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

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

6/21/02

SEC FILE NUMBER
8-23730

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JUN 19 2002
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**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 04/01/2001 AND ENDING 03/31/2002
MM/DDYY MM/DDYY

A. REGISTRANT IDENTIFICATION

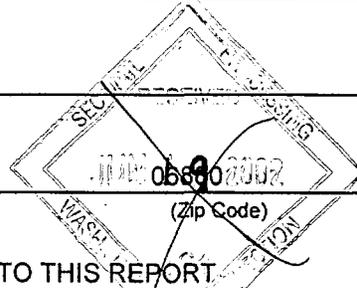
NAME OF BROKER-DEALER:
BROOKEHILL CAPITAL PARTNERS LTD.

OFFICIAL USE ONLY
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
1221 POST ROAD EAST

(No. and Street)

WESTPORT CONNECTICUT
(City) (State)



NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
WALTER GROSSMAN (203) 293-1611
(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

LAWRENCE E. KROOG
(Name - if individual, state last, first, middle name)

450 SEVENTH AVENUE, NEW YORK NEW YORK 10123
(Address) (City) (State) (Zip Cod)

CHECK ONE:

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

PROCESSED

JUN 24 2002

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THOMSON
FINANCIAL

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* 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)

SEC 1410(3-91) 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.

6/21

OATH OR AFFIRMATION

I, WALTER GROSSMAN, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of BROOKEHILL CAPITAL PARTNERS, LTD., as of MARCH 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:

Walter Grossman
Signature

President
Title

Lori A. Maxey
Notary Public

LORI A. MAXEY
NOTARY PUBLIC
MY COMMISSION EXPIRES JUNE 30, 2003

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 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 or 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 Supplement 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 the filing, see section 240.17a-5(e)(3).

**FORM
X-17A-5**

FOCUS REPORT

OMB No. 3235-0123
(5-31-87)

(Financial and Operational Combined Uniform Single Report)

PART IIA 12

3/91

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a) 16

2) Rule 17a-5(b) 17

3) Rule 17a-11 18

4) Special request by designated examining authority 19

5) Other 26

NAME OF BROKER-DEALER

Brookehill Capital Partners Ltd. 13

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

1221 Post Road East 20

Westport 21 CT 22 06880 23
(City) (State) (Zip Code)

SEC FILE NO.

8-23730 14

FIRM ID NO.

007966 15

FOR PERIOD BEGINNING (MM/DD/YY)

04/01/01 24

AND ENDING (MM/DD/YY)

03/31/02 25

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

Walter Grossman 30

(Area Code) - Telephone No.

(203) 293-1611 31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

	32
	34
	36
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OFFICIAL USE

	33
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DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS?

YES 40 NO 41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT

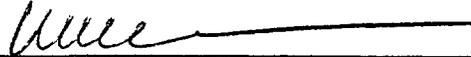
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Execution:

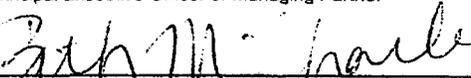
The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated this _____ day of _____ 20____

Manual signatures of:

1) 

Principal Executive Officer or Managing Partner

2) 

Principal Financial Officer or Partner

3) _____

Principal Operations Officer or Partner

ATTENTION - Intentional misstatements or omissions of facts constitute
Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f(a))

LAWRENCE E. KROOG
CERTIFIED PUBLIC ACCOUNTANT
450 SEVENTH AVENUE
SUITE 1308
NEW YORK, NEW YORK 10123

(212 268-1476 FAX (212) 629-5825

Board of Directors
Brookehill Capital Partners Ltd.
Westport, Connecticut 06880

Gentlemen:

I have audited the accompanying Focus Report, Form X-17A-5 of Brookehill Capital Partners Ltd. as of March 31, 2002, and the related statements of cash flows for the fiscal year then ended. The Focus Report is the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, including a review of the system of internal control and procedures for safeguarding securities. There were no material inadequacies in the internal control of the Company. Those standards require that I 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 estimated made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the accompanying Focus Report, Form X-17A-5, presents fairly, in all material respects, the financial condition of Brookehill Capital Partners Ltd. as of March 31, 2002 in the form required by the Securities and Exchange Commission and in conformity with generally accepted accounting principles.



May 21, 2002
New York, New York

TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report				
Name (If individual, state last, first, middle name)				
Lawrence E. Kroog				70
ADDRESS	Number and Street	City	State	Zip Code
	450 7th Avenue	71 NY	72 NY	73 10123 74

Check One

- Certified Public Accountant 75
- Public Accountant 76
- Accountant not resident in United States or any of its possessions 77

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WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER

Brookehill Capital Partners Ltd.

N 3

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**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND
CERTAIN OTHER BROKERS OR DEALERS**

as of (MM/DD/YY)

03/31/02

9

SEC FILE NO.

8-23730

9

ASSETS

Consolidated

19

Unconsolidated

19

Allowable

Non-Allowable

Total

1. Cash	\$	780,557	200		\$	780,557	75	
2. Receivables from brokers or dealers:								
A. Clearance account			295					
B. Other			300	\$	550		81	
3. Receivables from non-customers			355	26,641	600	26,641	83	
4. Securities and spot commodities owned, at market value:								
A. Exempted securities			418					
B. Debt securities			419					
C. Options			420					
D. Other securities			424					
E. Spot commodities			430				85	
5. Securities and/or other investments not readily marketable:								
A. At cost \$			130					
B. At estimated fair value			440		610		86	
6. Securities borrowed under subordination agreement's and partners' individual and capital securities accounts, at market value:								
A. Exempted securities \$			150					
B. Other securities \$			160					
7. Secured demand notes			470		640		89	
market value of collateral:								
A. Exempted securities \$			170					
B. Other securities \$			180					
8. Memberships in exchanges:								
A. Owned, at market \$			190					
B. Owned, at cost					650			
C. Contributed for use of the company, at market value					660		90	
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships			480	940,292	670	940,292	91	
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization			490	20,339	680	20,339	92	
11. Other assets			535	73,407	735	73,407	93	
12. TOTAL ASSETS	\$	780,557	540	\$	1,060,679	\$	1,841,236	94

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER	as of <u>03/31/02</u>
Brookehill Capital Partners Ltd.	

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING
AND CERTAIN OTHER BROKERS OR DEALERS**

LIABILITIES AND OWNERSHIP EQUITY

	<u>Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearance account	1114	1315	1560
B. Other	1115	1305	1540
15. Payable to non-customers	1155	1355	1810
16. Securities sold not yet purchased, at market value:		1360	1620
17. Accounts payable, accrued liabilities, expenses and other	26,000 1205	1385	26,000 1685
18. Notes and mortgages payable:			
A. Unsecured	1210		1690
B. Secured	1211	1390	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings		1400	1710
1. from outsiders \$	970		
2. Includes equity subordination (15c3-1 (d)) of..... \$	980		
B. Securities borrowings, at market value: from outsiders \$	990	1410	1720
C. Pursuant to secured demand note collateral agreements			
1. from outsiders \$	1000		
2. Includes equity subordination (15c3-1 (d)) of..... \$	1010	1420	1730
D. Exchange memberships contributed for use of company, at market value		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes	1220	1440	1750
20. TOTAL LIABILITIES	\$ 26,000 1230	\$ - 1450	\$ 26,000 1780

Ownership Equity

21. Sole Proprietorship		\$ 1770
22. Partnership (limited partners)	\$ 1020	1780
23. Corporation:		
A. Preferred stock		1791
B. Common Stock	11,000	1792
C. Additional paid-in capital	2,484,500	1793
D. Retained earnings	(228,311)	1794
E. Total	2,267,189	1795
F. Less capital stock in treasury	(451,953)	1796
24. TOTAL OWNERSHIP EQUITY		\$ 1,815,236 1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY		\$ 1,841,236 1810

**FINANCIAL AND OPERATION COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER	Brookehill Capital Partners Lt	as of <u>03/31/02</u>
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COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition		\$ 1,815,236	3480
2. Deduct ownership equity not allowable for Net Capital		()	3490
3. Total ownership equity qualified for Net Capital		1,815,236	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital			3520
B. Other (deductions) or allowable credits (List)			3525
5. Total capital and allowable subordinated liabilities		\$ 1,815,236	3530
6. Deductions and/or charges			
A. Total nonallowable assets from Statement of Financial Condition (Notes B and C)	\$ 1,060,679		3540
B. Secured demand note deficiency			3590
C. Commodity futures contracts and spot commodities- proprietary capital charges			3600
D. Other (deductions) and/or charges			3610
		(1,060,679)	3620
7. Other additions and/or allowable credits (List)			3630
8. Net capital before haircuts on securities positions		\$ 754,558	3640
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1 (f)):			
A. Contractual securities commitments			3660
B. Subordinated securities borrowings			3670
C. Trading and investment securities:			
1. Exempted securities			3735
2. Debt securities			3733
3. Options			3730
4. Other securities	14,045		3734
D. Undue Concentration			3650
E. Other (List)			3736
		(14,045)	3740
10. Net capital		\$ 740,513	3750

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT PART IIA

BROKER OR DEALER	as of <u>03/31/02</u>
Brookehill Capital Partners Lt.	

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19)	\$	1,734	3756
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	5,000	3758
13. Net capital requirement (greater of line 11 or 12)	\$	5,000	3760
14. Excess net capital (line 10 less 13)	\$	735,513	3770
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	737,912	3780

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.I. Liabilities from Statement fo Financial Condition	\$	26,000	3790
17. Add:			
A. Drafts for immediate credit	\$		3800
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$		3810
C. Other unrecorded amounts (List)	\$		3820
19. Total aggregate indebtedness	\$	26,000	3840
20. Percentage of aggregate indebtedness to net capital (line 19 / line 10)	%	3.511%	3850
21. Percentage of debt to debt-equity total computed in accordance with rule 15c3-1 (d)	%		3860

COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT

Part B

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15 c3-3 prepared as of the date of the net capital computation includign both brokers or dealers and consolidated subsidiaries' debits			3870
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$		3880
24. Net capital requirement (greater of line 22 or 23)	\$		3760
25. Excess net capital (line 10 less 24)	\$		3910
26. Net capital in excess of:			
5% of combined aggregate debit items or \$120,000	\$		3920

OMIT PENNIES

NOTES:

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
 - 1. Minimum dollar net capital requirement, or
 - 2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternate method is used
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER

Brookehill Capital Partners Ltd.

For the period (MMDDYY) from 04/01/01 3932 to 03/31/02 3933
Number of months included in this statement 12 3931

Part A

STATEMENT OF INCOME (LOSS)

REVENUE

1. Commissions:			
a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$		3935
b. Commissions on listed option transactions			3938
c. All other securities commissions			3939
d. Total securities commissions			3940
2. Gains or losses on firm securities trading accounts			
a. From market making in options on a national securities exchange			3945
b. From all other trading		-	3949
c. Total gain (loss)		-	3950
3. Gains or losses on firm securities investment accounts		(208,064)	3952
4. Profit value is paid or credited			3955
5. Revenue from sale of investment company shares			3970
6. Commodities revenue			3990
7. Fees for account supervision, investment advisory and administrative services			3975
8. Other revenue		310,415	3995
9. Total revenue	\$	102,351	4030

EXPENSES

10. Salaries and other employment costs for general partners and voting stockholder officers	\$	101,665	4120
11. Other employee compensation and benefits		-	4115
12. Commissions paid to other broker dealers			4140
13. Interest expense		-	4075
a. Includes interest on accounts subject to subordination agreements			4070
14. Regulatory fees and expenses		8,557	4195
15. Other expenses		96,409	4100
16. Total expenses	\$	206,631	4200

NET INCOME

17. Net income (loss) before Federal income taxes and items below (item 9 less 16)	\$	(104,280)	4210
18. Provision for Federal income taxes (for parent only)		447	4220
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above			4222
a. After Federal income taxes of			4238
20. Extraordinary gains (losses)			4224
a. After Federal income taxes of			4239
21. Cumulative effect of changes in accounting principles			4225
22. Net income (loss) after Federal income taxes and extraordinary items	\$	(104,727)	4230

MONTHLY INCOME

23. Income (current month only) before provision for Federal income taxes and extraordinary items	\$		4211
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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART IIA**

BROKER OR DEALER

Brookehill Capital Partners Ltd.

For the period (MMDDYY) from 04/01/01 to 03/31/02

STATEMENT OF CHANGES IN OWNERSHIP EQUITY
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1. Balance, beginning of period			\$	1,897,017	4240
A. Net income (loss)				(104,727)	4250
B. Additions (Includes non-conforming capital of	\$	22,946	4262	22,946	4260
C. Deductions (Includes non-conforming capital of	\$		4272		4270
2. Balance, end of period (From item 1800)			\$	1,815,236	4290

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED
TO CLAIMS OF GENERAL CREDITORS

3. Balance, beginning of period	\$		4300
A. Increases			4310
B. Decreases			4320
4. Balance, end of period (From item 3520)	\$		4330

OMIT PENNIES

Brookehill Capital Partners Ltd.
Statement of Cash Flows
For the Year Ended March 31, 2002

NET INCOME		\$ (104,728)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	1,297	
Decrease in other investments	292,262	
Increase in prepaid expenses	(2,085)	
Decrease in accounts payable and accrued expenses	(143,020)	
Decrease in due to affiliates	(68,037)	
Total adjustments		80,417
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES		
Merger of subsidiaries into parent		<u>74,046</u>
INCREASE IN CASH		49,736
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		730,821
CASH AND CASH EQUIVALENTS - END OF YEAR		<u>\$ 780,557</u>

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

Brookehill Equities Inc.

Reconciliation of Net Capital

For the Twelve Months Ended March 31, 2002

Net Capital Per Unaudited Report		\$ 727,888
Audit adjustments	(360,383)	
Decrease in non-allowable assets	<u>373,008</u>	
		12,625
Net Capital Per Audited Report		<u>\$ 740,513</u>

The accompanying notes are an integral part of the financial statement.

Brookehill Capital Partners Ltd.

Notes to Financial Statements

March 31, 2002

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

A. GENERAL INFORMATION

Brookehill Capital Partners Ltd. ("Company") is registered as a broker dealer in securities under the Securities Exchange Act of 1934.

B. SECURITIES TRANSACTIONS

Purchases and sales of securities and the related commission revenue and expense are recorded on a trade date basis which is generally three business days before settlement

C. SECURITIES VALUATION

Trading and investment securities are stated at market value with related changes in unrealized appreciation or depreciation reflected in net earnings.

D. FIXED ASSETS

Fixed assets are recorded at cost and depreciated over their estimated useful lives; 5 years for computer and office equipment, 7 years for furniture and fixtures, and leasehold improvements of the remaining term of the lease at the time of acquisition.

NOTE 2 - NET CAPITAL REQUIREMENT

The Company is subject to the uniform net capital rule which provides for minimum standards of financial responsibility. These standards basically require that the Company maintain "net capital" as defined. The Company had previously elected to have all customer transactions cleared through another broker-dealer on a fully disclosed basis. In October, 1999 the Company applied for and received permission from the NASD to have its business be the effecting of private placements. It never has custody of customer assets, nor is it required to maintain a "Special Account for Exclusive Benefit of Customers." Accordingly, pursuant to paragraph (a)(2)(vi) of Rule 15c3-1, the Company is required to maintain a "net capital" of at least the greater \$5,000 or 6 2/3% of aggregate indebtedness. At March 31, 2002 the Company had capital in excess of the required amount of \$735,513.

Brookehill Capital Partners Ltd.

Notes to Financial Statements

March 31, 2002

NOTE 3 - OTHER ASSETS

In October, 1999, the Company acquired a membership interest in a private investment pool structured as a limited liability company (the LLC) in exchange for cash and marketable securities valued at \$1,937,633. At March 31, 2002 the value of the interest adjusted for income and withdrawals is \$940,292.

Additionally, the Company has purchased 5,500 shares of restricted NASD stock at a cost of \$70,900 which is being carried at cost due to the restriction and its identification as an investment rather than as a stock purchased in the normal course of trading activities..

NOTE 4 - INCOME TAXES

The Company has a current tax liability \$447. No deferred liability exists because the Company has unrealized losses which may not be realized or utilized to reduce future liabilities.

NOTE 5 - AVAILABILITY OF SECURITIES AND EXCHANGE COMMISSION REPORTS

A copy of the most recent annual report of the Company is available for examination at the principal office of the Company and the regional office of the Securities and Exchange Commission.