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

SEC FILE NUMBER
8-44626

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 03/01/02 AND ENDING 02/28/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: SOUTH BEACH CAPITAL MARKETS, INC.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

150 SOUTHEAST SECOND AVENUE, SUITE 1007

(No. and Street)

MIAMI, FL 33131

(City)

(State)

(Zip Code)

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

JOHN F. COLLOPY

(305) 358-3232

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

WOLF & COMPANY - MILWAUKEE S.C.

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

622 N. WATER STREET, SUITE 406, MILWAUKEE, WISCONSIN 53202

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

MAY 12 2003

THOMSON
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 (05-01)

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OP 5-9

OATH OR AFFIRMATION

I, JOHN F. COLLOPY, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SOUTH BEACH CAPITAL MARKETS, INC., as of FEBRUARY 28, 2003 AND 2002, 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:

John Collopy
Signature
President
Title

Susan Walcutt
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).

South Beach Capital Markets, Inc.
Annual Report
For the Years Ended February 28, 2003 and 2002
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To the Board of Directors
South Beach Capital Markets, Inc.

We have audited the accompanying statement of financial condition of South Beach Capital Markets, Inc. as of February 28, 2003 and 2002, and the related statements of operations, changes in stockholder's equity and cash flows for the years 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 South Beach Capital Markets, Inc. as of February 28, 2003 and 2002, and its results of operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit has been made primarily for the purpose of expressing an opinion on the financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is information required by Rule 17a-5 under the Securities Exchange Act. Such information has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects to the basic financial statements taken as a whole.

The accompanying financial statements and supplementary information have been prepared assuming that the Company will continue as a going concern. As discussed in Note 13 to the financial statements, the Company has suffered recurring losses from operations and has insufficient cash to fund operations for the coming fiscal year, which raises substantial doubt about its ability to continue as a going concern. Management's plans regarding those matters also are described in Note 13. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Wolf and Company - Milwaukee S.C.
Wolf and Company - Milwaukee S.C.
Certified Public Accountants

Milwaukee, Wisconsin
April 28, 2003

622 N. WATER STREET, SUITE 406, MILWAUKEE, WISCONSIN 53202 (414) 272-3360 FAX (414) 272-7580

South Beach Capital Markets, Inc.
Statement of Financial Condition
February 28, 2003 and 2002

	2003	2002
Assets		
Cash and cash equivalents	\$ 15,365	\$ 51,437
Due from clearing broker	979	466
Trade receivables (net)	44,792	1,066
Prepaid expenses	12,628	28,343
Furniture and equipment (net)	46,955	53,224
Deferred tax benefit	-	-
Investment in NASD stock (at cost, net of valuation allowance of \$4,650 in 2003)	7,750	12,400
Total Assets	\$ 128,469	\$ 146,936
Liabilities and Stockholder's Equity		
Liabilities		
Accounts payable	\$ 23,226	\$ 2,924
Accrued payroll and payroll taxes	1,799	11,650
Note payable	-	8,225
Obligations under capital leases	2,395	5,501
Total Liabilities	27,420	28,300
Stockholder's Equity	101,049	118,636
Total Liabilities and Stockholder's Equity	\$ 128,469	\$ 146,936

See accompanying notes.