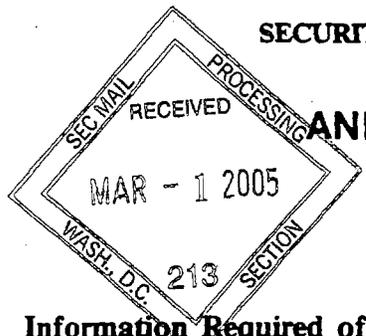


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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

SEC FILE NUMBER  
8-53573

**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: Marwood Group LLC

OFFICIAL USE ONLY  
FIRM ID. NO.

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

232 Madison Avenue, Suite 906

(No. and Street)

New York

NY

10016

(City)

(State)

(Zip Code)

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

John Moore

212-532-3651

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Linder & Linder

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

8 Chatham Place

Dix Hills

NY

11746

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

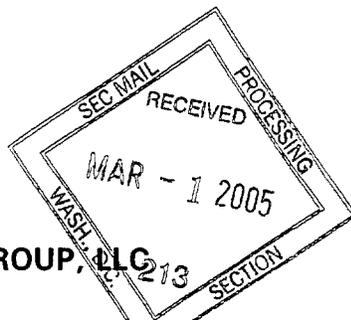
- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

PROCESSED  
MAR 23 2005

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).





**MARWOOD GROUP, LLC**  
**(FORMERLY MARWOOD GROUP ASSET**  
**MANAGEMENT, LLC)**

**FINANCIAL STATEMENT**

**DECEMBER 31, 2004**

\*\*\*\*\*

The Company's Statement of Financial Condition as of December 31, 2004 is available for examination at the office of the Company and at the Regional Office of the Securities and Exchange Commission.

\*\*\*\*\*

### INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
and Stockholders  
Marwood Group, LLC  
(formerly Marwood Group Asset Management, LLC)

We have audited the accompanying statement of financial condition of Marwood Group, LLC (formerly Marwood Group Asset Management, LLC) as of December 31, 2004, that you are filing pursuant to rule 17a-5 under the Securities and Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 statement referred to above present fairly, in all material respects, the financial position of Marwood Group, LLC (formerly Marwood Asset Management, LLC) at December 31, 2004 in conformity with accounting principles generally accepted in the United States of America.



February 21, 2005

**MARWOOD GROUP, LLC**  
**(FORMERLY MARWOOD GROUP ASSET MANAGEMENT, LLC)**

**STATEMENT OF FINANCIAL CONDITION**

**DECEMBER 31, 2004**

**A S S E T S**

Cash and cash equivalents	\$ 345,696
Consulting receivable	754,258
Due from affiliate	4,180
Prepaid expenses	92,459
Property and equipment, at cost, less accumulated depreciation of \$757	<u>6,813</u>
Total Assets	<u>\$1,203,406</u>

**LIABILITIES AND MEMBER'S EQUITY**

Liabilities	
Accrued expenses	\$ 200,250
Deferred income	<u>22,500</u>
Total Liabilities	222,750
Member's Equity	<u>980,656</u>
Total Liabilities and Member's Equity	<u>\$1,203,406</u>

See accompanying auditors' report and notes to financial statements.

**MARWOOD GROUP, LLC**  
**(FORMERLY MARWOOD GROUP ASSET MANAGEMENT, LLC)**

**NOTES TO FINANCIAL STATEMENT**

**DECEMBER 31, 2004**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Business

Marwood Group Asset Management, LLC, (the "Company"), is a wholly-owned subsidiary of Marwood Group LLC (the "Parent"). The Company became a broker-dealer on April 2, 2002 and as a member of the National Association of Securities Dealers, Inc. is subject to regulation by the United States Securities and Exchange Commission and the National Association of Securities Dealers, Inc.

Currently, the Company's revenue is primarily from consulting and finders fees.

Revenue Recognition

Revenues are recorded as services are rendered.

Income Taxes

The Company as a limited liability company, is not obligated to pay income taxes. All income and expenses pass through to the Company's sole member. Accordingly, there is no provision for Federal or state income taxes.

Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include highly liquid debt instruments with original maturities of three months or less.

Receivables

Receivables are from consulting income. There is no allowance for doubtful accounts, as receivables have been deemed fully collectible.

**MARWOOD GROUP, LLC**

**(FORMERLY MARWOOD GROUP ASSET MANAGEMENT, LLC)**

**NOTES TO FINANCIAL STATEMENT**

**DECEMBER 31, 2004**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 - COMMITMENTS**

Concentration of Credit Risk

The Company maintains cash balances at a financial institution. Accounts at such institution is insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2004, cash exceeds the insured limits by approximately \$327,000.

During the year ended December 31, 2004, two customers accounted for 28% of the Company's revenues and one customer accounted for 35% of the Company's accounts receivable.

**NOTE 3 - RELATED PARTY TRANSACTIONS**

The Company's sole member paid bills on behalf of the Company in the amount of \$731,487. These funds have been classified as capital contributions. The Company's sole member intends to continue to provide capital to meet current operations and compliance with its net capital requirements.

**NOTE 4 - 401K PLAN**

Effective October 1, 2003, the Company and the parent established a 401K plan. Employees are fully vested on 401K salary deferrals. The Company does not match employee contributions.

**MARWOOD GROUP, LLC**  
**(MARWOOD GROUP ASSET MANAGEMENT, LLC)**

**NOTES TO FINANCIAL STATEMENT**

**DECEMBER 31, 2004**

**NOTE 5 - NET CAPITAL REQUIREMENTS**

The Company is subject to the net capital requirements of rules 15c3-1 of the Securities and Exchange Commission, which requires a broker-dealer to have at all times sufficient liquid assets to cover current indebtedness. In accordance with the rules, the Company is required to maintain minimum net capital of the larger of the \$100,000 or 1/15 of aggregate indebtedness.

At December 31, 2004, the Company had net capital, as defined, of \$122,946 which exceeded the required minimum net capital by \$22,946. Aggregate indebtedness at December 31, 2004 totaled \$222,750, and the ratio of aggregate indebtedness to net capital was 1.81 to 1.