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

REC'D S.E.C.
FEB 28 2005

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 01/01/04 AND ENDING 12/31/04
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

HIGH POINT CAPITAL GROUP, INC.

OFFICIAL USE ONLY

FIRM ID. NO.

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

400 HIGH POINT DRIVE - SUITE 375

(No. and Street)

COCOA

(City)

FLORIDA

(State)

32926

(Zip Code)

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

ROBERT ANDERSEN

(321) 636-1247

(Area Code -- Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

OSBURN, HENNING AND COMPANY

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

617 EAST COLONIAL DRIVE

(Address)

ORLANDO

(City)

FLORIDA

(State)

32803

(Zip Code)

CHECK ONE:

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

PROCESSED

MAR 23 2005

THOMAS
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).

THH
3/14

OATH OR AFFIRMATION

I, ROBERT E. ANDERSEN, JR., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of HIGH POINT CAPITAL GROUP, INC., as of

12/31/04, 19____, 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



Susan C. Timmins
Commission # DD031142
Expires June 4, 2008
Bonded Three
Atlantic Bonding Co., Inc.

Susan C. Timmins

Notary Public

Robert E. Andersen, Jr.

Signature

SECRETARY/TREASURER

Title

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 Proprietor's 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).

RECD S.E.C.

FEB 28 2005

HIGH POINT CAPITAL GROUP, INC.

FINANCIAL REPORT

DECEMBER 31, 2004

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Osburn, Henning and Company

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board of Directors
High Point Capital Group, Inc.
Cocoa, Florida

We have audited the accompanying statements of financial condition of High Point Capital Group, Inc. as of December 31, 2004 and 2003, and the related statements of operations, retained earnings and cash flows for the years then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. 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 audits.

We conducted our audits 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 audits provide 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 High Point Capital Group, Inc. as of December 31, 2004 and 2003, 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.

Osburn, Henning and Company

Orlando, Florida
February 11, 2005

HIGH POINT CAPITAL GROUP, INC.
 STATEMENTS OF FINANCIAL CONDITION
 December 31, 2004 and 2003

ASSETS	<u>2004</u>	<u>2003</u>
Cash	\$ 10,053	\$ 51,712
Deposit with clearing organization	100,000	100,000
Marketable securities owned, at market value	56,551	23,800
Commissions receivable	1,116	7,275
Broker-dealer license	16,511	16,990
Furniture, equipment and leasehold improvements, at cost, less accumulated depreciation of \$19,973 and \$19,049	2,121	3,044
Advances to stockholders	<u>35,194</u>	<u>18,996</u>
	<u>\$ 221,546</u>	<u>\$ 221,817</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Accounts payable and accrued expenses	\$ 329	\$ 275
Securities sold, but not yet purchased, at market value	<u>11,533</u>	<u>11,858</u>
	<u>11,862</u>	<u>12,133</u>
STOCKHOLDERS' EQUITY		
Common stock, \$10 par value; authorized 10,000 shares; issued and outstanding 1,000 shares	10,000	10,000
Additional paid-in capital	143,000	143,000
Retained earnings	<u>56,684</u>	<u>56,684</u>
	<u>209,684</u>	<u>209,684</u>
	<u>\$ 221,546</u>	<u>\$ 221,817</u>

The Notes to Financial Statements are an integral part of these statements.

HIGH POINT CAPITAL GROUP, INC.

STATEMENTS OF OPERATIONS
 Years Ended December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
REVENUE		
Commissions, management fees, and clearing charges	\$ 35,406	\$ 31,647
Net trading profit	17,936	26,553
Interest and dividends	1,935	3,392
	<u>55,277</u>	<u>61,592</u>
EXPENSES		
Ticket charges	6,866	7,316
Commissions	46,260	51,965
General and administrative	2,151	2,311
	<u>55,277</u>	<u>61,592</u>
NET INCOME	<u>\$ -</u>	<u>\$ -</u>

The Notes to Financial Statements are an integral part of these statements.

HIGH POINT CAPITAL GROUP, INC.

STATEMENTS OF RETAINED EARNINGS
Years Ended December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Balance, beginning	\$ 56,684	\$ 56,684
Net income	<u> -</u>	<u> -</u>
Balance, ending	<u>\$ 56,684</u>	<u>\$ 56,684</u>

The Notes to Financial Statements are an integral part of these statements.

HIGH POINT CAPITAL GROUP, INC.

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2004 and 2003

	<u>2004</u>	<u>2003</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ -	\$ -
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	1,402	1,584
Decrease (increase) in:		
Marketable securities owned	(32,751)	(10,115)
Commissions receivable	6,159	(3,205)
Advance to stockholders	(16,198)	959
Increase (decrease) in:		
Accounts payable and accrued expenses	54	(564)
Securities sold, but not yet purchased	(325)	33
Net cash (used in) operating activities	<u>(41,659)</u>	<u>(11,308)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
DECREASE IN CASH	(41,659)	(11,308)
CASH, BEGINNING	<u>51,712</u>	<u>63,020</u>
CASH, ENDING	<u>\$ 10,053</u>	<u>\$ 51,712</u>

The Notes to Financial Statements are an integral part of these statements.

HIGH POINT CAPITAL GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Nature of business:

High Point Capital Group, Inc. (the Company) is a registered broker-dealer under United States securities laws. The Company engages in on-line trading for its own account and handles the retail accounts of certain customers. The office of the Company is located in Cocoa, Florida.

Use of estimates:

In preparing the financial statements, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ significantly from those estimates.

Revenue recognition:

The Company recognizes commission income on the basis of the trade date.

Marketable securities owned:

Marketable securities are recorded at market value. Securities transactions of the Company are recorded on the basis of the trade date.

Commissions receivable:

Commissions receivable are stated at net realizable value.

Broker-dealer license:

The broker-dealer license is carried at cost. Impairments in asset recoverability are recognized as incurred.

Furniture, equipment and leasehold improvements:

Furniture, equipment and leasehold improvements are carried at cost less accumulated depreciation. Depreciation is recorded using accelerated methods over the estimated useful lives of the assets.

CONTINUED ON NEXT PAGE

HIGH POINT CAPITAL GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies - (Continued)

Income taxes:

The Company has elected to apply the provisions of Subchapter S of the Internal Revenue Code. Under this election, the stockholders report the income and deductions of the company on their personal returns. Therefore, no provision for income taxes has been recorded.

Note 2. Deposit with Clearing Organization

The Company is an introducing broker whose customers are serviced by a clearing broker on a fully disclosed basis. Under the agreement with the clearing broker, the Company must maintain a deposit of \$100,000 with the clearing broker. In addition, the agreement holds the Company contingently liable for margin liabilities of its customers.

Note 3. Related Party Transactions

Commission expense is incurred with corporations related to the Company by common ownership. Such expenses amounted to \$46,260 and \$51,965 for the years ended December 31, 2004 and 2003, respectively.

Administrative services are provided by corporations related to the Company by common ownership without charge.

The Company conducts its operations from premises owned by a stockholder. The Company does not pay rent for the use of the premises.

Advances to stockholders are uncollateralized, non-interest bearing, and are due on demand.

Note 4. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (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 December 31, 2004, the Company had net capital of \$145,086 which was \$45,086 above its required net capital of \$100,000. The Company's ratio of aggregate indebtedness to net capital was .002 to 1.

Osburn, Henning and Company

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

Board of Directors
High Point Capital Group, Inc.
Cocoa, Florida

We have audited the accompanying financial statements of High Point Capital Group, Inc. as of and for the year ended December 31, 2004, and have issued our report thereon dated February 11, 2005. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the accompanying supplementary information on pages 9 through 11 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 the 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.

Osburn, Henning and Company

Orlando, Florida
February 11, 2005

HIGH POINT CAPITAL GROUP, INC.

COMPUTATION OF AGGREGATE INDEBTEDNESS AND NET CAPITAL
 UNDER RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION
 December 31, 2004

AGGREGATE INDEBTEDNESS		
Accounts payable and accrued expenses		\$ 329
Minimum required net capital		<u>\$100,000</u>
NET CAPITAL		
Total stockholders' equity		\$209,684
Deduct stockholders' equity not allowable for net capital		<u> -</u>
Total stockholders' equity qualified for net capital		209,684
Deductions:		
A. Non-allowable assets:		
Advances to stockholders	\$ 35,194	
Broker-dealer license	16,511	
Furniture, equipment and leasehold improvements	<u>2,121</u>	<u>53,826</u>
Net capital before haircuts on securities positions		155,858
Haircuts on securities positions		<u>10,772</u>
Net capital		145,086
Minimum required net capital		<u>100,000</u>
Excess net capital		<u>\$ 45,086</u>
RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL		<u>.002 to 1.</u>

HIGH POINT CAPITAL GROUP, INC.

RECONCILIATION OF THE COMPUTATION OF AGGREGATE INDEBTEDNESS
AND NET CAPITAL WITH THAT OF THE REGISTRANT AS
FILED IN PART IIA OF FORM X-17A-5
December 31, 2004

AGGREGATE INDEBTEDNESS

Aggregate indebtedness as reported by registrant in Part IIA of Form X-17A-5 as of December 31, 2004	\$ 329
Reconciling items	-
	<u>\$ 329</u>

NET CAPITAL

Net capital, as reported by registrant in Part IIA of Form X-17A-5 as of December 31, 2003	\$145,086
Reconciling items	-
	<u>\$145,086</u>

HIGH POINT CAPITAL GROUP, INC.

OTHER SUPPLEMENTARY INFORMATION RELATING TO THE FINANCIAL STATEMENTS

STATEMENT RELATING TO THE EXEMPTIVE PROVISION OF RULE 15c3-3

The Company is exempt from Rule 15c3-3 under paragraph (k)(2). Customer payments are made directly to the clearing broker.

STATEMENT OF INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS UNDER RULE 15c3-3

The Company is exempt from the possession and control requirements of Rule 15c3-3 under paragraph (k)(2). As of December 31, 2004, the Company had no customers' securities that were required to be under possession or control.

Osburn, Henning and Company

CERTIFIED PUBLIC ACCOUNTANTS, P.A.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

Board of Directors
High Point Capital Group, Inc.
Cocoa, Florida

In planning and performing our audit of the financial statements and supplemental schedules of High Point Capital Group, Inc. for the year ended December 31, 2004, 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 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, (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 preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Board of Directors
High Point Capital Group, Inc.
Page Two

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 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 specific internal control components does not reduce to a relatively low level the risk that errors 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 December 31, 2004 to meet the Commission's objectives.

This report is intended solely for the information of management, the Securities and Exchange Commission and the National Association of Securities Dealers, Inc., and other regulatory agencies which 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.

Peter, Henning and Company

Orlando, Florida
February 11, 2005