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

SEC FILE NUMBER
8-33073

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 04/01/2004 AND ENDING 03/31/2005  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: Emmet & Co., Inc.

OFFICIAL USE ONLY
FIRM I.D. NO.

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

12 Peapack Rd

(No. and Street)

Far Hills

(City)

NJ

(State)

07931

(Zip Code)

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

Christopher T. Emmet

908-234-1666

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

Greenberg & Company, LLC, CPAs

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

500 Morris Ave. Springfield, NJ 07081

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

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

PROCESSED  
JUN 14 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)

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Christopher T. Emmet, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Emmet & Co., Inc., as of March 31, 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:

Christopher T. Emmet  
Signature  
President  
Title

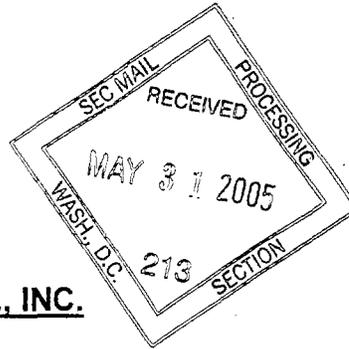
M. Pinero  
Notary Public

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).

**Maria Pinero**  
Notary Public  
State of New Jersey  
My Commission Expires, Dec. 23, 2009



EMMET & CO., INC.

STATEMENT OF FINANCIAL CONDITION

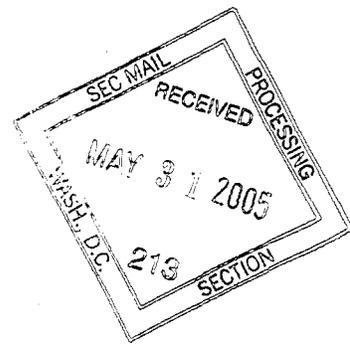
MARCH 31, 2005

Filed Pursuant to  
SEC Rule 17a-5 as a  
PUBLIC Document.

**GREENBERG  
&  
COMPANY**

Certified Public Accountants, LLC

500 MORRIS AVENUE  
SPRINGFIELD, NJ 07081  
(973) 467-3838 • FAX (973) 467-3184



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

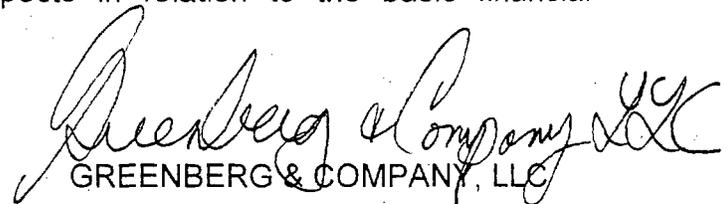
To The Shareholders Of  
EMMET & CO., INC.

We have audited the accompanying statement of financial condition of EMMET & CO., INC. as of March 31, 2005 (the Company) that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based upon 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 statement referred to above presents fairly, in all material respects, the financial position of EMMET & CO., INC. at March 31, 2005, 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 Schedules 1, 2 and 3 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 and 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.

  
GREENBERG & COMPANY, LLC

Springfield, New Jersey  
May 12, 2005

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### ACCOMPANYING INFORMATION

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**EMMET & CO., INC.**  
**STATEMENT OF FINANCIAL CONDITION**  
**AS OF MARCH 31, 2005**

**ASSETS**

Cash	\$ 238,144
Cash Segregated Under Rule 15c3-3	125,000
Receivables From Brokers and Dealers	49,759
State and Municipal Government Obligations	6,218,443
Property and Equipment, Net	30,903
Deposit - Clearing Organization	40,000
Deposit - Internal Revenue Service	381,524
Accrued Interest	111,541
Other Assets	<u>73,634</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>\$ 7,268,948</u></b>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Payables to Brokers and Dealers	\$ 54,265
Payable to Clearing Organization	2,747,681
Dividends Payable	970,000
Accounts Payable and Other Liabilities	<u>935,788</u>
<b><u>TOTAL LIABILITIES</u></b>	<b><u>4,707,734</u></b>
COMMITMENTS & CONTINGENCIES	
<b><u>STOCKHOLDERS' EQUITY</u></b>	<b><u>2,561,214</u></b>
<b><u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>	<b><u>\$ 7,268,948</u></b>

See accompanying notes to the statement of financial condition.

**EMMET & CO., INC.**  
**NOTES TO THE STATEMENT OF FINANCIAL CONDITION**  
**FOR THE YEAR ENDED MARCH 31, 2005**

**1. ORGANIZATION AND NATURE OF OPERATIONS**

Emmet & Co., Inc. (the "Company") is a broker-dealer registered with the Securities and Exchange Commission and is a member of the National Association of Securities Dealers. Emmet & Co., Inc. is a New Jersey corporation and buys and sells municipal bonds on its own behalf.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Securities transactions are recorded on a settlement date basis, which is generally the third business day following the trade date.

Receivables from and payables to brokers, dealers, and clearing organization represent the contract value of securities which have not been delivered or received by settlement date.

For financial statement purposes, readily marketable securities owned by the Company are stated at their market value.

Property and equipment are carried at cost. Depreciation is computed using the straight line method. The cost of maintenance and repairs is charged to income as incurred, whereas significant renewals and betterments are capitalized.

Cash equivalents consist of highly liquid, readily marketable, short term investments with an original maturity of 90 days or less.

Preparation of the Company's financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's 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 statement. Accordingly, actual results could differ from those estimates.

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash and amounts due from correspondent clearing agents. The Company has placed its cash with a high quality financial institution. The credit risk associated with amounts due from correspondent clearing agents is low due to the credit quality of the agents.

Certain items from prior periods within the financial statements have been reclassified to conform to current period reclassifications.

**EMMET & CO., INC.**  
**NOTES TO THE STATEMENT OF FINANCIAL CONDITION**  
**FOR THE YEAR ENDED MARCH 31, 2005**  
**(Continued)**

**3. CASH SEGREGATED UNDER RULE 15c3-3**

Cash of \$125,000 has been segregated at March 31, 2005, in a special reserve bank account for the benefit of customers under Rule 15c3-3 of the Securities and Exchange Commission.

**4. DEPOSIT - INTERNAL REVENUE SERVICE**

Under the 1986 Tax Reform Act, all S Corporations retaining a year-end other than December 31 are required to make a payment to the Internal Revenue Service based upon the company's deferred base year net income and applicable payments amounts. A calculation is performed annually after the fiscal year-end in order to determine the amount required to be on deposit based upon the previous year's information.

**5. PROPERTY AND EQUIPMENT, NET**

Property and equipment consists of the following, at cost:

Office Equipment	\$ 48,460
Leasehold Improvements	23,340
Computer Software	<u>13,849</u>
	85,649
Less: Accumulated Depreciation and Amortization	<u>54,746</u>
	<u>\$ 30,903</u>

**6. INCOME TAXES**

The Company follows Statement of Financial Accounting Standards ("SFAS") No. 109 for Income taxes. The Company elected under the provisions of the Internal Revenue Code Section 1361 to be taxed as an S Corporation for Federal income tax purposes. Company profits will be taxed directly to the shareholders, and, therefore, no provision for federal income taxes are reflected on the statement of financial condition.

Certain states also follow the federal law with respect to 'S' corporations; however, there still is imposed a tax at the corporate level.

There are no significant temporary differences.

EMMET & CO., INC.  
NOTES TO THE STATEMENT OF FINANCIAL CONDITIONS  
FOR THE YEAR ENDED MARCH 31, 2005  
(Continued)

7. LOAN AND PLEDGE AGREEMENT

In 1993, the Company entered into a credit arrangement with Custodial Trust Company ("CTC"), pursuant to which the Company may from time to time request loans from CTC to finance the purchase or carrying of securities by the Company, and CTC may agree to make such loans to the Company. The interest rate is charged based on a "Broker Call Rate" which means the interest rate quoted daily by Bear, Stearns Securities Corp., an affiliate of CTC. As of March 31, 2005, the loan and market value of securities pledged balance was \$ 2,747,681 and \$6,714,757 respectively at a rate of 4.0% per annum.

8. COMMITMENTS & CONTINGENCIES

The Company rents its New Jersey office space from one of its shareholders. The lease is on a month-to-month basis.

Market risk is the potential loss the Company may incur as a result of changes in the market or fair value of a particular financial instrument or contractual commitment. All financial instruments are subject to market risk. The Company's exposure to market risk is determined by a number of factors, including the size, duration, composition and diversification of positions held, the absolute and relative levels of interest rates, as well as market volatility and liquidity.

9. POSTRETIREMENT EMPLOYEE BENEFITS

The Company does not have a policy to cover employees for any health care or other welfare benefits that are incurred after employment (postretirement). Therefore, no provision is required under SFAS No. 106, Employers' Accounting for Postretirement Benefits Other Than Pensions or SFAS No. 112, Employers' Accounting for Postemployment Benefits.

10. FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK

In the normal course of business, customers and other brokers are not required to deliver cash or securities to the Company until settlement date, which is generally three business days after trade date. In volatile securities markets, the price of a security associated with a transaction could widely fluctuate between the trade date and settlement date. The Company is exposed to risk of loss should any counterparty to a securities transaction fail to fulfill its contractual obligations and the Company is required to buy or sell securities at prevailing market prices.

**EMMET & CO., INC.**  
**NOTES TO THE STATEMENT OF FINANCIAL CONDITION**  
**FOR THE YEAR ENDED MARCH 31, 2005**  
**(Continued)**

The Company controls the above risk by monitoring its market exposure on a daily basis. In addition, the Company has a policy of reviewing, as considered necessary, the credit standing of each counterparty and customer with which it conducts business.

**11. FAIR VALUE INFORMATION**

At March 31, 2005, substantially all of the Company's total assets and liabilities were carried at either market or fair value or at amounts which approximate such values. Assets and liabilities recorded at market or fair value include, cash and cash equivalents, financial instruments owned, and financial instruments sold, not yet purchased. Assets and liabilities recorded at contractual amounts that approximate market or fair value include collateralized short-term financing agreements, receivables, short-term borrowings, payables and accrued liabilities. The market values of such items are not materially sensitive to shifts in market interest rates because of the limited term to maturity of many of these instruments and/or their variable interest rates.

**12. RETIREMENT PLANS**

The Company maintains a profit sharing plan. The plan covers substantially all full-time employees who meet the plan's eligibility requirements. With respect to the profit sharing component, contributions may go up to 25% of eligible compensation, subject to the Internal Revenue Code Section 415 limitation. The Company did not incur any expense related to the profit sharing component for the plan year ending March 31, 2005.

Effective April 1, 1993 the Company established a defined benefit plan. The plan provides for payment of retirement benefits, mainly commencing between the ages of 60 and 65, and also for payment of certain disability. After meeting certain qualifications, an employee acquires a vested right to future benefits. The benefits payable under the plan are generally determined on the basis of the employees' length of service and earnings. Annual contributions to the plan are sufficient to satisfy legal funding requirements.

Key economic assumptions used in determinations were:

Discount Rate 6.25%

Expected Long-Term Rate of Return on Plan Assets 6.25%

At March 31, 2005 the present value of accrued benefits were \$788,102 and the value of the assets were \$955,248.

EMMET & CO., INC.  
NOTES TO THE STATEMENT OF FINANCIAL CONDITION  
FOR THE YEAR ENDED MARCH 31, 2005  
(Continued)

13. NET CAPITAL REQUIREMENTS

The Company is subject to the Securities & Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At March 31, 2005, the Company had net capital of \$2,735,784 which was \$2,540,834 in excess of required net capital. The Company's ratio of aggregate indebtedness to net capital at March 31, 2005, was 0.71 to 1.

14. ANNUAL REPORT ON FORM X-17A-5

The annual report to the Securities & Exchange Commission on Form X-17A-5 is available for examination and copying at the Company's office and at the regional office of the Securities and Exchange Commission.

ACCOMPANYING INFORMATION

EMMET & CO., INC.

SCHEDULE 1

COMPUTATION OF AGGREGATE INDEBTEDNESS AND  
NET CAPITAL PURSUANT TO RULE 15c 3-1

MARCH 31, 2005

AGGREGATE INDEBTEDNESS:

Dividends Payable	\$	970,000
Payable to Broker-Dealers		43,717
Clearance Costs Payable		4,437
Accrued Expenses and Other Liabilities		<u>931,352</u>

TOTAL AGGREGATE INDEBTEDNESS \$ 1,949,506

NET CAPITAL:

Stockholders' Equity From Statement of Financial Condition	\$	2,561,214
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ADD:

Discretionary Liability/Dividend Payable		970,000
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DEDUCTIONS:

Total Nonallowable Assets	\$	486,061	
Commodity Futures Contracts and Spot Commodities Proprietary Capital Charges		2,100	
Haircuts on Securities: Trading and Investment Securities		<u>307,269</u>	<u>795,430</u>

TOTAL NET CAPITAL \$ 2,735,784

EMMET & CO., INC.

SCHEDULE 1

COMPUTATION  
OF NET CAPITAL UNDER  
RULE 15c3-1 OF THE SEC  
(continued)

MARCH 31, 2005

Computation of basic net capital requirements:

Minimum Net Capital Required (6-2/3% of Aggregate Indebtedness of \$1,994,208)	<u>\$ 132,936</u>
Minimum Dollar Net Capital Requirement	<u>\$ 250,000</u>
Net Capital Required	<u>\$ 250,000</u>
Excess Net Capital	<u>\$2,485,784</u>
*Excess Net Capital at 1,000%	<u>\$2,540,834</u>
Percentage of Aggregate Indebtedness to Net Capital	<u>71%</u>

There were no material differences between the computations for net capital and aggregate indebtedness as computed above and the computation by the Company included in the Amended Form X-17A-5 as of March 31, 2005, filed in May 2005.

\*Excess Net Capital less 10% of aggregate indebtedness.

EMMET & CO., INC.

SCHEDULE 2

COMPUTATION FOR DETERMINATION OF RESERVE  
REQUIREMENTS UNDER RULE 15c3-3 OF THE SEC

MARCH 31, 2005

CREDIT BALANCES \$ 49,386

DEBIT BALANCES \$ 49,262

RESERVE COMPUTATION:

Excess of total credits over total debits \$ 124

Amount Held on Deposit in "Reserve Bank Account" \$ 125,000

Required Deposit \$ -0-

Date of Deposit N/A

Frequency of Computation: MONTHLY

There were no material differences between the computations for net capital and aggregate indebtedness as computed above and the computation by the Company included in the Amended Form X-17A-5 as of March 31, 2005, filed in May 2005.

EMMET & CO., INC.

SCHEDULE 3

INFORMATION RELATING TO THE POSSESSION OR  
CONTROL REQUIREMENTS PURSUANT TO RULE 15c3-3

MARCH 31, 2005

State the market valuation and the number of items of:

- |   |      |
|---|------|
| 1. Customers' fully paid securities not in the respondent's possession or control as of March 31, 2005 (for which instructions to reduce the possession or control had been issued as of that date), but for which the required action was not taken by respondent within the time frames specified under Rule 15c3-3 | NONE |
| Number of items   | NONE |
| 2. Customers' fully paid securities for which instructions to reduce the possession or control had not been issued as of the audit date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Rule 15c3-3  | NONE |
| Number of items   | NONE |

EMMET & CO., INC.

ACCOUNTANTS' SUPPLEMENTARY REPORT  
OF INTERNAL ACCOUNTING CONTROL

FOR THE YEAR ENDED MARCH 31, 2005

**GREENBERG  
&  
COMPANY**

Certified Public Accountants, LLC

500 MORRIS AVENUE  
SPRINGFIELD, NJ 07081  
(973) 467-3838 • FAX (973) 467-3184

Board of Directors  
EMMET & CO., INC.

In planning and performing our audit of the financial statements of EMMET & CO., INC. (the "Company"), for the year ended March 31, 2005, 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 financial statements and not to provide assurance on the internal control structure.

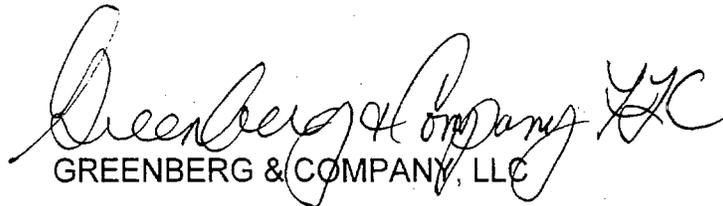
Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission, ("SEC"), we have made a study of the practices and procedures followed by the Company, including tests of compliance with such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in the following: (1) making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and the reserve required by rule 15c3-3(e); (2) making the quarterly securities examinations, counts, verifications and comparisons, and the 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; (4) obtaining and maintaining physical possession or control of all fully paid and excess margin securities of customers as required by rule 15c3-3.

The management of the Company is responsible for establishing and maintaining an 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 objectives. Two of the objectives of an internal control structure 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 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 any internal control or the practices and procedures referred to above, errors 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 the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that errors 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 the 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 purpose 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 March 31, 2005, to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission, the New York Stock Exchange and other regulatory agencies which rely on rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.

  
GREENBERG & COMPANY, LLC

Springfield, New Jersey  
May 12, 2005