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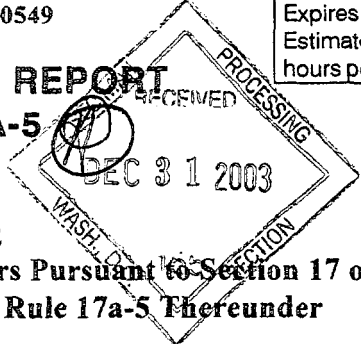
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STATES  
EXCHANGE COMMISSION  
Washington, D.C. 20549

NF-1-30-04

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	October 31, 2004
Estimated average burden hours per response.....	12.00

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



SEC FILE NUMBER
8- 12173

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 10/01/02 AND ENDING 09/30/03  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:  
Burke Lawton Brewer & Burke

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
516 Bethlehem Pike  
Springhouse (No. and Street) PA 19477  
(City) (State) (Zip Code)

OFFICIAL USE ONLY
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
David Rowland 215-643-9100  
(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

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

J.P. McAndrew & Company, P.C.

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

8333 Germantown Avenue PO BOX 4072 Philadelphia, PA 19118  
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

**PROCESSED**  
FEB 04 2004

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	THOMSON 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)

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.

OATH OR AFFIRMATION

I, FRANKLIN A. BURKE, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Burke Lawton Brewer & Burke, as of September 30, 20 03, 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:

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
Phoebe N. Doering, Notary Public  
Ambler Boro, Montgomery County  
My Commission Expires Sept. 24, 2007  
Member, Pennsylvania Association Of Notaries

Burke, Lawton, Brewer & Burke  
Franklin A. Burke  
Signature

GENERAL PARTNER  
Title

Phoebe N. Doering  
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 Position~~ Cash Flow
- (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).



**Burke, Lawton, Brewer & Burke**  
**Financial Statement**  
**September 30, 2003**



**J.P. McANDREW & COMPANY, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

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November 7, 2003

To the Partners  
Burke, Lawton, Brewer & Burke  
Springhouse, Pennsylvania

Independent Auditor's Report

We have audited the accompanying statement of financial condition of Burke, Lawton, Brewer & Burke as of September 30, 2003, and the related statements of income (loss) and changes in partners' equity, and cash flows 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 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 Burke, Lawton, Brewer & Burke as of September 30, 2003, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*J.P. McAndrew & Company, P.C.*

Burke, Lawton, Brewer & Burke  
Statement of Financial Condition  
September 30, 2003

Assets

Cash and equivalents	128,302
Deposits with clearing organizations	25,000
Receivable from clearing organization	21,838
Accrued commissions income receivable	233
Prepaid expenses and miscellaneous receivables	16,813
Marketable securities owned, at market value	1,127,389
Property and equipment, at cost, less accumulated depreciation \$128,459	<u>9,375</u>
	<u><u>1,328,950</u></u>

Liabilities and Partners' Equity

Accounts payable, accrued expenses and other liabilities	5,939
Partners' equity	<u>1,323,011</u>
	<u><u>1,328,950</u></u>

The accompanying notes are an integral part of these financial statements.

Burke, Lawton, Brewer & Burke  
Statement of Income (Loss) and Changes in Partners' Equity  
For the Year Ended September 30, 2003

Revenues	
Commissions	636,932
Net dealer inventory and investment gains	279,021
Sale of Investment Company Shares	20,301
Margin interest	32,153
Fee income	77,730
Interest and dividend	6,944
Other - intercompany office expense allocation	652,500
Loss on the Sale of Exchange Membership	<u>(6,500)</u>
	<u>1,699,081</u>
Expenses	
Employees compensation and benefits	831,810
Commissions and floor brokerage	186,317
Communications	29,716
Occupancy and equipment	156,209
Taxes	11,498
Promotional costs	27,168
Data Processing Costs	31,909
Regulatory expenses	29,372
Other operating expenses	<u>59,208</u>
	<u>1,363,207</u>
Net Income (loss)	335,874
Partners' equity, October 1, 2002	1,320,259
Partner contributions, net of distributions	<u>(333,122)</u>
Partners' equity, September 30, 2003	<u><u>1,323,011</u></u>

The accompanying notes are an integral part of these financial statements.

Burke, Lawton, Brewer, & Burke  
Statement of Cash Flows  
For the Year Ended September 30, 2003

Cash flows from operating activities:	
Net income (loss)	335,874
Adjustment to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation	6,604
Decrease in receivables from clearing organization	10,565
Decrease in accrued commissions income receivable	12
(Increase) in prepaid and miscellaneous receivables	(16,813)
Decrease in other assets	11,560
Increase in accounts payable, accrued expenses and other liabilities	5,939
Loss on the sale of exchange membership	<u>6,500</u>
Net cash provided by operating activities	<u>360,241</u>
Cash flows from investing activities:	
Increase in marketable securities owned	(283,492)
Decrease in cash - certificate of deposit	128,587
Proceeds from sale of membership in exchange	<u>15,000</u>
Net cash used by investing activities	<u>(139,905)</u>
Cash flows from financing activities:	
Partners contributions, net of distribution	<u>(333,122)</u>
Net cash used in financing activities	<u>(333,122)</u>
Net decrease in cash and cash equivalents	(112,786)
Cash and cash equivalents at beginning of period	<u>241,088</u>
Cash and Cash equivalents at the end of period	<u><u>128,302</u></u>

Disclosure of accounting policy:

For purposes of the statement of cash flows, all highly liquid debt instruments with maturity of three months or less are considered cash equivalents.

The accompanying notes are an integral part of these financial statements.

Burke, Lawton Brewer & Burke  
Notes to Financial Statements  
For the Year Ended September 30, 2003

Note 1. Significant Accounting Policies

Burke Lawton Brewer & Burke is a partnership providing services as a fully disclosed registered broker - dealer.

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 may differ from those estimates.

Securities transactions and related revenue and expenses are recorded on a trade date basis.

Marketable securities are valued at market value. The resulting difference between cost and market is included in income.

Depreciation is provided on a straight-line basis over the estimated life of the asset (five to seven years) . Depreciation expense for the period is \$6,604.

Note 2. Deposit and Receivable from Clearing Organization

The company has on deposit \$25,000 with its clearing organization to secure the clearing agreement. The amount receivable from the clearing organization includes amounts due for completed transactions.

Note 3. Securities Owned

Marketable securities owned consist of trading and investment securities at quoted market values as follows:

Money Market Funds	36,105
Mutual Funds	167,408
Equity Securities	<u>923,876</u>
Total	<u><u>1,127,389</u></u>

Note 4. Retirement Plan

Effective January 1, 2001, the company adopted a simplified employee pension (SEP). The SEP covers all employees at least 21 years of age with a half year of service. The total expense for the year ended September 30, 2003, was \$60,493.



Burke, Lawton Brewer & Burke  
Notes to Financial Statements  
For the Year Ended September 30, 2003

Note 5. Related Party Transactions

The company leases its office from the general partner on a month to month basis. The total expense for the year ended September 30, 2003 was \$ 120,000.

The company has an agreement with Venture Securities Corporation (owned by the general partner) to share space, personnel and other general and administrative costs. Approximately 45% of these costs are reimbursed by Venture Securities Corporation and are included in the Statement of Income as of September 30, 2003.

Note 6. Income Tax

Burke, Lawton Brewer & Burke, being a partnership, is not a taxable entity as regards federal and state income taxes. Accordingly, the individual partners report their respective shares of income or loss on their personal tax returns.

Note 7. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1) At September 30, 2003 the Company had net capital of \$1,073,618, which was \$823,618 in excess of its required net capital of \$250,000. The Company's net capital ratio was .005 to 1.

Note 8. Rule 15c3-3 Requirements

The Company claims a K2II exemption to SEC rule 15c3-3 whereby the Company is exempt from both the computation for determination of reserve requirements (Rule 15c3-3) and the possession and control requirements (Rule 15c3-3) because it does not carry security accounts for customers or perform custodial functions relating to customer securities.

Burke, Lawton Brewer & Burke  
Notes to Financial Statements  
For the Year Ended September 30, 2003

Note 9. Fair Values of Financial Instruments

Financial instruments displayed within the balance sheet at September 30, 2003, comprised of cash, receivables, marketable securities and payables are valued as noted below:

Cash, receivables, and payables - carrying amounts of these items are reasonable estimates of their fair value due to their short term nature.

Marketable securities - the fair value is estimated from quoted market prices for these or similar investments.

Note 10. Concentration of Credit Risk

Financial instruments, which potentially subject the Company to concentration of credit risk, consist principally of cash and marketable securities.

The company places its cash with high credit quality institutions. At times such amounts may be in excess of the FDIC insurance limits. As of September 30, 2003, excess amounts over the FDIC insurance limits was \$ 28,302.

Market securities consists of a diversified portfolio of equity securities and mutual fund. The Company has a significant holding in an equity security which accounts for 34% of the total market value of securities owned.



**J.P. McANDREW & COMPANY, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report on  
Supplementary Information Required By  
SEC. Rule 17a-5

November 7, 2003

To the Partners  
Burke, Lawton, Brewer & Burke  
Flourtown, Pennsylvania

We have audited the financial statement of Burke, Lawton, Brewer & Burke for the year ended September 30, 2003, and have issued our report thereon dated November 7, 2003. Our audit was conducted for the purpose of forming an opinion on the basic financial statement taken as a whole. The information contained in Schedule I on the following pages is presented for purposes of additional analysis and is not a required part of the basic financial 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.

*J.P. McAndrew & Company, P.C.*

## Schedule I

Burke, Lawton, Brewer & Burke  
 Computation of Net Capital Under Rule 15c3-1 of the  
 Securities and Exchange Commission  
 As of September 30, 2003

Net Capital		
Total partners' equity		1,323,011
Deductions and/or charges		
Non allowable assets		
Property and equipment	9,375	
Prepaid expenses and miscellaneous receivables	<u>16,813</u>	<u>26,188</u>
Net capital before haircuts on securities position		1,296,823
Trading and investment securities		
corporate obligations	169,108	
Undue concentrations	37,297	
Other - NASDAQ stock	<u>16,800</u>	<u>223,205</u>
Net capital		<u><u>1,073,618</u></u>
Aggregate Indebtedness		
Items includes in statement of financial condition		
Other accounts payable and accrued expenses		<u>5,939</u>
Total aggregate indebtedness		<u><u>5,939</u></u>
Computation of basic net capital requirement		
Minimum net capital required (based on aggregate indebtedness)		0
Minimum dollar required of reporting broker or dealer		250,000
Net capital requirement		<u><u>250,000</u></u>
Net capital in excess of minimum required		<u><u>823,618</u></u>
Ratio: Aggregate indebtedness to net capital		<u><u>.005 to 1</u></u>

Schedule I continued

Burke, Lawton, Brewer & Burke  
Computation of Net Capital Under Rule 15c3-1 of the  
Securities and Exchange Commission  
As of September 30, 2003

Reconciliation with company's computation as of September 30, 2003, net capital as reported	1,008,358
Undue concentration adjustment	964
To record accrued commissions receivable	233
To adjust accounts payable and accrued expenses	<u>64,063</u>
Net capital per above	<u><u>1,073,618</u></u>



**J. P. McANDREW & COMPANY, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

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

November 7, 2003

To the Partners  
Burke, Lawton, Brewer, & Burke  
Springhouse, Pennsylvania

In planning and performing our audit of the financial statements and supplemental schedules of Burke, Lawton, Brewer & Burke (the Company) for the year ended September 30, 2003, 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 Burke, Lawton, Brewer & Burke including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5 (g) (1) 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 performs 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. Recording 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

The management of the Company is responsible for establishing and maintaining an internal control structure 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 internal control structure policies and procedures 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 Commission's above-mentioned 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 the 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 structure 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 structure would not necessarily disclose all matters in the internal control structure that might be material weakness 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 structure elements 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 structure, including procedures for safeguarding securities, that we consider to be material weakness 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 Commission 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 September 30, 2003, to meet the Commission's objectives.

Burke, Lawton, Brewer & Burke

November 7, 2003

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This report is intended solely for the use of management and 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. It is not intended to be and should not be used by any other than these specified parties.

*J. McAndrew + Company, PC*