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ANNUAL AUDITED REPORT
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PART III
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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 JANUARY 1, 2006 AND ENDING DECEMBER 31, 2006

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: *Clancy Financial* **OFFICIAL USE ONLY**
~~CLANCY'S ON WALL, INC.~~ *Services, Inc.* **FIRM ID. NO.**
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P. O. Box No.)
c/o GETTENBERG CONSULTING - 40 WALL STREET - 34TH FLOOR

NEW YORK NEW YORK 10005
(City) (State) (Zip Code)
NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
ALAN KRIM (212) 668 - 8700
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
LERNER & SIPKIN, CPAs, LLP
132 Nassau Street, Suite 1023 New York NY 10038

Certified Public Accountant

PROCESSED

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APR 04 2007

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).

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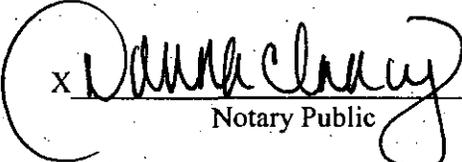
19/3/29

OATH OR AFFIRMATION

I, **BRIAN SCALA**, swear (or affirm) that, to the best of my knowledge and belief, the accompanying financial statement and supporting schedules pertaining to the firm of **CLANCY'S ON WALL, INC., as of DECEMBER 31, 2006**, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, member, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

NONE

X 
Signature

X 
Notary Public

Title
DONNA H. CLANCY
Notary Public State of New York
No. 02CL5056600
Qualified in Kings County
Commission Expires March 4 2010

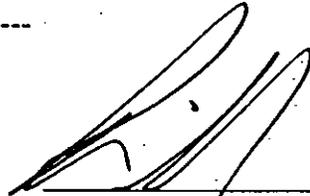
This report** contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (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.
- (o) Independent Auditors' Report.

** For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

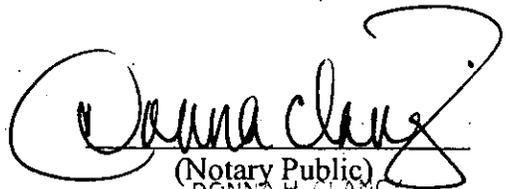
I, **BRIAN SCALA**, swear that to the best of my knowledge and belief, the accompanying financial statements and supporting schedule(s) pertaining to the Firm of **CLANCY'S ON WALL, INC.**, as of **DECEMBER 31, 2006**, are true and correct. I further swear that neither the Company nor any partner, proprietor, principal officer, director or member has any proprietary interest in any account classified solely as that of customer, except as follows:

No Exceptions



(Signature)

(Title)



(Notary Public)
DONNA H. CLANCY
Notary Public State of New York
No: 02CL5056600
Qualified in Kings County
Commission Expires March 4, 2010

CLANCY'S ON WALL, INC.
STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2006

CLANCY'S ON WALL, INC.
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2006

ASSETS

Cash and cash equivalents	\$ 134,434
Due from clearing broker	104,485
Commissions receivable	36,210
Securities owned - at market value (Note 3)	41,474
Fixed assets - net of accumulated depreciation of \$32,666 (Note 2(d))	38,089
Other assets	<u>15,992</u>
Total assets	<u>\$ 370,684</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities

Due to clearing broker	\$ 25,832
Accounts payable and accrued expenses	<u>93,882</u>
Total liabilities	<u>119,714</u>

Commitments and Contingencies (Notes 5 and 6)

Stockholders' equity (Note 7)

Common stock, no par value, 200 shares authorized, 10 shares issued and outstanding.	200
Additional paid-in capital	522,737
Retained earnings	<u>(271,967)</u>
Total stockholders' equity	<u>250,970</u>
Total liabilities and stockholders' equity	<u>\$ 370,684</u>

The accompanying notes are an integral part of this statement.

CLANCY'S ON WALL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED
TO DECEMBER 31, 2006

Note 1 - Nature of Business

Clancy's on Wall, Inc., (The "Company") is a New York State corporation formed, for the purpose of conducting business as a broker/dealer of securities. The Company is registered as a broker-dealer with the Securities and Exchange Commission ("SEC") and is a member of the National Association of Securities Dealers, Inc.

Note 2 - Summary of Significant Accounting Policies

a) Revenue Recognition

Securities transactions (and the recognition of related income and expenses) are recorded on a trade date basis. Commission income and related expense are recorded on a settlement date basis. There is no material difference between settlement date and trade date.

b) Income Taxes

The Company has elected to be treated as an "S" Corporation under the provisions of the Internal Revenue Code and New York State tax regulations. Under the provisions, the Company does not pay federal or state corporate income taxes on its taxable income. Instead, the stockholder is liable for individual income taxes on his respective share of the Company's taxable income. The Company continues to pay New York City general corporation taxes.

c) Cash and Cash Equivalents

The Company considers demand deposited money market funds to be cash equivalents. The Company maintains cash in bank accounts which, at times, may exceed federally insured limits or where no insurance is provided. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

d) Fixed Assets

Equipment is carried at cost and is depreciated over a useful life of 5-7 years using the straight-line methods. Organization expense is amortized over five years using the straight-line method.

e) Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses.

Note 3- Marketable Securities Owned

Marketable securities consist of traded securities at quoted market values, as illustrated below:

	<u>Owned</u>
Equities	<u>\$41,474</u>
	<u>\$41,474</u>

CLANCY'S ON WALL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

Note 4 - Profit Sharing Plan

The Company maintains a defined contribution plan covering substantially all employees. The Company contributes at the discretion of management, up to 25% of the eligible compensation. The Company's liability to the plan for the year ended December 31, 2006 was \$-0-.

Note 5- Commitments

Office Lease

The Company leases its premises under a lease expiring August 29, 2008. At December 31, 2006, the minimum rental commitment before escalations under the lease is as follows:

<u>Year</u>	<u>Amount</u>
2007	\$82,615
2008	\$55,077

The Company shares its premises with a Company whose 100% stockholder is the spouse of the Company's 100% stockholder. This related entity pays 50% of the rental amount due. The rental expense recorded is the net amount paid by the Company.

The Company has established a letter of credit that expires January 1, 2007, in the amount of \$, which is collateralized by its money market account to secure this lease. At December 31, 2006, none of this amount has been drawn upon by the Company.

Note 6 - Financial Instruments with Off-Balance Sheet Credit Risk

As a securities broker, the Company is engaged in buying and selling securities for a diverse group of institutional investors. The Company introduces these transactions for clearance to another broker-dealer on a fully disclosed basis.

The Company's exposure to credit risk associated with non-performance of customers in fulfilling their contractual obligations pursuant to securities transactions can be directly impacted by volatile trading markets which may impair the customer's ability to satisfy their obligations to the Company and the Company's ability to liquidate the collateral at an amount equal to the original contracted amount. The agreement between the Company and its clearing broker provides that the Company is obligated to assume any exposure related to such non-performance by its customers.

The Company seeks to control the aforementioned risks by requiring customers to maintain margin collateral in compliance with various regulatory requirements and the clearing broker's internal guidelines. The Company monitors its customer activity by reviewing information it receives from its clearing broker on a daily basis, and requiring customers to deposit additional collateral, or reduce positions, when necessary.

CLANCY'S ON WALL, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

Note 7 - Net Capital Requirement

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 1500%. At December 31, 2006, the Company had net capital of \$106,860, which was \$6,860 in excess of its required net capital of \$100,000. The Company's net capital ratio was 112.03%

A copy of the Firm's statement of Financial Condition as of December 31, 2006, pursuant to SEC Rule 17a-5, is available for examination at the Firm's office and at the regional office of the SEC.



LERNER & SIPKIN

CERTIFIED PUBLIC ACCOUNTANTS LLP

132 Nassau Street, New York, NY 10038 Tel 212.571.0064 / Fax 212.571.0074

E-mail: LS@lernerpsipkin.com

INDEPENDENT AUDITORS' REPORT

To the Officers and Directors of
Clancy's on Wall, Inc.
40 Wall Street – 38th floor
New York, NY 10005

We have audited the accompanying statement of financial condition of Clancy's on Wall, Inc. as of December 31, 2006. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the statement of financial condition based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement of financial condition presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statement of financial condition referred to above presents fairly, in all material respects, the financial position of Clancy's on Wall, Inc. as of December 31, 2006, in conformity with accounting principles generally accepted in the United States of America.

Lerner & Sipkin CPAs LLP

Lerner & Sipkin, CPAs, LLP
Certified Public Accountants (NY)

New York, NY
February 14, 2007

END