements**

**CAPITAL & CREDIT INTERNATIONAL, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

<b><u>OPERATING ACTIVITIES</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Net Loss	\$ (72,952)	\$ (107,287)
Adjustments to reconcile net loss to net cash and cash equivalents used by operating activities:		
Depreciation	1,697	3,828
Changes in operating assets and liabilities:		
Prepaid expenses	(1,517)	(37)
Other assets	(1,211)	21,062
Accounts payable, accrued expenses, and other liabilities	(1,256)	864
Total adjustments	(2,287)	25,717
<b>NET CASH AND CASH EQUIVALENTS USED BY OPERATING ACTIVITIES</b>	<b>(75,239)</b>	<b>(81,570)</b>
 <b><u>FINANCING ACTIVITIES</u></b>		
Additional Paid-In-Capital	75,000	96,099
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(239)</b>	<b>14,529</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>27,032</b>	<b>12,503</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 26,793</b>	<b>\$ 27,032</b>

The accompanying notes are an integral part of the financial statements

**CAPITAL & CREDIT INTERNATIONAL, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Activity**

Capital & Credit International, Inc., was incorporated on January 14, 2005 as a Florida corporation. The Company filed for a name change on May 17, 2006 from Stainton Bradley International, Inc. to its current name.

The Company was registered as a broker dealer with approval to specialize in financial securities commencing January 5, 2006. Although not trading it maintains its registration with the Securities and Exchange Commission ("SEC"), and is a member of Financial Industry Regulatory Authority ("FINRA") see notes 2, 4, 5 and 6.

The Company is owned by Capital & Credit Holdings, Inc., also a Florida corporation.

**Method of Accounting**

The financial statements have been prepared using the accrual basis of accounting.

**Revenue**

The principal sources of revenue, when reported, are derived from interest, fees and commissions earned from providing financial referral services.

**Income Taxes**

As a corporation not exempt from Federal Income Taxes, the company is subject to federal income taxes on non-patronage income or additions to unallocated capital reserves.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**CAPITAL & CREDIT INTERNATIONAL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property and Equipment**

Property and equipment are carried at cost and depreciated using the straight-line method over the estimated useful lives of the asset. Depreciation expense for the years ended December 31, 2013 and December 31, 2012, equaled \$1,697 and \$3,828 respectively. Property and equipment at December 31, 2013 and 2012, consist of the following components:

	<b>2013</b>	<b>2012</b>
Office Equipment	\$ 21,453	\$ 21,453
Less: Accumulated Depreciation	(21,453)	(19,756)
	\$ -	\$ 1,697

**NOTE 2 - LEASE**

On February 1, 2011 the company entered into a month-to-month lease arrangement for its office space with a principal officer at a monthly cost of \$500.00. There has been no change to the agreement in FY 2013. Total lease payments for the year totaled \$6,000.00.

**NOTE 3 - NET CAPITAL REQUIREMENTS**

Because the company transferred its Broker Dealer activities and has not de-registered and surrendered its license, it is still subject to the Securities and Exchange Commission Uniform Net Capital Rules (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15-to-1 (and the rule of the “applicable” exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10-to-1. During 2010, the company advised FINRA of its intention to reduce the net capital requirement from \$100,000 to \$5,000 following its decision to cease proprietary trading activities. At December 31, 2013, the company’s net capital was \$22,892 which was \$17,892 in excess of its required net capital of \$5,000. The company’s net capital ratio was 0.17-to- 1 or 17%.

**CAPITAL & CREDIT INTERNATIONAL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

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**NOTE 4 - RELATED PARTY TRANSACTIONS**

Capital & Credit International, Inc. is solely owned by Capital & Credit Holding, Inc., a Florida Corporation, which is related to JMMB Merchant Bank Ltd., a Jamaican Company, formerly, Capital & Credit Merchant Bank Ltd. The holding company undertook to provide all the working capital requirements until the reporting company becomes self-sufficient. In May 2010, when the subsidiary transferred its operations to another trader, that covenant ceased, and subsequently resumed in 2011 when self-sufficiency did not materialize.

In addition to the above, in 2013, the company and its parent operated a cost sharing agreement involving certain administrative services.

**NOTE 5 – TRANSITIONAL ARRANGEMENT**

Capital & Credit International, Inc., in collaboration with its related company in Jamaica, negotiated to undertake a “strategic alliance” with a California Broker Dealer which would entail amalgamating both broker dealer activities, and ultimately this company would cease to exist. The company has since transferred its operations to the Broker Dealer and instead of cessation is considering other joint venture activities necessitating the retention of its license as a Broker Dealer.

**NOTE 6 – FUTURE OF THE COMPANY**

After several failed proposals, initiatives, a strategic alliance and cessation of proprietary trading activities, the company and its other associated members of a group of companies, are likely to be acquired by a financial entity. The company is considering other joint venture activities necessitating the retention of its license as a Broker Dealer.

**NOTE 7 – GOING CONCERN**

In addition to the information contained in the preceding paragraph, the company has experienced steady decline in fortune since inception, stockholders equity is now at a low level and with no income stream, the combination of these factors give rise to doubts surrounding the company’s ability to operate as a going concern.

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**CAPITAL & CREDIT INTERNATIONAL, INC.**  
**COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1**  
**OF THE SECURITIES AND EXCHANGE COMMISSION**  
**DECEMBER 31, 2013**

**SCHEDULE I**

**NET CAPITAL**

Total Stockholders' equity	\$ 35,698
Total capital and allowable Stockholders' equity qualified for net capital	<u>35,698</u>
Deductions and/or charges:	
Non-allowable assets:	
Property and equipment, net of accumulated depreciation	-
Prepaid expenses	10,731
Other assets	<u>2,075</u>
Total deductions	12,806
Other: Haircuts	-
Total deductions and/or charges	<u>12,806</u>
<b>NET CAPITAL</b>	<u><u>22,892</u></u>

**AGGREGATE INDEBTEDNESS**

Items included in statement of financial condition:	
Accounts payable, accrued expenses, and other liabilities	\$ <u>3,901</u>

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

Minimum net capital required (based on 6-2/3% of aggregate indebtedness)	\$ <u>260</u>
Minimum net capital required of reporting broker or dealer	\$ <u>5,000</u>
Net capital required (greater minimum)	\$ <u>5,000</u>
Excess capital	\$ <u>17,892</u>
Ratio: Aggregated indebtedness to net capital	<u>0.17 to 1</u>

Pursuant to Rule 17a-5(d)(4), no material differences were noted from the Company's computation; therefore, a reconciliation is not considered necessary.

Read independent auditors' report on financial statements.

**CAPITAL & CREDIT INTERNATIONAL, INC.  
COMPUTATION FOR DETERMINATION OF THE RESERVE REQUIREMENTS  
UNDER SECURITIES AND EXCHANGE COMMISSION RULE 15c3-3 AND  
INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS  
UNDER SECURITIES AND EXCHANGE COMMISSION RULE 15c3-3  
DECEMBER 31, 2013**

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**SCHEDULE II**

The Company is exempt from the requirements of Securities and Exchange Commission Rule 15c3-3 as it is operating under the k(2)(i) exemption.

**Read independent auditors' report on financial statements.**

# Watson & Company, P.A.

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Certified Public Accountants

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

To the Board of Directors  
Capital & Credit International, Inc.  
Miami, Florida

In planning and performing our audit of the financial statements and supplemental schedules of Capital & Credit International, Inc. (the "Company") for the year ended December 31, 2013, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and 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 SEC Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under SEC Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of SEC 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 and 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
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customer as required by Rule 15c3-3

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 cost of controls 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 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 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 conformity with generally accepted accounting principles. SEC Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud 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 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 internal control, including control activities for safeguarding securities, which 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 SEC to be adequate for its purpose 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, 2013, to meet the SEC's objectives, if applicable.

This report is intended solely for the information and use of the Board of Directors, management, the Securities and Exchange Commission ("SEC"), Financial Industry Regulatory Authority ("FINRA") and other regulatory agencies that rely on SEC 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.

February 25, 2014

*Watson + Company, P.A.*