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, D.C. 20549

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

SEC FILE NUMBER
8- 38426

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 7/1/02 AND ENDING 6/30/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Westminster Financial Securities, Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

865 South Dixie Drive

(No. and Street)

Vandalia

Ohio

45377

(City)

(State)

(Zip Code)

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

Christopher J. Broderick

(937) 898-5010

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

McCurdy & Associates CPA's, Inc.

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

27955 Clemens Road

Westlake

Ohio

44145

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

REC'D S.E.C.
AUG 29 2003
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PROCESSED
SEP 10 2003

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)

889-0

OATH OR AFFIRMATION

I, Christopher J. Broderick, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Westminster Financial Securities, Inc., as of June 30, 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:

None

Christopher J. Broderick

Signature

President

Title

Virginia L. Laub

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 auditor's report on internal control.

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



Financial Statements
And Additional Information

Westminster Financial Securities, Inc.

For the Year Ended June 30, 2003
With Report of Independent Auditors

Westminster Financial Securities, Inc.
Financial Statements and Additional Information
For the Year Ended June 30, 2003

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McCurdy
& Associates
CPA's, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

27955 Clemens Road
Westlake, Ohio 44145-1121
Phone: (440) 835-8500
Fax: (440) 835-1093

Report Of Independent Auditors

To The Board of Directors
Westminster Financial Securities, Inc.

We have audited the accompanying statement of financial condition of Westminster Financial Securities, Inc., (a wholly-owned subsidiary of Westminster Financial Companies, Inc.), as of June 30, 2003, and the related statements of income, stockholder's 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 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 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 Westminster Financial Securities, Inc. as of June 30, 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.

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 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in our 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.

A handwritten signature in black ink, appearing to read 'McCurdy, J. A.', is written over a horizontal line.

McCurdy & Associates CPA's, Inc.
Westlake, Ohio
July 24, 2003

Westminster Financial Securities, Inc.
Statement of Financial Condition
June 30, 2003

Assets

Current assets	
Cash and cash equivalents	\$ 672,767
Cash, segregated and restricted	37,143
Prepaid expenses	21,061
Commissions receivable, no allowance for doubtful accounts is deemed necessary	160,699
Secured advances	35,227
Unsecured advances	<u>59,151</u>
Total current assets	986,048
Office equipment and leasehold improvements, at cost, less accumulated depreciation of \$148,348	126,362
Related party receivables	293,172
Deposits	1,336
Goodwill	<u>30,000</u>
Total assets	<u>\$1,436,918</u>

Liabilities and stockholder's equity

Current liabilities	
Accounts payable, trade	\$ 98,950
Related party payables	3,348
Cafeteria plan payable	11,541
Accrued salaries and commissions	445,050
Accrued regulatory fees	105,004
Payroll taxes payable	8,299
Federal income tax payable	<u>9,400</u>
Total current liabilities	681,592
Deferred federal income taxes	15,000
Related party payable	<u>50,481</u>
Total liabilities	747,073
Stockholder's equity	
Common shares, no par value; authorized 1,000 shares, issued and outstanding 500 shares, at stated value	50,000
Additional paid-in capital	233,250
Retained earnings	<u>406,595</u>
Total stockholder's equity	<u>689,845</u>
Total liabilities and stockholder's equity	<u>\$1,436,918</u>

Westminster Financial Securities, Inc.

Statement of Income

For The Year Ended June 30, 2003

Revenues

Commissions	\$7,615,641
Interest and dividends	6,954
Other income	<u>42,869</u>
Total revenues	7,665,464

Expenses

Commissions and other compensation	5,988,117
Clearing charges	498,880
Employee benefits	85,573
Professional fees	106,825
Occupancy	180,881
Taxes, other than federal income tax	93,189
Other operating expenses	<u>611,589</u>
Total expenses	<u>7,565,054</u>

Income before federal income tax 100,410

Federal income tax 22,491

Net income \$ 77,919

Westminster Financial Securities, Inc.
Statement of Stockholder's Equity
For The Year Ended June 30, 2003

	<u>Common Shares</u>		<u>Additional Paid-In Capital</u>	<u>Retained Earnings</u>
	<u>Shares</u>	<u>Amount</u>		
Beginning Balances	500	\$50,000	\$233,250	\$328,676
Additional Paid-In Capital	--	--	--	--
Net Income (Loss)	<u>--</u>	<u>--</u>	<u>--</u>	<u>77,919</u>
Ending Balances	<u>500</u>	<u>\$50,000</u>	<u>\$233,250</u>	<u>\$406,595</u>

Westminster Financial Securities, Inc.
Statement of Cash Flows
For The Year Ended June 30, 2003

Cash flows from operating activities

Net income	\$ 77,919
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	19,285
Loss on asset dispositions	12,175
(Increase) decrease in:	
Segregated and restricted cash	(6,645)
Commissions receivable	(123,112)
Advances	(49,181)
Securities	31,892
Prepaid expenses	(17,272)
Deferred federal income tax asset	1,000
Increase (decrease) in:	
Accounts payable	73,114
Related party payables	(5,054)
Accrued salaries and commissions	77,077
Accrued retirement plan contribution	(61,185)
Cafeteria plan payable	6,984
Accrued reg. fees	35,319
Payroll taxes payable	(4,513)
Income taxes payable	<u>6,100</u>
Net cash provided by operating activities	73,903

Cash flows from investing activities

Related party receivables-net	(105,568)
Purchase of office equipment	<u>(17,353)</u>
Net cash provided by investing activities	(122,921)

Cash flows from financing activities

Net cash provided (used) by financing activities	0
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Increase (decrease) in cash and cash equivalents	<u>(49,018)</u>
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Unrestricted cash and cash equivalents at beginning of year	<u>721,785</u>
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Unrestricted cash and cash equivalents at end of year	<u>\$ 672,767</u>
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Westminster Financial Securities, Inc.
Notes to Financial Statements
For The Year Ended June 30, 2003

Note A – Summary of Significant Accounting Policies

Business

Westminster Financial Securities, Inc. (the Company) is a registered broker/dealer engaged primarily in selling mutual funds and other securities. The Company is headquartered in Vandalia, Ohio, and has representatives located throughout the United States.

Customers' securities transactions are recorded on a settlement date basis, and the related commission revenues and expenses are accrued on a trade date basis. All securities transactions are carried on a fully-disclosed basis, and non-mutual fund transactions are cleared through other brokers.

The Company is exempt from special reserve requirements for brokers and dealers under Rule 15c3-3 of the Securities and Exchange Commission. This exemption is claimed under Section (k)(2)(ii).

Office Equipment and Leasehold Improvements

Office equipment and leasehold improvements are carried at cost. Depreciation is provided using the straight-line method over their estimated useful lives and was \$19,285 during the year.

Components of office equipment and leasehold improvements follow:

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Office equipment	\$258,863	\$143,645
Leasehold improvements	<u>15,847</u>	<u>4,703</u>
	<u>\$274,710</u>	<u>\$148,348</u>

Cash Equivalents

For purposes of the statement of cash flows, the Company considers all short term investments purchased with a maturity of three months or less to be cash equivalents.

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences relate primarily to depreciable assets (use of different depreciation methods and lives for financial statement and income tax purposes) and loss and expense carryforwards. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will

Westminster Financial Securities, Inc.
Notes to Financial Statements (Cont'd)
For The Year Ended June 30, 2003

Note A – Summary of Significant Accounting Policies (Cont'd)

either be taxable to deductible when the assets and liabilities are recovered or settled. Deferred taxes also are recognized for operating losses and tax credits that are available to offset future taxable income.

Income taxes are calculated and reported using the "separate entity" method. The Company reports its share of federal income tax liability or benefits at an effective rate of 15%.

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

Note B - Segregated Cash

The segregated and restricted cash represents amounts withheld from employees for the Company's cafeteria plan, cash segregated in a special reserve bank account for the benefit of customers and \$25,000 on deposit with the clearing brokerage firm.

Note C - Related Party Transactions

The Company is a wholly-owned subsidiary of Westminster Financial Companies, Inc. (the "parent") as a result of a reorganization agreement entered into on January 1, 1998. Westminster Financial Advisory Corporation ("Advisory") and Westminster Financial Agencies ("Agencies") are other wholly-owned subsidiaries of the parent. All three subsidiaries share common office space, equipment, personnel, and certain other operating expenses. Costs and expenses are share based on management's utilization estimates.

The Company received approximately \$104,600 from its parent in reimbursed expenses, approximately \$3,800 from Advisory in reimbursed expenses, and \$1,100 from Agencies in reimbursed expenses. The Company transferred marketable securities to Advisory during the year at cost of \$39,316.

As of the end of the year, five unsecured officers, employee or representatives receivables totaled \$59,151, with none greater than \$18,125 at no interest.

Westminster Financial Securities, Inc.
Notes to Financial Statements (Cont'd)
For The Year Ended June 30, 2003

Note C - Related Party Transactions (Cont'd)

As of the end of the year, the parent owes \$198,250 (interest is paid at 5% annually), Advisory owes \$82,085 and Agencies owes \$12,837 to the Company. The receivables are unsecured.

As of the end of the year, the Company owes its parent \$50,481 for past income taxes. The Company also owes as of the end of the year, Advisory \$595 and Agencies \$2,753 for expenses.

The Company leases its office space month-to-month from Brazie Family Properties, LTD., a limited liability company owned by certain shareholders of the parent for between \$6,300 and \$4,550 per month. The company paid rent of \$177,818 during the year, of which \$69,650 was paid to the related party. The shares are held in escrow and the parent is currently purchasing them.

Note D - Lease Commitments

The Company assumed an office lease in Palm Beach for \$6,956 per month through December 2002; \$7,234 per month through December 2003; \$7,857 through December 2004; \$8,157 through December 2005, and \$8,470 through December 2006.

The Company also leases office equipment. Minimum payments required for the next five years follow:

June 30,	
2004	\$109,878
2005	\$115,416
2006	\$119,094
2007	\$ 69,936
2008	\$ 2,987

Note E - Net Capital Requirements

The Company is subject to the Uniform Net Capital Rule (Rule 15c3-1) of the Securities and Exchange Commission which requires the maintenance of minimum net capital and requires 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). At June 30, 2003, the Company had net capital of \$169,424 which was \$119,424 in excess of its required net capital of \$50,000. The Company's aggregate indebtedness to net capital ratio was 4.32 to 1.

Westminster Financial Securities, Inc.
Notes to Financial Statements (Cont'd)
For The Year Ended June 30, 2003

Note F - Profit-Sharing Plan

The Company sponsors a profit-sharing plan with employee deferral provisions for employees who meet certain eligibility requirements. The Company has expensed contributions of \$33,722 to the plan during the year. The Company's policy is to fund the contributions within the time requirements of the Internal Revenue Service.

Note G - Cash Flow Disclosure

The Company paid income taxes of \$18,309 and no interest during the year.

Note H - Income Taxes

The income tax provision consists of federal income taxes as follows:

Currently payable	\$ 9,400
Profit sharing adjustment	16,623
Adjust prior year estimate	<u>(3,532)</u>
Income tax provision	<u>\$ 22,491</u>

Note I - Concentration of Credit Risk

The Company maintains more than sixty accounts with banks and with Pershing. The accounts with Key Bank exceeded the maximum of \$100,000 insured by FDIC. This practice does not serve to limit the Company's exposure to credit risk. Balances as of the end of the year follow:

	<u>Book Balance</u>	<u>Bank Balance</u>
Key Bank	\$369,983	\$405,950
Insured by FDIC	<u>(100,000)</u>	<u>(100,000)</u>
Amount at Risk	<u>\$269,983</u>	<u>\$305,950</u>

Note J - Line of Credit

The Company has a maximum \$20,000 Line of Credit available from Key Bank. It has not drawn on this line as of June 30, 2003.

Westminster Financial Securities, Inc.
Notes to Financial Statements (Cont'd)
For The Year Ended June 30, 2003

Note K – Financial Instruments With Off-Balance Sheet Risk

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

Additional Information

Westminster Financial Securities, Inc.
Computation of Net Capital
 June 30, 2003

Computation of net capital

Total stockholder's equity qualified for net capital	\$689,845
Addition for allowable credits-deferred income taxes	15,000
Deductions and/or charges - non-allowable assets:	
Related party receivables	(293,172)
Advances	(59,151)
Fixed assets, net	(126,362)
Goodwill	(30,000)
Prepaid expenses	(21,061)
Deposits	<u>(1,336)</u>
Net capital before haircuts	\$173,763
Haircuts on securities:	
Money market accounts (2%)	<u>(4,339)</u>
Net capital	<u>\$169,424</u>

Computation of basic net capital requirement

Minimum net capital requirements:	
6.67% x \$732,073	<u>\$ 48,829</u>
Minimum dollar requirement	<u>\$ 50,000</u>
Net requirement	<u>\$ 50,000</u>
Excess net capital at 1,500%	<u>\$119,424</u>
Excess net capital at 1,000%	<u>\$ 96,217</u>
Ratio: Aggregate indebtedness to net capital	<u>4.32 to 1</u>

Computation of aggregate indebtedness

Accounts payable	\$ 98,950
Cafeteria plan payable	11,541
Accrued salaries and commissions	445,050
Accrued regulatory fees	105,004
Payroll taxes payable	8,299
Related party payables	53,829
Federal income tax payable	<u>9,400</u>
Total aggregate indebtedness	<u>\$732,073</u>

Westminster Financial Securities, Inc.
Statement Pursuant to Rule 17a-5(d)(4)
June 30, 2003

A reconciliation of the computation of net capital under Rule 15c3-1 as included in the Company's unaudited Form X-17a-5 as of June 30, 2003 filed with the Securities and Exchange Commission and the amount included in the accompanying Schedule I computation is as follows:

	<u>June 30, 2003</u>
Net capital, as reported in company's form X-17a-5, Part IIA	\$155,624
Net audit adjustments	<u>13,800</u>
Net capital, as reported in Schedule I	<u>\$169,424</u>

Inasmuch as Westminster Financial Securities, Inc. is operating as a fully-disclosed broker/dealer and does not carry customer accounts, the following supporting schedules are not applicable:

- A. Computation for determination of the reserve requirements under Exhibit A of Rule 15c3-3.
- B. Information relating to the possession or control requirements under Rule 15c3-3.



McCurdy
& Associates
CPA's, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

27955 Clemens Road
Westlake, Ohio 44145-1121
Phone: (440) 835-8500
Fax: (440) 835-1093

Independent Auditors' Supplementary Report on Internal Control

The Board of Directors
Westminster Financial Securities, Inc.

In planning and performing our audit of the financial statements of Westminster Financial Securities, Inc. for the year ended June 30, 2003, 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 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. 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 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 Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

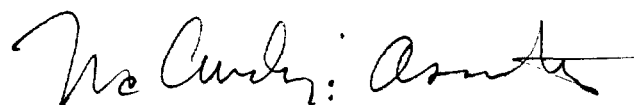
The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of 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. 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 the specific internal control components does not reduce to a relatively low level the risk that 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, 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 SEC 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 June 30, 2003, to meet the SEC's objectives.

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



McCurdy & Associates CPA's, Inc.
Westlake, Ohio
July 24, 2003