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SECURI 03053070 COMMISSION  
Washington, D.C. 20543

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

SEC FILE NUMBER
8-12754

**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 06/01/02 AND ENDING 5/31/03  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

SCOTT PLANNING COMPANY, INC

OFFICIAL USE ONLY
FIRM ID. NO.

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

2074 MORRIS AVENUE  
(No. and Street)

**PROCESSED**  
AUG 11 2003

Union NEW JERSEY  
(City) (State)

THOMSON FINANCIAL  
07083  
(Zip Code)

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

SCOTT SORKIN (212) 962-1247  
(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

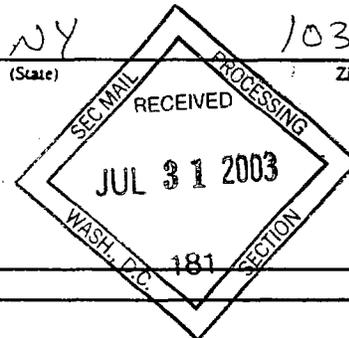
INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

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

1142 Hylan BLVD STATEN ISLAND NY 10305  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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



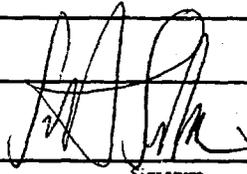
FOR OFFICIAL USE ONLY

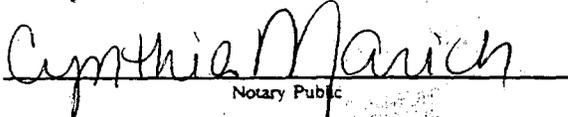
\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

OATH OR AFFIRMATION

I, SCOTT SOKIN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of SCOTT PLANNING Company INC, as of MAY 31, 2003, 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:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

X   
\_\_\_\_\_  
Signature  
PRESIDENT  
\_\_\_\_\_  
Title

  
\_\_\_\_\_  
Notary Public

CYNTHIA MARICH  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires Oct. 12, 2004

- 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 Proprietor's 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).



**Peter Tesoriero**  
**Certified Public Accountant**

1142 Hylan Boulevard, Staten Island, NY 10305  
Voice (718) 816-1400 . Fax (718) 816-7300

To the Board of Directors of  
Scott Planning Company, Inc.  
2974 Morris Avenue  
Union, NJ 07083

Gentlemen:

I have examined the statement of financial condition of Scott Planning Company, Inc., as of May 31, 2003, and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In my opinion, the aforementioned financial statements present fairly the financial position of Scott Planning Company, Inc., as at May 31, 2003, and the results of its operations, changes in subordinated liabilities and changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Also, I have examined the supplementary schedules I, II, III, and IV, and, in our opinion, they present fairly, the information included therein in conformity with the rules of the Securities and Exchange Commission.

July 17, 2003



**SCOTT PLANNING COMPANY, INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**MAY 31, 2003**

**ASSETS**

CASH, including money market funds of \$178,187 (Note 3)	\$ 320,610
Commissions Receivable	2,947
Other Asset - Prepaid Expenses	<u>13,402</u>
 TOTAL ASSETS	 <u>\$ 336,959</u>

**LIABILITIES AND STOCK HOLDERS' EQUITY**

<b>LIABILITIES</b>	
Accounts payable and accrued expenses	<u>\$ 3,487</u>
 TOTAL LIABILITIES	 3,487
 <b>STOCKHOLDERS' EQUITY (Notes 2 and 5)</b>	
Common Stock, no par value	
Authorized 1,000 shares, issued and outstanding 100 shares	\$ 5,000
Paid - in - Capital	10,000
Retained Earnings	<u>318,472</u>
 TOTAL STOCKHOLDERS' EQUITY	 <u>333,472</u>
 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	 <u>\$ 336,959</u>



**SCOTT PLANNING COMPANY, INC.**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED MAY 31, 2003**

REVENUES (Note 1)	
Commissions on sales of investment company shares	\$ 139,065
Interest and Dividends	6,099
Other Income - Federal Tax Refund	<u>3,120</u>
 TOTAL REVENUES	 148,284
 EXPENSES (Note 1 and 2)	
Regulatory fees and expenses	\$ 3,090
Commissions	65,915
Contributions	150
Corporation Income Taxes	316
Development	65
Dues & Subscriptions	3,167
Management Fees	22,590
Office Expense	1,842
Professional Fees	17,510
Rent	18,200
Sales Incentives	<u>13,329</u>
 TOTAL EXPENSES	 <u>146,174</u>
 NET PROFIT	 <u>\$ 2,110</u>

The accompanying notes are an integral part of this financial statement



SCOTT PLANNING COMPANY, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MAY 31, 2003

CASH FLOWS FROM OPERATION ACTIVITIES

Net Profit from Operations		\$ 2,110
Changes in Assets and Liabilities:		
Decrease in Commissions Receivable	\$ 7,122	
Increase in Prepaid Expenses	(5,504)	
Decrease in Accounts Payable and Accrued Expenses	<u>(4,004)</u>	
		<u>(2,386)</u>
Net Cash used for Operating Activities		(276)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>320,886</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>\$ 320,610</u>

The accompanying notes are an integral part of this financial statement



**SCOTT PLANNING COMPANY, INC.**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
**FOR THE YEAR ENDED MAY 31, 2003**

	<u>Common Stock</u> <u>No-Par-Value</u>	<u>Paid - In</u> <u>Capital</u>	<u>Retained</u> <u>Earnings</u>
Balance at June 1, 2002	\$ 5,000	\$ 10,000	\$ 316,362
Net Profit for the year	<u>-</u>	<u>-</u>	<u>2,110</u>
Balance at May 31, 2003	<u>\$ 5,000</u>	<u>\$ 10,000</u>	<u>\$ 318,472</u>

The accompanying notes are an integral part of this financial statement



SCOTT PLANNING COMPANY, INC.  
COMPUTATION OF NET CAPITAL  
PURSUANT TO RULE 15c3-1  
AS OF MAY 31, 2003

SUPPLEMENTARY  
SCHEDULE I

Computation of basic net capital

Net Worth:

Common Stock	\$ 5,000	
Paid - in - capital	10,000	
Retained Earnings	<u>318,472</u>	
Total Net Worth		\$ 333,472
Haircuts on securities:		
Oppenheimer Money Market and Certificate of Deposit		<u>(5,648)</u>
Net Capital		\$ 327,824
Minimum capital required by the Securities and Exchange commission		<u>(5,000)</u>
Net Capital in Excess of Minimum Required		<u>\$ 322,824</u>

The accompanying notes are an integral part of this financial statement



SCOTT PLANNING COMPANY, INC.  
COMPUTATION FOR DETERMINATION OF  
RESERVE REQUIREMENTS PURSUANT TO  
RULE 15c-3-3  
AS OF MAY 31, 2003

SUPPLEMENTARY  
SCHEDULE II

The Company has claimed an exemption from Rule 15c-3-3 since they maintain a "Special Account for the Exclusive Benefit of Customers" in accordance with Section (K) (2) (a)- (see Note 3).

<u>Debits</u>	<u>Credits</u>
<u>None</u>	<u>None</u>

The accompanying notes are an integral part of this financial statement



**SCOTT PLANNING COMPANY, INC.  
INFORMATION RELATING TO THE  
POSSESSION OR CONTROL REQUIREMENTS  
UNDER RULE 15c3-3  
AS OF MAY 31, 2003**

**SUPPLEMENTARY  
SCHEDULE III**

NOT APPLICABLE

The accompanying notes are an integral part of this financial statement



SCOTT PLANNING COMPANY, INC.  
RECONCILIATION PURSUANT TO RULE 17a-5(d) (4)  
AS OF MAY 31, 2003

SUPPLEMENTARY  
SCHEDULE IV

1.	<u>Net Capital Under Rule 15c3-1</u>	
	A. As calculated in unaudited Form X-17A-5, Part 11A	\$327,824
	B. As calculated on Schedule I of this report	\$327,824
2.	<u>Computation for Determination of the Reserve Requirements Under Rule 15c3-3</u>	

There were no material differences with regard to the calculation under Rule 15c3-3

The accompanying notes are an integral part of this financial statement



**SCOTT PLANNING COMPANY, INC.**  
**STATEMENT OF CHANGES IN SUBORDINATED LIABILITIES**  
**FOR THE YEAR ENDED MAY 31, 2003**

	Balance June 1, 2002	Increase (Decrease)	Balance May 31, 2003
Borrowings pursuant to satisfactory subordination agreements	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>

The accompanying notes are an integral part of this financial statement



**SCOTT PLANNING COMPANY, INC.  
MATERIAL INADEQUACIES  
PURSUANT TO RULE 17 a - 5(j)  
AS OF MAY 31, 2003**

**SUPPLEMENTARY  
SCHEDULE V**

There are no material inadequacies found to exist or found to have existed since the date of the previous audit.

The accompanying notes are an integral part of this financial statement



**SCOTT PLANNING COMPANY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**MAY 31, 2003**

Note 1- Accounting Policies

Commission income and all expenses are recorded on the accrual basis.

Note 2- Transactions with Affiliated Entities

Scott Planning Company, Inc., Chartwell Travel and Tours, Inc., (a travel agency), Creative Holiday Unlimited, Inc. (a travel agency- bus tours) and Kenneth Jeffrey Associates, Inc. (a life insurance agency) are wholly-owned subsidiaries of Scott Services, Inc. Scott Bernard Corp., whose stockholders are Beatrice and Scott Sorkin, own the building in which Scott Planning Company rents space. During the fiscal year ended May 31, 2003, Scott Planning Company, Inc. paid \$18,200 for rent of such office space. Scott Planning Company, Inc., also paid Scott Services, Inc. management fees totaling \$22,590 for its share of common overhead shared by the above companies

Note 3- Account for the Exclusive Benefit of Customers

In accordance with the Securities and Exchange Commission Rule 15c3-3, the Company is required to segregate certain customer funds from corporate funds, and is restricted from using such funds for general purposes. As of May 31, 2003, \$1,046 was in the account, although none was required.

Note 4- Commitments

The Company leases do not contain non-cancelable terms of more than one year from May 31, 2003.

Note 5- Net Capital Requirements

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum net capital, as defined under such provisions. Net capital and the related net capital ratio ( ratio of net capital, to aggregate indebtedness) fluctuates on a daily basis. At May 31, 2003, the Company had net capital of \$ 327,824 and net capital requirements of \$ 5,000. The Company's ratio of aggregate indebtedness to net capital was .0106 CASH to 1 as compared to the 15 to 1 limitation. The net capital rules may effectively restrict the payment of cash dividends.