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OMB APPROVAL	
OMB Number:	3235-0123
Expires:	September 30, 1998
Estimated average burden hours per response . . .	12.00

SECURITY COMMISSION
WASHINGTON, D.C. 20549

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

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 JANUARY 1, 2002 AND ENDING DECEMBER 31, 2002
MM/DD/YY MM/DD/YY

SEC FILE NUMBER
8- 48986

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

BENSON YORK GROUP, INC.

OFFICIAL USE ONLY
FIRM ID. NO.

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

415 86th STREET
(No. and Street)

BROOKLYN
(City)

NEW YORK
(State)

11209
(Zip Code)

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

MICHAEL CALDERA

(718) 759-1711
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

LOUIS STERNBACH & COMPANY, LLP
(Name - if individual, state last, first, middle name)

1333 BROADWAY, SUITE 516
(Address)

NEW YORK
(City)

NEW YORK
(State)

10018
(Zip Code)

CHECK ONE:

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

PROCESSED

MAR 18 2003

THOMSON FINANCIAL

FOR OFFICIAL USE ONLY

*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).

OATH OR AFFIRMATION

I, MICHAEL CALDERA, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BENSON YORK GROUP, INC., as of DECEMBER 31, 2002, 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:

2/25/03
BRETT COHEN
NOTARY PUBLIC, State of New York
No. 24-4701867
Qualified in Kings County
Commission Expires March 30, 2003

[Signature]
Signature
[Title]
Title

[Signature]
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 Proprietor's 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 15c3-1 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).

BENSON YORK GROUP, INC.

FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2002

BENSON YORK GROUP, INC.

ACCOUNTANTS' REPORT

FINANCIAL STATEMENTS AND EXHIBITS

Independent Auditors' Report

Statement of Financial Condition as of December 31, 2002

Statement of Income for the year ended December 31, 2002

Statement of Changes in Shareholders' Equity for the year ended December 31, 2002

**Statement of Changes in Liabilities Subordinated to Claims of General Creditors
for the year ended December 31, 2002**

Statement of Cash Flows for the year ended December 31, 2002

Notes to Financial Statements

Schedules:

Computation of Net Capital

Computation of Aggregate Indebtedness

Computation of Basic Net Capital Requirement

Auditors' Report on Internal Control

LOUIS STERNBACH & COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors
Benson York Group, Inc.

We have audited the accompanying statement of financial condition of Benson York Group, Inc. as of December 31, 2002, and the related statements of income, changes in shareholders' equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on 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 statements referred to above present fairly, in all material respects, the financial position of Benson York Group, Inc. as of December 31, 2002, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purposes of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I 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 of the Securities and Exchange Commission. 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.

Louis Sternbach & Company, LLP

Certified Public Accountants

February 18, 2003
New York, New York

BENSON YORK GROUP, INC.

STATEMENT OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2002

ASSETS

CURRENT ASSETS

Cash in bank and on hand	\$ 24,260
Due from broker	164,577
Deposit with clearing organization	52,130
Prepaid expenses	2,336
Securities, at market value	<u>15,301</u>
<u>Total Current Assets</u>	258,604

FIXED ASSETS

Office furniture, fixtures and equipment	100,273
Automobiles	<u>5,500</u>
	105,773
Less: Accumulated depreciation	<u>84,219</u>
<u>Total Fixed Assets</u>	21,554

OTHER ASSETS

Other assets	<u>10,700</u>
	<u>\$290,858</u>

See accompanying notes

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable, accrued expenses and taxes	\$189,089
Loans payable	<u>13,000</u>
<u>Total Liabilities</u>	202,089

COMMITMENTS AND CONTINGENT LIABILITIES

SHAREHOLDERS' EQUITY

Common stock	
Authorized 10,000,000 shares, \$.01 par value	
Issued and outstanding 4,325,600 shares	\$ 43,256
Capital in excess of par value	2,121,906
Retained earnings (deficit)	<u>(1,655,892)</u>
	509,270
Less: Treasury stock 232,100 shares	<u>420,501</u>
<u>Total Shareholders' Equity</u>	88,769

\$290,858

BENSON YORK GROUP, INC.

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2002

INCOME

Trading profits (losses)		(\$ 130,196)
Commission income		2,001,517
Interest income		1,533
Miscellaneous income		<u>65,931</u>
<u>Total Income</u>		1,938,785

EXPENSES

Officer's salary	\$ 59,143	
Office salaries	47,650	
Brokers commissions	1,535,166	
Clearing charges	102,038	
Customer write offs	22,704	
Employee benefits	12,047	
Payroll taxes	13,205	
Interest	2,539	
Rent	24,950	
Telephone and telegraph	6,334	
Office expenses and stationery	16,307	
Arbitration and settlement costs	48,500	
Messenger and delivery	1,164	
Professional fees	32,874	
Advertising	8,984	
Entertainment and promotion	2,167	
Repairs and maintenance	5,558	
Utilities	4,861	
Education and seminars	2,475	
Registration and filing fees	39,138	
Quotes and tickers	29,262	
Website expenses	20,842	
Depreciation and amortization	<u>18,453</u>	
<u>Total Expenses</u>		<u>2,056,361</u>

NET (LOSS) BEFORE TAXES (117,576)

STATE AND CITY TAXES 371

NET (LOSS) (\$ 117,947)

See accompanying notes

BENSON YORK GROUP, INC.

STATEMENT OF SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2002

<u>BALANCE - JANUARY 1, 2002</u>		\$166,717
Add: Proceeds from sale of common stock		<u>175,000</u>
		341,717
Less: Net loss	(\$117,947)	
Repurchase of common stock	(135,001)	<u>252,948</u>
<u>BALANCE - DECEMBER 31, 2002</u>		<u>\$ 88,769</u>

See accompanying notes

BENSON YORK GROUP, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2002

CASH FLOWS FROM OPERATING ACTIVITIES

Net loss	(\$117,947)
Depreciation and amortization	15,607
Net decrease in operating assets and liabilities, detailed below	<u>73,646</u>
<u>Net Cash (Used in) Operating Activities</u>	<u>(28,694)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from sale of common stock	175,000
Repurchase of common stock	<u>(135,001)</u>
<u>Net Cash Provided by Financing Activities</u>	<u>39,999</u>

Net increase in cash 11,305

CASH - JANUARY 1, 2002 12,955

CASH - DECEMBER 31, 2002 \$ 24,260

OPERATING ASSETS AND LIABILITIES

(Increase) decrease - prepaid expenses	\$ 7,563
(Increase) decrease - receivable from brokers and dealers	132,722
(Increase) decrease - Securities, at market value	(12,607)
(Increase) decrease - deposit with clearing organization	(49,794)
(Increase) decrease - other assets	(7,400)
Increase (decrease) - accounts payable, accrued expenses and taxes	96,186
Increase (decrease) - due to broker	(71,024)
Increase (decrease) - loans payable	<u>(22,000)</u>

DECREASE IN OPERATING ASSETS AND LIABILITIES \$ 73,646

See accompanying notes

BENSON YORK GROUP, INC.

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF CREDITORS

FOR THE YEAR ENDED DECEMBER 31, 2002

BALANCE - JANUARY 1, 2002 \$ -0-

BALANCE - DECEMBER 31, 2002 \$ -0-

See accompanying notes

BENSON YORK GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2002

NOTE 1 - ACCOUNTING POLICIES

The following is a summary of significant accounting policies followed by the Company in the preparation of these financial statements.

TRANSACTIONS

Security transactions are recorded on a settlement date basis, generally the third business day following the transaction date, unless the difference between settlement and trade date is significant to the Company's financial statements.

INVENTORY VALUATION

Securities are stated at market value and the resultant gain or loss is reflected in the Statement of Income.

FIXED ASSETS

Depreciation has been provided primarily by the use of the straight-line method over the estimated useful life of the assets.

Maintenance and repair costs are charged to operations as incurred; renewals and betterments are charged to the appropriate asset account.

On retirement or sale of property, the respective property accounts are reduced by the cost of the property retired or sold, accumulated depreciation thereon is eliminated, and the resulting profits and losses are credited or charged to operations.

NOTE 2 - COMMITMENTS AND CONTINGENT LIABILITIES

The Company has no other commitments or contingent liabilities, nor any off-balance sheet risk.

Counsel for the Company advised that there is no litigation of a material nature pending against the Company.

NOTE 3 - FAIR VALUE

The carrying amounts reflected in the balance sheet for cash, receivables and securities approximated their respective fair values.

BENSON YORK GROUP, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2002

NOTE 4 - NET CAPITAL REQUIREMENTS

As a registered municipal securities broker and member of the National Association of Securities Dealers, Inc., the Company is subject to the Securities and Exchange Commissions Uniform Net Capital Rule which requires that the Company maintain net capital, as defined of 6 2/3% of aggregate indebtedness, or \$5,000, whichever is greater. At December 31, 2002 the Company had a net capital of \$50,402 which exceeded the requirements by \$36,929.

NOTE 5 - USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make 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 statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

BENSON YORK GROUP, INC.
COMPUTATION OF NET CAPITAL
AS OF DECEMBER 31, 2002

<u>TOTAL SHAREHOLDERS' EQUITY</u>		<u>\$ 88,769</u>
<u>TOTAL SHAREHOLDERS' EQUITY QUALIFIED FOR NET CAPITAL</u>		<u>\$ 88,769</u>
<u>DEDUCTIONS OR CHARGES</u>		
Non-allowable assets		
Net book value of fixed assets	\$ 21,554	
Other assets	<u>13,036</u>	
<u>Total Non-Allowable Assets</u>		<u>34,590</u>
<u>NET CAPITAL BEFORE HAIRCUTS ON SECURITIES POSITIONS</u>		<u>54,179</u>
<u>HAIRCUTS</u>		
Securities	2,295	
Undue concentration	<u>1,482</u>	<u>3,777</u>
<u>NET CAPITAL</u>		<u>\$ 50,402</u>

BENSON YORK GROUP, INC.COMPUTATION OF AGGREGATE INDEBTEDNESSAS OF DECEMBER 31, 2002TOTAL AGGREGATE INDEBTEDNESS LIABILITIES

Accounts payable, accrued expenses and taxes

\$189,089

Loans payable

13,000TOTAL AGGREGATE INDEBTEDNESS\$202,089PERCENTAGE OF AGGREGATE INDEBTEDNESS TO NET CAPITAL400.95%

BENSON YORK GROUP, INC.RECONCILIATION OF AUDITED NET CAPITAL WITH UNAUDITED NET CAPITALAS OF DECEMBER 31, 2002

<u>NET CAPITAL PER UNAUDITED FORM X-17A-5</u>		\$54,463
Additional expenses per audit	\$ 4,002	
Increase in undue concentration	<u>60</u>	<u>4,062</u>
<u>NET CAPITAL PER AUDITED FORM X-17A-5</u>		<u>\$50,401</u>

BENSON YORK GROUP, INC.COMPUTATION OF BASIC NET CAPITAL REQUIREMENTAS OF DECEMBER 31, 2002

<u>MINIMUM NET CAPITAL REQUIRED -</u> <u>6 2/3% OF TOTAL AGGREGATE INDEBTEDNESS</u>	<u>\$13,473</u>
<u>MINIMUM DOLLAR NET CAPITAL REQUIREMENT</u> <u>OF REPORTING DEALER</u>	<u>\$ 5,000</u>
<u>NET CAPITAL REQUIREMENT</u>	<u>\$13,473</u>
<u>EXCESS NET CAPITAL</u> (Net capital less net capital requirement)	<u>\$36,929</u>
<u>EXCESS NET CAPITAL AT 1,000%</u> (Net capital less 10% of aggregate indebtedness)	<u>\$30,193</u>

LOUIS STERNBACH & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Benson York Group, Inc.

We have audited the financial statements of Benson York Group, Inc. as of and for the year ended December 31, 2002 and have issued our report thereon dated February 18, 2003. As part of our audit, we made a study and evaluation of the system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America and Rule 17a-5 of the Securities and Exchange Commission. This study and evaluation included the accounting system, the procedures for safeguarding securities and the practice and procedures followed by the client in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11), and the recordation of differences required by Rule 17a-13; in complying with the requirements for prompt payment for securities of Section 4(c) of Regulation T of the Board of Governors of the Federal Reserve System. Rule 17a-5 states that the scope of the study and evaluation should be sufficient to provide reasonable assurance that any material weakness existing at the date of our audit would be disclosed. Under auditing standards generally accepted in the United States of America and Rule 17a-5, the purposes of such study and evaluation are to establish a basis for reliance thereon in determining the nature, timing, and extent of other auditing procedures necessary for expressing an opinion on the financial statements and to provide a basis for reporting material weaknesses in internal accounting control.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance concerning the safeguarding of assets against loss from unauthorized use or disposition and concerning the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgements by management. However, for the purposes of this report under Rule 17a-5, the determination of weaknesses to be reported was made without considering the practicability of corrective action by management within the framework of a cost/benefit relationship.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends on segregation of duties can be circumvented intentionally by management either with respect to the executing and recording of transactions or with respect to the estimates and judgment required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation of the system of internal accounting control for the year ended December 31, 2002, which was made for the purposes set forth in the first paragraph above would not necessarily disclose all weaknesses in the system that may have existed during the period, disclosed no weaknesses that we believe to be material.

Louis Sternbach & Company, LLP

Certified Public Accountants

February 18, 2003
New York, New York