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SLADES FERRY BANCORP  
Form 10-Q/A  
August 15, 2005

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q/A

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

For quarter ended September 30, 2004  
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Commission file number 000-23904  
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SLADE'S FERRY BANCORP.  
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(Exact name of registrant as specified in its character)

Massachusetts ----- (State or other jurisdiction of incorporation or organization)	04-3061936 ----- (I.R.S. Employer Identification Number)
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100 Slade's Ferry Avenue Somerset, Massachusetts ----- (Address of principal executive offices)	02726 ----- (Zip code)
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(508)-675-2121  
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(Registrant's telephone number, including area code)

Check whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes	X	No
-----		-----

Indicate by checkmark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).

Yes	No	X
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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date:

Common stock (\$0.01 par value) 4,067,848 shares as of October 31, 2004.  
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## EXPLANATORY NOTE

We announced in a Form 8-K filed on July 19, 2005, that in May 2005, a financial reporting error relating to our pension plan that affects our previously filed financial statements was discovered. The pension plan commenced on January 1, 1969 and was frozen on December 31, 1997. In May of 2005, we began exploring alternatives with respect to possibly liquidating the pension plan.

At that time, we discovered that the amount of our prepaid benefit cost had

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been overstated (and our pension expense had been cumulatively understated) since fiscal year 1996. Such misstatements related to (1) the failure to use settlement accounting for significant lump sum distributions, as required by FASB Statement No. 88, Employers' Accounting for Settlements and Curtailments of Defined Benefit Plans and for Termination Benefit, and (2) the understatement of the projected benefit obligation prior to 2003.

This Form 10-Q/A is being filed to amend and restate the financial statements and related information contained in our Form 10-Q for the period ended September 30, 2004.

The table below shows the cumulative effect of the defined benefit pension plan adjustment to retained earnings and accumulated other comprehensive income (loss) as of December 31, 2003 and 2002, and the impact on net income and earnings per share for the three and nine months ended September 30, 2004 and 2003.

	At December 31,	
	2003	2002
Retained earnings, as previously reported	\$14,698,595	\$13,445,335
Cumulative decrease to retained earnings	(398,337)	(394,095)
Retained earnings, as restated	\$14,300,258	\$13,051,240
Accumulated other comprehensive loss as previously reported	\$ (605,619)	\$ (10,908)
Cumulative increase (decrease) in accumulated other comprehensive loss	193,223	(149,918)
Accumulated other comprehensive loss, as restated	\$ (412,396)	\$ (160,826)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Net income, as previously reported	\$1,071,213	\$699,345	\$2,318,930	\$1,616,000
Increase (decrease) to pension expense	(8,877)	(85,743)	54,386	(14,000)
Net deferred tax effect	3,633	35,095	(22,260)	6,000
(Decrease) increase to net income	5,244	50,648	(32,126)	8,000
Net income, as restated	\$1,076,457	\$749,993	\$2,286,804	\$1,625,000

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Earnings per share, as previously reported:								
Basic	\$	0.26	\$	0.18	\$	0.57	\$	0
Diluted	\$	0.26	\$	0.17	\$	0.57	\$	0
Earnings per share, as restated:								
Basic	\$	0.27	\$	0.19	\$	0.57	\$	0
Diluted	\$	0.26	\$	0.19	\$	0.56	\$	0

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PART I

ITEM 1

Financial Statements

SLADE'S FERRY BANCORP. AND SUBSIDIARY  
CONDENSED CONSOLIDATED BALANCE SHEETS

	(Unaudited)	
	September 2004	December 31, 2003
	-----	-----
<b>Assets</b>		
-----		
Cash and due from banks	\$ 20,507,497	\$ 18,428,932
Interest bearing demand deposits with other banks	-	213,438
Money market mutual funds	-	63,539
Federal Home Loan Bank overnight deposit	1,000,000	-
Federal funds sold	5,000,000	4,000,000
	-----	-----
Cash and cash equivalents	26,507,497	22,705,909
Interest bearing time deposits with other bank	100,000	200,000
Investments in available-for-sale securities (at fair value)	84,329,600	47,162,852
Investments in held-to-maturity securities (fair values of \$41,140,312 as of September 31, 2004 and \$11,851,713 as of December 31, 2003)	40,631,411	11,300,402
Federal Home Loan Bank stock	4,204,300	3,023,800
Loans, net of allowance for loan losses \$4,102,567 at September 30, 2004 and \$4,154,394 at December 31, 2003	362,389,567	331,496,525
Premises and equipment	5,844,940	5,894,736
Goodwill	2,173,368	2,173,368
Accrued interest receivable	2,037,264	1,497,104
Cash surrender value of life insurance	11,473,825	10,980,879
Deferred taxes	2,097,060	2,138,336
Other assets	1,205,078	659,791
	-----	-----
Total assets	\$542,993,910	\$439,233,702
	=====	=====
<b>Liabilities and Stockholders' Equity</b>		
-----		
Deposits:	\$403,454,662	\$333,144,817
Federal Home Loan Bank advances	80,388,352	60,474,864
Subordinated debentures	10,310,000	-

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Other liabilities	3,665,999	3,076,994
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Total liabilities	497,819,013	396,696,675
Stockholders' equity:		
Common stock, par value \$.01 per share; authorized 10,000,000 shares; issued and outstanding 4,060,049 shares on September 30, 2004 and 3,995,857 shares at December 31, 2003	40,601	39,959
Paid-in capital	29,816,333	28,609,206
Retained earnings	15,495,017	14,300,258
Accumulated other comprehensive income (loss)	(177,054)	(412,396)
	-----	-----
Total stockholders' equity	45,174,897	42,537,027
	-----	-----
Total liabilities and stockholders' equity	\$542,993,910	\$439,233,702
	=====	=====