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

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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 January 1, 2004 AND ENDING December 31, 2004
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER - DEALER:
W.H. Mell Associates, Inc.

OFFICIAL USE ONLY
FIRM ID. NO.

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

450 Springfield Ave.
(No. and Street)
Summit New Jersey 07901
(City) (State) (Zip Code)

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

S. Bradley Mell (908) 273-4550
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Sobel & Company, LLC
(Name - if individual, state last, first, middle name)
293 Eisenhower Parkway, Suite 290 Livingston New Jersey 07039-1711
(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 18 2005
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).

AFFIRMATION

I, S. Bradley Mell affirm that, to the best of my knowledge and belief, the accompanying financial statements and supplemental schedule pertaining to W.H. Mell Associates, Inc. for the year ended December 31, 2004, are true and correct. I further affirm that neither the Company nor any officer or director has any proprietary interest in any account classified solely as that of a customer.



S. Bradley Mell
Title: President

Date: 2-28-05

Sworn to and subscribed before me
This 28th day of February, 2005

Diane M. Fredricks

DIANE M FREDRICKS
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires September 24, 2008

Notary Public

This report contains (check all applicable boxes):

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- | | | |
|-------------------------------------|-----|---|
| <input checked="" type="checkbox"/> | (a) | Independent Auditors' Report |
| <input checked="" type="checkbox"/> | (b) | Statement of Financial Condition |
| <input checked="" type="checkbox"/> | (c) | Statement of Operations |
| <input checked="" type="checkbox"/> | (d) | Statement of Changes in Stockholder's Equity |
| <input checked="" type="checkbox"/> | (e) | Statement of Cash Flows |
| <input type="checkbox"/> | (f) | Statement of Changes in Liabilities Subordinated to Claims of General Creditors (not applicable) |
| | | Notes to Financial Statements |
| <input checked="" type="checkbox"/> | (g) | Computation of Net Capital for Brokers and Dealers Pursuant to Rule 15c3-1 under the Securities Exchange Act of 1934 |
| <input type="checkbox"/> | (h) | Computation for Determination of Reserve Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934 |
| <input type="checkbox"/> | (i) | Information Relating to Possession or Control Requirements for Brokers and Dealers Pursuant to Rule 15c3-3 under the Securities Exchange Act of 1934 (Not applicable) |
| <input type="checkbox"/> | (j) | A Reconciliation, Including Appropriate Explanations, of the Computation of Net Capital under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Rule 15c3-2 (Not required). |
| <input type="checkbox"/> | (k) | A Reconciliation Between the Audited and Unaudited Statements of Financial Condition with Respect to Methods of Consolidation (Not applicable). |
| <input checked="" type="checkbox"/> | (l) | An Oath or Affirmation. |
| <input type="checkbox"/> | (m) | A Copy of the SIPC Supplemental Report (Not applicable). |
| <input type="checkbox"/> | (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).

W.H. MELL ASSOCIATES, INC.
STATEMENTS OF FINANCIAL CONDITION

	December 31,	
	2004	2003
ASSETS		
Cash and cash equivalents	\$ 946,218	\$ 937,769
Deposit with clearing broker	100,000	100,000
Securities owned - trading	29,309,025	19,512,534
Securities owned - investment	1,022,000	1,036,000
Investment in subsidiary	57,987	-
Interest receivable	418,793	481,576
Fixed assets, net of accumulated depreciation	118,323	122,622
Security deposits	6,563	2,900
Other assets	40,702	55,832
	\$ 32,019,611	\$ 22,249,233

LIABILITIES AND STOCKHOLDER'S EQUITY

LIABILITIES:		
Payable to clearing broker	\$ 27,850,574	\$ 18,007,722
Securities sold, but not yet purchased	5,531	-
Notes payable – employees	250,000	250,000
Interest payable	2,102	1,203
Accounts payable and other accrued expenses	399,794	715,891
Total Liabilities	28,508,001	18,974,816

COMMITMENTS AND CONTINGENCIES

STOCKHOLDER'S EQUITY:		
Common stock - no par value; authorized 2,500 shares, issued and outstanding 1,200 shares	898,211	898,211
Retained earnings	2,613,399	2,376,206
Total Stockholder's Equity	3,511,610	3,274,417
	\$ 32,019,611	\$ 22,249,233