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SECURITIES AND EXCHANGE COMMISSION
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DIVISION OF MARKET REGULATION

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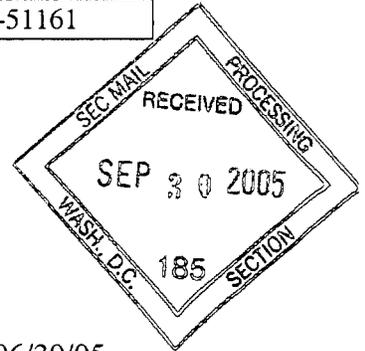
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SEC FILE NO.
8-51161

**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 07/01/04 AND ENDING 06/30/05
mm/dd/yy mm/dd/yy

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

INVESTORS RESOURCES GROUP, INC.

OFFICIAL USE ONLY

FIRM ID. NO

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

600 EAST MAIN STREET, SUITE 100

(No and Street)

VACAVILLE

CALIFORNIA

95688

(city)

(State)

(Zip Code)

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

JOHN OVERHOLTZER

(707) 469-2147

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose option is contained in this Report*

Ernst Wintter & Associates, Certified Public Accountants

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

675 Ygnacio Valley Road, Suite B-213,

Walnut Creek,

California

94596

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant nor resident in United State or any of its possession.

PROCESSED

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FOR OFFICIAL USE ONLY

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FINANCIAL

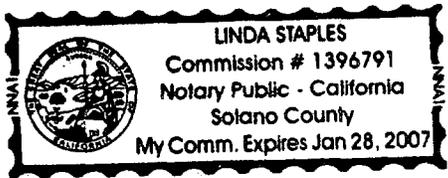
*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

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OATH OR AFFIRMATION

I, JOHN OVERHOLTZER, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statements and supporting schedules pertaining to the firm of INVESTORS RESOURCES GROUP, INC., as of JUNE 30, 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:

NONE



Handwritten signature of John Overholtzer

Signature

Chief Executive Officer

Title

Handwritten signature of Linda Staples, Notary Public

This report** contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Conditions.
- (c) Statement of Income (Loss).
- (d) Statement of Cash Flows.
- (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 Requirement 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.
- (o) Independent Auditor's Report on Internal Accounting Control.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

Investors Resources Group, Inc.

Annual Audit Report

June 30, 2005

ERNST WINTTER & ASSOCIATES
Certified Public Accountants

675 Ygnacio Valley Road, Suite B-213
Walnut Creek, California 94596

(925) 933-2626
Fax (925) 944-6333

Independent Auditor's Report

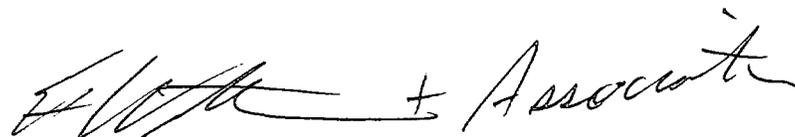
Board of Directors
Investors Resources Group, Inc.
Vacaville, California

We have audited the accompanying statement of financial condition of Investors Resources Group, Inc. as of June 30, 2005, and the related statements of income, changes in stockholder's equity, cash flows, and changes in liabilities subordinated to the claims of general creditors for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. 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 our audit provides a reasonable basis in our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Investors Resources Group, Inc. at June 30, 2005, 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 purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedules I & II 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 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.

 + Associates

September 21, 2005

Investors Resources Group, Inc.

Statement of Financial Condition

June 30, 2005

Cash	\$	83,919
Deposit at clearing organization		100,000
Commissions receivable		130,660
Other receivables		7,128
Due from officers		28,000
Prepaid expenses and deposits		46,921
Furniture and equipment, net of \$90,876 accumulated depreciation		<u>25,522</u>
Total assets	\$	<u>422,150</u>

Liabilities and Stockholder's Equity

Accounts payable and accrued expenses	\$	12,791
Commissions payable		169,054
Accrued interest payable		2,500
Taxes payable		<u>800</u>
Total liabilities		185,145
Subordinated note payable		100,000
Stockholder's equity		
Common stock (1,000,000 shares of no par value authorized; 819,000 shares issued and outstanding)	\$	504,577
Paid-in capital		384,907
Retained earnings		<u>(752,479)</u>
Total stockholder's equity		<u>137,005</u>
Total liabilities and stockholder's equity	\$	<u>422,150</u>

See independent auditor's report and accompanying notes.

Investors Resources Group, Inc.

Consolidated Statement of Income (Loss)

For the Year June 30, 2005

Revenues:	
Commission revenue	\$ 4,071,928
Interest, trading and investment income	265,135
Other income	<u>339,728</u>
Total revenue	4,676,791
Expenses:	
Commissions	3,545,994
Compensation	1,110,919
Clearing fees	230,111
Rent	111,823
Professional fees	61,869
Communications	44,639
Regulatory fees	17,823
Depreciation	17,284
Interest	12,856
Other operating expenses	<u>284,283</u>
Total expenses	5,437,601
Income (loss) before income taxes	<u>(760,810)</u>
Income tax expense	<u>800</u>
Net income (loss)	<u><u>\$ (761,610)</u></u>

See independent auditor's report and accompanying notes.

Investors Resources Group, Inc.
Statement of Changes in Stockholder's Equity
For the Year Ended June 30, 2005

	<u>Common Stock</u>	<u>Paid-in Capital</u>	<u>Retained Earnings (Deficit)</u>	<u>Stockholder's Equity</u>
June 30, 2004	\$ 334,577	\$ 0	\$ 9,131	\$ 343,708
Issuance of stock	170,000	0	0	170,000
Paid-in capital	0	384,907	0	384,907
Net income (loss)	<u>0</u>	<u>0</u>	<u>(761,610)</u>	<u>(761,610)</u>
June 30, 2005	<u>\$ 504,577</u>	<u>\$ 384,907</u>	<u>\$ (752,479)</u>	<u>\$ 137,005</u>

See independent auditor's report and accompanying notes.

Investors Resources Group, Inc.

Statement of Cash Flows

For the Year Ended June 30, 2005

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income (loss)	\$ (761,610)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:	
Depreciation	17,284
Loss on disposal of property	470
(Increase) decrease in:	
Commissions receivable	33,915
Other receivables	(3,317)
Due from officers	140,327
Prepaid expenses and other assets	8,879
Increase (decrease) in:	
Accounts payable and accrued expenses	(19,094)
Commissions payable	(14,188)
Due to affiliate	4,553
Taxes payable	800
Net cash provided (used) by operating activities	<u>(591,981)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of equipment	<u>(2,204)</u>
Net cash provided (used) by investing activities	(2,204)
CASH FLOWS FROM FINANCING ACTIVITIES	
Issuance of common stock	170,000
Paid in capital	384,907
Repayment of capital lease obligation	<u>(743)</u>
Net cash provided (used) by financing activities	554,164
Net increase (decrease) in cash and cash equivalents	\$ (40,021)
Cash and cash equivalents, beginning of year	<u>123,940</u>
Cash and cash equivalents, end of year	<u><u>\$ 83,919</u></u>
SUPPLEMENTAL DISCLOSURES	
Interest paid	<u>\$ 12,856</u>
Income taxes paid	<u><u>\$ 0</u></u>

See independent auditor's report and accompanying notes.

Investors Resources Group, Inc.

**Statement of Changes in Liabilities Subordinated
to Claims of General Creditors**

For the Year Ended June 30, 2005

Subordinated liabilities at June 30, 2004	\$	100,000
Increases:		0
Decreases:		<u>0</u>
Subordinated liabilities at June 30, 2005	\$	<u>100,000</u>

See independent auditor's report and accompanying notes.

Investors Resources Group, Inc.

Notes to the Financial Statements

June 30, 2005

(1) Organization

Investors Resources Group, Inc. (the "Company") was incorporated in the State of California on June 11, 1997 and was approved for membership by the National Association of Securities Dealers, Inc. on January 15, 1999. The Company is a wholly owned subsidiary of Investors Resources Group Holdings, Inc. ("Holdings"). The purpose of the Company is to act as a broker dealer engaging in general securities activities primarily in Northern California. The Company's primary sources of revenues are commissions and fees generated by customer security transactions. Security transactions are cleared through Bear Stearns Securities Corp. on a fully disclosed basis.

(2) Summary of Significant Accounting Policies

Security Transactions

Customer securities transactions and related commission income and expenses are recorded on a trade date basis.

Commissions Receivable

Commissions receivable are primarily from the Company's clearing broker. The Company considers this receivable to be fully collectible at June 30, 2005.

Furniture & Equipment

Furniture and equipment are stated at cost. Depreciation is calculated using the accelerated and straight-line methods over the estimated useful lives of the assets ranging from three to seven years.

Cash and Cash Equivalents

The Company considers all demand deposits held in banks and certain highly liquid investments with maturities of 90 days or less, other than the deposit at clearing organization, to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Company is included in a consolidated federal income tax return and combined state income tax return of Holdings. Pursuant to a tax sharing agreement with Holdings, the Company's share of combined federal and state income taxes is computed as if the Company filed separate returns.

Investors Resources Group, Inc.

Notes to the Financial Statements

June 30, 2005

(2) Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

Unless otherwise indicated, the fair values of all reported assets and liabilities which represent financial instruments (none of which are held for trading purposes) approximate the carrying values of such amounts.

(3) Related Party Transactions

The Company leases office space in Vacaville, California from IRG Plaza II, LLC, a fifty percent owned subsidiary of Holdings. A new lease began April 1, 2005 and ends March 31, 2008 with a monthly rent of \$7,173 plus common area maintenance expenses. During the year ended June 30, 2005 the Company paid rent and common area maintenance charges of \$111,823.

The minimum future rental payments are as follows:

<u>For year end</u>	<u>Rent</u>
June 30, 2006	\$ 86,721.57
June 30, 2007	89,323.22
June 30, 2008	<u>68,488.52</u>
	\$ 244,533.31

(4) Subordinated Note Payable

The subordinated note payable to Martha & Timothy Taub, the sole shareholders of Holdings, is covered under an agreement approved by the National Association of Securities Dealers, Inc. and available in computing net capital under the Securities and Exchange Commission's net capital rule. Simple interest of 10% is paid quarterly with the principal of \$100,000 due at maturity on July 1, 2005. Subsequent to year end, the subordinated debt was fully paid along with \$2,500 of accrued interest.

(5) Deposit at Clearing Organization

Under the Company's clearing agreement, a deposit of \$100,000 is required to be held at the Company's clearing organization.

Investors Resources Group, Inc.

Notes to the Financial Statements

June 30, 2005

(6) Income Taxes

The Company's total deferred tax assets and liabilities as of June 30, 2005 are as follows:

Deferred tax assets	\$ 195,042
Valuation allowance	<u>(192,696)</u>
Net deferred tax assets	\$ 2,346
Deferred tax liabilities	<u>2,346</u>
Net deferred tax	<u>\$ 0</u>

Deferred tax liabilities are the result of different methods of depreciation for book and federal tax purposes. The deferred tax assets are primarily the result of net operating loss and charitable contribution carryforwards. As of June 30, 2005, the Company had federal and California net operating loss carryforwards of \$827,210 and \$802,720, respectively, that may be used to offset future taxable income. The federal loss carryforwards are due to expire in the years 2024 and 2025. The California net operating loss carryforwards are due to expire in the years 2014 and 2015. As of June 30, 2005, the Company had federal and California charitable contribution carryforwards of \$3,015 that may be used to offset future taxable income. The federal and state contribution carryforwards are due to expire in the years 2008 through 2010.

A valuation allowance of \$192,696 has been established because it is more likely than not that deferred tax assets will be unrealized. The valuation allowance increased \$179,786 over the year ended June 30, 2004.

The income tax provision (benefit) for the year ended June 30, 2005 consists of the following:

Current:	
State Tax Provision	\$ 800

(7) Net Capital Requirements

The Company is subject to the Securities and Exchange Commission's uniform net capital rule (Rule 15c3-1) which requires the Company to maintain a minimum net capital equal to or greater than \$5,000 and a ratio of aggregate indebtedness to net capital not exceeding 15 to 1, both as defined. At June 30, 2005, the Company's net capital was \$107,883, which exceeded the requirement by \$95,541.

Investors Resources Group, Inc.

Notes to the Financial Statements

June 30, 2005

(8) Financial Instruments with Off-Balance-Sheet Credit Risk

As a securities broker, the Company executes transactions with and on behalf of its customers. The Company introduces these transactions for clearance to a clearing firm on a fully disclosed basis.

In the normal course of business, the Company's customer activities involve the execution of securities transactions and settlement by its clearing broker. The agreement between the Company and its clearing broker provides that the Company is obligated to assume any exposure related to nonperformance by its customers. These activities may expose the Company to off-balance-sheet risk in the event the customer is unable to fulfill its contracted obligations. In the event the customer fails to satisfy its obligations, the Company may be required to purchase or sell financial instruments at the prevailing market price in order to fulfill the customer's obligation.

The Company seeks to control off-balance-sheet credit risk by monitoring its customer transactions and reviewing information it receives from its clearing broker on a daily basis and reserving for doubtful accounts when necessary.

(9) Subsequent Events

The sole shareholder of the Company, Holdings, has an agreement to sell 100% of the Company to certain members of the Company's management. As of the date of this report, all the terms of the agreement have not been satisfied.

SUPPLEMENTAL INFORMATION

Investors Resources Group, Inc.
Schedule I
Computation of Net Capital under Rule 15c3-1 of
the Securities and Exchange Commission
As of June 30, 2005

Net Capital		
Total stockholder's equity qualified for net capital		\$ 137,005
Add: Allowable subordinated note payable		100,000
Less: Non-allowable assets		
Commissions receivable	\$ 21,551	
Due from officers	28,000	
Other receivables	7,128	
Prepaid expenses and deposits	46,921	
Furniture and equipment (net)	<u>25,522</u>	
Total non-allowable assets		<u>129,122</u>
Net capital		\$ 107,883
Net minimum capital requirement of 6 2/3% of aggregate indebtedness of \$185,145 or \$5,000, whichever is greater		<u>12,343</u>
Excess net capital		<u><u>\$ 95,541</u></u>

Reconciliation with Company's Net Capital Computation
(included in Part II of Form X-17A-5 as of June 30, 2005)

Net capital, as reported in Company's Part II of Form X-17A-5 as of June 30, 2005		\$ 143,973
Decrease in stockholder's equity		(1,525)
Increase in non-allowable assets		<u>(34,565)</u>
Net capital per above computation		<u><u>\$ 107,883</u></u>

Investors Resources Group, Inc.

Schedule II

**Computation for Determination of Reserve Requirements
Pursuant to Rule 15c3-3 of the
Securities and Exchange Commission**

June 30, 2005

An exception from Rule 15c3-3 is claimed, based upon section (k)(2)(ii). All customer transactions are cleared through Bear Stearns Securities Corp. or otherwise processed in accordance with Rule 15c3-1(a)(2).

**Information for Possession or Control
Requirements Under Rule 15c3-3**

For the Year Ended June 30, 2005

Not applicable

675 Ygnacio Valley Road, Suite B-213
Walnut Creek, California 94596

(925) 933-2626
Fax (925) 944-6333

Independent Auditor's Report on Internal
Accounting Control Required by SEC Rule 17a-5

Board of Directors
Investors Resources Group, Inc.
Vacaville, California

In planning and performing our audit of the financial statements and supplemental schedules of Investors Resources Group, Inc. (the Company) for the period ended June 30, 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 internal control.

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 such practices and procedures that we considered relevant to the objective stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payments for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

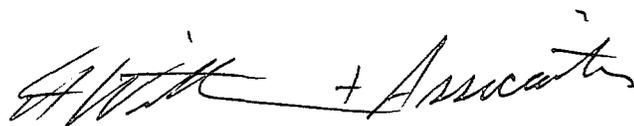
The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs 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 above-mentioned objectives. Two of the objectives of internal control 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 the preparation of financial statements in accordance 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 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 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 error 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 purposes 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 June 30, 2005, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the Securities and Exchange Commission, the National Association of Securities Dealers and other regulatory agencies which rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulations of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "G. W. H. + Associates". The signature is written in a cursive, flowing style.

September 21, 2005