

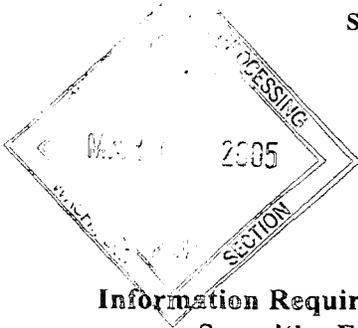


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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
B-52416

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 12/31/2004
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Global Trading Group, Inc

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

195 HAZELWOOD DR

(No. and Street)

Westbury

(City)

NY

(State)

11590

(Zip Code)

OFFICIAL USE ONLY
FIRM I.D. NO.

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

William Savary

516-876-4918

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

K B L LLP

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

67 Wall St 22nd

(Address)

New York

(City)

NY

(State)

10005

(Zip Code)

CHECK ONE:

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

PROCESSED

MAR 31 2005

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 (06-02)

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OATH OR AFFIRMATION

I, William Savary, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of KBL LLP, as of December 31, 2004, 2004, 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:

SANJAY K. SINGLA
NOTARY PUBLIC STATE OF NEW YORK
NO. 0181000123
QUANTICO IN WESTCHESTER COUNTY
COMMISSION EXPIRES DEC. 8, 2007

[Signature]
Signature
President
Title

[Signature]
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).

**GLOBAL TRADING GROUP, INC.
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2004**

Contents

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Certified Public Accountants & Advisors

Auditors' report

To the Board of Directors
Global Trading Group, Inc.
New York, New York

We have audited the accompanying balance sheet of Global Trading Group, Inc. as of December 31, 2004, and the related statements of operations and comprehensive income, changes in stockholder's equity, and cash flows, and the accompanying supplementary information contained, which is presented only for supplementary analysis purposes, for the year 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 generally accepted auditing standards 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 Global Trading Group, Inc. as of December 31, 2004, 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.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information is presented for the 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.

KBL, LLP
Certified Public Accountants

February 4, 2005

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GLOBAL TRADING GROUP, INC.
BALANCE SHEET
DECEMBER 31, 2004

Assets	
Current assets	
Cash	\$ 1,054
Investments <i>(Note 1)</i>	96,743
Accounts receivable	7,514
Prepaid expenses	92
Total current assets	105,403
Fixed assets	
Furniture and equipment	16,701
Less: accumulated depreciation	14,305
Net fixed assets	2,396
Other assets	
Clearing deposit	25,000
Deferred taxes <i>(Note 4)</i>	15,657
Security deposits	500
Total other assets	41,157
Total assets	\$ 148,956

See auditors' report, the summary of significant accounting policies, and the accompanying notes to the financial statements.

GLOBAL TRADING GROUP, INC.
BALANCE SHEET
FOR THE YEAR ENDED
DECEMBER 31, 2004

Liabilities and Stockholder's Equity

Current liabilities

Accounts and accrued expenses payable	\$ 4,652
Officer's loan payable (Note 2)	7,500
Margin loan payable (Note 3)	34,095
Income taxes payable (Note 4)	557

Total current liabilities	46,804
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Total liabilities	46,804
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Stockholders' equity

Common stock (20,000 shares \$1 par value authorized, 100 shares issued and outstanding)	100
Additional paid-in capital	138,050
Accumulated other comprehensive income: unrealized loss on securities	(1,578)
Accumulated deficit	(34,420)

Total stockholder's equity	102,152
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Total liabilities and stockholder's equity	\$ 148,956
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See auditors' report, the summary of significant accounting policies, and the accompanying notes to the financial statements.

GLOBAL TRADING GROUP, INC.
STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED
DECEMBER 31, 2004

Revenue	
Commissions	\$ 63,153
Total revenue	63,153
Operating expenses	
Clearing charges	23,678
Travel	10,508
Professional fees	8,200
Rent	6,000
Telephone	5,340
Office expenses	3,587
Regulatory fees	2,940
Depreciation	1,934
Web design and internet expenses	1,410
Automobile expenses	1,198
Computer and network expenses	1,184
Registration fees	1,055
Dues and subscriptions	607
Bank charges	419
Advertisement	375
Insurance	369
Postage and delivery	362
Gifts	200
Miscellaneous	166
Total operating expenses	69,532
Loss from operations	\$ (6,379)

See auditors' report, the summary of significant accounting policies, and the accompanying notes to the financial statements.

GLOBAL TRADING GROUP, INC.
STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED
DECEMBER 31, 2004

Loss from operations	\$ (6,379)
Other income (expense)	
Dividend income	2,228
Interest income	6,612
Interest expense	(1,638)
Gain on sale of securities	18,042
Total other income (expense)	25,244
Income before provision for income taxes	18,865
Provision for income taxes	
Deferred (Note 4)	(6,265)
Current (Note 4)	(557)
Total provision for income taxes	(6,822)
Net income	\$ 12,043
Accumulated other comprehensive income, beginning	\$ 33,031
Other comprehensive income: unrealized loss on securities	(34,609)
Accumulated other comprehensive income, ending	\$ (1,578)

See auditors' report, the summary of significant accounting policies, and the accompanying notes to the financial statements.

GLOBAL TRADING GROUP, INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE YEAR ENDED
DECEMBER 31, 2004

	<i>Common stock</i>	<i>Additional paid-in capital</i>	<i>Accumulated deficit</i>	<i>Accumulated other comprehensive income</i>	<i>Total stockholder's equity</i>
Balance, beginning	\$ 100	\$ 138,050	\$ (46,463)	\$ 33,031	\$ 124,718
Net income			12,043		12,043
Other comprehensive income; unrealized loss on securities				(34,609)	(34,609)
Balance, ending	\$ 100	\$ 138,050	\$ (34,420)	\$ (1,578)	\$ 102,152

See auditors' report, the summary of significant accounting policies, and the accompanying notes to the financial statements.

GLOBAL TRADING GROUP, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
DECEMBER 31, 2004

Cash flows from operating activities	
Net profit	\$ 12,043
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	1,934
Changes in operating assets and liabilities	
Increase in accounts receivable	(5,609)
Decrease in deferred tax assets	6,266
Decrease in prepaid expenses	2,300
Increase in accounts and accrued expenses payable	3,144
Increase in income taxes payable	12
Net cash provided by operating activities	20,090
Cash flows from investing activities	
Increase in investments	(19,753)
Net cash used by investing activities	(19,753)
Cash flows from financing activities	
Decrease in officer's loan payable	(3,300)
Net increase in margin loan payable	15,629
Net decrease in put options payable	(11,750)
Net cash provided by financing activities	579
Increase in cash and cash equivalents	916
Cash and cash equivalents, beginning of year	138
Cash and cash equivalents, end of year	\$ 1,054

Supplementary disclosures of cash flow information

Cash paid during the year for:

Income taxes	\$ 545
Interest expense	1,638

See auditors' report, the summary of significant accounting policies, and the accompanying notes to the financial statements.

GLOBAL TRADING GROUP, INC.
COMPUTATION OF NET CAPITAL UNDER RULE 15C3-1 OF THE
SECURITIES AND EXCHANGE COMMISSION
DECEMBER 31, 2004

Net capital	
Total equity capital	\$ 102,152
Liabilities subordinated to claims of general creditors allowable in computation of net capital	
Non-allowable assets	18,145

Net capital before haircuts and undue concentration on securities positions	84,007
Haircuts and undue concentration on securities positions	19,212
	\$ 64,795

Aggregate indebtedness	
Items included in the statement of financial condition	
Accrued expenses and other liabilities	\$ 46,804
	\$ 46,804

Ratio: aggregate indebtedness to net capital	1.38 to 1
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Computation of basis net capital requirement	
Minimum net capital required	\$ 5,000

Excess net capital at 100%	\$ 59,795
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Reconciliation of December 31, 2004 audited computation of net capital and Company's unaudited December 31, 2004 Part IIA filing.

Unaudited December 31, 2004 net capital per December 31, 2004 Part IIA filing	\$ 62,452
Audit adjustments	2,343
Net capital	\$ 64,795

See auditors' report, the summary of significant accounting policies, and the accompanying notes to the financial statements.

GLOBAL TRADING GROUP, INC.
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Global Trading Group, Inc. ("the Company") is registered as a broker and dealer in securities pursuant to Section 15 (b) of the Securities and Exchange Act of 1934.

The Company was incorporated in March 1999 in the State of New York.

Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents are carried at cost, which approximates market value.

Accounting basis

The Company uses the accrual basis of accounting for financial statement and income tax reporting. Accordingly revenues are recognized when services are rendered and expenses realized when the obligation is incurred.

Fixed assets

Fixed assets are stated at cost. Depreciation is computed using accelerated methods over the following estimated useful lives:

<i>Description</i>	<i>Estimated useful life</i>
Furniture and fixtures	7 years
Equipment	5 years

Income taxes

The Company accounts for income taxes using the asset and liability method as required by Statement of Financial Accounting Standards No. 109, under which deferred tax assets and liabilities are determined based upon the differences between financial statement carrying amounts and the tax bases of existing assets and liabilities. Deferred taxes also are recognized for operating losses that are available to offset future taxable income.

Investments

Investments are carried at fair market value, with unrealized gains and losses reported in a separate component of other comprehensive income. Realized gains or losses are computed based on specific identification of the securities sold and are charged or credited to current earnings.

See auditors' report and the accompanying notes to the financial statements.

GLOBAL TRADING GROUP, INC.
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results may differ from these estimates.

Comprehensive income reporting

The Company accounts for comprehensive income in accordance with SFAS No. 130 "Reporting Comprehensive Income," which requires comprehensive income and its components to be reported when a company has items of comprehensive income. Comprehensive income includes net income plus other comprehensive income (i.e., certain revenues, expenses, gains and losses reported as separate components of stockholders' equity rather than in net income).

GLOBAL TRADING GROUP, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – INVESTMENTS

The Company invests in various equities with the fair market value determined by the exchange price in the existing market. The following is the cost and market value at December 31, 2003:

Cost	\$ 105,081
Unrealized loss	(8,338)
<hr/>	
Market value	\$ 96,743

NOTE 2 – OFFICER'S LOANS PAYABLE

Officer's loans payable represents advances from William Savery, the Company's President. The amount is non-interest bearing and due on demand.

NOTE 3 – MARGIN LOAN PAYABLE

The Company's margin account accrues interest at 6.75% on all open balances, and is secured by the securities in the Company's investment account.

NOTE 4 – INCOME TAXES

Deferred tax assets represent the tax effects of taxable and deductible temporary differences in book and tax reporting. The taxable temporary difference consists of net operating loss carry forwards.

The Company incurred no federal income tax expense for the year. The Company incurred \$557 of New York State and City income tax expense and \$6,265 of deferred income taxes for the year.

The Company has a net operating loss carryover of \$50,072 to offset future income tax. The net operating loss expires as follows:

December 31, 2020	\$ 765
2021	23,834
2022	25,473

See auditors' report and the summary of significant accounting policies.

GLOBAL TRADING GROUP, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – OPERATING LEASE

The Company leases its facilities from its President, William Savery. The lease expires September 1, 2007, and contains an option to renew for three years. Future minimum lease payments are as follows:

December 31, 2005	\$	7,000
2006		9,000
2007		6,000



Certified Public Accountants & Advisors

**Independent Auditors' Report on Internal Accounting
Control Required by SEC Rule 17a-5**

To the Board of Directors
Global Trading Group, Inc.
New York, New York

We have examined the financial statements of Global Trading Group, Inc. for the year ended December 31, 2004, and have issued our report therein dated February 4, 2005. As part of our examination, we made a study and evaluation of the Company's system of internal accounting control (which included the procedures for safeguarding securities) to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our 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.

We also made a study of the practices and procedures followed by the Company in making the 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 3-3. We did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or in complying with 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 judgments by management are required to assess the expected benefits and related costs of control procedures 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 Commission's above mentioned objectives. The objectives of a system 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 the preparation of financial



Certified Public Accountants & Advisors

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 any internal accounting control procedures or the practices and procedures referred to above, errors or irregularities may nevertheless 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 degree of compliance with them may deteriorate.

Our study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of Global Trading Group, Inc. as a whole. However, our study and evaluation disclosed no condition that we believed to be a material weakness.

We 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 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 use of management and the Securities and Exchange Commission and should not be used for any other purpose.

KBL, LLP
Certified Public Accountants

February 4, 2005