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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

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 JANUARY 1, 2006 AND ENDING DECEMBER 31, 2006
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: TEHCAP ADVISORS, INC

OFFICIAL USE ONLY

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

FIRM ID. NO.
120517

384 WASHINGTON STREET, UNIT E
(No. and Street)

SOMERVILLE MA 02143
(CITY) (state) (zip Code)

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

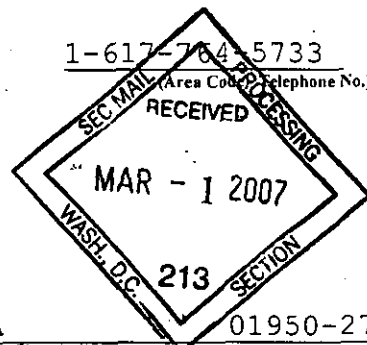
JACK LANGWORTHY, PRESIDENT

1-617-764-5733
(Area Code) (Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Karll, Harvey CPA, P.C.
(NAME- IF INDIVIDUAL STATE LAST, FIRST, MIDDLE NAME)



41 Middle Street Newburyport MA 01950-2755
(Address) (City) (ZIP Code)

CHECK ONE:

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

PROCESSED

MAR 19 2007

**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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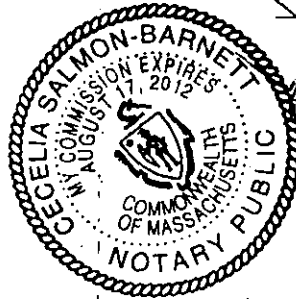
AS
3/16

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OATH OR AFFIRMATION

I, Jack Langworthy swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of TechCap Advisors, Inc., as of December 31, 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:

Cecilia Salmon-Barnett
Notary Public



Jack Langworthy
Signature
PRESIDENT
Title

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

- X (a) Facing page.
- X (b) Statement of Financial Condition.
- X (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- X (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.
- X (g) Computation of Net Capital
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- X (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.
- X (K) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation
- X (l) An Oath or Affirmation
- (m) A copy of the SIPC Supplemental Report.
- X (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 240.17d-5 (e)(3).



Harvey E. Karll CPA, P.C.

41 Middle Street
Newburyport, Massachusetts 01950
(978) 465-9512 Fax (978) 462-9043

Report on Internal Control Required By SEC Rule 17a-5 for a Broker-Dealer claiming an exemption From SEC Rule 15c3-3

Board of Directors
TechCap Advisors, Inc.
Somerville, MA

In planning and performing my audit of the financial statements of TechCap Advisors, Inc. (the Company), for the year ended December 31, 2006, I considered its internal control, including control activities for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission ("SEC"), I have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that I considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debts) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, I did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal 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 controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control 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 preparation of financial statements in conformity 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 control or the practices and procedures referred to above, errors or fraud may 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 effectiveness of their design and operation may deteriorate.

My consideration of internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, I noted no matters involving internal control, including control activities for safeguarding securities, that I consider to be material weaknesses as defined above.

I understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC 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 my study, I believe that the Company's practices and procedures were adequate at December 31, 2006 to meet the SEC's objectives. In addition, the Company was in compliance with the exemptive provisions of Rule 15c3-3 at December 31, 2006 and further, no facts came to my attention indicating that the Company was not in compliance with such conditions during the year ended December 31, 2006.

This report is intended solely for the information and use of the Board of Directors, Management, the SEC, (Designated self-regulatory organization), and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Harvey E. Karll, CPA, P.C.

Harvey E Karll CPA, P.C.

Newburyport, MA

February 9, 2007

TechCap Advisors, Inc.

Audited Financial Statements

For The Year Ended December 31, 2006

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Harvey E. Karll CPA, P.C.

41 Middle Street
Newburyport, Massachusetts 01950
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INDEPENDENT AUDITORS REPORT

TechCap Advisors, Inc.
384 Washington Street, Unit E
Somerville, MA 02143

I have audited the accompanying statement of financial condition of TechCap Advisors, Inc. as of December 31, 2006, and the related statements of income, retained earnings, and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards, generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the TechCap Advisors, Inc. as of December 31, 2006 and the results of its operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Harvey E. Karll CPA, P.C.
Harvey E. Karll CPA, P.C.
February 9, 2007

TechCap Advisors Inc
Statement of Financial Condition
December 31, 2006

Assets

| | |
|---|------------------|
| Cash & Cash Equivalents | \$ 83,141 |
| Furniture, equipment, and organization cost, at cost, less accumulated depreciation and amortization of \$50,872 | <u>584</u> |
| | <u>\$ 83,725</u> |

Liabilities and Stockholders' Equity

Liabilities:

| | |
|------------------|---------------|
| Accrued Expenses | \$ 3,233 |
| Cash Overdraft | <u>18,917</u> |
| | 22,150 |

Stockholders Equity:

| | |
|--|-----------------|
| Common stock, no par, authorized 200,000 shares, outstanding 600 shares | 1,000 |
| Treasury Stock | (40,000) |
| Paid in Capital | 93,101 |
| Retained earnings | <u>7,474</u> |
| Total stockholders' equity | <u>\$83,725</u> |

(See Accountant's Report & Accompanying Notes)

TechCap Advisors Inc
Income Statement
Twelve Months Ended December 31, 2006

| | Year To Date |
|---|-------------------------|
| Income | |
| Merger & Acquisition Inc | \$ 425,149 |
| Total Income | <u>425,149</u> |
| General & Administrative Exp. (See Schedule A) | <u>356,886</u> |
| Net Income/(Loss) from Operations | 68,263 |
| Other Income/Expense | |
| Interest Income | <u>2,212</u> |
| Total Other Income/Exp | 2,212 |
| Income Taxes | |
| Provision for SIT | <u>185</u> |
| Total Income Taxes | <u>185</u> |
| Net Income (Loss) | <u><u>\$ 70,290</u></u> |

See Accountant's Report and Accompanying Notes

TechCap Advisors Inc
Income Statement
Twelve Months Ended December 31, 2006

Year To Date

General & Administrative Exp.
(Schedule A)

| | |
|--------------------------|-------------------|
| Salaries - Officers | \$ 289,239 |
| Amortization | 8,951 |
| Broker Dealer Compliance | 12,730 |
| Computer Supplies | 724 |
| Depreciation | 409 |
| Entertainment | 127 |
| Insurance - Health | 800 |
| Insurance - Life | 844 |
| Legal | 280 |
| Marketing | 2,921 |
| NASD Fees | 656 |
| Office Expenses | 1,129 |
| Professional Fees | 6,130 |
| Printing | 773 |
| Rent | 12,000 |
| Taxes Payroll | 16,712 |
| Taxes Others | 125 |
| Telephone | 1,879 |
| Travel | 457 |
| Total G & A Expense | <u>\$ 356,886</u> |

See Accountant's Report and Accompanying Notes

TechCap Advisors, Inc.

Statement of Retained Earnings

For The Year Ended December 31, 2006

| | |
|-----------------------------|-----------------|
| Beginning Retained Earnings | (\$62,816) |
| Net Income (Loss) | <u>70,290</u> |
| Ending Retained Earnings | <u>\$ 7,474</u> |

See Accountant's Report and Accompanying Notes

TechCap Advisors, Inc.
Statement of Changes in Stockholder's Equity
December 31, 2006 -

| | |
|-------------------|------------------|
| Beginning Balance | \$ 94,101 |
| Treasury Stock | <u>(40,000)</u> |
| Ending Balance | <u>\$ 54,101</u> |

See Accountant's Report and Accompanying Notes

TechCap Advisors Inc
Statement of Cash Flows
Twelve Months Ended December 31, 2006

| | | Year To Date |
|-------------------------------|-----------|--------------|
| Cash Provided from Operations | | |
| Net Income (Loss) | \$ 70,291 | |
| Adjustments | | |
| Add: | | |
| Depreciation | 9,360 | |
| Prepaid NASD Fees | 1,895 | |
| Cash Overdraft | 18,917 | |
| Accrued Expenses | 1,733 | |
| Less: | | |
| Accounts Payable | (69) | |
| | | |
| Cash from Operations | | 102,127 |
| Cash Flows - Invested | | |
| | | |
| Investing Cash Flows | | 0 |
| Cash Flows - Financing | | |
| Treasury Stock | (40,000) | |
| | | |
| Financing Cash Flows | | (40,000) |
| | | |
| Cash Increase (Decrease) | | 62,127 |
| Cash - Beginning of Year | | |
| Cash - Checking | 4,378 | |
| Cash-Money Market | 16,637 | |
| | | |
| Total, Beginning of Year | | 21,014 |
| | | |
| Cash on Statement Date | | \$ 83,141 |
| | | |

See Accountant's Report and Accompanying Notes

TechCap Advisors, Inc.

Notes to Financial Statements

For the Year Ended December 31, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

TechCap Advisors, Inc. is a registered broker/dealer selling securities, private placements and capital funding.

Organization Expenses

Organization costs are being amortized over a five year period utilizing the straight line method.

Depreciation

The company capitalizes major capital expenditures. Depreciation is based on accelerated methods over the following useful lives:

Furniture & Fixtures - 7 years
Computer Equipment - 5 years

Income Taxes

The corporation is an S corporation for income tax purposes. The shareholders pay income taxes on their share of the corporations profit and losses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

See Accountant's Report and Accompanying Notes

TechCap Advisors, Inc.

Notes to Financial Statements

For the Year Ended December 31, 2006

Basis of Accounting

The Company uses the accrual method of accounting for financial and tax accounting purposes.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At December 31, 2006 the company had nothing in excess of FDIC insured limits.

2. Net Capital

As a broker/dealer, the company is subject to the Securities and Exchange Commission's regulations and operating guidelines, which require the Company to maintain a specified amount of net capital, as defined, and a ratio of aggregate indebtedness to net capital, as derived, not exceeding 15 to 1. The Company's net capital computed under 15c3-1 was \$59,378 at December 31, 2005, which exceeds required net capital of \$5,000 by \$54,378. The ratio of aggregate indebtedness to net capital at December 31, 2006 was 0.37 to 1.0.

3. Advertising

The company's policy is to expense the cost of advertising as it is incurred.

4. Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less.

5. Common Stock

| | |
|--|------------|
| Common Stock, No Par Value | |
| 200,000 Shares Authorized and | |
| 1,000 Shares Issued and 600 Shares Outstanding | \$1,000.00 |
| | ===== |

See Accountant's Report and Accompanying Notes

TechCap Advisors, Inc.

Notes to Financial Statements

For the Year Ended December 31, 2006

6. Cash Flows

Cash paid for interest and income taxes is as follows:

| | |
|----------|--------|
| Interest | \$ 0 |
| | ===== |
| Taxes | \$ 185 |
| | ===== |

7. Treasury Stock

On December 31, 2006, the company purchased stock from a 40% stockholder for \$40,000. The company's policy is to account for treasury stock at cost. There are 400 shares of treasury stock.

See Accountant's Report and Accompanying Notes

TechCap Advisors, Inc
Computation of Net Capital Pursuant to SEC Rule 15c3-1
December 31, 2006

| | | |
|---|--------------|--------------------|
| Net Worth | | \$ 61,575 |
| Less: Non Allowable Assets | \$ 584 | |
| Haircut on Money Market Account | <u>1,603</u> | <u>2,197</u> |
| Net Capital | | 59,378 |
| Less: Capital Requirement | | <u>5,000</u> |
| Excess Capital | | \$ 54,378 ===== |
| Aggregate Indebtedness | | \$ 22,150 ===== |
| Ratio of Aggregate Indebtedness To Net Capital | | 0.37 to 1.0 |

See Accountant's Report and Accompanying Notes

TechCap Advisors, inc.
Reconciliation of Audited vs. Unaudited Net Capital
December 31, 2006

| | | |
|---------------------------------|--------------|--------------------|
| Unaudited Net Capital | | \$ 60,992 |
| Year End Accruals | \$ 111 | |
| Haircut on Money Market Account | <u>1,603</u> | <u>(1,714)</u> |
| Audited Net Capital | | \$ 59,378 ===== |

See Accountant's Report and Accompanying Notes

END