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

SEC FILE NUMBER
8-49944

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 July 1, 2006 AND ENDING June 30, 2007
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: World Trade Financial Corporation

OFFICIAL USE ONLY
FIRM I.D. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
2010 Hancock St. Second Floor

San Diego California 92110
(City) (State) (Zip Code)

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

Rcd P. Michel

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

2020 Camino Del Rio North Suite 500 San Diego, CA. 92108
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

PROCESSED
OCT 15 2007

FOR OFFICIAL USE ONLY
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)

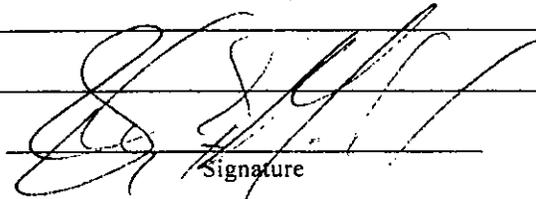
Handwritten initials/signature

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Rodney P. Michel, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of World Trade Financial Corporation, as of June 30th, 2007, 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

President-FINOP

Title

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 15c3-1 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).

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Diego

} ss.
Christopher D. Roth Notary Public

On Sept 25 2007

before me,

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

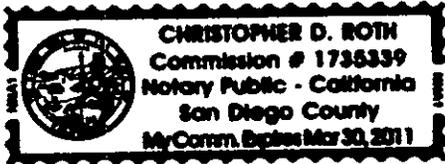
personally appeared

Rodney Michel

Name(s) of Signer(s)

personally known to me

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal Above

WITNESS my hand and official seal.

Christopher D. Roth Notary Public

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing: _____

WORLD TRADE FINANCIAL CORPORATION

ANNUAL FILING IN ACCORDANCE
WITH RULE 17a-5

YEARS ENDED JUNE 30, 2007 AND 2006

TOGETHER WITH INDEPENDENT AUDITORS' REPORTS THEREON

PKF

WORLD TRADE FINANCIAL CORPORATION
YEARS ENDED JUNE 30, 2007 AND 2006
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Certified Public Accountants
A Professional Corporation

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Suite 500
San Diego, CA 92108

Telephone (619) 238.1040
Telefax (619) 237.5177
www.pkfsandiego.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
World Trade Financial Corporation
San Diego, California

We have audited the accompanying statements of financial condition of World Trade Financial Corporation (a Nevada corporation) (the "Company") as of June 30, 2007 and 2006, and the related statements of operations, comprehensive income, changes in shareholders' equity, and cash flows for the years 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 audits provide 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 World Trade Financial Corporation as of June 30, 2007 and 2006 and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the schedules on pages 14 through 17 are presented for purposes of additional analysis and are not a required part of the basic financial statements, but are 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 audits 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.

San Diego, California
August 28, 2007

PKF
Certified Public Accountants
A Professional Corporation

WORLD TRADE FINANCIAL CORPORATION
 STATEMENTS OF FINANCIAL CONDITION
 JUNE 30, 2007 AND 2006

ASSETS

	2007	2006
CURRENT ASSETS:		
Cash and cash equivalents	\$ 304,103	\$ 480,930
Receivables	221,921	181,410
Investments, at market value:		
Trading securities	2,636	1,638
Deposits with clearing brokers	234,035	204,418
Advances to shareholders	-	32,000
Other assets and deposits	38,511	24,909
Total current assets	801,206	925,305
Furniture and equipment, net of accumulated depreciation of \$43,952 and \$31,205, respectively	27,795	25,828
Total assets	\$ 829,001	\$ 951,133

WORLD TRADE FINANCIAL CORPORATION
 STATEMENTS OF FINANCIAL CONDITION (CONTINUED)
 JUNE 30, 2007 AND 2006

LIABILITIES AND SHAREHOLDERS' EQUITY

	2007	2006
CURRENT LIABILITIES:		
Accounts payable	\$ 16,685	\$ 3,416
Payable to clearing broker	1,636	1,638
Accrued liabilities	17,261	201,754
Income taxes payable - current	10,575	10,660
Deferred tax liability	5,000	5,000
Total liabilities	51,157	222,468
Commitments and contingencies (Note 9)		
SHAREHOLDERS' EQUITY:		
Preferred stock, no par value; authorized 5,000,000; no shares issued and outstanding	-	-
Common stock, no par value; authorized 20,000,000 issued and outstanding 4,675,000	63,985	63,985
Additional paid in capital	1,109,228	1,109,228
Accumulated deficit	(395,369)	(440,593)
Accumulated other comprehensive loss	-	(3,955)
Total shareholders' equity	777,844	728,665
Total liabilities and shareholders' equity	\$ 829,001	\$ 951,133

WORLD TRADE FINANCIAL CORPORATION
 STATEMENTS OF OPERATIONS
 FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Revenues:		
Commissions	\$ 2,565,054	\$ 2,091,863
Interest	261	3,073
Realized (losses) gains	(4,032)	72,630
Unrealized losses	(12)	-
Other	<u>206,636</u>	<u>254,376</u>
Total revenues	<u>2,767,907</u>	<u>2,421,942</u>
Expenses:		
Clearing	90,618	152,870
Employee compensation and benefits	1,897,539	1,181,867
General and administrative	509,534	662,792
Professional services	199,954	350,960
Depreciation	<u>12,747</u>	<u>12,747</u>
Total expenses	<u>2,710,392</u>	<u>2,361,236</u>
Net income before income taxes	57,515	60,706
Income tax	<u>(12,291)</u>	<u>(15,961)</u>
Net income	<u>\$ 45,224</u>	<u>\$ 44,745</u>

WORLD TRADE FINANCIAL CORPORATION
 STATEMENTS OF COMPREHENSIVE INCOME
 FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Net income	<u>\$ 45,224</u>	<u>\$ 44,745</u>
Other comprehensive (loss) gain, net of tax:		
Realized gain on available-for-sale securities	-	-
Unrealized loss on available-for-sale securities	<u>-</u>	<u>(534)</u>
Reclassification adjustment for realized loss on securities included in net income	<u>3,955</u>	<u>-</u>
Other comprehensive gain (loss)	<u>3,955</u>	<u>(534)</u>
Comprehensive income, net of tax	<u><u>\$ 49,179</u></u>	<u><u>\$ 44,211</u></u>

WORLD TRADE FINANCIAL CORPORATION
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	Common stock		Additional	Accumulated	Accumulated	Total
	Shares	Amount	Paid in Capital	Deficit	other comprehensive loss	
Balance, June 30, 2005	4,675,000	\$ 63,985	\$ 1,109,228	\$ (485,338)	\$ (3,421)	\$ 684,454
Other comprehensive loss	-	-	-	-	(534)	(534)
Net income	-	-	-	44,745	-	44,745
Balance, June 30, 2006	4,675,000	\$ 63,985	\$ 1,109,228	\$ (440,593)	\$ (3,955)	\$ 728,665
Other comprehensive gain	-	-	-	-	3,955	3,955
Net income	-	-	-	45,224	-	45,224
Balance, June 30, 2007	<u>4,675,000</u>	<u>\$ 63,985</u>	<u>\$ 1,109,228</u>	<u>\$ (395,369)</u>	<u>\$ -</u>	<u>\$ 777,844</u>

WORLD TRADE FINANCIAL CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 45,224	\$ 44,745
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	12,747	12,747
Realized loss on available-for-sale securities	3,955	-
Decrease (increase) in assets:		
Receivables	(40,511)	15,358
Trading securities	(998)	144,167
Deposits with clearing broker	(29,617)	(3,338)
Other assets and deposits	(13,602)	(24,909)
Income taxes receivable	-	7,864
Increase (decrease) in liabilities:		
Accounts payable	13,269	(7,192)
Accrued expenses	(184,495)	(215,216)
Income taxes payable	(85)	15,660
	<u>(194,113)</u>	<u>(10,114)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture and equipment	(14,714)	(10,458)
Payments from (advances to) shareholders	32,000	(32,000)
	<u>17,286</u>	<u>(42,458)</u>
Net cash used in investing activities	<u>(176,827)</u>	<u>(52,572)</u>
Net decrease in cash and cash equivalents	<u>(176,827)</u>	<u>(52,572)</u>
Cash and cash equivalents at the beginning of the year	<u>480,930</u>	<u>533,502</u>
Cash and cash equivalents at the end of the year	<u>\$ 304,103</u>	<u>\$ 480,930</u>
 Supplemental disclosure of noncash investing and financing activities:		
Unrealized loss on available-for-sale securities	<u>\$ -</u>	<u>\$ 534</u>

WORLD TRADE FINANCIAL CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

NOTE 1 - ORGANIZATION

Organization and Business

World Trade Financial Corporation (formerly known as "Amber Securities Corporation") (incorporated in Nevada on July 18, 1996), obtained a California Certificate of Qualification on September 15, 1997, and began using its current name on April 27, 1999. The Company began doing business on January 6, 1998 as a broker-dealer registered with the Securities and Exchange Commission (SEC). The Company operates as a fully disclosed broker-dealer pursuant to the exemptive provisions of the SEC Rule 15c3-3 subparagraph (k)(2)(ii). To maintain this exemption, the Company does not hold customer funds and/or securities. If any customer funds and/or securities are received, they are to be promptly forwarded. The Company's client base is in both domestic and foreign markets, and the Company utilizes the Internet to facilitate its trading activity.

NOTE 2 - ACCOUNTING POLICIES

Estimates

The financial statements are prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all cash accounts, which are not subject to withdrawal restrictions or penalties, certificates of deposit and money market funds purchased with an original maturity of three months or less to be cash equivalents.

The Company maintains its bank account at a financial institution located in California. The account at this bank is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At June 30, 2007, the Company's uninsured cash balances totaled \$87,502. The Company has not experienced any losses in such accounts and management believes it places its cash on deposit with financial institutions which are financially stable.

The Company maintains its clearing accounts at two financial institutions located in California and Florida. The accounts at these institutions are insured by the Securities Investors Protection Corporation (SIPC) up to \$100,000. At June 30, 2007, the Company's uninsured cash balances totaled \$110,483. The Company has not experienced any losses in such accounts and management believes it places its cash on deposit with financial institutions which are financially stable.

Receivables

All receivables consist of clearing broker dealer balances which result from daily and recurring trade transactions. Due to the general nature of these receivables, the amounts are generally fully collected within ten days of closing of transactions throughout the year. As such, as of June 30, 2007 and 2006, management believes no allowance for doubtful accounts is necessary.

WORLD TRADE FINANCIAL CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

NOTE 2 - ACCOUNTING POLICIES (Continued)

Recognition of Revenue

Commission revenue and related sales commissions which result from the trading of securities are recorded as they are earned.

Financial Instruments

The carrying value of current assets and liabilities approximates fair value due to the short-term maturities of these assets and liabilities as of June 30, 2007 and 2006.

Nature of Business

Changes in the national and regional economic climates, changes in business relationships with its primary source of revenues, other laws and regulations, the costs of compliance with current and future laws, unusual occurrences and other factors beyond the control of the Company may adversely affect its future revenues.

NOTE 3 - FURNITURE AND EQUIPMENT

Furniture and equipment is recorded at cost and is depreciated on a straight-line basis over the estimated useful lives of the depreciable assets which range from three to five years. Furniture and equipment consists of the following:

	2007	2006
Furniture and fixtures	\$ 10,000	\$ 10,000
Computers and equipment	61,747	47,033
	71,747	57,033
Less: Accumulated depreciation	(43,952)	(31,205)
Total furniture and equipment, net	\$ 27,795	\$ 25,828

NOTE 4 - INCOME TAXES

The Company accounts for its income taxes under the asset and liability method. The objective of the asset and liability method is to establish deferred tax assets and liabilities for the temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities at enacted tax rates expected to be in effect when such amounts are realized or settled. The principal temporary differences in the recognition of income and expense for tax and financial reporting purposes arise from the use of accelerated depreciation for tax purposes and the timing of the payment of California Franchise taxes which are not currently deductible for federal income tax purposes.

WORLD TRADE FINANCIAL CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

NOTE 4 - INCOME TAXES (Continued)

The Company's benefit (provision) for income taxes for the years ended June 30, 2007 and 2006 is as follows:

	2007	2006
Current taxes benefit (provision):		
Federal	\$ (10,930)	\$ (6,356)
State	(1,361)	(4,605)
Total current portion	(12,291)	(10,961)
Deferred taxes :		
Federal	-	(5,000)
State	-	-
Total deferred portion	-	(5,000)
Provision for income taxes	\$ (12,291)	\$ (15,961)

At June 30, 2007 and 2006, the Company's Deferred Tax Liability account is as follows:

	2007	2006
Deferred tax asset - net operating losses	\$ 10,600	\$ 10,600
Deferred tax liability - depreciation	(15,600)	(15,600)
Less: valuation allowance	-	-
Net deferred tax liability	\$ (5,000)	\$ (5,000)

At June 30, 2007, the Company has a California net operating loss carryovers of approximately \$192,000 which is subject to a limitation of the amount that may be utilized each year of approximately \$1,900. The California net operating loss carryforwards began to expire in 2007.

NOTE 5 - SHAREHOLDERS' EQUITY

On May 14, 2001, the Company's Board of Directors increased the number of shares of common stock authorized to 20,000,000 shares. The Board of Directors also established a preferred class of shares for which 5,000,000 shares were authorized. Currently there are no issued and outstanding shares of preferred stock.

WORLD TRADE FINANCIAL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2007 AND 2006

NOTE 6 - ACCUMULATED OTHER COMPREHENSIVE LOSS

Effective July 1, 1999, the Company adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income." Under SFAS No. 130, the Company is required to report all changes in equity during a period, except those resulting from investments and distributions by owners, in a financial statement for the period in which they are recognized. The Company has chosen to disclose Comprehensive Income, which encompasses Net Income and Net Unrealized Gains on Securities, in the Statements of Comprehensive Income. The income tax effects allocated to and the cumulative balance of unrealized losses on securities are as follows:

	2007	2006
Balance, beginning of year	\$ (3,955)	\$ (3,421)
Add:		
Unrealized loss on securities	-	(534)
Reclassification adjustment for realized loss on securities included in net income	3,955	-
Net unrealized loss	-	(3,955)
Net realized gain included in net income	-	-
Balance, end of year	\$ -	\$ (3,955)

NOTE 7 - NET CAPITAL REQUIREMENTS

The Company is subject to Rule 15c3-1 of the Securities Exchange Act of 1934, as amended, which requires that the ratio of aggregate indebtedness to net capital, as defined, not exceed 15 to 1, and that the Company maintain minimum net capital of \$100,000. At June 30, 2007 and 2006, the Company had net capital of \$608,962 and \$535,322, respectively, in excess of the required minimum net capital and the ratios of aggregate indebtedness to net capital were 0.07 to 1 and 0.35 to 1, respectively.

The Company does not carry customer accounts, nor does it hold customer securities or cash. It is exempt from Rules 15c3-3 and 17a-13 under the Securities Exchange Act of 1934.

WORLD TRADE FINANCIAL CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

NOTE 8 - PENSION PLAN

Effective July 1, 2003, the Company adopted a defined benefit pension plan. As of June 30, 2007 and 2006, the Company accrued its contribution to the plan of approximately \$0 and \$172,747, respectively.

Actuarial present value of accumulated plan benefits
(assuming a 5.0% rate of return for pre-retirement
purposes and 5.0% for post retirement purposes.)

Vested \$ 475,827

Net assets available for benefits \$ 838,572

At June 30, 2007, the net assets available for benefits exceeded the actuarial present value of accumulated benefits by \$362,745. The Company's contributions are determined by the actuary to ensure that the plan is in compliance with funding requirements.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

The Company is involved in legal action and insurance claims arising in the normal course of business. Management does not believe these claims will have a material effect on the financial statements of the Company.

The Company's offices are currently located in a building owned by two shareholders of the Company. The Company currently pays each shareholder \$4,000 in rent on a month-to-month basis. Rent expense for the years ended June 30, 2007 and 2006 amounted to \$96,000 and \$93,000, respectively.

NOTE 10 - RELATED PARTY TRANSACTIONS

During the years ended June 30, 2007 and 2006, the Company paid \$96,000 and \$93,000 in rent expense, \$0 and \$100,000 in management fees and approximately \$23,000 and \$28,000 in legal fees to related parties, respectively.

SUPPLEMENTARY INFORMATION

WORLD TRADE FINANCIAL CORPORATION
 COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
 OF THE SECURITIES AND EXCHANGE COMMISSION
 JUNE 30, 2007 AND 2006

	2007	2006
Total assets	\$ 829,001	\$ 951,133
Total liabilities	(51,157)	(222,468)
Shareholders' equity	777,844	728,665
Less non-allowable assets:		
Advances to shareholders	-	(32,000)
Furniture, equipment and leasehold improvements	(27,795)	(25,828)
Haircuts on securities held and cash concentrations	(2,576)	(1,491)
Other assets	(38,511)	(34,024)
Non-allowable assets	(68,882)	(93,343)
Net capital	\$ 708,962	\$ 635,322

COMPUTATION OF BASIC NET CAPITAL REQUIREMENTS

Minimum net capital required (6-2/3 % of aggregate indebtedness or \$100,000, whichever is greater)	\$ 100,000	\$ 100,000
Net capital in excess of amount required	\$ 608,962	\$ 535,322
Aggregate indebtedness	\$ 49,521	\$ 220,830
Ratio of aggregate indebtedness to net capital	0.07 to 1	0.35 to 1

WORLD TRADE FINANCIAL CORPORATION
RECONCILIATION OF THE COMPUTATION OF AGGREGATE INDEBTEDNESS
AND NET CAPITAL WITH THAT OF THE COMPANY AS
INCLUDED IN PART IIA OF FORM X-17A-5
JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
AGGREGATE INDEBTEDNESS		
Aggregate indebtedness as reported in Company's Part IIA (Unaudited) FOCUS report	\$ 19,298	\$ 24,563
Pension plan contribution accrual	-	172,743
Accrual adjustments	19,683	
Income tax accrual	<u>10,540</u>	<u>23,524</u>
Aggregate indebtedness, as adjusted	<u>\$ 49,521</u>	<u>\$ 220,830</u>
 NET CAPITAL		
Net capital, as reported in Company's Part IIA (Unaudited) FOCUS report	\$ 688,377	\$ 770,574
Due from Broker	-	62,260
Pension plan contribution (accrual) reversal	52,990	(172,743)
Income tax accrual	(10,540)	(23,524)
Other adjustments	<u>(21,865)</u>	<u>(1,245)</u>
Net capital, as adjusted	<u>\$ 708,962</u>	<u>\$ 635,322</u>

WORLD TRADE FINANCIAL CORPORATION
 COMPUTATION OF RESERVE REQUIREMENTS
 PURSUANT TO RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION
 FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	2007	2006
Credit balances:		
Free credit balances and other credit balances in customers' securities accounts	\$ -	\$ -
Monies borrowed collateralized by securities carried for the accounts of customers	-	-
Monies payable against customers' securities loaned	-	-
Customers' securities failed to receive	-	-
Credit balances in firm accounts attributable to principal sales to customers	-	-
Market value of stock dividends, stock splits, and similar distributions receivable outstanding over 30 calendar days	-	-
Market value of short security count differences over 30 calendar days	-	-
Market value of short securities and credits in all suspense accounts over 30 calendar days	-	-
Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.	-	-
Debit balances:		
Debit balances in customers' accounts, excluding unsecured accounts and accounts doubtful of collection net of deductions pursuant to rule 15c3-3	-	-
Securities borrowed to effectuate short sales by customers and securities borrowed to make delivery on customers' securities failed to deliver.	-	-
Failed to deliver of customers' securities not older than 30 calendar days	-	-
	-	-
Excess of total credits over total debits	\$ -	\$ -

The Company operates as a fully disclosed broker-dealer pursuant to the exemptive provisions of SEC Rule 15c3-3 subparagraph (k)(2)(ii). The Company does not carry customer accounts; therefore, they are not required to compute reserve requirements in Part II of Form X-17A-5.

WORLD TRADE FINANCIAL CORPORATION
 INFORMATION RELATING TO POSSESSION
 OR CONTROL REQUIREMENTS UNDER RULE 15c3-3
 OF THE SECURITIES AND EXCHANGE COMMISSION
 JUNE 30, 2007 AND 2006

	2007	2006
State the market valuation and number of items:		
1. Customers' fully paid securities and excess margin securities not in the respondent's possession or control as of the audit date (for which instructions to reduce to possession or control had been issued as of the audit date) but for which the required action was not taken by respondent within the time frames specified under Rule 15c3-3	NONE	NONE
Number of items	NONE	NONE
2. Customers' fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of the audit date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3	NONE	NONE
Number of items	NONE	NONE

The Company is exempt from Rule 15c3-3 under the exemptive provisions of section (k)(2)(ii) and, accordingly, has no possession or control requirements.



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INDEPENDENT AUDITORS' REPORT ON
INTERNAL ACCOUNTING CONTROL REQUIRED BY
RULE 17A-5 OF THE SECURITIES AND EXCHANGE COMMISSION

Board of Directors
World Trade Financial Corporation
San Diego, California

In planning and performing our audit of the financial statements and supplemental schedules of World Trade Financial Corporation as of and for the year ended June 30, 2007, we considered its internal control, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

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 15c3-3. 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 requirements for prompt payment for securities under section 8 of Regulation T of 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 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 internal control policies and procedures 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 Commission's above-mentioned objectives. Two of the objectives of internal controls 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 accounting principles generally accepted in the United States of America. 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.

Our consideration of the 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 the specific internal control elements does not reduce to a relatively low level the risk that errors 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, we noted the following matter involving the control environment and its operation that we considered to be a material weakness as defined above. This condition was considered in determining the nature, timing and extent of the procedures to be performed in our audit of the financial statements of World Trade Financial Corporation for the year ended June 30, 2007, and this report does not affect our report thereon dated August 28, 2007.

As a result of the Company's small size, the assignment of job responsibilities does not provide an adequate segregation of duties. Effective internal control contemplates a segregation of duties so that no one individual processes a transaction from its inception to its completion. While we recognize that the Company is not large enough to permit an adequate segregation of duties for an effective system of internal accounting control, it is important that you be aware of this condition.

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 June 30, 2007 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the New York Stock Exchange and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

San Diego, California
August 28, 2007



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END