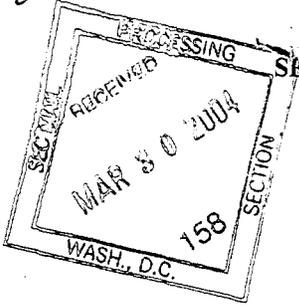


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Washington, D.C. 20549

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

SEC FILE NUMBER

8-65307

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 JANUARY 1, 2003 AND ENDING DECEMBER 31, 2003

MM/DD/YY

MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: TECHCAP ADVISORS, INC.

OFFICIAL USE ONLY

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

FIRM ID. NO.

86 South Street 5-B
(No. and Street)

BOSTON
(City)

MA
(state)

02111
(zip Code)

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

Jack H. Langworthy

(617) 350-3101
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Karll, Harvey CPA, P.C.
(NAME - IF INDIVIDUAL STATE LAST, FIRST, MIDDLE NAME)

41 Middle Street
(Address)

Newburyport
(City)

MA
(State)

01950-2755
(ZIP Code)

CHECK ONE:

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

PROCESSED

APR 05 2004

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).

SEC 1410 (3-91)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid control number

OATH OR AFFIRMATION

I, Jack H. Langworthy

swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of TechCap Advisors, Inc., as of December 31, 2003 are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principle officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Jack H. Langworthy
Signature
President
Title

[Signature]
Notary Public

Notary Public / My Commission Expires 03/26/2010

This report** contains (check all applicable boxes):

- X (a) Facing page.
- X (b) Statement of Financial Condition.
- X (c) Statement of Income (Loss).
- X (d) Statement of Changes in Financial Condition.
- X (e) Statement of Changes in Stockholders' Equity, or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims, of Creditors.
- X (g) Computation of Net Capital
- X (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- X (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.
- X (K) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation
- X (l) An Oath or Affirmation
- (m) A copy of the SIPC Supplemental Report.
- X (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 240.17d-5(e)(3).



Harvey E. Karll CPA, P.C.

41 Middle Street
Newburyport, Massachusetts 01950
(978) 465-9512 Fax (978) 462-9043

INDEPENDENT AUDITOR'S REPORT ON INTERNAL ACCOUNTING CONTROL REQUIRED BY SECTION 17A-5

To the Board of Directors
TechCap Advisors, Inc.

I have examined the financial statements of TechCap Advisors, Inc. for the year ended December 31, 2003 and have issued my report thereon dated March 5, 2004. As part of my examination, I made a study and evaluation of the Company's system of internal accounting control, which includes the procedures for safeguarding securities, to the extent I considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of my study and evaluation, which included obtaining an understanding of the accounting system, was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the financial statements.

I also made a study of the practices and procedures followed by the Company in making periodic computations of aggregate indebtedness and net capital under rule 17a-3(a) (11) and the procedures for determining compliance with the exemptive provisions of rule 15c-13 or (ii) in Section 4(c) of regulation T of the board of governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the Company is responsible for establishing and maintaining a system of internal accounting control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures 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 objectives of the SEC described in rule 17a-5(g). The objectives of a system of 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 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 the inherent limitation in any system of internal accounting control procedures or the practices and procedures referred to above, errors or irregularities may nevertheless occur and not be detected. Also, projection or 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 degree of compliance with them may deteriorate.

My study and evaluation made for the limited purposes described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, I do not express an opinion on the system of internal accounting control of TechCap Advisors, Inc. taken as a whole. However, my study and evaluation disclosed no condition that I believed to be a material weakness.

I 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 SEC Act of 1934 and related regulations, and the practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequate for such purposes. Based on this understanding and on my study, I believe that the Company's practices and procedures were adequate at December 31, 2003 to meet the commission's objectives. In addition, no facts came to my attention that would indicate that conditions of the exemption for rule 15c-3-3 had not been complied with during the period.

This report is intended solely for the use of management and the SEC and should not be used for any other purpose.

March 5, 2004

A handwritten signature in cursive script that reads "Harvey Karl CPA, P.C.".

Harvey Karl CPA, P.C.

TechCap Advisors, Inc.

Audited Financial Statements

The Year Ended December 31, 2003

CONTENTS

INDEX

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| | Page |
|--|------|
| Auditor's Report | 1 |
| Balance Sheet | 2-3 |
| Statement of Income | 4-5 |
| Statement of Cash Flows | 6 |
| Statement of Retained Earnings | 7 |
| Statement of Changes in Stockholders Equity..... | 8 |
| Notes to Financial Statements | 9 |
| Reconciliation of Audited vs. Unaudited Net Capital..... | 10 |
| Statement of Net Capital..... | 11 |



Harvey E. Karll CPA, P.C.

41 Middle Street
Newburyport, Massachusetts 01950
(978) 465-9512 Fax (978) 462-9043

March 5, 2004

TechCap Advisors, Inc.
86 South Street 5-B
Boston, MA 02111

To the Stockholders:

I have audited the accompanying Balance Sheet of TechCap Advisors, Inc. as of December 31, 2003, and the related Statements of Income, Retained Earnings, Stockholder's Equity and Cash Flows for the year ended December 31, 2003. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I have conducted my audit in accordance with generally accepted auditing standards. These standards require that I plan and perform my 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TechCap Advisors, Inc. as of December 31, 2003 and the results of its operations and cash flows for the year ended December 31, 2003, in conformity with generally accepted accounting principles.

Harvey E. Karll CPA, P.C.

TechCap Advisors Inc
Balance Sheet
December 31, 2003

Assets

Current Assets

| | | | |
|-----------------------|----|-----------|--|
| Cash in Bank | \$ | 21,400.20 | |
| Prepaid NASD Fees | | 4,674.00 | |
| Prepaid Fidelity Bond | | 280.00 | |

| | | | |
|-----------------------------|--|--|---------------------|
| Total Current Assets | | | \$ 26,354.20 |
|-----------------------------|--|--|---------------------|

Fixed Assets

| | | | |
|--------------------------|----|-----------|--|
| Furniture & Fixtures | \$ | 562.40 | |
| Accum Depre - Furn & Fix | (| 321.00) | |
| | | 241.40 | |
| Computer Equipment | | 4,634.65 | |
| A/D - Computer Equipment | (| 3,078.00) | |
| | | 1,556.65 | |

| | | | |
|---------------------------|--|--|-----------------|
| Total Fixed Assets | | | 1,798.05 |
|---------------------------|--|--|-----------------|

Other Assets

| | | | |
|-------------------------|---|------------|--|
| Organization Cost | | 46,009.00 | |
| Accum Amort - Orgn Cost | (| 18,654.00) | |

| | | | |
|---------------------------|--|--|---------------------|
| Total Other Assets | | | 27,355.00 |
| Total Assets | | | \$ 55,507.25 |

See Accountant's Audit Report

TechCap Advisors Inc
Balance Sheet
December 31, 2003

Liabilities & Equity

Liabilities

| | | |
|---------------------------------------|-----------|------------------|
| <i>Current Liabilities</i> | | |
| Accounts Payable - Trade | \$ | 1,650.94 |
| Accrued Taxes | | 456.00 |
| Total Current Liab. | \$ | 2,106.94 |
| <i>Long Term Liabilities</i> | | |
| Total Long Term Liab. | | 0.00 |
| Total Liabilities | | 2,106.94 |
| <i>Equity</i> | | |
| Paid in Capital | | 94,100.67 |
| Retained Earnings | (| 23,603.05) |
| Current Earnings | (| 17,097.31) |
| Total Equity | | 53,400.31 |
| Total Liabilities & Equity | \$ | 55,507.25 |

See Accountant's Audit Report

TechCap Advisors Inc
Income Statement
Twelve Months Ended December 31, 2003

| | Year To Date | % |
|--|------------------------------|-------|
| Income | | |
| Merger & Acquisition Inc | \$ 48,921.00 | 100.0 |
| Total Income | <u>48,921.00</u> | 100.0 |
| General & Administrative Exp. (See Schedule A) | <u>65,687.77</u> | 134.3 |
| Net Income/(Loss) from Operations | (16,766.77) | -34.3 |
| Other Income/Expense | | |
| Interest Income | 125.46 | 0.3 |
| Total Other Income/Exp | <u>125.46</u> | 0.3 |
| Income Taxes | | |
| Provision for SIT | 456.00 | 0.9 |
| Total Income Taxes | <u>456.00</u> | 0.9 |
| Net Income (Loss) | <u><u>(\$ 17,097.31)</u></u> | -34.9 |

See Accountant's Audit Report

TechCap Advisors Inc
Income Statement
Twelve Months Ended December 31, 2003

| | Year To Date | % |
|--|---------------------|--------------|
| General & Administrative Exp. (Schedule A) | | |
| Amortization | \$ 9,202.00 | 18.8 |
| Broker Dealer Compliance | 17,000.00 | 34.7 |
| Computer Supplies | 828.25 | 1.7 |
| Depreciation | 1,134.00 | 2.3 |
| Dues & Subscriptions | 2,061.23 | 4.2 |
| Entertainment | 371.57 | 0.8 |
| Insurance-Long Term Care | 3,884.86 | 7.9 |
| Interest | 76.26 | 0.2 |
| Insurance - Health | 9,131.00 | 18.7 |
| Insurance - Life | 4,663.20 | 9.5 |
| Marketing | 1,732.50 | 3.5 |
| NASD Fees | 3,571.00 | 7.3 |
| Office Expenses | 2,373.64 | 4.9 |
| Professional Fees | 3,093.85 | 6.3 |
| Printing | 558.93 | 1.1 |
| Telephone | 3,560.23 | 7.3 |
| Travel | 2,445.25 | 5.0 |
| Total G & A Expense | \$ 65,687.77 | 134.3 |

See Accountant's Audit Report

TechCap Advisors Inc
Statement of Cash Flows
Twelve Months Ended December 31, 2003

| | | Year To Date |
|--------------------------------------|----------------|----------------------------|
| Cash Provided from Operations | | |
| Net Income (Loss) | (\$ 17,097.31) | |
| Adjustments | | |
| Add: | | |
| Depreciation | 10,336.00 | |
| Accounts Payable - Trade | 1,650.94 | |
| Accrued Taxes | 456.00 | |
| Less: | | |
| Prepaid NASD Fees | (4,674.00) | |
| Prepaid Fidelity Bond | (280.00) | |
| Payroll Tax Liability | (33,949.10) | |
| | | |
| Cash from Operations | | (43,557.47) |
| Cash Flows - Invested | | |
| | | |
| Investing Cash Flows | | 0.00 |
| Cash Flows - Financing | | |
| Paid in Capital | 25,000.67 | |
| | | |
| Financing Cash Flows | | 25,000.67 |
| | | |
| Cash Increase (Decrease) | | (18,556.80) |
| Cash - Beginning of Year | | |
| Cash - Checking | 39,957.00 | |
| | | |
| Total Beginning of Year | | 39,957.00 |
| | | |
| Cash on Statement Date | | <u><u>\$ 21,400.20</u></u> |

See Accountant's Audit Report

TechCap Advisors, Inc.
Statement of Retained Earnings
December 31, 2003

| | |
|-----------------------------|--------------------|
| Beginning Retained Earnings | (\$23,603.05) |
| Net Income (Loss) | <u>(17,097.31)</u> |
| Ending Retained Earnings | (\$40,700.36) |
| | ===== |

(See Accountant's Audit Report)

TechCap Advisors, Inc.
Statement of Changes in Stockholder's Equity
December 31, 2003

| | |
|----------------------------|-----------------------|
| Beginning Balance | \$ 67,100.67 |
| Additional Paid in Capital | 25,000.00 |
| | ----- |
| Ending Balance | \$ 94,100.67 ===== |

(See Accountant's Audit Report)

TechCap Advisors, Inc.
Notes to Financial Statements
December 31, 2003

1. Nature of Business

The Corporation is a registered Broker/Dealer selling securities, private placements and capital funding.

2. Summary of Significant Accounting Policies

Basis of Accounting - the Corporation's books are on the accrual basis as are the corporate tax returns.

3. Net Capital

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Corporation is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio may fluctuate on a daily basis. At December 31, 2003 the Corporation has net capital and net capital requirements of approximately \$ 19,293 and \$ 5,000 respectively. The Corporation's net capital ratio was 11%. The Corporation had excess net capital of \$14,293.

4. 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 amount of assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

5. Depreciation and Amortization

The company capitalizes major capital expenditures. Depreciation is based on accelerated methods over the following useful lives:

Furniture & Fixtures - 7 years
Computer Equipment - 5 years

Organization costs are amortized over 60 months using the straight line method.

6. Income Taxes

The corporation is an S corporation for income tax purposes. The shareholders pay income taxes on their share of the corporations profit and losses.

(See Accountant's Audit Report)

TechCap Advisors, Inc.
Reconciliation of Audited vs. Unaudited Net Capital
December 31, 2003

| | |
|-----------------------|--------------------|
| Unaudited Net Capital | \$ 20,126 |
| Year End Accruals | (<u>833</u>) |
| Audited Net Capital | \$ 19,293 ===== |

(See Accountant's Audit Report)

TechCap Advisors, Inc.
Statement of Net Capital
December 31, 2003

| | |
|-----------------------------|--------------------|
| Net Worth | \$ 53,400 |
| Less: | |
| Non Allowable Assets | <u>34,107</u> |
| Net Capital (ANC) | \$ 19,293 ===== |
| Aggregate Indebtedness (AI) | \$ 2,107 |
| AI/ANC | .11 to 1.00 |
| Required Capital | 5,000 |
| Excess Capital | \$ 14,293 |

(See Accountant's Audit Report)