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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 01/01/04 AND ENDING 12/31/04
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Chaconia Financial Services, Inc.

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

82 Independence Square

(No. and Street)

Port of Spain

(City)

Trinidad, West Indies

(State)

(Zip Code)

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

Elizabeth T. McGuire

(813) 998-5829

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Kirkland, Russ, Murphy & Tapp, P.A.

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

13577 Feather Sound Drive, Suite 400, Clearwater, FL 33762-5539

(Address)

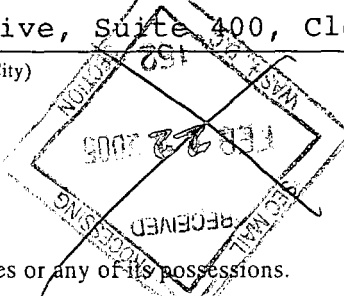
(City)

(State)

(Zip Code)

CHECK ONE:

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



PROCESSED
MAR 31 2005
THOMSON FINANCIAL

Handwritten initials: DC

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)

SEC 1410 (06-02)

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OATH OR AFFIRMATION

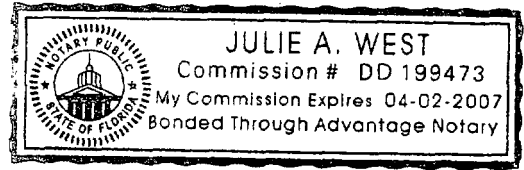
I, Elizabeth T. McGuire, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Charon Financial Services Inc, as of February 18, 2005, are true and correct. I further swear (or affirm) that neither the company 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:

N/A

[Signature]
Signature

Financial Operations Principal
Title

[Signature]
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 15c3-3 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.
- (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).



KIRKLAND, RUSS, MURPHY & TAPP

CERTIFIED PUBLIC ACCOUNTANTS

13577 Feather Sound Drive, Suite 400
Clearwater, Florida 33762-5539
(727) 572-1400 Fax (727) 571-1933
internet: www.KRMTCPA.com

Report of Independent Certified Public Accountants

To the Board of Directors and
Stockholder of Chaconia Financial Services, Inc.:

We have audited the accompanying statement of financial condition of Chaconia Financial Services, Inc. as of December 31, 2004 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 Chaconia Financial Services, Inc. at December 31, 2004, 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 Supplementary Schedules I, II and III 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.

Kirkland, Russ, Murphy & Tapp P.A.

January 10, 2005
Clearwater, Florida

Chaconia Financial Services, Inc.
(A wholly-owned subsidiary of Chaconia Fund Services, Inc.,
a wholly-owned subsidiary of the
Trinidad and Tobago Unit Trust Corporation)

Statement of Financial Condition

December 31, 2004

Assets

Cash and cash equivalents	\$ 14,584
Accounts receivable	<u>4,790</u>
Total assets	<u><u>\$ 19,374</u></u>

Liabilities and Stockholder's Equity

Accounts payable	\$ 1,000
State income taxes payable	<u>250</u>
Total liabilities	<u>1,250</u>

Stockholder's equity:

Common stock (\$1 per share par value, 8,000 shares authorized, 1,010 issued and outstanding)	1,010
Additional paid-in capital	75,092
Accumulated deficit	<u>(57,978)</u>

Total stockholder's equity 18,124

Total liabilities and stockholder's equity \$ 19,374

Chaconia Financial Services, Inc.
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Notes to Financial Statements

December 31, 2004

(1) Organization and Nature of Business and Liquidity

Chaconia Financial Services, Inc. (the Company) is a Rhode Island corporation that is a wholly-owned subsidiary of Chaconia Fund Services, Inc., a wholly-owned subsidiary of Trinidad and Tobago Unit Trust Corporation, (the Parent) a foreign corporation located and incorporated in Trinidad. The Company was reinstated by the Securities and Exchange Commission (SEC) and National Association of Securities Dealers, Inc. (NASD) and approved to operate on July 24, 2002 under a NASD membership agreement as a broker-dealer limited to engaging in the retail distribution of mutual funds on an application basis.

The Company is engaged to conduct a limited security business consisting of the distribution of open-ended investment shares of an affiliated company, Chaconia Income and Growth Fund (the Fund), to customers residing in the United States of America. The Company will not act as a clearing broker or transact any trades on behalf of its clients.

The Company is dependent on its parent to fund cash flow deficits since the Company's operations are limited as of December 31, 2004 to receipt of commissions from one customer domiciled in the United States of America.

(2) Significant Accounting Policies

(a) Cash and Cash Equivalents

The Company classifies highly liquid instruments with original maturities of three months or less from the date of purchase as cash equivalents.

The Company maintains a cash deposit with NASD to facilitate NASD's directly charging of certain expenses related to the Company's operations as a broker-dealer. The Company has a deposit of \$383 included in cash and cash equivalents in the accompanying statement of financial condition at December 31, 2004.

(b) Fee Income

Fees are recorded upon notification from the Fund of the distribution of 12b-1 fees pursuant to the Fund distribution plan for expenses incurred by the Company in connection with the distribution of the Fund's shares.

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Notes to Financial Statements - Continued

(2) **Significant Accounting Policies - Continued**

(c) **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

(d) **Advertising Costs**

Advertising costs are expensed as incurred and are included in the accompanying statement of income. Total advertising expense was \$278 for the year ended December 31, 2004.

(e) **Income Taxes**

The Company is treated as a C corporation for federal and state income tax purposes. Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

The Company is required to record deferred tax assets relating to the unrecognized benefit of all temporary differences that will result in future federal and state tax deductions and for all unused federal and state net operating loss and tax credit carryforwards and a deferred tax liability relating to the unrecognized obligations of all temporary differences that will result in a future federal and state tax expense. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Significant components of the Company's net deferred income taxes are as follows:

Net operating loss carryforwards	\$ 13,915
Valuation allowance	<u>(13,915)</u>
	<u>\$ -</u>

Deferred tax assets are required to be reduced by a valuation allowance to the extent that, based on the weight of available evidence, it is more likely than not that the deferred tax assets will not be realized.

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Notes to Financial Statements - Continued

(2) Significant Accounting Policies - Continued

(e) Income Taxes - Continued

At December 31, 2004 the Company had net operating loss carryforwards of approximately \$58,000, which will begin to expire by year 2022.

(3) Concentrations of Credit Risk and Major Customer Information

The Company maintains its cash accounts with a banking institution. Total cash balances are insured by the FDIC up to \$100,000 per account.

During 2004, all fee income received by the Company was generated by one customer.

(4) Related Party Transactions

The Company shares office space, personnel and other administrative expenses with its Parent.

(5) Net Capital Requirements

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15a3-1), which requires the maintenance of minimum regulatory net capital and a specified ratio of aggregate indebtedness to regulatory net capital, which as defined, shall not exceed 15 to 1. At December 31, 2004, the Company had regulatory net capital and a regulatory net capital requirement of \$12,951 and \$5,000, respectively. The Company's aggregate indebtedness to net capital ratio was .10 to 1.