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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

BB 8/17

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

SEC FILE NUMBER
8- 66308

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 01/01/05 AND ENDING 12/31/05
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Radnor Research & Trading Company, LLC

OFFICIAL USE ONLY
FIRM I.D. NO.

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

290 King Of Prussia Road

(No. and Street)

Radnor

PA

19087

(City)

(State)

(Zip Code)

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

William R James

(610) 293-2000

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Stephano & Associates, LLC

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

125 Stratford Avenue

Wayne

PA

19087

(Address)

(City)

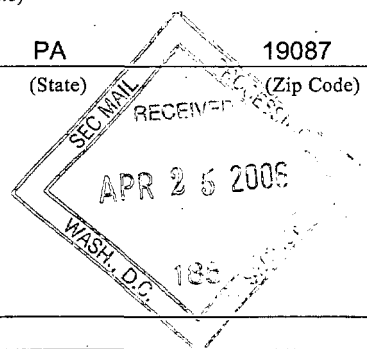
(State)

(Zip Code)

CHECK ONE:

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

PROCESSED
AUG 30 2006
THOMSON
FINANCIAL



FOR OFFICIAL USE ONLY

*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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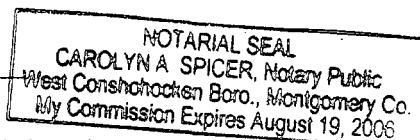
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OATH OR AFFIRMATION

I, Morgan Simpson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Radnor Research & Trading Co., LLC, as of April 24, 2006, 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:

Morgan Simpson
Signature
President
Title

Carolyn A. Spicer
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).

RADNOR RESEARCH AND TRADING COMPANY, LLC
SCHEDULE I - Computation of Net Capital Under Rule 15c3-1
of the Securities and Exchange Commission
December 31, 2005
(See Accountants' Report on Supplementary Information)

NET CAPITAL

Total Members' Equity	\$ 444,031
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Add:	
Subordinated Borrowings	<u>150,000</u>

TOTAL CAPITAL AND ALLOWABLE SUBORDINATED BORROWINGS	594,031
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Deductions:

Nonallowable Assets:

Furniture, Equipment and Leasehold	
Improvements, net	\$ 73,200
Other Assets	<u>525</u>

TOTAL DEDUCTIONS	<u>73,725</u>
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NET CAPITAL BEFORE HAIRCUTS ON SECURITIES POSITIONS	520,306
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Haircuts on Securities:

Other Securities	<u>5,405</u>
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NET CAPITAL BEFORE HAIRCUTS ON SECURITIES POSITIONS	<u>\$ 514,901</u>
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COMPUTATION OF BASIC NET CAPITAL REQUIREMENT:

MINIMUM NET CAPITAL REQUIRED (6 2/3% x \$568,231)	<u>\$ 37,882</u>
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MINIMUM DOLLAR NET CAPITAL REQUIREMENT OF REPORTING BROKER-DEALER	<u><u>\$ 250,000</u></u>
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NET CAPITAL REQUIREMENT	<u><u>\$ 250,000</u></u>
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EXCESS NET CAPITAL	<u><u>\$ 264,901</u></u>
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EXCESS NET CAPITAL AT 1000%	<u><u>\$ 458,078</u></u>
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RADNOR RESEARCH AND TRADING COMPANY, LLC
SCHEDULE I - Computation of Net Capital Under Rule 15c3-1
December 31, 2005
(See Accountants' Report on Supplementary Information)

TOTAL AGGREGATE INDEBTEDNESS	<u>\$ 568,231</u>
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RATIC: AGGREGATE INDEBTEDNESS TO NET CAPITAL	<u>1.10 to 1</u>
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**RECONCILIATION WITH LLC'S COMPUTATION (INCLUDED IN
PART II OF FORM X-17A-5 AS OF DECEMBER 31, 2005)**

NET CAPITAL, AS REPORTED IN LLC'S PART II (UNAUDITED) FOCUS REPORT	\$ 514,901
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AUDIT ADJUSTMENT TO RECORD ADDITIONAL EXPENSES	<u>0</u>
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NET CAPITAL PER ABOVE	<u>\$ 514,901</u>
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