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OMB APPROVAL
OMB Number: 3235-0123 Expires: October 31, 2001 Estimated average burden hours per response... 12.00

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

SEC FILE NUMBER
8- 33671

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 10/01/03 AND ENDING 09/30/04
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: **SECURITY RESEARCH COMPANY OF NEW YORK**

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

376 GRANT BLVD., SUITE 114

(No. and Street)

SYRACUSE

(City)

NEW YORK

(State)

13206-2601

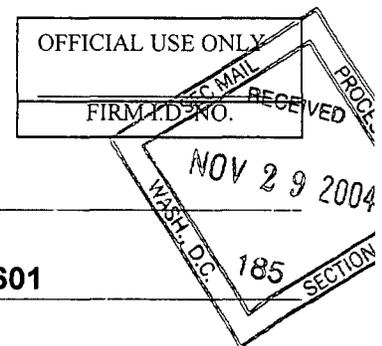
(Zip Code)

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

R. G. RICHARDSON

(843) 722-6000

(Area Code - Telephone Number)



B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

EVANS AND BENNETT, LLP

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

135 DEWITT STREET

(Address)

SYRACUSE

(City)

NEW YORK 13203

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED

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THOMSON 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)

SECURITY RESEARCH COMPANY OF NEW YORK

SYRACUSE, NEW YORK

AUDITED STATEMENT OF FINANCIAL CONDITION

SEPTEMBER 30, 2004

Evans and Bennett, LLP

CERTIFIED PUBLIC ACCOUNTANTS

135 DEWITT STREET

SYRACUSE, N.Y. 13203

(315) 474-3986

FAX # (315) 474-0716

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholder
Security Research Company of New York
Syracuse, New York

We have audited the accompanying statement of financial condition of Security Research Company of New York as of September 30, 2004. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 accompanying statement of financial condition presents fairly, in all material respects, the financial position of Security Research Company of New York as of September 30, 2004 in conformity with U.S. generally accepted accounting principles.

Evans and Bennett LLP
Certified Public Accountants

November 5, 2004

SECURITY RESEARCH COMPANY OF NEW YORK

STATEMENT OF FINANCIAL CONDITION

SEPTEMBER 30, 2004

ASSETS

Cash (Note 1)	\$ 10,454
Property and equipment - net (Notes 1 and 2)	-
Deferred income taxes (Notes 1 and 3)	<u>187</u>
Total	<u>\$ 10,641</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Accrued expenses and other liabilities	<u>\$ 950</u>
Stockholder's equity:	
Common stock - no par - 20 shares authorized, issued and outstanding	6,867
Paid-in capital	2,000
Retained earnings	<u>824</u>
Total stockholder's equity	<u>9,691</u>
Total	<u>\$ 10,641</u>

A copy of the most recent annual report Form X-17a-5 is available for examination and copying at the principal office of the firm in Syracuse, New York, as well as at the offices of the Securities and Exchange Commission in New York, N.Y.

The accompanying notes are an integral part of these financial statements

SECURITY RESEARCH COMPANY OF NEW YORK

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2004

Note 1. Summary of Significant Accounting Policies

Nature of Operations

Security Research Company of New York (the Company) is a regional securities broker-dealer registered with the Securities and Exchange Commission. The Company is engaged in the trading and brokerage of investment company shares (mutual funds) and variable annuities only.

Basis of Accounting

Assets, liabilities, revenues and expenses are recognized on the accrual basis of accounting for financial statement purposes. For tax purposes the cash basis is used.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash.

The Company provides credit in the normal course of business to its customers and performs ongoing credit evaluations of those customers. Concentration of credit risk with respect to trade receivables is limited due to diversification of the Company's customer base, as well as the Company's collection policies. The Company believes it is not exposed to any significant credit risk on its trade receivables.

Deferred Income Taxes

Deferred income taxes arise from timing differences between cash basis tax reporting and accrual basis financial statement reporting.

SECURITY RESEARCH COMPANY OF NEW YORK

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2004

Note 1. Summary of Significant Accounting Policies (continued)

Securities Transactions

Securities transactions and related commission revenue and expenses are recorded on a trade date basis, as securities transactions occur.

Accounts Receivable

Accounts are charged to bad debt expense as they are deemed uncollectible upon a periodic review of the accounts. At September 30, 2004, no allowance for uncollectible accounts was considered necessary.

Property, Equipment and Depreciation

Property and equipment are recorded at cost. Renewals and betterments of property are accounted for as additions to asset accounts. Repairs and maintenance charges are expensed as incurred. Depreciation is computed using straight-line and accelerated methods for financial reporting and income tax purposes. Estimated useful lives vary from 5 to 7 years for office equipment.

Note 2. Property and Equipment - Net

A schedule of property and equipment as of September 30, 2004 is as follows:

Office equipment	\$ 2,303
Accumulated depreciation	<u>(2,303)</u>
Property and equipment - net	<u>\$ -</u>

Depreciation expense was \$0 for the year ended September 30, 2004.

SECURITY RESEARCH COMPANY OF NEW YORK

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2004

Note 3. Income Taxes

A summary of the Company's tax provision is as follows:

Federal:	
Current	\$ -
Deferred	-
Total federal	<u>-</u>
State:	
Current	100
Deferred	-
Total state	<u>100</u>
Total	<u>\$ 100</u>

Taxes Deferred

SFAS-109 requires the recognition of deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. In addition, the accounting standard requires the recognition of future tax benefits, such as net operating loss carryforwards and investment tax credits to the extent that realization of such benefits is more likely than not. The tax effects of the temporary differences and carryforwards that give rise to the cumulative adjustment and deferred taxes are as follows and are calculated at a 22% effective tax rate.

Deferred tax assets:	
Accrued expenses	<u>\$ 187</u>

Note 4. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission's "Net Capital Rule" which requires that the ratio of aggregate indebtedness to net capital, as both are defined, shall not exceed fifteen to one. Net capital and the related net capital ratio fluctuate on a daily basis, however, as of September 30, 2004 the percentage of aggregate indebtedness (\$950) to net capital (\$9,691), both as defined, was approximately 10.0% (.10 to 1) and net capital exceeded the minimum capital requirement of \$5,000 by \$4,691.

SECURITY RESEARCH COMPANY OF NEW YORK

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2004

Note 5. Commitments - Related Party

The Company leases office space under an oral agreement with its sole shareholder on a month-to-month, as needed, basis at a variable monthly rate. No rent expense was incurred for the year ended September 30, 2004.

Note 6. Off-Balance-Sheet Credit Risk

In the normal course of business, the Company's customer transactions are cleared directly with various mutual funds. As such, the Company does not handle either customer cash or securities.

The Company does not engage in proprietary trading of volatile securities such as short options and futures. The Company does not have any significant positions in its inventory in a volatile market.