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

SEC FILE NUMBER
8- 48081

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 01/01/03 AND ENDING 12/31/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Gerard Asset Management, Ltd.

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

N87 W16400 Appleton Avenue

(No. and Street)

Menomonee Falls

WI

53051-2851

187

(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*

Bonfield & Company, S.C.

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

740 North Plankinton Avenue Milwaukee

WI

53203

(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 17 2004

THOMSON FINANCIAL

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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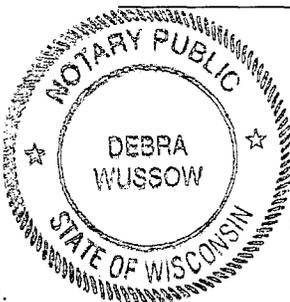
OATH OR AFFIRMATION

I, Kevin P. Gerard, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Gerard Asset Management, Ltd., as of December 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:

Kevin P. Gerard
Signature

Title

Debra Wussow
Notary Public



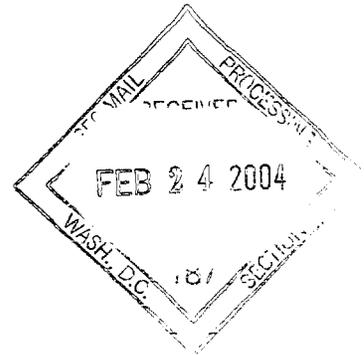
Exp 12/10/06

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).

GERARD ASSET MANAGEMENT, LTD.



REPORT ON AUDIT OF FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION

YEAR ENDED DECEMBER 31, 2003

BONFIELD & COMPANY, S.C.

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Bonfield & Company,

S.C.

CERTIFIED PUBLIC ACCOUNTANTS

740 N. Plankinton
Milwaukee, Wisconsin 53203

Report of Independent Auditors

Board of Directors
Gerard Asset Management, Ltd.
Menomonee Falls, Wisconsin

We have audited the accompanying statement of financial condition of Gerard Asset Management, Ltd. as of December 31, 2003 and 2002, and the related statements of income (loss), changes in stockholders' equity and cash flows for the years 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 Gerard Asset Management, Ltd. as of December 31, 2003 and 2002, and the results of its operations, changes in retained earnings, and cash flows for the years 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 additional information on pages 9 through 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements but is additional 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.

Bonfield & Company, S.C.

Certified Public Accountants

February 11, 2004
Milwaukee, Wisconsin

GERARD ASSET MANAGEMENT, LTD.

STATEMENT OF FINANCIAL CONDITION

December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 7,642	\$ 5,041
Commissions receivable	2,256	676
Other current assets	<u>1,380</u>	<u>1,000</u>
TOTAL CURRENT ASSETS	11,278	6,717
EQUIPMENT - at cost:		
Office equipment	19,517	19,517
Automobile	<u>34,592</u>	<u>34,592</u>
	54,109	54,109
Less accumulated depreciation	<u>28,666</u>	<u>24,424</u>
	25,443	29,685
CLEARING DEPOSIT - Note B:	<u>21,500</u>	<u>21,500</u>
	<u>\$ 58,221</u>	<u>\$ 57,902</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 9,700	\$ 869
Accrued retirement plan contribution - Note C	13,911	13,415
Payments due within one year on note payable - Note D	<u>4,213</u>	<u>4,052</u>
TOTAL CURRENT LIABILITIES	27,824	18,336
NOTE PAYABLE, less payments due within one year - Note D	6,256	10,469
STOCKHOLDERS' EQUITY:		
Common stock	5	5
Additional paid in capital	7,495	7,495
Retained earnings	<u>16,641</u>	<u>21,597</u>
	<u>24,141</u>	<u>29,097</u>
	<u>\$ 58,221</u>	<u>\$ 57,902</u>

See notes to financial statements.

GERARD ASSET MANAGEMENT, LTD.

STATEMENT OF INCOME (LOSS)

Years ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
REVENUES:		
Commissions	\$ 160,786	\$ 138,375
Fees and other	<u>31,168</u>	<u>52,503</u>
	191,954	190,878
COSTS AND EXPENSES:		
Salaries and wages	94,675	77,684
Payroll taxes	8,568	6,388
Commissions	16,085	26,375
Rent - Note E	19,200	16,000
Repairs and maintenance	735	1,465
Telephone	2,302	2,016
Insurance	4,846	3,870
Office supplies and expenses	11,426	13,629
Legal and accounting	7,367	6,736
Dues and licenses	2,479	2,835
Other	7,828	4,927
Interest expense	494	649
Depreciation	4,242	6,998
Retirement plan contributions - Note C	<u>16,663</u>	<u>14,645</u>
	<u>196,910</u>	<u>184,217</u>
NET INCOME (LOSS)	<u>\$ (4,956)</u>	<u>\$ 6,661</u>

See notes to financial statements.

GERARD ASSET MANAGEMENT, LTD.

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

Years ended December 31, 2003 and 2002

	<u>Total</u>	<u>Common stock</u>	<u>Additional paid-in capital</u>	<u>Retained earnings</u>
Balances at December 31, 2001	\$ 22,436	\$ 5	\$ 7,495	\$ 14,936
Net income	<u>6,661</u>			<u>6,661</u>
Balances at December 31, 2002	29,097	5	7,495	21,597
Net loss	<u>(4,956)</u>			<u>(4,956)</u>
Balances at December 31, 2003	<u>\$ 24,141</u>	<u>\$ 5</u>	<u>\$ 7,495</u>	<u>\$ 16,641</u>
Par value		\$0.01		
Authorized shares		1,000		
Issued and outstanding shares at December 31:				
2002		500		
2003		500		

See notes to financial statements.

GERARD ASSET MANAGEMENT, LTD.

STATEMENT OF CASH FLOWS

Years ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (4,956)	\$ 6,661
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation	4,242	6,998
Change in commissions receivable	(1,580)	1,142
Change in other current assets	(380)	450
Change in accounts, wages and payroll taxes payable	8,831	(40,355)
Change in accrued retirement plan contribution	496	(12,092)
	<u>6,653</u>	<u>(37,196)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment		(347)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on note payable	<u>(4,052)</u>	<u>(3,897)</u>
	2,601	(41,440)
NET INCREASE (DECREASE) IN CASH		
CASH:		
Beginning of year	<u>5,041</u>	<u>46,481</u>
End of year	<u>\$ 7,642</u>	<u>\$ 5,041</u>
SUPPLEMENTAL INFORMATION:		
Cash paid for interest expense	<u>\$ 494</u>	<u>\$ 649</u>

See notes to financial statements.

GERARD ASSET MANAGEMENT, LTD.

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2003 and 2002

Note A - Description of business and summary of significant accounting policies:

Description of business:

The Company is a member of the National Association of Securities Dealers and is a registered broker-dealer with the Securities and Exchange Commission. The Company is an introducing broker-dealer who forwards its transactions to a clearing broker-dealer on a fully-disclosed basis. All commission revenues are earned from this clearing broker-dealer and from various mutual funds. The Company holds no customer securities or funds for investment, nor owes funds or securities to its customers. Its customers are primarily businesses and individuals in southeastern Wisconsin. The company has a bank account, which is excluded from the computation of net capital, which is used to forward withheld taxes on distributions to customers. The Company also provides retirement plan services to customers for a fee.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash:

The Company treats all highly liquid investments as cash. The clearing deposit is not treated as cash because its use is restricted. The Company monitors the financial condition of the banks where it maintains cash and believes there is no significant credit risk.

Commissions receivable:

All of the Company's commissions receivable are due from its clearing broker-dealer and various mutual funds. Commissions receivable are typically collected in full each month and an allowance for doubtful accounts is not provided.

Depreciation:

The cost of equipment is capitalized and depreciated over its estimated useful life using accelerated methods.

Income taxes:

The Company has elected to be taxed under the S corporation provisions of the Internal Revenue Code and does not pay income taxes on its taxable income. Instead the shareholder is liable for income taxes on the Company's taxable income.

Note B - Clearing deposit:

The Company's clearing broker-dealer, Wells Fargo Investments, LLC, requires that the Company maintain a security deposit with it. This deposit of \$21,500 at December 31, 2003 and 2002 is refundable upon termination of the clearing agreement.

GERARD ASSET MANAGEMENT, LTD.

NOTES TO FINANCIAL STATEMENTS

Note C - Retirement plans:

The Company maintains money-purchase and profit-sharing retirement plans for its employees and invests the contributions with various mutual fund companies. Contributions are made at the discretion of the Board of Directors, and were \$16,663 for 2003 and \$14,645 for 2002. These amounts include accrued contributions of \$13,911 at December 31, 2003 and \$13,415 at December 31, 2002.

Note D - Note payable:

The note payable carries interest at 3.9% and is payable in monthly installments of \$379 including interest, through June, 2006. The balance on the note is \$10,469 at December 31, 2003.

Future principal payments on the note payable are due as follows:

2004	\$4,213
2005	4,381
2006	1,875

Note E - Rent, related party transactions:

The Company leases office facilities under a month to month agreement with its sole stockholder. Payments under the agreement were \$19,200 in 2003 and \$16,000 in 2002.

Note F - Net capital requirements:

The Company is required by provisions of the Securities Exchange Act of 1934 to maintain net capital of \$5,000 and a ratio of aggregate indebtedness to net capital of less than 1500%. These requirements could restrict the payment of dividends.

The Company met these requirements at December 31, as follows:

	<u>2003</u>	<u>2002</u>
Net capital	\$20,881	\$22,936
Aggregate indebtedness ratio	46.9%	14.4%

ADDITIONAL INFORMATION

GERARD ASSET MANAGEMENT, LTD.

COMPUTATION OF NET CAPITAL, EXCESS NET CAPITAL
AND AGGREGATE INDEBTEDNESS RATIO

	December 31	
	2003	2002
Total stockholders' equity	\$ 24,141	\$ 29,097
Additions (subtractions):		
Accrued retirement plan contribution for sole stockholder	13,911	10,983
Minimum cash balance at bank	(817)	(980)
Other current assets	(1,380)	(1,000)
Equipment - net	(25,443)	(29,685)
Note payable on equipment	10,469	14,521
NET CAPITAL	20,881	22,936
Required net capital	(5,000)	(5,000)
EXCESS NET CAPITAL	\$ 15,881	\$ 17,936
Total liabilities	\$ 34,080	\$ 28,805
Less note payable on equipment	(10,469)	(14,521)
Less accrued retirement plan contribution for sole stockholder	(13,911)	(10,983)
AGGREGATE INDEBTEDNESS	\$ 9,700	\$ 3,301
Ratio of aggregate indebtedness to net capital	46.9%	14.4%

GERARD ASSET MANAGEMENT, LTD.

EXEMPTIVE PROVISION FROM RULE 15c3-3

Exemption from Rule 15c3-3 is claimed at December 31, 2003 and 2002 based on item 25.c.(k) of form X-17A-5 – all customer transactions cleared through another broker-dealer on a fully disclosed basis.

GERARD ASSET MANAGEMENT, LTD.

RECONCILIATION OF UNAUDITED COMPUTATION OF NET CAPITAL
TO AUDITED COMPUTATION OF NET CAPITAL

	<u>December 31</u>	
	<u>2003</u>	<u>2002</u>
Unaudited net capital per form X-17A-5	\$ 13,232	\$ 10,286
Audit adjustments:		
Change in allowable cash		(7,203)
Change in commissions receivable	254	676
Change in payables	(7,126)	759
Addition for secured auto note	<u>14,521</u>	<u>18,418</u>
NET CAPITAL	<u>\$ 20,881</u>	<u>\$ 22,936</u>

GERARD ASSET MANAGEMENT, LTD.

INDEPENDENT AUDITORS' REPORT ON
INTERNAL ACCOUNTING CONTROL

Year ended December 31, 2003

Board of Directors
Gerard Asset Management, Ltd.

In planning and performing our audit of the financial statements and additional information of Gerard Asset Management, Ltd. (the Company), for the year ended December 31, 2003, we considered its internal control, including control activities 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 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 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 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 or 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.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error 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 no matters involving internal control, including control activities for safeguarding securities, 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 December 31, 2003 to meet the SEC's objectives.

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

February 11, 2004

Bonfield + Company, S.C.
Certified Public Accountants