

FORM ADV**Uniform Application for Investment Adviser Registration****Part II - Page 1****OMB APPROVAL**

OMB Number: 3235-0049
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Hours per response.....4.07

Name of Investment Adviser: Abbot Financial Management						
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code:	Telephone Number:
	510 Turnpike Street	North Andover	MA	01845		978-688-9010

**This part of FORM ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any government authority.**

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(Schedule A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form
are not required to respond unless the form displays a currently valid OMB control number.

Applicant: Abbot Financial Management

SEC File Number:

801- 19944

Date:

09/23/2010

1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- | | | | | |
|-------------------------------------|-----|--|-----|---|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services | 100 | % |
| <input type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services..... | | % |
| <input type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above... | | % |
| <input type="checkbox"/> | (4) | Issues periodicals about securities by subscription | | % |
| <input type="checkbox"/> | (5) | Issues special reports about securities not included in any service described above..... | | % |
| <input type="checkbox"/> | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities..... | | % |
| <input type="checkbox"/> | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities... | | % |
| <input type="checkbox"/> | (8) | Provides a timing service | | % |
| <input type="checkbox"/> | (9) | Furnishes advice about securities in any manner not described above..... | | % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term?

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of clients - Applicant generally provides investment advice to: (check those that apply)

- | | |
|---|---|
| <input checked="" type="checkbox"/> A. Individuals | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1)

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> A. Equity securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | <input type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> (1) securities |
| <input checked="" type="checkbox"/> (3) Foreign issuers | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (1) real estate |
| <input type="checkbox"/> G. Investment company securities: | <input type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> (1) variable life insurance | <input checked="" type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> (2) variable annuities | <input checked="" type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | Securities and Exchange Commission |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (7) <input checked="" type="checkbox"/> Company press releases |
| | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes No
☒ ☐

(If yes, please describe these standards on Schedule F)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- ☐ C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.. Yes No
☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

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9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☒ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sell for itself securities it also recommended to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment advisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other condition for starting or maintaining an account?

Yes No
☐ ☒

(If yes, describe on Schedule F)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory account, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Accounts are monitored on a weekly basis. Transactions are monitored daily. Regardless of revisions to a client account, holdings are reviewed weekly. At research meetings, we review individual holdings and will review portfolios that own them and make changes as needed. A change in a client's needs, investment objectives, changing economic or market fundamentals will always trigger a review. The reviewers are 3 portfolio managers: William T. Novelline, Andrew J. Novelline, and Robert A. McLemore. Each contributes to research and communicates with clients via phone or email on a regular basis.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Clients are given a quarterly appraisal detailing holdings, costs, and current market values. Along with this appraisal is a letter written by one of the portfolio managers listed above that includes our thoughts on current market conditions or individual notes about changes to that specific client account in the prior quarter. Also, quarterly meetings with clients are offered to clients either orally or in writing to fully review the investments and to discuss goals and objectives. The three portfolio managers also communicate with clients via telephone or email on a regular basis and encourage them to call with questions.

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12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|-------------------------------------|-------------------------------------|
| | Yes | No |
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (4) commission rates paid? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients?

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|-------------------------------------|-------------------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes | No |
| | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes | No |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?.....

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

Applicant:
Abbot Financial Management

SEC File Number:
801- 19944

Date:
09/23/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:
Abbot Financial Management, Inc.

IRS Empl. Ident. No.:
04-2795076

Item of Form (identify)	Answer
II-1.A (1)	<p>Applicant supplies investment advisory and financial management services by giving continuous advice to clients based upon need and objectives of respective clients. The applicant creates a portfolio based on the strategy that is discussed in planning meetings with the client. Each client account is individually managed based on the specific clients investment objectives. Clients may be families, trusts, pension and profit sharing plans. Annual fees are payable in advance quarterly and may, if authorized, be deducted from clients accounts. They are based upon a percentage of market value of assets under management including cash or cash equivalents at the time of appraisal, which is always the close of the calendar month. Prior to October 1, 2001 our fee structure was as follows:</p> <p style="text-align: center;">1 (one) % of the first \$2 million ½ (one-half) % over \$2 million</p> <p>We consider these clients, and the relatives of these clients as “grandfathered” and they continue with this old fee structure. Beginning October 1, 2001, new clients are offered this fee structure:</p> <p style="text-align: center;">1.25 % of the first \$1 million 1.00 % of assets between \$1 and \$3 million 0.75 % of assets between \$3 and \$5 million 0.50 % of assets between \$5 and \$10 million</p> <p>Investment advisory contracts are cancelable by either party within thirty (30) days after written notice; the unexpired portion of a prepaid fee will be refunded for the period beginning with the dates of cancellation. Fees are negotiable. In the case where we buy mutual funds for clients, the fund fees are disclosed in the funds prospectus and are separate from our advisory fees.</p>

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

Applicant:
Abbot Financial Management

SEC File Number:
801- 19944

Date:
09/23/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:
Abbot Financial Management, Inc.

IRS Empl. Ident. No.:
04-2795076

Item of Form (identify)	Answer
II-3.K	Applicant invests in some liquid, exchange-traded limited partnerships.
II-3.L	ETF's (Exchange Traded Funds) and closed end funds. Leveraged ETF's may be used in some instances, but not without the client understanding the risks beforehand.
II-5	Applicant requires that portfolio managers have a minimum of Bachelors degree, or a professional designation such as a CFA. A minimum of three years experience in finance industry is required.
II-6	<p>William T. Novelline, Jr. CFA DOB 07/09/1940 122 Meetinghouse Road North Andover, MA 01845 Boston College, BA, Economics University of Chicago, Business Admin Abbot Financial Management, Investment Advisor 06/1983 - present</p> <p>Andrew J Novelline, CFA DOB 12/31/1974 186 Rosemont Drive North Andover, MA 01845 Boston College, BS Finance Abbot Financial Management, Investment Advisor 09/1999 - present Thomas Real Estate & Development, 01/1998 - 09/1999</p> <p>Robert A. McLemore 902 Preservation Circle, Pawley's Island, SC 29585 Wentworth Institute, Assoc Civil Engineering Abbot Financial Management, Investment Advisor 05/2000 - present Winslow, Evans & Crocker, Registered Rep, 05/2000 - present Solomon Smith Barney, Registered Rep 08/1987 - 05/2000</p>
II-9.B	We are checking this box because one of our employees, Robert McLemore is a registered rep for a brokerage firm. He does not act in this capacity for any Abbot Financial Management so there really is not a conflict of interest with any AFM clients since he does not receive any compensation from them. This is totally separate from his role at AFM. He does, however, spend about 5-10% of his time on this separate registered rep business, hence our disclosure.

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

Applicant:
Abbot Financial Management

SEC File Number:
801- 19944

Date:
09/23/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:
Abbot Financial Management, Inc.

IRS Empl. Ident. No.:
04-2795076

Item of Form (identify)	Answer
II-9.E	<p>Abbot Financial Management, Inc. has adopted rules governing personal investment activities by firm employees. They are as follows:</p> <p>The interests of client accounts will at all times be placed first. All personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility. If firm members make a recommendation regarding purchase or sale of a security or other investment, they shall give their clients adequate opportunity to act on the recommendation before acting on their own behalf. When trading in same securities, employees shall further consider such issues as liquidity and timing when making trades for their own or immediate family accounts. In all cases employees shall take reasonable care to ensure that client transactions are executed with a price advantage. Special care shall be taken when transactions involve thinly traded equities and equities with large spreads between bids and offers. Employees are required to promptly disclose all transactions in their personal accounts to management on a quarterly basis.</p> <p>The Abbot Financial Management (AFM) Code of Ethics establishes rules of conduct for all employees. The code is based upon the principle that AFM and its employees owe a fiduciary duty to clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid serving their own personal interests ahead of clients and any actual or potential conflicts of interest or any abuse of their position of trust. The purpose of the code is to prevent any activities, which may give the appearance of conflict of interest, insider trading and other forms of prohibited or unethical business conduct.</p> <p>Pursuant to Section 206 of the Advisers Act, both AFM and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. AFM has an affirmative duty of utmost good faith to act solely in the best interest of its clients. AFM and its employees are subject to the following specific fiduciary obligations when dealing with clients:</p> <ul style="list-style-type: none"> - The duty to have a reasonable, independent basis for the investment advice provided; - The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs and circumstances; and - A duty to be loyal to clients. <p>In meeting its fiduciary responsibilities to its clients, AFM expects every employee to demonstrate the highest standards of ethical conduct for continued employment with AFM. Strict compliance with the provisions of the code shall be considered a basic condition of</p>

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

Applicant:
Abbot Financial Management

SEC File Number:
801- 19944

Date:
09/23/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

Abbot Financial Management, Inc.

IRS Empl. Ident. No.:

04-2795076

Item of Form (identify)	Answer
II-9.E (cont)	employment with AFM. Employees are urged to seek the advice of senior management for any questions about the code or the application of the code to their individual circumstances. Employees should also understand that a material breach of the provisions of the code might constitute grounds for disciplinary action, including termination of employment. The provisions of the code are not all-inclusive. Rather, they are intended as a guide for employees of AFM in their conduct. Exceptions may be granted to certain provisions contained in the code only in those situations when it is clear beyond dispute that the interests of our clients will not be adversely affected or compromised. All questions arising in connection with personal securities trading should be resolved in favor of the client even at the expense of the interests of employees. Clients can obtain a copy of the Code of Ethics upon request.
II-12 A (1&2)	There are no limitations on our authority, although we do make sure that these securities are suitable, given the goals and objectives, for the respective client.
II-12 A (4), II-12 B	The applicant, Abbot Financial Management, has a soft dollar arrangement with a broker/dealer, Winslow, Evans & Crocker, Inc., (WEC) 175 Federal Street, MA 02110 (Telemet America Research, other research subscription). The applicant has established a relationship with WEC that offers discount broker commission rates, as well as full service operations support. We also have relationships with other discount brokers and they are presented as custody options to clients. While we do not have any soft dollar arrangements with these other discount brokerages, we do receive proprietary research on these platforms. Clients that choose their own broker/dealer are subject to the rates of said broker/dealers, and we require them to sign a disclosure letter. This letter states that the client is choosing their own broker/dealer, is aware of that broker/dealers fees, and is also aware that AFM offers alternatives. However, these clients and clients that use our other discount broker offerings still benefit from the research tools offered through our soft dollar arrangements. In certain transactions, the commissions paid at WEC are slightly higher than those paid at other discount brokers that we have relationships with.

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

Applicant:
Abbot Financial Management

SEC File Number:
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

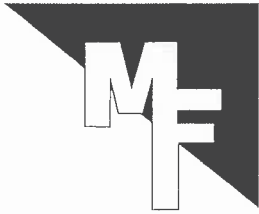
1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:
Abbot Financial Management, Inc.

IRS Empl. Ident. No.:
04-2795076

Item of Form (identify)	Answer
II-13 B	Financial professionals such as CPA's who are responsible for new clients of Applicant are sometimes compensated 25% of Applicants fee (s) from referred client. Client is fully informed in writing of scope and nature of any such arrangement. We have had a discussion about this arrangement with some CPA firms, although we have not actually implemented any such arrangement to date.

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

ABBOT FINANCIAL MANAGEMENT, INC.
COMPILED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010



Mahoney, Fiorentino & Co., P.C.

Certified Public Accountants

July 19, 2010

Abbot Financial Management, Inc.
Andover, Massachusetts

We have compiled the accompanying statement of assets, liabilities and equity – income tax basis of Abbot Financial Management, Inc. as of June 30, 2010 and the related statement of revenues and expenses – income tax basis for the year then ended, in accordance with Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the income tax basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the informative disclosures and the statements of retained earnings and cash flows – income tax basis required by generally accepted accounting principles. If the omitted disclosures and the statements of retained earnings and cash flows income tax basis were included in the financial statements, they might influence the user's conclusions about the company's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

MAHONEY, FIORENTINO & CO., P.C.
Certified Public Accountants

ABBOT FINANCIAL MANAGEMENT, INC.

STATEMENTS OF ASSETS, LIABILITIES, AND EQUITY

JUNE 30, 2010

ASSETS

Current Assets:

Cash in Bank	\$30,776
Cash - Moose Cabot	61,586
Other Investments	<u>14,409</u>

Total Current Assets:	<u>\$106,771</u>
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Property & Equipment:

Furniture & Fixtures	4,500
Leasehold Improvements	7,500
Equipment	36,615
Less: Accumulated Depreciation	<u>(98,615)</u>

Net Property & Equipment	<u>0</u>
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Total Assets	<u><u>\$106,771</u></u>
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LIABILITIES & EQUITY

Current Liabilities:

Total Current Liabilities	<u>0</u>
---------------------------	----------

Equity:

Common Stock	500
Retained Earnings	<u>106,271</u>

Total Equity	<u>106,771</u>
--------------	----------------

Total Liabilities & Equity	<u><u>\$106,771</u></u>
----------------------------	-------------------------

See Accountants' Compilation Report

ABBOT FINANCIAL MANAGEMENT, INC.
STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010

Professional Fees	<u>\$855,856</u>
Expenses:	
Salaries	208,004
Officers Salaries	343,500
Advertising	267
Automobile Expenses	21,713
Contributions	7,190
Dues & Subscriptions	5,347
Insurance - Medical	49,143
Insurance - Other	1,230
Computer Expense	29,142
Legal & Accounting	20,975
Office Expense	14,937
Professional Fees	2,336
Travel	28,859
Postage	1,205
Rent	47,232
Retirement Plan	15,855
Rental of Equipment	2,403
Tax - FICA	33,801
Tax - Federal Unemployment	224
Tax - State Unemployment	792
Tax - Mass. Excise	758
Tax-Other	76
Telephone	10,733
Utilities	<u>3,668</u>
 Total Expenses	 <u>849,390</u>
 Net Operating Income	 <u>6,466</u>
Other Income / (Expense) :	
Interest / Dividend Income	40
Gain/Loss on Sale of Securities	0
Federal Income Tax	<u>(422)</u>
 Total Other Income / (Expense)	 <u>(382)</u>
 Net Income (Loss)	 <u><u>\$6,084</u></u>

See Accountants' Compilation Report