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

Washington, DC
110

SEC FILE NUMBER
8- 23742

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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 01/01/2007 AND ENDING 12/31/2007
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: C.E. Gave & Sons Securities Ltd.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

75 Jackson Ave.

(No. and Street)

Syosset

NY

11791

(City)

(State)

(Zip Code)

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

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Don Angelo and Associates, CPA's PC

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

116 Jackson Ave., Syosset, NY

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

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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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Don Angelo and Associates, CPA's P.C.

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INDEPENDENT AUDITOR'S REPORT

C. E. Gaye & Sons Securities, Ltd.

We have audited the accompanying statement of financial condition of C. E. Gaye & Sons Securities, Ltd. (the Company) as of December 31, 2007, and the related statements of income, changes in stockholder's equity, 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. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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. We believe that our audit provides 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 C. E. Gaye & Sons Securities, Ltd. at December 31, 2007, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I 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 our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Don Angelo and Associates CPA's P.C.

DonAngelo and Associates, CPA's P.C.

Syosset, New York

February 25, 2008

C. E. Gaye & Sons Securities Ltd.
Statement of Financial Condition
As of December 31, 2007

Assets

Assets:		
	Cash	\$ 29,685
	Deposit-Clearance Organization	29,844
	Marketable securities, at market value	89,102
	Receivable from Clearing Organization	25,650
	Prepaid expenses	5,073
	Security deposit	1,680
		<hr/>
Total Assets		\$ 181,034
		<hr/> <hr/>

Liabilities and Stockholder's Equity

Liabilities:		
	Accounts payable and accrued expenses	\$ 10,833
		<hr/>
	Total Liabilities	10,833
		<hr/> <hr/>
Stockholder's Equity:		
	Common Stock, no par value, 200 shares authorized; 20 shares issued and outstanding	105,688
	Retained earnings	64,513
		<hr/>
	Total Stockholder's Equity	170,201
		<hr/> <hr/>
Total Liabilities and Stockholder's Equity		\$ 181,034
		<hr/> <hr/>

See auditor's report and notes to financial statements

C. E. Gaye & Sons Securities Ltd.
Statement of Income
For the Year Ended December 31, 2007

REVENUES:

Commissions - clearing broker	\$ 207,358
Commissions - mutual funds	123,424
Trading gains and losses	1,364
Interest	5,447
Other Income	35,715
Total Revenues	<u>373,308</u>

EXPENSES:

Payroll and benefits	228,058
Office Expense	27,284
Communications	12,574
Auto	13,027
Travel & Entertainment	17,165
Rent	9,002
Regulatory Fees	8,044
Professional Fees	6,691
Commissions	5,317
Insurance	5,051
Advertising & Promotion	1,513
Total Expenses	<u>333,726</u>

Income Before Taxes 39,582

Provision for Income Taxes 7,674

Net Income \$ 31,908

See auditor's report and notes to financial statements

C. E. Gaye and Sons Securities Limited
Statement of Changes in Financial Condition
For the Year Ended December 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES

Net Income	\$31,908
Adjustments to reconcile net cash provided by operating activities	
(Increase) decrease in operating assets:	
Deposit-Clearance Organization	(33)
Marketable Securities	(19,858)
Receivable from Clearing Organization	(5,300)
Prepaid expenses	225
Security deposit	(34)
Increase (decrease) operating liabilities:	
Accounts Payables and Accrued Expenses	(374)
Taxes Payable	0
Total Adjustments	(25,374)
Net cash used in operating activities	6,534

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend on Common Stock	0
Net cash used in financing activities	0
Decrease in cash	6,534
Cash at beginning of the year	23,151
Cash at end of year	\$29,685
Income Tax Payments	\$7,674

See auditor's report and notes to financial statements.

C. E. Gaye & Sons Securities Ltd.
Statement Of Changes in Stockholders Equity
For the Year Ended December 31, 2007

	<u>Capital Stock</u>		<u>Retained Earnings</u>	<u>Total</u>
	<u>Common Shares</u>	<u>Common Amount</u>		<u>Stockholder's Equity</u>
Balance at January 1, 2007	20	\$105,688	\$32,605	\$138,293
Net Income			31,908	31,908
Balance at December 31, 2007	<u>20</u>	<u>\$105,688</u>	<u>\$64,513</u>	<u>\$170,201</u>

See auditor's report and notes to financial statements

C. E. Gaye & Sons Securities Ltd.
Computation of Net Capital Under Rule 15c3-1
Of the Securities and Exchange Commission
As of December 31, 2007
Schedule 1

Net Capital		
Total Stockholder's Equity	\$	170,202
Deductions		
Non-allowable Assets:		
Deposits		1,680
Pre-paid taxes		4,603
Pre-paid auto lease		470
		<u>6,753</u>
Net Capital before haircuts on security positions (tentative net capital)		163,449
Haircuts on securities		<u>2,049</u>
Net Capital	\$	<u>161,400</u>
Aggregate indebtedness		
Items included in statement of financial condition:		
Total Liabilities	\$	10,833
Total Aggregate Indebtedness	\$	<u>10,833</u>
Computation of Basic Net Capital Requirement		
Minimum net capital required	\$	<u>50,000</u>
Excess net capital	\$	<u>111,400</u>
Ratio: Aggregate indebtedness to net capital		<u>0.07:1</u>

There were no material differences between the Computation of Net Capital of the Audited and Unaudited Reports.

See auditor's report and notes to financial statements

NOTES TO FINANCIAL STATEMENT

1. BUSINESS ORGANIZATION AND DESCRIPTION

C. E. Gaye & Sons Securities Ltd. is a registered broker and dealer in securities under the Securities Exchange Act of 1934, and is a member of the National Association of Securities Dealers, Inc. The corporation has 200 shares authorized and 20 shares outstanding. The corporation operates in 18 states; however the customer base is primarily the New York metropolitan area. In addition, there are approximately 7 international clients.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Revenues and Expenses:

Commission income and related expenses from securities transactions have been recorded on a trade date basis. Other revenues and expenses are recognized on the accrual basis.

b. Office Furniture, Fixtures, Equipment & Leasehold Improvements

Capitalization policy of depreciation over estimated useful lives subject to minimum cost requirements.

c. Non-direct advertising costs are expensed as incurred.

d. Income Taxes

C. E. Gaye & Sons Securities, Ltd. elected to be taxed as a "C" corporation. The provision for income taxes for 2007 was Federal \$5,189 and New York State was \$2,485. At December 31, 2007 there was no liability for Federal or New York States taxes.

e. Statement of Cash Flows

The corporation defines cash in the statement of cash flows as: cash in bank(s).

f. 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 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.

3. SPECIAL RESERVE ACCOUNT FOR CUSTOMERS

C.E. Gaye & Sons Securities, Ltd. carries no customer accounts and does not process or safe-keep customer funds or securities, and is therefore exempt from Rule 15c3-3 of the Securities and Exchange Commission. All accounts are carried by First Clearing LLC (8-35158).

4. EMPLOYEE BENEFIT PLAN-DEFINED CONTRIBUTION PLAN

C. E. Gaye & Sons Securities, Ltd. provide a simplified employee retirement plan (SEP) which covers an employee and corporate officers. The combined pension plan expense for 2007 was \$21,056. It was funded in full in 2007.

5. COMMITMENTS AND CONTINGENCIES

C. E. Gaye & Sons Securities, Ltd. leases its office space under a lease agreement expiring November 1, 2008, requiring annual base rental payments of \$14,162 plus adjustment for real estate tax increases. During the year 2007 rent expense was decreased by \$4,936 from month to month sublease arrangement. The Company also leases an automobile with an option to purchase for \$20,525 at the end of the lease. The annual lease payments are \$5,748.

Minimum payments due under the lease agreements are as follows:

2008	\$15,754
2009	0
2010	0

6. NET CAPITAL REQUIREMENTS

C. E. Gaye & Sons Securities, Ltd. is subject to the Securities and Exchange Commission Uniform Net Capital 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 15:1, and that the operations of the firm may be restricted if its net capital ratio exceeds 10:1. Computation of net capital and net capital ratios is shown on Schedule 1 of this report.

Don Angelo and Associates, CPAs P.C.

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e-mail joseph.donangelo@verizon.net

REPORT ON INTERNAL CONTROL
REQUIRED BY SEC RULE 17a-5

To C. E. Gaye Sons & Securities, Ltd.

In planning and performing our audit of the financial statements and supplemental schedules of C. E. Gaye Sons & Securities, Ltd. (the Company) for the year ended December 31, 2007 in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by C. E. Gaye Sons Securities, Ltd., including consideration of control activities for safeguarding securities.

This study included tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g), in making the periodic computations of aggregate indebtedness (or net aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c-3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making the 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 the 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 internal control and the practices and procedures referred to above, error 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.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weakness. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weakness, as defined above.

We 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 our study, we believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2007, to meet the SEC's objectives.

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

Don Angelo and Associates CPAs P.C.

Don Angelo and Associates, CPA's P.C.

Syosset, New York

February 25, 2008

END