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UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

Washington, DC  
122

SEC FILE NUMBER  
8- 24476

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 APRIL 1, 2008 AND ENDING MARCH 31, 2009  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:  
ADVISORY FINANCIAL CONSULTANTS, INC.  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
505 DURHAM ROAD

OFFICIAL USE ONLY  
FIRM I.D. NO.

(No. and Street)  
FREMONT CALIFORNIA 94539-6699  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
RUTHE P. GOMEZ (510) 656-1357  
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

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

HANSEN & COMPANY, CPA'S

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

22320 FOOTHILL BLVD., SUITE 430 HAYWARD CA 94541  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

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)

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OATH OR AFFIRMATION

I, RUTHE P. GOMEZ, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ADVISORY FINANCIAL CONSULTANTS, INC., as of MARCH 31, 20 09, 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:

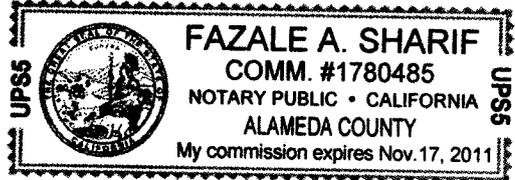
State of California NONE
County of Alameda

Subscribed and sworn before me on this 22 day of MAR 20 09 by RUTHE PESSINA GOMEZ personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

FAZALE A. SHARIF
Notary Public

Ruthe P. Gomez
Signature
PRESIDENT
Title

FAZALE A. SHARIF
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 x Cash Flows.
(e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
(f) Statement of Changes in Liabilities Subordinated to Claims of Creditors. SEE NOTE 3 OF NOTES TO FINANCIAL STATEMENTS
(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. INFORMATION NOT REQUIRED
(j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 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. NOT APPLICABLE
(l) An Oath or Affirmation.
(m) A copy of the SIPC Supplemental Report. NOT REQUIRED
(n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
(o) Independent auditor's report on internal accounting control.

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

(\*) NOT REQUIRED - SEE NOTE 2 OF NOTES TO FINANCIAL STATEMENTS

THERE ARE NO MATERIAL DIFFERENCES BETWEEN THE AUDITED FINANCIAL STATEMENTS INCLUDED HEREIN AND THE ORIGINALLY FILED FOCUS REPORT OF ADVISORY FINANCIAL CONSULTANTS, INC. FOR THE PERIOD ENDED MARCH 31, 2009.

**ADVISORY FINANCIAL CONSULTANTS, INC.**

**FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2009**

HANSEN & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
22320 FOOTHILL BLVD., SUITE 430  
HAYWARD, CALIFORNIA 94541-2744  
(510) 582-8400

INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Advisory Financial Consultants, Inc.  
Fremont, California

We have audited the accompanying statement of financial condition of **ADVISORY FINANCIAL CONSULTANTS, INC.** as of March 31, 2009, and the related statements of changes in stockholders' equity, income and retained earnings, and cash flows for the year 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 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 **ADVISORY FINANCIAL CONSULTANTS, INC.** as of March 31, 2009, and the results of its operations and its 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 Schedules I, II and III is presented for the 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.

  
May 15, 2009

**TABLE OF CONTENTS**

	<b>PAGE NO.</b>
INDEPENDENT AUDITOR'S REPORT.....	1
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL CONDITION.....	2
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY.....	3
STATEMENT OF INCOME AND RETAINED EARNINGS.....	4
STATEMENT OF CASH FLOWS.....	5
NOTES TO FINANCIAL STATEMENTS.....	6-7
SUPPLEMENTARY INFORMATION	
SCHEDULE I - COMPUTATION OF NET CAPITAL.....	8
SCHEDULE II - COMPUTATION OF BASIC NET CAPITAL REQUIREMENT.....	9
SCHEDULE III - COMPUTATION OF AGGREGATE INDEBTEDNESS.....	10
INDEPENDENT AUDITOR'S REPORT ON INTERNAL ACCOUNTING CONTROL.....	11-12

ADVISORY FINANCIAL CONSULTANTS, INC.

STATEMENT OF FINANCIAL CONDITION

MARCH 31, 2009

ASSETS

Cash	\$ 21,238
Commissions receivable	988
Marketable securities, at market value	5,936
Furniture, equipment and leasehold improvements, at cost, less accumulated depreciation of \$38,429	22,829
Other assets	<u>10,799</u>

Total assets	\$ <u>61,790</u>
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See accompanying notes.

ADVISORY FINANCIAL CONSULTANTS, INC.

STATEMENT OF FINANCIAL CONDITION

MARCH 31, 2009

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable		\$ <u>370</u>
Total liabilities		370
Stockholders' Equity		
Capital stock - authorized, 1000 shares; issued and outstanding, 100 shares - stated value	\$ 19,100	
Retained earnings	<u>42,320</u>	
Total stockholders' equity		<u>61,420</u>
Total liabilities and stockholders' equity		\$ <u>61,790</u>

See accompanying notes.

ADVISORY FINANCIAL CONSULTANTS, INC.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEAR ENDED MARCH 31, 2009

	Balance March 31, <u>2008</u>	Net Income	Other Additions (Deductions)	Balance March 31, <u>2009</u>
Capital stock	\$ 19,100	\$ ---	\$ ---	\$ 19,100
Retained earnings	<u>40,662</u>	<u>1,658</u>	<u>---</u>	<u>42,320</u>
Total	\$ <u>59,762</u>	\$ <u>1,658</u>	\$ <u>---</u>	\$ <u>61,420</u>

See accompanying notes.

ADVISORY FINANCIAL CONSULTANTS, INC.  
 STATEMENT OF INCOME AND RETAINED EARNINGS  
 FOR THE YEAR ENDED MARCH 31, 2009

**REVENUES**

Commissions	\$ 28,495
Other	<u>377</u>
Total revenues	28,872

**EXPENSES**

Advertising	\$ 256
Depreciation	3,237
Dues and subscriptions	418
Maintenance and janitorial	644
Officer's salary	7,000
Office supplies and postage	1,226
Professional services	7,015
Secretarial services	5,881
Taxes, licenses and regulatory fees	3,934
Telephone	2,117
Other	<u>3,191</u>
Total expenses	34,919

**LOSS BEFORE INCOME TAXES** ( 6,047)

**INCOME TAX EXPENSE (BENEFIT)** ( 7,705)

**NET INCOME** 1,658

**RETAINED EARNINGS**

Balance - beginning of year	<u>40,662</u>
Balance - end of year	\$ <u>42,320</u>

See accompanying notes.

ADVISORY FINANCIAL CONSULTANTS, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 1,658
Adjustments to reconcile net income to net cash used by operating activities:	
Depreciation	3,237
Unrealized loss on marketable securities	3,475
(Increase) decrease in:	
Commissions receivable	4,143
Other assets	( 1,619)
(Decrease) increase in:	
Accounts payable	<u>128</u>
Net cash provided by operating activities	11,022
CASH FLOWS FROM INVESTING ACTIVITIES	---
CASH FLOWS FROM FINANCING ACTIVITIES	<u>---</u>
NET INCREASE IN CASH	11,022
CASH AT BEGINNING OF YEAR	<u>10,216</u>
CASH AT END OF YEAR	\$ <u><u>21,238</u></u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during year for:	
Interest	\$ <u>---</u>
Income taxes	\$ <u><u>800</u></u>

See accompanying notes.

ADVISORY FINANCIAL CONSULTANTS, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Business** - The Company is a securities broker dealer which, through the Company principal, sells investments to the general public. All of the Company's commission revenues were earned through customer investments in various mutual funds.

**Accounting Method** - The Company utilizes the accrual method of accounting for financial statement reporting. Under this method, revenue is recognized when earned and expenses are recognized when incurred.

**Allowance for Doubtful Accounts** - The Company considers commissions receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. There were no commissions written off during the year.

**Marketable Securities** - Marketable securities are valued at market value. The resulting difference between cost and market is included in operating income.

**Depreciation** - Depreciation is computed on the straight-line method over periods of five to forty years, the useful lives of the furniture, equipment and leasehold improvements.

**Income Taxes** - The company uses an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Deferred taxes (benefit) are provided for unrealized gain on investments and net operating loss carryovers. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

**Advertising** - The Company expenses advertising costs as incurred.

**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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - The Company is exempt from the computation for determination of reserve requirements for brokers-dealers under rule 15c3-3 because customer accounts are not maintained.

ADVISORY FINANCIAL CONSULTANTS, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2009

- NOTE 3 - The Company has no liabilities subordinate to the claims of general creditors at March 31, 2009.
- NOTE 4 - No changes occurred during the year in the ownership or composition of the capital stock of the corporation.
- NOTE 5 - Marketable securities valued at market have a cost of \$8,080 resulting in an unrealized loss of \$2,144, a decrease of \$3,475 for the year ended March 31, 2009.
- NOTE 6 - The components of the income tax expense (benefit) for the year ended March 31, 2009 are as follows:

	FEDERAL	STATE	TOTAL
Current	\$ ---	\$ 800	\$ 800
Deferred	<u>(7,336)</u>	<u>(1,169)</u>	<u>(8,505)</u>
	<u>\$ (7,336)</u>	<u>\$ ( 369)</u>	<u>\$ (7,705)</u>

A deferred income tax benefit totaling \$10,799 results from recognizing federal and state deferred tax benefits on the unrealized loss on marketable securities and deferred tax benefits on federal net operating loss carryovers of \$40,159 and \$2,195 expiring March 31, 2026 and March 31, 2027, respectively, and state net operating loss carryovers of \$39,359 and \$1,395 expiring March 31, 2013 and March 31, 2014, respectively.

**SUPPLEMENTARY INFORMATION**

ADVISORY FINANCIAL CONSULTANTS, INC.

SCHEDULE I

COMPUTATION OF NET CAPITAL

MARCH 31, 2009

TOTAL OWNERSHIP EQUITY		\$ 61,420
DEDUCT OWNERSHIP EQUITY NOT ALLOWABLE FOR NET CAPITAL		
Net equipment and improvements	\$ 22,829	
Other assets	<u>10,799</u>	<u>33,628</u>
TOTAL OWNERSHIP EQUITY QUALIFIED FOR NET CAPITAL		27,792
DEDUCTIONS		<u>---</u>
NET CAPITAL BEFORE HAIRCUTS ON SECURITIES POSITION		27,792
HAIRCUTS ON SECURITIES		
Trading and investment securities		<u>890</u>
NET CAPITAL		\$ <u>26,902</u>

ADVISORY FINANCIAL CONSULTANTS, INC.

SCHEDULE II

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

MARCH 31, 2009

MINIMUM NET CAPITAL REQUIRED		\$ <u>24</u>
MINIMUM DOLLAR NET CAPITAL REQUIREMENT OF BROKER OR DEALER		\$ <u>5,000</u>
NET CAPITAL REQUIREMENT		\$ <u>5,000</u>
EXCESS NET CAPITAL		
Net capital	\$ 26,902	
Less net capital requirement	<u>5,000</u>	
Excess net capital		\$ <u>21,902</u>
EXCESS NET CAPITAL AT 1,000%		
Net capital	\$ 26,902	
Less: 10% of total aggregate indebtedness	<u>37</u>	
Excess net capital at 1,000%		\$ <u>26,865</u>

ADVISORY FINANCIAL CONSULTANTS, INC.

SCHEDULE III

COMPUTATION OF AGGREGATE INDEBTEDNESS

MARCH 31, 2009

TOTAL A-1 LIABILITIES	\$ 370
ADJUSTMENTS	<u>---</u>
TOTAL AGGREGATE INDEBTEDNESS	\$ <u>370</u>
PERCENTAGE OF AGGREGATE INDEBTEDNESS TO NET CAPITAL	<u>1.4%</u>
PERCENTAGE OF DEBT TO DEBT - EQUITY TOTAL	<u>.6%</u>

HANSEN & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
22320 FOOTHILL BLVD., SUITE 430  
HAYWARD, CALIFORNIA 94541-2744  
(510) 582-8400

Board of Directors  
Advisory Financial Consultants, Inc.  
Fremont, California

In planning and performing our audit of the financial statements and supplemental schedules of Advisory Financial Consultants, Inc. for the year ended March 31, 2009, we considered its internal control structure, including procedures for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on the internal control structure.

Also, as required by rule 17a-5(g)(1) of the Securities Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including 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 aggregate debits) 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, we 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.
2. Recordation of differences required by rule 17a-13.
3. 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.

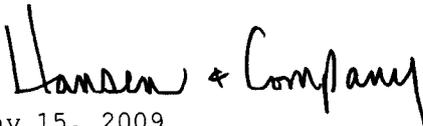
The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure 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 SEC's above-mentioned objectives. Two of the objectives of an internal control structure 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 accordance 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 structure or the practices and procedures referred to above, errors or irregularities 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 structure would not necessarily disclose all matters in the internal control structure 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 a specific internal control structure element does not reduce to a relatively low level the risk that errors or irregularities 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 no matters involving the internal control structure that we consider to be material weaknesses 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 were adequate at March 31, 2009, to meet the SEC's objectives.

This report is intended solely for the use of the Board of Directors, management, the SEC, National Association of Securities Dealers, Inc. (NASD), 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 should not be used for any other purpose.

  
May 15, 2009