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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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REC'D S.E.C.  
MAR 6 2006  
503

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

SEC FILE NUMBER  
8-65495

**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: Spoonhill Asset Management, Inc.

OFFICIAL USE ONLY  
FIRM I.D. NO.

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

66 Long Wharf

(No. and Street)

Boston,

MA

02110

(City)

(State)

(Zip Code)

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

Thomas Mellor

617-367-6400

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Paresky Flitt & Company

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

14 West Plain Street

Wayland,

MA

01778

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED  
SEP 28 2006  
THOMSON FINANCIAL  
SEC MAIL RECEIVED  
MAR 6 2006

**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)

Handwritten initials and date: 9/27

OATH OR AFFIRMATION

I, Thomas Mellor, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Spoonhill Asset Management, Inc., as of December 31, 2005, 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:

[Signature]  
Signature  
PRESIDENT  
Title

Maureen C. Conway  
Notary Public



MAUREEN C. CONWAY  
Notary Public  
Commonwealth of Massachusetts  
My Commission Expires  
February 15, 2013

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 15c3-1 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).

**SPOONHILL ASSET MANAGEMENT, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**DECEMBER 31, 2005**

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**Assets**

**Current Assets**

Cash - non-interest bearing	\$	-
Cash - interest bearing		183,607
Incentive fee receivable		<u>60,000</u>

**Total Current Assets** 243,607

**Other Asset**

Deposits		<u>25,000</u>
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**Total Assets** \$ 268,607

**Liabilities and Stockholder's Equity**

**Current Liabilities**

Cash overdraft	\$	4,632
Accrued expenses		<u>6,546</u>

**Total Current Liabilities** 11,178

**Stockholder's Equity**

Common stock, no par value, 1,500 shares authorized, 1,000 shares issued and outstanding		60,000
Retained earnings		<u>197,429</u>
<b>Total Stockholder's Equity</b>		<u>257,429</u>

**Total Liabilities and Stockholder's Equity** \$ 268,607

See accompanying notes and independent auditors' report.