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

UF 8-29-03

OMB APPROVAL
OMB Number: 3235-0123
Expires: October 31, 2004
Estimated average burden
hours per response..... 12.00

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

SEC FILE NUMBER
8- 03022

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 07/01/02 AND ENDING 06/30/03
MM/DD/YY MM/DD/YY

RECEIVED
AUG 28 2003
SECTION 107

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Computershare Securities Corp

OFFICIAL USE ONLY
FIRM I.D. NO.

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

2 N La Salle

(No. and Street)

Chicago

(City)

IL

(State)

60602.

(Zip Code)

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

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Pricewaterhouse Coopers

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

One North Wacker Drive, Chicago, IL 60606

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

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)

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OATH OR AFFIRMATION

I, Gerard Mullins, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ComputerShare Securities Corp, 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:

Gerard Mullins
Signature
CFO
Title



Tamika M. Lee
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).

**Computershare Securities
Corporation**

Financial Statements and Supplementary Information

June 30, 2003

**Pursuant to Rule 17a-5 of the Securities Exchange
Act of 1934**



Computershare Securities Corporation
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June 30, 2003

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PricewaterhouseCoopers LLP
One North Wacker
Chicago IL 60606
Telephone (312) 298 2000
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Report of Independent Auditors

To the Board of Directors and Stockholder of
Computershare Securities Corporation

In our opinion, the accompanying statement of financial condition and the related statements of operations, changes in stockholder's equity and cash flows present fairly, in all material respects, the financial position of Computershare Securities Corporation (the "Company") at 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. 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 of these statements in accordance with auditing standards generally accepted in the United States of America, which 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 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.

PricewaterhouseCoopers LLP

August 22, 2003

Computershare Securities Corporation
Statement of Financial Condition
June 30, 2003

Assets

Cash	\$	81,091
Deferred tax asset		2,616
Other assets		1,440
	\$	<u>85,147</u>

Liabilities and Stockholder's Equity

Payable to affiliates	\$	15,192
Stockholder's equity		
Common stock, \$0.01 par value; 1,000 shares authorized, no shares issued or outstanding		-
Paid-in capital		73,998
Accumulated deficit		<u>(4,043)</u>
Total stockholder's equity		<u>69,955</u>
Total liabilities and stockholder's equity	\$	<u>85,147</u>

Computershare Securities Corporation
Statement of Operations
For the Year Ended June 30, 2003

Revenue	
Commissions	\$ 1,369,035
Interest income	910
Total revenues	<u>1,369,945</u>
Expenses	
Management fees for services provided by the affiliates	1,348,603
Audit fees	12,000
Other expenses	8,432
Total expenses	<u>1,369,035</u>
Net income before income taxes	910
Income tax expenses	357
Net income	<u>\$ 553</u>

Computershare Securities Corporation
Statement of Changes in Stockholder's Equity
For the Year Ended June 30, 2003

	Paid-in Capital	Accumulated Deficit	Total
Balance, July 1, 2002	\$ 73,998	\$ (4,596)	\$ 69,402
Net income	-	553	553
Balance, June 30, 2003	<u>\$ 73,998</u>	<u>\$ (4,043)</u>	<u>\$ 69,955</u>

Computershare Securities Corporation
Statement of Cash Flows
For the Year Ended June 30, 2003

Cash flows from operating activities	
Net income	\$ 553
Adjustments to reconcile net income to net cash provided by operating activities	
Change in assets and liabilities	
Payable to affiliates	1,440
Deferred tax asset	357
Other assets	<u>(1,440)</u>
Net cash provided by operating activities	<u>910</u>
Net increase in cash	910
Cash	
Beginning of period	<u>80,181</u>
End of period	<u>\$ 81,091</u>

Computershare Securities Corporation
Notes to Financial Statements
June 30, 2003

1. General

On November 17, 2000, Computershare Securities Corporation (the "Company") was incorporated under the laws of the State of Delaware. The Company is registered with the Securities and Exchange Commission ("SEC") as a broker-dealer and is a member of the National Association of Securities Dealers, Inc. The Company is a wholly owned subsidiary of Computershare Investor Services, LLC (the "Parent"). The Parent is a wholly owned subsidiary of Computershare, Inc., who is an indirectly wholly owned subsidiary of Computershare Limited an Australian company.

The Company serves as a broker-dealer for transactions initiated by its affiliates. These transactions include purchase and sale transactions for employee stock purchase plans as well as the purchase and sale of securities by affiliates to assist in their transfer agency dividend reinvestment and similar plans.

2. Significant Accounting Policies

Cash Equivalents

The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Revenue Recognition

Commission revenue and expense is recognized on a trade-date basis.

Use of Estimates

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts and the tax basis of assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The Company has a tax-sharing agreement with its Parent, and is included in the consolidated federal income tax return. The Company files separate state income tax returns.

The Company has recorded its share of income taxes the under terms of the tax-sharing agreement, which, in general, provides that the Company computes its current and deferred income tax provisions, assets and liabilities on a stand-alone basis.

Computershare Securities Corporation
Notes to Financial Statements
June 30, 2003

3. Related Parties

As the registered broker-dealer servicing transactions related to the Company's affiliates' purchases and sales of securities for employee stock purchase plans and other plans, the Company entered into a clearing agreement with its clearing broker. The affiliates coordinate, expedite, and disburse the related commissions on behalf of the Company. The affiliates then charge the Company a management fee equal to the costs of these services. For the year ended June 30, 2003, management fees recognized for services provided by the affiliates were \$1,348,603.

Commission revenue of \$1,369,035 was recognized from the affiliated companies during the period July 1, 2002 through June 30, 2003.

4. Income Taxes

The income tax expense for the year ended June 30, 2003 was \$357. The effective tax rate differs from the federal statutory rate of 35% primarily due to the effect of state income taxes.

5. Regulatory Requirements

As a registered broker-dealer, the Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule 15c3-1, 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. At June 30, 2003, the Company had computed net capital of \$64,277, which was \$59,277 in excess of its required net capital of \$5,000. The Company's computed ratio of aggregate indebtedness to net capital at June 30, 2003 was approximately 24%.

The Company has complied with the exemptive provisions of Rule 15c3-3 under subparagraph (k)(1) – the Company does not carry securities accounts for its customers or perform custodial functions relating to customer securities.

All customer transactions are cleared on a fully disclosed basis through a clearing broker which files financial statements with the SEC pursuant to Rule 17a-5.

6. Liabilities Subordinated to Claims of General Creditors

The Company has no borrowings under subordination agreements at June 30, 2003.

SUPPLEMENTARY INFORMATION

Computershare Securities Corporation
Computation of Net Capital Under Rule 15c3-1 of the
Securities and Exchange Commission
June 30, 2003

Schedule I

Net Capital	
Total stockholder's equity	\$ 69,955
Deductions	
Nonallowable assets	(4,056)
Haircuts on securities, 2% money market reserve	(1,622)
Net capital	<u>\$ 64,277</u>
Computation of Basic Net Capital Requirement	
Minimum net capital required	<u>\$ 5,000</u>
Excess net capital	<u>\$ 59,277</u>

Statement Pursuant to Paragraph (d)(4) of Rule 17a-5

There were no material differences between this computation of net capital and the corresponding computation prepared by Computershare Securities Corporation and included in its unaudited Part II Focus Report filing.

Computershare Securities Corporation
Determination of the Reserve Requirements Under Securities and Exchange
Commission Rule 15c3-3
June 30, 2003

Schedule II

EXEMPTION UNDER SECTION (k)(1) HAS BEEN CLAIMED

The Company has complied with the exemptive provisions of the Securities and Exchange Commission Rule 15c3-3 under Subparagraph (k)(1)- the Company does not carry securities accounts for its customers or perform custodial functions relating to customer securities.



PricewaterhouseCoopers LLP
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**Report of Independent Auditors
on Internal Control Required by SEC Rule 17a-5**

To the Board of Directors and Management
Computershare Securities Corporation:

In planning and performing our audit of the financial statements and supplemental schedules of Computershare Securities Corporation (the "Company") 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 the internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (the "SEC"), we have made a study of the practices and procedures followed by the Company, including tests of compliance with such practices and procedures, that we considered relevant to the objectives stated in Rule 17a-5(g) in the following:

1. Making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(1); and
2. 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, and the 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; and
3. Obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by Rule 15c3-3.

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 control and 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 of 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 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, errors or fraud may occur and not be detected. Also, projection of any evaluation of internal control to future periods is subject to the risk that controls 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 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 procedures for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the 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 SEC, 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.

PricewaterhouseCoopers LLP

August 22, 2003